

EMPIRE STATE REALTY TRUST, INC.

SUPPLEMENTAL BINDER OF DISCLOSURE, CORRESPONDENCE, SCRIPTS AND TRANSCRIPTS RELATING TO BUYOUT, APPRAISAL AND PARTICIPANT CALLS

INDEX

April 2, 2013

Glossary

Draft S-4 Prospectus	Draft S-4 Prospectus/Consent Solicitation Statement sent to participants in the private entities, dated November 28, 2011
Private entities	Empire State Building Company L.L.C., Lincoln Building Associates L.L.C., Fisk Building Associates L.L.C., 1333 Broadway Associates L.L.C., 1350 Broadway Associates L.L.C., Marlboro Building Associates L.L.C., Seventh & 37 th Building Associates L.L.C., 501 Seventh Avenue Associates L.L.C., Soundview Plaza Associates II L.L.C., East West Manhattan Retail Portfolio L.P., One Station Place, Limited Partnership, New York Union Square Retail L.P., Westport Main Street Retail L.L.C., Fairfax Merrifield Associates L.L.C., Merrifield Apartments Company L.L.C., First Stamford Place L.L.C., 1185 Swap Portfolio L.P., Fairfield Merrittview Limited Partnership, 500 Mamaroneck Avenue L.P., BBSF LLC, 112 West 34th Street Company L.L.C., 112 West 34th Street Associates L.L.C. and 112 West 34th Street Associates L.L.C.
Public entities	Empire State Building Associates, L.L.C., 60 East 42 nd Street Associates, L.L.C. and 250 West 57 th Street Associates, L.L.C.
S-4 Prospectus	Prospectus/Consent Solicitation Statement sent to participants in the public entities, dated January 21, 2013
SEC	The U.S. Securities and Exchange Commission
Supervisor	Malkin Holdings LLC

**I. DISCLOSURE, AGREEMENTS CORRESPONDENCE, SCRIPTS AND
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EMPIRE STATE REALTY TRUST

PROSPECTUS/CONSENT SOLICITATION STATEMENT

Empire State Building
Associates L.L.C.

60 East 42nd St. Associates L.L.C.

250 West 57th St.
Associates L.L.C.

One Grand Central Place
60 East 42nd Street
New York, New York 10165

NOTICE OF CONSENT SOLICITATION TO PARTICIPANTS

January 21, 2013

Malkin Holdings LLC, the supervisor of each limited liability company listed above, requests that you consent to the following:

Proposed consolidation of your subject LLC into Empire State Realty Trust, Inc. As described in the attached Prospectus/Consent Solicitation Statement, Malkin Holdings LLC, as supervisor, proposes a consolidation of certain office and retail properties in Manhattan and the greater New York metropolitan area owned by Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C., or the subject LLCs, and certain private entities supervised by the supervisor, and certain related management businesses into Empire State Realty Trust, Inc., or the company. The consolidation is conditioned, among other things, upon the closing of the initial public offering, or the IPO, of the company's Class A common stock. The company will issue to each of the participants in the subject LLCs a specified number of operating partnership units, or at each participant's election, Class A common stock or, to a limited extent, Class B common stock. Each participant may elect to receive one share of Class B common stock instead of one operating partnership unit for every 50 operating partnership units such participant would otherwise receive in the consolidation. Each share of Class B common stock has 50 votes on all matters on which stockholders are entitled to vote and the same economic interest as a share of Class A common stock, and one share of Class B common stock and 49 operating partnership units together represent a similar economic value as 50 shares of Class A common stock. The company expects the Class A common stock and the operating partnership units offered herein to be listed on the New York Stock Exchange. After the series of transactions in which the subject LLCs will be consolidated into the company, the company will own, through direct and indirect subsidiaries, the assets of the subject LLCs and the assets of the private entities, along with certain related management businesses. There are 22 private entities involved in the consolidation, including the operating lessees of each of the subject LLCs, from which all required consents to the consolidation have previously been obtained. Attached to the supplement for each subject LLC as Appendix B is the contribution agreement for each subject LLC, which describes the terms of the consolidation in detail. Only the participants holding participation interests in a subject LLC during the consent solicitation period are entitled to notice of, and to vote "FOR" or "AGAINST," the proposed consolidation. For the reasons the supervisor believes this proposal is fair and reasonable, see "Background of and Reasons for the Consolidation."

Proposal to authorize the supervisor to sell or contribute the property interests in a third-party portfolio transaction. As a potential alternative to the consolidation, the supervisor requests that the participants consent to the sale or contribution of the subject LLCs' property interests as part of a sale or contribution of the properties owned by the subject LLCs, the private entities and the management companies as a portfolio to an unaffiliated third party. The third-party portfolio transaction would be undertaken only if the aggregate consideration is at least 115% of the aggregate exchange value for the subject LLCs, the private entities and the management companies included in the third-party portfolio transaction and certain other conditions are met. The proposal must provide for all cash, payable in full at closing, but such proposal may provide for an option for all participants to elect to receive securities as an alternative to cash. If the proposal provides for a securities option, the Malkin Family will have the right to elect to receive securities only on the same proportional basis as other participants. No member of the Malkin Family will be an affiliate, consultant, employee, officer or director of the acquiror after the closing or receive any compensation from the acquiror (other than their pro rata share of the consideration that they will receive in the third-party portfolio transaction). For the reasons the supervisor believes this proposal is fair and reasonable, see "Third-Party Portfolio Proposal."

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The supervisor recommends that you vote **"FOR"** the consolidation. The Malkin Holdings group (as defined herein), will receive substantial benefits from the consolidation and have conflicts of interest making this recommendation. See "Conflicts of Interest."

As a potential alternative to the consolidation, the supervisor also requests that the participants consent to the sale or contribution of the subject LLCs' property interests as part of a sale or contribution of the properties owned by the subject LLCs, the private entities and the management companies as a portfolio to an unaffiliated third party.

The supervisor recommends that you vote **"FOR"** the third-party portfolio transaction proposal. The Malkin Holdings group will receive substantial benefits from such transaction and have conflicts of interest making this recommendation. See "Conflicts of Interest."

Participants also are being asked to consent to a voluntary pro rata reimbursement program pursuant to which the supervisor and Peter L. Malkin, a principal of the supervisor, will be reimbursed for the prior advances of all costs, plus interest, incurred in connection with the legal proceedings required to remove and replace the former property manager and leasing agent.

This solicitation of consents expires at 5:00 p.m., Eastern time on March 25, 2013, unless the supervisor extends the solicitation period. The supervisor reserves the right to extend on one or more occasions the solicitation period for one or more proposals for one or more subject LLCs or one or more participating groups in a subject LLC without extending for other proposals, subject LLCs or participating groups whether or not it has received approval for the consolidation or the third-party portfolio proposal.

The supervisor and the Malkin Holdings group receive substantial benefits and from inception have had conflicts of interest in connection with the subject LLCs, including in connection with the consolidation or a third-party portfolio transaction. Based on the assumptions set forth herein, after the consolidation and the IPO, the Malkin Holdings group will own 16.5% of the common stock and operating partnership units and will own common stock having 30.4% of the voting power of the company due to its election to take the maximum number of Class B shares to which it was entitled. Based on the elections by participants in the private entities which were less than the maximum number of Class B shares which they had the right to elect to receive, the supervisor assumed that most of the participants in the subject LLCs elected to receive operating partnership units and only a small number elected to receive Class B common stock. If participants in the subject LLCs elect to receive 100% of the Class B common stock to which they are entitled, the Malkin Holdings group's percentage of voting power would be 20.2%. Additionally, as operating partnership units are redeemed for Class A common stock, the Malkin Holdings group's percentage of voting power will decline. There are material risks and potential disadvantages associated with the consolidation or a third-party portfolio transaction. The supervisor and the Malkin Holdings group will receive substantial benefits in connection with the consolidation or a third-party portfolio transaction. See "Risk Factors" beginning on page 100 and "Conflicts of Interest" beginning on page 279.

A participant's interest in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. may, in some cases, as described below, be subject to a buyout if he or she votes **"AGAINST"** or **"ABSTAINS"** on either the consolidation or the third-party portfolio transaction proposal, or does not vote. If you are a participant in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C., and you vote **"AGAINST"** the consolidation or the third-party portfolio transaction proposal, you do not vote or you **"ABSTAIN"** and your subject LLC participates in the consolidation, your participation interests will be subject to a buyout if you do not vote in favor of the consolidation or third-party portfolio transaction proposal within ten days after notice that the required supermajority consent has been received from the participants in your participating group, and the buyout amount for your interest, which is equal to the original cost less capital repaid, but not less than \$100 and is currently \$100, would be substantially lower than the consideration you would receive in connection with the consolidation or third-party portfolio transaction. Unanimity on the consents is required pursuant to the organizational documents of Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. with respect to both the consolidation and the third-party portfolio proposal for the consent of a participating group; therefore, a participant in either of such subject LLCs who does not vote in favor of either the consolidation or third-party portfolio transaction proposal (and does not change his or her vote after notice that the requisite supermajority consent has been obtained) will be subject to this buyout if the tabulation of consents by MacKenzie Partners, Inc. shows that the required consent in his or her participating group has been received, but in no event before the expiration of the 60-day solicitation period as the same may be extended, regardless of whether either or neither transaction is consummated or the required consent of other participating groups is received. **If you change your vote within ten days after receiving the buyout notice, you will not be subject to a buyout merely by voting "AGAINST" or "ABSTAINING" on the consolidation or third-party portfolio transaction, or by not voting.**

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- Anticipated regular quarterly cash distributions on their operating partnership units and shares of common stock, which will include distributions of at least 90% of its annual REIT taxable income (determined without regard to the deduction for dividends paid, and excluding net capital gains), which is required for REIT qualification as described below. REIT taxable income will be determined by the performance of the portfolio of the company's properties and unaffected by its stock price;
- Conversion of the current governance structure which is inefficient and costly in general and in which participants do not share in the same economic benefit that they would receive through ownership and operation of the properties by a single entity into a modern, centralized and efficient governance structure;
- The opportunity to continue to hold interests in an entity operating under the brand developed by the supervisor and to participate in any future growth of the company through potential acquisitions and potential growth in revenue of the initial properties, while removing obstacles to obtaining true synergies and realization of value, such as combining financings, movements of tenants from one building to another, sharing of employees and management and oversight;
- The opportunity to continue to hold interests in an entity in which certain executives of the supervisor will be members of the senior management team and Anthony E. Malkin will be Chairman, Chief Executive Officer, President and a director of the company and
- The governance structure of an SEC reporting company with its Class A common stock expected to be listed on the NYSE, which provides accountability through the oversight of the company by a board of directors consisting predominantly of independent directors.

Q: What will I be entitled to receive if I vote "FOR" the consolidation and the consolidation is approved by my subject LLC?

A: If you vote "FOR" the consolidation, including as a result of changing your vote after receipt of a buyout notice, and your subject LLC participates in the consolidation, you will receive operating partnership units, unless you elect to receive shares of Class A common stock or, to a limited extent, Class B common stock. You may elect to receive one share of Class B common stock instead of one operating partnership unit for every 50 operating partnership units you would otherwise receive in the consolidation. Each share of Class B common stock has 50 votes on all matters on which stockholders are entitled to vote and the same economic interest as a share of Class A common stock, and one share of Class B common stock and 49 operating partnership units together represent a similar economic value as 50 shares of Class A common stock. The percentage of the aggregate exchange value and the company's common stock on a fully diluted basis allocated to each of Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C. is 28.30%, 7.49% and 3.90%, respectively. See "Summary—Allocation of Consideration in the Consolidation."

The operating partnership units will be issued in three separate series to the participants in each of the three subject LLCs (other than the Wien group) and in a separate series to the participants in the private entities receiving operating partnership units and the Wien group. Each series of operating partnership units will have identical rights as to distributions, liquidation and other rights as a limited partner in the operating partnership. The separate series were created because there are unique U.S. federal income tax consequences to the participants receiving each series of listed operating partnership units (as compared to ownership of operating partnership units of another series) depending on the subject LLC in which they have an interest and the tax aspects of the property contributed by such entity.

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share of the costs of the consolidation and IPO as of September 30, 2012 are \$16,024,725, \$4,286,205, and \$2,232,502, respectively. The supervisor estimates that the aggregate costs of the consolidation and IPO will be approximately \$75,000,000 and that each of Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C.'s allocable share of such aggregate costs will be approximately \$18,600,000, \$4,900,000 and \$2,600,000, respectively. If the consolidation does not close or your subject LLC does not approve the consolidation, your subject LLC will bear its proportionate share of the consolidation and IPO expenses based on exchange values and will not be reimbursed for the consolidation and IPO expenses previously paid by it.

Q: What will I be entitled to receive if I don't vote "FOR" the consolidation and the consolidation proposal is approved by my subject LLC?

A: If you vote "AGAINST" the consolidation, you do not vote or you "ABSTAIN," and your subject LLC participates in the consolidation, if you are a participant in 250 West 57th St. Associates L.L.C., you will receive operating partnership units, unless you elect to receive shares of Class A common stock or, to a limited extent, as described in response to the immediately preceding question, Class B common stock, and, as set forth under the section entitled "Summary—Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal," if you are a participant in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C., your participation interests will be subject to a buyout pursuant to a buyout right included in the participating agreements since inception of the subject LLCs, even if the consolidation is not consummated or the consolidation is not approved by the other participating groups in your subject LLC. The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in Empire State Building Associates L.L.C. and \$100 for the interest held by a participant in 60 East 42nd St. Associates L.L.C., as compared to the exchange value of \$323,800 (or \$358,670 if you are not subject to the voluntary capital override) per \$10,000 original investment for Empire State Building Associates L.L.C. and \$402,660 per \$10,000 original investment for 60 East 42nd St. Associates L.L.C., respectively. Prior to an agent purchasing the participation interests of non-consenting participants for the benefit of the applicable subject LLC, the agent will give such participants not less than ten days' notice after the required supermajority consent is received by the applicable participating group in such subject LLC to permit them to consent to the consolidation or the third-party portfolio proposal, as applicable, in which case their participation interests will not be purchased.

Q: Who is the supervisor?

A: The supervisor of the subject LLCs, Malkin Holdings LLC, provides all asset management services for, and supervises the operations of, the subject LLCs. Anthony E. Malkin and Peter L. Malkin are principals of the supervisor. The supervisor, which is related to the principals who formed the subject LLCs, was appointed as the supervisor of the subject LLCs pursuant to the original partnership agreement of each of the subject LLCs and is the only party which has performed, and is authorized to perform, this role under the subject LLCs' organizational documents. The supervisor is controlled and managed by lineal descendants of the founder of the subject LLCs, Lawrence A. Wien. The members of the supervisor are Peter L. Malkin, Anthony E. Malkin, direct descendants of Peter L. Malkin, and trusts and entities, the beneficiaries and owners of which are Peter L. Malkin, his descendants and their spouses, and Thomas N. Keltner, Jr. The subject LLCs were originally established as partnerships with no managing general partner or managing member and the supervisor is responsible for the operations and administrative functions on behalf of the subject LLCs. The supervisor, in its capacity as supervisor of each of the subject LLCs, provides and directs all administrative and oversight services. The supervisor also provides similar services to the private entities, including the private entities that hold operating lease interests in the properties owned by the subject LLCs.

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Q: Have there been prior transactions that are comparable to the consolidation?

A: The proposed consolidation and IPO include many elements that generally are not present in other transactions. These elements include the acquisitions of properties and assets from more than 20 private entities and the three publicly registered entities, the acquisition of the properties from the subject LLCs in a transaction in which the securities are being registered on a Registration Statement on Form S-4 that is subject to the SEC's roll-up regulations, certain of the subject LLCs and the private entities having a two-tier ownership structure, and an IPO by the company following completion of the solicitation of the participants in the subject LLCs and simultaneously with the closing of the consolidation. As a result, the supervisor believes that the consolidation is a unique transaction and is not aware of any comparable transaction.

Q: When will the buyout provisions be triggered?

A: The buyout provisions for Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. are triggered only if a supermajority consent is received with respect to either the consolidation or the third-party portfolio transaction by the applicable participating group. Unanimity on the consents is required pursuant to the organizational documents of Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. with respect to both the consolidation and the third-party portfolio proposal for the consent of a participating group; therefore, a participant in either of such subject LLCs who does not vote in favor of such proposal (**and does not change his or her vote after notice that the requisite supermajority consent has been obtained**) will be subject to this buyout regardless of whether either or neither transaction is consummated or the required consent of other participating groups is received. If the required supermajority consent is not received by the applicable participating group, participants cannot and will not be subject to the buyout provisions. Thus, a participant in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C. would be subject to a buyout if such participant:

- votes "AGAINST" or "ABSTAINS" with respect to the consolidation, and the supermajority consent from participants in such participant's participating group is obtained with respect to the consolidation, and votes "FOR" the third-party portfolio transaction;
- votes "AGAINST" or "ABSTAINS" with respect to the third-party portfolio transaction, and the supermajority consent from participants in such participant's participating group is obtained with respect to the third-party portfolio transaction, and votes "FOR" the consolidation;
- votes "AGAINST" or "ABSTAINS" with respect to the consolidation and votes "AGAINST" or "ABSTAINS" with respect to the third-party portfolio transaction, and the supermajority consent from participants in such participant's participating group is obtained with respect to either or both proposals; or
- does not vote and the supermajority consent from participants in such participant's participating group is obtained with respect to either or both proposals.

For a description of the procedures for a participant to change his or her vote after receipt of the buyout notice, see "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal—Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions."

Q: What is a REIT, and why will the company elect to be a REIT?

A: A REIT is an entity that has elected and qualifies to be taxed as a "real estate investment trust" under the Internal Revenue Code of 1986, as amended, referred to herein as the Code. A REIT is subject to requirements under the Code related to, among other things, the nature of its income and the composition of its assets, the amount of its annual distributions, and the diversity of its stock ownership. The primary benefit of REIT qualification is that a REIT is generally entitled to a deduction for dividends that it pays

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transaction would be undertaken only if the aggregate consideration payable in the third-party portfolio transaction is at least 115% of the aggregate exchange value for the subject LLCs, the private entities and the management companies included in the third-party portfolio transaction and certain other conditions are met. Any third-party portfolio proposal must provide for all cash, payable in full at closing, but such proposal may provide for an option for all participants to elect to receive securities as an alternative to cash. If the proposal provides for a securities option, the Malkin Family will have the right to elect to receive securities only on the same proportional basis as other participants. No member of the Malkin Family will be an affiliate, consultant, employee, officer or director of the acquiror after the closing or receive any compensation from the acquiror (other than consideration that they will receive in the third-party portfolio transaction). In addition, the supervisor has agreed that it will not accept a third-party offer unless it is unanimously approved by a committee which will include representatives of the supervisor and a representative of the Helmsley estate. The supervisor will be authorized to approve offers only if definitive agreements are entered into prior to December 31, 2015 or such earlier date as the supervisor may set with or without notice or public announcement.

Q: What will I be entitled to receive if I don't vote "FOR" the third-party portfolio proposal and it is approved by my subject LLC?

A: If you vote "AGAINST" the third-party portfolio proposal, you do not vote or you "ABSTAIN," and your subject LLC participates in the third-party portfolio proposal, if you are a participant in 250 West 57th St. Associates L.L.C. you will receive the same consideration as other participants. Participants in 250 West 57th St. Associates L.L.C. are not subject to a buyout. As set forth under the section entitled "Summary—Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal," if you are a participant in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C., your participation interests will be subject to a buyout pursuant to a buyout right included in the participating agreements since inception of the subject LLCs even if the third-party portfolio proposal is not approved by the other participating groups in your subject LLC. The buyout amount for your interest would be substantially lower than the exchange value in connection with the allocation of consideration in the consolidation. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in Empire State Building Associates L.L.C. and \$100 for the interest held by a participant in 60 East 42nd St. Associates L.L.C., as compared to the exchange value of \$323,800 (or \$358,670 if you are not subject to the voluntary capital override) per \$10,000 original investment for Empire State Building Associates L.L.C. and \$402,660 per \$10,000 original investment for 60 East 42nd St. Associates L.L.C., respectively. Prior to an agent purchasing the participation interests of non-consenting participants for the benefit of the applicable subject LLC, the agent will give such participants not less than ten days' notice after the required supermajority consent is received by the applicable participating group in such subject LLC to permit them to consent to the consolidation or the third-party portfolio proposal, as applicable, in which case their participation interests will not be purchased and you will participate on the same basis as other participants who approve the third-party portfolio proposal.

Q: Why am I being asked to consent to a voluntary pro rata reimbursement program?

A: You are being asked to consent to a voluntary pro rata reimbursement program pursuant to which the supervisor and Peter L. Malkin, a principal of the supervisor, will be reimbursed for the prior advances of all costs, plus interest, incurred in connection with the legal proceedings with Helmsley-Spear, Inc., the former property manager and leasing agent, which resulted in the removal of the former property manager and leasing agent as property manager and leasing agent of the properties owned by the subject LLCs and certain of the private entities and has enabled a renovation and repositioning turnaround program to be implemented by the supervisor. If you consent to the voluntary pro rata reimbursement program, the supervisor and Peter L. Malkin will be reimbursed for your pro rata share of costs, plus interest, previously incurred out of your share of the excess cash of your subject LLC that is being distributed to participants,

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and, to the extent that is insufficient, the consideration that you would receive in the consolidation or the consideration that you would receive in a third-party portfolio transaction, as applicable, will be reduced by the balance (valued, if the consolidation is consummated, at the LPO price) and such balance would be paid to the supervisor and Peter L. Malkin in shares of Class A common stock, if the consolidation is consummated, or out of distributions that you would receive from the proceeds of a third-party portfolio transaction, if consummated, or out of distributions from operations of the subject LLC.

The table below shows the amount to be received by the supervisor out of the distributions of each consenting participant for each \$10,000 of original investment by a participant pursuant to the voluntary pro rata reimbursement program:

	Voluntary Reimbursement	
	Per \$10,000 Original Investment (1)	Total Potential Reimbursement with 100% Participation
Empire State Building Associates L.L.C.	\$ 1,029	\$ 3,396,880
60 East 42nd St. Associates L.L.C.	\$ 2,410	\$ 1,687,101
250 West 57th St. Associates L.L.C.	\$ 2,080	\$ 748,704

(1) Empire State Building Associates L.L.C.'s, 60 East 42nd St. Associates L.L.C.'s and 250 West 57th St. Associates L.L.C.'s share of the aggregate voluntary reimbursement (before any reimbursements) is \$3,150,896, \$1,564,930, and \$694,487, respectively, plus interest. The amount shown in the table includes accrued interest through September 30, 2012 and does not include interest which will accrue subsequent to September 30, 2012.

97% of the potential voluntary reimbursement is attributable to advances by Peter L. Malkin for payments to unaffiliated third parties, with interest thereon at prime, and 3% is for amounts to be paid to the supervisor for work it performed.

The Helmsley estate, as part of an agreement with the supervisor covering this and other matters, has paid the voluntary pro rata reimbursement to the supervisor for its pro rata share of costs advanced, plus interest, which totaled \$5,021,048.

To consent to this proposal, simply indicate on the enclosed consent form that you want to consent to this proposal, then sign and submit the consent form by mail in the accompanying postage-paid envelope or by facsimile as soon as possible. If you "CONSENT" to the voluntary pro rata reimbursement program, your consent is made only with respect to your participation interest, and your participation in the program is not dependent on the consent of any other participant. If you sign and send in your consent form and do not indicate that you want to consent, you will be counted as "NOT" consenting to this proposal. If you indicate on your consent form that you "ABSTAIN," you will be counted as "NOT" consenting to this proposal.

The withholding of your consent or your failure to consent to the voluntary pro rata reimbursement program will not result in any buyout of your participation interests.

Q: Who can vote on the consolidation and third-party portfolio proposal?

A: Participants in each subject LLC who hold participation interests in such subject LLC during the consent solicitation period are entitled to vote "FOR" or "AGAINST" each of the proposed consolidation and the third-party portfolio proposal with respect to such subject LLC. In the event of a transfer of a participation interest that previously has been voted, that vote will remain in effect unless revoked by the transferee.

The Wien group collectively owns participation interests in the subject LLCs and has advised that it will vote in favor of the consolidation and the third-party portfolio proposal. These participation interests represent the following percentage ownership for each subject LLC: 8.195% for Empire State Building Associates L.L.C., 8.447% for 60 East 42nd St. Associates L.L.C. and 8.912% for 250 West 57th St. Associates L.L.C. In addition to the participation interests, members of the Wien group hold override interests which are non-voting. See "Background of and Reasons for the Consolidation—Background of the Subject LLCs."

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Q: What is the required vote for the consolidation proposal and the third-party portfolio proposal?

A: For each of the consolidation proposal and the third-party portfolio proposal to be approved, participants holding 100% of the outstanding participation interests in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. must approve that proposal, and participants holding greater than 75% of the outstanding participation interests in eight out of the ten participating groups of 250 West 57th St. Associates L.L.C. must approve that proposal. If you are a participant in 250 West 57th St. Associates L.L.C., approval by the required vote of the participants in 250 West 57th St. Associates L.L.C. in favor of a proposal will be binding on you, even if you vote "AGAINST" such proposal.

If holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C. approve the consolidation or third-party portfolio proposal, as shown in the tabulation of consents by MacKenzie Partners, Inc., pursuant to a buyout right included in the participating agreements, the agent of any such participating group will purchase on behalf of the subject LLC the participation interest of any participant in such participating group that voted "AGAINST" the consolidation or the third-party portfolio proposal or "ABSTAINED," as applicable, or that did not submit a consent form, even if the proposal is not approved by the other participating groups in such subject LLC, unless such participant consents to the proposal within ten days after receiving written notice that the required supermajority consent has been received by such participant's participating group, for the buyout amount. A participant that changes his or her vote after receipt of the buyout notice will receive consideration on the same basis as other participants who approved the consolidation proposal or the third-party portfolio proposal.

Because consent of the agents for each of the participating groups is required for Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C., if any one of the three participating groups in Empire State Building Associates L.L.C. or any one of the seven participating groups in 60 East 42nd St. Associates L.L.C. does not approve the consolidation proposal or the third-party portfolio proposal, the proposal will not be approved by the relevant subject LLC.

Q: How do I vote "FOR" the consolidation and the third-party portfolio proposal?

A: Simply indicate on the enclosed consent form how you want to vote for each proposal, then sign and submit the consent form by mail in the accompanying postage-paid envelope or by facsimile as soon as possible so that your participation interest may be voted "FOR" or "AGAINST" each proposal. If you sign and send in your consent form and do not indicate how you want to vote on either one of these proposals, your consent will be counted as a vote "FOR" such proposal. If you do not submit your consent form or you indicate on your consent form that you "ABSTAIN" from either proposal, it will have the effect of voting "AGAINST" such proposal. If you vote "FOR" the consolidation and your subject LLC participates in the consolidation, you effectively will preclude other alternatives, other than a third-party portfolio transaction, unless you vote "AGAINST" the third-party portfolio proposal. These alternatives include continuation of your subject LLC and a sale of your subject LLC's interest in the property and the resulting distribution of the net proceeds to its participants. Each of these proposals is subject to a separate consent and approval of each proposal is not dependent on approval of any other proposal.

Q: Can I change my vote on the consolidation proposal or the third-party portfolio proposal after I submit my consent form?

A: Yes. You can change your vote on the consolidation proposal, the third-party portfolio proposal, or both, at any time before the later of the date that consents from participants holding the required percentage interests in your participating group are received and the 60th day after the beginning of the solicitation period, as described in further detail in response to the next question. In addition, participants in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. that voted against the consolidation proposal, the third-party portfolio proposal, or both, or abstained from either or both of those proposals, will

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be notified and may change their vote within ten days of receiving notice that the subject LLC has received consents from participants holding the required percentage interests. The required percentage interests for Empire State Building Associates L.L.C. is 80% of the outstanding participation interests in each of the three participating groups, for 60 East 42nd St. Associates L.L.C. is 90% of the outstanding participation interests in each of the seven participating groups and for 250 West 57th St. Associates L.L.C. is 75% of the outstanding participation interests in eight out of the ten participating groups. As of September 30, 2012, each of Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C. had 2,878, 857, and 640 total participants holding 3,300, 700, and 720 total participation interests, respectively.

As of September 30, 2012, the following numbers of participation interests were held by the number of participants in each subject LLC's participating groups:

<u>Empire State Building Associates L.L.C.</u>	<u>Number of Participants</u>	<u>Number of Participation Interests Held⁽¹⁾</u>
Participating Group 1	1,156	1,100
Participating Group 2	1,146	1,100
Participating Group 3	1,152	1,100

(1) Based on an original investment per participation interest of \$10,000.

<u>60 East 42nd St. Associates L.L.C.</u>	<u>Number of Participants</u>	<u>Number of Participation Interests Held⁽¹⁾</u>
Participating Group 1	129	100
Participating Group 2	148	100
Participating Group 3	131	100
Participating Group 4	132	100
Participating Group 5	144	100
Participating Group 6	137	100
Participating Group 7	144	100

(1) Based on an original investment per participation interest of \$10,000.

<u>250 West 57th St. Associates L.L.C.</u>	<u>Number of Participants</u>	<u>Number of Participation Interests Held⁽¹⁾</u>
Participating Group 1	46	72
Participating Group 2	73	72
Participating Group 3	89	72
Participating Group 4	63	72
Participating Group 5	84	72
Participating Group 6	73	72
Participating Group 7	66	72
Participating Group 8	58	72
Participating Group 9	87	72
Participating Group 10	69	72

(1) Based on an original investment per participation interest of \$5,000.

You can change your vote in one of two ways: you can send the company a written statement that you would like to change your vote, or you can send the company a new consent form. Any change in your vote or new consent form should be sent to MacKenzie Partners, Inc., the vote tabulator, by mail or facsimile, as described below.

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Q: What is the process by which I may change my vote on the consolidation proposal or the third-party portfolio proposal?

A: You may change your vote at any time before the later of the date that consents from participants holding the required percentage interest in your participating group are received and the 60th day after the beginning of the solicitation period. In addition, a participant in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C. that does not consent to (or who abstains from or does not vote with respect to) the consolidation or the third-party portfolio proposal, as applicable, may also change his or her vote to consent to the consolidation or the third-party portfolio proposal, as applicable, within ten days after the notice that the required supermajority consent from the participants in such participant's participating group has been received with respect to such proposal is sent, as described below.

A participant can change his or her vote by sending to MacKenzie Partners, Inc., the vote tabulator, (i) a written statement that he or she would like to change his or her vote, or (ii) a new consent form, in either case, by mail, to 105 Madison Avenue, NY, NY 10016, or by facsimile, to (212) 929-0308. Either MacKenzie Partners, Inc. or the supervisor will send to the participant a written acknowledgment by facsimile or, if requested by the participant, mail, that the participant's vote has been changed promptly following receipt of a changed vote. Participants may call MacKenzie Partners, Inc. during the solicitation period to check whether or not the required supermajority consent from the participants in such participant's participating group has been received, or to confirm that such participant's changed vote has been received.

If a participant in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C. votes "AGAINST" the consolidation or the third-party portfolio proposal, "ABSTAINS" or does not submit a consent form and the supermajority consent of his or her participating group is received, the agent for his or her participating group will provide the written buyout notice, stating that such supermajority consent from the participants in such participant's participating group has been received to the participant following the expiration of the solicitation period, as the same may be extended.

The following is a hypothetical example illustrating the general timeline for this process:

DAY 1: the solicitation period begins two days after the date of this prospectus/consent solicitation

DAY 46: the required supermajority consent for the consolidation is received by the participating group

DAY 47: the required supermajority consent for the third-party portfolio transaction is received by the participating group

DAY 61: the solicitation period expires; for the applicable participating group in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C., the buyout notice that such supermajority consent from the participants in the applicable participating group has been received is mailed to participants who voted "AGAINST" or "ABSTAINED" on the consolidation or the third-party portfolio transaction, or did not vote.

DAY 71: expiration of 10-day period during which participants may change their vote to "FOR."

Q: Are there tax consequences as a result of the consolidation?

A: It is expected that the consolidation should be treated for U.S. federal income tax purposes as follows:

- (i) If you receive solely shares of Class A common stock, the consolidation should be treated as a taxable sale of your participation interest in which gain or loss is recognized. Such gain or loss should generally equal the difference between your amount realized (which generally will equal the amount of the aggregate fair market value of shares of common stock that you receive, plus any distribution you receive of consolidation expenses that the operating partnership pays as a reimbursement to your subject LLC, plus the share of liabilities associated with your participation interests that you are deemed to be relieved of under U.S. federal income tax law) and your

to 12 months after the completion of the IPO when they can redeem all or a portion of their operating partnership units for a cash amount equal to the then-current market value of one share of Class A common stock per operating partnership unit, or, at the company's election, to exchange each such operating partnership unit for a share of Class A common stock on a one-for-one basis;

- The operating partnership units to be issued to participants in the subject LLCs (other than the Wien group) will be issued in three separate series, each of which will be listed and traded separately. Because the operating partnership units are in separate series, there will be fewer holders of each series. While each of the series has the same rights, the tax consequences to a participant that receives, and a subsequent purchaser of, operating partnership units of a particular series will be different than those to a participant that receives, and a subsequent purchaser of, operating partnership units of another series (based on different and unique tax attributes of the properties being contributed by each of the subject LLCs). These factors may adversely affect the market for operating partnership units. To avoid such factors and to achieve liquidity, holders of operating partnership units may elect to exercise their redemption rights with respect to such operating partnership units, which commence 12 months after the completion of the IPO, and, if applicable, sell the Class A common stock received in exchange;
- While the subject LLCs' exchange values have been determined based on the Appraisal by the independent valuer, which has also delivered a fairness opinion, no independent representative was retained to negotiate on behalf of the participants. There are 23 subject LLCs and private entities and groups with different interests in many of these entities. The supervisor does not believe that a single independent representative could have represented the interests of all participants and believes that to locate and retain an independent and equally competent and qualified representative for each separate interest in the consolidation is not possible. The supervisor represents the interests of all participants in the subject LLCs and private entities. The supervisor has served the same role in the past for sales of other properties with different groups of participants, which included the sale of three office properties in New York City in the past fifteen years, 200 Fifth Avenue (known as the International Toy Center), 498 Seventh Avenue and 500-512 Seventh Avenue, and believes it is not required to retain any independent representative on behalf of each group of participants or all of the participants as a whole. The supervisor believes the Appraisal prepared by the independent valuer serves the purposes of representing all parties fairly and that the consolidation is fair to all participants regardless of the absence of any such independent representative. If a representative or representatives had been retained for the participants, the terms of the consolidation might have been different and, possibly, more favorable to the participants;
- While the independent valuer appraised each property, the independent valuer's fairness opinion addressed only the allocation of consideration (Class A common stock, Class B common stock, operating partnership units or cash consideration) (i) among the subject LLCs, the private entities and the management companies and (ii) to the participants in each subject LLC and each private entity (without giving effect to any impact of the consolidation on any particular participant other than in its capacity as a participant in each of the subject LLCs and each of the private entities);
- The independent valuer's fairness opinion cannot address the market value of the operating partnership units and/or common stock you will receive, which can only be set by the market value at the time the IPO is consummated;
- For each subject LLC, approval of the consolidation by the requisite vote of the participants will cause the subject LLC to participate in the consolidation, whether you vote "FOR" or "AGAINST" the consolidation;
- The organizational documents provide that if more than a specified percentage of participation interests in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. approve an action, the agents may purchase on behalf of the subject LLC the participation interests of participants who do not approve such action, and that price would be substantially below the exchange value of the

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- participation interests. If the required supermajority consent of the participation interests in a participating group in a subject LLC approves the consolidation, an agent's participating group will purchase on behalf of the subject LLC the participation interests of the participants that do not approve the consolidation, at a price substantially below the exchange value of the participation interests;
- If the required percentage of participation interests in the participating groups in a subject LLC approves the consolidation and the subject LLC is consolidated with the company, the subject LLC no longer can enter into alternatives to the consolidation. These alternatives include (i) continuation of the subject LLC and (ii) a sale of the subject LLC's interest in the property followed by the distribution of the net proceeds to its participants;
 - From inception, the supervisor has represented many different ownership interests, and the subject LLCs and the private entities, therefore, have been exposed to conflicts of interest. For example, the supervisor and persons associated with the supervisor act as an external manager for all of the entities (including the subject LLCs and operating lessees), serve as agents for the participants in the subject LLCs and certain of the private entities, determine when to make recommendations on sales, financings and operations of the properties, and make or recommend all operating and leasing decisions in all operating entities and all decisions of the subject LLCs. Decisions made with regard to property operations dictate the cash available for distribution to the subject LLCs;
 - The Malkin Holdings group will receive shares of Class A common stock and Class B common stock and operating partnership units which are exchangeable for cash or, at the company's election, Class A common stock, having an aggregate value of \$730,781,533, which they will receive in accordance with the allocation of exchange value based on the Appraisal. The amounts allocated to the Malkin Holdings group are based on the hypothetical \$10 per share exchange value that the supervisor arbitrarily assigned for illustrative purposes, and consists of: their interests as participants which will be allocated to them on the same basis as other participants; their interests as holders of override interests which will be allocated to them in accordance with the subject LLCs' and private entities' organizational documents; and their interests in the management companies, which will be allocated to them in accordance with the valuations of the management companies by the independent valuer. This is in addition to shares of Class A common stock issuable in respect of the voluntary pro rata reimbursement program consented to by participants in the subject LLCs and its share of distributions of any cash available for distribution from the subject LLCs prior to the consolidation. The Malkin Holdings group also will receive other benefits from the consolidation, and have interests that conflict with those of the participants. The Malkin Family is also subject to a longer lock-up period than other participants before they can begin to sell common stock or operating partnership units. The Malkin Family may not sell their common stock or operating partnership units until one year after the IPO pricing date. See "—Conflicts of Interest and Benefits to the Supervisor and its Affiliates;"
 - If you receive solely Class A common stock, you generally will recognize gain or loss for U.S. federal income tax purposes with respect to your participation interest equal to the amount by which the value of any shares of Class A common stock you receive in connection with the consolidation, plus the amount of liabilities allocable to your participation interest, exceeds your tax basis in your participation interest. You will recognize "phantom income" (*i.e.*, income in excess of the value of any shares of Class A common stock you receive) if you have a "negative capital account" with respect to your participation interest. The supervisor urges you to consult with your tax advisor to evaluate the tax consequences to you in your particular circumstances as a result of the consolidation;
 - To the extent you receive or are deemed to receive common stock you may also recognize gain or loss for U.S. federal income tax purposes, as more fully discussed under "U.S. Federal Income Tax Considerations—U.S. Federal Income Tax Consequences of the Consolidation" and "—U.S. Federal Income Tax Considerations of the Voluntary Pro Rata Reimbursement Program for the Former

Property Manager and Leasing Agent Legal Proceedings.” The supervisor urges you to consult with your tax advisor to evaluate the tax consequences to you in your particular circumstances as a result of your participation in the consolidation;

- The supervisor may not approve a third-party portfolio transaction even if it provides for more consideration than to be issued or paid pursuant to the consolidation. The supervisor is authorized to approve a third-party portfolio transaction only if the aggregate consideration is at least 115% of the aggregate exchange value for the subject LLCs, the private entities and the management companies included in the third-party portfolio transaction and certain other conditions are met; provided that, subject to its fiduciary duties, the supervisor is not required to accept any offer that the supervisor is authorized to accept. The proposal must provide for all cash, payable in full at closing, but such proposal may provide for an option for all participants to elect to receive securities as an alternative to cash. If the proposal provides for a securities option, the Malkin Family will have the right to elect to receive securities only on the same proportional basis as other participants. No member of the Malkin Family will be an affiliate, consultant, employee, officer or director of the acquiror after the closing or receive any compensation from the acquiror (other than their pro rata share of the consideration that they will receive in the third-party portfolio transaction). In addition, supervisor has agreed that it will not accept a third-party offer unless it is unanimously approved by a committee which will include representatives of the supervisor and a representative of the Helmsley estate;
- If the required percentage of participation interests in their participating group consents to the third-party portfolio proposal, participants in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. who voted “**AGAINST**” the third-party portfolio proposal, did not return a consent form or “**ABSTAINED**” will be bought out regardless of whether the required consents of other participating groups is received or whether there is a third-party portfolio offer at a price substantially below the exchange value of their participation interests;
- At the time you vote on the third-party portfolio proposal, there will be significant uncertainties as to the terms of any third-party portfolio transaction, which may not be received until after the consent solicitation has been completed, including the amount of consideration you would receive if a third-party portfolio transaction is consummated. These uncertainties affect your ability to evaluate the third-party portfolio proposal. The supervisor may approve a third-party portfolio transaction which you may view as less favorable than the consolidation; and
- The supervisor, the agents and their affiliates serve in their respective capacities with respect to each subject LLC and each private entity, and, as such, have conflicts of interest in connection with decisions concerning the terms of a third-party portfolio transaction.

Ownership of Operating Partnership Units in the Operating Partnership and Shares of Common Stock in the Company

The following is a summary of the material risks of ownership of operating partnership units in the operating partnership and shares of common stock in the company.

- There is no assurance as to the amount or source of funds for the estimated initial cash distributions of the operating partnership or the company, and the expected initial cash distributions to the participants following the consolidation could be less than the estimated cash distributions participants would receive from their respective subject LLCs;
- All of the company’s properties are located in Manhattan and the greater New York metropolitan area, in particular midtown Manhattan, and adverse economic or regulatory developments in this area could materially and adversely affect the company;
- Adverse economic and geopolitical conditions in general and in Manhattan and the greater New York metropolitan area commercial office and retail markets in particular, could have a material adverse

For a detailed explanation of the manner in which the allocations are made, see “Background of and Reasons for the Consolidation—Allocation of Common Stock and Operating Partnership Units among the Subject LLCs, the Private Entities and the Management Companies.”

Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal

The supervisor is asking you to vote “**FOR**” both the consolidation and the third-party portfolio proposal. If you own participation interests in more than one subject LLC, for each subject LLC in which you own a participation interest you will receive a transmittal letter, supplement and consent form. Regardless of how many subject LLCs in which you own a participation interest, you will receive a single copy of the prospectus/consent solicitation. Participants in each subject LLC will vote separately on whether or not to approve the consolidation and the third-party portfolio proposal. Accordingly, if you hold interests in more than one subject LLC, you must complete one consent form for each subject LLC in which you are a participant.

If you vote “**FOR**” the consolidation and your subject LLC participates in the consolidation, you effectively will be voting against the alternatives to the consolidation, other than a third-party portfolio transaction, unless you vote “**AGAINST**” the third-party portfolio proposal. These alternatives include continuation of your subject LLC and a sale of your subject LLC’s interest in the property and distribution of the net proceeds to participants. If the consolidation is not approved your subject LLC and a third-party portfolio transaction is not consummated, the supervisor expects the operations of your subject LLC to continue.

Your consent form must be received by MacKenzie Partners, Inc. by 5:00 p.m. Eastern time on March 25, 2013 unless the supervisor extends the solicitation period as set forth below. You may submit your consent form by mail, to 105 Madison Avenue, NY, NY 10016, or by facsimile, to (212) 929-0308. You can change your vote by mail or facsimile at any time before the later of the date that consents from participants holding the required percentage interest in your participating group are received and the 60th day after the beginning of the solicitation period. Either MacKenzie Partners, Inc. or the supervisor will send you a written acknowledgment by facsimile or, if requested by you, mail, that your vote has been changed promptly following receipt of a changed vote. If you are a participant in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C., and you do not consent to the consolidation or the third-party portfolio proposal, as applicable, you may also change your vote to consent to the consolidation or the third-party portfolio proposal, as applicable, within ten days’ notice that the required supermajority consent from the participants in your participating group has been received, as described below. You may call MacKenzie Partners, Inc. during the solicitation period to check whether or not the required supermajority consent has been received from the participants in your participating group, or to confirm that your changed vote has been received.

The supervisor may extend on one or more occasions the solicitation period for one or more proposals for one or more subject LLCs or one or more participating groups in a subject LLC without extending for other proposals, subject LLCs or participating groups whether or not it has received approval for the consolidation proposal or the third-party portfolio proposal on expiration of the consent solicitation period.

If you do not submit a consent form, you will be counted as having voted “**AGAINST**” both the consolidation and the third-party portfolio proposal. If you submit a properly signed consent form but do not indicate how you wish to vote on the consolidation, the third-party portfolio proposal, or both, you will be counted as having voted “**FOR**” such proposal(s).

The participation interests in each subject LLC are divided into separate participating groups. Participants are being asked to vote on both the proposed consolidation and the third-party portfolio proposal. For each of these proposals to be approved, participants holding 100% of the outstanding participation interests in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. must approve that proposal, and

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participants holding greater than 75% of the outstanding participation interests in eight out of the ten participating groups of 250 West 57th St. Associates L.L.C. must approve that proposal. Approval by the required vote of the participants in 250 West 57th St. Associates L.L.C. in favor of a proposal will be binding on you if you are a participant in 250 West 57th St. Associates L.L.C. even if you vote "AGAINST" such proposal.

If holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C. approve the consolidation or third-party portfolio proposal, as shown in the tabulation of consents by Mackenzie Partners, Inc., pursuant to a buyout right included in the participating agreements since inception of the subject LLCs, the agent of any such participating group will purchase on behalf of the subject LLC the participation interest of any participant in such participating group that voted "AGAINST" the consolidation or the third-party portfolio proposal or "ABSTAINED," as applicable, or that did not submit a consent form, even if the proposal is not approved by the other participating groups in such subject LLC, unless such participant consents to the proposal within ten days after receiving written notice that the required supermajority consent has been received by such participant's participating group, for the buyout amount.

The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in Empire State Building Associates L.L.C. and \$100 for the interest held by a participant in 60 East 42nd St. Associates L.L.C., as compared to the exchange value of \$323,800 (or \$358,670 if you are not subject to the voluntary capital override) per \$10,000 original investment for Empire State Building Associates L.L.C. and \$402,660 per \$10,000 original investment for 60 East 42nd St. Associates L.L.C., respectively.

These buyouts are contractual provisions expressly stated for 60 East 42nd St. Associates L.L.C. and Empire State Building Associates L.L.C. at the inception of these subject LLCs in their original participating agreements dated December 1, 1954 and July 11, 1961, respectively, under which the participation interests were issued. The buyout provisions were included as a practical way to permit the entity to act, while still following the then-current tax advice provided to the supervisor of the subject LLCs that participants needed to act unanimously to permit these subject LLCs to obtain partnership status and to avoid entity level tax as a corporation for U.S. federal income tax purposes. For this purpose, the buyout provisions allow the purchase, at original cost less capital returned (but not less than \$100), of the interest held by a non-consenting participant after ten-days' notice of receipt of approval by a required supermajority (90% for 60 East 42nd St. Associates L.L.C. and 80% for Empire State Building Associates L.L.C., in each case by participation group), if such non-consenting participant still does not change its vote to approval. Accordingly, the buyout provisions preserved the unanimity which was considered necessary for these tax reasons, but prevented a small minority, which might be acting for its own purposes and not in the interests of other participants, from preventing action by the large supermajority. The agents are authorized under the participating agreements to buy out participation interests of participants that do not consent to the action if the required supermajority consent is received, as described below. Since such buyout is necessary to provide for the required unanimous consent and is not conditioned on the transaction closing, the agent has the right to buy out participation interests from participants who do not vote "FOR" either proposal, if the required supermajority consent is obtained with respect to such proposal, within ten days after written notice, as described below, whether or not either or neither proposal is consummated.

Prior to an agent purchasing the participation interests of non-consenting participants, an agent will give such participants not less than ten days' notice after the required supermajority consent is received by the applicable participating group in a subject LLC to permit them to consent to the consolidation or the third-party portfolio proposal, as applicable, in which case their participation interests will not be purchased. The agents will purchase the participation interests for the benefit of the subject LLC and not for their own account and will be reimbursed by the subject LLC for the cost of such buyout. If the agent purchases these participation interests, the requirement for consent of participants holding 100% of the participation interests of that participating group will be satisfied.

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Unanimity on the consents is required pursuant to the organizational documents of Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. with respect to both the consolidation and the third-party portfolio proposal for the consent of a participating group; therefore, a participant in either of such subject LLCs who does not vote in favor of either the consolidation or third-party portfolio transaction proposal (and does not change his or her vote after notice that the requisite supermajority consent has been obtained) will be subject to this buyout regardless of whether either or neither transaction is consummated or the required consent of other participating groups is received. A vote for the proposed transaction by the participants constitutes an authorization for the agents of each participating group to approve, in their capacity as members of the applicable subject LLC, the consolidation or the third-party portfolio transaction, as applicable. The agents, under the operating agreements of the subject LLCs, have discretion, subject to their fiduciary duties, to determine whether to approve the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. Additionally, the supervisor, acting on behalf of the subject LLCs and the agents, similarly has discretion, subject to its fiduciary duties, as to whether to abandon or to postpone the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. The agents and supervisor could determine not to proceed with the consolidation and the IPO due to market conditions or other reasons.

The agents, who are the members of your subject LLCs, recently created a new class of membership interests, which were divided into series. A separate series was deemed to be distributed to holders of each participating group in your subject LLC. Each new series provides protections similar to those under a shareholder rights plan for a corporation. Each new series corresponds to a participating group for which a member acts as agent. The new series will not affect voting rights, except with respect to any person or group that acquires 6%, 3%, or 7.5% or more, respectively, of the outstanding participation interests in the applicable participating group (an "acquiring person") for each of Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C. If there is an acquiring person, the effect of the new series is that approval of the consolidation proposal and the third-party portfolio proposal by a participating group will require approval by the requisite consent of the participants in the participating group, as holders of the new series of membership interests, excluding the acquiring person.

The Wien group collectively owns participation interests in the subject LLCs and has advised that it will vote in favor of the consolidation and the third-party portfolio proposal. These participation interests represent the following percentage ownership for each subject LLC: 8.195% for Empire State Building Associates L.L.C., 8.447% for 60 East 42nd St. Associates L.L.C. and 8.912% for 250 West 57th St. Associates L.L.C. In addition to the participation interests, members of the Wien group hold override interests which are non-voting. See "Background of and Reasons for the Consolidation—Background of the Subject LLCs."

No Right to Independent Appraisal

If your subject LLC approves the consolidation or the third-party portfolio proposal and your subject LLC participates in the consolidation or a third-party portfolio transaction, as applicable, participants who vote "AGAINST" or "ABSTAIN" with respect to such proposal or do not submit a consent form will not have appraisal rights for their participation interests or a right to receive cash based upon an appraisal.

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competent and qualified representative for each separate interest in the consolidation is not possible. The supervisor represents the interests of all participants in the subject LLCs and private entities. The supervisor has served the same role in the past for sales of other properties with different groups of participants and believes it is not required to retain any independent representative on behalf of each group of participants or all of the participants as a whole. The supervisor believes the Appraisal prepared by the independent valuer serves the purposes of representing all parties fairly and that the consolidation is fair to all participants regardless of the absence of any such independent representative. If a representative or representatives had been retained for the participants, the terms of the consolidation might have been different and, possibly, more favorable to the participants.

The IPO may not be consummated if one or more LLCs do not obtain the requisite consent for the consolidation from its participants.

The closing of the consolidation is conditioned on the approval of Empire State Building Associates L.L.C., but is not conditioned on the approval of any other subject LLC. The other subject LLCs represent a material portion of the exchange value and anticipated cash flow and net income of the company (assuming that all private entities and subject LLCs participate in the consolidation). As a result, if one or more of the subject LLCs do not approve the consolidation, it could adversely affect the ability of the company to complete the IPO.

Participants who do not approve the consolidation, including participants that do not timely submit their consent forms, after notice that the required percentage of participants in their participating group have so approved, may have their participation interests purchased at a lower price.

The organizational documents provide that if holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C. approve an action, the agents may purchase on behalf of the subject LLC the participation interests of participants who do not approve such action, and that price would be substantially below the exchange value of the interests. If the required supermajority consent of the participation interests in a participating group in a subject LLC approves the consolidation, the agent of any such participating group will purchase on behalf of the subject LLC the participation interest of any participant in such participating group that voted "AGAINST" the consolidation, "ABSTAINED," or did not properly or timely submit a consent form. The buyout amount for a participant's interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in Empire State Building Associates L.L.C. and \$100 for the interest held by a participant in 60 East 42nd St. Associates L.L.C., as compared to the exchange value of \$323,800 (or \$358,670 if you are not subject to the voluntary capital override) per \$10,000 original investment for Empire State Building Associates L.L.C. and \$402,660 per \$10,000 original investment for 60 East 42nd St. Associates L.L.C., respectively. Prior to an agent purchasing the participation interests of non-consenting participants, an agent will give such participants not less than ten days' notice after the required supermajority consent is received by the applicable participating group in such subject LLC to permit them to consent to the consolidation, in which case their participation interests will not be purchased. Unanimity on the consents is required pursuant to the organizational documents of Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. with respect to both the consolidation and the third-party portfolio proposal for the consent of a participating group; therefore, a participant in either of such subject LLCs who does not vote in favor of either the consolidation or third-party portfolio transaction proposal (and does not change his or her vote after notice that the requisite supermajority consent has been obtained) will be subject to this buyout regardless of whether either or neither transaction is consummated or the required consent of other participating groups is received. A vote for the proposed transaction by the participants constitutes an authorization for the agents of each participating group to approve, in their capacity as members of the applicable subject LLC, the consolidation or the third-party portfolio transaction, as applicable. The agents, under the operating agreements of the subject LLCs, have discretion, subject to their fiduciary duties, to determine whether to approve the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. Additionally, the supervisor, acting on behalf of the subject LLCs and the

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agents, similarly has discretion, subject to its fiduciary duties, as to whether to abandon or to postpone the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. The agents and supervisor could determine not to proceed with the consolidation and the IPO due to market conditions or other reasons.

If the participants in a subject LLC approve the consolidation and the subject LLC is consolidated with the company, the subject LLC no longer can enter into alternatives to the consolidation.

The alternatives to participation in the consolidation include continuation of a subject LLC and sale of such subject LLC's interest in the property and the distribution of the net proceeds to its participants. Continuation of the subject LLC in accordance with its existing business plan would not subject the subject LLC to the risks associated with the consolidation or changes in participants' rights. Sale of the subject LLC's interest in a property would enable participants to receive the net proceeds from the sale of the subject LLC's interest in its property. If a subject LLC were consolidated with the company, participants no longer will be able to realize the potential benefits of alternatives to the consolidation.

Participants have no cash appraisal rights.

You do not have the right to elect to receive a cash payment equal to the value of your participation interest in your subject LLC if your subject LLC approves the consolidation and you voted "AGAINST" it. Additionally, you do not have the right to have the value of your participation interest determined in a separate proceeding and paid in cash.

At the time participants vote on the consolidation proposal, there will be uncertainties as to the size, makeup and leverage of the company after the consolidation which affects your ability to evaluate the consolidation.

There will be several uncertainties relating to the consolidation at the time that you and the other participants vote on the consolidation. Most importantly, you will not know which subject LLCs will approve the consolidation or which of the subject LLCs and the private entities will participate in the consolidation, either because conditions to closing are not satisfied or for other reasons, and thus, which properties the company will acquire. You also will not know the IPO price, the size of the IPO, the exact exchange value for each subject LLC, the enterprise value of the company prior to the IPO or the amount of leverage of the company or the operating partnership. The consolidation is conditioned on the contribution to the company of the property interests in the Empire State Building owned by Empire State Building Associates L.L.C., which owns the fee interest and the underlying land, and Empire State Building Company L.L.C., the private entity which is the operating lessee with respect to the Empire State Building, but is not conditioned on any other subject LLC or private entity contributing their property interests to the company in the consolidation. You also will not know the capital structure of the company. These factors will affect the post-consolidation size and scope of the company and the value of your operating partnership units and shares of common stock.

There is currently litigation pending, and the potential for additional litigation, associated with the consolidation. The company may incur costs from these litigations.

In March 2012, five putative class actions, or the Class Actions, were filed in New York State Supreme Court, New York County by participants in Empire State Building Associates L.L.C. and several other entities supervised by the supervisor (on March 1, 2012, March 7, 2012, March 12, 2012, March 14, 2012 and March 19, 2012). The plaintiffs assert claims against Malkin Holdings LLC, Malkin Properties, L.L.C., Malkin Properties of New York, L.L.C., Malkin Properties of Connecticut, Inc., Malkin Construction Corp., Anthony E. Malkin, Peter L. Malkin, the Helmsley estate, the operating partnership and the company for breach of fiduciary duty, unjust enrichment, and/or aiding and abetting breach of fiduciary duty. They allege, among other things, that the terms of the transaction and the process by which it was structured (including the valuation that was employed) are unfair to the participants, the consolidation provides excessive benefits to the Malkin Holdings group and the then-draft prospectus/consent solicitation filed with the SEC failed to make adequate disclosure to permit a fully-

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net. If such a third-party portfolio transaction were to proceed, the consideration in a third-party portfolio transaction will be allocated among the subject LLCs, the private entities, and the management companies on a basis which is consistent with the exchange values included in this prospectus/consent solicitation. Any third-party portfolio proposal must provide for all cash, payable in full at closing, but such proposal may provide for an option for all participants to elect to receive securities as an alternative to cash. As a result, you will not know the amount of consideration you would receive if a third-party portfolio transaction is consummated.

Participants who do not approve the third-party portfolio proposal, including participants that do not timely submit their consent forms, after notice that the required percentage of participants in their participating group have so approved may have their participation interests purchased at a lower price.

If consent is received for the third party portfolio proposal from holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C., the agent of any such participating group has the right to purchase on behalf of the subject LLC the participation interest of any participant in such participating group that failed to vote "FOR" the proposal, including participants that "ABSTAINED" or did not properly or timely submit a consent form, unless within ten days after the agent gives such participant notice of such consent, such participant does vote "FOR" the proposal. The buyout amount for a participant's interest would be substantially lower than the consideration received in a third-party portfolio transaction. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in Empire State Building Associates L.L.C. and \$100 for the interest held by a participant in 60 East 42nd St. Associates L.L.C. as compared to the exchange value of \$323,800 (or \$358,670 if you are not subject to the voluntary capital override) per \$10,000 original investment for Empire State Building Associates L.L.C. and \$402,660 per \$10,000 original investment for 60 East 42nd St. Associates L.L.C., respectively.

Participants have no cash appraisal rights.

In a third-party portfolio transaction, you may not have the right to elect to receive a cash payment equal to the value of your participation interest in your subject LLC and you will not have the right to have the value of your participation interest determined in a separate proceeding and paid in cash. A third-party portfolio transaction offer must be for cash, provided that it may provide participants with the option to elect to receive securities in lieu of cash.

Real Estate/Business Risks

All of the company's properties are located in Manhattan and the greater New York metropolitan area, in particular midtown Manhattan, and adverse economic or regulatory developments in this area could materially and adversely affect the company.

All of the company's properties are located in Manhattan and the greater New York metropolitan area, in particular midtown Manhattan, as well as nearby markets in Fairfield County, Connecticut and Westchester County, New York. Seven of the company's 12 office properties are located in midtown Manhattan. As a result, the company's business is dependent on the condition of the New York City economy in general and the market for office space in midtown Manhattan in particular, which exposes the company to greater economic risks than if it owned a more geographically diverse portfolio. The company is susceptible to adverse developments in the New York City economic and regulatory environment (such as business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes, costs of complying with governmental regulations or increased regulation). Such adverse developments could materially reduce the value of the company's real estate portfolio and its rental revenues, and thus materially and adversely affect the company's ability to service current debt and to pay dividends to stockholders. According to RCG, the Manhattan vacancy rate was 9.0% as of June 30, 2012. The company could also be impacted by adverse developments in the Fairfield County, Connecticut and Westchester County, New York markets. The company cannot assure you that these markets will grow or that underlying real estate fundamentals will be favorable to owners and operators of office or retail properties. The company's operations may also be affected if competing properties are built in either of these markets.

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City in the past fifteen years, 200 Fifth Avenue (known as the International Toy Center), 498 Seventh Avenue and 500-512 Seventh Avenue (see "Reports, Opinions and Appraisal—Supervisor's Reasons for Representation as to 50/50 Allocation") and believes it is not required to retain any independent representative on behalf of each group of participants or all of the participants as a whole. The supervisor believes the Appraisal prepared by the independent valuer serves the purposes of representing all parties fairly and that the consolidation is fair to all participants regardless of the absence of any such independent representative.

The supervisor does not believe that the buyout right relating to participation interests held by participants in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C. affects the procedural fairness of the consolidation, because such buyout was provided for in the organizational documents of such subject LLCs at the time of their formation and requires a supermajority vote in order to be triggered. In addition, participants in such subject LLCs who have voted against the consolidation (or abstained), have the right to change their vote within ten days of receiving notice that consents from participants holding the required percentage interest in their participating group have been received, in which case their participation interests will not be purchased.

Although the supervisor believes the terms of the consolidation are fair to you and the other participants, the supervisor and its affiliates have conflicts of interest with respect to the consolidation. These conflicts include, among others, its realization of substantial economic benefits upon completion of the consolidation. For a further discussion of the conflicts of interest and potential benefits of the consolidation to the supervisor, see "Conflicts of Interest—Substantial Benefits to the Supervisor and its Affiliates." While the supervisor has conflicts of interest which are described under "Conflicts of Interest," the supervisor does not believe that these conflicts of interests affected its fairness determination. To understand the actual benefits that the supervisor will receive if your subject LLC approves the consolidation, please review the supplement accompanying this prospectus/consent solicitation.

Notwithstanding the recommendation of the supervisor, each participant must make its own determination as to whether to vote for the consolidation and whether to elect to receive operating partnership units, Class A common stock or Class B common stock based upon its personal situation, and such decision should be based upon a careful examination of personal finances, investment objectives, liquidity needs and expectations as to the company's future growth.

Material Factors Underlying Belief as to Fairness

The following is a discussion of the material factors underlying the supervisor's belief that the terms of the consolidation are fair to you and the other participants.

1. *Consideration Allocated.* The supervisor believes that the consideration offered to the subject LLCs and the participants constitute fair value for their participation interests. The allocation of the operating partnership units and common stock to participants is based on the same valuation methodology and Appraisal which was consistently applied to each subject LLC and each private entity. The allocation of the shares of common stock and operating partnership units with respect to the management companies was based on an Appraisal by the independent valuer. Therefore, the supervisor believes that the exchange values take into account the relative values of each subject LLC, each private entity and the management companies.

2. *Independent Appraisal and Fairness Opinion.* The supervisor's belief as to the fairness of the consolidation to the participants and the statements above regarding the material terms underlying its belief as to fairness partially are based upon the Appraisal of each subject LLC's interest in a property that the independent valuer prepared and upon the fairness opinion the independent valuer provided to the supervisor. The supervisor attributed significant weight to the Appraisal and the fairness opinion of the independent valuer, which the supervisor believes support its belief that the consolidation is fair to the participants. The supervisor does not know of any factor that would materially alter the conclusions made in the Appraisal or the fairness opinion of the independent valuer, including developments or trends that have materially affected or are reasonably likely to materially affect their conclusions. The supervisor believes that the engagement of the independent valuer to

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Effect of the Consolidation or a Third-Party Portfolio Transaction on Participants Who Vote Against the Consolidation or the Third-Party Portfolio Proposal and Who Do Not Change Their Vote After Receipt of the Buyout Notice

If you vote "AGAINST" the consolidation or the third-party portfolio proposal, "ABSTAIN" or do not submit a consent form, you do not have a statutory right to elect to be paid the appraised value of your participation interest in the subject LLC for cash.

If holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C. approve the consolidation or third-party portfolio proposal, as shown in the tabulation of consents by MacKenzie Partners, Inc., pursuant to a buyout right included in the participating agreements since inception of the subject LLCs, the agent of any such participating group will purchase on behalf of the subject LLC the participation interest of any participant in such participating group that voted "AGAINST" the consolidation or the third-party portfolio proposal or "ABSTAINED," as applicable, or that did not submit a consent form, even if the proposal is not approved by the other participating groups in such subject LLC, unless such participant consents to the proposal within ten days after receiving written notice that the required supermajority consent has been received by such participant's participating group, at a price that would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in Empire State Building Associates L.L.C. and \$100 for the interest held by a participant in 60 East 42nd St. Associates L.L.C., as compared to the exchange value of \$323,800 (or \$358,670 if you are not subject to the voluntary capital override) per \$10,000 original investment for Empire State Building Associates L.L.C. and \$402,660 per \$10,000 original investment for 60 East 42nd St. Associates L.L.C., respectively.

If holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C. approve the third-party portfolio proposal, the agent of any such participating group will purchase on behalf of the subject LLC the participation interest of any participant in such participating group that voted "AGAINST" the third-party portfolio proposal or "ABSTAINED" or that did not submit a consent form, unless such participant consents to the proposal within ten days after receiving written notice that the required supermajority vote has been received, at a price that would be substantially lower than the exchange value.

Unanimity on the consents is required pursuant to the organizational documents of Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. with respect to both the consolidation and the third-party portfolio proposal for the consent of a participating group; therefore, a participant in either of such subject LLCs who does not vote in favor of either the consolidation or third-party portfolio transaction proposal (and does not change his or her vote after notice that the requisite supermajority consent has been obtained) will be subject to this buyout regardless of whether either or neither transaction is consummated or the required consent of other participating groups is received, as described below.

Prior to an agent purchasing the participation interests of non-consenting participants in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C., an agent will give such participants not less than ten days' notice after the required supermajority consent is received by the applicable participating group in such subject LLC to permit them to consent to the consolidation or the third-party portfolio proposal, as applicable, in which case their participation interests will not be purchased. The agents will purchase the participation interests for the benefit of the subject LLC and not for their own account and will be reimbursed by the subject LLC for the cost of such buyout. If the agent purchases these participation interests, the requirement for consent of participants holding 100% of the participation interests of that participating group will be satisfied.

The agents, who are the members of your subject LLCs, recently created a new class of membership interests, which were divided into series. A separate series was deemed to be distributed to holders of each participating group in your subject LLC. Each new series provides protections similar to those under a

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reimbursement program and the consolidation or a third-party portfolio transaction is consummated, your share of distributions will be reduced by your pro rata share of the costs, plus interest, advanced by the supervisor and Peter L. Malkin for the former property manager and leasing agent legal proceedings plus interest. If you give such consent but your subject LLC does not participate in the consolidation, your pro rata share of the former property manager and leasing agent legal proceedings advanced costs will be deducted from any future distributions until your pro rata share is paid in full.

The voluntary pro rata reimbursement program is an independent program. Your consent, withheld consent, or failure to consent to the voluntary pro rata reimbursement program will not have any effect on whether or not your subject LLC participates in the consolidation or a third-party portfolio transaction. Your withholding your consent or failure to consent to the voluntary pro rata reimbursement program will not result in any buyout of your participation interests.

Voting Rights

Participation Interest	Operating Partnership	Common Stock
<p>Generally, with some exceptions, you and the other participants in the subject LLCs have voting rights only on the sale, mortgage (including the modification or any existing mortgage) or transfer of the interest in the property, renewal or modification of the existing lease on the property held by your subject LLC or entry into a new lease affecting the same, as well as, with respect to participants in Empire State Building Associates L.L.C. only, conversion of the entity into a REIT, corporation, or any other form of ownership or disposal of any of the subject LLC's assets.</p> <p>The participation interests in each subject LLC are divided into separate participating groups. Each participating group has an agent who holds its interests in the subject LLC for the benefit of the participants in the participating group. Participants holding 100% of the outstanding participation interests in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. must consent for the agent of their participating group to consent to an action requiring the consent of the participants. Participants holding greater than 75% of the outstanding participation interests in at least eight out of ten of the participating groups of 250 West 57th St. Associates L.L.C. must consent for the agent of their participating group to consent to an action requiring the consent of the participants. If holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C. approve an action, the agent of any such</p>	<p>The operating partnership agreement will provide limited partners with certain limited voting rights. Subject to certain exceptions, the company may not, without the consent of a majority of the limited partners, (i) conduct any business other than as permitted under the partnership agreement or (ii) engage in a merger, consolidation or other combination or sale of substantially all of its assets. Additionally, most amendments to the operating partnership agreement must be approved by the limited partners holding a majority of all outstanding limited partnership units and certain amendments must be approved by each partner adversely affected thereby. For a more detailed description of the actions requiring consent of the limited partners under the operating partnership agreement, see "Description of Operating Partnership Units and the Partnership Agreement of the Operating Partnership." Limited partners will also be entitled to any voting rights that may be required by law. Subject to these voting rights, the general partner of the operating partnership will have full, exclusive and complete responsibility and discretion in the management and control of the operating partnership, including the ability to cause the operating partnership to enter into certain major transactions, such as a merger of the operating partnership or a sale of substantially all of the assets of the operating partnership.</p>	<p>The company is managed under the direction of a board of directors, as elected by the stockholders at the annual meeting of stockholders of the company. The MGCL and the company's charter generally require that major actions, including most amendments to the charter, be approved by the affirmative vote of stockholders entitled to cast a majority of all the votes entitled to be cast on the matter. Each outstanding share of Class A common stock entitles the holder thereof to one vote, and each outstanding share of Class B common stock entitles the holder thereof to 50 votes on all matters on which the stockholders of Class A common stock are entitled to vote, including the election of directors, and, except as provided with respect to any other class or series of stock, the holders of shares of Class A common stock and Class B common stock will vote together as a single class and will possess the exclusive voting power. There is no cumulative voting in the election of the company's directors and the directors are elected by a plurality of all the votes cast in the election.</p> <p>Among other things, the company is subject to the "business combination," "control share acquisition" and "unsolicited takeover" provisions of the MGCL. Pursuant to the statute, the company's board of directors has by resolution exempted business combinations between the company and any other person, provided that such business combination is first approved by the company's board of directors</p>

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Participation Interest	Operating Partnership	Common Stock
participating group will be entitled to purchase the participation interest of any participant in such participating group that voted "AGAINST" such action or "ABSTAINED" or that did not submit a consent form at a purchase price which is equal to the original cost less capital repaid, but not less than \$100. If the agent purchases these participation interests, the requirement for consent of participants holding 100% of the participation interests of that participating group will be satisfied.		(including a majority of the directors who are not affiliates or associates of such person). The company's bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of shares of the company's stock. The charter contains a provision whereby the company has elected to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on the company's board of directors. For a more detailed description of these provisions, see "Certain Provisions of the Maryland General Corporation Law and the Company's Charter and Bylaws."
The agents, who are the members of your subject LLCs, recently created a new class of membership interests, which were divided into series. A separate series was deemed to be distributed to holders of a participating group in your subject LLC. The new series will not affect voting rights, except with respect to any person or group that acquires 6%, 3%, or 7.5% or more, respectively, of the outstanding participation interests in the applicable participating group (an "acquiring person") for each of Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C. See "Takeover Provisions" above.		

The participation interests in each subject LLC are divided into separate participating groups, each of which has an agent who holds his interests in the subject LLC for the benefit of the participants in the participating group. Consent of participants is required to approve certain transactions, including the consolidation. As a limited partner you will have limited voting rights. The general partner of the operating partnership may enter into certain major transactions without the consent of the limited partners. As a stockholder, you will have voting rights that permit you to elect the board of directors and to approve or disapprove certain major actions.

VOTING PROCEDURES FOR THE CONSOLIDATION PROPOSAL AND THE THIRD-PARTY PORTFOLIO PROPOSAL

Distribution of Solicitation Materials

This prospectus/consent solicitation, together with the accompanying supplement, transmittal letter and consent form constitute the solicitation materials being distributed to you and the other participants to obtain their votes "FOR" or "AGAINST" your subject LLC's participation in the consolidation and the third-party portfolio proposal.

Participants are being asked to vote on both the proposed consolidation and the third-party portfolio proposal. The participants holding the required percentage of the outstanding participation interests of your subject LLC must approve each proposal in order for such proposal to be approved by your subject LLC. If the consolidation is approved by your subject LLC and the consolidation is consummated, your subject LLC will consolidate with the company in the manner described in this prospectus/consent solicitation and in the supplement relating to your subject LLC.

The consent form seeks your consent to the consolidation and the third-party portfolio proposal. If you own participation interests in more than one subject LLC, for each subject LLC in which you own a participation interest you will receive a transmittal letter, supplement and consent form. Regardless of how many subject LLCs in which you own a participation interest, you will receive a single copy of the prospectus/consent solicitation. Participants in each subject LLC will vote separately on whether or not to approve the consolidation and the third-party portfolio proposal. Accordingly, if you hold interests in more than one subject LLC, you must complete one consent form for each subject LLC in which you are a participant.

If you vote "FOR" the consolidation and your subject LLC participates in the consolidation, you effectively will be voting against the alternatives to the consolidation, other than a third-party portfolio transaction, unless you vote "AGAINST" the third-party portfolio proposal. These alternatives include continuation of your subject LLC and a sale of your subject LLC's interest in the property and distribution of the net proceeds to participants. If the consolidation is not approved your subject LLC and a third-party portfolio transaction is not consummated, the supervisor expects the operations of your subject LLC to continue.

You should complete and return the consent form before the expiration of the solicitation period, which is the time period during which participants may vote "FOR" or "AGAINST" the consolidation and the third-party portfolio proposal. The solicitation period will commence upon delivery of the solicitation materials to you which is on or about January 23, 2013.

Your consent form must be received by MacKenzie Partners, Inc. by 5:00 p.m. Eastern time on March 25, 2013 unless the supervisor extends the solicitation period as set forth below. You may submit your consent form by mail, to 105 Madison Avenue, NY, NY 10016, or by facsimile, to (212) 929-0308. You can change your vote by mail or facsimile at any time before the later of the date that consents from participants holding the required percentage interest in your participating group are received and the 60th day after the beginning of the solicitation period. Either MacKenzie Partners, Inc. or the supervisor will send you a written acknowledgment by facsimile or, if requested by you, mail, that your vote has been changed promptly following receipt of a changed vote. If you are a participant in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C., and you do not consent to the consolidation or the third-party portfolio proposal, as applicable, you may also change your vote to consent to the consolidation or the third-party portfolio proposal, as applicable, within ten days' notice that the required supermajority consent from the participants in your participating group has been received, as described below. You may call MacKenzie Partners, Inc. during the solicitation period to check whether or not the required supermajority consent from the participants in your participating group has been received, or to confirm that your changed vote has been received.

The supervisor may extend on one or more occasions the solicitation period for one or more proposals for one or more subject LLCs or one or more participating groups in a subject LLC without extending for other

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proposals, subject LLCs or participating groups whether or not it has received approval for the consolidation proposal or the third-party portfolio proposal on expiration of the consent solicitation period.

If you do not submit a consent form, you will be counted as having voted "AGAINST" both the consolidation and the third-party portfolio proposal. If you submit a properly signed consent form but do not indicate how you wish to vote on the consolidation, the third-party portfolio proposal, or both, you will be counted as having voted "FOR" such proposal(s).

The consent form also includes a section which permits participants to elect whether to receive operating partnership units or Class A common stock or, to a limited extent, as described above, Class B common stock. See "Consideration."

Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions

The participation interests in each subject LLC are divided into separate participating groups. Participants are being asked to vote on both the proposed consolidation and the third-party portfolio proposal. For each of these proposals to be approved, participants holding 100% of the outstanding participation interests in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. must approve that proposal, and participants holding greater than 75% of the outstanding participation interests in eight out of the ten participating groups of 250 West 57th St. Associates L.L.C. must approve that proposal. Approval by the required vote of the participants in 250 West 57th St. Associates L.L.C. in favor of a proposal will be binding on you if you are a participant in 250 West 57th St. Associates L.L.C. even if you vote "AGAINST" such proposal. Each of these proposals is subject to a separate consent and approval of each proposal is not dependent on approval of any other proposal.

If holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C. approve the consolidation or third-party portfolio proposal, as shown in the tabulation of consents by MacKenzie Partners, Inc., pursuant to a buyout right included in the participating agreements since inception of the subject LLCs, the agent of any such participating group will purchase on behalf of the subject LLC and for the buyout amount, the participation interest of any participant in such participating group that voted "AGAINST" the consolidation or the third-party portfolio proposal or "ABSTAINED," as applicable, or that did not submit a consent form, unless such participant consents to the proposal within ten days after receiving written notice that the required supermajority consent has been received from the participants in such participant's participating group.

The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in Empire State Building Associates L.L.C. and \$100 for the interest held by a participant in 60 East 42nd St. Associates L.L.C., as compared to the exchange value of \$323,800 (or \$358,670 if you are not subject to the voluntary capital override) per \$10,000 original investment for Empire State Building Associates L.L.C. and \$402,660 per \$10,000 original investment for 60 East 42nd St. Associates L.L.C., respectively. The cash required to buyout non-consenting participants will not be paid from the proceeds from the IPO.

These buyouts are contractual provisions expressly stated for 60 East 42nd St. Associates L.L.C. and Empire State Building Associates L.L.C. at the inception of these subject LLCs in their original participating agreements dated December 1, 1954 and July 11, 1961, respectively, under which the participation interests were issued. The buyout provisions were included as a practical way to permit the entity to act, while still following the then-current tax advice provided to the supervisor of the subject LLCs that participants needed to act unanimously to

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permit these subject LLCs to obtain partnership status and to avoid entity level tax as a corporation for U.S. federal income tax purposes. For this purpose, the buyout provisions allow the purchase, at original cost less capital returned (but not less than \$100), of the interest held by a non-consenting participant after ten-days' notice of receipt of approval by a required supermajority (90% for 60 East 42nd St. Associates L.L.C. and 80% for Empire State Building Associates L.L.C., in each case by participation group), if such non-consenting participant still does not change its vote to approval. Accordingly, the buyout provisions preserved the unanimity which was considered necessary for these tax reasons, but prevented a small minority, which might be acting for its own purposes and not in the interests of other participants, from preventing action by the large supermajority. The agents are authorized under the participating agreements to buy out participation interests of participants that do not consent to the action if the required supermajority consent is received, as described below. Since such buyout is necessary to provide for the required unanimous consent and is not conditioned on the transaction closing, the agent has the right to buy out participation interests from participants who do not vote "FOR" either proposal, if the required supermajority consent is received by the applicable participating group with respect to such proposal, within ten days after written notice, as described below, whether or not either or neither proposal is consummated.

Prior to an agent purchasing the participation interests of non-consenting participants, an agent will give such participants not less than ten days' notice after the required supermajority consent is received by the applicable participating group in a subject LLC to permit them to consent to the consolidation or the third-party portfolio proposal, as applicable, in which case their participation interests will not be purchased. The agents will purchase the participation interests for the benefit of the subject LLC and not for their own account and will be reimbursed by the subject LLC for the cost of such buyout. If the agent purchases these participation interests, the requirement for consent of participants holding 100% of the participation interests of that participating group will be satisfied.

Unanimity on the consents is required pursuant to the organizational documents of Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. with respect to both the consolidation and the third-party portfolio proposal for the consent of a participating group; therefore, a participant in either of such subject LLCs who does not vote in favor of either the consolidation or third-party portfolio transaction proposal (and does not change his or her vote after notice that the requisite supermajority consent has been obtained) will be subject to this buyout if the tabulation of consents by MacKenzie Partners, Inc. shows that the required consent in his or her participating group has been received, but in no event before the expiration of the 60-day solicitation period as the same may be extended, regardless of whether either or neither transaction is consummated or the required consent of other participating groups is received. A vote for the proposed transaction by the participants constitutes an authorization for the agents of each participating group to approve, in their capacity as members of the applicable subject LLC, the consolidation or the third-party portfolio transaction, as applicable. The agents, under the operating agreements of the subject LLCs, have discretion, subject to their fiduciary duties, to determine whether to approve the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. Additionally, the supervisor, acting on behalf of the subject LLCs and the agents, similarly has discretion, subject to its fiduciary duties, as to whether to abandon or to postpone the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. The agents and supervisor could determine not to proceed with the consolidation and the IPO due to market conditions or other reasons.

The agents, who are the members of your subject LLCs, recently created a new class of membership interests, which were divided into series. A separate series was deemed to be distributed to holders of each participating group in your subject LLC. Each new series provides protections similar to those under a shareholder rights plan for a corporation. Each new series corresponds to a participating group for which a member acts as agent. The new series will not affect voting rights, except with respect to any person or group that acquires 6%, 3%, or 7.5% or more, respectively, of the outstanding participation interests in the applicable participating group (an "acquiring person") for each of Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C. If there is an acquiring person, the effect of the new series is that approval of the consolidation proposal and the third-party portfolio proposal by a participating

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Investor Lists. Under Rule 14a-7 of the Securities Exchange Act of 1934, as amended, which is referred to herein as the Exchange Act, your subject LLC is required, upon your written request, to provide to you:

- a statement of the approximate number of participants in your subject LLC and
- the estimated cost of mailing a proxy statement, form of proxy or other similar communication to your subject LLC's participants.

In addition, you have the right, at your option, either:

- to have your subject LLC mail (at your expense) copies of any consent statement, consent form or other soliciting materials to be furnished by you to the other participants in your subject LLC or
- to have the subject LLC deliver to you, within five business days of the receipt of the request, a reasonably current list of the names, addresses and participation interests held by the participants in your subject LLC.

The right to receive the list of participants is subject to your payment of the cost of mailing and duplication at a rate of \$0.20 fee per page.

Tabulation of Votes. An automated system administered by MacKenzie Partners, Inc. will tabulate the votes and consents. Abstentions will be tabulated with respect to the consolidation and other matters to be voted on. Abstentions will have the effect of a vote "AGAINST" the consolidation, as will the failure to return a consent form and broker nonvotes. Broker nonvotes are where a broker submits a consent but does not have authority to vote a participant's participation interest the consolidation proposal.

Revocability of Consent. You may withdraw or revoke your consent form, or change your vote, at any time before the later of the date that consents from participants holding the required percentage interest in your participating group are received by your subject LLC and the 60th day after the beginning of the solicitation period. In addition, a participant in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C. that does not consent to (or who abstains from or does not vote with respect to) the consolidation or the third-party portfolio proposal, as applicable, may also change his or her vote to consent to the consolidation or the third-party portfolio proposal, as applicable, within ten days after the notice that the required supermajority consent from the participants in such participant's participating group has been received with respect to such proposal is sent, as described below. A participant can change his or her vote by sending to MacKenzie Partners, Inc., the vote tabulator, (i) a written statement that he or she would like to change his or her vote, or (ii) a new consent form, in either case, by mail, to 105 Madison Avenue, NY, NY 10016, or by facsimile, to (212) 929-0308. Either MacKenzie Partners, Inc. or the supervisor will send to the participant a written acknowledgment by facsimile or, if requested by the participant, mail, that the participant's vote has been changed promptly following receipt of a changed vote. If a participant in Empire State Building Associates L.L.C. or 60 East 42nd St. Associates L.L.C. votes "AGAINST" the consolidation or the third-party portfolio proposal, "ABSTAINS" or does not submit a consent form and the supermajority consent of his or her participating group is received, the agent for his or her participating group will provide the written buyout notice, stating that such supermajority consent from the participants in such participant's participating group has been received to the participant following the expiration of the solicitation period, as the same may be extended. Participants may call MacKenzie Partners, Inc. during the solicitation period to check whether or not the required supermajority consent from the participants in such participant's participating group has been received, or to confirm that such participant's changed vote has been received.

The consents of each of the agents, who are the members of the subject LLCs, will become effective when they execute consents following receipt of the required consents of the participants. The consents of the participants in each participating group will become effective when the consents of the required number of participants are received, but not earlier than the 60th day after the beginning of the solicitation period, and, in the case of Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C., the procedure for buyouts is completed.

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250 West 57th Street Operating Lease

Fisk Building Associates L.L.C. leases the property from 250 West 57th St. Associates L.L.C. pursuant to an operating lease, as modified, which is currently set to expire on September 30, 2028, with an additional renewal option to September 30, 2053, which option Fisk Building Associates L.L.C. has exercised. Fisk Building Associates L.L.C. has also been granted options to extend the operating lease for two additional 25-year renewal terms expiring in 2103. The lease provides for an annual basic rent payable by Fisk Building Associates L.L.C. to 250 West 57th St. Associates L.L.C. equal to the sum of the constant annual mortgage charges on all mortgages, plus \$28,000. The lease also provides for payments of primary coverage rent equal Fisk Building Associates L.L.C.'s net operating profit (as defined in the lease) in each lease year up to a maximum of \$752,000, and secondary coverage rent subsequent to September 30 of the amount equal to 50% of the excess of the net operating profit in excess of \$752,000, less a certain amount representing interest on certain borrowed funds. The supervisor provides supervisory and other services for Fisk Building Associates L.L.C. and 250 West 57th St. Associates L.L.C.

Financing

The organizational documents of each subject LLC contain restrictions on the subject LLCs' authority to borrow. Participants holding 100% of the outstanding participation interests in Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. must approve a financing and the participants holding greater than 75% of the outstanding participation interests in at least eight out of the ten participating groups of 250 West 57th St. Associates L.L.C. must approve a financing. If holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C. approve a financing, the agent of each participating group will be entitled to purchase the participation interests of any participants that voted against a financing. If the agent purchases these participation interests, the requirement for consent of participants holding 100% of the participation interests will be satisfied. In addition, if the operating lessees' interest in the property will be securing the loan or will be subordinated to the loan, the operating lessee may be required to approve any financing which will require consent of its participants. As of September 30, 2012, the subject LLCs had a ratio of total indebtedness to total assets ranging from 8.66% to 12.74%.

On July 26, 2011, Empire State Building Associates L.L.C. entered into a three-year term loan or the secured term loan, with institutional lenders, including HSBC Bank USA, National Association as agent and HSBC Bank USA, National Association and DekaBank Deutsche Girozentrale as lead arrangers. The secured term loan is secured by a mortgage on the Empire State Building. The secured term loan was amended by the First Amendment to Loan Agreement, Ratification of Loan Documents and Omnibus Amendment dated as of November 2, 2011 to provide for additional commitments from Capital One, National Association and Bank of America, N.A. so that, collectively, the loan was increased to \$300.0 million. No additional funds were drawn at the time of the modification.

The lenders provided Empire State Building Associates L.L.C. with an advance of \$159.0 million (of which \$92.0 million refinanced existing indebtedness), and subject to the conditions set forth in the secured term loan (as amended), agreed to provide Empire State Building Associates L.L.C. with additional advances of up to \$141.0 million, of which \$60.0 million was subsequently advanced. The loan agreement was amended on October 11, 2012 to increase the aggregate commitments to \$500.0 million. A condition to the lenders' obligation to loan the additional amounts is that the loan-to-value (as defined) based on an updated appraisal does not exceed 50%. Any further advances under the secured term loan are subject to the consent of Empire State Building Company L.L.C.

Pursuant to the terms of the secured term loan agreement, Empire State Building Associates L.L.C. and Empire State Building Company L.L.C. entered into an amendment dated July 26, 2011 to the sublease ("Third Modification of Sublease") pursuant to which (i) Empire State Building Company L.L.C. consented to the advance of up to \$159.0 million under the secured term loan and (ii) in accordance with the terms of the existing sublease agreement, which terminates on January 4, 2076, between Empire State Building Company L.L.C. and



**EMPIRE STATE REALTY TRUST, INC.
EMPIRE STATE REALTY OP, L.P.
PROSPECTUS SUPPLEMENT
TO
PROSPECTUS/CONSENT SOLICITATION STATEMENT
DATED JANUARY 21, 2013
EMPIRE STATE BUILDING ASSOCIATES L.L.C.**

This supplement is being furnished to you, as a participant of Empire State Building Associates L.L.C., or your subject LLC, by Malkin Holdings LLC, the supervisor of your subject LLC, to enable you to evaluate the proposed consolidation of your subject LLC into Empire State Realty Trust, Inc., a Maryland corporation, or the company.

The supervisor, requests that you, as a participant in your subject LLC, consent to the contribution of your subject LLC's interest in the Empire State Building, as part of a consolidation of office and retail properties in Manhattan and the greater New York metropolitan area owned by your subject LLC, the other subject LLCs and certain private entities, or the private entities, supervised by the supervisor, along with certain related management businesses, into the company. This transaction is referred to herein as the consolidation.

The supervisor believes you will benefit from this consolidation through newly created opportunities for liquidity, enhanced property diversification, increased growth opportunities, enhanced operating and financing abilities and efficiencies, combined balance sheets, anticipated regular quarterly cash distributions, and continued leadership by the officers and a principal of the supervisor under the transparency and accountability of the governance structure of a reporting company with the Securities and Exchange Commission, or the SEC, with audited financial statements and a board of directors consisting predominantly of independent directors. Anthony E. Malkin will be the only management member of the board of directors.

As a potential alternative to the consolidation, the supervisor also requests that the participants consent to the sale or contribution of your subject LLC's property interest as part of a sale or contribution of all of the properties owned by your subject LLC, the other subject LLCs, the private entities (including the operating lessee of your subject LLC) and the management companies, as a portfolio to an unaffiliated third party. While the supervisor believes the consolidation represents the best opportunity for participants to achieve liquidity and to maximize the value of their investment, the supervisor believes it also is in the best interest of all participants for the supervisor to have the flexibility and discretion, subject to certain conditions, to accept an offer for the portfolio of properties from an unaffiliated third party if the supervisor determines that the offer price includes what the supervisor believes is an adequate premium above the value that is expected to be realized over time from the consolidation. The third-party portfolio transaction would be undertaken only if the aggregate consideration is at least 115% of the aggregate exchange value for the subject LLCs, the private entities and the management companies included in the third-party portfolio transaction and certain other conditions are met. The proposal must provide for all cash, payable in full at closing, but such proposal may provide for an option for all participants to elect to receive securities as an alternative to cash. If the proposal provides for a securities option, the Malkin Family will have the right to elect to receive securities only on the same proportional basis as other participants. No member of the Malkin Family will be an affiliate, consultant, employee, officer or director of the acquiror after the closing or receive any compensation from the acquiror (other than their pro rata share of the consideration that they will receive in the third-party portfolio transaction).

Participants also are being asked to consent to a voluntary pro rata reimbursement program pursuant to which the supervisor and Peter L. Malkin, a principal of the supervisor, will be reimbursed for the prior advances of all costs, plus interest, incurred in connection with the legal proceedings required to remove and replace the former property manager and leasing agent. The supervisor believes that the voluntary pro rata reimbursement program is fair and reasonable because the successful resolution of the legal proceedings allowed the property owned by your subject LLC to participate in a renovation and repositioning turnaround program conceived and implemented by the supervisor. The estate of Leona M. Helmsley, which we refer to as the Helmsley estate, as part of an agreement with the supervisor covering this and other matters, has paid the voluntary pro rata reimbursement to the supervisor for its pro rata share of costs advanced, plus interest, which totaled \$5,021,048.

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If holders of 80% of the participation interests in any of the three participating groups in your subject LLC approve the consolidation or third-party portfolio proposal, as shown in the tabulation of consents by MacKenzie Partners, Inc., pursuant to a buyout right included in your subject LLC's participating agreements since its inception, the agent of any such participating group will purchase on behalf of your subject LLC for the buyout amount, the participation interest of any participant in such participating group that voted "AGAINST" or "ABSTAINED" with respect to the consolidation or third-party portfolio, as applicable, or that did not submit a consent form, even if the proposal is not approved by the other participating groups in your subject LLC, unless such participant consents to the proposal within ten days after receiving written notice that the required supermajority consent from the participants in your participating group has been received. If the agent purchases these participation interests, the requirement for consent of participants holding 100% of the participation interests of that participating group will be satisfied.

The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in your subject LLC as compared to the exchange value of \$323,803 (or \$358,670 if you are not subject to the voluntary capital override) for a \$10,000 original investment in your subject LLC. The cash required to buyout non-consenting participants will not be paid from the proceeds from the IPO. These buyouts are contractual provisions expressly stated for your subject LLC at the inception of your subject LLC in its original participating agreement dated July 11, 1961, under which the participation interests were issued. The buyout provisions were included as a practical way to permit the entity to act, while still following the then-current tax advice provided to the supervisor of your subject LLC that participants needed to act unanimously to permit your subject LLC to obtain partnership status and to avoid entity level tax as a corporation for U.S. federal income tax purposes. For this purpose, the buyout provisions allow the purchase, at original cost less capital returned, but not less than \$100, of the interest held by a non-consenting participant after ten-days' notice of receipt of approval by 80% of the participation interests in such non-consenting participant's participating group, if such non-consenting participant still does not change its vote to approval. Accordingly, the buyout provisions preserved the unanimity which is considered necessary for these tax reasons, but prevented a small minority, which might be acting for its own purposes and not in the interests of other participants, from preventing action by the large supermajority. The agents are authorized under the participating agreements to buy out participation interests of participants that do not consent to the action if the required supermajority consent from the participants in your participating group is received, as described below. Since such buyout is necessary to provide for the required unanimous consent and is not conditioned on the transaction closing, the agent has the right to buy out participation interests from participants who do not vote "FOR" either proposal, if the required supermajority consent is received by the applicable participating group with respect to such proposal, within ten days after written notice, as described below, whether or not either or neither proposal is consummated.

Prior to an agent purchasing the participation interests of non-consenting participants, an agent will give such participants not less than ten days' notice after the required supermajority consent is received by the applicable participating group in your subject LLC to permit them to consent to the consolidation or the third-party portfolio proposal, as applicable, in which case their participation interests will not be purchased. The agents will purchase the participation interests for the benefit of your subject LLC and not for their own account and will be reimbursed by your subject LLC for the cost of such buyout. If the agent purchases these participation interests, the requirement for consent of participants holding 100% of the participation interests of the participating group will be satisfied. Unanimity on the consents is required pursuant to the organizational documents of your subject LLC with respect to both the consolidation and the third-party portfolio proposal for the consent of a participating group; therefore a participant in your subject LLC who does not vote in favor of either the consolidation or third-party portfolio transaction proposal (and does not change his or her vote after notice that the requisite supermajority consent has been obtained) will be subject to this buyout if the tabulation of consents by MacKenzie Partners, Inc. shows that the required consent in his or her participating group has been received, but in no event before the expiration of the 60-day solicitation period as the same may be extended, regardless of whether either or neither transaction is consummated or the required consent of other participating groups is received, as described below. A vote for the proposed transaction by the participants constitutes an authorization for the agents of each participating group to

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approve, in their capacity as members of your subject LLC, the consolidation or the third-party portfolio transaction, as applicable. The agents, under the operating agreements of your subject LLC, have discretion, subject to their fiduciary duties, to determine whether to approve the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. Additionally, the supervisor, acting on behalf of the subject LLCs and the agents, similarly has discretion, subject to its fiduciary duties, as to whether to abandon or to postpone the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. The agents and supervisor could determine not to proceed with the consolidation and the IPO due to market conditions or other reasons.

The agents, who are the members of your subject LLC, recently created a new class of membership interests, which were divided into series. A separate series was deemed to be distributed to holders of each participating group in your subject LLC. Each new series provides protections similar to those under a shareholder rights plan for a corporation. Each new series corresponds to a participating group for which a member acts as agent. The new series will not affect voting rights, except with respect to any person or group that acquires 6% or more of the outstanding participation interests in the applicable participating group (an "acquiring person"). If there is an acquiring person, the effect of the new series is that approval of the consolidation proposal and the third-party portfolio proposal by a participating group will require approval by the requisite consent of the participants in the participating group, as holders of the new series of membership interests, excluding the acquiring person.

The Wien group collectively owns participation interests in your subject LLC and has advised that it will vote in favor of the consolidation and the third-party portfolio proposal. These participation interests held by the Wien group represent 8.195% for your subject LLC. In addition to the participation interests, members of the Wien group hold override interests, which are non-voting. See "Background of and Reasons for the Consolidation—Background of the Subject LLCs" in the prospectus/consent solicitation.

Consent required for the voluntary pro rata reimbursement program

The consent form being distributed to you and the other participants also seeks to obtain your consent to the payment of a voluntary pro rata reimbursement to the supervisor and Peter L. Mafkin, a principal of the supervisor, the prior advances of all costs, plus interest, incurred in connection with the legal proceedings required to remove and replace the former property manager and leasing agent. If you return a signed consent form but fail to indicate whether you consent to or disapprove of the voluntary pro rata reimbursement program, you will be deemed not to have consented to the voluntary pro rata reimbursement program. If you fail to return a signed consent form by the end of the solicitation period, you will be deemed not to have consented to the voluntary pro rata reimbursement program.

Tax consequences of the consolidation

It is expected that the consolidation should be treated for U.S. federal income tax purposes as follows:

- (i) If you receive solely shares of Class A common stock, the consolidation should be treated as a taxable sale of your participation interest in which gain or loss is recognized. Such gain or loss should generally equal the difference between your amount realized (which generally will equal the amount of the aggregate fair market value of shares of common stock that you receive, plus any distribution you receive of consolidation expenses that the operating partnership pays as a reimbursement to your subject LLC, plus the share of liabilities associated with your participation interests that you are deemed to be relieved of under U.S. federal income tax law) and your adjusted tax basis in your participation interests. You will realize "phantom income" if you have a "negative capital account" with respect to your participation interest. In each of 250 West 57th St. Associates L.L.C. and 60 East 42nd St. Associates L.L.C., original participants have a "negative capital account." If you are an individual or a partnership for New York State personal income tax purposes, any gain that you recognize in the consolidation will generally be treated as New York source income for New York State personal income tax purposes. As a result, you (or, if you are a partnership, any of your partners

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- ***If You Do Not Consent to the Consolidation or the Third-Party Portfolio Proposal, Your Participation Interest Will be Purchased For a Price Substantially Below the Exchange Value.*** The organizational documents of your subject LLC provide that if holders of 80%, or the required consent, of the participation interests in any of the three participating groups in your subject LLC approve an action, the agents will purchase on behalf of the subject LLC the participation interests of participants who do not approve such action, and that price would be substantially below the exchange value of the interests. If the required supermajority consent of the participation interests in any participating group in the subject LLC approves the consolidation or the third-party portfolio proposal, the agent of such participating group will purchase on behalf of the subject LLC the participation interest of any participant in such participating group that voted “**AGAINST**” the consolidation or the third-party portfolio proposal, “**ABSTAINED**,” as applicable, or did not properly or timely submit a consent form, even if the proposal is not approved by the other participating groups in your subject LLC. The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in your subject LLC as compared to the exchange value of \$323,803 (or \$358,670 if you are not subject to the voluntary capital override) for a \$10,000 original investment in your subject LLC. The agents are authorized under the participating agreements to buy out participation interests of participants that do not consent to the action if the required supermajority consent from the participants in your participating group is received, as described below. Since such buyout is necessary to provide for the required unanimous consent and is not conditioned on the transaction closing, the agent has the right to buy out participation interests from participants who do not vote “**FOR**” either proposal, if the required supermajority consent is received by the applicable participating group with respect to such proposal, within ten days after written notice, as described below, whether or not either or neither proposal is consummated.

Prior to an agent purchasing the participation interests of non-consenting participants in your subject LLC, an agent will give such participants not less than ten days’ notice after the required supermajority consent is received by the applicable participating group of your subject LLC to permit them to consent to the consolidation and/or the third-party portfolio proposal, in which case their participation interests will not be purchased.

Unanimity on the consents is required pursuant to the organizational documents of your subject LLC with respect to both the consolidation and the third-party portfolio proposal for the consent of a participating group; therefore, a participant who does not vote in favor of either the consolidation or third-party portfolio transaction proposal (and does not change his or her vote after notice that the requisite supermajority consent has been obtained) will be subject to this buyout regardless of whether either or neither transaction is consummated or the required consent of other participating groups is received. A vote for the proposed transaction by the participants constitutes an authorization for the agents of each participating group to approve, in their capacity as members of your subject LLC, the consolidation or the third-party portfolio transaction, as applicable. The agents, under the operating agreements of your subject LLC, have discretion, subject to their fiduciary duties, to determine whether to approve the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. Additionally, the supervisor, acting on behalf of the subject LLCs and the agents, similarly has discretion, subject to its fiduciary duties, as to whether to abandon or to postpone the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. The agents and supervisor could determine not to proceed with the consolidation and the IPO due to market conditions or other reasons.

- ***Uncertainties as to the Size and Makeup of the Company.*** The consolidation is conditioned on the contribution to the company of the property interests in the Empire State Building owned by your subject LLC, which owns the fee interest and the underlying land, and Empire State Building Company L.L.C., the private entity which is the operating lessee with respect to the Empire State Building, but is not conditioned on any of the other subject LLCs or private entities contributing their property interests

**VOTING PROCEDURES FOR THE CONSOLIDATION PROPOSAL AND
THE THIRD-PARTY PORTFOLIO PROPOSAL**

The prospectus/consent solicitation, together with this supplement, transmittal letter and consent form constitute the solicitation materials being distributed to you and the other participants to obtain your votes "FOR" or "AGAINST" your subject LLC's participation in the consolidation and the third-party portfolio proposal.

Participants are being asked to vote on both the proposed consolidation and the third-party portfolio proposal. The participants holding the required percentage of the outstanding participation interests of your subject LLC must approve each proposal in order for such proposal to be approved by your subject LLC. If the consolidation is approved by your subject LLC and the consolidation is consummated, your subject LLC will consolidate with the company in the manner described in the prospectus/consent solicitation and in this supplement.

The consent form seeks your consent to the consolidation and the third-party portfolio proposal. Participants in each subject LLC will vote separately on whether or not to approve the consolidation and the third-party portfolio proposal. Accordingly, if you hold interests in more than one subject LLC, you must complete one consent form for each subject LLC in which you are a participant.

If you vote "FOR" the consolidation and your subject LLC participates in the consolidation, you effectively will be voting against the alternatives to the consolidation, other than a third-party portfolio transaction, unless you vote "AGAINST" the third-party portfolio proposal. These alternatives include continuation of your subject LLC and a sale of your subject LLC's interest in the property and distribution of the net proceeds to participants.

You should complete and return the consent form before the expiration of the solicitation period, which is the time period during which participants may vote "FOR" or "AGAINST" the consolidation and the third-party portfolio proposal. The solicitation period will commence upon delivery of the solicitation materials to you which is on or about January 23, 2013.

Your consent form must be received by MacKenzie Partners, Inc. by 5:00 p.m. Eastern time on March 25, 2013 unless the supervisor extends the solicitation period as set forth below. You may submit your consent form by mail, to 105 Madison Avenue, NY, NY 10016, or by facsimile, to (212) 929-0308. You can change your vote at any time before the later of the date that consents from participants holding the required percentage interest in your participating group are received and the 60th day after the beginning of the solicitation period. Either MacKenzie Partners, Inc. or the supervisor will send you a written acknowledgment by facsimile or, if requested by you, mail, that your vote has been changed promptly following receipt of a changed vote. If you do not consent to the consolidation or the third-party portfolio proposal, as applicable, you may also change your vote to consent to the consolidation or the third-party portfolio proposal, as applicable, within ten days after receiving written notice that the required supermajority consent from the participants in your participating group has been received, as described under "Overview—Vote required to approve the consolidation or third-party portfolio proposal." You may call MacKenzie Partners, Inc. during the solicitation period to check whether or not the required supermajority consent has been received from the participants in your participating group, or to confirm that your changed vote has been received.

A participant may withdraw or revoke his or her consent form, or change his or her vote, at any time before the later of the date that consents from participants holding the required percentage interest in your participating group are received and the 60th day after the beginning of the solicitation period. In addition, a participant that does not consent to (or who abstains from or does not vote with respect to) the consolidation or the third-party portfolio proposal, as applicable, may also change his or her vote to consent to the consolidation or the third-party portfolio proposal, as applicable, within ten days after the notice that the required supermajority consent from the participants in your participating group has been received with

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respect to such proposal is sent, as described below. A participant can change his or her vote by sending to MacKenzie Partners, Inc., the vote tabulator, (i) a written statement that he or she would like to change his or her vote, or (ii) a new consent form, in either case, by mail, to 105 Madison Avenue, NY, NY 10016, or by facsimile, to (212) 929-0308. Either MacKenzie Partners, Inc. or the supervisor will send to the participant a written acknowledgment by facsimile or, if requested by the participant, mail, that the participant's vote has been changed promptly following receipt of a changed vote. If a participant votes "AGAINST" the consolidation or the third-party portfolio proposal, "ABSTAINS" or does not submit a consent form and the supermajority consent of his or her participating group is received, the agent for his or her participating group will provide the written buyout notice, stating that such supermajority consent has been received to the participant following the expiration of the solicitation period, as the same may be extended.

The consents of each of the agents, who are the members of the subject LLCs, will become effective when they execute consents following receipt of the required consents of the participants. The consents of the participants in each participating group will become effective when the consents of the required number of participants are received, but not earlier than the time of completion of the procedure for buyouts and the 60th day after the beginning of the solicitation period.

The supervisor may extend on one or more occasions the solicitation period for one or more proposals for one or more subject LLCs or one or more participating groups in a subject LLC without extending for other proposals, subject LLCs or participating groups whether or not it has received approval for the consolidation proposal or the third-party portfolio proposal on expiration of the consent solicitation period.

If you do not submit a consent form, you will be counted as having voted "AGAINST" both the consolidation and the third-party portfolio proposal. If you submit a properly signed consent form but do not indicate how you wish to vote on the consolidation, the third-party portfolio, proposal or both, you will be counted as having voted "FOR" such proposal(s).

The consent form also includes a section which permits participants to elect whether to receive operating partnership units, Class A common stock and Class B common stock.

EMPIRE STATE REALTY TRUST, INC.
EMPIRE STATE REALTY OP, L.P.
PROSPECTUS SUPPLEMENT
TO
PROSPECTUS/CONSENT SOLICITATION STATEMENT
DATED JANUARY 21, 2013
60 EAST 42ND ST. ASSOCIATES L.L.C.

This supplement is being furnished to you, as a participant of 60 East 42nd St. Associates L.L.C., or your subject LLC, by Malkin Holdings LLC, the supervisor of your subject LLC, to enable you to evaluate the proposed consolidation of your subject LLC into Empire State Realty Trust, Inc., a Maryland corporation, or the company.

The supervisor, requests that you, as a participant in your subject LLC, consent to the contribution of your subject LLC's interest in One Grand Central Place, New York, New York, as part of a consolidation of office and retail properties in Manhattan and the greater New York metropolitan area owned by your subject LLC, the other subject LLCs and certain private entities, or the private entities, supervised by the supervisor, along with certain related management businesses, into the company. This transaction is referred to herein as the consolidation.

The supervisor believes you will benefit from this consolidation through newly created opportunities for liquidity, enhanced property diversification, increased growth opportunities, enhanced operating and financing abilities and efficiencies, combined balance sheets, anticipated regular quarterly cash distributions, and continued leadership by the officers and a principal of the supervisor under the transparency and accountability of the governance structure of a reporting company with the Securities and Exchange Commission, or the SEC, with audited financial statements and a board of directors consisting predominantly of independent directors. Anthony E. Malkin will be the only management member of the board of directors.

As a potential alternative to the consolidation, the supervisor also requests that the participants consent to the sale or contribution of your subject LLC's property interest as part of a sale or contribution of all of the properties owned by your subject LLC, the other subject LLCs, the private entities (including the operating lessee of your subject LLC) and the management companies as a portfolio to an unaffiliated third party. While the supervisor believes the consolidation represents the best opportunity for participants to achieve liquidity and to maximize the value of their investment, the supervisor believes it also is in the best interest of all participants for the supervisor to have the flexibility and discretion, subject to certain conditions, to accept an offer for the portfolio of properties from an unaffiliated third party if the supervisor determines that the offer price includes what the supervisor believes is an adequate premium above the value that is expected to be realized over time from the consolidation. The third-party portfolio transaction would be undertaken only if the aggregate consideration is at least 115% of the aggregate exchange value for the subject LLCs, the private entities and the management companies included in the third-party portfolio transaction and certain other conditions are met. The proposal must provide for all cash, payable in full at closing, but such proposal may provide for an option for all participants to elect to receive securities as an alternative to cash. If the proposal provides for a securities option, the Malkin Family will have the right to elect to receive securities only on the same proportional basis as other participants. No member of the Malkin Family will be an affiliate, consultant, employee, officer or director of the acquiror after the closing or receive any compensation from the acquiror (other than their pro rata share of the consideration that they will receive in the third-party portfolio transaction).

Participants also are being asked to consent to a voluntary pro rata reimbursement program pursuant to which the supervisor and Peter L. Malkin, a principal of the supervisor, will be reimbursed for the prior advances of all costs, plus interest, incurred in connection with the legal proceedings required to remove and replace the former property manager and leasing agent. The supervisor believes that the voluntary pro rata reimbursement program is fair and reasonable because the successful resolution of the legal proceedings allowed the property owned by your subject LLC to participate in a renovation and repositioning turnaround program conceived and implemented by the supervisor. The estate of Leona M. Helmsley, which we refer to as the Helmsley estate, as

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compensation to the supervisor and for distribution of cash flow and liquidation proceeds, except that your subject LLC does not have a voluntary capital transaction override program and Empire State Building Associates L.L.C. and 250 West 57th St. Associates L.L.C. have a voluntary capital transaction override program.

Differences among the subject LLCs

- The Empire State Building is the largest property in the proposed consolidation and its renovation program began last. The renovation program for the Empire State Building is anticipated to require a greater investment than the renovation programs for the other subject LLCs. While the supervisor expects that the renovation programs for the other subject LLCs will be completed substantially by the end of 2013, the supervisor expects that the renovation program for the Empire State Building, which is the last Manhattan office property that began its renovation program, will be completed substantially in 2016.
- Your subject LLC's property has a debt to asset value (based on the appraised value) ratio of 12.20% as of September 30, 2012. The company's properties have a debt to total assets ratio of 20.55% as of September 30, 2012. The ratio of debt to total assets was calculated by dividing the total mortgage indebtedness and other borrowings by the sum of the appraised value of real estate assets.
- Your subject LLC's property was 79.9% (79.1% of office space and 92.9% of retail space) leased as of September 30, 2012. The company's properties were 80.2% (79.8% of office space and 85.6% of retail space) leased as of September 30, 2012.
- The age of your subject LLC's property is 82 years. The average age of the company's properties is 61 years.

Vote required to approve the consolidation or third-party portfolio proposal

The participation interests in your subject LLC are divided into seven separate participating groups. Participants are being asked to vote on both the proposed consolidation and the third-party portfolio proposal. For each proposal to be approved, participants holding 100% of the outstanding participation interests in your subject LLC must approve that proposal. Each of these proposals is subject to a separate consent and approval of each proposal is not dependent on approval of any other proposal.

If holders of 90% of the participation interests in any of the seven participating groups in your subject LLC approve the consolidation or third-party portfolio proposal, as shown in the tabulation of consents by MacKenzie Partners, Inc., pursuant to a buyout right included in your subject LLC's participating agreements since its inception, the agent of any such participating group will purchase on behalf of your subject LLC for the buyout amount, the participation interest of any participant in such participating group that voted "AGAINST" or "ABSTAINED" with respect to the consolidation or third-party portfolio, as applicable, or that did not submit a consent form, even if the proposal is not approved by the other participating groups in your subject LLC, unless such participant consents to the proposal within ten days after receiving written notice that the required supermajority consent from the participants in your participating group has been received. If the agent purchases these participation interests, the requirement for consent of participants holding 100% of the participation interests of that participating group will be satisfied.

The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in your subject LLC as compared to the exchange value of \$402,658 for a \$10,000 original investment in your subject LLC. The cash required to buyout non-consenting participants will not be paid from the proceeds from the IPO. These buyouts are contractual provisions expressly stated for your subject LLC at the inception of your subject LLC in its original participating agreement dated December 1, 1954, under which the participation interests were issued. The buyout provisions were included as a practical way to permit the entity to act, while still following the then-current tax advice provided to the supervisor of your subject LLC

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that participants needed to act unanimously to permit your subject LLC to obtain partnership status and to avoid entity level tax as a corporation for U.S. federal income tax purposes. For this purpose, the buyout provisions allow the purchase, at original cost less capital returned, but not less than \$100, of the interest held by a non-consenting participant after ten-days' notice of receipt of approval by 90% of the participation interests in such non-consenting participant's participating group, if such non-consenting participant still does not change its vote to approval. Accordingly, the buyout provisions preserved the unanimity which is considered necessary for these tax reasons, but prevented a small minority, which might be acting for its own purposes and not in the interests of other participants, from preventing action by the large supermajority. The agents are authorized under the participating agreements to buy out participation interests of participants that do not consent to the action if the required supermajority consent from the participants in your participating group is received, as described below. Since such buyout is necessary to provide for the required unanimous consent and is not conditioned on the transaction closing, the agent has the right to buy out participation interests from participants who do not vote "FOR" either proposal, if the required supermajority consent is received by the applicable participating group with respect to such proposal, within ten days after written notice, as described below, whether or not either or neither proposal is consummated.

Prior to an agent purchasing the participation interests of non-consenting participants, an agent will give such participants not less than ten days' notice after the required supermajority consent is received by the applicable participating group in your subject LLC to permit them to consent to the consolidation or the third-party portfolio proposal, as applicable, in which case their participation interests will not be purchased. The agents will purchase the participation interests for the benefit of your subject LLC and not for their own account and will be reimbursed by your subject LLC for the cost of such buyout. If the agent purchases these participation interests, the requirement for consent of participants holding 100% of the participation interests of the participating group will be satisfied. Unanimity on the consents is required pursuant to the organizational documents of your subject LLC with respect to both the consolidation and the third-party portfolio proposal for the consent of a participating group; therefore a participant in your subject LLC who does not vote in favor of either the consolidation or third-party portfolio transaction proposal (and does not change his or her vote after notice that the requisite supermajority consent has been obtained) will be subject to this buyout if the tabulation of consents by MacKenzie Partners, Inc. shows that the required consent in his or her participating group has been received, but in no event before the expiration of the 60-day solicitation period as the same may be extended, regardless of whether either or neither transaction is consummated or the required consent of other participating groups is received, as described below. A vote for the proposed transaction by the participants constitutes an authorization for the agents of each participating group to approve, in their capacity as members of your subject LLC, the consolidation or the third-party portfolio transaction, as applicable. The agents, under the operating agreements of your subject LLC, have discretion, subject to their fiduciary duties, to determine whether to approve the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. Additionally, the supervisor, acting on behalf of the subject LLCs and the agents, similarly has discretion, subject to its fiduciary duties, as to whether to abandon or to postpone the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. The agents and supervisor could determine not to proceed with the consolidation and the IPO due to market conditions or other reasons.

The agents, who are the members of your subject LLC, recently created a new class of membership interests, which were divided into series. A separate series was deemed to be distributed to holders of each participating group in your subject LLC. Each new series provides protections similar to those under a shareholder rights plan for a corporation. Each new series corresponds to a participating group for which a member acts as agent. The new series will not affect voting rights, except with respect to any person or group that acquires 3% or more of the outstanding participation interests in the applicable participating group (an "acquiring person"). If there is an acquiring person, the effect of the new series is that approval of the consolidation proposal and the third-party portfolio proposal by a participating group will require approval by the requisite consent of the participants in the participating group, as holders of the new series of membership interests, excluding the acquiring person.

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RISK FACTORS

The risks from the consolidation and the third-party portfolio transaction generally are applicable to all of the subject LLCs, although certain of the risks affect your subject LLC differently from the other subject LLCs. Because all of the risks and adverse factors described in the consent solicitation apply to the effects of the consolidation on your subject LLC, as well as the other subject LLCs, you should carefully review the risks summarized below and the section entitled "Risk Factors" in the prospectus/consent solicitation.

Risks which affect your subject LLC differently or which involve changes in the nature of your investment

The following is a description of the risks which affect your subject LLC differently from the other subject LLCs.

- **Fundamental Change in Nature of Investment.** You no longer will hold a participation interest in your subject LLC that owns an interest in a single property, One Grand Central Place, subject to an operating lease. Instead, you will own operating partnership units in the operating partnership and/or shares of common stock in the company if the consolidation is consummated, which will own a portfolio of office and retail assets in Manhattan and the greater New York metropolitan area.
After the consolidation, you will hold operating partnership units, unless you elect to receive Class A common stock, or, to a limited extent, Class B common stock. Each participant may elect to receive one share of Class B common stock instead of one operating partnership unit for every 50 operating partnership units such participant would otherwise receive in the consolidation. Beginning 12 months after the completion of the IPO, the operating partnership units will be redeemable at your option for cash or, at the company's election, shares of Class A common stock. The operating partnership will be a majority owned subsidiary of the company. You will be subject to the risks inherent in investing in an operating partnership which is a majority owned subsidiary of the company, including the risk that the company may invest in new properties that are not as profitable as anticipated.
- **Exposure to Market and Economic Conditions of other Properties.** You no longer will hold a participation interest in your subject LLC that owns an interest in a single property subject to an operating lease located in Manhattan. Instead, you will own operating partnership units and/or shares of common stock in the company if the consolidation is consummated, which will own a portfolio of office and retail assets in Manhattan and the greater New York metropolitan area. The company will own, and in the future may invest in, types of properties different from those in which your subject LLC has invested, and you may be subject to increased risk because of the larger number of properties and broader types of properties held by the company.
- **The Company Expects to Reinvest Proceeds.** Historically, the supervisor generally has not reinvested the proceeds from a sale of properties by investment programs that it supervises, although it is not restricted from doing so. Net proceeds which are not reinvested or reserved in the supervisor's discretion would be distributed to the participants in accordance with your subject LLC's organizational documents. As the company expects to reinvest the proceeds from sales of its properties, you likely will not receive a distribution of any such proceeds, and such reinvestments may be made in properties that are not profitable.
- **Future Acquisitions of Properties.** Your subject LLC has not acquired any additional properties. The company may raise additional funds through equity or debt financings to make future acquisitions of properties. You may be subject to the risk that the company's future issuances of debt or equity securities or the company's other borrowings will reduce the market price of the operating partnership units or shares of Class A common stock and dilute your ownership in the company.
- **If You Do Not Consent to the Consolidation or the Third-Party Portfolio Proposal, Your Participation Interest Will be Purchased For a Price Substantially Below the Exchange Value.** The organizational documents of your subject LLC provide that if holders of 90%, or the required consent,

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of the participation interests in any of the seven participating groups in your subject LLC approve an action, the agents will purchase on behalf of the subject LLC the participation interests of participants who do not approve such action, and that price would be substantially below the exchange value of the interests. If the required supermajority consent of the participation interests in any participating group in the subject LLC approves the consolidation or the third-party portfolio proposal, the agent of such participating group will purchase on behalf of the subject LLC the participation interest of any participant in such participating group that voted "AGAINST" the consolidation or the third-party portfolio proposal, "ABSTAINED," as applicable, or did not properly or timely submit a consent form, even if the proposal is not approved by the other participating groups in your subject LLC. The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost less capital repaid, but not less than \$100, is currently \$100 for the interest held by a participant in your subject LLC as compared to the exchange value of \$402,658 for a \$10,000 original investment in your subject LLC. The agents are authorized under the participating agreements to buy out participation interests of participants that do not consent to the action if the required supermajority consent from the participants in your participating group is received, as described below. Since such buyout is necessary to provide for the required unanimous consent and is not conditioned on the transaction closing, the agent has the right to buy out participation interests from participants who do not vote "FOR" either proposal, if the required supermajority consent is received by the applicable participating group with respect to such proposal, within ten days after written notice, as described below, whether or not either or neither proposal is consummated.

Prior to an agent purchasing the participation interests of non-consenting participants in your subject LLC, an agent will give such participants not less than ten days' notice after the required supermajority consent is received by the applicable participating group of your subject LLC to permit them to consent to the consolidation and/or the third-party portfolio proposal, in which case their participation interests will not be purchased.

Unanimity on the consents is required pursuant to the organizational documents of your subject LLC with respect to both the consolidation and the third-party portfolio proposal for the consent of a participating group; therefore, a participant who does not vote in favor of either the consolidation or third-party portfolio transaction proposal (and does not change his or her vote after notice that the requisite supermajority consent has been obtained) will be subject to this buyout regardless of whether either or neither transaction is consummated or the required consent of other participating groups is received. A vote for the proposed transaction by the participants constitutes an authorization for the agents of each participating group to approve, in their capacity as members of your subject LLC, the consolidation or the third-party portfolio transaction, as applicable. The agents, under the operating agreements of your subject LLC, have discretion, subject to their fiduciary duties, to determine whether to approve the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. Additionally, the supervisor, acting on behalf of the subject LLCs and the agents, similarly has discretion, subject to its fiduciary duties, as to whether to abandon or to postpone the transaction, even after supermajority approval has been obtained for either or both transactions and dissenting participants have been bought out. The agents and supervisor could determine not to proceed with the consolidation and the IPO due to market conditions or other reasons.

Uncertainties as to the Size and Makeup of the Company. The consolidation is conditioned on the contribution to the company of the property interests in the Empire State Building owned by Empire State Building Associates L.L.C., which owns the fee interest and the underlying land, and Empire State Building Company L.L.C., the private entity which is the operating lessee with respect to the Empire State Building, but is not conditioned on any of the other subject LLCs or private entities contributing their property interests to the company in the consolidation. Your subject LLC represents a significant portion of the exchange value and anticipated future net income and cash flow of the company.

**VOTING PROCEDURES FOR THE CONSOLIDATION PROPOSAL AND
THE THIRD-PARTY PORTFOLIO PROPOSAL**

The prospectus/consent solicitation, together with this supplement, transmittal letter and consent form constitute the solicitation materials being distributed to you and the other participants to obtain your votes “FOR” or “AGAINST” your subject LLC’s participation in the consolidation and the third-party portfolio proposal.

Participants are being asked to vote on both the proposed consolidation and the third-party portfolio proposal. The participants holding the required percentage of the outstanding participation interests of your subject LLC must approve each proposal in order for such proposal to be approved by your subject LLC. If the consolidation is approved by your subject LLC and the consolidation is consummated, your subject LLC will consolidate with the company in the manner described in the prospectus/consent solicitation and in this supplement.

The consent form seeks your consent to the consolidation and the third-party portfolio proposal. Participants in each subject LLC will vote separately on whether or not to approve the consolidation and the third-party portfolio proposal. Accordingly, if you hold interests in more than one subject LLC, you must complete one consent form for each subject LLC in which you are a participant.

If you vote “FOR” the consolidation and your subject LLC participates in the consolidation, you effectively will be voting against the alternatives to the consolidation, other than a third-party portfolio transaction, unless you vote “AGAINST” the third-party portfolio proposal. These alternatives include continuation of your subject LLC and a sale of your subject LLC’s interest in the property and distribution of the net proceeds to participants.

You should complete and return the consent form before the expiration of the solicitation period, which is the time period during which participants may vote “FOR” or “AGAINST” the consolidation and the third-party portfolio proposal. The solicitation period will commence upon delivery of the solicitation materials to you which is on or about January 23, 2013.

Your consent form must be received by MacKenzie Partners, Inc. by 5:00 p.m. Eastern time on March 25, 2013 unless the supervisor extends the solicitation period as set forth below. You may submit your consent form by mail, to 105 Madison Avenue, NY, NY 10016, or by facsimile, to (212) 929-0308. You can change your vote at any time before the later of the date that consents from participants holding the required percentage interest in your participating group are received and the 60th day after the beginning of the solicitation period. Either MacKenzie Partners, Inc. or the supervisor will send you a written acknowledgment by facsimile or, if requested by you, mail that your vote has been changed promptly following receipt of a changed vote. If you do not consent to the consolidation or the third-party portfolio proposal, as applicable, you may also change your vote to consent to the consolidation or the third-party portfolio proposal, as applicable, within ten days after receiving written notice that the required supermajority consent from the participants in your participating group has been received, as described under “Overview—Vote required to approve the consolidation or third-party portfolio proposal.” You may call MacKenzie Partners, Inc. during the solicitation period to check whether or not the required supermajority consent has been received from the participants in your participating group, or to confirm that your changed vote has been received.

A participant may withdraw or revoke his or her consent form, or change his or her vote, at any time before the later of the date that consents from participants holding the required percentage interest in your participating group are received and the 60th day after the beginning of the solicitation period. In addition, a participant that does not consent to (or who abstains from or does not vote with respect to) the consolidation or the third-party portfolio proposal, as applicable, may also change his or her vote to consent to the consolidation or the third-party portfolio proposal, as applicable, within ten days after the notice that the required supermajority consent has been received from the participants in your participating group with respect to such proposal is sent, as

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described below. A participant can change his or her vote by sending to MacKenzie Partners, Inc., the vote tabulator, (i) a written statement that he or she would like to change his or her vote, or (ii) a new consent form, in either case, by mail, to 105 Madison Avenue, NY, NY 10016, or by facsimile, to (212) 929-0308. Either MacKenzie Partners, Inc. or the supervisor will send to the participant a written acknowledgment by facsimile or, if requested by the participant, mail that the participant's vote has been changed promptly following receipt of a changed vote. If a participant votes "AGAINST" the consolidation or the third-party portfolio proposal, "ABSTAINS" or does not submit a consent form and the supermajority consent of his or her participating group is received, the agent for his or her participating group will provide the written buyout notice, stating that such supermajority consent has been received to the participant following the expiration of the solicitation period, as the same may be extended.

The consents of each of the agents, who are the members of the subject LLCs, will become effective when they execute consents following receipt of the required consents of the participants. The consents of the participants in each participating group will become effective when the consents of the required number of participants are received, but not earlier than the time of completion of the procedure for buyouts and the 60th day after the beginning of the solicitation period.

The supervisor may extend on one or more occasions the solicitation period for one or more proposals for one or more subject LLCs or one or more participating groups in a subject LLC without extending for other proposals, subject LLCs or participating groups whether or not it has received approval for the consolidation proposal or the third-party portfolio proposal on expiration of the consent solicitation period.

If you do not submit a consent form, you will be counted as having voted "AGAINST" both the consolidation and the third-party portfolio proposal. If you submit a properly signed consent form but do not indicate how you wish to vote on the consolidation, the third-party portfolio proposal, or both, you will be counted as having voted "FOR" such proposal(s).

The consent form also includes a section which permits participants to elect whether to receive operating partnership units, Class A common stock and Class B common stock.



January 21, 2013

To Participants in 60 East 42nd St. Associates L.L.C. ("Associates")

Dear Fellow Participants:

We recommend and request your approval to permit Associates' contribution of its property interest in One Grand Central Place, located at 60 East 42nd Street and 301 Madison Avenue, New York, New York ("One Grand Central Place") to Empire State Realty Trust, Inc. (the "REIT") as part of a consolidation of office and retail properties in Manhattan and the greater New York metropolitan area into the REIT.

We believe the proposed consolidation into a REIT and the initial public offering ("IPO") present a unique and excellent opportunity for the investors in Associates to improve their position, receive several new and important benefits, and continue to benefit economically in a new and efficient structure much better suited for today and the future. With the Registration Statement, which includes the prospectus/consent solicitation statement relating to the consolidation, having been declared effective by the Securities and Exchange Commission (the "SEC"), we are now in a position to discuss this long awaited and important opportunity with you in detail, answer your questions, and assist you in making the best decision for you.

As described in the prospectus/consent solicitation statement, for each \$10,000 of original investment held by you, the exchange value is now \$402,658.

- Exchange value was determined based on an appraisal by Duff & Phelps, LLC, the independent valuer, to establish relative value among properties and participation interests, and it does not necessarily represent the fair market value of your participation interest. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO after you vote on the consolidation proposal.
- The relative exchange values of each of the entities included in the consolidation will remain the same, except for adjustments to reflect changes in certain balance sheet items after June 30, 2012, which are not expected to be material. The difference between exchange value and enterprise value is described in the prospectus/consent solicitation statement.

Malkin Holdings LLC One Grand Central Place 60 East 42nd Street New York, NY 10165 T (212) 687-8700 F (212) 986-7679 www.malkinholdings.com

interest at prime, in connection with legal proceedings to remove the former property manager and leasing agent, allowing execution of the strategic plan to renovate and reposition One Grand Central Place and the other supervised properties into a highly regarded branded portfolio.

To date, consent has been received for the Voluntary Reimbursement from more than 72% of the investors in entities in which this request was previously made. The Helmsley Estate paid \$5,021,048 Voluntary Reimbursement, representing its entire pro rata share.

The potential Voluntary Reimbursement under this request for your individual approval is your pro rata share of the total allocable to Associates. Of that amount, 97% is attributable to advances by Peter L. Malkin for payments to unaffiliated third parties, with interest thereon at prime, and 3% is for work performed by Malkin Holdings.

Q: What is the Operating Partnership?

A: The Operating Partnership is formed to own and operate substantially all of the REIT's assets, directly or indirectly. The REIT will be the sole general partner with exclusive power to manage and conduct its business. Holders of OP units will have the same rights to distributions as holders of REIT shares.

Q: How do I vote "FOR" the consolidation?

A: Simply indicate on the enclosed consent form how you want to vote, then sign and mail it in the enclosed return envelope or by fax as soon as possible. If you sign and return your ballot form without indicating any choice, your consent form will be counted as a vote "FOR" the consolidation.

Q: Can I change my vote after I mail my consent form?

A: Yes. You can change your vote on the consolidation proposal, the third-party portfolio proposal, or both, at any time before the expiration of the solicitation period for your participation group, as it may be extended by the supervisor. You can change your vote in one of two ways: (1) you can send us a written statement that you would like to change your vote, or (2) you can send us a new consent form. A participant in Associates that voted "AGAINST" the consolidation or the third-party portfolio proposal or "ABSTAINED," as applicable, or that did not submit a consent form, may change his or her vote to a vote in favor of the applicable proposal within ten days after receiving written notice that the required supermajority consent has been received by such participant's participating group. In such case his or her participation interest will not be subject to the buyout and will participate on the same basis as other participants who approve the consolidation or third-party portfolio transaction.

Q: When do you expect the consolidation to be completed?

A: We hope to complete this consent solicitation promptly. The terms of the consent require that it be completed by December 31, 2014.

Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following letter was sent to participants in Empire State Building Associates L.L.C.

January 25, 2013

To Participants in Empire State Building Associates L.L.C. ("ESBA")

Dear Fellow Participants:

Richard Edelman and Steven Edelman have been and are making statements and assertions which are in our view nothing more than lies and deceptions. These two individuals, who are not even ESBA participants, have demonstrated by their statements that they have not read, don't understand or are intentionally mischaracterizing our disclosure contained in our prospectus/consent solicitation document, even items written in bold on the cover pages.

They have waged a more than yearlong campaign which uses social media, website, e-mails, mailings, and conference calls to spread these lies and deceptions amongst ESBA participants. Now that we have begun our solicitation, we are no longer constrained from commenting extensively on the lies and deceptions that they have spread to ESBA participants.

We strongly urge that you vote "FOR" the proposals.

The latest false and misleading statements were disseminated in the Edelmanns' January "Newsletter," January 17 conference call, and recent e-mail blasts. We firmly believe that any investor who bases a decision and vote on the Edelmanns' presentations risks material financial damage. Any investor who does so will not achieve the stated benefits of the consolidation and the IPO. Such investor could have a claim against the Edelmanns and anyone who assists them in spreading such lies and deceptions. Remember, the Edelmanns themselves have no right to vote. The vote rests with the trustees for the trusts of which they are beneficiaries.

As an ESBA participant, you need to know and work with the facts.

We have corrected their many mistakes and misleading statements for nearly a year now through outreach to them and to you. Despite this, they have continuously republished such

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- SEC practices do not provide any party with special access to its internal procedures or deliberations.

3. Richard Edelman gives the false impression that the buyout process does not apply to those who vote "AGAINST" or "ABSTAIN" on the proposals.
 - We call this a deception.
 - The risk of buyout applies to all investors when the necessary supermajority is reached and an investor does not consent.
 - After the necessary supermajority is reached, there is a limited window to change a vote as described in full in the prospectus/consent solicitation in several places (for example, on pages 14, 90-92, and 317-318).
 - Such buyout process has been part of ESBA's organizational documents from inception, and the Edelmans create risk for investors through their partial and misleading description of it.

Edelman January 17 Conference Call

1. Steven Edelman stated that the exchange value of an ESBA unit is about \$220,000, after reduction for taxes, fees and commissions to management, and the override.
 - We call this is a lie.
 - The exchange value, as set forth on page 7 of the prospectus/consent solicitation is more than \$323,803 AFTER the voluntary override. There is no commission or other fee applied to this, and there is no tax for an investor who elects operating partnership units.
 - We urge investors to rely on information in the prospectus/consent solicitation you recently received and not on deceptive information presented by the Edelmans.
2. Steven Edelman said he was told that a prior financial analysis prepared by Martin Cowan is still largely valid and that Martin Cowan only wrote his letter (stating his analysis could no longer be relied upon) under duress.
 - We call this a lie.
 - Martin Cowan's December 18 letter states specifically that the numbers on which he had based his analysis were changed materially by our subsequent filing, making his prior analysis inapplicable, and recommends to investors that they no longer rely upon such analysis. He also stated that he does not intend to do another analysis.
 - Martin Cowan is an attorney, and was represented by an attorney, in his agreement with Malkin Holdings in which he states "that he is entering into [such] agreement knowingly, voluntarily and freely, and that no threats or coercion of any kind have been directed to him in connection with the negotiation and execution of [such] agreement."
3. Steven Edelman said the third-party proposal gives management the power to sell the properties to a buyer which could include the Malkins and at substantially any price the Malkins may choose.
 - We call this a lie.
 - The prospectus/consent solicitation has stated for months clearly in several places, even on the front cover pages and page 47, that the price for a third party sale must be at least 115% of the aggregate exchange value for all the entities and that no member of the Malkin family can be related to the buyer or receive any special benefit from such a sale.

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- The prospectus/consent solicitation states clearly in several places, even on the front cover pages and page 47, that in any third party portfolio sale, the Malkins would receive consideration only on the same basis as all other participants.
4. Steven Edelman said that the prospectus/consent solicitation does not set out the procedures to be followed after a required supermajority approval has been achieved for the buyout process and that this process set forth in each original participating agreement has been used to threaten investors into consenting.
 - We call this a lie.
 - The only threats of which we are aware were made by the Edelmanns on their conference calls and recent emails.
 - The prospectus/consent solicitation repeatedly describes the buyout process (for example, on pages 14, 90-92, and 317-318).
 - Richard Edelman's email misquotes our solicitation's buyout description (see above), and Steven Edelman lies about its content.
 - You should rely upon our documents filed with the SEC, not the Edelmanns' false and contradictory characterizations of those documents.
 5. Steven Edelman stated in his January 17 conference call that the Malkins breached their fiduciary duty by remaining silent on the pending tender offer by an unrelated party.
 - We call this a lie.
 - The Malkins promptly sent to all investors and filed with the SEC a Form 14D-9 recommending against such tender.
 - On his call, Steven Edelman was even corrected by an investor.
 - Although Steven Edelman did not receive any such 14D-9 since he is not an investor and does not directly receive mailings, he did not take the responsibility of tracking the public filings before making erroneous statements.

Edelman January Newsletter

1. The Edelman newsletter does not identify the persons responsible for its content.
 - We view this to be a deception.
 - It uses a format which may mislead readers into thinking its source is Empire State Building Associates (ESBA).
 - The SEC rules provide, as an example of what can be misleading, the failure to identify soliciting material to clearly distinguish it from the soliciting material of any other person soliciting for the same subject.



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Pursuant to Rule 425 under the Securities Act of 1933

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on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following letter was mailed to participants in each of Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C., and 250 West 57th St. Associates L.L.C.

To Participants in Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C., and 250 West 57th St. Associates L.L.C.

Dear Fellow Participants:

We hope you have set aside the time to view the DVD which accompanied the package delivered to you with your consent form(s), visit our website at www.empirestaterealtytrust.com, and register for a conference call with us. We recommend you consult our public filings with the Securities and Exchange Commission ("SEC") which were sent to you for facts to assist you in your consideration of our proposals. **We strongly urge that you vote "FOR" our proposals.**

You may have seen news reports about a recent motion objecting to the class action settlement which we announced in November 2012. It is not a new lawsuit, but rather a motion filed by a handful of investors in Empire State Building Associates L.L.C. ("ESBA") seeking to block the settlement reached by us and investors representing all entities proposed for the consolidation. Objections are common in these types of proceedings, and we see no change in the timing for our ongoing vote and completion of our proposed IPO within the timeframe of the consent as presently proposed.

As we previously advised, the settlement requires a \$55 million payment upon completion of the consolidation and IPO or portfolio sale, to be paid to you and all investors (except Malkin and Helmsley affiliates) after paying class counsel fees and expenses—all subject to pending court approval. Neither you nor the new consolidated company will have any payment responsibility in the settlement.

We made the settlement, including an agreement to support court approval, because we believe this is the most practical, timely path to proceed with our recommended transaction for the benefit of all investors. We have always believed that the class action claims were without merit.

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- Their motion misleadingly quotes from a sentence describing the terms of the buyout process, which applies to participants in ESBA and 60 East 42nd St. Associates.
 - The buyout process, which has been part of the organizational documents of such entities from inception, is described in full in the prospectus/consent solicitation in several places including on pages 14, 90-92, and 317-318.
 - Their motion misstates basic rent paid by Empire State Building Company to ESBA.
 - It is not \$1 million per year; it is actually \$5.895 million per year.
 - Their motion misstates the charges for services rendered by Malkin entities to ESBA in 2011.
 - The S-4 discloses at page F-197 that such fees from ESBA in 2011 were approximately \$1 million. Their motion's statement that the Malkin entities received \$10 million in that year in connection with the transaction is incorrect.

We have been informed that the plaintiffs in the original, settled class action will oppose this seriously flawed motion, and we will meantime stay on course for a timely conclusion of the proposed transaction for the benefit of all of our investors. Above all, we remain focused on the effective and successful operation of all the properties we supervise, as we have for more than half a century.

Remember, we encourage you to rely on information contained in our public filings with the SEC and urge you to vote "FOR" the consolidation including IPO and the third party portfolio transaction. We suggest you view the DVD which accompanied the package delivered to you with your consent form(s), visit our website at www.empirestaterealtytrust.com, and register for a conference call with us.

As always, we are here to answer any of your questions. Please do not hesitate to call MacKenzie Partners 1-888-410-7850, our agent for responding to investor inquiries, so we can address your concerns head-on. This is an important decision that should be based only on the facts.

There are material risks and conflicts of interest associated with the consolidation, which are described in the prospectus/consent solicitation. This letter contains forward-looking statements, and actual results could materially differ from our expectations, as described in more detail as the prospectus/consent solicitation.

We feel confident that when you have reviewed the prospectus/consent solicitation and the other materials sent to you and had the opportunity to have your questions answered by those who have created and supervised these investments from inception, you will share our conclusion that our new proposal is an exceptional opportunity to increase the value of your investment and the distributions that you receive.

We strongly urge that you vote "FOR" our proposals.

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Empire State Realty OP, L.P.
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on Form S-4: 333-179486-01

The following flyer was mailed to participants in each of Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C., and 250 West 57th St. Associates L.L.C.

What about the recent cross motion against the Class Action Settlement? Our investors need to know the facts and not be victimized by false claims.

- A **FALSE** presentation of how investors in ESBA and 60 East 42nd St. Associates who vote "against" or "abstain" may be bought out at a low value.
 - The **TRUTH** is that the buyout process has been part of their organizational documents from inception. The terms are described fully in the prospectus/consent solicitation at pages 14, 90-92, and 317-318.
- A **FALSE** claim that the Malkins are improperly monetizing the future value of overrides.
 - The **TRUTH** is all overrides were applied based on written agreements and signed investor consents using the valuations by Duff & Phelps, the independent valuer.
- A **FALSE** claim that your vote in favor of the third-party portfolio sale proposal would give the Malkins the power to manipulate a sales process and favor Malkins over other partners.
 - The **TRUTH** is that the prospectus/consent solicitation states clearly that the price for a third party sale must be at least 115% of the aggregate exchange value for all the entities, AND sale proceeds must be allocated by independent valuer Duff & Phelps' exchange values.
 - Malkin family cannot be related to the buyer or receive any special benefit from such a sale. In the case of such a sale, Peter and Anthony Malkin would have no further involvement.
- A **FALSE** claim that we charged investment groups we supervise for private airplane expenses.
 - The **TRUTH** is that the Malkins pay their own private plane expenses.
- A **FALSE** claim that Empire State Building Company pays \$1.0 million basic annual rent to ESBA.
 - The **TRUTH** is the basic rent is \$5.895 million per year.
- A **FALSE** claim that Malkin entities received \$10.0 million in 2011 for service charges for the transaction.
 - The **TRUTH**, as the prospectus/consent solicitation statement discloses at page F-197, is that the fees from ESBA in 2011 were \$1.0 million.
- A **FALSE** claim that investors have a cash election option.
 - The **TRUTH** is that since July 2012 there has been no cash election option, and all investors can elect 100% tax deferred operating partnership units.

Objections are common in these types of proceedings. We expect no change in timing for voting or completing the proposed consolidation and IPO.

We think a "No" vote results in less value for your investment compared to the transaction going forward.

For more information, use your password and please visit www.empirestaterealtytrust.com, view the DVD which accompanied your package of disclosure/consent solicitation materials, send an e-mail to inquiries@malkinholdings.com, or call MacKenzie Partners at 1-888-410-7850.

There are material risks and conflicts of interest associated with the consolidation, which are described in the prospectus/consent solicitation statement. This letter contains forward-looking statements and actual results could materially differ from our expectations, as described in more detail in the prospectus/consent solicitation statement.

Investors are urged to review the Registration Statement on Form S-4, the prospectus/consent solicitation statement, which you have received, and other related documents now filed or to be filed with the SEC because they contain important information. You can obtain them, without charge, on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the prospectus/consent solicitation statement and the supplements relating to the individual entities by contacting Ned H. Cohen at 212 687-8700 at Malkin Holdings LLC.

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Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in 60 East 42nd St. Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose. Due to the large number of attendees and to ensure audio quality, this is a listen-only call in which all participants' lines are muted.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings, including the Prospectus Consent Solicitation Statement, which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Each of the three public entities, Empire State Building Associates LLC, 60 East 42nd Street Associates LLC, and 250 West 57th Street Associates LLC, the companies and their agents, and Malkin Holdings LLC, the supervisor, Empire State Realty Trust, Inc., the REIT, Empire State Realty OP, L.P., and each officer and director of the companies, the supervisor, or of the REIT, may be deemed to be a participant in the solicitation of consent in connection with the proposed consolidation. The names of such persons and a description of their interest in the companies and the REIT are set forth respectively in each Company's Annual Report on Form 10-K for the year ended December 31st, 2011, the REIT's Registration Statement on Form S-4 and

efficient ways to access the capital markets. There are many reasons why we believe participants have greater potential for increased distributions following the transaction than in the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Tony Malkin: Here's another question: Can't things just stay the way they are? Why can't we just have the status quo?

Things can't stay the way they are and the status quo cannot continue. Leona Helmsley's estate must sell its interest in your operating lessee. It is not an option. It is a requirement under the will of Leona Helmsley. The Helmsley estate owns a 30% interest in the operating lessee. Any purchaser of the Helmsley estate interests will be able to have significant influence over the decisions made by the operating lessee. The operating lessee's decisions control property operation and use of cash flow, thus determining the amount of cash available for distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or group which would then have the ability to exercise substantial influence over decisions, thereby creating the potential for decisions which impair distributions.

We believe that reality dictates that the best decisions and conditions change over time. The Tax Code which drove my grandfather to structure the purchase of One Grand Central Place has changed. Financing and operations are different today than in the past, technology, rules and business have become more complex, and the structures of yesterday do not allow us to address efficiently the challenges and opportunities of today. We do believe the status quo does not make sense any longer.

Peter Malkin: What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by my entity?

If you vote against the consolidation, you do not vote or you abstain, and your subject entity participates in the consolidation, your participation interest will be subject to a buy-out, pursuant to a buy-out amount that would be substantially lower than the exchange amount. The buy-out amount for an original \$10,000 participation is currently \$100, as compared to the exchange value of \$402,660 per \$10,000 original investment. A participant that voted against the consolidation or the Third-Party Portfolio proposal, or abstained, or that did not submit a Consent Form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required supermajority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buy-out and will participate on the same basis as other participants who approved the consolidation or third-party portfolio transaction.

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Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose. Due to the large number of attendees and to ensure audio quality, this is a listen-only call in which all participants lines are muted.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings including the Prospectus Consent Solicitation Statement which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Each of the three public entities, Empire State Building Associates, LLC; 60 East 42nd Street Associates, LLC and 250 West 57th Street Associates, LLC, the Companies and their agents and Malkin Holdings LLC, the Supervisor; Empire State Realty Trust Inc. the REIT, Empire State Realty OP, L.P., and each officer and director of the Companies, the supervisor or of the REIT, may be deemed to be a participant in the Solicitation of Consent in connection with the proposed consolidation. The names of such persons and a description of their interest in the Companies and the REIT are set forth, respectively, in each Company's Annual Report on Form 10-K for the year ended December 31st, 2011, the REIT's Registration Statement on Form S-4 and Prospectus Consent Solicitation Statement, which have been filed with the SEC.

Here's another question: "Is it true that Empire State Building has more upside and I will lose that in the proposed consolidation and IPO?"

No, that's not true. Again, Duff & Phelps took into account the expected future performance of all of the properties in determining their exchange values. This includes Empire State Building's office, retail, broadcast and observatory operations. Empire State Building's potential, yielded the highest exchange value per square foot of any building in the portfolio.

Here's a question: "What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by Empire State Building Associates?"

If you vote against the consolidation, you do not vote or you abstain, and Empire State Building Associates participates in the consolidation, your participate interests will be subject to a buyout. The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost, less capital repaid but not less than \$100 is currently \$100 for the interest held by a participant in Empire State Building Associates as compared to the exchange value of \$323,800 or \$358,670 if you are not subject to the voluntary capital override per \$10,000 original investment for Empire State Building Associates.

A participant in Empire State Building Associates who voted against the consolidation or the third party portfolio proposal, or abstained, as applicable, or that did not submit a consent form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required super-majority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buyout and will participate on the same basis as the other participants who approved the consolidation or third party portfolio transaction.

Peter Malkin: Another question: "Could Empire State Building Associates purchase the Helmsley estate's interest?"

We do not believe that this is realistic. Empire State Building Associates receives a low basic rent and highly variable overage rent from Empire State Building Company to cover costs and to service and repay loans. Empire State Building Company is not required to operate in such a way as to maximize cash flow or overage rent payments to Empire State Building Associates. Based on our extensive experience in financings, including three financings relating to the Empire State Building since 2001, we do not believe that Empire State Building Associates would be able to borrow the necessary amounts to acquire the Helmsley estate's interest. In addition, Empire State

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The following is the transcript of a conference call attended by participants in Empire State Building Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings including the Prospectus Consent Solicitation Statement which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Each of the three public entities, Empire State Building Associates, LLC; 60 East 42nd Street Associates, LLC and 250 West 57th Street Associates, LLC, the Companies and their agents and Malkin Holdings LLC, the Supervisor; Empire State Realty Trust Inc. the REIT, Empire State Realty OP, L.P., and each officer and director of the Companies, the supervisor or of the REIT, may be deemed to be a participant in the Solicitation of Consent in connection with the proposed consolidation. The names of such persons and a description of their interest in the Companies and the REIT are set forth, respectively, in each Company's Annual Report on Form 10-K for the year ended December 31st, 2011, the REIT's Registration Statement on Form S-4 and Prospectus Consent Solicitation Statement, which have been filed with the SEC.

Here's another question: "Is it true that Empire State Building has more upside and I will lose that in the proposed consolidation and IPO?"

No, that's not true. Again, Duff & Phelps took into account the expected future performance of all of the properties in determining their exchange values. This includes Empire State Building's office, retail, broadcast and observatory operations. Empire State Building's potential, yielded the highest exchange value per square foot of any building in the portfolio.

Here's a question: "What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by Empire State Building Associates?"

If you vote against the consolidation, you do not vote or you abstain, and Empire State Building Associates participates in the consolidation, your participate interests will be subject to a buyout. The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost, less capital repaid but not less than \$100 is currently \$100 for the interest held by a participant in Empire State Building Associates as compared to the exchange value of \$323,800 or \$358,670 if you are not subject to the voluntary capital override per \$10,000 original investment for Empire State Building Associates.

A participant in Empire State Building Associates who voted against the consolidation or the third party portfolio proposal, or abstained, as applicable, or that did not submit a consent form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required super-majority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buyout and will participate on the same basis as the other participants who approved the consolidation or third party portfolio transaction.

Peter Malkin: Another question: "Could Empire State Building Associates purchase the Helmsley estate's interest?"

We do not believe that this is realistic. Empire State Building Associates receives a low basic rent and highly variable overage rent from Empire State Building Company to cover costs and to service and repay loans. Empire State Building Company is not required to operate in such a way as to maximize cash flow or overage rent payments to Empire State Building Associates. Based on our extensive experience in financings, including three financings relating to the Empire State Building since 2001, we do not believe that Empire State Building Associates would be able to borrow the necessary amounts to acquire the Helmsley estate's interest. In addition, Empire State

Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in Empire State Building Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

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The following is the transcript of a conference call attended by participants in 60 East 42nd St. Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings, including the Prospectus Consent Solicitation Statement, which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

efficient ways to access the capital markets. There are many reasons why we believe participants have greater potential for increased distributions following the transaction than in the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Tony Malkin: Here's another question: Can't things just stay the way they are? Why can't we just have the status quo?

Things can't stay the way they are and the status quo cannot continue. Leona Helmsley's estate must sell its interest in your operating lessee. It is not an option. It is a requirement under the will of Leona Helmsley. The Helmsley estate owns a 30% interest in the operating lessee. Any purchaser of the Helmsley estate interests will be able to have significant influence over the decisions made by the operating lessee. The operating lessee's decisions control property operation and use of cash flow, thus determining the amount of cash available for distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or group which would then have the ability to exercise substantial influence over decisions, thereby creating the potential for decisions which impair distributions.

We believe that reality dictates that the best decisions and conditions change over time. The Tax Code which drove my grandfather to structure the purchase of One Grand Central Place has changed. Financing and operations are different today than in the past, technology, rules and business have become more complex, and the structures of yesterday do not allow us to address efficiently the challenges and opportunities of today. We do believe the status quo does not make sense any longer.

Peter Malkin: What will I be entitled to receive, if I don't vote for the consolidation and the consolidation proposal is approved by my entity?

If you vote against the consolidation, you do not vote or you abstain, and your subject entity participates in the consolidation, your participation interest will be subject to a buy-out, pursuant to a buy-out amount that would be substantially lower than the exchange amount. The buy-out amount for an original \$10,000 participation is currently \$100, as compared to the exchange value of \$402,660 per \$10,000 original investment. A participant that voted against the consolidation or the Third-Party Portfolio proposal, or abstained, or that did not submit a Consent Form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required supermajority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buy-out and will participate on the same basis as other participants who approved the consolidation or third-party portfolio transaction.

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Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

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Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

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The following is an additional script for answering certain questions from investors that call Malkin Holdings LLC or its proxy solicitation agent:

MALKIN HOLDINGS—LEGACY: supplementary script for telephone responses

Answers to Common Questions and Concerns

March 7, 2013

There are certain questions which have been raised by a number of investors on phone calls with Malkin representatives. Here are simple answers to those most common questions and concerns.

If investor mentions potential tax issues:

You should not recognize any tax at the time of the consolidation if you choose the OP units. That's how the Malkin family has chosen to take most of their shares. Otherwise, we can't give tax advice but are happy to talk to your advisor or accountant.

In order to help the investor fill out their ballot:

Do you have the colored sheet? If you have it in front of you, I can help you fill out your ballot to reflect your choices.

If the investor is in the midst of or about to initiate a transfer:

Don't worry, you can vote now and still execute your planned transfer. If you have already commenced your transfer with our office, we are happy to speak to your transferee.

If the investor mentions an accountant or advisor:

We're talking to many of our investors' financial advisors, and we'd be happy to speak with yours. Would you like that? If so, can you tell me their name, number, and e-mail, and we will be happy to call them and send them copies of all the necessary information to have an informed conversation.

If the investor is concerned about the urgency behind the balloting:

This process is expensive and time consuming, and there have been thousands of investors to contact. The soonest we can finish the vote is March 25th, and the sooner we get the balloting done, the sooner we can stop spending money on the process, and you can receive your special distribution checks on completion of the consolidation and IPO.

If the investor asks about an erosion of goodwill towards the Malkin family:

We don't see an erosion of goodwill. We've been talking to thousands of investors for months, and we're very encouraged by the tremendous support we have received in our conversations. Thousands in the privates and public entities have already voted in support of the program. We believe the dissident investors have made outrageously false statements in an attempt to generate negative public attention. We know that the more-than-fifty-year long relationship the Malkin family has with the investors is as strong as ever.

If the investor asks what is the motive of Steven and Richard Edelman:

We're confused by it, too. We have said repeatedly that much of what they're saying is simply not true. Our facts are in the consent solicitation as part of Form S-4, which we filed with the SEC, and which the SEC declared effective. The Edelmanns have refused to meet with us, and we don't know what their motivations are, especially because they are passive beneficiaries of trusts and don't even have a vote.

If the investor expresses discomfort with the super-majority rule and buyout process:

The buyout process was put in place when these investments were first formed to prevent a small minority of investors from blocking the desires of the overwhelming majority on the few items on which investors vote, including capital transactions. This process protects investors, all of us, and has been part of decision-making in our investments for decades.

tnk 3/7/13

AGREEMENT dated and to be effective as of the 1st day of January, 1962, among LAWRENCE A. WIEN, residing at Hotel Plaza, 768 Fifth Avenue, New York, New York (herein called the "Agent"), and others who by subscribing their names hereto become parties hereto (herein called the "Participants").

W I T N E S S E T H :

WHEREAS, Empire State Building Associates, a partnership (herein called "the partnership") holds a Master Lease of the land and building (herein called the "premises") known as the Empire State Building, located at 350 Fifth Avenue, New York, New York, under which Master Lease The Prudential Insurance Company of America is the Lessor; and

WHEREAS, the premises are subject to an Operating Sublease held by Empire State Building Company, as Sublessee; and

WHEREAS, the Agent owns a one-third (1/3) interest in the partnership, which was organized pursuant to an agreement among Lawrence A. Wien, Henry W. Klein and Peter L. Malkin, dated July 11, 1961, and which partnership interest is herein called "The Property"; and

WHEREAS, the parties wish to establish the ownership of The Property and to define their rights and obligations with respect thereto.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. A joint venture is hereby formed for the ownership of The Property. It is acknowledged that for all purposes of this agreement the contribution of each Participant to the

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without the consent of all of the Participants.

5. This agreement may be modified or amended with the consent of all of the Participants.

6. It is acknowledged that the Agent has the power, as a partner in the partnership, to dissolve the partnership. If he exercises such power without obtaining the prior written consent of all the Participants, he shall be personally liable for any damages sustained by the Participants. Any dissolution of the partnership caused by the act of the Agent shall effect a dissolution of the joint venture.

7. If the consents of Participants owning at least eighty percent (80%) of The Property have been obtained with respect to any matter referred to in paragraphs 4, 5 and 6 hereof, the Agent or his designee (herein called "Purchaser") shall have the right to purchase the interest in The Property of any Participant who has not duly given such consent (and, if the Participant is not an individual, has not furnished evidence of authority for giving such consent) within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The price shall be the lesser of (i) the capital contribution of such Participant, less any repayment thereof to the date of the deposit in escrow, described below, or (ii) the value of the interest as a fractional interest in The Property with its rights and obligations as set forth in this agreement rather than as a direct interest in the premises. Such Participant and the Purchaser shall agree on such value, and if they fail to so agree within fifteen (15) days after the sale and transfer of the interest shall be effected as provided in the following subparagraph of this paragraph 7, the dispute as to the value

shall be determined by arbitration in accordance with the provisions of paragraph 12 hereof. Under no circumstances shall the purchase price be less than \$100.

The sale and transfer to the Purchaser of the interest of such Participant shall be effected by the deposit in escrow by the Purchaser with Wien, Lane & Klein, Esqs., 60 East 42nd Street, New York, New York, at any time within ninety (90) days after the aforesaid ten day period, of the net amount specified in subsection (1) of this paragraph 7. The Agent is hereby irrevocably appointed attorney-in-fact for such Participant to execute any papers and to take any other action necessary to evidence such sale and transfer. The Purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and obligations as such Participant. If the value referred to in subsection (11) of this paragraph 7 (herein called the "agreed value") is higher than the amount of the escrow deposit the escrow agent shall promptly mail, by certified or registered mail, a certified check in the amount of such deposit directed to such non-consenting Participant at his last known address. If the agreed value is lower than the amount of the escrow deposit, then the escrow agent shall promptly so mail, by certified or registered mail, a certified check in an amount equal to the agreed value to the Participant, and shall refund the balance of the escrow deposit to the Purchaser.

8. Except as provided in paragraph 6 hereof, the Agent shall not be personally liable for any act performed in good faith on or after January 1, 1962, nor for any obligation arising on or after January 1, 1962, unless due to the Agent's wilful misconduct, gross negligence or unless arising out of any liabilities under the Securities Act of 1933. The



AGREEMENT dated and to be effective as of the 1st day of January, 1962, among PETER L. MALKIN, residing at Summit Ridge Road (no street number), Stamford, Connecticut (herein called the "Agent") and others who by subscribing their names hereto become parties hereto (herein called the "Participants").

W I T N E S S E T H :

WHEREAS, Empire State Building Associates, a partnership (herein called "the partnership") holds a Master Lease of the land and building (herein called the "premises") known as the Empire State Building located at 350 Fifth Avenue, New York, New York, under which Master Lease The Prudential Insurance Company of America is the Lessor; and

WHEREAS, the premises are subject to an Operating Sublease held by Empire State Building Company, as Sublessee; and

WHEREAS, the Agent owns a one-third (1/3) interest in the partnership, which was organized pursuant to an agreement among Lawrence A. Wien, Henry W. Klein and Peter L. Malkin, dated July 11, 1961, and which partnership interest is herein called "The Property"; and

WHEREAS, the parties wish to establish the ownership of The Property and to define their rights and obligations with respect thereto.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. A joint venture is hereby formed for the partnership of The Property. It is acknowledged that for all purposes of this agreement the contribution of each Participant to the

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without the consent of all of the Participants.

5. This agreement may be modified or amended with the consent of all of the Participants.

6. It is acknowledged that the Agent has the power, as a partner in the partnership, to dissolve the partnership. If he exercises such power without obtaining the prior written consent of all the Participants, he shall be personally liable for any damages sustained by the Participants. Any dissolution of the partnership caused by the act of the Agent shall effect a dissolution of the joint venture.

7. If the consents of Participants owning at least eighty percent (80%) of The Property have been obtained with respect to any matter referred to in paragraphs 4, 5 and 6 hereof, the Agent or his designee (herein called "Purchaser") shall have the right to purchase the interest in The Property of any Participant who has not duly given such consent (and, if the Participant is not an individual, has not furnished evidence of authority for giving such consent) within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The price shall be the lesser of (i) the capital contribution of such Participant, less any repayment thereof to the date of the deposit in escrow, described below, or (ii) the value of the interest as a fractional interest in The Property with its rights and obligations as set forth in this agreement rather than as a direct interest in the premises. Such Participant and the Purchaser shall agree on such value, and if they fail to so agree within fifteen (15) days after the sale and transfer of the interest shall be effected as provided in the following subparagraph of this paragraph 7, the dispute as to the value

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shall be determined by arbitration in accordance with the provisions of paragraph 12 hereof. Under no circumstances shall the purchase price be less than \$100.

The sale and transfer to the Purchaser of the interest of such Participant shall be effected by the deposit in escrow by the Purchaser with Wien, Lane & Klein, Esqs., 60 East 42nd Street, New York, New York, at any time within ninety (90) days after the aforesaid ten day period, of the net amount specified in subsection (i) of this paragraph 7. The Agent is hereby irrevocably appointed attorney-in-fact for such Participant to execute any papers and to take any other action necessary to evidence such sale and transfer. The Purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and obligations as such Participant. If the value referred to in subsection (ii) of this paragraph 7 (herein called the "agreed value") is higher than the amount of the escrow deposit the escrow agent shall promptly mail, by certified or registered mail, a certified check in the amount of such deposit directed to such non-consenting Participant at his last known address. If the agreed value is lower than the amount of the escrow deposit, then the escrow agent shall promptly so mail, by certified or registered mail, a certified check in an amount equal to the agreed value to the Participant, and shall refund the balance of the escrow deposit to the Purchaser.

8. Except as provided in paragraph 6 hereof, the Agent shall not be personally liable for any act performed in good faith on or after January 1, 1962, nor for any obligation arising on or after January 1, 1962, unless due to the Agent's wilful misconduct, gross negligence or unless arising out of any liabilities under the Securities Act of 1933. The

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Confidential Treatment Requested by Malkin Holdings



AGREEMENT dated and to be effective as of the 1st day of January, 1962, among HENRY W. KLEIN, residing at Sterling Road (no street number), Harrison, New York (herein called the "Agent"), and others who by subscribing their names hereto become parties hereto (herein called the "Participants").

W I T N E S S E T H :

WHEREAS, Empire State Building Associates, a partnership (herein called "the partnership") holds a Master Lease of the land and building (herein called the "premises") known as the Empire State Building, located at 350 Fifth Avenue, New York, New York, under which Master Lease The Prudential Insurance Company of America is the Lessor; and

WHEREAS, the premises are subject to an Operating Sublease held by Empire State Building Company, as Sublessee; and

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WHEREAS, the parties wish to establish the ownership of The Property and to define their rights and obligations with respect thereto.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. A joint venture is hereby formed for the ownership of The Property. It is acknowledged that for all purposes of this agreement the contribution of each Participant to the

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without the consent of all of the Participants.

5. This agreement may be modified or amended with the consent of all of the Participants.

6. It is acknowledged that the Agent has the power, as a partner in the partnership, to dissolve the partnership. If he exercises such power without obtaining the prior written consent of all the Participants, he shall be personally liable for any damages sustained by the Participants. Any dissolution of the partnership caused by the act of the Agent shall effect a dissolution of the joint venture.

7. If the consents of Participants owning at least eighty percent (80%) of The Property have been obtained with respect to any matter referred to in paragraphs 4, 5 and 6 hereof, the Agent or his designee (herein called "Purchaser") shall have the right to purchase the interest in The Property of any Participant who has not duly given such consent (and, if the Participant is not an individual, has not furnished evidence of authority for giving such consent) within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The price shall be the lesser of (i) the capital contribution of such Participant, less any repayment thereof to the date of the deposit in escrow, described below, or (ii) the value of the interest as a fractional interest in The Property with its rights and obligations as set forth in this agreement rather than as a direct interest in the premises. Such Participant and the Purchaser shall agree on such value, and if they fail to so agree within fifteen (15) days after the sale and transfer of the interest shall be effected as provided in the following subparagraph of this paragraph 7, the dispute as to the value

shall be determined by arbitration in accordance with the provisions of paragraph 12 hereof. Under no circumstances shall the purchase price be less than \$100.

The sale and transfer to the Purchaser of the interest of such Participant shall be effected by the deposit in escrow by the Purchaser with Wien, Lane & Klein, Esqs., 60 East 42nd Street, New York, New York, at any time within ninety (90) days after the aforesaid ten day period, of the net amount specified in subsection (i) of this paragraph 7. The Agent is hereby irrevocably appointed attorney-in-fact for such Participant to execute any papers and to take any other action necessary to evidence such sale and transfer. The Purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and obligations as such Participant. If the value referred to in subsection (ii) of this paragraph 7 (herein called the "agreed value") is higher than the amount of the escrow deposit the escrow agent shall promptly mail, by certified or registered mail, a certified check in the amount of such deposit directed to such non-consenting Participant at his last known address. If the agreed value is lower than the amount of the escrow deposit, then the escrow agent shall promptly so mail, by certified or registered mail, a certified check in an amount equal to the agreed value to the Participant, and shall refund the balance of the escrow deposit to the Purchaser.

8. Except as provided in paragraph 6 hereof, the Agent shall not be personally liable for any act performed in good faith on or after January 1, 1962, nor for any obligation arising on or after January 1, 1962, unless due to the Agent's wilful misconduct, gross negligence or unless arising out of any liabilities under the Securities Act of 1933. The



AGREEMENT made as of this 1st day of December, 1954, among ALVIN S. LANE, residing at 5355 Henry Hudson Parkway, Riverdale, New York (hereinafter called the "Agent"); LAWRENCE A. WIEN, residing at Weston Road (no street number), Weston, Connecticut; JOSEPH BATEN, residing at 301 East 36th Street, Paterson, New Jersey; SOPHIE D. COHEN, residing at 552 Beach 131st Street, Belle Harbor, New York; JOSEPH GELFMAN, residing at 1206 Sage Street, Far Rockaway, New York; ARTHUR BERNHARD, residing at Lincoln Avenue (no street number), Purchase, New York; JEANNE Z. EILEN, residing at 866 Dickens Street, Woodmere, New York; PAUL GAIER, residing at 104 Sheridan Avenue, Mount Vernon, New York; LILLIAN M. GELFMAN, residing at 889 Princeton Road, Woodmere, New York; ROSE GLICKMAN, residing at 11 Riverside Drive, New York, New York; MIRIAM HARPER, residing at 63 The Oaks, Roslyn Estates, New York; SAMUEL HASSON, residing at 708 Hinsdale Street, Brooklyn, New York; LUCILLE HORN, residing at 754 Clinton Avenue, Bridgeport, Connecticut; CELIA JOACHIM, residing at 221 Linden Boulevard, Brooklyn, New York; LOUIS J. NEWMAN, residing at 880 Fifth Avenue, New York, New York; CORTLAND N. O'DAY, residing at 45 North Bayles Avenue, Port Washington, New York; OSWALD M. RESEN, residing at 138-28 82nd Avenue, Kew Gardens, New York; GERTRUDE RIEUR, residing at 73 Margaret Avenue, Lawrence, New York; CHARLES SEINIGER, residing at 575 Park Avenue, New York, New York; JOHN N. WEBER, residing at 49 Locust Street, Garden City, New York; SONYA L. ABELOFF, residing at 140 West 86th Street, New York, New York; GEORGANNE ALDRICH, residing at 310 East 44th Street, New York, New York; MONROE C. I. APFELBAUM, residing at 284 Central Avenue, Lawrence, New York; RUTH BIRNBAUM, residing at 120 Woodlawn Avenue, New Rochelle, New York; BERNARD A. BLOOM, residing at 2739 Webb Avenue, Bronx, New York; ALBERT W.

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W I T N E S S E T H:

WHEREAS, in accordance with the provisions of a certain mortgage Indenture, dated December 1, 1954, between WLKP Realty Corp. and Trade Bank and Trust Company, the Agent may become the owner of an undivided one-seventh (1/7) interest in the land and buildings located at 60 East 42nd Street (Lincoln Building) and 301 Madison Avenue, in the Borough of Manhattan, City, County and State of New York, which interest is herein referred to as "The Property"; and

WHEREAS, the parties wish to arrange to share the ownership of The Property, and to define their rights and obligations with respect thereto;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

FIRST: A joint venture is hereby formed which shall own The Property. It is acknowledged that the contribution of the parties to the cost of The Property, and their undivided fractional interests therein, are as set forth below opposite their respective signatures.

SECOND: The joint venture shall continue until The Property shall have been disposed of in accordance with Paragraph "Fourth" hereof.

THIRD: The record title to The Property shall remain in the name of ALVIN S. LANE, but he shall act as Agent for the joint venture in such ownership, and all profits and losses arising from the ownership of The Property shall be shared by the parties in proportion to their respective

fractional interests. The Agent shall have the power to deal with The Property as though he were the sole owner thereof, subject, however, to the terms of this agreement. Any action taken by the Agent with respect to The Property shall bind the joint venture. The Agent shall receive no compensation for acting as the representative of the parties.

FOURTH: The Agent shall not agree to sell, mortgage or transfer The Property, nor to modify any existing lease affecting the aforesaid premises, nor to make any new lease affecting the same, without the consent of the parties owning one hundred per cent (100%) of The Property.

If the consents of parties owning at least ninety per cent (90%) of The Property have been obtained, the Agent or his designee (herein called "purchaser") shall have the absolute right to purchase the entire interest of any party who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor. The price shall be the original cost of the interest, less any capital repaid thereon, but under no circumstances shall such price be less than One Hundred Dollars (\$100.00). The mailing by the purchaser, by registered mail, of a certified check for such price, at any time within ninety (90) days after such ten (10) day period, directed to such non-consenting party at his last known address, shall effect the sale and transfer to the purchaser of the interest of such party in The Property. The Agent is hereby irrevocably appointed attorney-in-fact for such party to execute any papers and to take any other action necessary to evidence such sale and transfer. The purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and liabilities as the parties hereto.



W I T N E S S E T H:

WHEREAS, in accordance with the provisions of a certain Mortgage Indenture, dated December 1, 1954, between WLKP Realty Corp. and Trade Bank and Trust Company, the Agent may become the owner of an undivided one-seventh (1/7) interest in the land and buildings located at 60 East 42nd Street (Lincoln Building) and 301 Madison Avenue, in the Borough of Manhattan, City, County and State of New York, which interest is herein referred to as "The Property"; and

WHEREAS, the parties wish to arrange to share the ownership of The Property, and to define their rights and obligations with respect thereto;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

FIRST: A joint venture is hereby formed which shall own The Property. It is acknowledged that the contribution of the parties to the cost of The Property, and their undivided fractional interests therein, are as set forth below opposite their respective signatures.

SECOND: The joint venture shall continue until The Property shall have been disposed of in accordance with Paragraph "Fourth" hereof.

THIRD: The record title to The Property shall remain in the name of WILLIAM F. PURCELL, but he shall act as Agent for the joint venture in such ownership, and all profits and losses arising from the ownership of The Property shall be shared by the parties in proportion to their respective

fractional interests. The Agent shall have the power to deal with The Property as though he were the sole owner thereof, subject, however, to the terms of this agreement. Any action taken by the Agent with respect to The Property shall bind the joint venture. The Agent shall receive no compensation for acting as the representative of the parties.

FOURTH: The Agent shall not agree to sell, mortgage or transfer The Property, nor to modify any existing lease affecting the aforesaid premises, nor to make any new lease affecting the same, without the consent of the parties owning one hundred per cent (100%) of The Property.

If the consents of parties owning at least ninety per cent (90%) of The Property have been obtained, the Agent or his designee (herein called "purchaser") shall have the absolute right to purchase the entire interest of any party who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor. The price shall be the original cost of the interest, less any capital repaid thereon, but under no circumstances shall such price be less than One Hundred Dollars (\$100.00). The mailing by the purchaser, by registered mail, of a certified check for such price, at any time within ninety (90) days after such ten (10) day period, directed to such non-consenting party at his last known address, shall effect the sale and transfer to the purchaser of the interest of such party in The Property. The Agent is hereby irrevocably appointed attorney-in-fact for such party to execute any papers and to take any other action necessary to evidence such sale and transfer. The purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and liabilities as the parties hereto.

AGREEMENT made as of this 1st day of December, 1954, among FRED LINDEN, residing at 300 First Avenue, New York, New York (hereinafter called the "Agent"); LAWRENCE A. WIEN, residing at Weston Road (no street number), Weston, Connecticut; SARAH MIRSKY, residing at 110 Highland Avenue, Yonkers, New York; MARTHA COSTELLO, residing at 80 77th Street, Brooklyn, New York; GERALD GEWIRTZ, residing at One Knightsbridge Road, Great Neck, New York; KALMAN FINCUS, residing at 1716 Suydam Street, Brooklyn, New York; JOSEPH CHALFIN, residing at 2803 Neck Road, Brooklyn, New York; IRVING COHEN, residing at 495 Högman Avenue, Brooklyn, New York; THELMA GLASSER, residing at Woodbine Road (no street number), Stamford, Connecticut; FLORA GOLDFINGER, residing at 45 East End Avenue, New York, New York; THEODORE GOLDFINGER, residing at 45 East End Avenue, New York, New York; MORRIS KELLER, residing at 109 Saddlewood Drive, Hillsdale, New Jersey; THEODORE LASSOFF, residing at 137 Riverside Drive, New York, New York; HENRY M. MASON, residing at 5565 Netherland Avenue, Riverdale, New York; HERBERT MIRSKY, residing at 110 Highland Avenue, Yonkers, New York; STANLEY MIRSKY, residing at 110 Highland Avenue, Yonkers, New York; SOLOMON SHAPIRO, residing at 6254 Southwest 57th Avenue, South Miami, Florida; RUTH BEST, residing at 146-47 61st Road, Flushing, New York; LILLIAN BRAUTMAN, residing at 2114 Albemarle Road, Brooklyn, New York; MAURICE COLEMAN, residing at 916 Broadway, Brooklyn, New York; JACOB J. FORMAN, residing at 30 Fifth Avenue, New York, New York; SYLVIA FRISHMAN, residing at 2861 Bainbridge Avenue, Bronx, New York; IRVING GELFMAN, residing at 889 Princeton Road, Woodmere, New York; ANNA M. GOLDMAN, residing at 755 Ocean Avenue, Brooklyn, New York; NATHAN GREENSTEIN, residing at 72-67 Yellowstone Boulevard, Forest Hills, New

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W I T N E S S E T H:

WHEREAS, in accordance with the provisions of a certain Mortgage Indenture, dated December 1, 1954, between WLKP Realty Corp. and Trade Bank and Trust Company, the Agent may become the owner of an undivided one-seventh (1/7) interest in the land and buildings located at 60 East 42nd Street (Lincoln Building) and 301 Madison Avenue, in the Borough of Manhattan, City, County and State of New York, which interest is herein referred to as "The Property"; and

WHEREAS, the parties wish to arrange to share the ownership of The Property, and to define their rights and obligations with respect thereto;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

FIRST: A joint venture is hereby formed which shall own The Property. It is acknowledged that the contribution of the parties to the cost of The Property, and their undivided fractional interests therein, are as set forth below opposite their respective signatures.

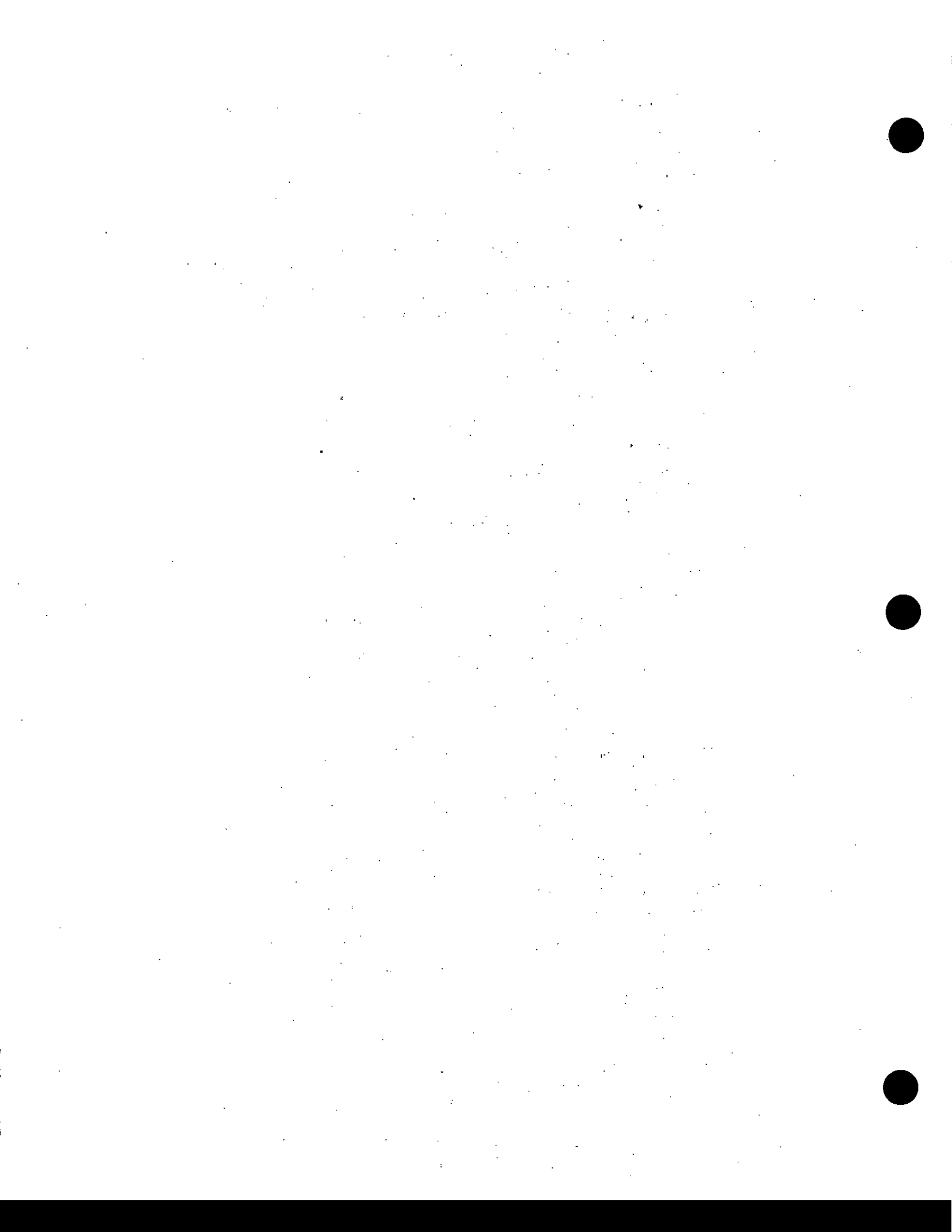
SECOND: The joint venture shall continue until The Property shall have been disposed of in accordance with Paragraph "Fourth" hereof.

THIRD: The record title to The Property shall remain in the name of FRED LINDEN, but he shall act as Agent for the joint venture in such ownership, and all profits and losses arising from the ownership of The Property shall be shared by the parties in proportion to their respective

fractional interests. The Agent shall have the power to deal with The Property as though he were the sole owner thereof, subject, however, to the terms of this agreement. Any action taken by the Agent with respect to The Property shall bind the joint venture. The Agent shall receive no compensation for acting as the representative of the parties.

FOURTH: The Agent shall not agree to sell, mortgage or transfer The Property, nor to modify any existing lease affecting the aforesaid premises, nor to make any new lease affecting the same, without the consent of the parties owning one hundred per cent (100%) of The Property.

If the consents of parties owning at least ninety per cent (90%) of The Property have been obtained, the Agent or his designee (herein called "purchaser") shall have the absolute right to purchase the entire interest of any party who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor. The price shall be the original cost of the interest, less any capital repaid thereon, but under no circumstances shall such price be less than One Hundred Dollars (\$100.00). The mailing by the purchaser, by registered mail, of a certified check for such price, at any time within ninety (90) days after such ten (10) day period, directed to such non-consenting party at his last known address, shall effect the sale and transfer to the purchaser of the interest of such party in The Property. The Agent is hereby irrevocably appointed attorney-in-fact for such party to execute any papers and to take any other action necessary to evidence such sale and transfer. The purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and liabilities as the parties hereto.



W I T N E S S E T H:

WHEREAS, in accordance with the provisions of a certain Mortgage Indenture, dated December 1, 1954, between WLKP Realty Corp. and Trade Bank and Trust Company, the Agent may become the owner of an undivided one-seventh (1/7) interest in the land and buildings located at 60 East 42nd Street (Lincoln Building) and 301 Madison Avenue, in the Borough of Manhattan, City, County and State of New York, which interest is herein referred to as "The Property"; and

WHEREAS, the parties wish to arrange to share the ownership of The Property, and to define their rights and obligations with respect thereto;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

FIRST: A joint venture is hereby formed which shall own The Property. It is acknowledged that the contribution of the parties to the cost of The Property, and their undivided fractional interests therein, are as set forth below opposite their respective signatures.

SECOND: The joint venture shall continue until The Property shall have been disposed of in accordance with Paragraph "Fourth" hereof.

THIRD: The record title to The Property shall remain in the name of HARRY B. HELMSLEY, but he shall act as Agent for the joint venture in such ownership, and all profits and losses arising from the ownership of The Property shall be shared by the parties in proportion to their respective

fractional interests. The Agent shall have the power to deal with The Property as though he were the sole owner thereof, subject, however, to the terms of this agreement. Any action taken by the Agent with respect to The Property shall bind the joint venture. The Agent shall receive no compensation for acting as the representative of the parties.

FOURTH: The Agent shall not agree to sell, mortgage or transfer The Property, nor to modify any existing lease affecting the aforesaid premises, nor to make any new lease affecting the same, without the consent of the parties owning one hundred per cent (100%) of The Property.

If the consents of parties owning at least ninety per cent (90%) of The Property have been obtained, the Agent or his designee (herein called "purchaser") shall have the absolute right to purchase the entire interest of any party who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor. The price shall be the original cost of the interest, less any capital repaid thereon, but under no circumstances shall such price be less than One Hundred Dollars (\$100.00). The mailing by the purchaser, by registered mail, of a certified check for such price, at any time within ninety (90) days after such ten (10) day period, directed to such non-consenting party at his last known address, shall effect the sale and transfer to the purchaser of the interest of such party in The Property. The Agent is hereby irrevocably appointed attorney-in-fact for such party to execute any papers and to take any other action necessary to evidence such sale and transfer. The purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and liabilities as the parties hereto.

AGREEMENT made as of this 1st day of December, 1954, among HENRY W. KLEIN, residing at 67-05 A 186th Lane, Flushing, New York (hereinafter called the "Agent"); IRVING WIEN, residing at Four Rod Road, East Aurora, New York; LAWRENCE A. WIEN, residing at Weston Road (no street number), Weston, Connecticut; OTTO FEISTMANN, residing at 238 Midland Drive, Lake View Park, Asheville, North Carolina; RUTH Y. KAMP, residing at 68 Broome Avenue, Atlantic Beach, New York; MARVIS BROWN, residing at 9517 Biltmore Drive, Silver Spring, Maryland; EMMA GARSON, residing at 455 West 34th Street, New York, New York; NANDOR F. GROSS, residing at 75 West Mosholu Parkway, Bronx, New York; CHARLOTTE KLEIN, residing at 1260 99th Street, Bay Harbor Islands, Miami Beach, Florida; JULES LEVINE, residing at 138-28 78th Drive, Kew Gardens, New York; BELLE T. SILVERMAN, residing at 2480 16th Street, N.W., Washington, D.C.; DAVID SILVERMAN, residing at 2480 16th Street, N.W., Washington, D.C.; ESTEFANIA BREUER SOMLO, residing at 263 West End Avenue, New York, New York; ELI ALTER, residing at 63-85 Woodhaven Boulevard, Rego Park, New York; HARRY I. ALTMAN, residing at 110 Seaman Avenue, New York, New York; ANNA ARKIN, residing at 2468 East 26th Street, Brooklyn, New York; LEANORE S. BERGER, residing at 150 Secatogue Avenue, Farmingdale, New York; SIDNEY BRACHFELD, residing at 63 Stillwater Avenue, Stamford, Connecticut; ANNLEY BRENNER, residing at 39 Eighth Street, Stamford, Connecticut; NORMAN A. BRUML, residing at Five Rockwin Road, Rockville Centre, New York; IRENE E. CLAHR, residing at 910 West End Avenue, New York, New York; MICHAEL CONFINO, residing at 737 Wyona Street, Brooklyn,

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Confidential

W I T N E S S E T H:

WHEREAS, in accordance with the provisions of a certain Mortgage Indenture, dated December 1, 1954, between WLKP Realty Corp. and Trade Bank and Trust Company, the Agent may become the owner of an undivided one-seventh (1/7) interest in the land and buildings located at 60 East 42nd Street (Lincoln Building) and 301 Madison Avenue, in the Borough of Manhattan, City, County and State of New York, which interest is herein referred to as "The Property"; and

WHEREAS, the parties wish to arrange to share the ownership of The Property, and to define their rights and obligations with respect thereto;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

FIRST: A joint venture is hereby formed which shall own The Property. It is acknowledged that the contribution of the parties to the cost of The Property, and their undivided fractional interests therein, are as set forth below opposite their respective signatures.

SECOND: The joint venture shall continue until The Property shall have been disposed of in accordance with Paragraph "Fourth" hereof.

THIRD: The record title to The Property shall remain in the name of HENRY W. KLEIN, but he shall act as Agent for the joint venture in such ownership, and all profits and losses arising from the ownership of The Property shall be shared by the parties in proportion to their respective

fractional interests. The Agent shall have the power to deal with The Property as though he were the sole owner thereof, subject, however, to the terms of this agreement. Any action taken by the Agent with respect to The Property shall bind the joint venture. The Agent shall receive no compensation for acting as the representative of the parties.

FOURTH: The Agent shall not agree to sell, mortgage or transfer The Property, nor to modify any existing lease affecting the aforesaid premises, nor to make any new lease affecting the same, without the consent of the parties owning one hundred per cent (100%) of The Property.

If the consents of parties owning at least ninety per cent (90%) of The Property have been obtained, the Agent or his designee (herein called "purchaser") shall have the absolute right to purchase the entire interest of any party who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor. The price shall be the original cost of the interest, less any capital repaid thereon, but under no circumstances shall such price be less than One Hundred Dollars (\$100.00). The mailing by the purchaser, by registered mail, of a certified check for such price, at any time within ninety (90) days after such ten (10) day period, directed to such non-consenting party at his last known address, shall effect the sale and transfer to the purchaser of the interest of such party in The Property. The Agent is hereby irrevocably appointed attorney-in-fact for such party to execute any papers and to take any other action necessary to evidence such sale and transfer. The purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and liabilities as the parties hereto.



AGREEMENT made as of this 1st day of December, 1954, among LAWRENCE A. WIEN, residing at Weston Road (no street number), Weston, Connecticut (hereinafter called the "Agent"); LARRY L. ALDRICH, residing at Nod Road (no street number), Ridgefield, Connecticut; FRED P. WEISSMAN, residing at 256 South Ocean Boulevard, Palm Beach, Florida; M. SAMUEL ABRAMSON, residing at 430 East 63rd Street, New York, New York; GAD BERNSTEIN, residing at 73 Inverness Road, Scarsdale, New York; HENRY DOUBILET, residing at 9 East 88th Street, New York, New York; SAMUEL KRONSKY, residing at One Wellington Avenue, New Rochelle, New York; HERBERT RALSTON, residing at 108 East 38th Street, New York, New York; ROBERT L. SMITH, residing at 45 Midvale Road, Hartsdale, New York; PEARL MOSER, residing at 172 West 79th Street, New York, New York; ELLEN JOAN RESS, residing at 486 Cole Avenue, Providence, Rhode Island; ETHEL F. WIEN, residing at 5229 North Alton Road, Miami Beach, Florida; LEONARD A. WIEN, residing at 5130 North Bay Road, Miami Beach, Florida; SIDNEY A. WIEN, residing at 3700 North Stratford Road, Atlanta, Georgia; KARL ZUCKERMAN, residing at 74 Leyfred Terrace, Springfield, Massachusetts; ESTHER WOUK, residing at 697 West End Avenue, New York, New York; LIBBY ALDRICH, residing at 150 Midgely Drive, Hewlett, New York; PHILIP ALEXANDER, residing at 60 Sutton Place South, New York, New York; J. ERNEST AYRE, residing at 3590 Crystal View Court, Miami, Florida; EDITH BEHRENS, residing at Wilton Road (no street number), Westport, Connecticut; GEORGE W. LEIS, residing at Winterhaven (no street address), Florida; HERMAN LEVY,

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fractional interests. The Agent shall have the power to deal with The Property as though he were the sole owner thereof, subject, however, to the terms of this agreement. Any action taken by the Agent with respect to The Property shall bind the joint venture. The Agent shall receive no compensation for acting as the representative of the parties.

FOURTH: The Agent shall not agree to sell, mortgage or transfer The Property, nor to modify any existing lease affecting the aforesaid premises, nor to make any new lease affecting the same, without the consent of the parties owning one hundred per cent (100%) of The Property.

If the consents of parties owning at least ninety per cent (90%) of The Property have been obtained, the Agent or his designee (herein called "purchaser") shall have the absolute right to purchase the entire interest of any party who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor. The price shall be the original cost of the interest, less any capital repaid thereon, but under no circumstances shall such price be less than One Hundred Dollars (\$100.00). The mailing by the purchaser, by registered mail, of a certified check for such price, at any time within ninety (90) days after such ten (10) day period, directed to such non-consenting party at his last known address, shall effect the sale and transfer to the purchaser of the interest of such party in The Property. The Agent is hereby irrevocably appointed attorney-in-fact for such party to execute any papers and to take any other action necessary to evidence such sale and transfer. The purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and liabilities as the parties hereto.

AGREEMENT made as of this 1st day of December, 1954, among ALVIN SILVERMAN, residing at 897 Fulton Street, Valley Stream, New York (hereinafter called the "Agent"); LAWRENCE A. WIEN, residing at Weston Road (no street number), Weston, Connecticut; BEATRICE HEIN, residing at 5204 Fairview Terrace, West New York, New Jersey; NATALIE W. GOTTLIEB, residing at 430 East 63rd Street, New York, New York; NATHAN BLOCK, residing at 1082 Park Avenue, New York, New York; BENJAMIN BOGIN, residing at 1540 Hope Street, Springdale, Connecticut; SAMUEL I. BRANDT, residing at 41 Park Avenue, New York, New York; MAX F. FRANKLIN, residing at 45 Kew Gardens Road, Kew Gardens, New York; DORA GREEN, residing at 98 Woodward Avenue, South Norwalk, Connecticut; ROSE GITTER GREENWALD, residing at 24 Clinton Street, Mount Vernon, New York; DAVID D. KLEIN, residing at 75-02 Austin Street, Forest Hills, New York; LOUIS LIPPMAN, residing at 740 Fourteenth Avenue, Paterson, New Jersey; ESTHER OSTROW, residing at 367 Seventeenth Avenue, Paterson, New Jersey; SADIE OSTROW, residing at 315 South 8th Street, Lebanon, Pennsylvania; ROSE C. SIMON, residing at 27 West 72nd Street, New York, New York; IRVING WACHS, residing at 557 Beach 131st Street, Belle Harbor, New York; ETHELYN WATTERSON, residing at 45 Greenleaf Hill, Saddle Rock, Great Neck, New York; SIMON WOODS, residing at 915 East 17th Street, Brooklyn, New York; JACK BEHRMAN, residing at 25 Madison Avenue, Summit, New Jersey; RAYMOND J. BEHRMAN, residing at 222 Main Street, Paterson, New Jersey; MAE BLOCK, residing at 770 Empire Boulevard, Brooklyn, New York; YETTA B. BOGIN, residing at 1540 Hope Street, Springdale, Connecticut; LILLIAN BRAUTMAN, residing at 2114 Albemarle Road, Brooklyn, New York; LEONARD P. BROOKS, residing at 467 East

D 010508
Confidential

W I T N E S S E T H:

WHEREAS, in accordance with the provisions of a certain Mortgage Indenture, dated December 1, 1954, between WLKP Realty Corp. and Trade Bank and Trust Company, the Agent may become the owner of an undivided one-seventh (1/7) interest in the land and buildings located at 60 East 42nd Street (Lincoln Building) and 301 Madison Avenue, in the Borough of Manhattan, City, County and State of New York, which interest is herein referred to as "The Property"; and

WHEREAS, the parties wish to arrange to share the ownership of The Property, and to define their rights and obligations with respect thereto;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

FIRST: A joint venture is hereby formed which shall own The Property. It is acknowledged that the contribution of the parties to the cost of The Property, and their undivided fractional interests therein, are as set forth below opposite their respective signatures.

SECOND: The joint venture shall continue until The Property shall have been disposed of in accordance with Paragraph "Fourth" hereof.

THIRD: The record title to The Property shall remain in the name of ALVIN SILVERMAN, but he shall act as Agent for the joint venture in such ownership, and all profits and losses arising from the ownership of The Property shall be shared by the parties in proportion to their respective

fractional interests. The Agent shall have the power to deal with The Property as though he were the sole owner thereof, subject, however, to the terms of this agreement. Any action taken by the Agent with respect to The Property shall bind the joint venture. The Agent shall receive no compensation for acting as the representative of the parties.

FOURTH: The Agent shall not agree to sell, mortgage or transfer The Property, nor to modify any existing lease affecting the aforesaid premises, nor to make any new lease affecting the same, without the consent of the parties owning one hundred per cent (100%) of The Property.

If the consents of parties owning at least ninety per cent (90%) of The Property have been obtained, the Agent or his designee (herein called "purchaser") shall have the absolute right to purchase the entire interest of any party who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor. The price shall be the original cost of the interest, less any capital repaid thereon, but under no circumstances shall such price be less than One Hundred Dollars (\$100.00). The mailing by the purchaser, by registered mail, of a certified check for such price, at any time within ninety (90) days after such ten (10) day period, directed to such non-consenting party at his last known address, shall effect the sale and transfer to the purchaser of the interest of such party in The Property. The Agent is hereby irrevocably appointed attorney-in-fact for such party to execute any papers and to take any other action necessary to evidence such sale and transfer. The purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and liabilities as the parties hereto.



SEVENTH & 37TH BUILDING ASSOCIATES

DUPLICATS ORIGINAL
PARTICIPATING AGREEMENT

WILLIAM F. PURCELL GROUP

DATED AS OF FEBRUARY 28, 1957

WIEN, LANE, KLEIN & PURCELL
ATTORNEYS AT LAW
LINCOLN BUILDING
60 EAST 42RD STREET
NEW YORK 17, N. Y.

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AGREEMENT made as of the 28th day of February, 1957, among WILLIAM F. PURCELL, residing at 930 Fifth Avenue, New York, New York (herein called the "Agent"); and GERTRUDE HELLMAN, residing at 530 Park Avenue, New York, New York; IRVING J. LINDE, residing at Pleasant Ridge Road (no street number), Harrison, New York; HERBERT RALSTON, residing at 108 East 38th Street, New York, New York; GERTRUDE ROSENTHAL, residing at 860 Fifth Avenue, New York, New York; ESTHER WOUK, residing at 697 West End Avenue, New York, New York; FANNIE GROMAN, residing at 2470 S. W. 19th Terrace, Miami, Florida; HARRY RADUTZKY, residing at 87 Meadow Woods Road, Lake Success, New York; BECKY SAUR, residing at 1695 Grand Concourse, Bronx, New York; BEN BONFIELD, residing at 4620 Prairie Avenue, Miami Beach, Florida; ESTHER DIAMOND, residing at 310 Devoe Avenue, Yonkers, New York; OTTO FEISTMANN, residing at 238 Midland Drive, Lake View Park, Asheville, North Carolina; RUTH H. FIORE, residing at 13 Rock Ridge Drive, South Norwalk, Connecticut; MIRIAM HARPER, residing at 63 The Oaks, Roslyn Estates, New York; MACK HAUT, residing at 136 Washington Street, South Norwalk, Connecticut; RICHARD B. KAPLAN, residing at 1 West 81st Street, New York, New York; IRA H. KAUFMAN, residing at 160 East 65 Street, New York, New York; JEAN KESSLER, residing at Cross Highway, (no street number), Westport, Connecticut; MARTHA C. LESGOLD, residing at 82-03 Kent Street, Jamaica, New York; MORTON P. LEVY, residing at 160 East 48th Street, New York, New York; JOSEPH A. LICHTER, residing at Sasqua Hill Road, (no street number), East Norwalk, Connecticut; HELEN D.

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4. The Agent shall not agree to sell, mortgage or transfer The Property or the premises, nor to modify the terms of any mortgages on the premises, nor to make or modify any lease affecting the premises, nor to dispose of any partnership asset, without the consent of all the Investors.

If the consents of Investors owning at least ninety per cent (90%) of The Property have been obtained, the Agent or his designee (herein called "purchaser") shall have the right to purchase the interest of any Investor in The Property who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The mailing by the purchaser, by certified or registered mail, of a certified check for the purchase price, at any time within ninety (90) days after such ten (10) day period, directed to such nonconsenting Investor at his last known address, shall effect the sale and transfer to the purchaser of the interest of such Investor in The Property. The Agent is hereby irrevocably appointed attorney-in-fact for such Investor to execute any papers and to take any other action necessary to evidence such sale and transfer. The purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and obligations as such Investor. The price shall be an amount equal to such Investor's fractional interest in the Agent's share of the capital of Seventh & 37th Building Associates, as such share may have been reduced by any repayment of capital to the date of the mailing of the purchase price,

but under no circumstances shall such price be less than \$100.

5. The Agent shall not be personally liable for any act performed in good faith, nor for anything save wilful misconduct or gross negligence. The Investors shall indemnify the Agent in proportion to their interests in The Property against any liability to which the Agent may be subjected by reason of acting as agent hereunder.

6. A. If the Agent shall desire to terminate his agency, or if he shall be removed as such in the manner provided below, the Agent shall, upon accounting to his successor for all funds which have previously come into his possession, be discharged from all further liability as Agent.

B. The Agent may be removed by the written direction of Investors owning at least three-fourths (3/4) of The Property.

C. In the event of the resignation, removal, death, incompetency, or other disability of The Agent during the continuance of the joint venture, the following persons shall act as his successors in the order stated:

(1) Henry W. Klein, residing at 67-05A 186th Lane; Flushing, New York;

(2) Alvin S. Lane, residing at 5204 Delafield Avenue, Bronx, New York;

(3) Alvin Silverman, residing at 897 Fulton Street, Valley Stream, New York;

(4) Fred Linden, residing at 300 First Avenue, New York, New York;

AGREEMENT made as of the 28th day of February, 1957, among LAWRENCE A. WIEN, residing at Newtown Turnpike (no street number), Weston, Connecticut (herein called the "Agent"); and LOUIS W. GOODKIND, residing at 19 Copper Beech Lane, Lawrence, New York; CARL R. HELLMAN, residing at 530 Park Avenue, New York, New York; SAMUEL J. KLEIN, residing at 1260 99th Street, Bay Harbor Islands, Miami Beach, Florida; LOUIS J. NEWMAN, residing at 880 Fifth Avenue, New York, New York; HERBERT RALSTON, residing at 108 East 38th Street, New York, New York; JOE THALLER, residing at 315 83rd Street, Miami Beach, Florida; JACOB J. FORMAN, residing at 30 Fifth Avenue, New York, New York; BENJAMIN GROMAN, residing at 1419 46th Street, Brooklyn, New York; MAURICE H. LEAVY, residing at 781 Fifth Avenue, New York, New York; LARRY L. ALDRICH, residing at Nod Road (no street number), Ridgefield, Connecticut; JACK ANTKIES, residing at 4 Dogwood Lane, Lawrence, New York; HARRY CANTOR, residing at 8824 166th Street, Jamaica, New York; LAWRENCE S. CHALFIN, residing at 2803 Neck Road, Brooklyn, New York; ROBERT M. CHALFIN, residing at 2803 Neck Road, Brooklyn, New York; LAWRENCE Z. EPSTEIN, residing at 126 South Morris Lane, Scarsdale, New York; LOUIS EPSTEIN, residing at 126 South Morris Lane, Scarsdale, New York; BENJAMIN FEINGOLD, residing at 2734 Arlington Avenue, New York, New York; DAVID GOLDSTEIN, residing at 2 Lawrence Street, Mount Vernon, New York; MARTIN O. KAHN, residing at 51 Fifth Avenue, New York, New York; LOUIS KAPLAN, residing at 1 West 81st Street, New York, New York; MICHAEL KENNETH, residing at 180 Lefferts Road, Woodmere, New York; HARRY KESSLER, residing at Cross Highway (no street number), Westport, Connecticut; CHARLES A. KIRSCHBAUM, residing at 477 Merrick Road, Lynbrook, New York; SAMUEL

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residing at 2137 Cropsy Avenue, Brooklyn, New York; GEORGE STEINBERG, residing at 3 James Avenue, Northampton, Massachusetts; SYDNEY STEINBERG, residing at Knickerbocker Avenue, (no street number), Norwalk, Connecticut; ROSE WALDSTREICHER, residing at 14 Park Hill Avenue, Norwalk, Connecticut; MOE WEINSTEIN, residing at 1120 Brighton Beach Avenue, Brooklyn, New York; and MARVIN WERTHEIM, residing at 711 Walton Avenue, Bronx, New York (herein called the "Investors"),

W I T N E S S E T H:

WHEREAS, the Investors are beneficiaries under an Agreement and Declaration of Trust, dated March 31, 1950, executed by Lawrence A. Wien, and own undivided interests in the premises located at 501 Seventh Avenue, New York, New York (herein called "the premises"); and

WHEREAS, the Investors desire to hold title to said premises in partnership form, and are therefore conveying their said interests to Seventh & 37th Building Associates, a copartnership, having its office at 60 East 42nd Street, New York, New York; and

WHEREAS, the Agent owns a one-half (1/2) interest in said Seventh & 37th Building Associates, which partnership interest is herein referred to as "The Property"; and

WHEREAS, the parties wish to establish the ownership of The Property and to define their rights and obligations with respect thereto;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. A joint venture is hereby formed for the ownership of The Property. The fractional interest of each Investor in The Property is as set forth below opposite his signature. The Agent acknowledges that his share of the capital of Seventh & 37th Building Associates has been contributed by the Investors in proportion to their fractional interests.

2. The joint venture shall continue until The Property shall have been disposed of in accordance with Paragraph 4 hereof, and shall not be interrupted by the act, bankruptcy or death of any Investor, the assignment of any interest of any Investor hereunder, the appointment of a successor to the Agent, or any other cause.

3. The Agent shall act, without compensation, as agent for the joint venture in the ownership of The Property. Any action taken by him with respect thereto, subject to the terms of this agreement, shall bind the joint venture. All profits and losses arising from the ownership of The Property shall be shared by the Investors in proportion to their respective fractional interests.

4. The Agent shall not agree to sell, mortgage or transfer The Property or the premises, nor to modify the terms of any mortgages on the premises, nor to make or modify any lease affecting the premises, nor to dispose of any partnership asset, without the consent of all the Investors.

If the consents of Investors owning at least ninety per cent (90%) of The Property have been obtained, the Agent or his designee (herein called "purchaser") shall have the right to purchase the interest of any Investor in

The Property who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The mailing by the purchaser, by certified or registered mail, of a certified check for the purchase price, at any time within ninety (90) days after such ten (10) day period, directed to such nonconsenting Investor at his last known address, shall effect the sale and transfer to the purchaser of the interest of such Investor in The Property. The Agent is hereby irrevocably appointed attorney-in-fact for such Investor to execute any papers and to take any other action necessary to evidence such sale and transfer. The purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and obligations as such Investor. The price shall be an amount equal to such Investor's fractional interest in the Agent's share of the capital of Seventh & 37th Building Associates, as such share may have been reduced by any repayment of capital to the date of the mailing of the purchase price, but under no circumstances shall such price be less than \$100.

5. The Agent shall not be personally liable for any act performed in good faith, nor for anything save wilful misconduct or gross negligence. The Investors shall indemnify the Agent in proportion to their interests in The Property against any liability to which the Agent may be subjected by reason of acting as agent hereunder.

6. A. If the Agent shall desire to terminate his agency, or if he shall be removed as such in the manner provided below, the Agent shall, upon accounting to his successor for all funds which have previously come into his possession, be discharged from all further liability

AGREEMENT

AGREEMENT dated as of November 2, 1972, among LAWRENCE A. WIEN, residing at 785 Fifth Avenue, New York, New York (hereinafter called the "Agent"), and BENJAMIN BOGIN, residing at 1540 Hope Street, Stamford, Connecticut, MYRON BUCHSBAUM, residing at 710 Park Avenue, New York, New York, IRVING COHEN, c/o J.F. Rubin, 8002 Blackburn Avenue, Los Angeles, California, ALBERT COTT, residing at 197 Chatham Street, New Haven, Connecticut, CELIA CUTLER, residing at 72-11 110th Street, Forest Hills, New York, ETHEL FAIN, residing at 603 Longboat Club Road, Sarasota, Florida, SAMUEL B. GELMANN, residing at 65 Hillside Avenue, Englewood, New Jersey, FLORENCE HERBERT, residing at 139 East 63rd Street, New York, New York, SAMUEL HOLTZ, residing at 53 Sweet Briar Road, Stamford, Connecticut, BESSIE JONAS, residing at 19 East 80th Street, New York, New York, SAMUEL KALMER, residing at 23 Apple Tree Drive, Stamford, Connecticut, HERMAN KATZ, residing at 155 Brewster Street, Bridgeport, Connecticut, LEONARD KMASTER, residing at 160 Kings Road, Palm Beach, Florida, LOUIS J. KURIANSKY, as Trustee under the Fairfax Merrifield Associates Trust, u/d/t dated 8/29/69, P.O. Box 3254, Stamford, Connecticut, GERTRUDE S. MALKIN, residing at 22 East 36th Street, New York, New York, NATHAN MANN, residing at Hewlett Heath Road, Hewlett, New York, MORSE A. MANTON, residing at 200 East 57th Street, New York, New York, JUNE T. PERSE, residing at 308 East 79th Street, New York, New York,

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LEO RAUBVOGEL, residing at 340 East 64th Street, New York, New York, THEODORE F. ROSE and MILDRED G. ROSE, as Trustees of the Theodore F. Rose Trust Indenture dated 4/29/70, residing at 300 Dunbar Road, Palm Beach, Florida, TORRE H. SEINIGER, residing at 30 East 72nd Street, New York, New York, and ISADORE E. VITKIN, residing at 23 Partridge Lane, Belmont, Massachusetts (hereinafter called the "Existing Participants") and SELMA MILLER COTT, residing at 25 Hunting Hill Road, Woodbridge, Connecticut, GEORGE M. DERMER, residing at 37 Tumblebrook Road, Woodbridge, Connecticut, SUSAN KLEIN, residing at 12 East 88th Street, New York, New York, and LAW CAPITAL, INC., a New York Corporation, having an office at 60 East 42nd Street, New York, New York, (hereinafter called the "New Participants") (All of the foregoing are hereinafter sometimes collectively referred to as the "Participants").

W I T N E S S E T H:

WHEREAS, Fairfax Merrifield Associates, a partnership (hereinafter called the "Master Partnership") was organized pursuant to an agreement between Lawrence A. Wien and Peter L. Malkin dated December 24, 1968, a copy of which agreement is annexed hereto as Exhibit B and made a part hereof; and

WHEREAS, Lawrence A. Wien and Peter L. Malkin each entered into a Participating Agreement dated February 1, 1969, with several individuals which created joint ventures to establish the ownership of the 50% interest in the Master Part-

(a) The sale, transfer, or mortgaging of The Property or of the Premises or any part of the Premises. The Participants acknowledge that the Premises are presently encumbered by three first mortgages held by the New York Life Insurance Company and a first mortgage held by the Union Dime Savings Bank, in the aggregate amount of approximately \$5,901,000.

(b) The modification of the operating lease with Merrifield Apartments Company or the making or modification of any new operating lease affecting all or substantially all of the Premises.

(c) The modification of any mortgage on the Premises, or any part thereof, or the extension or prepayment in whole or in part of any such mortgage.

(d) the disposition in any manner of any substantial asset of the Master Partnership.

6. The parties acknowledge that the Agent has the power as a member of the Master Partnership to dissolve the Master Partnership. If he exercises such power without obtaining the prior written consent of all of the Participants, he shall be personally liable for any damages sustained by the Participants. Any dissolution of the Master Partnership caused by the act of the Agent shall effect a dissolution of this joint venture.

7. This agreement may be modified or amended with the consent of all of the Participants.

8. If the consents of Participants owning at least Eighty Percent (80%) of The Property have been obtained with respect to any matter referred to in paragraphs

5, 6 and 7 hereof, the Agent or his designee (herein called "Purchaser") shall have the right to purchase the interest in The Property of any Participant who has not duly given such consent (and, if the Participant is not an individual, has not furnished evidence of authority for giving such consent) within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The price shall be the lesser of (i) the book value of the interest as reflected on the books and records of the joint venture on the date of the deposit in escrow, described below, or (ii) the value (hereinafter called the "agreed value") of the interest as a fractional interest in The Property with its rights and obligations as set forth in this agreement rather than as a direct interest in the Premises. Such Participant and the Purchaser shall agree on the agreed value, and if they fail to so agree within fifteen (15) days after the sale and transfer of the interest shall be effected as provided in the following subparagraph of this paragraph 8, the dispute as to the agreed value shall be determined by arbitration in accordance with the provisions of paragraph 13 hereof. Under no circumstances shall the price be less than \$100.

The sale and transfer to the Purchaser of the interest of such Participant shall be effected by the deposit in escrow of the said book value by the Purchaser with Wien, Lane & Malkin, Esqs., 60 East 42nd Street, New York, New York, at any time within ninety (90) days after the aforesaid ten day period. The Agent is hereby irrevocably appointed attorney-in-fact for such Participant to execute any papers and to

AGREEMENT

AGREEMENT dated as of November 2, 1972, among PETER L. MALKIN, residing at Bobolink Lane, Greenwich, Connecticut (hereinafter called the "Agent"), and GLADYS R. BISGAIER, residing at Plymouth M-102, Century Village, West Palm Beach, Florida, ALBERT COTT, residing at 197 Chatham Street, New Haven, Connecticut, HARRY CUTLER, residing at 72-11 110 Street, Forest Hills, New York, SADIE DORTMUND, residing at 300 Seminole Avenue, Palm Beach, Florida, JOSEPH GELFMAN, residing at 1206 Sage Street, Far Rockaway, New York, SARAH GLEIBERMAN, residing at 730 Pennsylvania Avenue, Miami Beach, Florida, DAVID GREENBERGER, residing at 705 Madison Avenue, Scranton, Pennsylvania, IDA HELLER, residing at 2310 Creston Avenue, Bronx, New York, YETTA HOTZ, residing at 53 Sweet Briar Road, Stamford, Connecticut, SHIRLEY JACOBSON, residing at 1815 215th Street, Bayside, New York, DONALD L. JONAS, residing at 40 East 66th Street, New York, New York, LILLIAN KALMER, residing at 23 Apple Tree Drive, Stamford, Connecticut, DOROTHY KATZ, residing at 25 Cartright Street, Bridgeport, Connecticut, LOUIS J. KURIANSKY, as Trustee under the Fairfax Merrifield Associates Trust, u/d/t dated 8/29/69, P. O. Box 3254, Stamford, Connecticut, SANDOR A. LEVINSOHN, residing at 656 East 29th Street, Paterson, New Jersey, LOUIS LEVY, residing at 50 East 79th Street, New York, New York, ALFRED LINSEY, residing at 1025 Esplanade, Bronx, New York, HERMAN ROSENBERG, residing at 20 East 74th Street, New York, New

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York, SIDNEY SCHIFFMAN, residing at 300 Dolphin Drive, Woodmere, New York, and ANNE SUSSMAN, residing at 69-60 108th Street, Forest Hills, New York (hereinafter called the "Existing Participants") and CLARENCE Q. BERGER, c/o Office of Executive Vice-President, Brandeis University, Waltham, Massachusetts, SELMA MILLER COTT, residing at 25 Hunting Hill Road, Woodbridge, Connecticut, GEORGE M. DERMER, residing at 37 Tumblebrook Road, Woodbridge, Connecticut, LAW CAPITAL, INC., a New York Corporation, having an office at 60 East 42nd Street, New York, New York, and ANN LINSEY, residing at 1025 Esplanade, Bronx, New York (hereinafter called the "New Participants") (All of the foregoing are hereinafter sometimes collectively referred to as the "Participants").

W I T N E S S E T H:

WHEREAS, Fairfax Merrifield Associates, a partnership (hereinafter called the "Master Partnership") was organized pursuant to an agreement between Lawrence A. Wien and Peter L. Malkin dated December 24, 1968, a copy of which agreement is annexed hereto as Exhibit B and made a part hereof; and

WHEREAS, Lawrence A. Wien and Peter L. Malkin each entered into a Participating Agreement dated February 1, 1969, with several individuals which created joint ventures to establish the ownership of the 50% interest in the Master Part-

(a) The sale, transfer, or mortgaging of The Property or of the Premises or any part of the Premises. The Participants acknowledge that the Premises are presently encumbered by three first mortgages held by the New York Life Insurance Company and a first mortgage held by the Union Dime Savings Bank, in the aggregate amount of approximately \$5,901,000.

(b) The modification of the operating lease with Merrifield Apartments Company or the making or modification of any new operating lease affecting all or substantially all of the Premises.

(c) The modification of any mortgage on the Premises, or any part thereof, or the extension or prepayment in whole or in part of any such mortgage.

(d) the disposition in any manner of any substantial asset of the Master Partnership.

6. The parties acknowledge that the Agent has the power as a member of the Master Partnership to dissolve the Master Partnership. If he exercises such power without obtaining the prior written consent of all of the Participants, he shall be personally liable for any damages sustained by the Participants. Any dissolution of the Master Partnership caused by the act of the Agent shall effect a dissolution of this joint venture.

7. This agreement may be modified or amended with the consent of all of the Participants.

8. If the consents of Participants owning at least Eighty Percent (80%) of The Property have been obtained with respect to any matter referred to in paragraphs

5, 6 and 7 hereof, the Agent or his designee (herein called "Purchaser") shall have the right to purchase the interest in The Property of any Participant who has not duly given such consent (and, if the Participant is not an individual, has not furnished evidence of authority for giving such consent) within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The price shall be the lesser of (i) the book value of the interest as reflected on the books and records of the joint venture on the date of the deposit in escrow, described below, or (ii) the value (hereinafter called the "agreed value") of the interest as a fractional interest in The Property with its rights and obligations as set forth in this agreement rather than as a direct interest in the Premises. Such Participant and the Purchaser shall agree on the agreed value, and if they fail to so agree within fifteen (15) days after the sale and transfer of the interest shall be effected as provided in the following subparagraph of this paragraph 8, the dispute as to the agreed value shall be determined by arbitration in accordance with the provisions of paragraph 13 hereof. Under no circumstances shall the price be less than \$100.

The sale and transfer to the Purchaser of the interest of such Participant shall be effected by the deposit in escrow of the said book value by the Purchaser with Wien, Lane & Malkin, Esqs., 60 East 42nd Street, New York, New York, at any time within ninety (90) days after the aforesaid ten day period. The Agent is hereby irrevocably appointed attorney-in-fact for such Participant to execute any papers and to

AGREEMENT dated and to be effective as of June 1, 1967 among LAWRENCE A. WIEN, residing at 785 Fifth Avenue, New York, New York (herein called the "Agent") and IRENE SCHWARTZ, residing at 880 Fifth Avenue, New York, New York; MEYER STEINBERG, residing at 826 Addison Street, Woodmere, New York; JEROME ALPERN, residing at 318 Audobon Road, Englewood, New Jersey; EMIL J. ARNOLD, residing at 340 West 57th Street, New York, New York; DAVID A. DAWN, residing at 4 Horizon Road, Fort Lee, New Jersey; SAMUEL GLIMORE, residing at 1120 Park Avenue, New York, New York; HELLER BROS. CO., having an office at 600 Madison Avenue, New York, New York; HARRY B. HELMSLEY, residing at 61 Ridgecrest Road, Briarcliff Manor, New York; DONALD L. JONAS, residing at 40 East 66th Street, New York, New York; ADOLPH KATTEN, residing at 236 Crestview Circle, Long Meadow, Massachusetts; DAVID SCHATZOW, residing at 61 Kings Court, Santurce, Puerto Rico; IRVING SCHNEIDER, residing at 21 Copper Beech Lane, Lawrence, New York; HOWARD A. SMITH, residing at 301 East 47th Street, New York, New York; MAURICE URDANG, residing at 875 Park Avenue, New York, New York; MARTIN WEINER, residing at 935 Allwood Road, Clifton, New Jersey and KARL ZUCKERMAN, residing at 97 Tecumseh Drive, Long Meadow, Massachusetts (herein called the "Participants").

W I T N E S S E T H :

WHEREAS, 112 WEST 34TH STREET ASSOCIATES, a partnership (hereinafter called the "Master Partnership"),

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(b) The modification of the main lease owned by the Master Partnership, or the net lease with 112 West 34th Street Company or the making or modification of any new net lease affecting all or substantially all of the Premises.

(c) The modification of any leasehold mortgage on the Premises or any part thereof, or the extension or prepayment in whole or in part of any such mortgage.

(d) The disposition in any manner of any substantial asset of the Master Partnership.

If the consents of Participants owning at least seventy-five percent (75%) of The Property have been obtained, the Agent or his designee (herein called "Purchaser") shall have the right to purchase the entire interest in The Property of any Participant who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The price shall be the lesser of:

(i) the book value of such participation, determined as of the last day of the month preceding the date of the deposit in escrow, described below, or

(ii) the value of the interest in The Property as of the last day of the month preceding the date of the deposit in escrow, described below. In determining such value, the interest in The Property shall be considered only as a participation in The Property, subject to all of the rights and

obligations set forth in this agreement. The parties acknowledge that the Participants have no direct interest in the leasehold estate owned by the Master Partnership. If such non-consenting Participant and the Purchaser fail to agree on the value of the Participant's interest within fifteen (15) days after the sale and transfer of the interest shall have been effected pursuant to the following paragraph, the dispute as to the value shall be determined by arbitration in accordance with the provisions of paragraph 12 below. Under no circumstances shall the purchase price be less than \$100.

The sale and transfer to the Purchaser of the interest of such Participant shall be effected by the deposit in escrow by the Purchaser with Wien, Lane, Klein & Malkin, Esqs. of 60 East 42nd Street, New York, New York at any time within ninety (90) days after the aforesaid ten (10) day period, of the net amount specified in subsection (1) of this paragraph 5.

The Agent is hereby irrevocably appointed attorney-in-fact for such non-consenting Participant to execute any papers and to take any other action necessary to evidence such sale and transfer. The Purchaser shall then accept the transfer in writing, and shall thereupon be a member of this joint venture with the same rights and obligations of such Participant. If the value referred to in subsection (1) of this paragraph 5 (herein called the "agreed value") is equal to or higher than the amount of

the escrow deposit, the escrow agent shall promptly send, by certified or registered mail, a certified check in the amount of such deposit directed to such non-consenting Participant at his last known address. If the agreed value is lower than the amount of the escrow deposit, the escrow agent shall promptly send to such Participant, by certified or registered mail, a certified check in an amount equal to the agreed value, and shall refund the balance of the escrow deposit to the Purchaser.

6. The parties acknowledge that the Agent has the power as a member of the Master Partnership to dissolve the Master Partnership. If he exercises such power without obtaining the prior written consent of Participants owning at least seventy percent (70%) of The Property, he shall be personally liable for any damages sustained by the Participants. Any dissolution of the Master Partnership caused by the act of the Agent shall effect a dissolution of this joint venture.

7. Except as provided in paragraph 6 hereof, the Agent shall not be personally liable for any act performed in good faith. The participants hereby indemnify the Agent in proportion to their fractional interests in The Property against any loss or liability to which the Agent may be subjected by reason of acting as Agent hereunder. Such indemnity shall not apply, however, to any loss or liability resulting from obligations incurred at any time as a result of the Agent's bad faith or in contravention of the terms of this agreement.

AGREEMENT dated as of June 1, 1974, among LAWRENCE A. WIEN, residing at 785 Fifth Avenue, New York, New York (hereinafter called the "Agent") and JEROME ALPERN, residing at 318 Audubon Road, Englewood, New Jersey; SANFORD G. BLUESTEIN, as Executor of the Estate of Iris Bluestein, residing at 309 Upper Mountain Avenue, Upper Montclair, New Jersey; DAVID A. DAWN, residing at 4 Horizon Road, Fort Lee, New Jersey; SOPHIE F. EDELMAN, residing at 910 West Avenue, Miami Beach, Florida; SAMUEL GILMORE, residing at 111 East 56th Street, New York, New York; JESSIE HARTSTON, residing at 11 Island Avenue, Belle Isle, Venetian Causeway, Miami Beach, Florida; HARRY B. HELMSLEY, residing at 36 Central Park South, New York, New York; DONALD L. JONAS, residing at 40 East 66th Street, New York, New York; ADOLPH KATTEN, residing at 236 Crestview Circle, Longmeadow, Massachusetts; JOAN KONNER, residing at Snedens Landing (no street number), Palisades, New York; MARTIN LEWY, residing at 2200 Central Road, Fort Lee, New Jersey; BENJAMIN MILLER, residing at 51 Stoneleigh Road, Bridgeport, Connecticut; ESTHER N. ROBERTS and MERVIN FRANCIS ROBERTS, as Trustees u/l/w/t of Gus R. Roberts, respectively residing at 9801 East Bay Harbor Drive, Bay Harbor Islands, Florida and Route 4, Box 1-A, Old Lyme, Connecticut; CHARLES SALESKY, residing at 6 Pequot Drive, East Norwalk, Connecticut; EMILY SCHATZOW, residing at 14 Sacramento Street, Cambridge, Massachusetts; IRVING SCHNEIDER, residing at 21 Copper Beech Lane, Lawrence, New York; IRENE SCHWARTZ, residing at 880 Fifth Avenue, New York, New York; HOWARD A. SMITH, residing at 54 East 66th Street, New York, New York; NATALIE SMITH, residing at 20 Island Avenue, Miami Beach, Florida; MEYER STEINBERG, residing at 133 Everit

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mortgage having a principal balance of \$6,500,000.

(b) The modification of the main lease owned by the Master Partnership, or the net lease with 112 West 34th Street Company or the making or modification of any new net lease affecting all or substantially all of the Premises.

(c) The modification of any leasehold mortgage on the Premises or any part thereof, or the extension or prepayment in whole or in part of any such mortgage.

(d) The disposition in any manner of any substantial asset of the Master Partnership.

6. The parties acknowledge that the Agent has the power as a member of the Master Partnership to dissolve the Master Partnership. If he exercises such power without obtaining the prior written consent of Participants owning at least seventy percent (70%) of The Property, he shall be personally liable for any damages sustained by the Participants. Any dissolution of the Master Partnership caused by the act of the Agent shall effect a dissolution of this joint venture.

7. This agreement may be modified or amended with the consent of all the Participants.

8. If the consents of Participants owning at least seventy-five percent (75%) of The Property have been obtained with respect to any material referred to in Paragraph 5, 6 and 7 hereof, the Agent or his designee (herein called "Purchaser") shall have the right to purchase the entire interest in The Property of any Participant who has not given such consent within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The

price shall be the lesser of:

(i) the book value of such participation, determined as of the last day of the month preceding the date of the deposit in escrow, described below, or

(ii) the value of the interest in The Property as of the last day of the month preceding the date of the deposit in escrow, described below. In determining such value, the interest in The Property shall be considered only as a participation in The Property, subject to all of the rights and obligations set forth in this agreement. The parties acknowledge that the Participants have no direct interest in the leasehold estate owned by the Master Partnership. If such non-consenting Participant and the Purchaser fail to agree on the value of the Participant's interest within fifteen (15) days after the sale and transfer of the interest shall have been effected pursuant to the following paragraph, the dispute as to the value shall be determined by arbitration in accordance with the provisions of paragraph 14 below. Under no circumstances shall the purchase price be less than \$100.

The sale and transfer to the Purchaser of the interest of such Participant shall be effected by the deposit in escrow by the Purchaser with Wien, Lane & Malkin, Esqs. of 60 East 42nd Street, New York, New York at any time within ninety (90) days after the aforesaid ten (10) day period, of the net amount specified in sub-

section (i) of this paragraph 8.

The Agent is hereby irrevocably appointed attorney-in-fact for such non-consenting Participant to execute any papers and to take any other action necessary to evidence such sale and transfer. The Purchaser shall then accept the transfer in writing, and shall thereupon be a member of this joint venture with the same rights and obligations of such Participant. If the value referred to in subsection (ii) of this paragraph 8 (herein called the "agreed value") is equal to or higher than the amount of the escrow deposit, the escrow agent shall promptly send, by certified or registered mail, a certified check in the amount of such deposit directed to such non-consenting Participant at his last known address. If the agreed value is lower than the amount of the escrow deposit, the escrow agent shall promptly send to such Participant, by certified or registered mail, a certified check in an amount equal to the agreed value, and shall refund the balance of the escrow deposit to the Purchaser.

9. Except as provided in paragraph 6 hereof, the Agent shall not be personally liable for any act performed in good faith. The participants hereby indemnify the Agent in proportion to their fractional interests in The Property against any loss or liability to which the Agent may be subjected by reason of acting as Agent hereunder. Such indemnity shall not apply, however, to any loss or liability resulting from obligations incurred at any time as a result of the Agent's bad faith or in contravention of the terms of this agreement.

10. A. If the Agent shall desire to terminate his agency, or if he shall be removed as such in the manner provided below, the Agent, upon accounting to his successor for all funds which have pre-

PARTICIPATING AGREEMENT

AGREEMENT dated January 10, 1969, among LAWRENCE A. WIEN, residing at 785 Fifth Avenue, New York, New York (hereinafter sometimes called the "Agent") and LAW CAPITAL, INC., a corporation with its office at 60 East 42nd Street, New York, New York, M. GIVELBER, Trustee under Agreement dated March 22, 1954 with Shirley Saltzman for benefit of Lorrie Sue Saltzman, Judy Bea Saltzman and Terry Ann Saltzman, having an office at 1505 Superior Building, Cleveland, Ohio, ALFRED L. MORSE, residing at 345 Buckminster Road, Brookline, Massachusetts, MARTIN GOODMAN, residing at 849 Smith Lane, Woodmere, New York, LESTER S. MORSE, JR., residing at 29 North Lake Drive, Stamford, Connecticut, RICHARD P. MORSE, residing at 53 Sargent Crossway, Brookline, Massachusetts, CAROL PECHET, residing at 31 Fresh Pond Parkway, Cambridge, Massachusetts, IRA KAY, residing at 857 Fifth Avenue, New York, New York and KENNETH KAY, residing at 857 Fifth Avenue, New York, New York (hereinafter called the "Participants").

W I T N E S S E T H:

WHEREAS, 1400 Broadway Associates, a partnership (hereinafter called the "Master Partnership"), will acquire the leasehold estate in the office building located at 1400 Broadway, New York, New York (hereinafter called the "Ground Lease"); and

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(d) The disposition in any manner of any substantial asset of the Master Partnership.

9. The parties acknowledge that the Agent has the power as a member of the Master Partnership to dissolve the Master Partnership. If he exercises such power without obtaining the prior written consent of all of the Participants, he shall be personally liable for any damages sustained by the Participants. Any dissolution of the Master Partnership caused by the act of the Agent shall effect a dissolution of this joint venture.

10. This agreement may be modified or amended with the consent of all of the Participants.

11. If the consents of Participants owning at least Eighty Percent (80%) of The Property have been obtained with respect to any matter referred to in paragraphs 8, 9, and 10 hereof, the Agent or his designee (herein called "Purchaser") shall have the right to purchase the interest in The Property of any Participant who has not duly given such consent (and, if the Participant is not an individual, has not furnished evidence of authority for giving such consent) within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The price shall be the lesser of (i) the book value of the interest as reflected on the books and records of the joint venture on the date of the deposit in escrow, described below, or (ii) the value (hereinafter called the "agreed value") of the interest as a fractional interest in The Property with its rights and obligations as set

forth in this agreement rather than as a direct interest in the Premises. Such Participant and the Purchaser shall agree on the agreed value, and if they fail to so agree within fifteen (15) days after the sale and transfer of the interest shall be effected as provided in the following subparagraph of this paragraph 11, the dispute as to the agreed value shall be determined by arbitration in accordance with the provisions of paragraph 16, hereof. Under no circumstances shall the price be less than \$100.

The sale and transfer to the Purchaser of the interest of such Participant shall be effected by the deposit in escrow by the Purchaser with Wien, Lane, Klein & Malkin, Esqs., 60 East 42nd Street, New York, New York, at any time within ninety (90) days after the aforesaid ten day period, of the said book value. The Agent is hereby irrevocably appointed attorney-in-fact for such Participant to execute any papers and to take any other action necessary to evidence such sale and transfer. The Purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and obligations as such Participant. If the agreed value is equal to or higher than the amount of the escrow deposit, the escrow agent shall promptly mail, by certified or registered mail, a certified check in the amount of such deposit directed to such non-consenting Participant at his last known address. If the agreed value is lower than the amount of the escrow deposit, then the escrow agent shall promptly so mail, by certified or registered mail, a certified

check in an amount equal to the agreed value to the Participant, and shall refund the balance of the escrow deposit to the Purchaser. The Purchaser shall have the right to waive the determination of the agreed value and consent to said book value as the price.

12. Except as provided in paragraph 9 hereof, the Agent shall not be personally liable for any act performed in good faith unless due to the Agent's gross negligence. The Participants hereby indemnify the Agent in proportion to their fractional interests in The Property against any loss or liability to which the Agent may be subject by reason of acting as Agent hereunder. Such indemnity shall not apply, however, to any loss or liability resulting from obligations incurred at any time as a result of the Agent's bad faith, gross negligence or in contravention of the terms of this agreement.

13. A. If the Agent shall desire to terminate his agency, or if he shall be removed as such in the manner provided below, the Agent, upon accounting to his successor for all funds which have previously come into his possession, shall be discharged from all further liability as Agent.

B. Subject to the provisions of subparagraph C, below, the Agent may be removed by the written direction of Participants owning at least Eighty Percent (80%) of The Property.

C. In the event of a vacancy in the office of Agent, the following persons, in the order stated, shall succeed him as a member of the Master Partnership and act as his successor hereunder:

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PARTICIPATING AGREEMENT

AGREEMENT dated January 10, 1969, among LAWRENCE A. WIEN, residing at 785 Fifth Avenue, New York, New York (sometimes called "Wien" or the "Agent") and LAWRENCE A. WIEN, residing at 785 Fifth Avenue, New York, New York, ALVIN S. LANE, residing at 5204 Delafield Avenue, Riverdale, New York, HENRY W. KLEIN, residing at 166 East 61st Street, New York, New York, PETER L. MALKIN, residing at Bobolink Lane, Greenwich, Connecticut, ALVIN SILVERMAN, residing at 110 Redwood Drive, Roslyn, New York, FRED LINDEN, residing at 200 East 57th Street, New York, New York, IVAN SHAPIRO, residing at 525 East 86th Street, New York, New York, ROBERT I. WEISSMANN, residing at 75 Hampton Road, Scarsdale, New York, ROBERT W. GELFMAN, residing at 17 Eton Road, Scarsdale, New York, RALPH W. FELSTEN, residing at 36-18 203rd Street, Bayside, Long Island, New York, HAROLD L. STRUDLER, residing at 345 East 52nd Street, New York, New York, and STANLEY KATZMAN, residing at 75-18 193rd Street, Flushing, New York, (hereinafter called the "Participants").

W I T N E S S E T H:

WHEREAS, 1400 Broadway Associates, a partnership (hereinafter called the "Master Partnership"), will acquire the leasehold estate in the office building located at 1400 Broadway, New York, New York (hereinafter called the "Ground Lease"); and

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the Master Partnership. If he exercises such power without obtaining the prior written consent of all of the Participants, he shall be personally liable for any damages sustained by the Participants. Any dissolution of the Master Partnership caused by the act of the Agent shall effect a dissolution of this joint venture.

9. This agreement may be modified or amended with the consent of all of the Participants.

10. If the consents of Participants owning at least 80% of The Property have been obtained or if the consents obtained under this Agreement and under the 50% Agreement aggregate at least Eighty Percent (80%) of the seventy-five (75%) percent interest in the Master Partnership owned by Wien, then in either such event with respect to any matter referred to in paragraphs 7, 8, and 9 hereof, the Agent or his designee (herein called "Purchaser") shall have the right to purchase the interest in The Property of any Participant who has not duly given such consent (and, if the Participant is not an individual, has not furnished evidence of authority for giving such consent) within ten (10) days after the mailing by the Agent of a written request therefor, by certified or registered mail. The price shall be the lesser of (i) the book value of the interest as reflected on the books and records of the joint venture on the date of the deposit in escrow, described below, or (ii) the value (hereinafter called the "agreed value") of the interest as a fractional interest in The Property with its rights and obligations as

set forth in this agreement rather than as a direct interest in the Ground Lease. Such Participant and the Purchaser shall agree on the agreed value, and if they fail to so agree within fifteen (15) days after the sale and transfer of the interest shall be effected as provided in the following subparagraph of this paragraph 10, the dispute as to the agreed value shall be determined by arbitration in accordance with the provisions of paragraph 15, hereof. Under no circumstances shall the price be less than \$100.

The sale and transfer to the Purchaser of the interest of such Participant shall be effected by the deposit of the said book value in escrow by the Purchaser with Wien, Lane, Klein & Malkin, Esqs., 60 East 42nd Street, New York, New York, at any time within ninety (90) days after the aforesaid ten day period. The Agent is hereby irrevocably appointed attorney-in-fact for such Participant to execute any papers and to take any other action necessary to evidence such sale and transfer. The Purchaser shall then accept the transfer in writing, and shall thereupon be a member of the joint venture with the same rights and obligations as such Participant. If the agreed value is equal to or higher than the amount of the escrow deposit, the escrow agent shall promptly mail, by certified or registered mail, a certified check in the amount of such deposit directed to such non-consenting Participant at his last known address. If the agreed value is lower than the amount of the escrow deposit, then the escrow agent shall promptly so

mail, by certified or registered mail, a certified check in an amount equal to the agreed value to the Participant, and shall refund the balance of the escrow deposit to the Purchaser. The Purchaser shall have the right to waive the determination of the agreed value and consent to said book value as the price.

11. Except as provided in paragraph 9 hereof, the Agent shall not be personally liable for any act performed in good faith unless due to the Agent's gross negligence. The Participants hereby indemnify the Agent in proportion to their fractional interests against any loss or liability to which the Agent may be subject by reason of acting as Agent hereunder. Such indemnity shall not apply, however, to any loss or liability resulting from obligations incurred at any time as a result of the Agent's bad faith, gross negligence or in contravention of the terms of this agreement.

12. A. If the Agent shall desire to terminate his agency, or if he shall be removed as such in the manner provided below, the Agent, upon accounting to his successor for all funds which have previously come into his possession, shall be discharged from all further liability as Agent.

B. Subject to the provisions of subparagraph C, below, the Agent may be removed by the written direction of Participants owning at least Eighty Percent (80%) of The Property.

May 8, 2012

VIA EDGAR AND OVERNIGHT COURIER

Mr. Tom Kluck
United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

**Re: Empire State Realty Trust, Inc.
Registration Statement on Form S-4
Filed February 13, 2012
File No. 333-179486
Registration Statement on Form S-11
Filed February 13, 2012
File No. 333-179485**

Dear Mr. Kluck:

On behalf of Empire State Realty Trust, Inc., a Maryland corporation (the "Company"), we are transmitting for filing pursuant to the Securities Act of 1933, as amended (the "Securities Act"), Amendment No. 1 ("Form S-4 Amendment No. 1") to the Company's Registration Statement on Form S-4 (File No. 333-179486) (the "Form S-4 Registration Statement"), Amendment No. 1 ("Form S-11 Amendment No. 1") to the Company's Registration Statement on Form S-11 (File No. 333-179485) (the "Form S-11 Registration Statement") and the Company's responses to the comments of the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") contained in your letter dated March 14, 2012.

For convenience of reference, each Staff comment contained in your March 14, 2012 comment letter is reprinted below in italics, numbered to correspond with the paragraph numbers assigned in your letter, and is followed by the corresponding response of the Company.

We have provided to you five courtesy copies of each of the Form S-4 Amendment No. 1 and the Form S-11 Amendment No. 1, filed by the Company on the date hereof, two copies of which have been marked to reflect changes made to the Form S-4 Registration Statement or Form S-11 Registration Statement, as applicable, filed with the Commission on February 13, 2012 (the "Marked Copies"). The changes reflected in the Form S-4 Amendment No. 1 and the Form S-11 Amendment No. 1 have been made in response to the Staff's comments and for the purpose of updating and revising certain information in the Form S-4 Registration Statement or the Form S-11 Registration Statement, as applicable. All page references in our responses are to the pages of the Marked Copies. Capitalized terms used and not otherwise defined in this response letter that are defined in the Form S-4 Registration Statement or the Form S-11 Registration Statement shall have the meanings set forth in the Form S-4 Registration Statement or the Form S-11 Registration Statement, as applicable. Please note that references to "we," "our" and "us" refer to the Company or the supervisor, as applicable.

Confidential Treatment Requested by Malkin Holdings

The disclosure under "Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies" on page 23 of the Form S-4 prospectus reflects the requested disclosure, and the disclosure under "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 127 of the Form S-4 prospectus has been revised to clarify the ownership structure of the subject LLCs, including that the agents are actual members of the subject LLCs and that they are principals of the supervisor. Please note there are no intermediate entities.

15. Please tell us how the buyout provisions are consistent with the organizational documents of the subject LLCs and the laws of the jurisdiction in which they were formed.

We supplementally advise the Staff that the buyout provisions were provided for as part of the inception of the subject LLC's in the original participation agreements under which the participation interests were issued. The buyout provisions were included because, under tax laws at the time of the structuring of the transactions, there was a view that the participants needed to act unanimously to permit the entities to obtain partnership status for flow-through tax treatment. The buyout provisions allow for the buyout of non-consenting holders in the case of a supermajority vote (from 80%-90% depending upon the subject LLC) in favor of a recommendation of the supervisor after a 10-day notice to permit a non-consenting holder to change its vote.

Accordingly, the buyout provisions preserved the unanimity for tax purposes, but allowed for supermajority consent, rather than unanimous consent, to a recommendation of the supervisor, to avoid having a minority preventing a supermajority from taking action on any issue requiring a vote. Disclosure describing the background of the buyout has been included under the heading "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal" on page 69 of the Form S-4 prospectus and under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on page 253 of the Form S-4 prospectus. Because the buyout provisions are a part of the contractual participation arrangement, there are no legal restrictions on the right to include such a buyout. Further, to the extent that the participating groups may be considered general partnerships under state law, the New York partnership law does not impose any limitations on the governance structures that may be agreed to by partners. It should be noted that there have rarely been any buyouts effected in the greater than 50 year lives of each of the subject LLCs. We note that there were no buyouts of any participants in the private entities that were solicited in connection with the consolidation, which had similar buyout provisions.

16. Please clarify the statement appearing throughout the document that the Malkin Holdings group is "entitled" to receive consideration having an aggregate value of \$642 million.

The disclosure under "Summary – Background of and Reasons for the Consolidation – Risk Factors" on page 34 of the Form S-4 prospectus, "Summary – Conflicts of Interest and Benefits to the Supervisor and its Affiliates" on page 37 of the Form S-4 prospectus, "Conflicts of Interest – Substantial Benefits to the Supervisor and its Affiliates" on page 226 of the Form S-4 prospectus and "Related Party Transactions – Transactions Relating to the Consolidation" on page 427 of the Form S-4 prospectus has been revised to eliminate the word "entitled" and to clarify the explanation of the receipt of consideration by the Malkin Holdings group as requested.

Cover Page

23. **Please revise to provide pricing information pursuant to Item 501 of Regulation S-K. Please refer specifically to Instruction 2 to paragraph 501(b)(3).**

We supplementally advise the Staff that we do not believe that there is pricing information to be provided under Item 501 on the cover, as Item 501(b)(3) states that it applies when securities are offered for cash. The number of shares of Class A common stock presented in the Form S-4 prospectus is based on the hypothetical \$10 per share exchange value arbitrarily assigned by the supervisor to illustrate the number of shares of Class A common stock that a participant would receive. The actual number of shares of common stock, on a fully-diluted basis, issued in the consolidation will equal the enterprise value (the determination of which is described in our response to comment 7 above) divided by the actual IPO price upon pricing of the IPO, and the actual value per share will equal the IPO price. The enterprise value and the IPO price will be determined by the market conditions and the performance of the portfolio at the time of the IPO.

24. **Please include disclosure pursuant to 501(b)(4) or advise.**

The following disclosure has been added to the cover: "The company intends to apply to have its Class A common stock listed on the New York Stock Exchange under the symbol "ESB.""

Questions and Answers about the Consolidation, page 1

25. **Please include a question and answer that explains why the company is entering into the IPO. Please include a detailed discussion of the use of proceeds that will be raised in the IPO and identify the persons that may receive payments from the use of proceeds.**

The disclosure on page 2 of the Form S-4 prospectus under the heading "Questions and Answers about the Consolidation" has been revised to include a question and answer about the Company's reasons for entering into the IPO.

Q: What are the conditions for the consolidation to close?, page 4

26. **Refer to subpart (iv). Please revise to disclose the "private entity which owns an interest in the Empire State Building."**

The disclosure in this section on page 4 of the Form S-4 prospectus and throughout the Form S-4 prospectus has been revised to refer to Empire State Building Company L.L.C. ("ESBC") as the private entity which owns an interest in the Empire State Building.

Q: Can I change my vote on the consolidation..., page 9

27. **Your disclosure states that you can change your vote at any time before the later of the date the required consent percentage is received by your subject LLC and the 60th day after the date of this prospectus. We note, however, your disclosure on page 4, which states that participants will have ten days to change their vote after notice that the required consent has been received by the subject LLC. Please reconcile.**

The disclosure has been revised to include a statement that participants who have voted against the proposals during the solicitation period may change their vote after the expiration of the solicitation period during a period of 10 days after notice that the required vote has been received.

Summary, page 12

28. **Please revise to include a summary of the background of the roll-up transaction in the summary section. Refer to Item 903(b)(5) of Regulation S-K. Please also provide disclosure pursuant to Item 903(b)(1)(i) and (b)(7) of Regulation S-K or advise.**

A summary of the background of the consolidation pursuant to Item 903(b)(5) has been added to pages 22 to 23 of the Form S-4 prospectus under the new section entitled "Summary – Background of and Reasons for the Consolidation." The disclosure required by Item 903(b)(1)(i) has been added to this section under " – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction" on page 32 of the Form S-4 prospectus, and the disclosure required by Item 903(b)(7) is included in the charts under "Summary – The Consolidation" and "The Consolidation – Principal Components of the Consolidation – Pre- and Post-Consolidation Structure" beginning on pages 45 and 160, respectively, of the Form S-4 prospectus.

29. **Please include a brief description of the role of the supervisor, including the duties owed to the participants in the LLCs, as well as those who hold interests in the operating lessees. Please also describe briefly the role of the agents and any duties owed to the participants. Lastly, please include a brief description of the participants and the interests they hold.**

The disclosure under the new section entitled "Summary – Background of and Reasons for the Consolidation" on page 22 of the Form S-4 prospectus includes the requested disclosure, and the disclosure under "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 126 of the Form S-4 prospectus has been revised as requested.

30. **Please include in the summary section a brief description of the override interests, as well as a brief discussion of how they were valued as part of the consolidation transaction.**

The disclosure under "Summary – The Consolidation – Principal Components of the Consolidation" beginning on page 40 of the Form S-4 prospectus has been revised to include a brief description of the override interests.

Allocation of consideration in the Consolidation, page 47

53. **Please advise as to why the remainder of the chart (3 columns related to “Per \$1,000 Original Investment” for the private entities) is not filled in.**

We supplementally advise the Staff that information relating to value per \$1,000 original investment is provided to enable investors in the subject LLCs to determine the value of their interests based on the exchange value. While the supervisor believes that information as to the exchange value of each private entity is relevant to participants in the subject LLCs, the supervisor does not believe information as to value per \$1,000 original investment is relevant for the entities whose consents have already been solicited and that providing the breakout would not provide any material information to participants in the subject LLCs, particularly because the investments were made at different times and the original investment amounts are not in a comparable basis. Accordingly, as set forth in the introduction to the table, such information is only provided for the subject LLCs and their operating lessees.

Voting Procedures for the consolidation Proposal and the Third-Party Portfolio Proposal, page 52

54. **Please revise the fifth and sixth paragraphs on page 52 to clarify that participants in only one entity will receive full consideration, to the extent they vote against the proposals and they are approved, and that participants in Empire State Building Associates LLC and 60 East 42nd St. LLC will receive only \$100.**

The disclosure under “Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal” on pages 68 and 69 of the Form S-4 prospectus has been revised as requested to state that participants in only 250 West 57th St. Associates L.L.C. will receive full consideration and that participants in ESBA and 60 East 42nd St. Associates L.L.C. will receive only \$100 if they do not vote in favor of the consolidation unless they change their vote within 10 days after receiving written notice that the required vote has been received, in which case they would receive full consideration.

55. **Refer to the third paragraph on page 53. We note that, to the extent participants vote against the third-party portfolio proposal, participants in Empire State Building Associates LLC and 60 East 42nd St. LLC will receive substantially lower than the exchange value, even if there is no third-party offer *and even if the consolidation is consummated and the participant voted in favor of the consolidation*. Please disclose this risk on the cover page of the prospectus and confirm that “substantially lower than exchange value” means \$100. Please also clarify this point in the related Q&A on page 4.**

The disclosure under “Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal” on page 68 of the Form S-4 prospectus has been revised to state that participants in such case will receive substantially lower than the exchange value, *i.e.*, \$100, unless they vote in favor of the proposal within 10 days after receiving notice that the required consent has been received. This point has also been clarified in the Q&A section and a risk factor has been added to the cover.

69. **To the extent participants' interests are bought out for \$100 because they did not vote in favor of the consolidation and/or the third-party portfolio proposal, please explain what happens to the remainder of the consideration that the participant would have received had the participant voted in favor of either/both proposals.**

We supplementally advise the Staff that as disclosed under "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal" on page 68 of the Form S-4 prospectus, such participant's interests will be bought out by the applicable subject LLC, and accordingly, the remainder of the consideration would get reallocated among participants in such entity. We do not believe that any further disclosure is required to address this comment.

70. **Please describe in greater detail the recently created membership interests, referenced in the fourth paragraph on page 53. Please disclose when the series was created and why. Also, we note from your disclosure in the paragraph below that the Wien group collectively owns participation interests in the subject LLCs in excess of the thresholds discussed in this paragraph, but they intend to approve the transaction. Please confirm that the Wien group is carved out from the voting limitation.**

We supplementally advise the Staff that we do not believe that any additional detail concerning this class is required. This class has a similar effect as a poison pill for a corporation, and it was adopted to prevent a person from disrupting the consolidation by acquiring an interest that would allow them to block the participation of a subject LLC in the consolidation and therefore frustrate the vote of the participants. As a result, this class would not have any impact on either voting or distributions of participants unless a person acquires an interest that would trigger the class, in which case only such acquirer's vote or distribution would be adversely affected. Additional disclosure would be provided in such event. Members of the Wien group who would be considered to beneficially own participation interests for purposes of the new class have been carved out of the voting limitation.

Conditions to the Consolidation, page 54

56. **In the sixth bullet, please revise to disclose the "other customary conditions" or provide a cross-reference. Please make a similar revision to your related disclosure on page 136.**

The disclosures under "Summary – Conditions to the Consolidation" and "The Consolidation – Conditions to the Consolidation" on pages 70 and 171, respectively, of the Form S-4 prospectus have been revised to include a cross-reference.

Sales transactions for participation interests have been limited and sporadic, page 120

78. **Please clarify the methodology used by the supervisor in determining the price to be offered to participants in prior purchases of their participation interests.**

The disclosure under "Background of and Reasons for the Consolidation – Alternatives to the Consolidation – Comparison of Alternatives" on page 144 of the Form S-4 prospectus has been revised to describe the methodology used by the supervisor in determining the purchase price for participation interests in prior purchases.

Distribution Comparison, page 122

79. **Please revise the chart appearing in this section so that it provides the information described in the accompanying text.**

In response to the Staff's comment and further to a telephone conversation between our counsel and the Staff, we do not believe that the accompanying text should be included in the table. Instead, the introductory paragraph to this chart under "Background of and Reasons for the Consolidation – Comparison of Distributions by the Subject LLCs and the Company" on page 147 of the Form S-4 prospectus has been revised to refer to the information described in the accompanying text.

Recommendation and Fairness Determination, page 123

80. **Please provide a clear statement as to whether the supervisor believes that the transaction is substantively and procedurally fair to unaffiliated security holders. Please ensure that you specifically and individually address procedural fairness, taking into account such terms as the buyout provision.**

We believe that the disclosure under "Recommendation and Fairness Determination – General" on page 149 of the Form S-4 prospectus clearly states the supervisor's belief as to participants in the subject LLCs as required under Item 910 of Regulation S-K. In addition, in "Recommendation and Fairness Determination – General," on page 149 of the Form S-4 prospectus we state that the supervisor believes the consolidation is also procedurally fair. The disclosure under this section on page 150 of the Form S-4 prospectus has been revised to discuss the buyout provision and state that the supervisor does not believe such provision affects the procedural fairness because, among other things, such buyout was provided for in the original participation agreements, requires a supermajority vote to trigger the buyout and participants who have voted against the consolidation (or abstained), have the right to change their vote during a period of 10 days after receiving notice of the supermajority vote in order to avoid a buyout.

Material Factors Underlying Belief as to Fairness, page 124

Summary of Valuations, page 126



July 3, 2012

VIA EDGAR AND OVERNIGHT COURIER

Mr. Tom Kluck
United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

Re: Empire State Realty Trust, Inc.
Amendment No. 1 to Registration Statement on Form S-4
Filed May 8, 2012
File No. 333-179486
Amendment No. 1 to Registration Statement on Form S-11
Filed May 8, 2012
File No. 333-179485

Dear Mr. Kluck:

On behalf of Empire State Realty Trust, Inc., a Maryland corporation (the "Company"), we are transmitting for filing pursuant to the Securities Act of 1933, as amended (the "Securities Act"), Amendment No. 2 ("Form S-4 Amendment No. 2") to the Company's Registration Statement on Form S-4 (File No. 333-179486) (the "Form S-4 Registration Statement"), Amendment No. 2 ("Form S-11 Amendment No. 2") to the Company's Registration Statement on Form S-11 (File No. 333-179485) (the "Form S-11 Registration Statement") and the Company's responses to the comments of the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") contained in your letter dated June 8, 2012.

For convenience of reference, each Staff comment contained in your June 8, 2012 comment letter is reprinted below in italics, numbered to correspond with the paragraph numbers assigned in your letter, and is followed by the corresponding response of the Company.

We have provided to you five courtesy copies of each of the Form S-4 Amendment No. 2 and the Form S-11 Amendment No. 2, filed by the Company on the date hereof, and five copies of the Form S-4 Amendment No. 2 which are marked to reflect changes made to the Form S-4 Registration Statement or Form S-11 Registration Statement, as applicable, filed with the Commission on May 8, 2012 (the "Marked Copies"). The changes reflected in the Form S-4 Amendment No. 2 and the Form S-11 Amendment No. 2 have been made in response to the Staff's comments and for the purpose of updating and revising certain information in the Form S-4 Registration Statement or the Form S-11 Registration Statement, as applicable. All page references in our responses are to the pages of the Marked Copies. Capitalized terms used and

Confidential Treatment Requested by Malkin Holdings

8. **Please disclose whether or not the supervisor has discretion to not consummate either transaction (i.e., the consolidation or the third-party portfolio transaction) even after super-majority approval has been obtained for either or both transactions and dissenting participants may have been bought out.**

The disclosure under the heading "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal" on page 75 of the Form S-4 prospectus and under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on page 283 of the Form S-4 prospectus have been revised to disclose that the supervisor and the agents have the discretion to determine not to consummate either the consolidation or the third-party portfolio transaction even after supermajority approval has been obtained and dissenting participants have been bought out.

9. **Please disclose whether there are any restrictions under state law with respect to counting votes of the Malkin family toward the super-majority, since they are interested parties.**

We supplementally advise the Staff that there are no restrictions under either the New York Limited Liability Company Law or the New York Partnership Law with respect to counting votes of the Malkin Family, as interested parties, toward the supermajority. Accordingly, we do not believe any additional disclosure is required.

10. **Please revise the Q & A and/or the summary to include a discussion of the combined effect on the net value of a participant's investment of the immediate dilution caused by the override interests and the individual tax implications.**

We respectfully advise the Staff that we do not believe that the requested Q & A is necessary. As described in the response to comment 6, the Form S-4 prospectus has been revised to reflect a change to the consideration being offered, which is that participants in the subject LLCs will now have the option to receive operating partnership units in the Company's operating partnership in a tax-deferred transaction. Regardless of whether the payment of taxes would be considered to dilute a participant's net value, we believe that such disclosure is not necessary because all participants in the subject LLCs may receive consideration without paying taxes at the time the transaction is closed.

We do not believe that disclosure that the override interests dilute participants in the subject LLCs is necessary in the Q & A. The override interests represent contractual rights for the supervisor to receive a percentage of capital proceeds and apply to all distributions of capital proceeds, not just the consolidation. Distributions on account of the override interests also reduce annual distributions (in percentages of 6%, 10% and 10%, respectively, for Empire State Building Associates L.L.C., 60 East 42nd St. Associates,

L.L.C. and 250 West 57th St. Associates L.L.C., as described in the footnotes to the charts under the headings "Summary – The Consolidation" on pages 51, 52 and 53 and "The Consolidation – Principal Components of the Consolidation – Pre- and Post-Consolidation Structure," on pages 177, 178 and 179 of the Form S-4 prospectus). Accordingly, the override interests do not "dilute" the participants' distributive interest in the Company since the override interests are taken into account in determining a participant's distribution interest. Furthermore, in the tables showing the consideration participants will receive in the consolidation (including the table under the heading "Summary – Allocation of Consideration in the Consolidation" on page 69 of the Form S-4 prospectus), the impact of the override interests is addressed.

11. **We note your disclosure throughout the prospectus that participants in the subject LLCs may elect to receive cash in lieu of a portion of the Class A common stock. We also note that the price per share will equal the IPO price and be reduced by the underwriting discount per share paid in the IPO. Where appropriate, please disclose the range of the underwriting discount.**

As discussed with the Staff, there is no need to disclose the range of underwriting discounts, because, as part of the change in the consideration being offered to permit participants to receive operating partnership units described in response to comment 6, the cash election has been eliminated.

12. **Please include updated financial statements in your next amendment.**

Updated financial statements have been included in each of the Form S-4 Amendment No. 2 and the Form S-11 Amendment No. 2.

Cover Page

13. **We note your response to comment 55 of our letter dated March 14, 2012, as well as your added cover page disclosure. Please revise to include that an investor's interest may, in some cases, be subject to the buyout provision if the investor votes "no." Also provide a cross reference to the more detailed disclosure on this point. In addition, please prominently disclose to the effect that an investor will not lose his or her interest merely by voting "no."**

The added cover page disclosure has been further revised as requested.

Questions and Answers about the Consolidation, page 1

14. **Please revise to include a Q & A following the first Q & A (about what participants are being asked to approve) that provides simple, summary disclosure of the benefits to be received by the Malkins versus other investors with respect to securities, cash, taxes, and any other consideration.**

Because of the change in the consideration being offered to participants described in response to comment 10, participants in the subject LLCs will have the option to receive

the same forms of securities with the same tax treatment as the Malkin Family. As a result, we believe a Q & A showing the different forms of consideration is no longer needed.

15. **Please revise to include a Q & A to discuss the process by which participants may change their vote. Please include disclosure about how and when notice will be given to each participant if and when the requisite supermajority consent has been obtained. Please also provide clear instructions as to how a participant may change his or her vote and disclose whether the participant will receive confirmation that a vote has been successfully changed. Please include an example that clearly illustrates the timeline for this entire process.**

A Q & A has been included under the heading "Questions and Answers about the Consolidation – What is the process by which I may change my vote on the consolidation proposal or the third-party portfolio proposal?" on page 13 of the Form S-4 prospectus as requested.

Why is the company entering into the IPO? page 2

16. **We note your response to comment 25 of our letter dated March 14, 2012, as well as your related revised disclosure beginning on page 2. To the extent practicable, please quantify the net proceeds to be used for the disclosed purposes, particularly with respect to part (v).**

The disclosure under the heading "Questions and Answers about the Consolidation – Why is the company entering into the IPO?" on page 3 of the Form S-4 prospectus has been revised to include the estimated amounts for the purposes listed in (i) to (v), with blanks for information that cannot be determined at this time but will be included in a subsequent amendment. Please note that such information is based on assumptions as to the size of the IPO and will be included in a subsequent amendment based on the assumed size of the IPO and net proceeds which will be included in the pro forma financial statements.

What are the conditions for the consolidation to close? page 4

17. **We note your disclosure that to consummate the consolidation, there must be the participation of Empire State Building Associates L.L.C. and Empire State Building Company L.L.C., the private entity which owns an interest in the Empire State Building. Please explain in greater detail their "participation." Also it is unclear of the interest owned in the Empire State Building by ESBC. Please revise.**

The disclosures under the heading "Questions and Answers about the Consolidation – What are the conditions for the consolidation to close?" on page 5 of the Form S-4 prospectus, as well as under the headings "Summary – Risk Factors – The Consolidation or a Third-

Party Portfolio Transaction,” “ – The Consolidation – Principal Components of the Consolidation,” the risk factor under the heading beginning “At the time participants vote on the consolidation proposal, there will be uncertainties as to the size, makeup and leverage of the company ...,” “The Consolidation – Principal Components of the Consolidation,” and “ – Conditions to the Consolidation,” on pages 38, 47, 92, 172, and 187, respectively, of the Form S-4 prospectus have been revised as requested, and we have clarified the reference to the interest of Empire State Building Company L.L.C. (“ESBC”) in the Empire State Building to state that it is its interest as operating lessee.

What will I be entitled to receive if I vote “FOR” the consolidation and either proposal is approved by my subject LLC? page 4

18. **Please revise to disclose the percentage of the total exchange value and the percentage of total shares allocated to each of the subject LLCs. Also include a cross reference to the Allocation of Consideration in the Consolidation section and related table on page 63.**

The disclosure under the heading “Questions and Answers about the Consolidation – What will I be entitled to receive if I vote “FOR” the consolidation and the consolidation is approved by my subject LLC?” on page 5 of the Form S-4 prospectus has been revised as requested.

What will I be entitled to receive if I don’t vote “FOR” the third-party portfolio proposal.... page 7

19. **Please revise the disclosure to better illustrate the potential outcomes, based on a participant’s individual vote, versus the overall vote. For example, please clearly illustrate when the buyout provision is triggered if a person votes “yes” to one proposal (e.g., the consolidation) but “no” to the other (e.g., the third party portfolio proposal). Also, please begin this added disclosure with a statement to the effect that the buyout provisions are triggered only if a supermajority consent is received with respect to either or both transactions (whichever is accurate). Lastly, please disclose that 250 West 57th St. Associates is not subject to a buyout provisions.**

The disclosure under the heading “Questions and Answers about the Consolidation – When will the buyout provisions be triggered?” on page 10 of the Form S-4 prospectus has been revised as requested.

20. **Please revise the added disclosure in the carryover paragraph at the top of page 8 to clarify that a participant may be subject to a buyout only if the proposal(s) are approved by a supermajority consent. Disclose that, to the extent the required supermajority consent is not received by a subject LLC, participants cannot and will not be subject to a buyout.**

In response to the Staff’s comment, the following question has been added under the heading “Questions and Answers about the Consolidation” on page 10 of the Form S-4 prospectus: “When will the buyout proposals be triggered?”

43. **Please explain in greater detail how you arrived at the budgeted distribution amounts in the chart on page 60 and what these amounts represent.**

We have deleted budgeted distributions from the tables under the heading "Summary – The Consolidation – Comparison of Distributions" on page 66 of the Form S-4 prospectus and under the heading "Background of and Reasons for the Consolidation – Comparison of Distributions by the Subject LLCs and the Company" on page 160 of the Form S-4 prospectus. Instead, we have included the five-year average distributions. We determined that the five-year average, together with the more detailed table showing historic five-year distributions under the heading "Background of and Reasons for the Consolidation – Comparison of Distributions by the Subject LLCs and the Company" on page 160 of the Form S-4 prospectus, provides a better basis for comparison of distributions than the budgeted distribution.

Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal, page 68

44. **We note your added disclosure in response to comment 55 of our letter dated March 14, 2012. Please disclose your authority for buying out a participant who does not vote in favor of either the consolidation or third-party portfolio transaction proposal if either or neither transaction is consummated.**

The disclosure has been revised under the heading "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal" on page 75 of the Form S-4 prospectus and under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on page 283 of the Form S-4 prospectus to state that the buyouts are contractual provisions included in the original participating agreements and to address their applicability even if either or neither transaction is consummated. We supplementally advise the Staff that because the buyouts are contractual provisions included in the participating agreements of Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C., and because there are no restrictions under the New York Partnership Law with respect to such a buyout, each participant in such subject LLCs is subject to the buyout provision.

No Right to Independent Appraisal, page 70

45. **Please clarify your disclosure as to why participants who do not consent to the transaction will not have appraisal rights under the New York Limited Liability Company Law. Section 1002(e) of that act appears to provide for a right of appraisal in circumstances such as the consolidation, and the agents appear to be holding their membership interests in the subject LLCs as fiduciaries on behalf of the participants. Disclose any relevant case law that supports the position you are taking. If state law is unclear on this issue, please so state. See Item 18(a)(3) of Form S-4 and Item 3 of Schedule 14A.**

August 13, 2012

VIA EDGAR AND OVERNIGHT COURIER

Mr. Tom Kluck
United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

**Re: Empire State Realty Trust, Inc.
Empire State Realty OP, L.P.
Amendment No. 2 to Registration Statement on Form S-4
Filed July 3, 2012
File Nos. 333-179486; 333-179486-01**

Dear Mr. Kluck:

On behalf of Empire State Realty Trust, Inc., a Maryland corporation (the "Company") and Empire State Realty OP, L.P. (the "Operating Partnership"), we are transmitting for filing pursuant to the Securities Act of 1933, as amended (the "Securities Act"), Amendment No. 3 ("Form S-4 Amendment No. 3") to the Registration Statement on Form S-4 (File Nos. 333-179486; 333-179486-01) of the Company and the Operating Partnership (the "Form S-4 Registration Statement") and the Company's responses to the comments of the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") contained in your letter dated July 31, 2012.

For convenience of reference, each Staff comment contained in your July 31, 2012 comment letter is reprinted below in italics, numbered to correspond with the paragraph numbers assigned in your letter, and is followed by the corresponding response of the Company and the Operating Partnership, as applicable.

We have provided to you five courtesy copies of the Form S-4 Amendment No. 3, filed by the Company and the Operating Partnership on the date hereof, and five copies of the Form S-4 Amendment No. 3 which are marked to reflect changes made to the Form S-4 Registration Statement filed with the Commission on July 3, 2012 (the "Marked Copies"). The changes reflected in the Form S-4 Amendment No. 3 have been made in response to the Staff's comments and for the purpose of updating and revising certain information in the Form S-4 Registration Statement. All page references in our responses are to the pages of the Marked Copies. Capitalized terms used and not otherwise defined in this response letter that are defined in the Form S-4 Registration Statement shall have the meanings set forth in the Form S-4 Registration Statement. Please note that references to "we," "our" and "us" refer to the Company, the Operating Partnership or the supervisor, as applicable.

Confidential Treatment Requested by Malkin Holdings

Building Associates L.L.C. incurred in connection with the acquisition of the fee interest, which was allocated 100% to Empire State Building Associates L.L.C; changes in the allocations to reflect changes in the property values; and changes in the discount rates and terminal capitalization rates.”

We advise the Staff that, in addition to the interim preliminary work papers that we are furnishing supplementally, other preliminary work papers were furnished by the independent valuer to the supervisor. These work papers either contained immaterial changes from the prior preliminary work papers or were part of a single revision, with changes that were made in stages, which were fully incorporated in subsequent preliminary work papers that are provided supplementally. We do not believe that any of these submissions should be considered to represent separate preliminary work papers. For example:

- Prior to the preliminary work papers relating to property valuations provided on October 4, 2011, there were corrections provided by the supervisor in the calculation of the overage rent payable under operating leases, which were incorporated in part in an interim set of work papers and completed in the October 4, 2011 work papers. The interim work papers also made certain other changes, all of which were included in the October 4, 2011 work papers. We do not believe that these interim preliminary work papers should be required to be filed.
- An interim set of work papers (which did not include back-up details) of the valuation changes relating to the 50/50 joint venture analysis was provided by the independent valuer, which also included changes in the discount rates and terminal capitalization rates for certain of the properties. All of those changes, with backup, were included in the October 13, 2011 work papers relating to property valuations. We do not believe that these interim preliminary work papers should be required to be filed.

In addition, we advise the Staff that we have included a legend under “Reports, Opinions and Appraisals — Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 210 of the Form S-4 prospectus with respect to furnishing the June report and will include similar legends with respect to any of the interim work papers that we are required to file.

4. **We note your response to comment 8 of our letter dated June 8, 2012. Given that the supervisor can implement the buyout regardless of whether a transaction is consummated, please provide your analysis under Rule 13e-3 with respect to a standalone buyout. Please also briefly describe the circumstances under which the supervisor may choose to abandon or postpone the transaction, and the authority for doing so, in both the case where the buyout is implemented and where it is not.**

We supplementally advise the Staff that we do not believe the fact that the supervisor can implement the buyout whether or not a transaction is consummated alters the Rule 13e-3 analysis. Whether or not the buyout is effected is within the control of the participant who can consent to a transaction after notice that the required supermajority consent has been received. Therefore, the buyout under these circumstances does not affect the right of a participant to receive Class A common stock or compliance with the conditions of Rule 13e-3(g)(2).

By changing his or her consent after the buyout notice is received, each participant has the ability to receive a security meeting the conditions of Rule 13e-3(g)(2), if the transaction is consummated, and to retain his or her current participation interest, if the transaction is not consummated.

The participants, by voting for the proposed transaction, authorize the agents to proceed with the transaction. The agents under the operating agreement have the final decision as to whether to proceed with the transaction, and the agents, all of whom are principals of the supervisor, have the discretion, subject to their fiduciary duties, to determine whether to proceed. The supervisor, acting on behalf of the subject LLCs and the agents, similarly have discretion, subject to its fiduciary duties, as to whether to abandon or postpone the transaction. Because unanimity of the participants is required to provide the authority to proceed with the transaction, the buyout would need to be effected following receipt of consents from the supermajority to provide such authority. As a result, the buyout needs to be effected whether or not the subject LLCs ultimately proceed with the transaction and is not affected by whether or not the transaction closes.

We supplementally advise the Staff that, while the buyouts of any non-consenting participants that do not change their vote after the buyout notice are necessary to obtain the unanimous consent required under the participating agreements, it is not the supervisor's or the agents' intention to effect any buyouts. In past transactions, the supervisor and the agents have sought to avoid the buyout through a series of calls and letters to participants to encourage participants to change their vote after the supermajority consent has been received. As a result of calls and letters from the supervisor and the agents in connection with the solicitation of consents from participants in the private entities, no buyouts were effected in the private entities which were subject to similar buyout provisions. The supervisor and the agents intend to proceed in the same manner in connection with buyouts of participants in the subject LLCs.

Prospectus Cover Page

5. **Please revise the cover page of the prospectus to disclose that holders of the operating partnership units will not have economic or voting interests in the REIT.**

The disclosure on the cover page of the Form S-4 prospectus has been revised as requested.

Questions and Answers about the Consolidation, page 1

What will I be entitled to receive if I don't vote "FOR" the consolidation and either proposal is approved by my subject LLC? page 5

6. Please clarify in the subheading the other proposal to which you are referring.

The subheading on page 5 of the Form S-4 prospectus has been revised to refer only to the consolidation proposal. Please note that the third party portfolio proposal is already separately addressed on page 9 of the Form S-4 prospectus under the heading "Questions and Answers about the Consolidation — What will I be entitled to receive if I don't vote "FOR" the third-party portfolio proposal and it is approved by my subject LLC?"

When can I sell operating partnership units or shares of Class A common stock of the company after the consolidation and the IPO? page 6

7. Please clarify, as discussed on page 427, that the Class A shares that you refer to in the second sentence are only issuable in exchange for OPUs beginning twelve months after completion of the IPO at the company's election. We note your related disclosure on page 8.

The disclosure under the headings "Questions and Answers about the Consolidation — When can I sell operating partnership units or shares of Class A common stock of the company after the consolidation and the IPO?," "Summary — What You Will Receive if Your Subject LLC is Included in the Consolidation — Operating Partnership Units," "Risk Factors — Risk Factors Related to the Company and Risks Resulting from the Consolidation — The number of shares and operating partnership units available for future sale could adversely affect the market price of the operating partnership units and the company's Class A common stock," "Recommendation and Fairness Determination — Material Factors Underlying Belief as to Fairness," and "The Consolidation — Lock-Up Agreements" on pages 6, 60, 102, 169, and 191, respectively, of the Form S-4 prospectus has been revised as requested.

What is the process by which I may change my vote on the consolidation proposal or the third-party portfolio proposal? page 13

8. We note your added disclosure on page 13 in response to comment 15 of our letter dated June 8, 2012. In the example you give on page 14, the buyout notice that supermajority consent has been received is mailed to participants who abstained or voted "against" on day 61, even though the required supermajority was actually received on day 47. Please confirm that the buyout notice will not be mailed out earlier than the end of the 60 day solicitation period. Also, please disclose whether a participant may call MacKenzie Partners, Inc. ("MacKenzie") during the

solicitation period to check the status as to whether or not supermajority consent has been received and/or to confirm that MacKenzie has received a participant's changed vote.

We supplementally advise the Staff that, as disclosed under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal — Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions — Revocability of Consent" on page 285 of the Form S-4 prospectus, the buyout notice will be mailed out following the expiration of the solicitation period, as it may be extended. Accordingly, it cannot be mailed out prior to the end of the solicitation period, which is a minimum of 60 days.

The disclosures under the headings "Questions and Answers About the Consolidation — What is the process by which I may change my vote on the consolidation proposal or the third-party portfolio proposal?," "Summary — Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal," "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal — Distribution of Solicitation Materials," " — Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions," and "Consent Procedures for Voluntary Pro Rata Reimbursement Proposal," on pages 14, 74, 281, 285, and 286 respectively, of the Form S-4 prospectus, have been revised to state that participants may call MacKenzie during the solicitation period to check whether or not the required supermajority consent has been received or confirm that MacKenzie has received a changed vote.

Are there tax consequences as a result of the consolidation? page 14

9. **We note your disclosure in the paragraph on page 15 following subsection (iii) regarding when an investor may be treated as receiving shares of common stock and immediately transferring such shares to the supervisor as a reimbursement payment. Please revise to clarify when this treatment would apply. For example, does it apply to participants who vote "yes" to the voluntary pro rata reimbursement program and/or to participants who voted in favor of the voluntary capital overrides?**

The disclosure under the headings "Questions and Answers About the Consolidation — Are there tax consequences as a result of the consolidation," "Summary — U.S. Federal Income Tax Considerations of the Consolidation Proposal" and "U.S. Federal income Tax Considerations — U.S. Federal Income Tax Consequences of the Consolidation — General" on pages 15, 78 and 475, respectively, of the Form S-4 Prospectus has been revised as requested. We supplementally advise the Staff that the treatment does not apply to participants that consented to the voluntary capital override.

Exchange Value and Allocation of Operating Partnership Units and Common Stock, page 223

24. **We note your response to comment 47 of our letter dated June 8, 2012, as well as your revised disclosure regarding the consideration allocable to the override holders based on the amount they were entitled under the constituent documents. In this section, please revise to explain in greater detail the valuation methodology used to assign value to the override interests.**

The disclosure under the heading “Exchange Value and Allocation of Operating Partnership Units and Common Stock — Allocation of Common Stock and Operating Partnership Units” on page 230 of the Form S-4 prospectus has been revised as requested to include a discussion similar to that included under the headings “Summary — Fairness Opinion” and “Reports, Opinions and Appraisals — Fairness Opinion” on pages 63 and 216, respectively, of the Form S-4 prospectus, in response to comment 47 of your letter, dated June 8, 2012.

Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal, page 281

Revocability of Consent, page 285

25. **We note your response to comment 65 of our letter dated June 8, 2012. Please describe the principle of contract or partnership law which operates to make a revocation by a participant ineffective prior to such time as the LLC consents of the agents become irrevocable. Please also disclose the extent of the agents’ legal obligation to deliver LLC consents immediately following receipt of the requisite participation consents.**

The participating agreements for each of the subject LLCs require consents from participants to be obtained in connection with certain actions by the agents, and there is no provision in the participating agreements providing that such consent, once received, is subject to revocation. Furthermore, the participating agreements for Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. provide that if the consents of participants owning at least a stated percentage is received, which in the case of Empire State Building Associates L.L.C. is 80% and in the case of 60 East 42nd St. Associates L.L.C. is 90%, the agent or his designee has the right to purchase the interest of any participant who has not duly given such consent. These provisions clearly contemplate that at the time when the consent of the stated percentage of participants is received, such consent has to be effective and irrevocable. There is no provision of the New York Partnership Law, and we are not aware of any other provisions of law, that would give a participant a right to revoke its consent under these circumstances.

This would be true whether or not the agent has taken the action to which the consent relates, and whether or not the agents deliver their consent as member. Neither the operating agreements for the subject LLCs nor the participating agreements address or limit when an agent can take an action that has been consented to by the participants.

November 2, 2012

VIA EDGAR AND OVERNIGHT COURIER

Mr. Tom Kluck
United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

**Re: Empire State Realty Trust, Inc.
Empire State Realty OP, L.P.
Amendment No. 3 to Registration Statement on Form S-4
Filed August 13, 2012
Amendment No. 2 to Registration Statement on Form S-11
Filed July 3, 2012
File Nos. 333-179486; 333-179486-01**

Dear Mr. Kluck:

On behalf of Empire State Realty Trust, Inc., a Maryland corporation (the "Company"), and Empire State Realty OP, L.P. (the "Operating Partnership"), we are transmitting for filing pursuant to the Securities Act of 1933, as amended (the "Securities Act"), Amendment No. 4 ("Form S-4 Amendment No. 4") to the Registration Statement on Form S-4 (File Nos. 333-179486; 333-179486-01) of the Company and the Operating Partnership (the "Form S-4 Registration Statement"), Amendment No. 3 ("Form S-11 Amendment No. 3") to the Company's Registration Statement on Form S-11 (File No. 333-179485) (the "Form S-11 Registration Statement") and the Company's responses to the comments of the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") contained in your letters dated August 13, 2012 and August 31, 2012.

For convenience of reference, each Staff comment contained in your August 31, 2012 comment letter issued in connection with the Form S-4 Registration Statement and in your August 13, 2012 comment letter issued in connection with the Form S-11 Registration Statement is reprinted below in italics, numbered to correspond with the paragraph numbers assigned in your letters, and is followed by the corresponding response of the Company and the Operating Partnership, as applicable.

We have provided to you five courtesy copies of the Form S-4 Amendment No. 4 and Form S-11 Amendment No. 3, each filed by the Company and the Operating Partnership, as applicable, on the date hereof, five courtesy copies of the Form S-11 Amendment No. 3, filed by the Company on the date hereof, and five copies of the Form S-4 Amendment No. 4 and the Form S-11 Amendment No. 3 which are marked to reflect changes made to the Form S-4 Registration Statement or Form S-11 Registration Statement, as applicable, filed with the Commission on August 13, 2012 and July 3, 2012, respectively (the "Marked Copies"). The changes reflected in the Form S-4 Amendment No. 4 and the Form S-11

believe that, aside from these differences, there were any findings or conclusions in such reports that were materially different from the findings or conclusions that appear in the Form S-4 prospectus as revised.

In addition, the disclosure under the heading "Reports, Opinions and Appraisals – Prior Independent Valuer Work Papers and Analysis" on page 245 in the Form S-4 prospectus has been revised to include the required legend.

2. **We note your response to comment 4 of our letter dated July 31, 2012 and reissue the comment. Given that the supervisor can implement the buyout even if neither transaction is consummated, please provide your analysis under Rule 13e-3 with respect to a stand-alone buyout. In other words, provide an analysis as to whether a stand-alone buyout has a reasonable likelihood or a purpose of producing any of the effects described in Rule 13e-3(a)(3)(ii). As requested, please also briefly disclose the circumstances under which the supervisor may choose to abandon or postpone the transaction.**

We supplementally advise the Staff that the buyout of the participation interests held by participants in Empire State Building Associates L.L.C. and 60 East 42nd Street Associates L.L.C. on a stand-alone basis (assuming that no consolidation transaction occurs) will not produce any of the effects described in Rule 13e-3(a)(3)(ii). The buyout will not result in any class of equity securities of the issuer which is subject to section 12(g) or section 15(d) of the Securities Exchange Act of 1934, as amended, becoming eligible for termination of registration under Rule 12g-4. Such an effect could occur only if, after the buyout, the participation interests were held of record by less than 300 persons or by less than 500 persons where the total assets of the issuer have been less than \$10 million at the end of the last three fiscal years. At June 30, 2012, the participation interests of Empire State Building Associates L.L.C. and 60 East 42nd Street Associates L.L.C. were held by 2,839 and 850 persons, respectively. The buyout would only be up to 20% of the participation interests for Empire State Building Associates L.L.C. and 10% of the participation interests in 60 East 42nd Street Associates L.L.C., and we have determined that the maximum number of holders of participation interests from which such purchase could be made would result in the participation interests in Empire State Building Associates L.L.C. and 60 East 42nd Street Associates L.L.C. being held by in excess of 1600 and 600 persons, respectively.

The disclosure under the headings "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal," "Risk Factors – Risk Factors Related to the Company and Risks Resulting from the Consolidation – Participants who do not approve the consolidation, including participants that do not timely submit their consent forms, after notice that the required percentage of participants have so approved, may have their participation interests purchased at a lower price" and "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on pages 87, 103, and 309, respectively, of the Form S-4 prospectus has been revised to disclose the circumstances under which the supervisor may choose to abandon or postpone the transaction.

Questions and Answers about the Consolidation, page 1

How was the value of my participation interest determined? page 6

6. **When discussing that the fair market value of the consideration that a participant will receive will not be known until the pricing of the IPO, please clearly disclose that the pricing of the IPO will occur after the participants vote upon the approval of the consolidation. Also revise accordingly the first risk factor in the Risk Factor section on page 83.**

The disclosure under the headings "Questions and Answers about the Consolidation – How was the value of my participation interest determined?," "Summary – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction," "Exchange Value and Allocation of Operating Partnership Units and Common Stock – Exchange Value Allocation of Operating Partnership Units and Common Stock," on pages 8, 44 and 246, respectively, of the Form S-4 prospectus has been revised as requested. The first risk factor in the Risk Factors section, on page 95 of the Form S-4 prospectus, has also been revised as requested.

Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal, page 73

7. **Please clarify the procedures for returning the consent form and changing a vote. Please tell us whether investors may submit a consent or change a vote by telephone, email or facsimile to MacKenzie. Also discuss whether confirmation of this may be delivered by telephone, email or facsimile instead of mail. Please revise the second paragraph on page 74 and the disclosure on pages 280-281, if appropriate. Lastly, please tell us whether you have the ability to extend the 10 day period for participants to change their votes after the supermajority consent, and if so, under what circumstances would such an extension be made.**

The disclosure under the headings "Questions and Answers about the Consolidation – Why am I being asked to consent to a voluntary pro rata reimbursement program," " – Can I change my vote on the consolidation proposal or the third-party portfolio proposal after I submit my consent form," " – What is the process by which I may change my vote on the consolidation proposal or the third-party portfolio proposal?," "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal," "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Distribution of Solicitation Materials," " – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions," and "Consent Procedures for Voluntary Pro Rata Reimbursement Proposal" on pages 15, 17, 17, 85, 307, 311 and 313, respectively, of the Form S-4 prospectus have been revised to clarify that participants may submit the consent form and change their vote by mail or facsimile, and that confirmations may be delivered by MacKenzie by facsimile or, if requested by a participant, mail.

We supplementally advise the Staff that the agent may extend the 10 day period, because although the participating agreements provide that the agent may purchase a participation interest if the participant has not consented within 10 days, they do not require that the purchase be made on expiration of this period. As we advised the Staff supplementally in our response letter dated August 13, 2012, while the buyouts of any non-consenting participants that do not change their vote after the buyout notice are necessary to obtain the unanimous consent required under the participating agreements, it is not the supervisor's or the agents' intention to effect any buyouts. In past transactions, the

supervisor and the agents have sought to avoid the buyout through a series of calls and letters to participants to encourage participants to change their vote after the supermajority consent has been received. As a result of calls and letters from the supervisor and the agents in connection with the solicitation of consents from participants in the private entities, no buyouts were effected in the private entities which were subject to similar buyout provisions. The supervisor and the agents intend to proceed in the same manner in connection with buyouts of participants in the subject LLCs. The agents have also in the past extended the 10 day period where they could do so without interfering with obtaining the necessary consent and, to the extent practical, expect to do so in this case. Because such extension is discretionary and cannot be relied on by participants, we do not believe any further disclosure is necessary.

8. **In the last full paragraph on page 74, please clarify, if accurate, that a participant's interests are subject to the buyout if their participating group approves the proposals, even if the other participating groups in the same LLC do not approve the proposals. Please make this same revision to the relevant Q&A sections on pages 5 and 9.**

We supplementally advise the Staff that the agents have the authority under the participating agreements to buy out the interest of a participant that does not consent to a transaction if the participant's participating group approves the transaction, even if a sufficient number of other participating groups do not do so. The disclosure under the headings "Questions and Answers about the Consolidation – What will I be entitled to receive if I don't vote **FOR** the consolidation and the consolidation proposal is approved by my subject LLC?," " – What will I be entitled to receive if I don't vote **FOR** the third-party portfolio proposal and it is approved by my subject LLC?," " – When will the buyout provisions be triggered?," "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal," "The Consolidation – Effect of the Consolidation or a Third-Party Portfolio Transaction on Participants Who Vote Against the Consolidation or the Third-Party Portfolio Proposal," "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on pages 7, 13, 13, 86, 218, and 309, respectively, of the Form S-4 prospectus has been revised to clarify this buyout right.

Risk Factors, page 83

Actual distribution levels to stockholders in the first year following the IPO ..., page 86

9. **Please revise the subheading to eliminate the reference to the first year following the IPO. We note that the text of the risk factor does not include a similar limitation.**

The subheading on page 99 of the Form S-4 prospectus has been revised as requested.

We supplementally advise the Staff the disclosure added under the heading "Voluntary Pro Rata Reimbursement Program for Expenses of Legal Proceedings with Former Property Manager and Leasing Agent" on page 224 of the Form S-4 prospectus in response to comment 17 of your comment letter, dated July 31 2012, included the aggregate amounts of excess cash available for distribution by the subject LLCs, and not the amounts payable to Peter L. Malkin and Malkin Holdings. As disclosed in such section on page 224 of the Form S-4 prospectus, amounts are payable to Peter L. Malkin and Malkin Holdings only out of the share of the excess cash distributions to participants that have consented to the voluntary reimbursement. To clarify, we have added a disclosure on page 224 of the Form S-4 prospectus as to the cash distributable per \$10,000 original investment.

21. **Please revise the disclosure in bold at the bottom of page 204 to clarify, if applicable, that one's consent, withheld consent, or failure to consent to the voluntary pro rata reimbursement program will not result in the buyout of one's participation interests.**

The disclosure under the heading "Voluntary Pro Rata Reimbursement Program for Expenses of Legal Proceedings with Former Property Manager and Leasing Agent" on page 225 of the Form S-4 prospectus has been revised as requested.

22. **We note your response to comment 19 of our letter dated July 31, 2012. In your response you state that "the value of Empire State Building Associates L.L.C.'s interest was increased by the present value of lease payments under the ground lease that had been payable by Empire State Building Associates L.L.C. to the fee owner." Since the increase of this value appears to affect only the interests held by ESBA, please advise us how the acquired residual interest in the property held by ESBA is not viewed as having any material additional value as discussed in the fourth full bullet point on page 208. Please further advise how this is consistent with the 50/50 allocation.**

We supplementally advise the Staff that the reference to "material additional value" in the second bullet point on page 230 of the Form S-4 prospectus was meant to refer to value in excess of the present value of the basic rent received under the operating lease, which present value previously was less due to the amount Empire State Building Associates L.L.C. was required to pay under the ground lease prior to the purchase of the fee title. The disclosure under the heading "Reports, Opinions and Appraisals – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 230 of the Form S-4 prospectus has been revised to clarify the intended meaning of the reference to additional value. Please note that the allocation of these specific amounts is consistent with the 50/50 allocation. The reference to the 50/50 allocations refers to a 50/50 sharing after specific priority allocations, which is consistent with the way 50/50 joint ventures frequently work.



December 17, 2012

VIA EDGAR AND OVERNIGHT COURIER

Mr. Tom Kluck
United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

**Re: Empire State Realty Trust, Inc.
Empire State Realty OP, L.P.
Amendment No. 4 to Registration Statement on Form S-4
Filed November 2, 2012
File Nos. 333-179486; 333-179486-01**

Dear Mr. Kluck:

On behalf of Empire State Realty Trust, Inc., a Maryland corporation (the "Company") and Empire State Realty OP, L.P. (the "Operating Partnership"), we are transmitting for filing pursuant to the Securities Act of 1933, as amended (the "Securities Act"), Amendment No. 5 ("Form S-4 Amendment No. 5") to the Registration Statement on Form S-4 (File Nos. 333-179486; 333-179486-01) of the Company and the Operating Partnership (the "Form S-4 Registration Statement"), and the Company's responses to the comments of the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") contained in your letter dated December 4, 2012.

For convenience of reference, each Staff comment contained in your December 4, 2012 comment letter is reprinted below in italics, numbered to correspond with the paragraph numbers assigned in your letter, and is followed by the corresponding response of the Company and the Operating Partnership, as applicable.

We have provided to you five courtesy copies of the Form S-4 Amendment No. 5, filed by the Company and the Operating Partnership on the date hereof, and five copies of the Form S-4 Amendment No. 5 which are marked to reflect changes made to the Form S-4 Registration Statement filed with the Commission on November 2, 2012 (the "Marked Copies"). The changes reflected in the Form S-4 Amendment No. 5 have been made in response to the Staff's comments and for the purpose of updating and revising certain information in the Form S-4 Registration Statement. All page references in our responses

Confidential Treatment Requested by Malkin Holdings

operating lease, which is filed as an exhibit to the Form S-4 Registration Statement. Section 4 of the participating agreement of ESBA only requires consent for amendments of the operating lease. The restriction on renewals only applies to the Master Lease and not the operating lease. Since these options were provided for in the original operating lease, they are not covered by Section 4. The only action by the agents was to accept the early exercise of the options. While the agents consented to ESBC's early exercise of the options, the exercise did not extend the term beyond that which was permitted under the original lease, did not involve either an amendment of the operating lease or renewal beyond any term to which it was already entitled. Accordingly the agents had the authority to take such actions without participant consent.

5. Please disclose who owns the supervisor, Malkin Holdings, LLC.

The disclosures under the headings "Questions and Answers about the Consolidation – Who is the supervisor?," "Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies" and "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on pages 10, 36 and 157 of the Form S-4 prospectus, respectively, have been revised to disclose the owners of the supervisor.

6. Please include updated financial statements in your next amendment.

Updated financial statements are included in the Form S-4 Amendment No. 5.

Cover Page

7. Please limit the cover page disclosure to information required by Item 501 of Regulation S-K and basic information regarding the proposals upon which investors are voting (e.g., summaries of the consolidation and the third party portfolio proposal, as well as a summary of the buyout provision).

The cover page has been revised as requested.

Questions and Answers about the Consolidation, page 1

8. Please reorder the Q&A section so that investors can more easily understand what they will receive if they vote yes to the consolidation and the consolidation is approved. For example, after the first Q&A, "What am I being asked to approve," please explain the consideration that an investor would receive such as in the Q&A on page 6 "What will I be entitled to receive if I vote "FOR" the consolidation ..." It seems that the next Q&A should then disclose the possible valuation of that consideration as described in the Q&A on page 10 "How many operating partnership units and shares

Q: What will I be entitled to receive if I don't vote "FOR" the consolidation..., page 6

12. **We note your disclosure that a participant may be bought out even if the consolidation is not consummated. We also note that the language in Section 7 of the Participating Agreement does not seem to contemplate whether a buyout would occur if the action ends up not being taken. Please advise us as to the basis of your position.**

We supplementally advise the Staff that Section 7 provides for the buyout of a participant that has not given its consent if the requisite consent set forth in that section has been received. If the requisite consent of the participants in the participating group is received, the buyout is necessary to reach the 100% consent required under the participating agreements. Thus, the express language is based on receipt of consents to the proposal, not consummation. We believe the reference to consent and the absence of a condition as to consummation clearly indicates that the buyout is not conditioned on consummation. Under these circumstances, there is no reason for Section 7 to refer to consummation. It would not be possible to enter into a transaction that was approved, if the buyout was interpreted as conditioned on consummation. If that were the case the buyout (and therefore the approval) could only happen after the transaction was consummated, and it would not be possible to consummate a transaction on that basis since the 100% consent of the participating group to the transaction would not have been received.

Benefits of Participation in the Consolidation, page 39

Risk of Reduction in Distributions if Consolidation is Not Consummated, page 41

13. **Refer to the last sentence of the last full paragraph on page 41. Please explain the phrase "without having requested an extension of the term of the operating lease." We note that on January 1, 2010, Malkin Holdings L.L.C., on behalf of Empire State Building Associates L.L.C., renewed the Lease and Sublease of the Empire State Building for the second renewal term and consented to early renewals for subsequent terms.**

The phrase "without having requested an extension of the term of the operating lease" referred to an extension beyond the permitted extensions under the operating lease and such phrase, which appears under the headings "Summary – Benefits of Participation in the Consolidation," "– Alternatives to the Consolidation," "Background of and Reasons for the Consolidation – The Supervisor's Reasons for Proposing the Consolidation" and "– Alternatives to the Consolidation" on pages 44, 80, 171 and 176 of the Form S-4 prospectus, respectively, has been revised accordingly. While ESBA acknowledged the renewal of the operating lease for the



From: Medvinsky, Larry (Capital Markets-NY)
Sent: Tuesday, January 22, 2013 5:56 PM
To: Kluck, Thomas; OrlidD@SEC.GOV; McTiernan, Mike; (McHaleA@SEC.GOV)
Cc: Medvinsky, Larry (Capital Markets-NY); Lane, Brian J.
Subject: FW: Edelman Newsletter

Tom and David,

As discussed with you this evening, attached please find the following attachments: (i) pdfs of the individual pages of a newsletter sent by Richard Edelman last week to ESBA participants, (ii) a memorandum concerning false and misleading statements contained in such newsletter, (iii) an email from Richard Edelman on January 15, 2013 transmitting the email (set forth below as the second of two attached emails), (iv) a memorandum concerning false and misleading statements made by Steven Edelman on a conference call to ESBA investors on January 17, 2013 and (v) an email from Richard Edelman concerning the SEC's role in the consolidation and with Richard Edelman (set forth below as the first of two attached emails). We appreciate the time you took this evening discussing these matters with us and hope to be able to speak with you again tomorrow further on these topics. As stated on the call, we are extremely concerned about the confusion these false and misleading statements will cause participants and the potential dissemination of these false and misleading statements by the press. We are looking to the SEC to take quick and decisive action on these matters. Best Regards.

Larry

----- Original Message -----

From: Richard Edelman
Date: Jan 22, 2013 4:05:14 PM
Subject: ESBA Reit Vote and SEC information
To: Richard Edelman <empirestatebuildinginvestors@gmail.com>

Hello Empire State Building Associates LLC (ESBA) Investors,

Today begins the vote to decide the future of your ownership of the Empire State Building.

All of you should be receiving a 4 inch deep mail package with the Reit information from Malkin Holdings LLC.

Late last week, the January issue of EmpireStateBuildinginvestors.com Newsletter was mailed to participant investors in Empire State Building Associates LLC. Hopefully you received a copy.

That January Newsletter contains information directly from the REIT papers you received today from Malkin Holdings LLC.

I believe that information makes a compelling case for a NO Vote. Most ESBA investors I have spoken to agree that a NO Vote is best for them too.

I'd like to mention the role of the SEC in helping ESBA investors obtain the valuable information needed to understand what is going on with this Vote.

I'm very familiar with what the SEC has done to review the Reit papers you received today. This isn't something I have spoke about publicly till now.

On March 1, 2012, almost a year ago, I meet with the SEC staff who were about to review the then new SEC filing for the Reit. That meeting was at SEC headquarters in Washington D.C. At a later date I will reveal the details of what has transpired over these many months.

I bring this up now because today, January 22, 2013, I once again met with the SEC at their Washington DC headquarters to talk about the Reit Vote. The meeting took place at 11 am, and lasted for about an hour. Attending were two SEC attorney's from the Real Estate Section, one from Mergers and Acquisitions, two CPA's and a staff member from Enforcement Liaison.

The number one issue discussed today revolved around how Malkin Holdings LLC or their representatives portray whether there are any risks in Voting No to the REIT.

The Reit prospectus clearly states on page 2;

"...you will not be subject to a buyout merely by voting "AGAINST" or "ABSTAINING" on the consolidation or third-party portfolio transaction, or by not voting."

That is what you should be hearing in any and all communications, including phone calls from Mackenzie Partners, the solicitation firm hired by Malkin Holdings to conduct the vote.

There have been early reports of ESBA investors being told instead;

'A Yes vote is the only sure way to guarantee you won't lose your shares'

If any investor receives a call from Malkin Holdings representatives and are told anything similar to the previous sentence, please ask the caller their name/phone number and write it down.

Then pick up your phone and call or email the SEC and tell them what happened. They are VERY interested in hearing from ESBA investors concerning this.

In most cases an SEC team will call you back within an hour of you contacting them.

Here's the SEC contact information:

Tom Kluck 202-551-3233
kluckt@sec.gov

As always, I appreciate all the great positive feedback from investors, your kind words have helped me through some of the more difficult times this past year.

Thank you and here is to continued ownership of the Empire State Building by the participant investors in Empire State Building Associates LLC (ESBA)!

Description of False and Misleading Statements from Steven Edeleman

Conference Call on January 17, 2013 at 7:00 P.M. EST

On January 17, 2013, another conference call was hosted by Steven Edelman. This conference call was advertised by Richard Edelman in his newsletter and website described below and through emails to participants. The call lasted approximately 3 hours and 40 minutes. He claimed that there were several hundred participants in Empire State Building Associates, L.L.C. ("ESBA") on this conference call. Importantly, he also announced at the beginning of the call that he was recording this call. Several representatives of Malkin Holdings listened to this conference call and are the source of the statements contained in this memorandum.

His cousin, Richard Edelman, sent out a newsletter that was received by many, if not all, participants (by both mail and email) prior to this conference call. One item in this newsletter highlighted and advertised the conference call and provided conference call dial-in information. Additionally, Richard Edelman's website, *empirestatebuildinginvestors.com*, advertised the conference call as well. Further, Richard Edelman was an active participant on the call. All participants on the call were muted, and Steven Edelman allowed them to be unmuted to speak. Unlike other participants who spoke on the call, Richard Edelman was not brought onto the call by Steven Edelman. Richard Edelman inserted himself into two conversations between Steven Edelman and participants which indicates he had the independent ability to speak on the call different from other participants. We are emphasizing these points to provide further support for our belief that Richard and Steven Edelman are working together in concert as part of a dissident solicitation group actively campaigning against the proposed consolidation transaction.

The following is a non-exclusive list of some of the more material false and misleading statements made on the conference call:

I. Exchange Value

- Steven Edelman stated that the appraised value of a unit in ESBA was approximately \$330,000 but that after you subtract taxes, fees to management, commissions to management and the override it is more in the range of \$200,000 to \$225,000. This is a false and misleading statement. The prospectus/consent solicitation statement, which is included as part of the Registration Statement on Form S-4 (the "S-4"), clearly provides on page 5 that the exchange value per \$10,000 original investment in ESBA after taking into account those who agreed to a voluntary override is \$323,803. There are no additional fees, commissions or other costs. The Edelmanns have been characterizing the overrides as commissions to create a negative impression, and now they appear to be attempting to suggest that there are commissions or fees in addition to the overrides. There are no taxes payable at the time of the consolidation for participants who elect to receive operating partnership units. Steven Edelman cannot have any basis for making these statements and he is intentionally, or recklessly, trying to create the misimpression that the exchange value is lower by approximately 40%. At a later part of the call, he somewhat contradicted himself by saying the exchange value is \$320,000 but you need to back out the override. This is false and his intentional or reckless knowledge of important aspects of the deal is creating misinformation for many participants. The prospectus/consent solicitation

statement clearly states on page 5 that the \$323,803 exchange value is after the override. The prospectus/consent solicitation statement presents the exchange value both after the voluntary override and for those who the voluntary override does not apply. We ask the Staff to have Steven Edelman promptly and publicly correct this statement.

II. Buyout Provisions

- Steven Edelman discussed the buyout mechanics on several occasions during the conference call.
 - Steven Edelman stated there is no discussion in the S-4 that discusses the procedures or process with respect to the buyout in which ten days notice is required to be given after receipt of the requisite super-majority vote to participants who voted "no" or did not vote and in which to submit a "yes" vote to avoid the buyout. This is a false statement. The prospectus/consent solicitation statement has many references to the buyout procedures (for example on pages 14 and 90-92), and added several additional prominent disclosures in several additional locations that the Staff specifically asked for such disclosure to be made.
 - Steven Edelman asserted that the Malkins have threatened investors, including elderly investors, that if they vote "no" then such investors will lose their investments. This is a false statement. No such threats have been made or will be made. Steven Edelman is attempting to scare participants and disparage the Malkins with these falsehoods. The reason for the emphasis on the buyout is to make sure that participants are aware of the buyout and realize that if they vote no and the proposal is approved by the required super-majority, they will need to change their vote following the buyout so they receive the consideration in the consolidation. We ask the Staff to have Steven Edelman promptly and publicly recant this statement.

III. Third Party Proposal

- Steven Edelman stated that the third-party proposal gives management the power to sell the portfolio to a third party which could include the Malkins and at substantially any price the Malkin's choose. This is a false statement. The prospectus/consent solicitation statement clearly states on the front cover page that the sales price has to be at least 115% of the aggregate exchange value for the subject LLCs, the private entities and the management companies and that ESBA would receive its share of the purchase price proportionate to its percentage of the aggregate exchange value. The prospectus/consent solicitation statement also states on the front cover page that no member of the Malkin family will be an affiliate, consultant, employee, officer or director of the acquiror or its affiliates and that they will receive consideration on the same basis as other participants. We ask the Staff to have Steven Edelman promptly and publicly correct this statement.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
IN RE EMPIRE STATE REALTY TRUST, INC.
INVESTOR LITIGATION
-----X

Index No. 650607/12
(Sherwood, J.)

**MEMORANDUM OF LAW
OBJECTING TO MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT
AND PRELIMINARY CERTIFICATION OF SETTLEMENT CLASS
AND**

**IN SUPPORT OF CROSS MOTION TO INTERVENE AND ALLOW FILING OF
COMPLAINT BY CLASS CONSISTING ONLY OF INVESTORS IN EMPIRE STATE
BUILDING ASSOCIATES, LLC AND DESIGNATION OF COUNSEL FOR ONLY
THAT CLASS SUBMITTED BY PUTATIVE PLAINTIFFS HOPE RATNER, MARY
JANE FALES, MARK ESSES, TRUSTEE MILDRED BLUTSTEIN, EMPIRE STATE
LIQUIDITY FUND LLC AND CATHY JOHNSON**

MEISTER SEELIG & FEIN LLP
Two Grand Central Tower
140 East 45th Street, 19th Floor
New York, New York 10017
Telephone: (212) 655-3500
*Attorneys for ESBA Plaintiffs Mary Jane
Fales, Hope Ratner, Mark Esses, Mildred
Blutstein, as Trustee of the Mildred Blutstein
Revocable Trust, Empire State Equity Fund
LLC and Cathy Johnson*

properties as determined by the so-called “independent valuer” selected by the Malkin Defendants (with no right to a truly independent appraiser).

The REIT will also sell shares of Class A common stock in a public IPO for cash and will contribute the net proceeds from the IPO to the Operating Partnership in exchange for Operating Partnership Units so that the Operating Partnership becomes a subsidiary of the REIT.

The Registration Statement includes a buy-out provision, based on Section 7 of the Participation Agreements, which threatens to punish Participants in two of three Public Companies who vote against the Roll-up:

If holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C. approve the consolidation or third-party portfolio proposal...the agent of any such participating group will purchase on behalf of the subject LLC the participation interest of any participant in such participating group that voted “AGAINST” the consolidation or the third-party portfolio proposal...or that did not submit a consent form, even if the proposal is not approved by the other participating groups in such subject LLC...at a price that would be substantially lower than the exchange value.

Meister Aff., Ex. I at p. 225.

In other words, if an ESBA investor votes against the Roll-up, but holders of 80% of the ESBA Participations approve the deal, the objecting investors can be bought-out at a substantially discounted price. Additionally, though the Roll up has not been approved, the Malkin Defendants charged ESBA over \$10 million in fees relating to the transaction in 2011. Meister Aff., Ex. I. p. F-180-81.

The Helmsley Estate, which owns a majority interest in the ESB’s operating Sublease, ESBC, and various interests in the Private Companies, is getting largely cashed out (as are the remaining owners of ESBC as to their interests therein). In addition, the Helmsley Estate will also









**Interim Preliminary Work Papers Relating to Property Valuations
Delivered by the Independent Valuer
to the Supervisor on September 16, 2011**

The following are interim preliminary work papers with respect to property valuations submitted by the independent valuer to the supervisor for its review and verification and were not intended to, and did not, reflect the final work product or advice or conclusions of the independent valuer.

The tables that follow also include a summary of projections that were utilized by the independent valuer in calculating the exchange values reflected in these preliminary work papers. The projections included in these interim preliminary work papers were not final and were being prepared solely for the purpose of determining the relative values among the subject LLCs, the private entities and the management companies and to establish exchange values to facilitate the consolidation and should not be relied upon for any other purpose, including without limitation, as an indicator of future performance of the company, the properties, the subject LLCs or the private entities. The final projections used in preparing the exchange values are included as Appendix C-1 to the prospectus/consent solicitation. The projections should not be relied upon in determining the market value or the estimated value of the company after giving effect to the consolidation and the IPO. The actual performance of the properties may be materially different from these projections because of changes in market conditions and many other factors.

Neither the subject LLCs nor the supervisor as a matter of course make public projections as to future performance, earnings or other results beyond the current fiscal year, and the supervisor is especially reluctant to disclose projections for extended periods due to the unpredictability of the underlying assumptions and estimates. The projections with respect to the properties were presented by the independent valuer based on the information provided by management of the supervisor and analysis performed by the independent valuer and reviewed and approved by management of the supervisor.

These projections were not prepared in accordance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial projections. This information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this prospectus/consent solicitation are cautioned not to place undue reliance on the prospective financial information. Neither the company's independent registered public accounting firm nor any other independent accountants have examined, compiled or otherwise applied procedures to the projections presented herein or express an opinion or any other form of assurance on them. The summary of the projection is being included in this prospectus/consent solicitation solely because the projections were used by the independent valuer in calculating the illustrative exchange values using the discounted cash flow method to allocate residual value.

The projections were based on numerous assumptions that may prove to be wrong. Important factors that may affect actual results and cause the projections to not be achieved include, but are not limited to, risks and uncertainties relating to the company and other factors described under "Risk Factors" and "Forward-Looking Statements." The projections also reflect assumptions as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in the projections. Accordingly, there can be no assurance that the projections will be realized.

Certain of the prospective financial information set forth herein may be considered non-U.S. GAAP financial measures. The independent valuer believed this information could be useful in valuing the properties. Non-U.S. GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP, and non-U.S. GAAP financial measures may not be comparable to similarly titled amounts used by other companies.

The inclusion of the summary of the projections in this prospectus/consent solicitation should not be regarded as an indication that any of the company, the subject LLCs or the supervisor or their respective affiliates, advisors or representatives considered the projections to be predictive of actual future events, and the projections should not be relied upon as such. None of the company, the subject LLCs or the supervisor or their respective affiliates, advisors, officers, directors, partners or representatives can give you any assurance that actual results will not differ from the projections, and none of them undertakes any obligation to update or otherwise revise or reconcile the projections to reflect circumstances existing after the date the projections were generated or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the projections are shown to be in error. None of the company, the supervisor and the subject LLCs intend to make publicly available any update or other revision to the projections. None of the company, the supervisor and the subject LLCs or their respective affiliates, advisors, officers, directors, partners or representatives has made or makes any representation to any participant or other person regarding the company's or the subject LLCs ultimate performance compared to the information contained in the projections or that forecasted results will be achieved. None of the subject LLCs, the private entities, the management companies or any of their affiliates has made any representation to the company concerning the projections.

<u>Property</u>	<u>Ownership</u>	<u>Fee Simple Value (10 Year Hold)</u>	<u>Leasehold Value (Land)</u>	<u>Leased Fee Value (Building)</u>
112 W 34th Street	Intra Party GL	N/A	\$ 188,000,000	\$ 186,000,000
OGCP	Intra Party GL	N/A	\$ 399,000,000	\$ 231,000,000
250 W 57th Street	Intra Party GL	N/A	\$ 168,000,000	\$ 160,000,000
501 7th Avenue	Intra Party GL	N/A	\$ 86,000,000	\$ 103,000,000
ESB	Intra Party GL	N/A	\$1,491,000,000	\$1,026,000,000
1333 Broadway	Fee Simple	\$172,000,000	N/A	N/A
1350 Broadway	3rd Party GL	N/A	N/A	\$ 234,000,000
1359 Broadway	Fee Simple	\$180,000,000	N/A	N/A
1400 Broadway	3rd Party GL	N/A	N/A	\$ 340,000,000
500 Mamaroneck	Fee Simple	\$ 44,000,000	N/A	N/A
First Stamford Place	Fee Simple	\$260,000,000	N/A	N/A
10 Bank	Fee Simple	\$ 44,000,000	N/A	N/A
Metro Center	Fee Simple	\$140,000,000	N/A	N/A
Merrittview	Fee Simple	\$ 40,000,000	N/A	N/A
10 Union Square	Fee Simple	\$ 45,000,000	N/A	N/A
East/West Manhattan	Fee Simple	\$ 45,000,000	N/A	N/A
Gotham Retail	Fee Simple	\$ 28,000,000	N/A	N/A
66-69 Main Street	Fee Simple	\$ 19,000,000	N/A	N/A
103-107 Main Street	Fee Simple	\$ 5,000,000	N/A	N/A

D&P DRAFT-FOR DISCUSSION PURPOSES ONLY

**Interim Preliminary Work Papers Relating to Property Valuations
Delivered by the Independent Valuer
to the Supervisor on October 4, 2011**

The following are interim preliminary work papers with respect to property valuations submitted by the independent valuer to the supervisor for its review and verification and were not intended to, and did not, reflect the final work product or advice or conclusions of the independent valuer.

The tables that follow also include a summary of projections that were utilized by the independent valuer in calculating the exchange values reflected in these preliminary work papers. The projections included in these interim preliminary work papers were not final and were being prepared solely for the purpose of determining the relative values among the subject LLCs, the private entities and the management companies and to establish exchange values to facilitate the consolidation and should not be relied upon for any other purpose, including without limitation, as an indicator of future performance of the company, the properties, the subject LLCs or the private entities. The final projections used in preparing the exchange values are included as Appendix C-1 to the prospectus/consent solicitation. The projections should not be relied upon in determining the market value or the estimated value of the company after giving effect to the consolidation and the IPO. The actual performance of the properties may be materially different from these projections because of changes in market conditions and many other factors.

Neither the subject LLCs nor the supervisor as a matter of course make public projections as to future performance, earnings or other results beyond the current fiscal year, and the supervisor is especially reluctant to disclose projections for extended periods due to the unpredictability of the underlying assumptions and estimates. The projections with respect to the properties were presented by the independent valuer based on the information provided by management of the supervisor and analysis performed by the independent valuer and reviewed and approved by management of the supervisor.

These projections were not prepared in accordance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial projections. This information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this prospectus/consent solicitation are cautioned not to place undue reliance on the prospective financial information. Neither the company's independent registered public accounting firm nor any other independent accountants have examined, compiled or otherwise applied procedures to the projections presented herein or express an opinion or any other form of assurance on them. The summary of the projection is being included in this prospectus/consent solicitation solely because the projections were used by the independent valuer in calculating the illustrative exchange values using the discounted cash flow method to allocate residual value.

The projections were based on numerous assumptions that may prove to be wrong. Important factors that may affect actual results and cause the projections to not be achieved include, but are not limited to, risks and uncertainties relating to the company and other factors described under "Risk Factors" and "Forward-Looking Statements." The projections also reflect assumptions as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in the projections. Accordingly, there can be no assurance that the projections will be realized.

Certain of the prospective financial information set forth herein may be considered non-U.S. GAAP financial measures. The independent valuer believed this information could be useful in valuing the properties. Non-U.S. GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP, and non-U.S. GAAP financial measures may not be comparable to similarly titled amounts used by other companies.

The inclusion of the summary of the projections in this prospectus/consent solicitation should not be regarded as an indication that any of the company, the subject LLCs or the supervisor or their respective affiliates, advisors or representatives considered the projections to be predictive of actual future events, and the projections should not be relied upon as such. None of the company, the subject LLCs or the supervisor or their respective affiliates, advisors, officers, directors, partners or representatives can give you any assurance that actual results will not differ from the projections, and none of them undertakes any obligation to update or otherwise revise or reconcile the projections to reflect circumstances existing after the date the projections were generated or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the projections are shown to be in error. None of the company, the supervisor and the subject LLCs intend to make publicly available any update or other revision to the projections. None of the company, the supervisor and the subject LLCs or their respective affiliates, advisors, officers, directors, partners or representatives has made or makes any representation to any participant or other person regarding the company's or the subject LLCs ultimate performance compared to the information contained in the projections or that forecasted results will be achieved. None of the subject LLCs, the private entities, the management companies or any of their affiliates has made any representation to the company concerning the projections.

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 9.25%	Net Operating Income
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Year 1	Jun-2012	(\$ 6,245,714)	(\$ 5,716,901)	1
Year 2	Jun-2013	11,989,139	10,044,888	2
Year 3	Jun-2014	15,160,295	11,626,348	3
Year 4	Jun-2015	15,632,797	10,973,645	4
Year 5	Jun-2016	16,127,608	10,362,457	5
Year 6	Jun-2017	16,188,150	9,520,693	6
Year 7	Jun-2018	16,236,000	8,740,352	7
Year 8	Jun-2019	13,410,031	6,607,820	8
Year 9	Jun-2020	14,642,781	6,604,357	9
Year 10	Jun-2021	16,757,257	6,918,126	10
Year 11	Jun-2022 NOI		18,480,331	11
Total Cash Flow		129,898,344	75,681,785	
Terminal Cap @		248,528,589	102,603,434	
		7.25%		
Selling Costs @				
		2.50%		
Total Property Present Value			\$ 178,285,220	
Rounded to Thousands			\$ 178,000,000	
Per SqFt			475.47	
Percentage Value Distribution				
Cash Flow			42.4%	
Reversion			57.6%	

Project Legacy: D&P DRAFT Real Property Valuations (as of July 1, 2011)

Property	Ownership	Value	Fee Simple (All)			Leased Fee (Land)			Leasehold (Building)		
			Entity	Discount Rate	Terminal Capitalization Rate ³	Value	Entity	Discount Rate	Value	Entity	Discount Rate
112-120 West 34th Street	3rd Party GL	N/A	N/A	N/A	N/A	112 West 34th Street Associates LLC	N/A	\$ 170,000,000	112 West 34th Street Company LLC	10.00%	
122 West 34th Street	Intra Party GL	N/A	N/A	N/A	N/A	Street Associates LLC	9.50%	N/A	N/A	N/A	
OGCP	Intra Party GL	N/A	N/A	N/A	\$ 190,000,000	60 East 42nd St. Associates LLC	8.00%	\$ 324,000,000	Lincoln Building Associates LLC	8.50%	
250 W 57th Street	Intra Party GL	N/A	N/A	N/A	\$ 390,000,000	250 West 57th St. Associates LLC	8.25%	\$ 150,000,000	Fisk Building Associates LLC	8.75%	
501 7th Avenue	Intra Party GL	N/A	N/A	N/A	\$ 181,000,000	Seventh & 37th Building Associates LLC	8.50%	\$ 83,000,000	Avenue Associates LLC	9.00%	
ESB	Intra Party GL	N/A	N/A	N/A	\$ 96,000,000	Empire State Building Associates LLC	8.25%	\$ 1,081,000,000	Empire State Building Company LLC ²	8.75%	
1333 Broadway	Intra Party GL	N/A	N/A	N/A	\$ 1,428,000,000	Associates LLC ¹	N/A	N/A	N/A	N/A	
1350 Broadway	Fee Simple	\$178,000,000	9.25%	7.25%	N/A	N/A	N/A	\$ 218,000,000	1350 Broadway Associates LLC	9.00%	
1359 Broadway	3rd Party GL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1400 Broadway	Fee Simple	\$183,000,000	8.50%	7.25%	N/A	N/A	N/A	\$ 337,000,000	1400 Broadway Associates LLC	9.50%	
500 Mamaroneck	3rd Party GL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
First Stamford Place	Fee Simple	\$ 43,000,000	9.25%	7.50%	N/A	N/A	N/A	N/A	N/A	N/A	
First Stamford Place	Fee Simple	\$ 96,360,000	9.00%	7.00%	N/A	N/A	N/A	N/A	N/A	N/A	
First Stamford Place	Fee Simple	\$ 79,820,000	9.00%	7.00%	N/A	N/A	N/A	N/A	N/A	N/A	
10 Bank	Fee Simple	\$ 79,820,000	9.00%	7.00%	N/A	N/A	N/A	N/A	N/A	N/A	
Metro Center	Fee Simple	\$ 44,000,000	9.25%	7.50%	N/A	N/A	N/A	N/A	N/A	N/A	
Merriview	Fee Simple	\$139,000,000	8.75%	7.00%	N/A	N/A	N/A	N/A	N/A	N/A	
10 Union Square	Fee Simple	\$ 39,000,000	9.50%	7.50%	N/A	N/A	N/A	N/A	N/A	N/A	
East/West Manhattan	Fee Simple	\$ 45,000,000	8.25%	6.50%	N/A	N/A	N/A	N/A	N/A	N/A	
Gotham Retail	Fee Simple	\$ 45,000,000	8.50%	7.00%	N/A	N/A	N/A	N/A	N/A	N/A	
66-69 Main Street	Fee Simple	\$ 28,000,000	8.50%	7.00%	N/A	N/A	N/A	N/A	N/A	N/A	
103-107 Main Street	Fee Simple	\$ 19,000,000	8.75%	7.25%	N/A	N/A	N/A	N/A	N/A	N/A	
Stamford, CT Land	Fee Simple	\$ 5,000,000	8.75%	7.25%	N/A	N/A	N/A	N/A	N/A	N/A	
	Fee Simple	\$ 14,600,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

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- Notes:
- [1] 100% parent company of Empire State Land Associates LLC.
 - [2] Includes Empire State Building Inc.
 - [3] Terminal Capitalization Rate used in 10-year hold valuation.

Property	OGCP	Discount Rates	Building Size	Spread
250 W 57th		8.00%	1,343,475	
112 W 34th (Intra)		8.25%	560,879	
112 W 34th (3rd)		9.50%	784,026	1.5%
501 7th Avenue		8.00%		
ESB		8.50%	503,545	
1350 Broadway		8.25%	2,974,880	
1400 Broadway		7.00%	430,138	
		7.50%	954,615	
IF Property Inflation 3.0% per annum				

OGCP	Year	Period Ending	Basic rent	Additional/Primary Rent	Overage Rent	Future FS Value	FS Value Today	Total CF	PV to Ground Lessor	Check (Land)
LXD	1	Jun-12	24,000	1,053,800	4,460,885	5,538,685	9,439,736	390,000,000		
	2	Jun-13	24,000	1,053,800	8,361,936	9,439,736	15,028,553			
	3	Jun-14	24,000	1,053,800	13,950,753	15,028,553	18,098,054			
	4	Jun-15	24,000	1,053,800	17,020,254	18,098,054	20,785,330			
	5	Jun-16	24,000	1,053,800	19,707,530	20,785,330	20,970,991			
	6	Jun-17	24,000	1,053,800	19,893,191	20,970,991				

Year	Period Ending	Basic rent	Additional/Primary Rent	Overage Rent	Future FS Value	FS Value Today	Total CF	PV to Ground Lessor	Check (Land)
LXD	1	Jun-12	28,000	752,000	4,011,897	4,791,897	181,000,000		
	2	Jun-13	28,000	752,000	4,011,897	4,791,897			
	3	Jun-14	28,000	752,000	7,442,036	8,222,036			
	4	Jun-15	28,000	752,000	8,419,404	9,199,404			
	5	Jun-16	28,000	752,000	9,314,327	10,094,327			
	6	Jun-17	28,000	752,000	9,710,075	10,490,075			

Year	Period Ending	Basic rent	Additional/Primary Rent	Overage Rent	Future FS Value	FS Value Today	Total CF	PV to Ground Lessor
LXD	1	Jun-12	756,026	4,894,792	756,026	4,894,792	190,000,000	
	2	Jun-13	756,026	4,894,792	756,026	4,894,792		
	3	Jun-14	756,026	6,836,780	756,026	6,836,780		
	4	Jun-15	861,026	7,415,288	861,026	7,415,288		
	5	Jun-16	861,026	3,692,128	861,026	3,692,128		
	6	Jun-17	861,026	12,359,413	861,026	12,359,413		

112 W 34th (3rd Party) LXD 1 6/10/2077 2 3 4 5 6

Period Ending	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17
Rent	840,000	840,000	840,000	735,000	735,000	735,000
Future FS Value						
FS Value, Today						
Total CF	840,000	840,000	840,000	735,000	735,000	735,000
PV to Ground Lessor	26,000,000					
Cap Rate	3.2%					

501 7th Avenue	Year	Period Ending	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17
Basic rent	LXD	1	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent								
Overage Rent								
Future FS Value								
FS Value, Today								
Total CF			2,687,831	2,509,612	4,351,782	5,590,905	5,807,043	384,947
PV to Ground Lessor			96,000,000					
PSF			\$ 191					
Check Land								

ESB	Year	Period Ending	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17
Basic rent	LXD	1	6,018,750	5,957,188	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent								
Overage Rent								
Future FS Value								
FS Value, Today								
Total CF			6,018,750	5,957,188	40,366,667	73,334,181	79,965,274	86,852,523
PV to Ground Lessor			\$1,428,000,000					

Additional/Primary Rent							
Overage Rent		6,672,531	7,309,616	5,282,790	6,905,621	7,941,467	7,929,243
Future FS Value							
FS Value Today	\$ 161,000,000	7,032,531	7,669,616	5,642,790	7,265,621	8,301,467	8,289,243
Total CF		96,000,000					
PV to Ground Lessor							
PSF							
Check Land							

ESB Year	Period Ending	LXD	1/5/2076	9	10	11	12
7	Jun-18	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
8	Jun-19	86,516,378	87,632,668	89,139,564	97,252,017	103,018,263	106,668,928
9	Jun-20						
10	Jun-21						
11	Jun-22						
12	Jun-23						
Basic rent		5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent							
Overage Rent		86,516,378	87,632,668	89,139,564	97,252,017	103,018,263	106,668,928
Future FS Value							
FS Value Today	\$ 2,230,000,000	92,412,003	93,528,293	95,035,189	103,147,642	108,913,888	112,564,553
Total CF							
PV to Ground Lessor		\$ 1,428,000,000					

ESB Year Period Ending	LXD 13 Jun-24	1/5/2076 14 Jun-25	15 Jun-26	16 Jun-27	17 Jun-28	18 Jun-29
Additional/Primary Rent						
Overage Rent	9,022,178	9,595,008	9,835,897	2,879,683	10,740,608	11,180,047
Future FS Value						
FS Value Today	9,382,178	9,955,008	10,195,897	3,239,683	11,100,608	11,540,047
Total CF	96,000,000					
PV to Ground Lessor						
PSF						
Check Land						
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent						
Overage Rent	110,464,212	119,141,812	119,823,479	125,079,042	123,050,747	107,177,349
Future FS Value						
FS Value Today	116,359,837	125,037,437	125,719,104	130,974,667	128,946,372	113,072,974
Total CF						
PV to Ground Lessor	\$ 1,428,000,000					

\$ 2,230,000,000

Additional/Primary Rent
 Overage Rent 9,123,131
 Future FS Value 9,165,469
 FS Value Today 11,889,056
 Total CF 10,630,152
 PV to Ground Lessor 12,118,585
 PSF 13,372,479
 96,000,000

Check Land

ESB Year Period Ending	LXD 19 Jun-30	1/5/2076 20 Jun-31	21 Jun-32	22 Jun-33	23 Jun-34	24 Jun-35
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent	137,635,300	154,629,896	158,392,851	161,457,136	158,060,380	167,052,635
Overage Rent						
Future FS Value						
FS Value Today	143,530,925	160,525,521	164,288,476	167,352,761	163,956,005	172,948,260
Total CF						
PV to Ground Lessor	\$ 1,428,000,000					

\$ 2,230,000,000

OGCP
 Year 25 LXD 9/30/2083
 Period Ending Jun-36 Jun-37 Jun-38 Jun-39 Jun-40 Jun-41

Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Overage Rent	42,718,107	45,506,062	46,546,567	47,731,436	49,307,086	50,018,364
Future FS Value						
FS Value Today	618,000,000					
Total CF	43,795,907	46,583,862	47,624,367	48,809,236	50,384,886	51,096,164
PV to Ground Lessor	390,000,000					
Check (Land)						

250 W 57th
 Year 25 LXD 9/30/2103
 Period Ending Jun-36 Jun-37 Jun-38 Jun-39 Jun-40 Jun-41

Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Overage Rent	22,248,170	22,960,562	23,228,417	22,388,656	23,743,653	24,221,069
Future FS Value						
FS Value Today	294,000,000					
Total CF	23,028,170	23,740,562	24,008,417	23,168,656	24,523,653	25,001,069
PV to Ground Lessor	181,000,000					
Check (Land)						

112 W 34th (Intra-Party)
 Year 25 LXD 6/10/2077
 Period Ending Jun-36 Jun-37 Jun-38 Jun-39 Jun-40 Jun-41

Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent						
Overage Rent	33,347,912	20,598,378	30,480,038	36,767,035	39,106,699	39,898,049
Future FS Value						
FS Value Today	3,989,868					
Total CF	34,208,938	21,459,404	31,341,064	37,628,061	39,967,725	40,759,075
PV to Ground Lessor	190,000,000					

112 W 34th (3rd Party)
 Year 25 LXD 6/10/2077
 Period Ending Jun-36 Jun-37 Jun-38 Jun-39 Jun-40 Jun-41

Rent	735,000	735,000	735,000	735,000	735,000	735,000
Future FS Value						
FS Value Today	388,010,132					
Total CF	735,000	735,000	735,000	735,000	735,000	735,000
PV to Ground Lessor	26,000,000					
Cap Rate						

501 7th Avenue
 Year 25 LXD 3/31/2100
 Period Ending Jun-36 Jun-37 Jun-38 Jun-39 Jun-40 Jun-41

Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
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Additional/Primary Rent		ESB						
Year	Period Ending	LXD	1/1/2076	33	34	35	36	
Year	Period Ending	31	32	Jun-43	Jun-44	Jun-45	Jun-46	Jun-47
		15,787,141	14,458,533	16,248,731	17,585,282	18,190,348	7,250,887	
\$ 161,000,000	Future FS Value	16,147,141	14,818,533	16,608,731	17,945,282	18,550,348	7,610,887	
	FS Value Today	96,000,000						
	Total CF							
	PV to Ground Lessor							
	PSF							
	Check Land							
	Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	
	Additional/Primary Rent							
	Overage Rent	213,532,643	203,707,797	172,086,016	215,317,026	245,832,484	255,396,281	
	Future FS Value							
\$ 2,230,000,000	FS Value Today	219,428,268	209,603,422	177,981,641	221,212,651	251,728,109	261,291,906	
	Total CF							
	PV to Ground Lessor	\$ 1,428,000,000						

Additional/Primary Rent		22,146,189	22,816,754	23,507,437	24,218,840	24,951,585	25,706,313
Overage Rent							
Future FS Value							
\$ 161,000,000							
Total CF	22,506,189	23,176,754	23,867,437	24,578,840	25,311,585	26,066,313	
PV to Ground Lessor	96,000,000						
PSF							
Check Land							
ESB							
Year	LXD	1/5/2076					
Period Ending	43	44	45	46	47	48	
	Jun-54	Jun-55	Jun-56	Jun-57	Jun-58	Jun-59	
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	
Additional/Primary Rent							
Overage Rent	311,691,835	321,146,024	330,883,839	340,913,789	351,244,637	361,885,410	
Future FS Value							
\$ 2,230,000,000							
Total CF	317,587,460	327,041,649	336,779,464	346,809,414	357,140,262	367,781,035	
PV to Ground Lessor	\$ 1,428,000,000						

OGCP
 Year LXD 9/20/2083
 Period Ending Jun-60 Jun-61 Jun-62 Jun-63 Jun-64 Jun-65

Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Overage Rent	90,956,538	93,701,401	96,528,610	99,440,635	102,440,021	105,529,389
Future FS Value						
FS Value Today	92,034,338	94,779,201	97,606,410	100,518,435	103,517,821	106,607,189
Total CF	390,000,000					
PV to Ground Lessor						
Check (Land)						

250 W 57th
 Year LXD 9/20/2103
 Period Ending Jun-60 Jun-61 Jun-62 Jun-63 Jun-64 Jun-65

Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Overage Rent	44,920,698	46,280,019	47,680,120	49,122,224	50,607,590	52,137,518
Future FS Value						
FS Value Today	45,700,698	47,060,019	48,460,120	49,902,224	51,387,590	52,917,518
Total CF	181,000,000					
PV to Ground Lessor						
Check (Land)						

112 W 34th (Intra-Party)
 Year LXD 6/10/2077
 Period Ending Jun-60 Jun-61 Jun-62 Jun-63 Jun-64 Jun-65

Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent						
Overage Rent	59,334,075	61,142,268	63,004,706	64,923,018	66,898,878	68,934,015
Future FS Value						
FS Value Today	60,195,101	62,003,294	63,865,732	65,784,044	67,759,904	69,795,041
Total CF	190,000,000					
PV to Ground Lessor						

112 W 34th (3rd Party)
 Year LXD 6/10/2077
 Period Ending Jun-60 Jun-61 Jun-62 Jun-63 Jun-64 Jun-65

Rent	735,000	735,000	735,000	735,000	735,000	735,000
Future FS Value						
FS Value Today	388,010,132	735,000	735,000	735,000	735,000	735,000
Total CF	735,000					
PV to Ground Lessor	26,000,000					
Cap Rate						

501 7th Avenue
 Year LXD 3/31/2100
 Period Ending Jun-60 Jun-61 Jun-62 Jun-63 Jun-64 Jun-65

Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
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Additional/Primary Rent									
Overage Rent									
Future FS Value									
FS Value Today									
Total CF									
PV to Ground Lessor									
PSF									
Check Land									
FSB									
Year									
Period Ending									
	LXD	1/5/2076							
	49	50	51	52	53	54			
	Jun-60	Jun-61	Jun-62	Jun-63	Jun-64	Jun-65			
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625			
Additional/Primary Rent									
Overage Rent									
Future FS Value									
FS Value Today									
Total CF	378,741,032	390,029,828	401,657,289	413,633,573	425,969,146	438,674,786			
PV to Ground Lessor	\$ 1,428,000,000								

\$ 161,000,000

\$ 2,230,000,000

OGCP
 Year LXD 9/30/2083
 55 Jun-66 Jun-67 Jun-68 Jun-69 Jun-70 Jun-71
 Period Ending

Basic rent 24,000 24,000 24,000 24,000 24,000 24,000
 Additional/Primary Rent 1,053,800 1,053,800 1,053,800 1,053,800 1,053,800 1,053,800
 Overage Rent 108,711,437 111,988,947 115,364,783 118,841,893 122,423,317 126,112,184
 Future FS Value
 FS Value Today 618,000,000
 Total CF 109,789,237 113,066,747 116,442,583 119,919,693 123,501,117 127,189,984
 PV to Ground Lessor 390,000,000
 Check (Land)

250 W 57th
 Year LXD 9/30/2103
 55 Jun-66 Jun-67 Jun-68 Jun-69 Jun-70 Jun-71
 Period Ending

Basic rent 28,000 28,000 28,000 28,000 28,000 28,000
 Additional/Primary Rent 752,000 752,000 752,000 752,000 752,000 752,000
 Overage Rent 53,713,343 55,336,444 57,008,237 58,730,184 60,503,790 62,330,603
 Future FS Value
 FS Value Today 294,000,000
 Total CF 54,493,343 56,116,444 57,788,237 59,510,184 61,283,790 63,110,603
 PV to Ground Lessor 181,000,000
 Check (Land)

112 W 34th (Intra-Party)
 Year LXD 6/10/2077
 55 Jun-66 Jun-67 Jun-68 Jun-69 Jun-70 Jun-71
 Period Ending

Basic rent 861,026 861,026 861,026 861,026 861,026 861,026
 Additional/Primary Rent
 Overage Rent 71,030,206 73,189,282 75,413,131 77,703,695 80,062,976 82,493,036
 Future FS Value
 FS Value Today 3,989,868
 Total CF 71,891,232 74,050,308 76,274,157 78,564,721 80,924,002 83,354,062
 PV to Ground Lessor 190,000,000

112 W 34th (3rd Party)
 Year LXD 6/10/2077
 55 Jun-66 Jun-67 Jun-68 Jun-69 Jun-70 Jun-71
 Period Ending

Rent 735,000 735,000 735,000 735,000 735,000 735,000
 Future FS Value
 FS Value Today 388,010,132
 Total CF 735,000 735,000 735,000 735,000 735,000 735,000
 PV to Ground Lessor 26,000,000
 Cap Rate

501 7th Avenue
 Year LXD 3/31/2100
 55 Jun-66 Jun-67 Jun-68 Jun-69 Jun-70 Jun-71
 Period Ending

Basic rent 360,000 360,000 360,000 360,000 360,000 360,000

Additional/Primary Rent
 Overage Rent 31,662,876
 Future FS Value 32,618,943
 FS Value Today 33,603,691
 Total CF 34,617,982
 PV to Ground Lessor 35,662,701
 PSF 36,738,762
 96,000,000 37,098,762

Check Land

ESB
 Year
 Period Ending

Basic rent
 Additional/Primary Rent
 Overage Rent
 Future FS Value

\$ 2,230,000,000
 Total CF 451,761,595
 PV to Ground Lessor \$ 1,428,000,000

LXD	1/5/2076	57	58	59	60
35 Jun-66	56 Jun-67	57 Jun-68	58 Jun-69	59 Jun-70	60 Jun-71
5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
445,865,970	459,345,384	473,229,180	487,529,489	502,258,809	517,430,007
465,241,009	479,124,805	493,425,114	508,154,434	523,325,632	

Additional/Primary Rent								
Overage Rent		37,847,105	38,988,698	40,164,539	41,375,655	42,623,105	43,907,978	
Future FS Value								
FS Value Today		38,207,105	39,348,698	40,524,539	41,735,655	42,983,105	44,267,978	
Total CF		96,000,000						
PV to Ground Lessor								
PSF								
Check Land								
ESB	LXD		1/5/2076					
Year	61		62	63	64	64.5		
Period Ending	Jun-72		Jun-73	Jun-74	Jun-75	Dec-75		
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	2,947,813		
Additional/Primary Rent		533,056,342	549,151,466	565,729,445	582,804,762	300,196,170		
Overage Rent								
Future FS Value								
FS Value Today		538,951,967	555,047,091	571,625,070	588,700,387	15,007,413,766		
Total CF						15,310,557,748		
PV to Ground Lessor		\$1,428,000,000						

OGCP LXLD 9/30/2083
 Year 72.25
 Period Ending Sep-83

Basic rent 6,000
 Additional/Primary Rent 263,450
 Overage Rent 46,363,122
 Future FS Value 5,229,714,253
 FS Value Today 5,276,346,824
 Total CF 390,000,000
 PV to Ground Lessor
 Check (Land)

250 W 57th LXLD 9/30/2103
 Year 73 74 75 76 77 78
 Period Ending Jun-84 Jun-85 Jun-86 Jun-87 Jun-88 Jun-89

Basic rent 28,000 28,000 28,000 28,000 28,000 28,000
 Additional/Primary Rent 752,000 752,000 752,000 752,000 752,000 752,000
 Overage Rent 91,717,321 94,480,540 97,326,657 100,258,156 103,277,601 106,387,629
 Future FS Value
 FS Value Today 92,497,321 95,260,540 98,106,657 101,038,156 104,057,601 107,167,629
 Total CF 181,000,000
 PV to Ground Lessor
 Check (Land)

112 W 34th (Intra-Party) LXLD 6/10/2077
 Year
 Period Ending

Basic rent
 Additional/Primary Rent
 Overage Rent
 Future FS Value
 FS Value Today
 Total CF
 PV to Ground Lessor

112 W 34th (Grd Party) LXLD 6/10/2077
 Year
 Period Ending

Rent
 Future FS Value
 FS Value Today
 Total CF
 PV to Ground Lessor
 Cap Rate

501 7th Avenue LXLD 3/31/2100
 Year 73 74 75 76 77 78
 Period Ending Jun-84 Jun-85 Jun-86 Jun-87 Jun-88 Jun-89

Basic rent 360,000 360,000 360,000 360,000 360,000 360,000

\$ 388,010,132

26,000,000

190,000,000

181,000,000

\$ 3,989,868

\$ 294,000,000

Additional/Primary Rent								
Overage Rent								
Future FS Value								
FS Value Today								
Total CF								
PV to Ground Lessor								
PSF								
Check Land								

ESB
Year
Period Ending
LXD
1/5/2076

Basic rent								
Additional/Primary Rent								
Overage Rent								
Future FS Value								
FS Value Today								
Total CF								
PV to Ground Lessor								

\$ 2,230,000,000

\$ 1,428,000,000

54,048,629	55,676,268	57,352,736	59,079,498	60,858,063	62,689,985
54,408,629	56,036,268	57,712,736	59,439,498	61,218,063	63,049,985
96,000,000					

OGCP
 Year
 Period Ending

Basic rent
 Additional/Primary Rent
 Overage Rent
 Future FS Value
 FS Value Today
 Total CF
 PV to Ground Lessor
 Check (Land)

250 W 57th
 Year
 Period Ending

	LXD	9/30/2103						
	79	80	81	82	83	84	85	
	Jun-90	Jun-91	Jun-92	Jun-93	Jun-94	Jun-95	Jun-96	
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000
Overage Rent	109,590,958	112,890,387	116,288,798	119,789,162	123,394,537	127,108,073	130,933,015	
Future FS Value								
FS Value Today								
Total CF	110,370,958	113,670,387	117,068,798	120,569,162	124,174,537	127,888,073	131,713,015	
PV to Ground Lessor	181,000,000							
Check (Land)								

112 W 34th (Intra-Party)
 Year
 Period Ending

Basic rent
 Additional/Primary Rent
 Overage Rent
 Future FS Value
 FS Value Today
 Total CF
 PV to Ground Lessor

112 W 34th (3rd Party)
 Year
 Period Ending

	LXD	6/10/2077	
Basic rent			
Additional/Primary Rent			
Overage Rent			
Future FS Value			
FS Value Today			
Total CF	190,000,000		
PV to Ground Lessor			

501 7th Avenue
 Year
 Period Ending

	LXD	3/31/2100						
	79	80	81	82	83	84	85	
	Jun-90	Jun-91	Jun-92	Jun-93	Jun-94	Jun-95	Jun-96	
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000

Rent
 Future FS Value
 FS Value Today
 Total CF
 PV to Ground Lessor
 Cap Rate

\$ 388,010,132

Additional/Primary Rent	64,576,864	66,520,350	68,522,141	70,583,985	72,707,684	74,895,095	77,148,128
Overage Rent							
Future FS Value							
FS Value Today	64,936,864	66,880,350	68,882,141	70,943,985	73,067,684	75,255,095	77,508,128
Total CF	96,000,000						

PV to Ground Lessor							
PSF							
Check Land							

RSB	LXD	1/5/2076
Year		
Period Ending		

Basic rent							
Additional/Primary Rent							
Overage Rent							
Future FS Value							
FS Value Today							
Total CF							
PV to Ground Lessor		\$ 1,428,000,000					

\$ 2,230,000,000

OGCP LXND 9/30/2083
 Year
 Period Ending

Basic rent
 Additional/Primary
 Rent

Overage Rent
 Future FS Value
 FS Value Today
 Total CF
 PV to Ground

\$ 618,000,000
 Lessor
 Check (Land)

250 W 57th
 Year
 Period Ending

LXD	9/30/2103	88	89	90	91	92	92.25
86	87	88	89	90	91	92	Sep-03
Jun-97	Jun-98	Jun-99	Jun-00	Jun-01	Jun-02	Jun-03	

Basic rent
 Additional/Primary
 Rent

Overage Rent
 Future FS Value
 Total CF
 PV to Ground

\$ 294,000,000
 Lessor
 Check (Land)

112 W 34th
 (Intra-Party)
 Year
 Period Ending

Basic rent
 Additional/Primary
 Rent

Overage Rent
 Future FS Value
 FS Value Today
 Total CF
 PV to Ground

\$ 3,989,868
 Lessor
 Check (Land)

112 W 34th
 (Grd Party)
 Year
 Period Ending

Rent
 Future FS Value
 FS Value Today

\$ 388,010,132
 Lessor
 Check (Land)

Total CF
 PV to Ground 26,000,000
 Lessor
 Cap Rate

501 7th Avenue
 Year LXJ 86 3/31/2100 87 88 88.75
 Period Ending Jun-97 Jun-98 Jun-99 Mar-00

Basic rent 360,000 360,000 360,000 270,000
 Additional/Primary

Rent
 Overage Rent 79,468,752 81,858,994 84,320,944 65,142,564
 Future FS Value 2,218,858,301

\$ 161,000,000 Total CF 79,828,752 82,218,994 84,680,944 2,284,270,866
 FS Value Today
 PV to Ground Lessor 96,000,000

PSF
 Check Land

ESB LXJ 1/5/2076
 Year
 Period Ending

Basic rent
 Additional/Primary

Rent
 Overage Rent
 Future FS Value

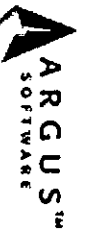
\$2,230,000,000 Total CF
 FS Value Today
 PV to Ground Lessor \$1,428,000,000

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.50%	Net Operating Income
Year 1	Jun-2012	\$ 9,455,111	\$ 8,714,388	1
Year 2	Jun-2013	10,396,336	8,831,223	2
Year 3	Jun-2014	12,543,934	9,820,748	3
Year 4	Jun-2015	9,229,017	6,659,421	4
Year 5	Jun-2016	11,717,043	7,792,366	5
Year 6	Jun-2017	15,448,639	9,469,167	6
Year 7	Jun-2018	15,255,182	8,618,054	7
Year 8	Jun-2019	15,469,963	8,054,737	8
Year 9	Jun-2020	16,398,090	7,869,110	9
Year 10	Jun-2021	13,150,230	5,816,155	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		129,063,545	81,645,369	
Terminal Cap @		228,162,924	100,913,133	
	7.25%			
Selling Costs @				
	2.50%			
Total Property Present Value			<u>\$182,558,503</u>	
Rounded to Thousands			<u>\$183,000,000</u>	
Per SqFt			\$ 367.76	
Percentage Value Distribution				
Cash Flow			44.72%	
Reversion			55.28%	

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 9.25%	Net Operating Income
Year 1	Jun-2012	\$ 2,810,162	\$ 2,572,231	1
Year 2	Jun-2013	2,357,476	1,975,170	2
Year 3	Jun-2014	3,933,082	3,016,259	3
Year 4	Jun-2015	3,794,338	2,663,485	4
Year 5	Jun-2016	2,339,060	1,502,914	5
Year 6	Jun-2017	1,838,716	1,081,399	6
Year 7	Jun-2018	2,150,832	1,157,861	7
Year 8	Jun-2019	2,598,997	1,280,661	8
Year 9	Jun-2020	2,886,524	1,301,914	9
Year 10	Jun-2021	3,409,152	1,407,447	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		28,118,339	17,959,339	
Terminal Cap @		60,702,980	25,060,836	
		7.50%		
Selling Costs @				
		2.50%		
Total Property Present Value			\$43,020,176	
Rounded to Thousands			\$43,000,000	
Per SqFt			\$ 148.52	
Percentage Value Distribution				
Cash Flow			41.75%	
Reversion			58.25%	

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 9.25%	Net Operating Income
Year 1	Jun-2012	\$ 1,166,393	\$ 1,067,637	1
Year 2	Jun-2013	2,043,437	1,712,058	2
Year 3	Jun-2014	3,141,220	2,408,985	3
Year 4	Jun-2015	3,961,915	2,781,118	4
Year 5	Jun-2016	3,505,279	2,252,244	5
Year 6	Jun-2017	2,785,531	1,638,247	6
Year 7	Jun-2018	3,086,588	1,661,608	7
Year 8	Jun-2019	3,340,681	1,646,127	8
Year 9	Jun-2020	2,379,857	1,073,391	9
Year 10	Jun-2021	3,690,493	1,523,596	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		29,101,394	17,765,009	4,838,167
Terminal Cap @	7.50%	62,896,171	25,966,281	
Selling Costs @	2.50%			
Total Property Present Value			<u>\$43,731,290</u>	
Rounded to Thousands			<u>\$44,000,000</u>	
Per SqFt			\$ 195.26	
Percentage Value Distribution				
Cash Flow			40.62%	
Reversion			59.38%	

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.75%	Net Operating Income
Year 1	Jun-2012	\$ 9,565,905	\$ 8,796,234	1
Year 2	Jun-2013	9,783,790	8,272,725	2
Year 3	Jun-2014	8,750,354	6,803,585	3
Year 4	Jun-2015	10,211,357	7,300,732	4
Year 5	Jun-2016	9,470,571	6,226,297	5
Year 6	Jun-2017	9,339,130	5,645,869	6
Year 7	Jun-2018	10,851,844	6,032,519	7
Year 8	Jun-2019	10,420,869	5,326,842	8
Year 9	Jun-2020	10,626,237	4,994,777	9
Year 10	Jun-2021	9,749,096	4,213,778	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		98,769,153	63,613,359	
Terminal Cap. @		173,688,213	75,071,949	
		7.00%		
Selling Costs @				
		2.50%		
Total Property Present Value			\$138,685,308	
Rounded to Thousands			\$139,000,000	
Per SqFt			\$ 480.65	
Percentage Value Distribution				
Cash Flow			45.87%	
Reversion			54.13%	



First Stamford Place
Stamford, CT

File: FIRST STAMFORD PLACE CONSOLIDATED DUFF VALUATION FS 9_8_11 v0
Software: ARGUS Ver. 15.0.0.54
Property Type: Portfolio

Portfolio:
Date: 9/13/11
Time: 2:12 pm
Ref#: AAN
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022
For the Years Ending											
Gross Revenue	\$ 30,513,340	\$ 30,780,761	\$ 31,460,138	\$ 32,000,643	\$ 32,524,449	\$ 33,540,718	\$ 34,256,329	\$ 35,422,574	\$ 36,739,525	\$ 38,041,648	\$ 39,170,304
Potential Rental											
Revenue											
Absorption & Turnover	(1,244,902)	(852,513)	(13,864)	(86,158)	(73,244)	(732,268)	(247,691)	(1,889,051)	(597,360)	(619,412)	(858,045)
Vacancy											
Base Rent	(1,050,457)	(575,917)	(39,266)	(38,618)	(43,303)	(313,837)	(193,016)	(827,155)	(527,830)	(465,940)	(482,287)
Abatements											
Scheduled Base Rental	28,217,981	29,352,331	31,407,008	31,875,867	32,407,902	32,494,613	33,815,622	32,706,368	35,614,335	36,956,296	37,829,972
Expense											
Reimbursement											
Revenue	3,853,834	3,921,559	4,047,865	4,498,241	4,913,382	5,206,393	5,489,307	5,066,069	4,860,227	5,187,653	5,484,356
Miscellaneous											
Revenue	904,825	931,968	959,931	988,723	1,018,389	1,048,941	1,080,403	1,112,821	1,146,203	1,180,591	1,216,008
Total Gross Revenue	32,976,640	34,205,858	36,414,804	37,362,831	38,339,673	38,749,947	40,385,332	38,885,258	41,620,765	43,324,540	44,530,336
General Vacancy	(453,733)	(512,882)	(1,306,660)	(1,274,199)	(1,325,974)	(705,343)	(1,235,220)	(645,176)	(941,784)	(990,469)	(1,150,603)
Collection Loss	(261,920)	(273,296)	(293,311)	(301,440)	(310,207)	(312,143)	(327,082)	(310,961)	(336,057)	(351,557)	(362,416)
Effective Gross Revenue	32,260,987	33,419,680	34,814,833	35,787,192	36,703,492	37,732,461	38,823,050	37,929,121	40,342,924	41,982,514	43,017,317
Net Operating Income	32,260,987	33,419,680	34,814,833	35,787,192	36,703,492	37,732,461	38,823,050	37,929,121	40,342,924	41,982,514	43,017,317
Leasing & Capital Costs											
Tenant											
Improvements	2,862,609	2,329,754	201,517	194,416	170,147	1,415,795	900,134	3,497,124	2,331,609	1,993,558	2,119,911
Leasing											
Commissions	1,489,224	1,234,148	113,318	119,352	127,046	829,362	497,521	2,116,059	1,298,011	1,097,697	1,148,476
Capital Costs & Reserves	890,635	947,941	544,811	166,667	399,999	850,000	1,016,001	787,199	437,199	235,213	148,380
Total Leasing & Capital Costs	5,242,468	4,511,843	859,646	480,435	697,192	3,095,157	2,413,656	6,400,382	4,066,819	3,326,468	3,416,767
Cash Flow Before Debt Service	\$ 27,018,519	\$ 28,907,837	\$ 33,955,187	\$ 35,306,757	\$ 36,006,300	\$ 34,637,304	\$ 36,409,394	\$ 31,528,739	\$ 36,276,105	\$ 38,656,046	\$ 39,600,550

Portfolio Expenses	1	2	3	4	5	6	7	8	9	10	Year 11 True NOI	
Real Estate Taxes	3,877,437	3,993,760	4,113,573	4,236,980	4,364,090	4,495,012	4,629,863	4,768,758	4,911,821	5,059,176	5,210,951	
Insurance	1,766,990	1,812,280	1,867,718	1,923,320	1,980,090	2,040,032	2,104,153	2,164,558	2,229,952	2,299,640	2,365,529	
Payroll/Labor Costs	2,035,000	2,096,050	2,158,932	2,223,699	2,290,410	2,359,123	2,429,896	2,502,793	2,577,877	2,655,213	2,734,870	
Cleaning	1,215,000	1,251,450	1,288,994	1,327,663	1,367,493	1,408,518	1,450,774	1,494,297	1,539,126	1,585,299	1,632,858	
Utilities	2,820,000	2,904,600	2,991,738	3,081,490	3,173,935	3,269,153	3,367,227	3,468,244	3,572,292	3,679,460	3,789,844	
Repairs & Maintenance	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611	1,391,129	1,432,863	1,475,849	1,520,124	1,565,728	1,612,700	
Sanitation/Trash	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715	60,476	
Management Fee	1,048,482	1,086,140	1,131,482	1,163,084	1,192,863	1,226,305	1,261,749	1,232,696	1,311,145	1,364,432	1,398,063	
Professional Fees	460,000	473,800	488,014	503,654	517,734	533,266	549,264	565,742	582,714	600,196	618,202	
Security	500,000	515,000	530,450	546,363	562,754	579,637	597,026	614,937	633,385	652,387	671,938	
Miscellaneous/Other	522,000	537,660	553,790	570,403	587,516	605,141	623,295	641,994	661,254	681,092	701,524	
Cash Flow After Portfolio Expenses	\$ 13,119,600	\$ 14,585,747	\$ 19,190,675	\$ 20,101,656	\$ 20,350,156	\$ 18,513,821	\$ 19,803,552	\$ 14,491,627	\$ 18,686,410	\$ 20,524,708	\$ 20,932,575	\$ 24,349,342
												339,151,549

Discount Rate	1	2	3	4	5	6	7	8	9	10
Total CF	\$ 13,119,600	\$ 14,585,747	\$ 19,190,675	\$ 20,101,656	\$ 20,350,156	\$ 18,513,821	\$ 19,803,552	\$ 14,491,627	\$ 18,686,410	\$ 20,524,708
PV of CFs	\$ 12,036,330	\$ 12,276,531	\$ 14,818,722	\$ 14,240,520	\$ 13,226,205	\$ 11,039,187	\$ 10,833,221	\$ 7,272,859	\$ 8,603,742	\$ 151,931,138
Total PV of CFs		\$ 256,000,000								
Terminal Cap	9.00%									
Selling Costs	7.00%									
PV of Terminal Value	2.50%									
		143,261,280								
Cash Flow Reversion	44.0%		Round	4						
	56.0%		Value	Round						
First Stamford Place SPE LLC	37.64%	\$ 96,358,400	\$ 96,360,000		37.64%					
Fairfax First Stamford SPE LLC	31.18%	\$ 79,820,800	\$ 79,820,000		31.18%					
Merifield First Stamford SPE LLC	31.18%	\$ 79,820,800	\$ 79,820,000		31.18%					
	100.00%	\$ 256,000,000	\$ 256,000,000							

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 9.50%	Net Operating Income
Year 1	Jun-2012	\$ 1,744,643	\$ 1,593,281	1
Year 2	Jun-2013	1,897,947	1,582,909	2
Year 3	Jun-2014	2,433,800	1,853,713	3
Year 4	Jun-2015	2,019,065	1,404,410	4
Year 5	Jun-2016	3,886,422	2,468,763	5
Year 6	Jun-2017	3,082,160	1,788,012	6
Year 7	Jun-2018	3,437,530	1,821,158	7
Year 8	Jun-2019	3,844,757	1,860,184	8
Year 9	Jun-2020	-890,849	-393,620	9
Year 10	Jun-2021	3,434,251	1,385,769	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		24,889,726	15,364,579	
Terminal Cap @		58,116,045	23,450,649	
	7.50%			
Selling Costs @				
	2.50%			
Total Property Present Value			\$38,815,228	
Rounded to Thousands			\$39,000,000	
Per SqFt			\$ 147.52	
Percentage Value Distribu				
Cash Flow			39.58%	
Reversion			60.42%	

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.25%	Net Operating Income
Year 1	Jun-2012	\$ 2,732,789	\$ 2,524,516	1
Year 2	Jun-2013	2,664,133	2,273,527	2
Year 3	Jun-2014	2,981,683	2,350,595	3
Year 4	Jun-2015	3,080,875	2,243,688	4
Year 5	Jun-2016	3,167,740	2,131,130	5
Year 6	Jun-2017	2,944,388	1,829,901	6
Year 7	Jun-2018	3,305,485	1,897,754	7
Year 8	Jun-2019	3,443,225	1,826,174	8
Year 9	Jun-2020	3,302,461	1,618,030	9
Year 10	Jun-2021	3,379,400	1,529,539	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		31,002,179	20,224,854	
Terminal Cap Rate @		6.50%	55,279,710	25,019,965
Selling Costs @		2.50%		
Total Property Present Value			\$45,244,819	
Rounded to Thousands			\$45,000,000	
Per SqFt			\$ 775.80	
Percentage Value Distribution				
Cash Flow			44.70%	
Reversion			55.30%	

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.50%	Net Operating Income
Year 1	Jun-2012	\$ 3,425,987	\$ 3,157,592	1
Year 2	Jun-2013	3,456,308	2,935,979	2
Year 3	Jun-2014	2,677,541	2,096,269	3
Year 4	Jun-2015	3,023,063	2,181,365	4
Year 5	Jun-2016	3,056,575	2,032,761	5
Year 6	Jun-2017	3,090,349	1,894,214	6
Year 7	Jun-2018	3,044,883	1,720,135	7
Year 8	Jun-2019	3,697,307	1,925,075	8
Year 9	Jun-2020	3,760,201	1,804,444	9
Year 10	Jun-2021	3,824,989	1,691,737	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		33,057,203	21,439,570	
Terminal Cap Rate @		54,206,044	23,974,543	
	7.00%			
Selling Costs @				
	2.50%			
Total Property Present Value			\$45,414,112	
Rounded to Thousands			\$45,000,000	
Per SqFt			\$ 654.41	
Percentage Value Distribution				
Cash Flow			47.21%	
Reversion			52.79%	

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.50%	Net Operating Income
Year 1	Jun-2012	\$ 2,053,822	\$ 1,892,924	1
Year 2	Jun-2013	1,455,607	1,236,473	2
Year 3	Jun-2014	1,398,205	1,094,666	3
Year 4	Jun-2015	2,026,386	1,462,188	4
Year 5	Jun-2016	2,082,329	1,384,843	5
Year 6	Jun-2017	2,140,611	1,312,077	6
Year 7	Jun-2018	2,201,027	1,243,418	7
Year 8	Jun-2019	2,263,271	1,178,416	8
Year 9	Jun-2020	2,327,364	1,116,855	9
Year 10	Jun-2021	2,393,394	1,058,563	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		20,342,016	12,980,423	
Terminal Cap Rate @		34,283,800	15,163,225	
		7.00%		
Selling Costs @				
		2.50%		
Total Property Present Value			\$28,143,648	
Rounded to Thousands			\$28,000,000	
Per SqFt			\$ 1,497.78	
Percentage Value Distribution				
Cash Flow			46.12%	
Reversion			53.88%	

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.75%	Net Operating Income
Year 1	Jun-2012	\$ 218,556	\$ 200,971	1
Year 2	Jun-2013	1,205,239	1,019,095	2
Year 3	Jun-2014	1,259,134	979,003	3
Year 4	Jun-2015	1,222,141	873,784	4
Year 5	Jun-2016	1,546,299	1,016,593	5
Year 6	Jun-2017	1,694,329	1,024,288	6
Year 7	Jun-2018	1,705,821	948,263	7
Year 8	Jun-2019	1,522,551	778,283	8
Year 9	Jun-2020	1,488,558	699,685	9
Year 10	Jun-2021	1,661,147	717,985	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		13,523,775	8,257,950	
Terminal Cap Rate @		7.25%	25,345,387	10,954,846
Selling Costs @		2.50%		
Total Property Present Value			\$19,212,796	
Rounded to Thousands			\$19,000,000	
Per SqFt			1,091.58	
Percentage Value Distribution				
Cash Flow			42.98%	
Reversion			57.02%	

<u>Analysis Period</u>	<u>For the Year Ending</u>	<u>Annual Cash Flow</u>	<u>P.V. of Cash Flow @ 8.75%</u>	<u>Net Operating Income</u>	
Year 1	Jun-2012	\$ 347,376	\$ 319,426		1
Year 2	Jun-2013	305,392	258,225		2
Year 3	Jun-2014	324,277	252,132		3
Year 4	Jun-2015	372,704	266,469		4
Year 5	Jun-2016	384,727	252,933		5
Year 6	Jun-2017	396,271	239,561		6
Year 7	Jun-2018	313,754	174,415		7
Year 8	Jun-2019	382,873	195,713		8
Year 9	Jun-2020	309,334	145,400		9
Year 10	Jun-2021	376,146	162,579		10
Year 11	Jun-2022 NOI			387,436	11
Total Cash Flow		3,512,854	2,266,855		
Terminal Cap Rate @		5,210,346	2,252,029		
	7.25%				
Selling Costs @					
	2.50%				
Total Property Present Value			<u>\$4,518,884</u>		
Rounded to Thousands			<u>\$5,000,000</u>		
Per SqFt			1,154.73		
Percentage Value Distribution					
Cash Flow			50.16%		
Reversion			49.84%		

For the Years Ending	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	Jun-2012	Jun-2013	Jun-2014	Jun-2015	Jun-2016	Jun-2017	Jun-2018	Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$ 20,948,089	\$ 21,318,934	\$ 21,858,116	\$ 23,358,927	\$ 24,480,053	\$ 25,583,411	\$ 26,614,988	\$ 27,350,868
Absorption & Turnover Vacancy	(3,827,028)	(1,255,007)	(469,713)	(343,525)	(240,292)	(742,780)	(678,358)	(382,514)
Base Rent Abatements	(1,006,968)	(916,751)	(258,967)	(380,567)	(247,252)	(653,528)	(412,092)	(381,660)
Scheduled Base Rental Revenue	16,114,093	19,147,176	21,129,436	22,634,835	23,992,509	24,187,103	25,524,538	26,586,694
CPI & Other Adjustment Revenue	446,364	459,153	475,005	407,424	339,854	314,466	280,932	189,424
Expense Reimbursement Revenue								
Electric Inclusion	913,856	1,147,519	1,240,998	1,265,692	1,320,737	1,406,656	1,459,331	1,516,994
Electric Meter Income	564,619	581,553	599,000	616,972	614,534	569,328	553,057	552,475
RE Taxes	461,390	459,042	464,857	432,101	479,281	567,569	628,812	723,951
Condenser	56,826	50,831	46,698	21,857	18,613	19,173	11,334	8,457
Operating Expenses	13,489							
Op Exp Pool A	152,183	202,191	262,626	317,926	369,403	381,043	376,446	395,860
Op Exp Pool B		3,401	5,173	5,846	4,488	5,468	6,476	7,514
Total Reimbursement Revenue	2,162,363	2,444,537	2,619,352	2,660,394	2,807,056	2,949,237	3,035,456	3,205,251
Worldwide Connect	4,470	4,604	4,741	4,885	5,031	5,184	5,337	5,497
Capivante	1,236	1,273	1,311	1,352	1,391	1,432	1,476	1,521
ROM Cleaning	8,240	8,487	8,742	9,005	9,275	9,551	9,840	10,135
Late Charges	21,630	22,279	22,946	23,636	24,345	25,075	25,826	26,604
Other Services	101,396	104,436	107,571	110,797	114,121	117,545	121,071	124,704
License Fees (Omnipoint)	43,793	45,108	46,461	47,854	49,289	50,769	52,291	53,860
Electric (Added Billings)	267,800	275,833	284,110	292,632	301,412	310,452	319,767	329,362
Total Potential Gross Revenue	19,171,385	22,512,886	24,699,675	26,192,814	27,644,283	27,970,814	29,376,534	30,533,052
General Vacancy			(285,369)	(452,565)	(596,244)	(118,629)	(223,288)	(544,954)
Collection Loss	(191,713)	(225,130)	(246,996)	(261,928)	(276,443)	(279,707)	(293,765)	(305,331)
Effective Gross Revenue	18,979,672	22,287,756	24,167,310	25,478,321	26,771,596	27,572,478	28,859,481	29,682,767
Operating Expenses								
Real Estate Taxes	3,149,765	3,225,592	3,302,100	3,379,291	3,481,151	3,629,799	3,803,428	3,982,167
Payroll & Fringes	473,153	487,346	501,968	517,024	532,537	548,513	564,970	581,916
Cleaning	989,317	1,018,997	1,049,567	1,081,053	1,113,484	1,146,889	1,181,297	1,216,736
Utilities	1,828,087	1,882,929	1,939,417	1,997,602	2,057,528	2,119,252	2,182,833	2,248,317
Security	192,563	199,368	205,349	211,512	217,855	224,391	231,123	238,057
Repairs & Maintenance	891,999	753,000	775,000	798,250	822,197	846,864	872,268	898,438
Management Fee	189,797	222,877	241,673	254,782	267,717	275,725	288,595	296,828
Professional Fees	739,000	654,000	527,000	542,810	559,094	575,868	593,143	610,936
BID Taxes	108,106	111,349	114,689	118,131	121,675	125,324	129,083	132,957
Insurance	150,547	155,064	159,717	164,507	169,442	174,528	179,761	185,156
Ground Rent	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000
Total Operating Expenses	8,821,334	8,818,522	8,924,480	9,172,962	9,450,680	9,775,153	10,134,501	10,499,508
Net Operating Income	10,158,338	13,469,234	15,242,830	16,305,359	17,320,916	17,797,325	18,724,980	19,183,259
Leasing & Capital Costs								
Tenant Improvements	2,704,520	483,609	272,131	609,086	196,592	950,804	575,742	494,689
Leasing Commissions	1,222,317	469,920	237,322	556,296	242,317	729,926	616,269	451,549
Capital Improvements	2,512,405	2,182,405	552,512	552,512	19,332	161,016	161,015	19,333
Base Building	350,000	190,000	140,000	170,000	230,000	500,000	460,000	250,000

Total Leasing & Capital Costs	6,789,242	3,325,934	1,201,965	1,887,894	688,241	2,341,746	1,813,026	1,215,571
Cash Flow Before Debt Service & Taxes	\$ 3,369,096	\$10,143,300	\$14,040,865	\$14,417,465	\$16,632,675	\$15,455,579	\$16,911,954	\$17,967,688
Total CF	\$ 3,369,096	\$10,143,300	\$14,040,865	\$14,417,465	\$16,632,675	\$15,455,579	\$16,911,954	\$17,967,688
PV	\$218,000,000	\$ 506,81 PSF						
Discount Rate	9.00%							

	For the Years Ending												
	Year 25 Jun-2036	Year 26 Jun-2037	Year 27 Jun-2038	Year 28 Jun-2039	Year 29 Jun-2040	Year 30 Jun-2041	Year 31 Jun-2042	Year 32 Jun-2043					
Potential Gross Revenue													
Base Rental Revenue	\$55,211,760	\$56,968,498	\$58,815,852	\$60,358,304	\$61,840,301	\$63,617,818	\$65,736,454	\$68,315,793					
Absorption & Turnover Vacancy	(1,618,530)	(1,047,597)	(1,260,096)	(1,372,840)	(775,685)	(1,907,961)	(1,285,667)	(3,198,628)					
Base Rent Abatements	(1,720,118)	(1,083,380)	(791,455)	(789,781)	(715,387)	(1,127,380)	(1,527,783)	(2,091,774)					
Scheduled Base Rental Revenue	51,873,112	54,837,521	56,764,301	58,195,683	60,349,229	60,582,477	62,923,004	63,025,391					
CPI & Other Adjustment Revenue													
Expense Reimbursement Revenue													
Electric Inclusion	2,801,140	2,864,056	2,937,842	3,020,348	3,157,993	3,191,648	3,317,878	3,276,383					
Electric Meter Income													
RE Taxes	653,675	709,379	760,428	805,966	892,108	955,829	973,145	856,130					
Condenser													
Operating Expenses													
Op Exp Pool A	576,454	613,111	645,171	671,771	734,802	789,045	805,005	685,605					
Op Exp Pool B													
Total Reimbursement Revenue	4,031,269	4,186,546	4,343,441	4,498,085	4,784,903	4,936,522	5,096,028	4,818,118					
Worldwide Connect	9,087	9,360	9,640	9,929	10,228	10,536	10,849	11,175					
Capivale	2,513	2,588	2,665	2,747	2,828	2,913	2,999	3,091					
FOM Cleaning	16,751	17,252	17,771	18,302	18,853	19,418	20,000	20,601					
Late Charges	43,969	45,289	46,647	48,048	49,487	50,973	52,500	54,077					
Other Services	206,115	212,300	218,668	225,228	231,985	238,945	246,113	253,498					
License Fees (Omnipoint)	89,023	91,694	94,444	97,280	100,196	103,201	106,298	109,488					
Electric (Added Billings)	544,381	560,713	577,537	594,861	612,707	631,089	650,020	669,521					
Total Potential Gross Revenue	56,816,220	59,963,263	62,075,114	63,690,163	66,160,416	66,576,074	69,107,812	68,964,960					
General Vacancy	(134,511)	(782,729)	(639,961)	(579,050)	(1,232,399)	(146,559)	(826,138)						
Collection Loss	(568,163)	(599,631)	(620,751)	(636,901)	(661,606)	(665,759)	(691,079)	(689,649)					
Effective Gross Revenue	56,113,546	58,580,903	60,814,402	62,474,212	64,266,411	65,763,756	67,590,595	68,275,311					
Operating Expenses													
Real Estate Taxes	6,834,670	7,039,711	7,250,901	7,468,428	7,692,481	7,923,255	8,160,954	8,405,783					
Payroll & Fringes	961,822	990,674	1,020,397	1,051,008	1,082,537	1,115,015	1,148,464	1,182,919					
Cleaning	2,011,077	2,071,411	2,133,551	2,197,560	2,263,486	2,331,391	2,401,331	2,473,372					
Utilities	3,716,124	3,827,609	3,942,437	4,060,709	4,182,531	4,308,008	4,437,247	4,570,365					
Security	393,471	405,277	417,433	429,958	442,855	456,142	469,824	483,922					
Repairs & Maintenance	1,484,980	1,529,530	1,575,416	1,622,677	1,671,360	1,721,498	1,773,145	1,826,339					
Management Fee	561,136	585,809	608,143	624,742	642,665	657,637	675,907	682,752					
Professional Fees	1,009,787	1,040,079	1,071,283	1,103,421	1,136,522	1,170,620	1,205,737	1,241,911					
BID Taxes	219,756	226,352	233,139	240,135	247,340	254,759	262,401	270,274					
Insurance	306,033	315,213	324,671	334,410	344,443	354,776	365,419	376,381					
Ground Rent	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000					
Total Operating Expenses	17,570,856	18,103,665	18,649,371	19,205,048	19,778,220	20,365,101	20,972,429	21,586,018					
Net Operating Income	38,542,690	40,477,238	42,165,031	43,269,164	44,488,191	45,398,655	46,618,166	46,689,293					
Leasing & Capital Costs													
Tenant Improvements	1,857,183	1,578,485	1,013,472	1,023,280	1,194,510	2,440,042	2,048,115	3,307,899					
Leasing Commissions	3,960,827	1,199,057	1,118,577	1,112,029	883,372	2,375,335	1,531,493	2,263,000					
Capital Improvements													

Base Building

Total Leasing & Capital Costs	5,818,010	2,777,542	2,132,049	2,135,309	2,077,882	4,815,377	3,579,608	5,570,899
Cash Flow Before Debt Service & Taxes	\$32,724,680	\$37,699,696	\$40,032,982	\$41,133,855	\$42,410,309	\$40,583,278	\$43,038,558	\$41,118,394

Total CF	\$32,724,680	\$37,699,696	\$40,032,982	\$41,133,855	\$42,410,309	\$40,583,278	\$43,038,558	\$41,118,394
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PV

Discount Rate

	For the Years Ending									
	Year 33 Jun-2044	Year 34 Jun-2045	Year 35 Jun-2046	Year 36 Jun-2047	Year 37 Jun-2048	Year 38 Jun-2049	Year 39 Jun-2050	Year 40 Jun-2051	3.0%	
Potential Gross Revenue										
Base Rental Revenue	\$70,418,703	\$72,146,125	\$73,999,019	\$76,380,025						
Absorption & Turnover	(1,894,100)	(1,406,588)	(2,034,323)	(1,240,194)						
Base Rent Abatements	(2,278,468)	(1,200,249)	(2,040,523)	(1,390,607)						
Scheduled Base Rental Revenue	66,246,135	69,539,288	69,924,173	73,749,224						
CPI & Other Adjustment Revenue										
Expense Reimbursement Revenue	3,478,196	3,668,367	3,774,584	3,862,466						
Electric Inclusion										
Electric Meter Income	780,858	844,544	873,442	959,245						
RE Taxes										
Condenser										
Operating Expenses	600,161	659,222	762,630	829,349						
Op Exp Pool A										
Op Exp Pool B										
Total Reimbursement Revenue	4,859,215	5,172,133	5,410,656	5,651,060						
Worldwide Connect	11,512	11,857	12,213	12,577						
Capivate	3,181	3,279	3,376	3,478						
ROM Cleaning	21,218	21,855	22,512	23,186						
Late Charges	55,700	57,371	59,090	60,864						
Other Services	261,100	268,935	277,003	285,311						
License Fees (Omnipoint)	112,773	116,155	119,640	123,229						
Electric (Added Billings)	689,607	710,295	731,605	753,552						
Total Potential Gross Revenue	72,260,441	75,901,168	76,560,268	80,662,481						
General Vacancy	(330,537)	(912,644)	(323,515)	(1,216,885)						
Collection Loss	(722,604)	(759,012)	(765,602)	(806,626)						
Effective Gross Revenue	71,207,300	74,229,512	75,471,151	78,638,970	80,998,139	83,428,083	85,930,926	88,508,854		
Operating Expenses										
Real Estate Taxes	8,657,955	8,917,695	9,185,224	9,460,781	9,744,604	10,036,943	10,338,051	10,648,192		
Payroll & Fringes	1,218,405	1,254,958	1,292,606	1,331,386	1,371,328	1,412,467	1,454,841	1,498,487		
Cleaning	2,547,574	2,624,001	2,702,721	2,783,802	2,867,316	2,953,336	3,041,936	3,133,194		
Utilities	4,707,475	4,848,699	4,994,161	5,143,985	5,298,305	5,457,254	5,620,971	5,789,600		
Security	498,436	513,393	528,792	544,657	560,997	577,827	595,161	613,016		
Repairs & Maintenance	1,881,238	1,937,562	1,995,688	2,055,561	2,117,228	2,180,745	2,246,167	2,313,552		
Management Fee	712,073	742,296	754,711	786,391	809,983	834,282	859,311	885,090		
Professional Fees	1,229,167	1,317,543	1,357,068	1,397,782	1,439,715	1,482,907	1,527,394	1,573,216		
BID Taxes	278,383	286,732	295,336	304,197	313,323	322,723	332,404	342,376		
Insurance	387,674	399,303	411,284	423,621	436,330	449,420	462,902	476,789		
Ground Rent	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000		
Total Operating Expenses	22,240,270	22,914,182	23,589,591	24,304,163	25,031,128	25,779,902	26,551,139	27,345,513		
Net Operating Income	48,967,030	51,315,330	51,881,560	54,334,807	55,967,011	57,648,182	59,379,787	61,163,341		
Leasing & Capital Costs										
Tenant Improvements	3,417,363	946,368	1,666,788	1,983,361						
Leasing Commissions	2,405,863	2,841,943	5,089,129	1,485,133						

For the Years Ending		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	
		Jun-2012	Jun-2013	Jun-2014	Jun-2015	Jun-2016	Jun-2017	Jun-2018	Jun-2019	
Potential Gross Revenue										
Base Rental Revenue	\$	31,468,813	\$33,959,941	\$37,082,948	\$39,359,184	\$41,945,096	\$43,689,152	\$46,226,493	\$48,416,722	
Absorption & Turnover Vacancy		-3,971,512	-1,588,916	-1,203,616	-375,362	-746,927	-1,069,002	-1,150,821	-575,500	
Base Rent Abatements		-2,405,649	-1,782,127	-3,069,811	-221,802	-1,035,109	-577,810	-1,379,340	-1,172,890	
Scheduled Base Rental Revenue		25,091,652	30,588,898	32,809,521	38,762,020	40,163,060	42,042,340	43,696,332	46,668,332	
CPI & Other Adjustment Revenue		712,999	856,657	966,578	1,081,665	1,053,863	935,240	637,341	64,243	
Expense Reimbursement Revenue										
Electric Income		2,760,655	2,551,714	2,254,552	1,939,418	1,632,372	1,466,314	1,163,944	718,453	
Electric Income for MLAs		250,924	820,717	1,289,549	1,721,292	2,054,658	2,230,187	2,552,784	3,012,409	
Sprinkler & Water Income		125,341	100,701	83,626	71,118	65,994	60,638	41,623	13,004	
Oper Exp Escalations		1,568,598	1,663,638	1,771,955	1,882,828	1,975,507	2,119,427	2,087,052	1,997,754	
RE Prop Tax Fiscal no ICIP		295,341	400,827	446,259	471,284	484,573	467,906	430,427	299,843	
RE Tax Calendr Yrs no ICIP		90,099	112,242	134,608	153,815	166,167	183,116	149,010	116,231	
RE BID Income		91,204	107,524	117,896	127,805	130,635	133,338	135,544	137,537	
RE BID Income - New Leases										
Real Estate Taxes		148,307	161,976	73,271	56,474	74,215	142,787	251,695	407,891	
BID Tax		2,869	3,023	795						
Payroll		22,441	23,122	5,955						
Cleaning		44,055	46,014	13,152						
Utilities		99,884	102,912	26,509						
Security		14,458	14,894	3,837						
Repairs and Maintenance		36,483	43,299	11,159						
Management Fee		8,666	10,373	2,754						
Professional Fees		38,273	31,676	6,688						
Insurance		7,848	8,085	2,082						
Total Reimbursement Revenue		5,605,446	6,202,737	6,244,647	6,424,034	6,584,121	6,803,713	6,812,079	6,703,122	
Miscellaneous Income		381,294	392,733	404,515	416,651	429,148	442,025	455,285	468,944	
Total Potential Gross Revenue		31,791,391	38,041,025	40,425,261	46,684,370	48,230,192	50,223,318	51,601,037	53,904,641	
General Vacancy				-45,251	-1,036,428	-722,388	-469,766	-431,736	-1,058,903	
Collection Loss		-317,913	-380,411	-404,252	-466,843	-482,302	-502,234	-516,011	-539,046	
Effective Gross Revenue		31,473,478	37,660,614	39,975,758	45,181,099	47,025,502	49,251,318	50,653,290	52,306,692	
Operating Expenses										
Real Estate Taxes		4,750,860	4,805,298	4,836,401	4,867,695	4,898,465	5,009,391	5,204,264	5,405,579	
BID Tax		104,228	109,708	115,476	121,130	124,195	127,920	131,760	135,710	
Payroll		815,000	839,449	864,635	890,572	917,290	944,808	973,152	1,002,348	
Cleaning		1,599,998	1,670,578	1,909,319	1,966,599	2,025,599	2,086,366	2,148,957	2,213,424	
Utilities		3,627,537	3,736,363	3,848,455	3,963,907	4,082,824	4,205,309	4,331,470	4,461,412	
Security		525,038	540,790	557,013	573,722	590,936	608,663	626,923	645,731	
Repairs and Maintenance		1,325,000	1,572,000	1,620,000	1,668,600	1,718,658	1,770,217	1,823,326	1,878,023	
Management Fee		314,735	376,605	399,759	451,811	470,256	492,512	506,533	523,068	
Professional Fees		1,390,001	1,150,000	971,000	1,000,129	1,030,134	1,061,039	1,092,868	1,125,656	
Insurance		285,000	293,550	302,356	311,427	320,772	330,393	340,305	350,514	
Ground Rent		675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	
Total Operating Expenses		15,412,397	15,769,341	16,099,414	16,490,592	16,854,129	17,311,618	17,854,558	18,416,465	
Net Operating Income		16,061,081	21,891,273	23,876,344	28,690,507	30,171,373	31,939,700	32,798,732	33,890,227	

Leasing & Capital Costs

Tenant Improvements	6,226,008	3,252,207	4,930,704	254,183	1,483,216	818,645	3,467,643	494,942
Leasing Commissions	2,550,827	1,392,214	2,559,131	414,710	1,130,670	616,395	2,192,287	509,558
Capital Improvements	9,766,308	1,451,915	1,275,288	1,221,877	120,615	541,635	903,512	484,390
Base Building	820,001	540,000	1,200,000	300,000	720,000	450,000	940,000	1,110,000
Total Leasing & Capital Costs	19,363,144	6,636,336	9,965,123	2,190,770	3,454,501	2,426,675	7,503,442	2,598,890
Cash Flow Before Debt Service & Taxes	(\$ 3,302,063)	\$15,254,937	\$13,911,221	\$26,499,737	\$26,716,872	\$29,513,025	\$25,295,290	\$31,291,337
Total CF	(\$ 3,302,063)	\$15,254,937	\$13,911,221	\$26,499,737	\$26,716,872	\$29,513,025	\$25,295,290	\$31,291,337
PV	\$ 337,000,000	\$ 353.02						
Discount Rate	9.50%							

	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024	Year 14 Jun-2025	Year 15 Jun-2026	Year 16 Jun-2027
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue	\$50,007,715	\$51,940,167	\$53,966,540	\$56,815,499	\$59,526,936	\$61,371,189	\$63,483,128	\$64,872,628
Absorption & Turnover Vacancy	-530,396	-1,007,753	-1,411,571	-1,634,972	-2,089,129	-535,906	-1,567,208	-603,711
Base Rent Abatements	-822,195	-1,210,029	-1,402,917	-2,423,698	-2,906,598	-883,622	-2,161,062	-496,136
Scheduled Base Rental Revenue	48,655,124	49,722,385	51,152,052	52,756,829	54,531,209	59,951,661	59,754,858	63,772,781
CPI & Other Adjustment Revenue	64,436	64,400	63,497	33,581				
Expense Reimbursement Revenue								
Electric Income	577,061	366,038	298,272	299,080	299,661	308,651	227,514	203,302
Electric Income for MLAs	3,292,418	3,523,380	3,679,779	3,785,724	3,866,683	4,108,227	4,305,415	4,559,614
Sprinkler & Water Income	13,392	2,300						
Oper Exp Escalations	1,844,927	1,715,063	1,715,345	1,659,773	1,639,324	1,676,269	1,718,890	1,866,783
RE Prop Tax Fiscal no ICIP	219,464	133,910	104,691	109,910	114,549	124,288	33,581	
RE Tax Calendr Yrs no ICIP	130,028	144,240	158,879	173,954	189,486	205,481	221,957	238,928
RE BID Income	141,399	143,794	147,260	151,520	154,994	163,858	165,509	172,776
RE BID Income - New Leases								
Real Estate Taxes	561,773	710,858	786,929	734,702	708,085	713,873	795,062	913,100
BID Tax								
Payroll								
Cleaning								
Utilities								
Security								
Repairs and Maintenance								
Management Fee								
Professional Fees								
Insurance								
Total Reimbursement Revenue	6,780,462	6,739,583	6,891,155	6,914,663	6,972,782	7,300,647	7,467,928	7,954,503
Miscellaneous Income	483,012	497,503	512,426	527,801	543,635	559,943	576,741	594,044
Total Potential Gross Revenue	55,983,034	57,023,871	58,619,130	60,232,874	62,047,626	67,812,251	67,799,527	72,321,328
General Vacancy	-1,165,008	-733,195	-389,351	-221,063	-620,477	-1,514,539	-513,793	-1,584,040
Collection Loss	-559,830	-570,239	-586,190	-602,329	-620,477	-678,122	-677,996	-723,213
Effective Gross Revenue	54,258,196	55,720,437	57,643,589	59,409,482	61,427,149	65,619,590	66,607,738	70,014,075
Operating Expenses								
Real Estate Taxes	5,613,562	5,828,440	6,026,699	6,207,498	6,393,722	6,585,537	6,783,101	6,986,595
BID Tax	139,784	143,975	148,296	152,745	157,326	162,047	166,907	171,914
Payroll	1,032,417	1,063,391	1,095,290	1,128,152	1,161,995	1,196,855	1,232,760	1,269,744
Cleaning	2,279,829	2,348,222	2,418,670	2,491,228	2,565,968	2,642,944	2,722,235	2,803,900
Utilities	4,595,256	4,733,112	4,875,108	5,021,359	5,172,000	5,327,160	5,486,976	5,651,584
Security	665,101	685,056	705,607	726,775	748,579	771,035	794,167	817,991
Repairs and Maintenance	1,934,364	1,992,396	2,052,168	2,113,732	2,177,146	2,242,459	2,309,733	2,379,024
Management Fee	542,582	557,204	576,436	594,095	614,271	636,196	666,077	700,142
Professional Fees	1,159,425	1,194,206	1,230,035	1,266,935	1,304,942	1,344,092	1,384,413	1,425,947
Insurance	361,029	371,860	383,016	394,507	406,341	418,533	431,087	444,021
Ground Rent	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000
Total Operating Expenses	18,998,349	19,592,862	20,186,325	20,772,026	21,377,290	22,021,858	22,652,456	23,325,862
Net Operating Income	35,259,847	36,127,575	37,457,264	38,637,456	40,049,859	43,597,732	43,955,282	46,688,213

For the Years Ending		Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	
		Jun-2028	Jun-2029	Jun-2030	Jun-2031	Jun-2032	Jun-2033	Jun-2034	Jun-2035	
Potential Gross Revenue										
Base Rental Revenue		\$66,835,714	\$72,417,862	\$75,438,054	\$76,915,757	\$78,651,739	\$81,375,115	\$84,608,717	\$87,587,288	
Absorption & Turnover Vacancy		-1,956,036	-2,477,193	-1,083,107	-1,337,316	-1,465,781	-2,462,369	-2,806,137	-997,100	
Base Rent Abatements		-1,412,649	-4,981,746	-1,283,043	-1,347,282	-1,585,412	-3,635,947	-2,628,595	-2,861,462	
Scheduled Base Rental Revenue		63,467,029	64,958,923	73,071,904	74,231,159	75,600,546	75,276,799	79,173,985	83,728,726	
CPI & Other Adjustment Revenue										
Expense Reimbursement Revenue										
Electric Income		209,400	53,921	5,699,858	5,858,101	6,027,017	6,137,193	6,296,903	6,632,750	
Electric Income for MLAs		4,593,391	5,218,242							
Sprinkler & Water Income										
Oper Exp Escalations		1,939,897	1,222,503	1,093,144	1,260,769	1,373,792	1,296,811	1,285,822	1,242,364	
RE Prop Tax Fiscal no ICIP		256,404	68,603							
RE Tax Calendr Yrs no ICIP		174,443	185,598	198,564	203,926	209,948	213,789	219,465	230,968	
RE BID Income										
Real Estate Taxes - New Leases		950,111	818,140	868,673	995,784	1,068,650	1,010,957	1,003,340	971,322	
BID Tax										
Payroll										
Cleaning										
Utilities										
Security										
Repairs and Maintenance										
Management Fee										
Professional Fees										
Insurance										
Total Reimbursement Revenue		8,123,646	7,567,007	7,860,239	8,318,580	8,679,407	8,658,750	8,805,530	9,077,404	
Miscellaneous Income		611,865	630,220	649,128	668,601	688,658	709,320	730,598	752,518	
Total Potential Gross Revenue		72,202,540	73,156,150	81,581,271	83,218,340	84,968,611	84,644,869	88,710,113	93,558,648	
General Vacancy		-268,722	-731,560	-1,396,824	-1,199,353	-1,127,252	-150,847	-1,839,573	-935,588	
Collection Loss		-722,025	-731,560	-815,813	-832,184	-849,686	-846,448	-887,101	-935,588	
Effective Gross Revenue		71,211,793	72,424,590	79,368,634	81,186,803	82,991,673	83,647,574	87,823,012	90,783,487	
Operating Expenses										
Real Estate Taxes		7,196,194	7,412,078	7,634,441	7,863,474	8,099,378	8,342,360	8,592,631	8,850,408	
BID Tax		177,073	182,386	187,856	193,490	199,297	205,275	211,434	217,777	
Payroll		1,307,835	1,347,072	1,387,483	1,429,106	1,471,981	1,516,140	1,561,624	1,608,473	
Cleaning		2,888,017	2,974,659	3,063,899	3,155,815	3,250,488	3,348,005	3,448,444	3,551,897	
Utilities		5,821,131	5,995,766	6,175,640	6,360,909	6,551,735	6,748,286	6,950,737	7,159,259	
Security		842,532	867,807	893,843	920,657	948,277	976,726	1,006,027	1,036,207	
Repairs and Maintenance		2,450,396	2,523,907	2,599,624	2,677,613	2,757,941	2,840,680	2,925,901	3,013,678	
Management Fee		712,118	724,246	793,687	811,867	829,918	836,475	878,231	907,835	
Professional Fees		1,468,724	1,512,786	1,558,169	1,604,915	1,653,062	1,702,655	1,753,733	1,806,346	
Insurance		457,341	471,060	485,194	499,749	514,740	530,185	546,089	562,474	
Ground Rent		675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	
Total Operating Expenses		23,996,361	24,686,767	25,454,836	26,192,595	26,951,817	27,721,787	28,549,851	29,389,354	
Net Operating Income		47,215,432	47,737,823	53,913,798	54,994,208	56,039,856	55,925,787	59,273,161	61,394,133	

	Year 25 Jun-2036	Year 26 Jun-2037	Year 27 Jun-2038	Year 28 Jun-2039	Year 29 Jun-2040	Year 30 Jun-2041	Year 31 Jun-2042	Year 32 Jun-2043
Potential Gross Revenue								
Base Rental Revenue	\$89,338,757	\$ 91,259,336	\$ 93,648,785	\$98,029,907	\$101,483,443	\$103,176,396	\$105,759,971	\$109,089,102
Absorption & Turnover Vacancy	-2,029,306	-869,695	-1,883,608	-4,074,082	-1,657,813	-1,401,629	-1,768,066	-3,829,565
Base Rent Abatements	-2,535,632	-643,292	-2,132,929	-6,903,884	-1,601,593	-1,559,490	-1,903,336	-4,569,271
Scheduled Base Rental Revenue	84,773,819	89,746,349	89,632,248	87,051,941	98,224,037	100,215,277	102,088,569	100,690,266
CPI & Other Adjustment Revenue								
Expense Reimbursement Revenue								
Electric Income								
Electric Income for MLAs	6,755,934	7,048,206	7,180,318	7,244,057	7,644,987	7,899,835	8,117,152	8,209,552
Sprinkler & Water Income								
Oper Exp Escalations	1,385,649	1,551,222	1,702,585	1,450,066	1,472,289	1,699,422	1,846,224	1,798,481
RE Prop Tax Fiscal no ICP								
RE Tax Calendr Yrs no ICP	235,305	245,481	250,165	252,499	266,338	275,064	282,616	286,042
RE BID Income								
Real Estate Taxes - New Leases	1,081,304	1,206,409	1,328,141	1,142,698	1,166,856	1,342,328	1,436,887	1,402,106
BID Tax								
Payroll								
Cleaning								
Utilities								
Security								
Repairs and Maintenance								
Management Fee								
Professional Fees								
Insurance								
Total Reimbursement Revenue	9,458,192	10,051,318	10,461,209	10,089,320	10,550,470	11,216,649	11,682,879	11,696,181
Miscellaneous Income	775,091	798,346	822,295	846,964	872,374	898,545	925,499	953,266
Total Potential Gross Revenue	95,007,102	100,596,013	100,915,752	97,988,225	109,646,881	112,330,471	114,696,947	113,339,713
General Vacancy	-881,785	-2,174,277	-1,200,372	-1,200,372	-1,681,328	-2,010,334	-1,725,884	-1,133,397
Collection Loss	-950,071	-1,005,960	-1,009,157	-979,884	-1,096,468	-1,123,306	-1,146,969	-1,133,397
Effective Gross Revenue	93,175,246	97,415,776	98,706,223	97,008,341	106,869,085	109,196,831	111,824,094	112,206,316
Operating Expenses								
Real Estate Taxes	9,115,921	9,389,400	9,671,080	9,961,213	10,260,050	10,567,852	10,884,888	11,211,432
BID Tax	224,311	231,038	237,972	245,109	252,463	260,037	267,838	275,872
Payroll	1,656,728	1,706,428	1,757,621	1,810,352	1,864,660	1,920,601	1,978,220	2,037,564
Cleaning	3,658,455	3,768,208	3,881,255	3,997,691	4,117,622	4,241,151	4,368,387	4,499,437
Utilities	7,374,035	7,595,256	7,823,115	8,057,808	8,299,543	8,548,527	8,804,985	9,069,132
Security	1,067,293	1,099,313	1,132,294	1,166,260	1,201,249	1,237,287	1,274,405	1,312,637
Repairs and Maintenance	3,104,087	3,197,210	3,293,126	3,391,920	3,493,678	3,598,488	3,706,443	3,817,636
Management Fee	931,752	974,158	987,062	970,083	1,068,692	1,091,967	1,118,242	1,122,063
Professional Fees	1,860,537	1,916,351	1,973,844	2,033,059	2,094,049	2,156,871	2,221,578	2,288,225
Insurance	579,346	596,726	614,629	633,068	652,058	671,621	691,769	712,524
Ground Rent	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000
Total Operating Expenses	30,247,465	31,149,088	32,046,998	32,941,563	33,979,064	34,969,402	35,991,755	37,021,522
Net Operating Income	62,927,781	66,266,688	66,659,225	64,066,778	72,890,021	74,227,429	75,832,339	75,184,794

	Year 33 Jun-2044	Year 34 Jun-2045	Year 35 Jun-2046	Year 36 Jun-2047	Year 37 Jun-2048	Year 38 Jun-2049	Year 39 Jun-2050	Year 40 Jun-2051	
For the Years Ending									
Potential Gross Revenue									3.0%
Base Rental Revenue	\$113,127,672	\$118,063,757	\$120,016,657	\$123,081,010					
Absorption & Turnover Vacancy	-2,638,440	-2,365,381	-2,575,735	-928,974					
Base Rent Abatements	-3,093,868	-5,118,577	-2,546,682	-1,894,851					
Scheduled Base Rental Revenue	107,395,364	110,579,799	114,894,240	120,257,185					
CPI & Other Adjustment Revenue									
Expense Reimbursement Revenue									
Electric Income									
Electric Income for MLAs	8,546,909	8,836,465	9,092,371	9,486,245					
Sprinkler & Water Income									
Open Exp Escalations	1,792,397	1,626,702	1,858,707	2,022,780					
RE Prop Tax Fiscal no ICIP									
RE Tax Calendr Yrs no ICIP									
RE BID Income	297,777	307,760	316,703	330,392					
RE BID Income - New Leases									
Real Estate Taxes	1,397,451	1,273,708	1,451,344	1,573,234					
BID Tax									
Payroll									
Cleaning									
Utilities									
Security									
Repairs and Maintenance									
Management Fee									
Professional Fees									
Insurance									
Total Reimbursement Revenue	12,034,534	12,044,635	12,719,125	13,412,651					
Miscellaneous Income	981,864	1,011,320	1,041,659	1,072,908					
Total Potential Gross Revenue	120,411,762	123,635,754	128,655,024	134,742,744					
General Vacancy	-1,053,067	-1,414,653	-1,361,186	-3,141,179					
Collection Loss	-1,204,116	-1,236,359	-1,286,551	-1,347,427					
Effective Gross Revenue	118,154,579	120,984,742	126,007,287	130,254,138	134,161,762	138,186,615	142,332,213	146,602,180	
Operating Expenses									
Real Estate Taxes	11,547,778	11,894,208	12,251,038	12,618,566	12,997,123	13,387,037	13,788,648	14,202,307	
BID Tax	284,149	292,674	301,455	310,498	319,813	329,407	339,290	349,468	
Payroll	2,098,693	2,161,654	2,226,503	2,293,296	2,362,095	2,432,958	2,505,946	2,581,125	
Cleaning	4,634,422	4,773,453	4,916,656	5,064,157	5,216,082	5,372,564	5,533,741	5,699,753	
Utilities	9,341,209	9,621,444	9,910,088	10,207,391	10,513,613	10,829,021	11,153,892	11,488,508	
Security	1,352,017	1,392,576	1,434,353	1,477,385	1,521,707	1,567,358	1,614,378	1,662,810	
Repairs and Maintenance	3,932,165	4,050,132	4,171,633	4,296,783	4,425,686	4,558,457	4,695,211	4,836,067	
Management Fee	1,181,545	1,209,848	1,260,072	1,302,541	1,341,617	1,381,866	1,423,322	1,466,021	
Professional Fees	2,356,872	2,427,577	2,500,406	2,575,417	2,652,680	2,732,260	2,814,228	2,898,655	
Insurance	733,898	755,916	778,593	801,950	826,009	850,789	876,312	902,602	
Ground Rent	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	
Total Operating Expenses	38,137,748	39,254,482	40,425,797	41,622,984	42,851,424	44,116,716	45,419,968	46,762,317	

For the Years Ending
 Potential Gross Revenue

	Year 49 Jun-2060	Year 50 Jun-2061	Year 51 Jun-2062	Year 52 Jun-2063
Base Rental Revenue	X	X	X	X
Absorption & Turnover Vacancy	X	X	X	X
Base Rent Abatements	X	X	X	X
Scheduled Base Rental Revenue	X	X	X	X
CPI & Other Adjustment Revenue	X	X	X	X
Expense Reimbursement Revenue	X	X	X	X
Electric Income	X	X	X	X
Electric Income for MLAs	X	X	X	X
Sprinkler & Water Income	X	X	X	X
Oper Exp Escalations	X	X	X	X
RE Prop Tax Fiscal no ICIP	X	X	X	X
RE Tax Calendr Yrs no ICIP	X	X	X	X
RE BID Income	X	X	X	X
RE BID Income - New Leases	X	X	X	X
Real Estate Taxes	X	X	X	X
BID Tax	X	X	X	X
Payroll	X	X	X	X
Cleaning	X	X	X	X
Utilities	X	X	X	X
Security	X	X	X	X
Repairs and Maintenance	X	X	X	X
Management Fee	X	X	X	X
Professional Fees	X	X	X	X
Insurance	X	X	X	X
Total Reimbursement Revenue	X	X	X	X
Miscellaneous Income	X	X	X	X
Total Potential Gross Revenue	X	X	X	X
General Vacancy	X	X	X	X
Collection Loss	X	X	X	X
Effective Gross Revenue	191,282,593	197,021,071	202,931,703	209,019,654
Operating Expenses	X	X	X	X
Real Estate Taxes	18,530,790	19,086,713	19,659,315	20,249,094
BID Tax	455,977	469,656	483,746	498,258
Payroll	3,367,782	3,468,816	3,572,880	3,680,067
Cleaning	7,436,885	7,659,992	7,889,792	8,126,485
Utilities	14,989,898	15,439,595	15,902,783	16,379,866
Security	2,169,590	2,234,677	2,301,718	2,370,769
Repairs and Maintenance	6,309,971	6,499,270	6,694,248	6,895,075
Management Fee	1,912,825	1,970,210	2,029,316	2,090,196
Professional Fees	3,782,087	3,895,549	4,012,416	4,132,788
Insurance	1,177,691	1,213,021	1,249,412	1,286,894
Ground Rent	675,000	675,000	675,000	675,000
Total Operating Expenses	60,808,495	62,612,500	64,470,625	66,384,494
Net Operating Income	130,474,098	134,408,571	138,461,078	142,635,160

Leasing & Capital Costs				
Tenant Improvements				X
Leasing Commissions				X
Capital Improvements				X
Base Building				X
Total Leasing & Capital Costs	8,783,810	9,047,324	9,318,744	9,598,306
Cash Flow Before Debt Service & Taxes	121,690,288	125,361,247	129,142,334	133,036,854
Total CF	\$121,690,288	\$125,361,247	\$129,142,334	\$133,036,854
PV				
Discount Rate				

X
X
X
X
X
X
X
X

One Grand Central Place

Inflator

3.0%

Fixed Rents

Basic Rent
Primary Additional Rent
Total Fixed Rent

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Basic Rent	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074
Primary Additional Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Rent	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874

see below

Overage Rent

Total Income
Total Operating Expense
Add: Rent if included in Opex above
Net Operating Income
Add: Use of Cash from Loans
Less: Total Capital Expenses
Less: Total Fixed Rent
Less: Interest Income
Other

Total Income	58,793,219	64,387,731	69,792,793	73,021,135	76,469,020	80,119,794	85,740,028	88,254,975
Total Operating Expense	(37,647,608)	(42,537,125)	(42,758,108)	(45,872,023)	(47,057,286)	(48,674,499)	(48,477,225)	(47,974,282)
Add: Rent if included in Opex above	8,528,874	13,218,173	12,663,272	15,005,920	15,300,622	15,901,308	14,636,241	13,063,958
Net Operating Income	29,674,485	35,068,779	39,697,957	42,155,032	44,712,356	47,346,603	51,899,044	53,344,651
Add: Use of Cash from Loans	---	ZEROED OUT	---	---	---	---	---	---
Less: Total Capital Expenses	(19,674,916)	(17,267,108)	(10,718,651)	(7,036,724)	(4,219,496)	(6,482,421)	(7,092,030)	(6,963,112)
Less: Total Fixed Rent	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)
Less: Interest Income	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---
Income Subject to Ovg Rent Exclusion	8,921,769	16,723,871	27,901,506	34,040,508	39,415,060	39,786,382	43,729,214	45,303,739
Remainder for Overage	8,921,769	16,723,871	27,901,506	34,040,508	39,415,060	39,786,382	43,729,214	45,303,739
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	4,460,885	8,361,936	13,950,753	17,020,254	19,707,530	19,893,191	21,864,607	22,651,870

CF to Operator

Check Operator

Check Operator	4,460,885	8,361,936	13,950,753	17,020,254	19,707,530	19,893,191	21,864,607	22,651,870
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CF to Fee Owner

Total Fixed Rent
Overage Rent @ 50%
Less: Debt Service
Total

Total Fixed Rent	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874
Overage Rent @ 50%	4,460,885	8,361,936	13,950,753	17,020,254	19,707,530	19,893,191	21,864,607	22,651,870
Less: Debt Service	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)
Total	5,538,685	9,439,736	15,028,553	18,098,054	20,785,330	20,970,991	22,942,407	23,729,670

Basic Rent

Basic Amount
Existing Loans
First 84MM in Debt
Supplemental 16.0mm

Basic Amount	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Existing Loans	---	---	---	---	---	---	---	---
First 84MM in Debt	6,094,038	---	---	---	---	---	---	---
Supplemental 16.0mm	1,357,016	---	---	---	---	---	---	---
Total Basic Rent	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074

Refinance Loan

Total Basic Rent

Total Basic Rent	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074
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Duff to make this assumption.

Argus Dump

Total Income
Total Operating Expense
Ground Rents
Total Capital Expenses
Net Cash Flow

Total Income	58,793,219	64,387,731	69,792,793	73,021,135	76,469,020	80,119,794	85,740,028	88,254,975
Total Operating Expense	(37,647,608)	(42,537,125)	(42,758,108)	(45,872,023)	(47,057,286)	(48,674,499)	(48,477,225)	(47,974,282)
Ground Rents	8,528,874	13,218,173	12,663,272	15,005,920	15,300,622	15,901,308	14,636,241	13,063,958
Total Capital Expenses	(19,674,916)	(17,267,108)	(10,718,651)	(7,036,724)	(4,219,496)	(6,482,421)	(7,092,030)	(6,963,112)
Net Cash Flow	1,470,695	4,583,498	16,316,034	20,112,388	25,192,238	24,962,874	30,170,773	33,317,581

Check

Total Rent/Variance

Total Rent/Variance	4,460,884	3,672,636	9,816,355	10,543,208	12,935,782	12,520,757	15,757,240	18,116,785
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Duff Pro forma check																	
Cash Above	1,470,695	4,583,498	16,316,034	20,112,388	25,192,238	24,962,874	30,170,773	33,317,581									
Dump from Pro Forma	1,470,695	4,583,498	16,316,034	20,112,388	25,192,238	24,962,874	30,170,773	33,317,581									
Variance																	
Net Cash Flow																	
Use of Cash from Loans	1,470,695	4,583,498	16,316,034	20,112,388	25,192,238	24,962,874	30,170,773	33,317,581									
Rent if included in Opex above	8,528,874	13,218,173	12,663,272	15,005,970	15,300,622	15,901,308	14,636,241	13,063,938									
Total Fixed Rent	(8,528,874)	(8,528,874)	(8,528,874)	(8,528,874)	(8,528,874)	(8,528,874)	(8,528,874)	(8,528,874)									
Overage Rent @ 50%	(4,460,885)	(8,361,936)	(13,950,753)	(17,020,254)	(19,707,530)	(19,893,191)	(21,864,607)	(22,651,870)									
Subtotal	(2,990,189)	910,862	6,499,679	9,569,180	12,256,456	12,442,117	14,413,533	15,200,796									
CF to Operator	4,460,885	8,361,936	13,950,753	17,020,254	19,707,530	19,893,191	21,864,607	22,651,870									
Variance	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074									
DUFF Angus Dump																	
Total Income	58,793,219	64,387,731	69,792,793	73,021,135	76,469,020	80,119,794	85,740,028	88,254,975									
Total Operating Expense	37,647,608	42,537,125	42,758,108	45,872,023	47,057,286	48,674,499	48,477,225	47,974,282									
Basic Rent to Owner	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074									
Primary Additional Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800									
Secondary Additional Rent	4,689,299	4,134,398	6,477,046	6,771,748	6,771,748	7,372,434	6,107,367	4,535,084									
Total Capital Expenses	21,027,178	17,990,530	11,352,091	6,761,541	4,053,896	5,565,298	5,505,962	5,455,347									
Net Cash Flow	118,433	3,860,076	15,682,594	20,387,571	25,357,838	25,879,997	31,756,841	34,825,346									
GROUND RENT FOR LE VALUATION																	
Variance	5,538,685	9,439,736	15,028,553	18,098,054	20,785,330	20,970,991	22,942,407	23,729,670									
PV of Rent Flows	230,190,057																
Rent PSF	4	7	11	13	15	16	17	18									
Average Rent PSF	20																

Inflation 3.0%

	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	
Jul-19		Jul-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27

Fixed Rent

Basic Rent	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074
Primary Additional Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Rent	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874

Overage Rent

Total Income	90,690,190	93,989,187	98,010,715	102,426,927	107,266,086	110,589,766	113,800,424	117,819,918
Total Operating Expense	(50,900,481)	(52,040,030)	(53,194,228)	(47,999,524)	(49,195,537)	(50,410,823)	(51,660,438)	(52,954,671)
Add: Rent if included in Overage	14,887,963	14,881,936	14,881,936	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874
Net Operating Income	54,677,672	56,831,093	59,698,423	62,956,277	66,599,423	68,707,817	70,668,860	73,394,121
Add: Use of Cash from Leases	(3,747,466)	(6,592,468)	(11,260,576)	(9,206,588)	(5,964,289)	(6,121,933)	(5,044,047)	(4,873,459)
Less: Total Capital Expenses	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)
Less: Interest Income								
Other								
Income Subject to Overage	47,852,406	49,160,825	47,360,047	52,671,889	59,557,334	61,508,084	64,547,013	67,442,862
Exclusion								
Remainder for Overage	47,852,406	49,160,825	47,360,047	52,671,889	59,557,334	61,508,084	64,547,013	67,442,862
Overage Rent @ 50%	23,926,203	24,580,413	23,680,024	26,335,945	29,778,667	30,754,042	32,273,507	33,721,431

CF to Operator

Check Operator	23,926,203	24,580,413	23,680,024	26,335,945	29,778,667	30,754,042	32,273,507	33,721,431
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CF to Fee Owner

Total Fixed Rent	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874
Overage Rent @ 50%	23,926,203	24,580,413	23,680,024	26,335,945	29,778,667	30,754,042	32,273,507	33,721,431
Less: Debt Service	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)
Total	25,004,003	25,658,213	24,757,824	27,413,745	30,856,467	31,831,842	33,351,307	34,799,231
CF to Dist	48,930,206	50,228,625	48,437,847	53,749,689	60,635,134	62,585,884	65,624,813	68,520,662
FS CF	48,930,206	50,228,625	48,437,847	53,749,689	60,635,134	62,585,884	65,624,813	68,520,662
Check								

Basic Rent

Basic Amount	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
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Existing Loans

First \$4MM in Debt

Supplemental 160mm

mat 11/2014

Refinance Loan

7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074
Total Basic Rent	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074

Duff to make this assumption

Argus Dump

Total Income	90,690,190	93,989,187
Total Operating Expense	(50,900,481)	(52,040,030)
Ground Rents	14,887,963	14,881,936
Total Capital Expenses	5,747,466	6,592,468
Net Cash Flow	34,042,243	35,356,689

Check

Total Rents Variance	17,567,114	18,227,350
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Duff Pro forma check

Calc Above	34,042,243	35,356,689
Duff from Pro Forma	34,042,243	35,356,689

Variance									
Net Cash Flow	34,042,243	35,356,689							
Use of Cash from Loans									
Rent if included in Opex above	14,887,963	14,881,936							
Total Fixed Rent	(8,528,874)	(8,528,874)							
Average Rent @ 50%	(23,926,203)	(24,380,413)							
Subtotal	16,475,129	17,129,339							
CF to Operator	23,926,203	24,580,413							
Variance	7,451,074	7,451,074							
DUPF Argus Dump									
Total Income	90,690,190	93,989,187							
Total Operating Expense	50,900,481	52,040,030							
Basic Rent to Owner	7,475,074	7,475,074							
Primary Additional Rent	1,053,800	1,053,800							
Secondary Additional Rent	6,359,089	6,353,062							
Total Capital Expenses	4,265,443	5,071,729							
Net Cash Flow	35,524,266	36,877,428							
GROUND RENT FOR LP VALUATION									
Variance	25,004,003	25,658,213							
PV of Rent Flows	230,190,057								
Rent PSF	19	19							
Average Rent PSF	18	20							
	23	24							
	25	26							

Inflation 3.0%

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
	Jul-27	Jul-28	Jul-29	Jul-30	Jul-31	Jul-32	Jul-33	Jul-34
	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35

Fixed Rents

Basic Rent	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074
Primary Additional Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Rent	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874

Overage Rent

Total Income	121,414,589	125,130,827	128,587,761	132,368,197	134,552,993	139,852,559	144,746,113	149,097,986
Total Operating Expense	(54,282,276)	(55,649,844)	(57,054,734)	(58,503,967)	(59,979,587)	(61,529,968)	(63,121,208)	(64,753,302)
Add: Rent if included in Oper above	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874
Net Operating Income	75,661,187	78,009,857	80,061,901	82,393,104	83,102,280	86,851,465	90,153,779	92,873,558
Add: Use of Cash from Loans	(6,089,774)	(6,324,783)	(6,472,211)	(6,606,204)	(15,093,104)	(11,762,680)	(8,133,468)	(7,703,777)
Less: Total Capital Expenses	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)
Less: Total Fixed Rent	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)
Less: Interest Income								
Other								
Income Subject to Ovg Rent	68,493,613	70,607,274	72,511,890	74,709,100	66,931,376	74,010,985	80,942,511	84,091,981
Exclusion								
Remainder for Overage	68,493,613	70,607,274	72,511,890	74,709,100	66,931,376	74,010,985	80,942,511	84,091,981
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	34,246,807	35,303,637	36,255,945	37,354,550	33,465,688	37,005,493	40,471,256	42,045,991

CF to Operator

Basic Amount	34,246,807	35,303,637	36,255,945	37,354,550	33,465,688	37,005,493	40,471,256	42,045,991
Check Operator								

CF to Fee Owner

Total Fixed Rent	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874
Overage Rent @ 50%	34,246,807	35,303,637	36,255,945	37,354,550	33,465,688	37,005,493	40,471,256	42,045,991
Less: Debt Service	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)
Total	35,324,607	36,381,437	37,333,745	38,432,350	34,543,488	38,083,293	41,549,056	43,123,791
CF to Dist.	69,571,413	71,683,074	73,589,690	75,786,900	68,009,176	75,088,785	82,020,311	85,169,781
FS CF	69,571,413	71,683,074	73,589,690	75,786,900	68,009,176	75,088,785	82,020,311	85,169,781
Check								

Existing Loans

First 84MM in Debt

Supplemental 16.0mm

Refinance Loan	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074
Total Basic Rent	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074

Argus Dump

Total Income								
Total Operating Expense								
Ground Rents								
Total Capital Expenses								
Net Cash Flow								

Check

Total Rents Variance								
Duff Pro forma check								
Gate Above								
Dump from Pro Forma								

mul 1/2014

Variance

Net Cash Flow

Use of Cash from Loans
Rent if included in Opex above

Total Fixed Rent

Overage Rent @ 50%

Subtotal

CF to Operator

Variance

DUFF Argus Dump

Total Income

Total Operating Expense

Basic Rent to Owner

Primary Additional Rent

Secondary Additional Rent

Total Capital Expenses

Net Cash Flow

GROUND RENT FOR LF VALUATION

Variance

PV of Rent Flows

Rent PSF

Average Rent PSF

35,324,607	36,381,437	37,333,745	38,432,350	34,543,488	38,083,293	41,549,056	43,123,791
26	27	28	29	26	28	31	32

Variance

Net Cash Flow

Use of Cash from Loans

Rent if included in Opex above

Total Fixed Rent

Overage Rent @ 50%

Subtotal

CF to Operator

Variance

DUFF Argus Dump

Total Income

Total Operating Expense

Basic Rent to Owner

Primary Additional Rent

Secondary Additional Rent

Total Capital Expenses

Net Cash Flow

GROUND RENT FOR LF VALUATION

Variance

PV of Rent Flows

Rent PSF

Average Rent PSF

	43,795,907	46,583,862	47,624,367	48,809,236	50,384,886	51,096,164	46,518,903	53,072,462
	33	35	35	36	38	38	35	40

Inflator, 3.0%

	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
	Jul-43	Jul-44	Jul-45	Jul-46	Jul-47	Jul-48	Jul-49	Jul-50
	Jun-44	Jun-45	Jun-46	Jun-47	Jun-48	Jun-49	Jun-50	Jun-51
Fixed Rents								
Basic Rent	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074
Primary Additional Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Rent	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874

Overage Rent								
Total Income	192,934,698	200,334,821	205,376,668	212,839,293	219,387,515	226,499,246	232,463,186	239,374,515
Total Operating Expense	(81,814,333)	(84,023,246)	(86,272,626)	(88,612,181)	(91,010,540)	(93,484,519)	(96,019,108)	(98,637,420)
Add: Rent if included in Opex above	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874
Net Operating Income	119,649,239	124,840,449	127,632,916	132,755,986	136,905,849	141,543,601	144,972,952	149,265,969
Add: Use of Cash from Loans								
Less: Total Capital Expenses	(13,863,823)	(10,256,627)	(12,082,822)	(10,010,097)	(9,539,621)	(10,117,346)	(10,603,847)	(11,398,384)
Less: Total Fixed Rent	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)	(1,077,800)
Less: Interest Income								
Other								
Income Subject to Ovg Rent Exclusion	104,707,616	113,506,022	114,472,294	121,668,089	126,288,428	130,348,455	133,291,305	136,789,785
Remainder for Overage	104,707,616	113,506,022	114,472,294	121,668,089	126,288,428	130,348,455	133,291,305	136,789,785
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	52,353,808	56,753,011	57,236,147	60,834,045	63,144,214	65,174,228	66,645,653	68,394,893

CF to Operator	52,353,808	56,753,011	57,236,147	60,834,045	63,144,214	65,174,228	66,645,653	68,394,893
Check Operator								
CF to Fee Owner								
Total Fixed Rent	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874
Overage Rent @ 50%	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)	(7,451,074)
Less: Debt Service	53,431,608	57,830,811	58,313,947	61,911,845	64,222,014	66,252,028	67,723,453	69,472,693
Total	105,785,416	114,583,822	115,530,094	122,745,889	127,366,228	131,426,255	134,369,105	137,867,585
CF to Dist. FS CF								
Check								

Basic Rent	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Existing Loans								
First 84MM in Debt								
Supplemental 160mm								
Refinance Loan								
Total Basic Rent	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074	7,451,074

mat 11/2014

Argus Dump								
Total Income								
Total Operating Expense								
Ground Rents								
Total Capital Expenses								
Net Cash Flow								

Check								
Total Rents Variance								
Duff Pro forma check								
Calc Above								
Dump from Pro Forma								

Duff to make this assumption.

Variance

Net Cash Flow
Use of Cash from Loans
Rent if included in Opex above
Total Fixed Rent
Overage Rent @ 50%
Subtotal

CF to Operator
Variance

DUFF Argus Dump

Total Income
Total Operating Expense
Basic Rent to Owner
Primary Additional Rent
Secondary Additional Rent
Total Capital Expenses
Net Cash Flow

GROUND RENT FOR LF VALUATION

Variance	53,431,608	57,830,811	58,313,947	61,911,845	64,222,014	66,252,028	67,723,453	69,472,693
PV of Rent Flows	230,190,057							
Rent PSF	40	43	43	46	48	49	50	52
Average Rent PSF								

Variance									
Net Cash Flow									
Use of Cash from Loans									
Rent If Included in Opex above									
Total Fixed Rent									
Overage Rent @ 50%									
Subtotal									
CF to Operator									
Variance									
DUFF Argus Dump									
Total Income									
Total Operating Expense									
Basic Rent to Owner									
Primary Additional Rent									
Secondary Additional Rent									
Total Capital Expenses									
Net Cash Flow									
GROUND RENT FOR I.F. VALUATION									
Variance									
PV of Rent Flows									
Rent PSF									
Average Rent PSF									
	72,766,243	74,933,064	77,164,889	79,463,668	81,831,411	84,270,187	86,782,125	89,369,422	
	54	56	57	59	61	63	65	67	

Variance
 Net Cash Flow
 Use of Cash from Loans
 Rent if included in Opex above
 Total Fixed Rent
 Overage Rent @ 50%

Subtotal
 CF to Operator
 Variance

DUFF Argus Dump

Total Income
 Total Operating Expense
 Basic Rent to Owner
 Primary Additional Rent
 Secondary Additional Rent
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LF VALUATION

Variance	92,034,338	94,779,201	97,606,410	100,518,435	103,517,821	106,607,189	109,789,237	113,066,747
PV of Rent Flows	230,190,057							
Rent PSF	69	71	73	75	77	79	82	84
Average Rent PSF								

Variance

Net Cash Flow
 Use of Cash from Loans
 Rent if included in Opex above
 Total Fixed Rent
 Overage Rent @ 50%
 Subtotal

CF to Operator
 Variance

DURF Argus Dump

Total Income
 Total Operating Expense
 Basic Rent to Owner
 Primary Additional Rent
 Secondary Additional Rent
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LF VALUATION

Variance	116,442,583	119,919,693	123,501,117	127,189,984	130,989,516	134,903,035	138,933,959	143,085,810
PV of Rent Flows	230,190,057							
Rent PSF	87	89	92	95	98	100	103	107
Average Rent PSF								

Total
Basic Rent

	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074	7,475,074
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Duff to make this assumption:

Argus Dump	Total Income								
	Total Operating								
	Expense								
	Ground Rents								
	Total Capital								
	Expenses								
	Net Cash Flow								
Check	Total Rents Variance								
	Duff Pro forma								
	check								
	Calc Above								
	Dump from Pro								
	Forma								
	Variance								
	Net Cash Flow								
	Use of Cash from								
	Loans								
	Rent if included in								
	Opex above								
	Total Fixed Rent								
	Overage Rent @								
	50%								
	Subtotal								
	CF to Operator								
	Variance								
DUFF Argus Dump	Total Income								
	Total Operating								
	Expense								
	Basic Rent to Owner								
	Primary Additional								
	Rent								
	Secondary								
	Additional Rent								
	Total Capital								
	Expenses								
	Net Cash Flow								
	GROUND RENT								
	FOR LF								
	Variance	147,362,218	151,766,917	156,503,758	160,976,704	165,789,838	170,747,366	175,853,620	181,113,061
	PV of Rent Flows	230,190,057	110	113	116	120	123	127	131
	Rent PSF								
	Average Rent PSF								

For the Years Ending	Potential Gross Revenue							
	1 6/30/2012 Year 1 Jun-2012	2 6/30/2013 Year 2 Jun-2013	3 6/30/2014 Year 3 Jun-2014	4 6/30/2015 Year 4 Jun-2015	5 6/30/2016 Year 5 Jun-2016	6 6/30/2017 Year 6 Jun-2017	7 6/30/2018 Year 7 Jun-2018	8 6/30/2019 Year 8 Jun-2019
Base Rental Revenue	\$ 57,630,132	\$60,494,216	\$63,779,001	\$66,506,322	\$69,318,906	\$73,159,690	\$78,867,445	\$81,712,506
Absorption & Turnover V	(6,390,133)	(4,396,781)	(2,875,381)	(2,278,965)	(932,666)	(1,778,135)	(1,957,408)	(1,787,783)
Base Rent Abatements	(3,135,083)	(2,350,223)	(1,505,296)	(1,361,768)	(816,007)	(1,409,115)	(1,322,295)	(1,431,226)
Scheduled Base Rental R	48,104,916	53,747,212	59,398,324	62,865,589	67,570,233	69,972,440	75,587,742	78,493,497
Porters' Wage Revenue	48,734	55,571	51,582					
CPI & Other Adjustment	2,230,701	2,291,881	2,179,127	1,924,936	1,601,781	1,628,810	1,557,953	1,152,157
Expense Reimbursement R	6,393,598	6,458,197	6,504,534	6,730,428	7,416,191	8,053,832	8,300,070	8,707,675
Miscellaneous Income	936,992	965,102	994,055	1,023,876	1,054,593	1,086,231	1,118,817	1,152,382
Carryover Electric	1,672,149	1,520,149	1,370,149	1,216,149	1,070,049	920,149	770,149	620,149
Total Potential Gross Rev	59,387,090	65,038,112	70,497,771	73,760,978	78,712,847	81,661,462	87,334,731	90,125,860
General Vacancy				(2,233)	(1,456,699)	(725,053)	(721,356)	(969,626)
Collection Loss	(593,871)	(650,381)	(704,978)	(737,610)	(787,128)	(816,615)	(873,347)	(901,259)
Effective Gross Revenue	58,793,219	64,387,731	69,792,793	73,021,135	76,469,020	80,119,794	85,740,028	88,254,975
Operating Expenses								
Payroll	1,974,908	2,034,155	2,095,180	2,158,035	2,222,776	2,289,460	2,358,143	2,428,888
Cleaning	4,030,425	4,151,338	4,275,878	4,404,154	4,536,279	4,672,367	4,812,538	4,956,914
Utilities	5,508,248	5,673,495	5,843,700	6,019,011	6,199,582	6,385,569	6,577,136	6,774,450
Security	1,025,000	1,055,750	1,087,423	1,120,045	1,153,647	1,188,256	1,223,904	1,260,621
Repairs & Maintenance	2,512,298	2,369,000	2,440,070	2,513,272	2,588,670	2,666,330	2,746,320	2,828,710
Management Fee	587,932	643,877	697,928	730,211	764,690	801,198	857,400	882,550
Professional Fees/Admin	1,571,866	1,260,000	1,297,800	1,336,734	1,376,836	1,418,141	1,460,685	1,504,506
Real Estate Taxes	11,245,488	11,454,662	11,665,652	11,878,470	12,192,599	12,614,408	13,051,043	13,503,026
Bid Tax	192,353	192,353	192,353	192,353	192,353	192,353	192,353	192,353
Insurance	470,216	484,322	498,852	513,818	529,232	545,109	561,462	578,306
Rent to Owner	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874	8,528,874
Secondary Additional Re	4,689,299	4,689,299	4,134,398	6,477,046	6,771,748	7,372,434	6,107,367	4,535,084
Total Operating Expenses	37,647,608	42,537,125	42,758,108	45,872,023	47,057,286	48,674,499	48,477,225	47,974,282
Net Operating Income	21,145,611	21,850,606	27,034,685	27,149,112	29,411,734	31,445,295	37,262,803	40,280,693
Leasing & Capital Costs								
Tenant Improvements	5,658,252	4,221,476	2,184,532	2,427,679	829,874	1,802,465	2,201,267	2,398,914
Leasing Commissions	2,551,851	2,632,529	2,302,638	1,811,405	1,110,289	2,682,585	1,878,121	2,004,558
PB Work	3,618,709	3,194,709	1,848,759					
Capital Improvements	6,696,104	5,827,894	3,247,559	1,551,931	1,266,375	1,197,472	1,376,790	850,115
Base Building	1,150,000	1,390,500	1,135,163	1,245,709	1,012,958	799,899	1,635,852	1,709,525
Total Leasing & Capital C	19,674,916	17,267,108	10,718,651	7,036,724	4,219,496	6,482,421	7,092,030	6,963,112
Cash Flow Before Debt Ser & Taxes	\$ 1,470,695	\$ 4,583,498	\$16,316,034	\$20,112,388	\$25,192,238	\$24,962,874	\$30,170,773	\$33,317,581
Cash Flow to Operator	4,460,885	8,361,936	13,950,753	17,020,254	19,707,530	19,893,191	21,864,607	22,651,870
PV to Building Operator	\$324,000,000							
Discount Rate	8.50%							

PB Work Capital x

Improvements x

Base Building x

Total Leasing & Capital C 18,883,156 19,449,651 20,033,140 20,634,134 21,253,158 21,890,753 22,547,476 23,223,900 23,920,617 x

Cash Flow Before Debt & Taxes x
 Ser \$293,646,636 \$302,456,035 \$311,529,716 \$320,875,607 \$330,501,875 \$340,416,932 \$350,629,440 \$361,148,323 \$371,982,772 x

Cash Flow to Operator PV to Building Operator 146,284,418 150,689,117 155,225,958 159,898,904 164,712,038 169,669,566 174,775,820 180,035,261 46,363,122 x

Discount Rate x

112 W34th Street

Inflator

3%

Fixed Rents
 Basic Rent
 Third Party Ground Rent
 Rent/Debt Service
 Total Fixed Rent

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Basic Rent	756,026	756,026	756,026	861,026	861,026	861,026	861,026	861,026
Third Party Ground Rent	840,000	840,000	840,000	735,000	735,000	735,000	735,000	735,000
Rent/Debt Service	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645
Total Fixed Rent	6,757,671	6,757,671	6,757,671	6,757,671	6,757,671	6,757,671	6,757,671	6,757,671

Overage Rent

Total Income
 Total Operating Expense
 Add: Rent if included in Opex above
 Net Operating Income
 Add: Use of Cash from Loans
 Less: Total Capital Expenses
 Less: Total Fixed Rent
 Less: Interest Income
 Other

Total Income	26,667,305	30,067,247	32,263,094	34,257,615	35,903,947	53,444,043	55,674,739	59,543,040
Total Operating Expense	(20,387,934)	(20,546,474)	(20,743,970)	(21,340,623)	(21,882,750)	(22,617,133)	(23,217,270)	(23,854,611)
Add: Rent if included in Opex above	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506
Net Operating Income	13,106,877	16,348,279	18,346,630	19,744,498	20,848,703	37,654,416	39,284,975	42,515,935
Add: Use of Cash from Loans	—	ZEROED OUT	ZEROED OUT	ZEROED OUT	ZEROED OUT	ZEROED OUT	ZEROED OUT	ZEROED OUT
Less: Total Capital Expenses	(9,716,298)	(4,680,676)	(2,795,050)	(3,035,902)	(11,586,427)	(11,057,571)	(8,273,505)	(1,115,950)
Less: Total Fixed Rent	(1,596,026)	(1,596,026)	(1,596,026)	(1,596,026)	(1,596,026)	(1,596,026)	(1,596,026)	(1,596,026)
Less: Interest Income	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Income Subject to Ovg Rent	1,794,553	10,071,577	13,955,554	15,112,570	7,666,250	25,000,819	29,415,444	39,803,959
Exclusion	(281,994)	(281,994)	(281,994)	(281,994)	(281,994)	(281,994)	(281,994)	(281,994)
Remainder for Overage	1,512,559	9,789,583	13,673,560	14,830,576	7,384,256	24,718,825	29,133,450	39,521,965
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	756,280	4,894,792	6,836,780	7,415,288	3,692,128	12,359,413	14,566,725	19,760,983

CF of operator

CF to Fee Owner

Total Fixed Rent
 Overage Rent %
 Less: Debt Service
 Total

CF of operator	1,038,274	5,176,786	7,118,774	7,697,282	3,974,122	12,641,407	14,848,719	20,042,977
CF to Fee Owner	5,917,671	5,917,671	5,917,671	6,022,671	6,022,671	6,022,671	6,022,671	6,022,671
Total Fixed Rent	756,280	4,894,792	6,836,780	7,415,288	3,692,128	12,359,413	14,566,725	19,760,983
Overage Rent %	(5,161,645)	(5,161,645)	(5,161,645)	(5,161,645)	(5,161,645)	(5,161,645)	(5,161,645)	(5,161,645)
Less: Debt Service	1,512,306	3,650,818	7,992,806	8,276,314	4,553,154	13,220,439	15,427,751	20,622,009
Total	2,550,579	10,827,603	14,711,580	15,973,596	8,527,276	25,861,845	30,276,470	40,664,985
CF to Dist to MP	840,000	840,000	840,000	735,000	735,000	735,000	735,000	735,000
CF to 3rd Party	3,390,579	11,667,603	15,551,580	16,708,596	9,262,276	26,596,845	31,011,470	41,399,985
Check	—	—	—	—	—	—	—	—

Fixed Rents

Basic Rent
 Rent/Debt Service

First
 Second
 Less amount allocable to orig mort
 Rent/Debt Service*

In the above, future years are same as current and w/ anticipated borrowing. Duff to make any separate assumption.

Basic Rent	1,596,026	1,596,026	1,596,026	1,596,026	1,596,026	1,596,026	1,596,026	1,596,026
Rent/Debt Service	4,761,302	4,761,302	4,761,302	4,761,302	4,761,302	4,761,302	4,761,302	4,761,302
First	652,720	652,720	652,720	652,720	652,720	652,720	652,720	652,720
Second	(252,377)	(252,377)	(252,377)	(252,377)	(252,377)	(252,377)	(252,377)	(252,377)
Less amount allocable to orig mort	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645
Rent/Debt Service*	—	—	—	—	—	—	—	—

Argus Dump

Total Income
 Total Operating Expense
 Ground Rents
 Total Capital Expenses
 Net Cash Flow

Total Income	26,667,305	30,067,247	32,263,094	34,257,615	35,903,947	53,444,043	55,674,739	59,543,040
Total Operating Expense	20,387,934	20,546,474	20,743,970	21,340,623	21,882,750	22,617,133	23,217,270	23,854,611
Ground Rents	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506
Total Capital Expenses	9,716,298	4,680,676	2,795,050	3,035,902	11,586,427	11,057,571	8,273,505	1,115,950
Net Cash Flow	(3,436,927)	4,840,097	8,724,074	9,881,090	2,434,770	19,769,339	24,183,964	34,572,479

Check

Total Rents Variance	686,445	4,824,957	6,766,945	7,345,453	3,622,293	12,289,578	14,496,890	19,691,148
Duff Pro forma check								
Calc Above	(3,436,927)	4,840,097	8,724,074	9,881,090	2,434,770	19,769,339	24,183,964	34,572,479
Dump from Pro Forma	(3,436,927)	4,840,097	8,724,074	9,881,090	2,434,770	19,769,339	24,183,964	34,572,479
Variance								
Net Cash Flow	(3,436,927)	4,840,097	8,724,074	9,881,090	2,434,770	19,769,339	24,183,964	34,572,479
Use of Cash from Loans								
Rent if included in Oper above	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506
Total Fixed Rent	(6,757,671)	(6,757,671)	(6,757,671)	(6,757,671)	(6,757,671)	(6,757,671)	(6,757,671)	(6,757,671)
Overage Rent @ .50%	(756,280)	(4,894,792)	(6,836,780)	(7,415,288)	(3,692,128)	(12,359,413)	(14,566,725)	(19,760,983)
Subtotal	(4,123,372)	15,141	1,957,129	2,535,637	(1,187,523)	7,479,762	9,687,074	14,881,332
CF to Operator	1,038,274	5,176,786	7,118,774	7,697,282	3,974,122	12,641,407	14,848,719	20,042,977
Variance	(5,161,645)	(5,161,645)	(5,161,645)	(5,161,645)	(5,161,645)	(5,161,645)	(5,161,645)	(5,161,645)
DUFF Argus Dump	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645	5,161,645
Total Income	26,667,305	30,067,247	32,263,094	34,257,615	35,903,947	53,444,043	55,674,739	59,543,040
Total Operating Expense	20,321,265	20,471,307	20,663,312	21,254,980	21,792,990	22,483,523	23,078,082	23,705,754
Basic Rent	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506	6,827,506
Total Capital Expenses	9,716,298	4,680,676	2,795,050	3,035,902	11,586,427	11,057,571	8,273,505	1,115,950
Net Cash Flow	(3,370,258)	4,915,264	8,804,732	9,966,733	2,524,530	19,902,949	24,323,152	34,721,336
GROUND RENT FOR LP VALUATION	1,512,306	5,650,818	7,592,806	8,276,314	4,553,154	13,220,439	15,427,751	20,622,009
Variance								
PV of Rent Flows	190,419,265							
Rent PSF	2	7	10	11	6	17	20	26
Average Rent PSF	\$ 57							

Calc Above	35,405,919	37,355,026							
Dump from Pro Forma	35,405,919	37,355,026							
Variance									
Net Cash Flow	35,405,919	37,355,026							
Use of Cash from Loans									
Rent if Included in Opex above	6,827,506	6,827,506							
Total Fixed Rent	(6,757,671)	(6,757,671)							
Overage Rent @ 50%	(20,177,003)	(21,152,266)							
Subtotal	15,298,052	16,272,605							
CF to Operator	20,459,697	21,434,250							
Variance	(5,161,645)	(5,161,645)							
DUPF Argus Dump	5,161,645	5,161,645							
Total Income	61,379,799	63,226,675							
Total Operating Expense	24,330,358	24,973,345							
Basic Rent	6,827,506	6,827,506							
Total Capital Expenses	1,490,071	790,113							
Net Cash Flow	35,559,370	37,513,217							
GROUND RENT FOR LE VALUATION									
Variance	21,038,729	22,013,282							
PV of Rent Flows									
Rent PSF	27	28	27	28	27	28	27	28	27
Average Rent PSF									

Cut Above
Dump from Pro Forma
Variance

Net Cash Flow
Use of Cash from Loans
Rent if Included in Opex above
Total Fixed Rent
Overage Rent @ 50%
Subtotal

CF to Operator
Variance

DUFF Argus Dump
Total Income
Total Operating Expense
Basic Rent
Total Capital Expenses
Net Cash Flow

GROUND RENT FOR LE VALUATION	22,993,133	28,654,201	29,659,554	30,311,024	29,799,995	30,494,348	32,822,285	31,046,721
Variance								
PV of Rent Flows								
Rent PSF	29	37	38	39	38	39	42	40
Average Rent PSF								

Gate Above									
Jump from Pro. Forma									
Variance									
Net Cash Flow									
Use of Cash from Loans									
Rent if Included in Oper above									
Total Fixed Rent									
Average Rent @ 50%									
Subtotal									
CF to Operator									
Variance									
DUFF Argus Dump									
Total Income									
Total Operating Expense									
Basic Rent									
Total Capital Expenses									
Net Cash Flow									
GROUND RENT FOR LEVALUATION									
Variance									
PV of Rent Flows									
Rent PSF									
Average Rent PSF									

Cash Above
Dump from Pro Forma
Variance

Net Cash Flow
Use of Cash from Loans
Rent if Included in Oper above
Total Fixed Rent
Average Rent @ 50%
Subtotal

CF to Operator
Variance

DUFF Argus Dump
Total Income
Total Operating Expense
Basic Rent
Total Capital Expenses
Net Cash Flow

GROUND RENT FOR L.F. VALUATION								
Variance	42,849,874	42,154,564	47,517,524	29,171,290	42,196,345	43,464,575	44,770,852	46,116,317
PV of Rent Flows								
Rent PSF	55	54	61	37	54	55	57	59
Average Rent PSF								

Calc Above									
Dump from Pro Forma									
Variance									
Net Cash Flow									
Use of Cash from Loans									
Rent If Included in Opex Above									
Total Fixed Rent									
Overage Rent @ 50%									
Subtotal									
CF to Operator									
Variance									
DUFF Argus Dump									
Total Income									
Total Operating Expense									
Basic Rent									
Total Capital Expenses									
Net Cash Flow									
GROUND RENT FOR LIF VALUATION									
Variance									
PV of Rent Flows									
Rent PSF									
Average Rent PSF									
	47,502,146	48,929,550	50,399,776	51,914,109	53,473,872	55,080,427	56,735,180	58,439,574	
	61	62	64	66	68	70	72	75	

Cate Above
Dump from Pio Fortna
Variance

Net Cash Flow
Use of Cash from Loans
Rent if included in Opex above
Total Fixed Rent
Overage Rent @ 50%
Subtotal

CR to Operator
Variance

DUFF Argus Dump
Total Income
Total Operating Expense
Basic Rent
Total Capital Expenses
Net Cash Flow

GROUND RENT FOR I.F. VALUATION		60,195,101	62,003,294	63,865,732	65,784,044	67,759,904	69,795,041	71,891,232	74,050,308
Variance									
PV of Rent Flows		77	79	81	84	86	89	92	94
Rent PSF									
Average Rent PSF									

Calc Above									
Dump from Pro Forma									
Variance									
Net Cash Flow									
Use of Cash from Loans									
Rent if included in Opex above									
Total Fixed Rent									
Overage Rent @ 50%									
Subtotal									
CF to Operator									
Variance									
DUPF Argus Dump									
Total Income									
Total Operating Expense									
Basic Rent									
Total Capital Expenses									
Net Cash Flow									
GROUND RENT FOR LEVALLUATION									
Variance									
PV of Rent Flows									
Rent PSF									
Average Rent PSF									

	Year 65	Year 66
Inflation	3%	
Jul-75		Jun-77
Jun-76		

Fixed Rents	Year 65	Year 66
Basic Rent	861,026	861,026
Third Party Ground Rent	735,000	735,000
Rent/Debt Service	5,161,645	5,161,645
Total Fixed Rent	6,757,671	6,757,671

Overage Rent		
Total Income	299,228,248	308,206,126
Total Operating Expense	(99,263,321)	(102,036,396)
Add: Rent included in Opex above	6,827,506	6,827,506
Net Operating Income	206,793,433	212,997,236
Add: Use of Cash from Loans	(13,352,217)	(13,752,784)
Less: Total Capital Expenses	(1,596,026)	(1,596,026)
Less: Total Fixed Rent		
Less: Interest Income		
Other		
Income Subject to OVG Rent	191,845,190	197,648,426
Exclusion	(281,994)	(281,994)
Remainder for Overage	191,563,196	197,366,432
Overage Rent %	50.0%	50.0%
Overage Rent @ 50%	95,781,598	98,683,216
CF of operator	96,063,592	98,965,210

CF to Rec Owner		
Total Fixed Rent	6,022,671	6,022,671
Overage Rent %	95,781,598	98,683,216
Less: Debt Service	(5,161,645)	(5,161,645)
Total	96,642,624	99,544,242
CF to Dist to MP	192,706,216	198,509,452
CF to 3rd Party	735,000	735,000
FS CF	193,441,216	199,244,452
Check		

Fixed Rents		
Basic Rent	1,596,026	1,596,026
Rent/Debt Service		
First	79,223,000	
Second	9,950,000	
Less amount allocable to org prior		
Rent/Debt Service*	5,161,645	5,161,645

AVGUS DUMP		
Total Income		
Total Operating Expense		
Ground Rents		
Total Capital Expenses		
Net Cash Flow		
Check		
Total Rents Variance		
Duff Pro forma check		
Calc Above		
Dump from Pro Forma		

* In the above, future years are same as current and w/ anticipated borrowing. Duff to make any separate assumption.		
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AVGUS DUMP		
Total Income		
Total Operating Expense		
Ground Rents		
Total Capital Expenses		
Net Cash Flow		
Check		
Total Rents Variance		
Duff Pro forma check		
Calc Above		
Dump from Pro Forma		

AVGUS DUMP		
Total Income		
Total Operating Expense		
Ground Rents		
Total Capital Expenses		
Net Cash Flow		
Check		
Total Rents Variance		
Duff Pro forma check		
Calc Above		
Dump from Pro Forma		

AVGUS DUMP		
Total Income		
Total Operating Expense		
Ground Rents		
Total Capital Expenses		
Net Cash Flow		
Check		
Total Rents Variance		
Duff Pro forma check		
Calc Above		
Dump from Pro Forma		

Variance		X
Net Cash Flow		X
Use of Cash from Loans		X
Rent if included in Oper above		X
Total Fixed Rent		X
Overage Rent @ .50%		X
Subtotal		X
CE to Operator		X
Variance		X
DUFF Argus Dump		
Total Income		
Total Operating Expense		
Basic Rent		
Total Capital Expenses		
Net Cash Flow		
GROUND RENT FOR LF VALUATION	96,642,624	99,544,242
Variance		
PV of Rent Flows	123	127
Rent PSF		
Average Rent PSF		

For the Years Ending

	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024	Year 14 Jun-2025	Year 15 Jun-2026	Year 16 Jun-2027
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Potential Gross Revenue

Base Rental Revenue \$58,484,035 \$59,850,739 \$62,757,954 \$65,086,334 \$66,982,801 \$69,098,675 \$70,699,284 \$74,654,790

Absorption & Turnover Vacancy (344,036) (264,462) (881,356) (1,065,839) (560,858) (900,184) (3,037,655) (1,979,857)

Base Rent Abatements (343,064) (345,566) (1,219,314) (1,292,385) (467,775) (1,933,913) (1,012,947) (5,421,458)

Scheduled Base Rental Revenue 57,796,935 59,240,711 60,657,284 62,728,110 65,954,168 66,264,578 66,648,682 67,253,475

CPI & Other Adjustment Revenue 392,520 449,477 76,504 0 0 0 0 0

Expense Reimbursement Revenue

Real Estate Taxes 1,425,075 1,677,175 1,740,613 1,719,089 1,781,660 1,721,741 1,795,801 1,165,078

Operating Expenses 716,034 914,504 1,105,718 1,196,704 1,319,558 1,301,524 1,435,481 1,127,463

Total Reimbursement Revenue 2,141,109 2,591,679 2,846,331 2,915,793 3,101,218 3,023,265 3,231,282 2,292,541

Electric & Fuel Recovery 2,816,143 2,907,593 2,962,428 3,044,865 3,159,300 3,235,791 3,308,310 3,370,803

Other 442,964 456,526 468,951 482,767 498,155 512,382 526,792 541,153

Total Potential Gross Revenue 63,589,671 65,645,986 67,011,498 69,171,535 72,172,841 73,036,016 73,715,066 73,457,972

General Vacancy (1,573,975) (1,712,851) (1,155,430) (1,041,283) (1,637,352) (1,317,902) 0 (283,277)

Collection Loss (635,897) (656,460) (670,115) (691,715) (727,128) (730,360) (737,150) (734,580)

Effective Gross Revenue 61,379,799 63,276,675 65,185,953 67,438,537 70,348,361 70,987,754 72,977,916 72,440,115

Operating Expenses

Basic Rent 6,827,506 6,827,506 6,827,506 6,827,506 6,827,506 6,827,506 6,827,506 6,827,506

Insurance 397,271 409,189 421,466 434,111 447,132 460,548 474,362 488,595

Real Estate Taxes 7,389,097 7,728,121 8,015,165 8,248,860 8,489,565 8,737,489 8,992,851 9,255,874

Repairs and Maintenance 1,589,090 1,636,764 1,685,865 1,736,440 1,788,536 1,842,190 1,897,455 1,954,380

Security 317,818 327,351 337,174 347,287 357,707 368,436 379,491 390,876

Utilities 2,979,543 3,068,928 3,160,996 3,255,827 3,353,499 3,454,105 3,557,729 3,664,462

Payroll 1,291,135 1,329,868 1,369,765 1,410,860 1,453,183 1,496,780 1,541,683 1,587,933

Professional Fees 839,420 864,600 890,540 917,255 944,772 973,117 1,002,310 1,032,380

Cleaning 2,085,681 2,148,251 2,212,696 2,279,079 2,347,452 2,417,875 2,490,410 2,565,123

Management Fee 767,248 790,958 814,825 842,981 879,355 887,347 912,224 905,501

Third Party Ground Rent 735,000 735,000 735,000 735,000 735,000 735,000 735,000 735,000

Total Operating Expenses 24,483,809 25,131,536 25,735,998 26,300,206 26,888,707 27,465,393 28,076,021 28,672,630

Net Operating Income 36,895,990 38,145,139 39,449,955 41,138,331 43,459,654 43,522,361 44,901,895 43,767,485

Leasing & Capital Costs

Tenant Improvements 828,600 180,711 2,112,642 1,923,240 548,376 3,210,402 1,948,909 5,885,487

Leasing Commissions 463,587 251,145 1,164,039 1,419,145 398,539 1,658,283 1,187,823 10,369,440

PB P/O 0 0 0 0 0 0 0 0

Capital Improvements 71,207 71,206 0 0 0 0 0 0

Base Building Costs 126,677 287,051 0 0 0 0 0 0

Total Leasing & Capital Costs 1,490,071 790,113 3,276,681 3,342,385 946,915 4,868,685 3,136,732 16,254,927

Cash Flow Before Debt Service & Taxes 35,405,919 37,355,026 36,173,274 37,795,946 42,512,739 38,653,676 41,765,163 27,512,558

Cash Flow to Operator 20,459,697 21,434,250 20,843,374 21,654,710 24,013,107 22,083,575 23,639,319 16,513,016

Pay to Building Operator

Discount Rate

Check 0 0 0 0 0 0 0 0

	Year 49 Jun-2060	Year 50 Jun-2061	Year 51 Jun-2062	Year 52 Jun-2063
For the Years Ending				
Potential Gross Revenue				
Base Rental Revenue				
Absorption & Turnover Vacancy				
Base Rent Abatements				
Scheduled Base Rental Revenue				
CPI & Other Adjustment Revenue				
Expense Reimbursement Revenue				
Real Estate Taxes				
Operating Expenses				
Total Reimbursement Revenue				
Electric & Fuel Recovery				
Other				
Total Potential Gross Revenue				
General Vacancy				
Collection Loss				
Effective Gross Revenue	186,469,775	192,063,868	197,825,784	203,760,558
Operating Expenses				
Basic Rent				
Insurance				
Real Estate Taxes				
Repairs and Maintenance				
Security				
Utilities				
Payroll				
Professional Fees				
Cleaning				
Management Fee				
Third Party Ground Rent	735,000	735,000	735,000	735,000
Total Operating Expenses	57,602,944	59,331,032	61,110,963	62,944,292
Net Operating Income	128,131,831	131,997,836	135,979,821	140,081,265
Leasing & Capital Costs				
Tenant Improvements				
Leasing Commissions				
PB PIO				
Capital Improvements				
Base Building Costs				
Total Leasing & Capital Costs	8,320,660	8,570,280	8,827,388	9,092,210
Cash Flow Before Debt Service & Taxes	119,811,170	123,427,555	127,152,432	130,989,055
Cash Flow to Operator	59,616,069	61,424,262	63,286,700	65,205,012
PV to Building Operator				
Discount Rate				
Check	0	0	0	0

	Year 61 Jun-2072	Year 62 Jun-2073	Year 63 Jun-2074	Year 64 Jun-2075	Year 65 Jun-2076	Year 66 Jun-2077	
For the Years Ending							
Potential Gross Revenue							X
Base Rental Revenue							X
Absorption & Turnover Vacancy							X
Base Rent Abatements							X
Scheduled Base Rental Revenue							X
CPI & Other Adjustment Revenue							X
Expense Reimbursement Revenue							X
Real Estate Taxes							X
Operating Expenses							X
Total Reimbursement Revenue							X
Electric & Fuel Recovery							X
Other							X
Total Potential Gross Revenue							X
General Vacancy							X
Collection Loss							X
Effective Gross Revenue	265,861,311	273,837,151	282,052,265	290,513,833	299,229,248	308,206,126	X
Operating Expenses							X
Basic Rent							X
Insurance							X
Real Estate Taxes							X
Repairs and Maintenance							X
Security							X
Utilities							X
Payroll							X
Professional Fees							X
Cleaning							X
Management Fee							X
Third Party Ground Rent	735,000	735,000	735,000	735,000	735,000	735,000	X
Total Operating Expenses	82,128,025	84,591,865	87,129,621	89,743,510	92,435,815	95,208,890	X
Net Operating Income	182,998,287	188,510,285	194,187,644	200,035,323	206,058,433	212,262,236	X
Leasing & Capital Costs							X
Tenant Improvements							X
Leasing Commissions							X
PB PIO							X
Capital Improvements							X
Base Building Costs							X
Total Leasing & Capital Costs	11,863,272	12,219,170	12,585,745	12,963,318	13,352,217	13,752,784	X
Cash Flow Before Debt Service & Taxes	171,135,015	176,291,115	181,601,899	187,072,006	192,706,216	198,509,452	X
Cash Flow to Operator	85,277,991	87,856,042	90,511,433	93,246,487	96,063,592	98,965,210	X
PV to Building Operator							
Discount Rate							7.78%
Check	0	0	0	0	0	0	0

501 Seventh Avenue

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Fixed Rents								
Basic Rent	4,202,870	4,202,870	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096
Other	see below							
Total Fixed Rent	4,202,870	4,202,870	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096

Overage Rent								
Total Income	17,402,146	18,897,776	20,359,171	21,087,398	21,777,880	20,488,293	25,989,651	26,731,994
Less: Total Operating Expense	(12,971,993)	(13,187,564)	(13,086,477)	(12,807,678)	(13,164,819)	(12,342,663)	(12,459,064)	(14,233,625)
Add: Rent If Included in Opex above	4,059,872	4,059,872	3,623,034	3,011,027	2,979,037	1,733,812	1,391,669	2,816,853
Net Operating Income	8,490,025	9,770,084	10,895,728	11,290,747	11,592,098	9,879,442	14,922,256	15,315,222
Add: Use of Cash from Loans								
Less: Total Capital Expenses	(3,422,363)	(5,058,861)	(2,500,165)	(416,938)	(286,012)	(9,417,549)	(1,165,195)	(283,991)
Less: Rent To Owner (all other)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)
Less: Interest Income								
Other								
Income Subject to Ovg Rent	4,707,662	4,351,223	8,035,563	10,513,809	10,946,086	101,893	13,397,061	14,671,231
Exclusion	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Remainder for Overage	4,655,662	4,299,223	7,983,563	10,461,809	10,894,086	49,893	13,345,061	14,619,231
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	2,327,831	2,149,612	3,991,782	5,230,905	5,447,043	24,947	6,672,531	7,309,616

CF to operator	2,379,831	2,201,612	4,043,782	5,282,905	5,499,043	76,947	6,724,531	7,361,616
CF to Fee Owner		Check Operator						
Total Fixed Rent	4,202,870	4,202,870	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096
Overage Rent @ 50%	2,327,831	2,149,612	3,991,782	5,230,905	5,447,043	24,947	6,672,531	7,309,616
Less: Debt Service	(3,842,870)	(3,842,870)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)
Total	2,687,831	2,509,612	4,351,782	5,590,905	5,807,043	384,947	7,032,531	7,669,616
CF Dist.	5,067,662	4,711,223	8,395,563	10,873,809	11,306,086	461,893	13,757,061	15,031,231
PS CF	5,067,662	4,711,223	8,395,563	10,873,809	11,306,086	461,893	13,757,061	15,031,231
Check								
Basic Rent	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Existing Loans		mat 8/2013						
First	98,945	16,491						
Second 1	3,000,607	500,101						
Second 2	647,795	107,966						
2011 Borrowing	143,226	23,871						
Less amount allocable to org mort	(47,702)	(7,950)						
Total	3,842,870	640,478						

Refinance Loan	4,202,870	3,202,392	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096
Total Basic Rent	4,202,870	4,202,870	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096
Duff to make this assumption								

2011 Borrowing								
Loan Amount	6,540,000							
Interest Rate	2.19%							
Annual Payment	143,226							
Months	12							
Payments	143,226	23,871						

	17	18	20	21	21	21	20	25	26
Argus Dump									
Total Income	17,402,146	18,897,776	20,359,171	21,087,398	21,777,880	20,488,293	25,989,651	26,731,994	
Total Operating Expense	12,971,993	13,187,564	13,086,477	12,807,678	13,164,819	12,342,663	12,459,064	14,233,625	
Ground Rent	4,059,872	4,059,872	3,623,034	3,011,027	2,979,037	1,733,812	1,391,669	2,816,853	
Total Capital Expenses	3,422,363	5,058,861	2,500,165	4,169,938	286,012	9,417,549	1,165,195	283,991	
Net Cash Flow	1,051,119	697,885	4,821,800	7,913,380	8,378,855	(1,222,182)	12,419,934	12,270,230	
Total Rents Variance	2,470,829	2,292,610	4,714,844	6,565,974	6,814,102	2,637,231	9,626,958	8,838,859	
Duff Pro Forma check									
Calc Above	(3,052,082)	(3,408,521)	1,149,495	4,851,755	5,348,012	(3,005,731)	10,973,723	9,397,525	
Dump from Pro Forma	1,051,119	697,885	4,821,800	7,913,380	8,378,855	(1,222,182)	12,419,934	12,270,230	
Variance	(4,103,201)	(4,106,406)	(3,672,305)	(3,061,625)	(3,030,843)	(1,783,549)	(1,446,211)	(2,872,705)	
Net Cash Flow	1,051,119	697,885	4,821,800	7,913,380	8,378,855	(1,222,182)	12,419,934	12,270,230	
Use of Cash from Loans									
Rent if included in Opex above	4,059,872	4,059,872	3,623,034	3,011,027	2,979,037	1,733,812	1,391,669	2,816,853	
Total Fixed Rent	(4,202,870)	(4,202,870)	(4,346,096)	(4,346,096)	(4,346,096)	(4,346,096)	(4,346,096)	(4,346,096)	
Overage Rent @ 50%	(2,327,831)	(2,149,612)	(3,991,782)	(5,230,905)	(3,447,043)	(24,947)	(6,672,531)	(7,309,616)	
Subtotal	(1,419,710)	(1,594,725)	106,956	1,347,406	1,564,753	(3,859,413)	2,792,976	3,431,371	
CF of operator	2,379,831	2,201,612	4,043,782	5,282,905	5,499,043	76,947	6,724,531	7,361,616	
Variance	3,799,541	3,796,336	3,936,825	3,935,498	3,934,290	3,936,359	3,931,554	3,930,244	
DUFF Argus Dump									
Total Income	17,401,967	18,897,058	20,357,528	21,085,256	21,775,215	20,486,794	25,979,113	26,720,906	
Total Operating Expense	12,928,485	13,140,312	13,035,563	12,754,938	13,110,348	12,291,427	12,393,984	14,166,685	
Ground Rent	4,059,872	4,059,872	3,623,034	3,011,027	2,979,037	1,733,812	1,391,669	2,816,853	
Total Capital Expenses	3,422,363	5,058,861	2,500,165	4,169,938	286,012	9,417,549	1,165,195	283,991	
Net Cash Flow	1,051,119	697,885	4,821,800	7,913,380	8,378,855	(1,222,182)	12,419,934	12,270,230	
GROUND RENT FOR LE VALUATION	2,687,831	2,599,612	4,351,782	5,590,905	5,807,043	384,947	7,032,531	7,669,616	
Variance									
PV of Rent Flows		79,684,168							
Rent PSF									
Average Rent PSF									

	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Fixed Rent								
Basic Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096
Other								
Total Fixed Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096

Overage Rent								
Total Income	26,875,303	28,457,329	30,397,038	31,243,459	32,650,054	33,880,508	34,944,867	31,072,617
Total Operating Expense	(14,074,910)	(14,609,472)	(15,064,449)	(15,806,288)	(17,054,387)	(17,712,071)	(18,123,992)	(18,486,160)
Add: Rent If Included in Opex above	2,255,346	2,457,880	2,524,923	2,891,395	3,746,183	4,001,485	4,001,486	4,001,486
Net Operating Income	15,105,739	16,305,737	17,857,512	18,328,566	19,341,850	20,169,922	20,822,361	16,587,943
Add: Use of Cash from Loans								
Less: Total Capital Expenses	(4,128,160)	(2,082,495)	(1,562,579)	(2,058,080)	(885,494)	(567,906)	(738,567)	(10,416,577)
Less: Rent To Owner (all other)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)
Less: Interest Income								
Other								
Income Subject to Ovg Rent	10,617,579	13,863,242	15,934,933	15,910,486	18,096,356	19,242,016	19,723,794	5,811,366
Exclusion	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Remainder for Overage	10,565,579	13,811,242	15,882,933	15,858,486	18,044,356	19,190,016	19,671,794	5,759,366
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	5,282,790	6,905,621	7,941,467	7,929,243	9,022,178	9,595,008	9,835,897	2,879,683

CF of operator	5,334,790	6,957,621	7,993,467	7,981,243	9,074,178	9,647,008	9,887,897	2,931,683
CF to Fee Owner								
Total Fixed Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096
Overage Rent @ 50%	5,282,790	6,905,621	7,941,467	7,929,243	9,022,178	9,595,008	9,835,897	2,879,683
Less: Debt Service	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)
Total	5,642,790	7,265,621	8,301,467	8,289,243	9,382,178	9,955,008	10,195,897	3,239,683
CF Dist.	10,977,579	14,223,242	16,294,933	16,270,486	18,456,356	19,602,016	20,083,794	6,171,366
RS CF	10,977,579	14,223,242	16,294,933	16,270,486	18,456,356	19,602,016	20,083,794	6,171,366
Check								
Basic Rent	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000

Existing Loans								
mat 8/2013								
First								
Second 1								
Second 2								
2011 Borrowing								
Less amount allocable to orig mort								
Total								
Refinance Loan	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096
Total Basic Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096

Diff. to make this assumption.								
2011 Borrowing								
Loan Amount								
Interest Rate								
Annual Payment								
Months								
Payments								
Argus Dump								
Total Income	26,875,303	28,457,329						

2011 Borrowing								
Loan Amount								
Interest Rate								
Annual Payment								
Months								
Payments								
Argus Dump								
Total Income	26,875,303	28,457,329						

Total Operating Expense	14,024,910	14,609,472
Ground Rents	2,255,346	2,457,880
Total Capital Expenses	4,128,160	2,082,495
Net Cash Flow	8,778,251	11,823,023

Check		
Total Rents Variance	7,373,540	8,793,837

Duff Pro forma check		
Calc Above	6,466,887	9,307,482
Dump from Pro Forma	8,778,251	11,823,023
Variance	(2,311,364)	(2,515,541)

Net Cash Flow	8,778,251	11,823,023
Use of Cash from Loans	2,255,346	2,457,880
Rent If Included in Opex above	(4,346,096)	(4,346,096)
Total Fixed Rent	(5,287,790)	(6,905,621)
Overage Rent @ 50%	1,404,711	3,029,186
Subtotal	5,334,790	6,957,621

CF of operator	3,930,078	3,928,435
Variance		

DUFF Argus Dump		
Total Income	26,864,019	28,443,712
Total Operating Expense	13,957,608	14,538,194
Ground Rents	2,255,346	2,457,880
Total Capital Expenses	4,128,160	2,082,495
Net Cash Flow	8,778,251	11,823,023

GROUND RENT FOR I.F. VALUATION	5,642,790	7,265,621	8,301,467	8,289,243	9,382,178	9,955,008	10,195,897	3,239,683
Variance	79,684,168							
PV of Rent Flows		11	14	16	16	19	20	20
Rent PSF								6
Average Rent PSF								

17 18 19 20 21 22 23 24

Fixed Rents

Basic Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096
Other	see below												
Total Fixed Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096

Overage Rent

Total Income	37,598,163	38,543,684	38,139,373	39,067,774	41,866,221	42,567,398	44,249,979	45,687,409
Less: Total Operating Expense	(18,990,614)	(19,438,013)	(19,881,995)	(20,355,309)	(20,866,251)	(21,365,257)	(21,891,236)	(22,429,307)
Add: Rent if included in Opex above	4,001,486	4,001,486	4,001,486	4,001,486	4,001,486	4,001,486	4,001,486	4,001,486
Net Operating Income	22,609,035	23,107,157	22,259,264	22,713,955	25,001,456	25,203,627	26,360,229	27,259,588
Add: Use of Cash from Loans								
Less: Total Capital Expenses	(715,820)	(335,063)	(3,601,002)	(3,971,017)	(811,344)	(3,531,323)	(1,711,060)	(822,631)
Less: Rent To Owner (all other)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)
Less: Interest Income								
Other								
Income Subject to Ovg Rent	21,533,215	22,412,094	18,298,262	18,382,938	23,830,112	21,312,304	24,289,169	26,076,957
Exclusion	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Remainder for Overage	21,481,215	22,360,094	18,246,262	18,330,938	23,778,112	21,260,304	24,237,169	26,024,957
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	10,740,608	11,180,047	9,123,131	9,165,469	11,889,056	10,630,152	12,118,585	13,012,479

CF of operator

CF of operator	10,792,608	11,232,047	9,175,131	9,217,469	11,941,056	10,682,152	12,170,585	13,064,479
CF to Rec Owner								

CF to Rec Owner

Total Fixed Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096
Overage Rent @ 50%	10,740,608	11,180,047	9,123,131	9,165,469	11,889,056	10,630,152	12,118,585	13,012,479
Less: Debt Service	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)
Total	11,100,608	11,540,047	9,483,131	9,525,469	12,249,056	10,990,152	12,478,585	13,372,479
CF Dist.	21,893,215	22,772,094	18,658,262	18,742,938	24,190,112	21,672,304	24,649,169	26,436,957
PS CF	21,893,215	22,772,094	18,658,262	18,742,938	24,190,112	21,672,304	24,649,169	26,436,957
Check								
Basic Rent	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000

Existing Loans

mat 8/2013								
First								
Second 1								
Second 2								
2011 Borrowing								
Less: amount allocable to orig mort								
Total								

Reliance Loan

3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096
Total Basic Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096

Diff to make this assumption

2011 Borrowing								
Loan Amount								
Interest Rate								
Annual Payment								
Months								
Payments								

Argus Dump

Total Income								
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Total Operating Expense									
Ground Rents									
Total Capital Expenses									
Net Cash Flow									
Check									
Total Rents Variance									
Duff Pro forma check									
Calc Above									
Dump from Pro Forma									
Variance									
Net Cash Flow									
Use of Cash from Loans									
Rent if included in Opex above									
Total Fixed Rent									
Overage Rent @ 50%									
Subtotal									
CF of operator									
Variance									
DUFF Argus Dump									
Total Income									
Total Operating Expense									
Ground Rents									
Total Capital Expenses									
Net Cash Flow									
GROUND RENT FOR 1F VALUATION									
Variance									
py of Rent Flows									
Rent PSF									
Average Rent PSF									

Total Operating Expense
 Ground Rents
 Total Capital Expenses
 Net Cash Flow

Check

Total Rents Variance

Duff Pro forma check

Calc Above
 Dump from Pro Forma
 Variance

Net Cash Flow

Use of Cash from Loans
 Rent if included in Opex above

Total Fixed Rent
 Overage Rent @ 50%
 Subtotal

CF of operator

DUFF Argus Dump

Total Income
 Total Operating Expense
 Ground Rents
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LF VALUATION

Variance
 PV of Rent Flows
 Rent PSF
 Average Rent, PSF

13,773,397	4,541,863	14,830,159	15,069,817	12,777,099	12,871,054	16,147,141	14,818,533
27	9	29	30	25	26	32	29
79,684,168							

Total Operating Expense									
Ground Rents									
Total Capital Expenses									
Net Cash Flow									
Check									
Total Rents Variance									
Duff Pro forma check									
Cash Above									
Dump from Pro Forma									
Variance									
Net Cash Flow									
Use of Cash from Loans									
Rent if included in Opex above									
Total Fixed Rent									
Average Rent @ 50%									
Subtotal									
Cf of operator									
Variance									
DUFF Argus Dump									
Total Income									
Total Operating Expense									
Ground Rents									
Total Capital Expenses									
Net Cash Flow									
GROUND RENT FOR LEVALUATION									
Variance									
PV of Rent Flows									
Rent PSF									
Average Rent PSF									

	Total Operating Expense								
	Ground Rents								
	Total Capital Expenses								
	Net Cash Flow								
Check	Total Rents Variance								
	Duff Pro forma check								
	Calc Above								
	Dump from Pro Forma								
	Variance								
	Net Cash Flow								
	Use of Cash from Loans								
	Rent if included in Opex above								
	Total Fixed Rent								
	Overage Rent @ 50%								
	Subtotal								
	Qf of operator								
	Variance								
	DUFF Argus Dump								
	Total Income								
	Total Operating Expense								
	Ground Rents								
	Total Capital Expenses								
	Net Cash Flow								
	GROUND RENT FOR LF VALUATION								
	Variance								
	PV of Rent Flows		79,684,168						
	Rent PSF								
	Average Rent PSF								
				21,223,082					
					21,855,154				
						22,506,189			
							23,176,754		
								23,867,437	
									24,578,840
									25,311,585
									26,066,313

Total Operating Expense
 Ground Rents
 Total Capital Expenses
 Net Cash Flow

Check: Total Rents Variance

Duff Pro forma check
 Calc Above
 Dump from Pro Forma
 Variance

Net Cash Flow
 Use of Cash from Loans
 Rent if included in Opex above
 Total Fixed Rent
 Overage Rent @ 50%
 Subtotal
 CF of operator
 Variance

DUFF Argus Dump
 Total Income
 Total Operating Expense
 Ground Rents
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LF VALUATION
 PV of Rent Flows
 Rent PSF
 Average Rent PSF

	79,684,168	26,843,682	27,644,373	28,469,084	29,318,536	30,193,473	31,094,657	32,022,876	32,978,943
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Total Operating Expense								
Ground Rents								
Total Capital Expenses								
Net Cash Flow								
Check								
Total Rents Variance								
Duff Pro forma check								
Calc Above								
Dump from Pro Forma								
Variance								
Net Cash Flow								
Use of Cash from Loans								
Rent if included in Opex above								
Total Fixed Rent								
Overage Rent @ 50%								
Subtotal								
CF of operator								
Variance								
DUFF Argus Dump								
Total Income								
Total Operating Expense								
Ground Rents								
Total Capital Expenses								
Net Cash Flow								
GROUND RENT FOR LE VALUATION								
Variance								
PV of Rent Flows								
Rent PSF								
Average Rent PSF								

Total Operating Expense
 Ground Rents
 Total Capital Expenses
 Net Cash Flow

Check

Total Rents Variance

Duff Pro forma check
 Calc Above
 Dump from Pro Forma
 Variance

Net Cash Flow
 Use of Cash from Loans
 Rent if included in Opex above
 Total Fixed Rent
 Overage Rent @ 50%
 Subtotal

CF of operator
 Variance

DUFF Argus Dump
 Total Income
 Total Operating Expense
 Ground Rents
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LF VALUATION
 Variance
 PV of Rent Flows
 Rent PSF
 Average Rent PSF

42,983,105	44,267,978	45,591,398	46,954,519	48,358,535	49,804,671	51,294,191	52,828,397
79,684,168							

Total Operating Expense							
Ground Rents							
Total Capital Expenses							
Net Cash Flow							
Check							
Total Rents Variance							
Duff Pro forma check							
Calc Above							
Dump from Pro Forma							
Variance							
Net Cash Flow							
Use of Cash from Loans							
Rent if included in Opex above							
Total Fixed Rent							
Overage Rent @ 50%							
Subtotal							
OP of operator							
Variance							
DUFF Argus Dump							
Total Income							
Total Operating Expense							
Ground Rents							
Total Capital Expenses							
Net Cash Flow							
GROUND RENT FOR LIF VALUATION							
Variance							
PV of Rent Flows							
Rent PSF							
Average Rent PSF							

	Year 81	Year 82	Year 83	Year 84	Year 85	Year 86	Year 87	Year 88	Year 88.75
Fixed Rents									
Basic Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096
Other	see below								
Total Fixed Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096

Overage Rent									
Total Income	247,572,732	254,999,914	262,649,911	270,529,408	278,645,291	287,004,649	295,614,789	304,483,232	313,617,729
Total Operating Expense	(103,373,391)	(106,354,548)	(109,425,140)	(112,587,850)	(115,885,441)	(119,200,759)	(122,656,737)	(126,216,395)	(129,882,842)
Add: Rent if included in Opex above	4,001,486	4,001,486	4,001,486	4,001,486	4,001,486	4,001,486	4,001,486	4,001,486	4,001,486
Net Operating Income	148,200,827	152,646,851	157,226,257	161,943,045	166,801,336	171,805,376	176,959,537	182,268,323	187,736,373
Add: Use of Cash from Loans									
Less: Total Capital Expenses	(10,744,545)	(11,066,882)	(11,398,888)	(11,740,855)	(12,093,080)	(12,455,873)	(12,829,549)	(13,214,435)	(13,610,869)
Less: Rent To Owner (all other)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)
Other									
Income Subject to Ovg. Rent	137,096,281	141,219,970	145,467,369	149,842,190	154,348,256	158,989,503	163,769,988	168,693,888	173,765,505
Exclusion	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Remainder for Overage	137,044,281	141,167,970	145,415,369	149,790,190	154,296,256	158,937,503	163,717,988	168,641,888	173,713,505
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	68,572,141	70,583,985	72,707,684	74,895,095	77,148,128	79,468,752	81,858,994	84,320,944	86,856,752

CF of operator	68,574,141	70,635,985	72,759,684	74,947,095	77,200,128	79,520,752	81,910,994	84,372,944	86,908,752
Check Operator									
CF to Fee Owner									
Total Fixed Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096
Overage Rent @ 50%	68,572,141	70,583,985	72,707,684	74,895,095	77,148,128	79,468,752	81,858,994	84,320,944	86,856,752
Less Debt Service	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)	(3,986,096)
Total	68,882,141	70,943,985	73,067,684	75,255,095	77,508,128	79,828,752	82,218,994	84,680,944	87,216,752
CF Dist.	137,456,281	141,579,970	145,827,369	150,202,190	154,708,256	159,349,503	164,129,988	169,053,888	174,027,752
PS CF	137,456,281	141,579,970	145,827,369	150,202,190	154,708,256	159,349,503	164,129,988	169,053,888	174,027,752
Check	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000

Existing Loans	mat 8/2013								
First									
Second 1									
Second 2									
2011 Borrowing									
Less amount allocable to orig mort.									
Total									

Refinance Loan	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096	3,986,096
Total Basic Rent	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096	4,346,096

2011 Borrowing									
Loan Amount									
Interest Rate									
Annual Payment									
Months									
Payments									

Argus Dump									
Total Income									

Duff to make this assumption.

Total Operating Expense									
Ground Rents									
Total Capital Expenses									
Net Cash Flow									
Check									
Total Rents Variance									
Duff Pro forma check									
Calc Above									
Dump from Pro Forma									
Variance									
Net Cash Flow									
Use of Cash from Loans									
Rent if included in Opex above									
Total Fixed Rent									
Overage Rent @ 50%									
Subtotal									
CF of operator									
Variance									
DUFF Argus Dump									
Total Income									
Total Operating Expense									
Ground Rents									
Total Capital Expenses									
Net Cash Flow									
GROUND RENT FOR L.F. VALUATION									
Variance									
PV of Rent Flows									
Rent PSF									
Average Rent PSF									

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$17,182,894	\$17,417,179	\$17,732,536	\$18,075,838	\$18,513,852	\$22,034,889	\$23,568,365	\$23,945,946
Absorption & Turnover Vacanc	(2,329,681)	(970,634)	(72,046)	(188,065)	(50,418)	(1,778,268)	(293,976)	(99,469)
Base Rent Abatements	(619,933)	(882,470)	(366,970)	(110,949)	(67,554)	(3,092,738)	(188,726)	(78,759)
Scheduled Base Rental Revenu	14,233,280	15,564,075	17,293,520	17,776,824	18,395,880	17,163,883	23,085,663	23,767,718
Base Rental Step Revenue	0	1,648	0	0	0	0	0	0
Miscellaneous Rental Revenue	1,160,843	1,302,157	1,431,669	1,483,660	1,544,676	1,547,419	1,743,806	1,813,766
CPI & Other Adjustment Reven	311,141	230,233	195,121	86,245	9,419	11,678	5,343	0
Expense Reimbursement Revenu								
Real Estate Taxes - FY	680,120	692,839	730,860	754,080	787,450	344,980	192,205	202,475
Real Estate Taxes	385,320	401,564	460,160	520,501	603,492	671,593	770,247	839,517
OPEX	57,663	74,017	126,466	180,836	240,269	282,854	421,049	525,111
OPEX w/adjustments	480,173	545,851	613,500	683,179	754,944	396,584	282,872	314,171
Total Reimbursement Revenue	1,603,276	1,714,271	1,930,986	2,138,596	2,386,155	1,696,011	1,666,373	1,881,274
Water Income	6,092	6,274	6,463	6,657	6,856	7,063	7,273	7,492
Sprinkler Income	6,092	6,274	6,463	6,657	6,856	7,063	7,273	7,492
Condenser Water Income	118,800	122,364	126,035	129,815	133,711	137,721	141,853	146,110
Cleaning Service Income	28,907	29,774	30,668	31,586	32,535	33,512	34,516	35,552
Legal Fee Income	1,284	1,322	1,363	1,403	1,444	1,489	1,534	1,579
Miscellaneous Income	2,402	2,475	2,548	2,626	2,702	2,785	2,868	2,954
Sublease Profit Sharing	39,636	39,636	39,636	39,636	39,636	9,909	0	0
Sundry Income-Elevator Freig	66,173	68,160	70,202	72,310	74,479	76,712	79,014	81,383
Total Potential Gross Revenue	17,577,926	19,088,663	21,134,674	21,776,015	22,634,349	20,695,245	26,775,516	27,745,320
General Vacancy	0	0	(564,156)	(470,856)	(630,126)	0	(518,109)	(735,874)
Collection Loss	(175,780)	(190,887)	(211,347)	(217,761)	(226,343)	(206,952)	(267,756)	(277,452)
Effective Gross Revenue	17,402,146	18,897,776	20,359,171	21,087,398	21,777,880	20,488,293	25,989,651	26,731,994
Operating Expenses								
Real Estate Taxes	2,949,142	3,030,708	3,172,369	3,315,373	3,509,345	3,756,408	3,948,293	4,084,563
OPEX								
Utilities	2,039,357	2,100,538	2,163,553	2,228,461	2,295,314	2,364,173	2,435,100	2,508,151
Cleaning	1,158,154	1,192,898	1,228,685	1,265,547	1,303,512	1,342,618	1,382,896	1,424,384
Payroll	710,000	731,300	753,239	775,836	799,112	823,084	847,777	873,212
R&M	856,027	845,400	870,764	896,887	923,793	951,506	980,052	1,009,453
Security Expense	251,773	259,328	267,105	275,120	283,372	291,874	300,631	309,648
Professional Fees	553,900	549,770	566,264	583,251	600,750	618,772	637,335	656,456
Insurance	176,241	181,528	186,974	192,584	198,360	204,312	210,441	216,755
Management Fees	217,527	236,222	254,490	263,592	272,224	256,104	324,870	334,150
Total	5,962,979	6,096,984	6,291,074	6,481,278	6,676,437	6,852,443	7,119,102	7,332,209
Ground Rent	4,059,872	4,059,872	3,623,034	3,011,027	2,979,037	1,733,812	1,391,669	2,816,853

Total Operating Expenses	12,971,993	13,187,564	13,086,477	12,807,678	13,164,819	12,342,663	12,459,064	14,233,625
Net Operating Income	4,430,153	5,710,212	7,272,694	8,279,720	8,613,061	8,145,630	13,530,587	12,498,369
Leasing & Capital Costs								
Tenant Improvements	1,746,113	1,429,100	65,750	132,719	48,238	5,150,798	228,135	98,433
Leasing Commissions	622,186	632,699	67,961	157,448	186,508	2,650,749	290,328	111,766
Capital Expenditures	904,064	2,904,362	2,302,800	17,499	17,500	491,506	491,505	0
Base Building	150,000	92,700	63,654	109,272	33,766	1,124,496	155,227	73,792
Total Leasing & Capital Costs	3,422,363	5,058,861	2,500,165	416,938	286,012	9,417,549	1,165,195	283,991
Cash Flow Before Debt Service & Taxes	\$ 1,007,790	\$ 651,351	\$ 4,772,529	\$ 7,862,782	\$ 8,327,049	(\$ 1,271,919)	\$12,365,392	\$12,214,378
CF to Land								
Cash Flow to Operator	2,379,831	2,201,612	4,043,782	5,282,905	5,499,043	76,947	6,724,531	7,361,616
PV to Building Operator	\$83,000,000							
Discount Rate	9.00%							

For the Years Ending

	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024	Year 14 Jun-2025	Year 15 Jun-2026	Year 16 Jun-2027
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Potential Gross Revenue								
Base Rental Revenue	\$25,421,034	\$26,723,437	\$28,125,809	\$29,476,402	\$30,088,868	\$30,816,895	\$31,622,043	\$33,571,438
Absorption & Turnover Vacanc	(925,957)	(477,415)	(473,747)	(638,177)	(225,347)	(294,607)	(226,305)	(2,348,829)
Base Rent Abatements	(1,287,731)	(920,367)	(453,659)	(955,419)	(338,791)	(167,753)	(228,325)	(4,128,422)
Scheduled Base Rental Revenue	23,207,346	25,325,655	27,198,403	27,882,806	29,524,730	30,354,535	31,167,413	27,094,187
Base Rental Slep Revenue	0	0	0	0	0	0	0	0
Miscellaneous Rental Revenue	1,853,175	1,962,555	2,020,894	2,077,409	2,168,439	2,215,402	2,281,246	2,189,068
CPI & Other Adjustment Reven	0	0	0	0	0	0	0	0

Expense Reimbursement Revenue								
Real Estate Taxes - FY	54,433	24,506	27,097	29,767	31,401	13,212	0	0
Real Estate Taxes	912,715	705,745	663,972	628,889	667,503	792,163	900,527	666,051
OPEX	653,288	804,659	965,767	963,545	1,063,136	1,281,813	1,475,535	1,079,233
OPEX w/adjustments	174,773	37,735	0	0	0	0	0	0
Total Reimbursement Revenue	1,795,209	1,572,685	1,656,836	1,622,201	1,762,040	2,087,188	2,376,062	1,745,284

Water Income	7,717	7,949	8,187	8,434	8,685	8,947	9,215	9,491
Sprinkler Income	7,717	7,949	8,187	8,434	8,685	8,947	9,215	9,491
Condenser Water Income	150,492	155,007	159,658	164,447	169,380	174,461	179,697	185,087
Cleaning Service Income	36,619	37,716	38,849	40,015	41,214	42,451	43,725	45,035
Legal Fee Income	1,627	1,675	1,725	1,776	1,832	1,884	1,944	2,000
Miscellaneous Income	3,043	3,133	3,228	3,325	3,425	3,528	3,633	3,743
Sublease Profit Sharing	0	0	0	0	0	0	0	0
Sundry Income-Elevator Freig	83,825	86,341	88,932	91,598	94,347	97,177	100,093	103,095
Total Potential Gross Revenue	27,146,770	29,160,665	31,184,899	31,900,445	33,782,777	34,994,520	36,172,243	31,386,481
General Vacancy	0	(411,728)	(476,013)	(337,980)	(794,897)	(764,067)	(865,652)	0
Collection Loss	(271,467)	(291,608)	(311,848)	(319,006)	(337,826)	(349,945)	(361,724)	(313,864)
Effective Gross Revenue	26,875,303	28,457,329	30,397,038	31,243,459	32,650,054	33,880,508	34,944,867	31,072,617

Operating Expenses								
Real Estate Taxes	4,225,621	4,371,638	4,512,597	4,647,973	4,787,413	4,931,036	5,078,966	5,231,336
OPEX								
Utilities	2,583,396	2,660,899	2,740,725	2,822,947	2,907,635	2,994,864	3,084,710	3,177,252
Cleaning	1,467,115	1,511,128	1,556,462	1,603,155	1,651,251	1,700,788	1,751,811	1,804,368
Payroll	899,407	926,388	954,181	982,807	1,012,290	1,042,658	1,073,940	1,106,157
R&M	1,039,738	1,070,928	1,103,057	1,136,149	1,170,233	1,205,341	1,241,500	1,278,745
Security Expense	318,939	328,508	338,361	348,513	358,967	369,737	380,830	392,255
Professional Fees	676,149	696,432	717,327	738,846	761,012	783,841	807,358	831,576
Insurance	223,257	229,955	236,853	243,959	251,277	258,816	266,580	274,577
Management Fees	335,942	335,716	379,963	390,544	408,126	423,505	436,811	388,408
Total	7,543,943	7,779,954	8,026,929	8,266,920	8,520,791	8,779,550	9,043,540	9,253,338

Ground Rent	2,255,346	2,457,880	2,574,923	2,891,395	3,746,183	4,001,485	4,001,486	4,001,486
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For the Years Ending

	33	34	35	36	37	38	39	40
	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
	Jun-2044	Jun-2045	Jun-2046	Jun-2047	Jun-2048	Jun-2049	Jun-2050	Jun-2051

Potential Gross Revenue								
Base Rental Revenue	\$55,484,024	\$56,184,038	\$57,200,425	\$59,268,007	\$63,466,721	\$64,393,375		
Absorption & Turnover	(905,572)	(383,023)	(595,477)	(4,217,037)	(254,263)	(708,655)		
Vacanc	(1,226,394)	(304,557)	(285,619)	(2,317,240)	(5,486,857)	(448,156)		
Base Rent Abatements								

Scheduled Base Rental	53,352,058	55,496,458	56,319,329	52,733,730	57,725,601	63,236,564		
Base Rental Step	0	0	0	0	0	0		
Revenue	0	0	0	0	0	0		
Miscellaneous Rental	3,833,481	3,999,903	4,098,557	3,963,083	4,369,716	4,465,001		
Revenue								
CPI & Other Adjustment	0	0	0	0	0	0		
Revenue								

Expense Reimbursement								
Revenue								
Real Estate Taxes -								
FY	0	0	0	0	0	0		
Real Estate Taxes	1,082,356	1,263,009	1,473,340	1,430,128	964,517	1,185,238		
OPEX	1,823,404	2,167,503	2,549,118	2,477,405	1,628,682	2,060,032		
OPEX								
w/adjustments	0	0	0	0	0	0		

Total Reimbursement	2,905,760	3,430,512	4,022,458	3,907,533	2,593,199	3,245,270		
Revenue								
Water Income	15,687	16,160	16,642	17,142	17,655	18,187		
Sprinkler Income	15,687	16,160	16,642	17,142	17,655	18,187		
Condenser Water Income	305,919	315,098	324,552	334,286	344,316	354,645		
Cleaning Service Income	74,438	76,671	78,972	81,340	83,781	86,292		
Legal Fee Income	3,306	3,405	3,507	3,613	3,721	3,833		
Miscellaneous Income	6,185	6,372	6,562	6,757	6,961	7,172		
Sublease Profit Sharing	0	0	0	0	0	0		
Sundry Income-Elevator								
Freig	170,401	175,513	180,780	186,201	191,787	197,543		

Total Potential Gross Revenue	60,682,922	63,536,252	65,068,001	61,250,827	65,354,392	71,632,694		
General Vacancy	(942,083)	(1,534,555)	(1,374,427)	0	(1,713,996)	(1,461,586)		
Collection Loss	(606,830)	(635,364)	(650,679)	(612,508)	(653,544)	(716,327)		
Effective Gross Revenue	59,134,009	61,366,333	63,042,895	60,638,319	62,986,852	69,454,781	71,538,424	73,684,577

Operating Expenses								
Real Estate Taxes	8,646,601	8,905,999	9,173,178	9,448,372	9,731,825	10,023,780	10,324,493	10,634,228
OPEX								
Utilities	5,251,512	5,409,060	5,571,330	5,738,470	5,910,623	6,087,944	6,270,582	6,458,700

	Year 49 Jun-2060	Year 50 Jun-2061	Year 51 Jun-2062	Year 52 Jun-2063	Year 53 Jun-2064	Year 54 Jun-2065	Year 55 Jun-2066	Year 56 Jun-2067
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue								
Absorption & Turnover								
Vacant								
Base Rent Abatements								
Scheduled Base Rental Revenue								
Revenue								
Base Rental Step Revenue								
Miscellaneous Rental Revenue								
CPI & Other Adjustment								
Reven								
Expense Reimbursement Revenue								
Real Estate Taxes - FY								
Real Estate Taxes								
OPEX								
OPEX w/adjustments								
Total Reimbursement Revenue								
Water Income								
Sprinkler Income								
Condenser Water Income								
Cleaning Service Income								
Legal Fee Income								
Miscellaneous Income								
Sublease Profit Sharing								
Sundry Income-Elevator Freig								
Total Potential Gross Revenue								
General Vacancy								
Collection Loss								
Effective Gross Revenue	96,141,660	99,025,910	101,996,687	105,056,588	108,208,286	111,454,534	114,798,170	118,242,115
Operating Expenses								
Real Estate Taxes	13,875,256	14,291,513	14,720,259	15,161,867	15,616,723	16,085,224	16,567,781	17,004,814
OPEX								
Utilities	8,427,138	8,679,952	8,940,351	9,208,562	9,484,818	9,769,363	10,062,444	10,364,317
Cleaning	4,785,785	4,929,359	5,077,239	5,229,557	5,386,443	5,548,037	5,714,478	5,885,912
Payroll	2,933,900	3,021,917	3,112,575	3,205,952	3,302,131	3,401,195	3,503,230	3,608,327
R&M	3,391,661	3,493,411	3,598,213	3,706,159	3,817,344	3,931,865	4,049,820	4,171,315
Security Expense	1,040,389	1,071,600	1,103,748	1,136,861	1,170,967	1,206,096	1,242,279	1,279,547
Professional Fees	2,205,622	2,271,790	2,339,944	2,410,142	2,482,447	2,556,920	2,633,628	2,712,636
Insurance	728,272	750,120	772,623	795,802	819,676	844,267	869,595	895,682
Management Fees	1,201,768	1,237,821	1,274,956	1,313,205	1,352,601	1,393,179	1,434,974	1,478,023

For the Years Ending

	57	58	59	60	61	62	63	64
Year 57								
Jun-2066								
Year 58								
Jun-2069								
Year 59								
Jun-2070								
Year 60								
Jun-2071								
Year 61								
Jun-2072								
Year 62								
Jun-2073								
Year 63								
Jun-2074								
Year 64								
Jun-2075								

Potential Gross Revenue

Base Rental Revenue

Absorption & Turnover

Vacant

Base Rent Abatements

Scheduled Base Rental

Revenue

Base Rental Step Revenue

Miscellaneous Rental

Revenue

CPI & Other Adjustment

Reven

Expense Reimbursement

Revenue

Real Estate Taxes -

FY

Real Estate Taxes

OPEX

OPEX w/adjustments

Total Reimbursement

Revenue

Water Income

Sprinkler Income

Condenser Water Income

Cleaning Service Income

Legal Fee Income

Miscellaneous Income

Sublease Profit Sharing

Sundry Income-Elevator

Freig

Total Potential Gross Revenue

General Vacancy

Collection Loss

Effective Gross Revenue

Operating Expenses

Real Estate Taxes

OPEX

Utilities

Cleaning

Payroll

R&M

10,675,247

6,062,489

3,716,577

4,296,455

10,995,504

6,244,364

3,828,074

4,425,348

11,325,369

6,431,695

3,942,917

4,558,109

11,665,130

6,624,646

4,061,204

4,694,852

12,015,084

6,823,385

4,183,040

4,835,697

12,375,537

7,028,087

4,308,532

4,980,768

12,746,803

7,238,929

4,437,787

5,130,191

13,129,207

7,456,097

4,570,921

5,284,097

121,789,379

125,443,060

129,206,352

133,082,543

137,075,019

141,187,269

145,422,888

149,785,574

17,576,759

18,104,062

18,647,184

19,206,599

19,782,797

20,376,281

20,987,569

21,617,196

For the Years Ending

	65	66	67	68	69	70	71	72
	Year 65	Year 66	Year 67	Year 68	Year 69	Year 70	Year 71	Year 72
	Jun-2076	Jun-2077	Jun-2078	Jun-2079	Jun-2080	Jun-2081	Jun-2082	Jun-2083

Potential Gross Revenue								
Base Rental Revenue								
Absorption & Turnover								
Vacanc								
Base Rent Abatements								
Scheduled Base Rental								
Revenue								
Base Rental Step Revenue								
Miscellaneous Rental								
Revenue								
CPI & Other Adjustment								
Reven								

Expense Reimbursement								
Revenue								
Real Estate Taxes -								
FY								
Real Estate Taxes								
OPEX								
OPEX w/adjustments								

Total Reimbursement								
Revenue								
Water Income								
Sprinkler Income								
Condenser Water Income								
Cleaning Service Income								
Legal Fee Income								
Miscellaneous Income								
Sublease Profit Sharing								
Sundry Income-Elevator								
Freig								

Total Potential Gross Revenue								
General Vacancy								
Collection Loss								
Effective Gross Revenue	154,279,141	158,907,516	163,674,741	168,584,983	173,642,533	178,851,809	184,217,363	189,743,884

Operating Expenses								
Real Estate Taxes	22,265,712	22,933,684	23,621,694	24,330,345	25,060,255	25,812,063	26,586,425	27,384,018
OPEX								
Utilities	13,523,083	13,928,776	14,346,639	14,777,038	15,220,349	15,676,960	16,147,268	16,631,686
Cleaning	7,679,780	7,910,174	8,147,479	8,391,903	8,643,660	8,902,970	9,170,059	9,445,161
Payroll	4,708,049	4,849,290	4,994,769	5,144,612	5,298,950	5,457,919	5,621,656	5,790,306
R&M	5,442,620	5,605,899	5,774,076	5,947,298	6,125,717	6,309,488	6,498,773	6,693,736

	73	74	75	76	77	78	79	80
For the Years Ending	Year 73	Year 74	Year 75	Year 76	Year 77	Year 78	Year 79	Year 80
Potential Gross Revenue	Jun-2084	Jun-2085	Jun-2086	Jun-2087	Jun-2088	Jun-2089	Jun-2090	Jun-2091
Base Rental Revenue								
Absorption & Turnover								
Vacanc								
Base Rent Abatements								
Scheduled Base Rental								
Revenue								
Base Rental Step Revenue								
Miscellaneous Rental								
Revenue								
CPI & Other Adjustment								
Reven								
Expense Reimbursement								
Revenue								
Real Estate Taxes								
FY								
Real Estate Taxes								
OPEX								
OPEX w/adjustments								
Total Reimbursement								
Revenue								
Water Income								
Sprinkler Income								
Condenser Water Income								
Cleaning Service Income								
Legal Fee Income								
Miscellaneous Income								
Sublease Profit Sharing								
Sundry Income-Elevator								
Freig								
Total Potential Gross Revenue								
General Vacancy								
Collection Loss								
Effective Gross Revenue	195,436,201	201,299,287	207,338,265	213,558,413	219,965,165	226,564,120	233,361,044	240,361,875
Operating Expenses								
Real Estate Taxes	28,205,538	29,051,704	29,923,255	30,820,953	31,745,582	32,697,949	33,678,888	34,689,254
OPEX								
Utilities	17,130,637	17,644,556	18,173,893	18,719,110	19,280,683	19,859,103	20,454,877	21,068,523
Cleaning	9,728,516	10,020,371	10,320,982	10,630,612	10,949,530	11,278,016	11,616,357	11,964,847
Payroll	5,964,015	6,142,936	6,327,224	6,517,040	6,712,552	6,913,928	7,121,346	7,334,986
R&M	6,894,548	7,101,385	7,314,426	7,533,859	7,759,875	7,992,671	8,232,451	8,479,425

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Initiator	1	2	3	4	5	6	7	8
	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19

Fixed Rents								
Basic Rent	3,666,928	4,328,110	4,593,876	4,593,876	4,621,876	4,621,876	4,621,876	4,621,876
Primary additional	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Rent	4,418,928	5,080,110	5,345,876	5,345,876	5,373,876	5,373,876	5,373,876	5,373,876

Overage Rent								
Total Income	24,698,288	29,922,150	31,879,945	33,495,183	35,912,881	37,429,119	39,016,086	40,055,608
Total Operating Expense	(16,148,244)	(16,481,352)	(16,610,061)	(17,069,879)	(17,530,357)	(17,974,752)	(18,433,718)	(18,900,762)
Add: Rent if Included in Opex above	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
Net Operating Income	12,342,640	17,243,394	19,062,480	20,217,900	22,175,120	23,246,963	24,374,964	24,947,442

Add: Use of Cash From Loans								
Less: Total Capital Expenses	(14,066,020)	(8,439,601)	(3,398,409)	(2,599,092)	(2,766,467)	(3,046,813)	(3,183,703)	(4,194,654)
Less: Total Fixed Rent	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)
Less: Interest Income								
Other								
Income Subject to Ovg Rent	(2,503,380)	8,023,793	14,884,071	16,838,808	18,628,653	19,420,150	20,411,261	19,972,788

Exclusion								
Remainder for Overage	8,023,793	14,884,071	14,884,071	16,838,808	18,628,653	19,420,150	20,411,261	19,972,788
Overage Rent @ 50%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent	4,011,897	7,442,036	7,442,036	8,419,404	9,314,327	9,710,075	10,205,631	9,986,394

CF of operator	(2,503,380)	4,011,897	7,442,036	8,419,404	9,314,327	9,710,075	10,205,631	9,986,394
CF to Fee Owner								
Total Fixed Rent	4,418,928	5,080,110	5,345,876	5,345,876	5,373,876	5,373,876	5,373,876	5,373,876

Overage Rent @ 50%	4,011,897	4,011,897	7,442,036	8,419,404	9,314,327	9,710,075	10,205,631	9,986,394
Less: Debt Service	(3,638,928)	(4,300,110)	(4,565,876)	(4,565,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)
Total	780,000	4,791,897	8,222,036	9,199,404	10,094,327	10,490,075	10,985,631	10,766,394

Basic Rent								
Basic Amount	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Existing Loans								
First	2,210,555							
Second	971,363							
Subtotal	3,181,917	3,181,917	3,181,917	3,181,917	3,181,917	3,181,917	3,181,917	3,181,917

Credit Facility								
see below	457,010	1,118,193	1,383,958	691,919				
Refinance Loan								
Total Basic Rent	3,666,928	4,328,110	4,593,876	4,593,876	4,621,876	4,621,876	4,621,876	4,621,876

Credit Facility Draws & Interest								
Beginning Balance	934,616	12,934,616	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Future Draws	12,000,000	8,065,394						
Ending Balance	12,934,616	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000

Average Balance	6,934,616	16,967,308	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Interest Expense	457,010	1,118,193	1,383,958	691,919				

Duff to make this assumption.

Argus Dump										
Total Income	24,698,288	29,932,150	31,879,945	33,495,183	35,912,881	37,429,119	39,016,086	40,055,608		
Total Operating Expense	16,148,244	16,481,352	16,610,061	17,069,879	17,530,357	17,974,752	18,433,718	18,900,762		
Ground Rent	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596		
Total Capital Expenses	14,066,020	8,439,601	3,398,409	2,599,092	2,766,467	3,046,813	3,183,703	4,194,654		
Net Cash Flow	(5,515,976)	5,011,197	11,871,475	13,826,212	15,616,057	16,407,554	17,398,665	16,960,192		
Total Rent Variance	626,332	5,299,411	8,995,315	9,972,684	10,895,606	11,291,355	11,786,910	11,567,674		
Duff Pro forma check										
Calc Above	(5,515,976)	5,011,197	11,871,475	13,826,212	15,616,057	16,407,554	17,398,665	16,960,192		
Dump from Pro Forma	(5,515,976)	5,011,197	11,871,475	13,826,212	15,616,057	16,407,554	17,398,665	16,960,192		
Variance										
Net Cash Flow										
Use of Cash from Loans	(5,515,976)	5,011,197	11,871,475	13,826,212	15,616,057	16,407,554	17,398,665	16,960,192		
Rent Included in Opex above	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596		
Total Fixed Rent	(4,418,928)	(5,080,110)	(5,345,876)	(5,345,876)	(5,373,876)	(5,373,876)	(5,373,876)	(5,373,876)		
Average Rent @ 50%		(4,011,897)	(7,442,036)	(8,419,404)	(9,314,327)	(9,710,075)	(10,205,631)	(9,986,394)		
Subtotal	(6,142,308)	(288,214)	2,876,160	3,853,528	4,720,451	5,116,199	5,611,755	5,392,518		
CF to Operator		4,011,897	7,442,036	8,419,404	9,314,327	9,710,075	10,205,631	9,986,394		
Variance	6,142,308	4,300,110	4,565,876	4,565,876	4,593,876	4,593,876	4,593,876	4,593,876		
DUFF Argus Dump										
Total Income	24,698,288	29,932,150	31,879,945	33,495,183	35,912,881	37,429,119	39,016,086	40,055,608		
Total Operating Expense	16,117,370	16,443,936	16,570,212	17,028,011	17,485,464	17,927,966	18,384,948	18,850,690		
Basic Rent	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596		
Total Capital Expenses	14,066,020	8,439,601	3,398,409	2,599,092	2,766,467	3,046,813	3,183,703	4,194,654		
Net Cash Flow	(5,485,102)	5,048,613	11,911,324	13,868,080	15,660,950	16,454,340	17,447,435	17,010,264		
GROUND RENT FOR LF VALUATION										
Variance	780,000	4,791,897	8,222,036	9,199,404	10,094,327	10,490,075	10,985,631	10,766,394		
Rent PSF	1	9	15	16	18	19	20	19		
Average Rent PSF	\$ 60									

	9	10	11	12	13	14	15	16
Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	
Jul-19	Jul-20	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26	Jul-27
Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	

Inflator	3%							
Fixed Rents	see below							
Basic Rent	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876
Primary additional	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876

Overage Rent	see below							
Total Income	41,680,831	44,332,835	46,667,215	48,471,129	50,459,509	51,703,832	53,750,424	55,220,757
Total Operating Expense	(19,389,071)	(19,904,104)	(20,414,698)	(20,917,919)	(21,437,682)	(21,964,004)	(22,514,722)	(23,074,783)
Add: Rent if included in Overage	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
Net Operating Income	26,084,356	28,221,327	30,045,113	31,345,806	32,814,423	33,532,424	35,028,298	35,938,570
Add: Use of Cash from Loans								
Less: Total Capital Expenses	(5,659,576)	(5,740,866)	(2,995,133)	(2,748,311)	(1,742,272)	(2,893,125)	(1,758,333)	(2,050,618)
Less: Total Fixed Rent	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)
Less: Interest Income								
Other								
Income Subject to Ovg Rent	19,644,780	21,700,461	26,269,980	27,817,495	30,292,151	29,859,299	32,489,965	33,107,952
Exclusion								
Remainder for Overage	19,644,780	21,700,461	26,269,980	27,817,495	30,292,151	29,859,299	32,489,965	33,107,952
Overage Rent @ 50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	9,822,390	10,850,231	13,134,990	13,908,748	15,146,076	14,929,650	16,244,983	16,553,976

CF of operator	9,822,390	10,850,231	13,134,990	13,908,748	15,146,076	14,929,650	16,244,983	16,553,976
CF to Fee Owner	Check Operator							
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876
Overage Rent @ 50%	9,822,390	10,850,231	13,134,990	13,908,748	15,146,076	14,929,650	16,244,983	16,553,976
Less: Debt Service	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)
Total	10,602,390	11,630,231	13,914,990	14,688,748	15,926,076	15,709,650	17,024,983	17,333,976
CF Dist	20,424,780	22,480,461	27,049,980	28,597,495	31,072,151	30,639,299	33,269,965	33,887,952
FS	20,424,780	22,480,461	27,049,980	28,597,495	31,072,151	30,639,299	33,269,965	33,887,952
Check								
Basic Rent	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
mat 1/2015								

Existing Loans	see below							
First								
Second								
Subtotal								
Credit Facility	see below							
Refinance Loan	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
Total Basic Rent	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876

Duff to make this assumption.

Credit Facility Draws & Interest	see below							
Beginning Balance								
Future Draws								
Ending Balance								
Average Balance	6.50%							
Interest Expense								

Argus Dump	see below							
Total Income	41,680,831	44,332,835	46,667,215	48,471,129	50,459,509	51,703,832	53,750,424	55,220,757
Total Operating Expense	19,389,071	19,904,104	20,414,698	20,917,919	21,437,682	21,964,004	22,514,722	23,074,783

Argus Dump	see below							
Total Income	41,680,831	44,332,835	46,667,215	48,471,129	50,459,509	51,703,832	53,750,424	55,220,757
Total Operating Expense	19,389,071	19,904,104	20,414,698	20,917,919	21,437,682	21,964,004	22,514,722	23,074,783

Argus Dump	see below							
Total Income	41,680,831	44,332,835	46,667,215	48,471,129	50,459,509	51,703,832	53,750,424	55,220,757
Total Operating Expense	19,389,071	19,904,104	20,414,698	20,917,919	21,437,682	21,964,004	22,514,722	23,074,783

Ground Rents	3,792,596	3,792,596							
Total Capital Expenses	5,659,576	5,740,866							
Net Cash Flow	16,632,184	18,687,865							
Check									
Total Rents Variance	11,403,670	12,431,510							
Duff Pro forma check									
Calc Above	16,632,184	18,687,865							
Dump from Pro Forma	16,632,184	18,687,865							
Variance	—	—							
Net Cash Flow	16,632,184	18,687,865							
Use of Cash from Loans	—	—							
Rent if included in Opex above	3,792,596	3,792,596							
Total Fixed Rent	(5,373,876)	(5,373,876)							
Overage Rent @ 50%	(9,822,390)	(10,850,231)							
Subtotal	5,228,514	6,256,355							
CF to Operator	9,822,390	10,850,231							
Variance	4,593,876	4,593,876							
DUFF Argus Dump									
Total Income	41,680,831	44,332,835							
Total Operating Expense	19,336,972	19,848,688							
Basic Rent	3,792,596	3,792,596							
Total Capital Expenses	5,659,576	5,740,866							
Net Cash Flow	16,684,283	18,743,281							
GROUND RENT FOR LF VALUATION	10,602,390	11,630,231							
Variance	—	—							
Rent PSF	19	21							
Average Rent PSF	—	—							
			13,914,990	14,688,748	15,926,076	15,709,650	17,024,983	17,333,976	
			25	26	28	28	30	31	

	17	18	19	20	21	22	23	24
Inflator	Year 17 Jul-27 Jun-28	Year 18 Jul-28 Jun-29	Year 19 Jul-29 Jun-30	Year 20 Jul-30 Jun-31	Year 21 Jul-31 Jun-32	Year 22 Jul-32 Jun-33	Year 23 Jul-33 Jun-34	Year 24 Jul-34 Jun-35

Fixed Rent	Basic Rent	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876
	Primary additional	752,000	752,000	752,000	752,000	752,000	752,000	752,000
	Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876

Overage Rent	Total Income	56,833,001	57,827,429	60,042,828	61,706,398	64,192,788	64,854,548	67,926,805
	Total Operating Expense	(23,652,754)	(24,240,566)	(24,859,404)	(25,489,862)	(26,147,929)	(26,804,367)	(27,507,393)
	Add: Rent if included in Ovg above	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
	Net Operating Income	36,972,843	37,379,459	38,976,020	40,009,132	41,837,455	41,842,777	44,212,008

	Add: Use of Cash from Loans	(2,174,084)	(3,969,263)	(3,443,623)	(4,383,889)	(1,685,959)	(5,678,683)	(2,548,693)
	Less: Total Capital Expenses	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)
	Less: Interest Income							
	Other							
	Income Subject to Ovg Rent	34,018,759	32,630,196	34,752,397	34,945,243	39,371,496	35,384,094	40,883,315

	Exclusion							
	Remainder for Overage	34,018,759	32,630,196	34,752,397	34,945,243	39,371,496	35,384,094	40,883,315
	Overage Rent @ 50.0%	17,009,380	16,315,098	17,376,199	17,472,622	19,685,748	17,692,047	20,441,658
	CF of operator	17,009,380	16,315,098	17,376,199	17,472,622	19,685,748	17,692,047	20,441,658

CF to Fee Owner	Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876
	Overage Rent @ 50%	17,009,380	16,315,098	17,376,199	17,472,622	19,685,748	17,692,047	20,441,658
	Less: Dep Service	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)
	Total	17,789,380	17,095,098	18,156,199	18,252,622	20,465,748	18,472,047	21,221,658

	CF Dist	34,798,759	33,410,196	35,532,397	35,725,243	40,151,496	36,164,094	41,663,315
	FS	34,798,759	33,410,196	35,532,397	35,725,243	40,151,496	36,164,094	41,663,315
	Check							
	Basic Amount	28,000	28,000	28,000	28,000	28,000	28,000	28,000

	Existing Loans							
	First							
	Second							
	Subtotal							

	Credit Facility	see below						
	Refinance Loan	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
	Total Basic Rent	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876

Duff to make this assumption.

	Credit Facility Draws & Interest							
	Beginning Balance							
	Future Draws							
	Ending Balance							

	Average Balance	6,50%						
	Interest Expense							

Argus Dunitp	Total Income							
	Total Operating Expense							

Ground Rent
 Total Capital Expenses
 Net Cash Flow

Check
 Total Rent Variance

Duff Pro forma check
 Calc Above
 Dump from Pro Forma
 Variance

Net Cash Flow
 Use of Cash from Loans
 Rent if included in Opex above
 Total Fixed Rent
 Overage Rent @ 50%
 Subtotal

CF to Operator
 Variance

DUFF Argus Dump
 Total Income
 Total Operating Expense
 Basic Rent
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LE VALUATION
 Variance
 Rent PSF
 Average Rent PSF

	17,789,380	17,095,098	18,156,199	18,252,622	20,465,748	18,472,047	21,221,658	21,201,728
		32	30	32	33	36	33	38
								38

Inflator	25	26	27	28	29	30	31	32
	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32
	Jul-35	Jul-36	Jul-37	Jul-38	Jul-39	Jul-40	Jul-41	Jul-42
	Jun-36	Jun-37	Jun-38	Jun-39	Jun-40	Jun-41	Jun-42	Jun-43

Fixed Rents								
Basic Rent	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876
Primary additional	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876

Overage Rent								
Total Income	72,823,837	74,991,200	77,073,682	78,451,939	81,572,797	83,645,295	87,160,174	87,852,501
Total Operating Expense	(28,960,181)	(29,715,008)	(30,490,801)	(31,281,240)	(32,114,532)	(32,959,917)	(33,846,308)	(34,726,293)
Add: Rent if included in Opex above	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
Net Operating Income	47,656,252	49,068,788	50,375,477	50,963,295	53,250,861	54,477,920	57,106,462	56,918,804

Add: Use of Cash from Leases	(2,379,912)	(2,367,665)	(3,138,644)	(5,405,984)	(4,983,556)	(5,255,783)	(2,128,390)	(7,104,614)
Less: Total Capital Expenditures	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)
Less: Interest Income								
Other								
Income Subject to Ovg Rent	44,496,340	45,921,123	46,456,833	44,777,311	47,487,305	48,442,137	54,198,072	49,034,190

Exclusion								
Remainder for Overage	44,496,340	45,921,123	46,456,833	44,777,311	47,487,305	48,442,137	54,198,072	49,034,190
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	22,248,170	22,960,562	23,228,417	22,388,656	23,743,653	24,221,069	27,099,036	24,517,095

CF of operator	22,248,170	22,960,562	23,228,417	22,388,656	23,743,653	24,221,069	27,099,036	24,517,095
CF to Fee Owner								
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876
Overage Rent @ 50%	22,248,170	22,960,562	23,228,417	22,388,656	23,743,653	24,221,069	27,099,036	24,517,095
Less: Debt Service	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)
Total	23,028,170	23,740,562	24,008,417	21,168,656	24,523,653	25,001,069	27,879,036	25,297,095

Basic Rent								
Basic Amount	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
CF Dis	45,276,340	46,701,123	47,236,833	45,557,311	48,267,305	49,222,137	54,978,072	49,814,190
FS	45,276,340	46,701,123	47,236,833	45,557,311	48,267,305	49,222,137	54,978,072	49,814,190
Check								
mat 1/2015								

Existing Loans								
First								
Second								
Subtotal								

Credit Facility	see below							
Refinance Loan	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
Total Basic Rent								

Credit Facility Draws & Interest								
Beginning Balance								
Future Draws								
Ending Balance								

Average Balance								
Interest Expense	6,50%							

Augus Dump								
Total Income								
Total Operating Expense								

Duff to make this assumption.

Ground Rent
 Total Capital Expenses
 Net Cash Flow

Check
 Total Rent Variance

Duff Pro forma check
 Calc Above
 Dump from Pro Forma
 Variance

Net Cash Flow
 Use of Cash from Loans
 Rent if included in Opex above
 Total Fixed Rent
 Overage Rent @ 50%
 Subtotal

CF to Operator
 Variance

DUFF Argus Dump
 Total Income
 Total Operating Expense
 Basic Rent
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LEVALLATION
 Variance
 Rent PSF
 Average Rent PSF

23,028,170	23,740,562	24,008,417	23,168,656	24,523,653	25,001,069	27,879,036	25,297,095
41	42	43	41	44	45	50	45

	33	34	35	36	37	38	39	40
Year 33	Jul-43	Jul-44	Jul-45	Jul-46	Jul-47	Jul-48	Jul-49	Jul-50
Jun-44	Jun-45	Jun-46	Jun-47	Jun-48	Jun-49	Jun-50	Jun-51	

Fixed Rent	Basic Rent	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876
	Primary additional	752,000	752,000	752,000	752,000	752,000	752,000	752,000
	Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876

Overage Rent	Total Income	91,686,561	94,138,327	98,114,530	100,427,733	103,440,565	106,543,782	109,740,095
	Total Operating Expense	(35,667,785)	(36,620,675)	(37,618,487)	(38,626,171)	(39,671,178)	(40,747,536)	(41,856,184)
	Add: Rent if included in Oper above	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
	Net Operating Income	59,811,372	61,310,248	64,288,639	65,594,158	67,561,983	69,588,842	71,676,507
	Add: Use of Cash from Loans	(4,034,191)	(5,370,041)	(2,522,751)	(4,338,436)	(4,001,958)	(4,122,017)	(4,245,678)
	Less: Total Capital Expenses	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)
	Less: Total Fixed Rent	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)
	Less: Interest Income							
	Other							
	Income Subject to Ovg Rent	54,997,181	55,160,207	60,985,888	60,455,722	62,780,024	64,686,825	66,650,830
	Exclusion							
	Remainder for Overage	54,997,181	55,160,207	60,985,888	60,455,722	62,780,024	64,686,825	66,650,830
	Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
	Overage Rent @ 50%	27,498,591	27,580,104	30,492,944	30,227,861	31,390,012	32,343,413	33,325,415

CF of operator	27,498,591	27,580,104	30,492,944	30,227,861	31,390,012	32,343,413	33,325,415	34,336,877
CF to Fee Owner								
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876
Overage Rent @ 50%	27,498,591	27,580,104	30,492,944	30,227,861	31,390,012	32,343,413	33,325,415	34,336,877
Less: Debt Service	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)
Total	28,278,591	28,360,104	31,272,944	31,007,861	32,170,012	33,123,413	34,105,415	35,116,877
Basic Rent	CF Dist	55,777,181	55,940,207	61,765,888	61,235,722	63,560,024	65,466,825	67,430,830
	RS	55,777,181	55,940,207	61,765,888	61,235,722	63,560,024	65,466,825	67,430,830
	Check							
	mat 1/2015	28,000	28,000	28,000	28,000	28,000	28,000	28,000

Existing Loans	First							
	Second							
Subtotal								
Credit Facility	see below							
Refinance Loan		4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
Total Basic Rent		4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876

Diff to make this assumption.

Credit Facility Draws & Interest	Beginning Balance							
	Future Draws							
	Ending Balance							
Average Balance	Interest Expense							

Argus Dump	Total Income							
	Total Operating Expense							

Average Balance	Interest Expense	6.50%
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Total Income	Total Operating Expense
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Ground Rents
 Total Capital Expenses
 Net Cash Flow

Total Rents Variance

Duff Pro forma check
 Calc Above
 Dump from Pro Forma
 Variance

Net Cash Flow
 Use of Cash from Loans
 Rent if included in Oper above
 Total Fixed Rent
 Overage Rent @ 50%
 Subtotal

CF to Operator
 Variance

DUFF Argus Dump
 Total Income
 Total Operating Expense
 Basic Rent
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LF VALUATION
 Variance
 Rent PSF
 Average Rent PSF

	28,278,591	28,360,104	31,272,944	31,007,861	32,170,012	33,123,413	34,105,415	35,116,877
	50	51	56	55	57	59	61	63

Ground Rent									
Total Capital Expenses									
Net Cash Flow									
Click									
Total Rent Variance									
Duff Pro forma Check									
Calc Above									
Dump from Pro Forma									
Variance									
Net Cash Flow									
Use of Cash from Loans									
Rent if included in Opex above									
Total Fixed Rent									
Overage Rent @ 50%									
Subtotal									
CF to Operator									
Variance									
DUFF Argus Dump									
Total Income									
Total Operating Expense									
Basic Rent									
Total Capital Expenses									
Net Cash Flow									
GROUND RENT FOR LF VALUATION									
Variance									
Rent PSF									
Average Rent PSF									
	36,158,684	37,231,744	38,336,997	39,475,406	40,647,969	41,855,708	43,099,679	44,380,969	
	64	66	68	70	72	75	77	79	

Ground Rents									
Total Capital Expenses									
Net Cash Flow									
Check									
Total Rents Variance									
Duff Pro forma check									
Calc Above									
Duff from Pro Forma									
Variance									
Net Cash Flow									
Use of Cash from Loans									
Rent if included in Opex above									
Total Fixed Rent									
Overage Rent @ 50%									
Subtotal									
CR io Operator									
Variance									
DUFF Angus Dump									
Total Income									
Total Operating Expense									
Basic Rent									
Total Capital Expenses									
Net Cash Flow									
GROUND RENT FOR LF VALUATION									
Variance									
Rent PSF									
Average Rent PSF									

	57	58	59	60	61	62	63	64
Year 57	Jul-67	Jul-68	Jul-69	Jul-70	Jul-71	Jul-72	Jul-73	Jul-74
Year 58	Jun-68	Jun-69	Jun-70	Jun-71	Jun-72	Jun-73	Jun-74	Jun-75

Inflation 3%

Fixed Rent	Basic Rent	Primary additional	Total Fixed Rent
4,621,876	4,621,876	752,000	5,373,876
see below	4,621,876	752,000	5,373,876
752,000	752,000	752,000	752,000
5,373,876	5,373,876	5,373,876	5,373,876

Overage Rent	Total Income	Total Operating Expense	Add: Rent if included in Overage above	Net Operating Income	Add: Use of Cash from Loans	Less: Total Capital Expenses	Less: Total Fixed Rent	Less: Interest Income	Other	Income Subject to Ovg Rent	Exclusion	Remainder for Overage	Overage Rent %	Overage Rent @ 50%
186,825,167	192,429,922	(68,593,306)	3,792,596	122,024,456	(7,227,982)	(780,000)	(780,000)		114,016,474	117,460,368	114,016,474	50.0%	57,008,237	
	196,202,819	(70,557,328)	3,792,596	129,438,183	(7,444,821)	(780,000)	(780,000)		117,460,368	121,007,579	117,460,368	50.0%	58,730,184	
	204,148,904	(72,539,670)	3,792,596	135,399,830	(7,668,166)	(780,000)	(780,000)		121,007,579	124,661,207	121,007,579	50.0%	60,503,790	
	210,273,371	(76,726,367)	3,792,596	137,339,600	(7,898,211)	(780,000)	(780,000)		124,661,207	128,424,443	124,661,207	50.0%	62,330,603	
	216,581,572	(78,914,380)	3,792,596	141,459,788	(8,135,157)	(780,000)	(780,000)		128,424,443	132,300,576	128,424,443	50.0%	64,212,222	
	223,079,019	(81,168,033)	3,792,596	145,703,582	(8,379,212)	(780,000)	(780,000)		132,300,576	136,292,994	132,300,576	50.0%	66,150,288	
	229,771,390	(83,489,296)	3,792,596	149,074,689	(8,630,588)	(780,000)	(780,000)		136,292,994	140,405,183	136,292,994	50.0%	68,146,497	
														70,202,592

CF to Operator	CF to Fee Owner
57,008,237	5,373,876
58,730,184	5,373,876
60,503,790	5,373,876
62,330,603	5,373,876
64,212,222	5,373,876
66,150,288	5,373,876
68,146,497	5,373,876
70,202,592	5,373,876

CF to Fee Owner	Total Fixed Rent	Overage Rent @ 50%	Less: Debt Service	Total	CF Dist	FS	Check	Basic Amount
5,373,876	57,008,237	(4,593,876)	57,788,237	114,796,474	114,796,474		28,000	
5,373,876	58,730,184	(4,593,876)	59,510,184	118,240,368	118,240,368		28,000	
5,373,876	60,503,790	(4,593,876)	61,283,790	121,787,579	121,787,579		28,000	
5,373,876	62,330,603	(4,593,876)	63,110,603	125,441,207	125,441,207		28,000	
5,373,876	64,212,222	(4,593,876)	64,992,222	129,204,443	129,204,443		28,000	
5,373,876	66,150,288	(4,593,876)	66,930,288	133,080,576	133,080,576		28,000	
5,373,876	68,146,497	(4,593,876)	68,976,497	137,072,994	137,072,994		28,000	
5,373,876	70,202,592	(4,593,876)	70,982,592	141,185,183	141,185,183		28,000	

Existing Loans	First	Second	Subtotal
Credit Facility	see below		
Refinance Loan	4,593,876	4,593,876	4,593,876
Total Basic Rent	4,593,876	4,593,876	4,593,876

Duff to make this assumption.

Credit Facility Draws & Interest	Beginning Balance	Future Draws	Ending Balance
Average Balance	Interest Expense	6.50%	

Argus Dump	Total Income	Total Operating Expense

Ground Rents
 Total Capital Expenses
 Net Cash Flow

Check
 Total Rents Variance

Duff Pro forma check
 Calc Above
 Dump from Pro Forma
 Variance

Net Cash Flow
 Use of Cash from Loans
 Rent if included in Opex above
 Total Fixed Rent
 Overage Rent @ 50%
 Subtotal

CF to Operator
 Variance

DUFF Argus Dump
 Total Income
 Total Operating Expense
 Basic Rent
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LF VALUATION
 Variance
 Rent PSF
 Average Rent PSF

	57,788,237	59,510,184	61,283,790	63,110,603	64,992,222	66,930,288	68,926,497	70,982,592
Variance		103	106	109	113	116	119	123
Rent PSF								
Average Rent PSF								

Inflator	65	66	67	68	69	70	71	72	
Year 65	Jul-75	Jun-76	Jun-77	Jun-78	Jun-79	Jun-80	Jun-81	Jun-82	Jun-83
3%									

Fixed Rents	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876
Basic Rent	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000
Primary additional	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876

Overage Rent	236,664,531	243,764,467	251,077,401	258,609,723	266,368,015	274,359,056	282,589,827	291,067,522
Total Income	(85,880,197)	(88,342,825)	(90,879,332)	(93,491,934)	(96,182,914)	(98,954,624)	(101,809,485)	(104,749,992)
Total Operating Expense	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
Add: Rent included in Ope above	154,576,930	159,214,238	163,990,665	168,910,385	173,977,697	179,197,028	184,572,938	190,110,127
Net Operating Income	(9,156,191)	(9,430,877)	(9,713,803)	(10,005,217)	(10,305,374)	(10,614,535)	(10,932,971)	(11,260,960)
Less: Total Capital Expenses	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)
Less: Total Fixed Rent								
Less: Interest Income								
Other								
Income Subject to Ovg Rent	144,640,739	149,003,361	153,496,862	158,125,168	162,892,323	167,802,493	172,859,967	178,069,166
Exclusion								
Remainder for Overage	144,640,739	149,003,361	153,496,862	158,125,168	162,892,323	167,802,493	172,859,967	178,069,166
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	72,320,369	74,501,681	76,748,431	79,062,584	81,446,161	83,901,246	86,429,984	89,034,583

CF of operator	72,320,369	74,501,681	76,748,431	79,062,584	81,446,161	83,901,246	86,429,984	89,034,583
CF to Fee Owner	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876
Total Fixed Rent	72,320,369	74,501,681	76,748,431	79,062,584	81,446,161	83,901,246	86,429,984	89,034,583
Overage Rent @ 50%	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)
Less: Debt Service	73,100,369	75,281,681	77,528,431	79,842,584	82,226,161	84,681,246	87,209,984	89,814,583
Total	145,420,739	149,783,361	154,276,862	158,905,168	163,672,323	168,582,493	173,639,967	178,849,166
CF Dist	145,420,739	149,783,361	154,276,862	158,905,168	163,672,323	168,582,493	173,639,967	178,849,166
Check								
Basic Rent	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
mat 1/2015								

Existing Loans	First	Second	Subtotal
CF of operator	72,320,369	74,501,681	76,748,431
Check Operator			
CF to Fee Owner	5,373,876	5,373,876	5,373,876
Overage Rent @ 50%	(4,593,876)	(4,593,876)	(4,593,876)
Less: Debt Service	73,100,369	75,281,681	77,528,431
Total	145,420,739	149,783,361	154,276,862
CF Dist	145,420,739	149,783,361	154,276,862
Check			
Basic Rent	28,000	28,000	28,000
mat 1/2015			

Credit Facility	see below
Refinance Loan	4,593,876
Total Basic Rent	4,593,876

Credit Facility Draws & Interest	Beginning Balance	Ending Balance
Future Draws		
Average Balance	6,50%	
Interest Expense		

Argus Dump	Total Income	Total Operating Expense

Duff to make this assumption	
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Ground Rents
 Total Capital Expenses
 Net Cash Flow

Check
 Total Rents Variance

Diff Pro forma check
 Calc Above
 Dump from Pro Forma
 Variance

Net Cash Flow
 Use of Cash from Loans
 Rent if included in Opex above
 Total Fixed Rent
 Overage Rent @ 50%
 Subtotal

CF to Operator
 Variance

DUFF Argus Dump
 Total Income
 Total Operating Expense
 Basic Rent
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LEVALUATION
 Variance
 Rent PSF
 Average Rent PSF

73,100,369	75,281,681	77,528,431	79,842,584	82,226,161	84,681,246	87,209,984	89,814,583
130	134	138					

Ground Rents
Total Capital Expenses
Net Cash Flow

Check: Total Rents Variance

Duff Pro forma check
Calc Above
Dump from Pro Forma
Variance

Net Cash Flow
Use of Cash from Loans
Rent if included in Opex above
Total Fixed Rent
Overage Rent @ 50%
Subtotal

CF to Operator
Variance

DUFF Argus Dump
Total Income
Total Operating Expense
Basic Rent
Total Capital Expenses
Net Cash Flow

GROUND RENT FOR LEVALUATION
Variance
Rent PSF
Average Rent PSF

92,497,321	95,260,540	98,106,657	101,038,156	104,057,601	107,167,629	110,370,958	113,670,387
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	81	82	83	84	85	86	87	88
Inflow								
Fixed Rents								
Basic Rent	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876
Primary additional	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876

Overage Rent								
Total Income	379,777,097	391,170,410	402,905,523	414,992,688	427,442,469	440,265,743	453,473,715	467,077,927
Total Operating Expense	(135,519,098)	(139,470,893)	(143,541,242)	(147,733,702)	(152,051,935)	(156,499,715)	(161,080,929)	(165,799,579)
Add: Rent if included in Oper above	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
Net Operating Income	248,050,595	255,492,113	263,156,876	271,051,583	279,183,130	287,558,624	296,185,383	305,070,944
Add: Use of Cash from Loans	(14,692,999)	(15,133,789)	(15,587,803)	(16,055,437)	(16,537,100)	(17,033,213)	(17,544,209)	(18,070,535)
Less: Total Capital Expenses	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)
Less: Total Fixed Rent	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)
Less: Interest Income								
Other								
Income Subject to Ovg Rent	232,577,596	239,576,324	246,789,074	254,216,146	261,866,030	269,745,411	277,861,174	286,220,409
Exclusion								
Remainder for Overage	232,577,596	239,576,324	246,789,074	254,216,146	261,866,030	269,745,411	277,861,174	286,220,409
Overage Rent @ 50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	116,288,798	119,789,162	123,394,537	127,108,073	130,933,015	134,872,706	138,930,587	143,110,204

CF of operator	116,288,798	119,789,162	123,394,537	127,108,073	130,933,015	134,872,706	138,930,587	143,110,204
CF to Rec Owner								
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876
Overage Rent @ 50%	116,288,798	119,789,162	123,394,537	127,108,073	130,933,015	134,872,706	138,930,587	143,110,204
Less: Debt Service	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)
Total	117,068,798	120,569,162	124,174,537	127,888,073	131,713,015	135,652,706	139,710,587	143,890,204
CF Dist	233,357,596	240,358,324	247,569,074	254,996,146	262,646,030	270,525,411	278,641,174	287,000,409
FS	233,357,596	240,358,324	247,569,074	254,996,146	262,646,030	270,525,411	278,641,174	287,000,409
Check								
Basic Rent	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
mat 1/2015								

Existing Loans								
First								
Second								
Subtotal								
Credit Facility	see below							
Refinance Loan	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
Total Basic Rent								

Credit Facility Draws & Interest								
Beginning Balance								
Future Draws								
Ending Balance								
Average Balance								
Interest Expense	6.50%							

Angus Dump								
Total Income								
Total Operating Expense								

Duff to make this assumption.								
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Credit Facility	see below							
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Refinance Loan	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
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Credit Facility	see below							
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Refinance Loan	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
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Credit Facility	see below							
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Refinance Loan	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
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Credit Facility	see below							
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Refinance Loan	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
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Credit Facility	see below							
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Ground Rents
 Total Capital Expenses
 Net Cash Flow

Check
 Total Rents Variance

Duff Pro forma check
 Calc Above
 Dump from Pro Forma
 Variance

Net Cash Flow
 Use of Cash from Loans
 Rent if included in Opex above
 Total Fixed Rent
 Overage Rent @ 50%
 Subtotal

CF to Operator
 Variance

DUFF Argus Dump
 Total Income
 Total Operating Expense
 Basic Rent
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LP VALUATION
 Variance
 Rent PSF
 Average Rent PSF

	117,068,798	120,569,162	124,174,537	127,888,073	131,713,015	135,652,706	139,710,587	143,890,204
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	89	90	91	92	92
	Year 89	Year 90	Year 91	Year 92	Year 92.25
Jul-99		Jul-00	Jul-01	Jul-02	Jul-03
Jun-00		Jun-01	Jun-02	Jun-03	Sep-03

Fixed Rents					
Basic Rent	4,621,876	4,621,876	4,621,876	4,621,876	4,621,876
Primary additional	752,000	752,000	752,000	752,000	752,000
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876

Overage Rent					
Total Income	481,090,265	495,522,973	510,388,662	525,700,322	541,471,331
Total Operating Expense	(170,659,788)	(175,665,804)	(180,822,000)	(186,132,882)	(191,603,091)
Add: Rent if included in Overage above	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
Net Operating Income	314,223,073	323,649,765	333,359,258	343,360,036	353,660,836
Add: Use of Cash from Loans					
Less: Total Capital Expenses	(18,612,651)	(19,177,031)	(19,746,162)	(20,338,547)	(20,948,703)
Less: Total Fixed Rent	(780,000)	(780,000)	(780,000)	(780,000)	(780,000)
Less: Interest Income					
Other					
Income Subject to Overage Rent	294,830,421	303,698,734	312,833,096	322,241,489	331,932,133
Exclusion					
Remainder for Overage	294,830,421	303,698,734	312,833,096	322,241,489	331,932,133
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	147,415,211	151,849,367	156,416,548	161,120,744	165,966,067

CF of operator	147,415,211	151,849,367	156,416,548	161,120,744	165,966,067
CF to Fee Owner					
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876
Overage Rent @ 50%	147,415,211	151,849,367	156,416,548	161,120,744	165,966,067
Less: Depl. Service	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)
Total	148,195,211	152,629,367	157,196,548	161,900,744	166,746,067
CF Dist	295,610,421	304,478,734	313,613,096	322,241,489	331,932,133
PS	295,610,421	304,478,734	313,613,096	322,241,489	331,932,133
Check					
Basic Rent	28,000	28,000	28,000	28,000	28,000
mat 1/2015					

Existing Loans					
First					
Second					
Subtotal					
Credit Facility					
Refinance Loan	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
Total Basic Rent	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876

Credit Facility Draws & Interest					
Beginning Balance					
Future Draws					
Ending Balance					
Average Balance					
Interest Expense	6,30%				

Angus Dump					
Total Income					
Total Operating Expense					

CF of operator	147,415,211	151,849,367	156,416,548	161,120,744	165,966,067
Check Operator					

CF to Fee Owner					
Total Fixed Rent	5,373,876	5,373,876	5,373,876	5,373,876	5,373,876
Overage Rent @ 50%	147,415,211	151,849,367	156,416,548	161,120,744	165,966,067
Less: Depl. Service	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)	(4,593,876)
Total	148,195,211	152,629,367	157,196,548	161,900,744	166,746,067
CF Dist	295,610,421	304,478,734	313,613,096	322,241,489	331,932,133
PS	295,610,421	304,478,734	313,613,096	322,241,489	331,932,133
Check					
Basic Rent	28,000	28,000	28,000	28,000	28,000
mat 1/2015					

Existing Loans					
First					
Second					
Subtotal					
Credit Facility					
Refinance Loan	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876
Total Basic Rent	4,593,876	4,593,876	4,593,876	4,593,876	4,593,876

Credit Facility Draws & Interest					
Beginning Balance					
Future Draws					
Ending Balance					
Average Balance					
Interest Expense	6,30%				

Angus Dump					
Total Income					
Total Operating Expense					

Ground Rents				
Total Capital Expenses				
Net Cash Flow				
Check				
Total Rents Variance				
Duff Pro forma check				
Calc Above				
Dump from Pro Forma				
Variance				
Net Cash Flow				
Use of Cash from Loans				
Rent if included in Oper above				
Total Fixed Rent				
Overage Rent @ 50%				
Subtotal				
CF to Operator				
Variance				
DUFF Argus' Dump				
Total Income				
Total Operating Expense				
Basic Rent				
Total Capital Expenses				
Net Cash Flow				
GROUND RENT FOR LE VALUATION				
Rent PSF	148,195,211	152,629,367	157,196,548	161,900,744
Variance				41,686,517
Average Rent PSF				

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue	\$ 24,772,655	\$26,985,779	\$27,987,644	\$29,728,442	\$31,862,684	\$33,489,913	\$35,048,439	\$36,830,975
Absorption & Turnover V	(3,860,884)	(1,245,637)	(546,395)	(732,160)	(548,831)	(754,299)	(929,254)	(1,205,144)
Base Rent Abatements	(998,006)	(1,004,351)	(585,021)	(713,359)	(515,198)	(677,130)	(704,510)	(1,149,385)
Scheduled Base Rental R	19,913,765	24,735,791	26,856,228	28,282,923	30,798,655	32,058,484	33,414,675	34,476,446
CPI & Other Adjustment	831,488	827,730	817,613	662,640	643,649	527,936	473,701	190,582
Expense Reimbursement R	1,033,937	1,036,092	1,102,140	1,090,077	1,018,754	996,393	986,616	792,105
Real Estate Tax Escal	0	7,245	0	71,674	196,157	329,757	396,581	489,316
Operating Expense Esc	0	0	0	0	0	0	0	0
Total Reimbursement Rev	1,033,937	1,043,337	1,102,140	1,161,751	1,214,911	1,326,150	1,383,197	1,281,421
Electric & Fuel Recover	2,946,026	3,392,482	3,635,662	3,791,066	3,936,732	4,045,513	4,154,969	4,273,969
Miscellaneous	222,551	235,154	244,546	252,649	260,756	268,426	276,282	284,476
Total Potential Gross Rev	24,947,767	30,234,494	32,656,189	34,151,029	36,854,703	38,226,509	39,702,824	40,506,894
General Vacancy	0	0	(449,683)	(314,335)	(573,275)	(415,125)	(289,708)	(46,217)
Collection Loss	(249,479)	(302,344)	(326,561)	(341,511)	(368,547)	(382,265)	(397,030)	(405,069)
Effective Gross Revenue	24,698,288	29,932,150	31,879,945	33,495,183	35,912,881	37,429,119	39,016,086	40,055,608
Operating Expenses								
Professional Fees	780,000	681,000	663,000	682,890	703,377	724,477	746,212	768,600
Cleaning	2,131,340	2,153,000	1,919,999	1,977,600	2,036,928	2,098,035	2,160,977	2,225,808
Insurance	225,000	231,750	238,703	245,863	253,239	260,837	268,661	276,722
Payroll/Labor Costs	990,000	1,019,700	1,050,291	1,081,800	1,114,253	1,147,682	1,182,112	1,217,576
Basic Rent	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
Utilities	2,103,296	2,166,394	2,231,387	2,298,328	2,367,278	2,438,296	2,511,445	2,586,790
Repairs and Maintenance	970,000	999,100	1,029,072	1,059,946	1,091,743	1,124,496	1,158,230	1,192,978
Security	280,440	288,853	297,519	306,445	315,637	325,107	334,860	344,905
Real Estate Taxes	4,467,936	4,678,549	4,891,160	5,105,776	5,305,218	5,491,697	5,684,730	5,884,548
Management Fee	277,856	336,737	358,649	376,820	404,021	421,077	438,931	450,627
Licenses and Permits	129,780	133,673	137,685	141,815	146,067	150,452	154,964	159,612
Total Operating Expenses	16,148,244	16,481,352	16,610,061	17,069,879	17,530,357	17,974,752	18,433,718	18,900,762
Net Operating Income	8,550,044	13,450,798	15,269,884	16,425,304	18,382,524	19,454,367	20,582,368	21,154,846
Leasing & Capital Costs								
Tenant Improvements	1,681,666	1,594,775	857,937	971,205	709,282	744,140	952,808	1,458,828
Leasing Commissions	1,624,954	894,448	683,765	695,216	741,372	727,956	940,094	1,177,816
PB PIO	1,983,783	0	0	0	0	0	0	0
Capital Improvements	8,525,616	5,466,278	1,496,000	408,164	809,333	971,895	443,024	807,786
Base Building Costs	250,001	484,100	360,707	524,507	506,480	602,822	847,777	750,224
Total Leasing & Capital C	14,066,020	8,439,601	3,398,409	2,599,092	2,766,467	3,046,813	3,183,703	4,194,654

Cash Flow Before Debt Ser & Taxes	(\$ 5,515,976)	\$ 5,011,197	\$11,871,475	\$13,826,212	\$15,616,057	\$16,407,554	\$17,398,665	\$16,960,192
Cash Flow to Operator	(2,503,380)	4,011,897	7,442,036	8,419,404	9,314,327	9,710,075	10,205,631	9,986,394
PV to Operator	\$ 150,000,000							
Discount Rate	8.75%							
Cash Flow (Fee Simple)	(1,723,380)	8,803,793	15,664,071	17,618,808	19,408,653	20,200,150	21,191,261	20,752,788
PV	\$ 303,320,051							

9 10 11 12 13 14 15 16

For the Years Ending

Year 9 Jun-2020 Year 10 Jun-2021 Year 11 Jun-2022 Year 12 Jun-2023 Year 13 Jun-2024 Year 14 Jun-2025 Year 15 Jun-2026 Year 16 Jun-2027

Potential Gross Revenue

Base Rental Revenue	\$38,298,046	\$40,799,879	\$42,996,424	\$45,039,252	\$46,507,092	\$48,118,950	\$49,487,618	\$50,796,872
Absorption & Turnover V	(571,050)	(1,263,158)	(1,342,104)	(1,191,554)	(914,148)	(1,003,951)	(876,927)	(798,127)
Base Rent Abatements	(989,821)	(933,243)	(937,715)	(1,119,809)	(746,170)	(1,190,993)	(714,989)	(821,275)
Scheduled Base Rental R	36,737,175	38,603,478	40,716,605	42,727,889	44,846,774	45,924,006	47,895,702	49,177,470
CPI & Other Adjustment	750	0	0	0	0	0	0	0

Expense Reimbursement R

Real Estate Tax Escal	773,833	745,557	720,715	621,175	649,467	639,454	700,888	772,566
Operating Expense Esc	605,628	705,812	816,103	782,098	819,865	798,922	868,229	948,084
Total Reimbursement Rev	1,379,461	1,451,369	1,536,818	1,403,273	1,469,332	1,438,376	1,569,117	1,720,650
Electric & Fuel Recover	4,429,681	4,546,865	4,690,977	4,835,043	4,991,812	5,141,063	5,288,740	5,456,004
Miscellaneous	293,465	302,010	311,198	320,589	330,400	340,304	350,406	361,058

Total Potential Gross Rev

General Vacancy	42,840,532	44,903,722	47,255,598	49,286,794	51,638,318	52,843,749	55,103,965	56,715,182
Collection Loss	(731,297)	(121,849)	(115,827)	(322,798)	(662,424)	(611,481)	(802,500)	(927,273)
Effective Gross Revenue	41,680,831	44,332,835	46,667,215	48,471,129	50,459,509	51,703,832	53,750,424	55,220,757

Operating Expenses

Professional Fees	791,656	815,408	839,867	865,066	891,016	917,748	945,278	973,638
Cleaning	2,292,579	2,361,358	2,433,198	2,505,166	2,580,319	2,657,728	2,737,462	2,819,584
Insurance	285,024	293,573	302,382	311,453	320,796	330,420	340,332	350,544
Payroll/Labor Costs	1,254,103	1,291,725	1,330,476	1,370,391	1,411,503	1,453,849	1,497,464	1,542,387
Basic Rent	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
Utilities	2,664,393	2,744,324	2,826,652	2,911,454	2,998,798	3,088,761	3,181,424	3,276,866
Repairs and Maintenance	1,228,766	1,265,630	1,303,598	1,342,707	1,382,989	1,424,477	1,467,214	1,511,228
Security	355,253	365,912	376,886	388,196	399,839	411,836	424,190	436,918
Real Estate Taxes	6,091,391	6,305,501	6,510,624	6,705,943	6,907,120	7,114,335	7,327,765	7,547,597
Management Fee	468,909	498,744	525,006	545,301	567,669	581,668	604,693	621,233
Licenses and Permits	164,401	169,333	174,413	179,646	185,037	190,586	196,304	202,192
Total Operating Expenses	19,389,071	19,904,104	20,414,698	20,917,919	21,437,682	21,964,004	22,514,722	23,074,783

Net Operating Income

	22,291,760	24,428,731	26,252,517	27,553,210	29,021,827	29,739,828	31,235,702	32,145,974
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Leasing & Capital Costs

Tenant Improvements	1,332,051	601,065	846,123	1,426,785	849,389	1,652,209	826,038	1,104,080
Leasing Commissions	1,008,517	2,435,180	2,149,010	1,321,526	892,883	1,240,916	932,295	946,538
PB P/O	0	0	0	0	0	0	0	0
Capital Improvements	2,546,280	1,856,518	0	0	0	0	0	0
Base Building Costs	772,728	848,103	0	0	0	0	0	0

Total Leasing & Capital C

	5,659,576	5,740,866	2,995,133	2,748,311	1,742,272	2,893,125	1,758,333	2,050,618
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Cash Flow Before Debt Ser & Taxes	\$16,632,184	\$18,687,865	\$23,257,384	\$24,804,899	\$27,279,555	\$26,846,703	\$29,477,369	\$30,095,356
Cash Flow to Operator	9,822,390	10,850,231	13,134,990	13,908,748	15,146,076	14,929,650	16,244,983	16,553,976
PV to Operator								
Discount Rate								
Cash Flow (Fee Simple) PV	20,424,780	22,480,461	27,049,980	28,597,495	31,072,151	30,639,299	33,269,965	33,887,952

17 18 19 20 21 22 23 24

For the Years Ending
 Potential Gross Revenue

	Year 17 Jun-2028	Year 18 Jun-2029	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
Base Rental Revenue	\$52,237,384	\$54,047,696	\$55,865,453	\$57,393,201	\$58,805,007	\$60,777,402	\$62,689,127	\$65,193,702
Absorption & Turnover V	(1,354,764)	(1,418,987)	(1,274,770)	(1,705,004)	(1,526,691)	(1,542,380)	(1,204,826)	(1,582,327)
Base Rent Abatements	(832,825)	(1,682,965)	(1,334,845)	(1,418,437)	(644,613)	(2,014,261)	(1,035,292)	(1,599,772)
Scheduled Base Rental R	50,049,795	50,945,744	53,255,838	54,269,760	56,633,703	57,220,761	60,449,009	62,011,603
CPI & Other Adjustment	0	0	0	0	0	0	0	0

	Year 17 Jun-2028	Year 18 Jun-2029	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
Expense Reimbursement R	823,033	787,637	780,694	803,166	844,231	779,289	826,077	846,819
Real Estate Tax Escal	990,436	910,420	871,066	963,763	1,114,316	1,093,377	1,121,746	1,110,608
Operating Expense Esc	1,813,469	1,698,057	1,651,760	1,766,929	1,938,547	1,872,666	1,947,823	1,957,427

	Year 17 Jun-2028	Year 18 Jun-2029	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
Total Reimbursement Rev	5,597,377	5,776,486	5,954,548	6,112,145	6,314,253	6,474,490	6,699,008	6,895,343
Electric & Fuel Recover	371,523	382,852	394,416	405,902	418,389	430,457	443,872	457,112
Miscellaneous	57,832,164	58,803,139	61,256,562	62,554,736	65,324,892	65,998,374	69,539,712	71,321,485

	Year 17 Jun-2028	Year 18 Jun-2029	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
Total Potential Gross Rev	(420,842)	(387,677)	(601,169)	(222,790)	(478,856)	(483,842)	(917,510)	(604,788)
General Vacancy	(578,321)	(588,033)	(612,565)	(625,548)	(653,248)	(659,984)	(695,397)	(713,215)
Collection Loss	56,833,001	57,827,429	60,042,828	61,706,398	64,192,788	64,854,548	67,926,805	70,003,482

	Year 17 Jun-2028	Year 18 Jun-2029	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
Effective Gross Revenue	1,002,848	1,032,933	1,065,919	1,095,838	1,128,713	1,162,575	1,197,452	1,233,375
Operating Expenses	2,904,173	2,991,298	3,081,036	3,173,468	3,268,670	3,366,733	3,467,734	3,571,765
Professional Fees	361,058	371,892	383,047	394,538	406,376	418,567	431,123	444,057
Cleaning	1,588,660	1,636,320	1,685,409	1,735,970	1,788,051	1,841,691	1,896,944	1,953,851
Insurance	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
Payroll/Labor Costs	3,375,173	3,476,427	3,580,721	3,688,143	3,798,787	3,912,750	4,030,131	4,151,038
Basic Rent	1,556,565	1,603,262	1,651,360	1,700,902	1,751,927	1,804,486	1,858,620	1,914,380
Utilities	450,023	463,524	477,431	491,752	506,507	521,700	537,353	553,473
Repairs and Maintenance	7,774,026	8,007,248	8,247,463	8,494,887	8,749,736	9,012,226	9,282,592	9,561,072
Security	639,372	650,559	675,481	694,198	722,169	729,614	764,176	787,539
Real Estate Taxes	208,260	214,507	220,941	227,570	234,397	241,429	248,672	256,132
Management Fee	23,652,754	24,240,566	24,839,404	25,489,862	26,147,929	26,804,367	27,507,393	28,219,278
Licenses and Permits	33,180,247	33,586,863	35,183,424	36,216,536	38,044,859	38,050,181	40,419,412	41,784,204

	Year 17 Jun-2028	Year 18 Jun-2029	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
Total Operating Expenses	33,180,247	33,586,863	35,183,424	36,216,536	38,044,859	38,050,181	40,419,412	41,784,204
Net Operating Income	1,071,766	2,213,797	1,933,343	889,536	804,045	2,048,092	1,278,690	2,189,484
Leasing & Capital Costs	1,102,318	1,755,466	1,510,280	3,394,353	881,914	3,630,591	1,270,003	1,763,861
Tenant Improvements	0	0	0	0	0	0	0	0
Leasing Commissions	0	0	0	0	0	0	0	0
PB PLO	0	0	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0	0	0
Base Building Costs	0	0	0	0	0	0	0	0

	Year 17 Jun-2028	Year 18 Jun-2029	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
Total Leasing & Capital C	2,174,084	3,969,263	3,443,623	4,283,889	1,685,959	5,678,683	2,548,693	3,953,345

	Year 17 Jun-2028	Year 18 Jun-2029	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
Total Operating Expenses	23,652,754	24,240,566	24,839,404	25,489,862	26,147,929	26,804,367	27,507,393	28,219,278
Net Operating Income	33,180,247	33,586,863	35,183,424	36,216,536	38,044,859	38,050,181	40,419,412	41,784,204
Leasing & Capital Costs	1,071,766	2,213,797	1,933,343	889,536	804,045	2,048,092	1,278,690	2,189,484
Tenant Improvements	1,102,318	1,755,466	1,510,280	3,394,353	881,914	3,630,591	1,270,003	1,763,861
Leasing Commissions	0	0	0	0	0	0	0	0
PB PLO	0	0	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0	0	0
Base Building Costs	0	0	0	0	0	0	0	0
Total Leasing & Capital C	2,174,084	3,969,263	3,443,623	4,283,889	1,685,959	5,678,683	2,548,693	3,953,345

Cash Flow Before Debt Ser & Taxes	\$31,006,163	\$29,617,600	\$31,739,801	\$31,932,647	\$36,358,900	\$32,371,498	\$37,870,719	\$37,830,859
Cash Flow to Operator	17,009,380	16,315,098	17,376,199	17,472,622	19,685,748	17,692,047	20,441,658	20,421,728
PV to Operator								
Discount Rate								
Cash Flow (Fee Simple) PV	34,798,759	33,410,196	35,532,397	35,725,243	40,151,496	36,164,094	41,663,315	41,623,455

25 26 27 28 29 30 31 32

For the Years Ending

Potential Gross Revenue

	Year 25 Jun-2036	Year 26 Jun-2037	Year 27 Jun-2038	Year 28 Jun-2039	Year 29 Jun-2040	Year 30 Jun-2041	Year 31 Jun-2042	Year 32 Jun-2043
Base Rental Revenue	\$67,146,308	\$68,964,349	\$70,907,028	\$73,304,868	\$75,854,966	\$77,940,581	\$79,948,950	\$82,285,400
Absorption & Turnover V	(1,382,400)	(1,073,134)	(1,668,937)	(1,931,661)	(1,880,392)	(2,202,941)	(1,073,168)	(2,966,560)
Base Rent Abatements	(1,006,195)	(998,671)	(1,184,805)	(2,241,955)	(1,701,815)	(2,017,102)	(852,957)	(2,491,842)
Scheduled Base Rental R CPI & Other Adjustment	64,757,713	66,892,544	68,053,286	69,131,252	72,272,759	73,720,538	78,022,825	76,826,998
	0	0	0	0	0	0	0	0
Expense Reimbursement R	931,327	1,028,099	1,123,157	1,087,096	1,065,559	1,096,915	1,130,472	1,093,876
Real Estate Tax Escal	1,193,784	1,293,236	1,387,661	1,287,608	1,210,508	1,310,724	1,491,409	1,538,950
Operating Expense Esc	2,125,111	2,321,335	2,510,818	2,374,704	2,276,067	2,407,639	2,621,881	2,632,826
Total Reimbursement Rev	7,107,624	7,332,410	7,535,153	7,748,747	7,992,951	8,230,684	8,500,273	8,701,573
Electric & Fuel Recover	470,913	485,233	499,505	514,285	529,907	545,768	562,520	578,504
Miscellaneous	74,461,361	77,031,522	78,598,762	79,768,988	83,071,684	84,904,629	89,707,499	88,739,901
General Vacancy	(892,912)	(1,270,006)	(739,093)	(519,360)	(668,170)	(410,286)	(1,650,251)	0
Collection Loss	(744,612)	(770,316)	(785,987)	(797,689)	(830,717)	(849,048)	(897,074)	(887,400)
Effective Gross Revenue	72,823,837	74,991,200	77,073,682	78,451,939	81,572,797	83,645,295	87,160,174	87,852,501

Operating Expenses

Professional Fees	1,270,378	1,308,487	1,347,743	1,388,174	1,429,821	1,472,713	1,516,896	1,562,402
Cleaning	3,678,920	3,789,286	3,902,963	4,020,053	4,140,656	4,264,874	4,392,821	4,524,605
Insurance	457,379	471,099	485,233	499,791	514,784	530,227	546,134	562,519
Payroll/Labor Costs	2,012,466	2,072,840	2,135,025	2,199,076	2,265,048	2,333,000	2,402,989	2,475,081
Basic Rent	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596	3,792,596
Utilities	4,275,566	4,403,835	4,535,950	4,672,029	4,812,189	4,956,554	5,105,252	5,258,409
Repairs and Maintenance	1,971,811	2,030,964	2,091,893	2,154,651	2,219,290	2,285,868	2,354,446	2,425,077
Security	570,076	587,180	604,795	622,938	641,626	660,875	680,700	701,124
Real Estate Taxes	9,847,903	10,143,340	10,447,641	10,761,069	11,083,901	11,416,419	11,758,911	12,111,680
Management Fee	819,269	843,652	867,079	882,585	917,693	941,011	980,551	988,341
Licenses and Permits	263,817	271,729	279,883	288,278	296,928	305,834	315,012	324,459
Total Operating Expenses	28,960,181	29,715,008	30,490,801	31,281,240	32,114,532	32,959,971	33,846,308	34,726,293

Net Operating Income

	43,863,656	45,276,192	46,582,881	47,170,699	49,458,265	50,685,324	53,313,866	53,126,208
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Leasing & Capital Costs

Tenant Improvements	1,151,186	1,280,479	1,552,343	3,025,569	2,671,361	1,019,218	1,052,900	2,415,104
Leasing Commissions	1,228,726	1,087,186	1,586,301	2,380,415	2,312,195	4,236,565	1,075,490	4,689,510
PB PIO	0	0	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0	0	0
Base Building Costs	0	0	0	0	0	0	0	0
Total Leasing & Capital C	2,379,912	2,367,665	3,138,644	5,405,984	4,983,556	5,255,783	2,128,390	7,104,614

Cash Flow Before Debt Ser & Taxes	\$41,483,744	\$42,908,527	\$43,444,237	\$41,764,715	\$44,474,709	\$45,429,541	\$51,185,476	\$46,021,594
Cash Flow to Operator	22,248,170	22,960,562	23,228,417	22,388,656	23,743,653	24,221,069	27,099,036	24,517,095
PV to Operator								
Discount Rate								
Cash Flow (Fee Simple) PV	45,276,340	46,701,123	47,236,833	45,557,311	48,267,305	49,222,137	54,978,072	49,814,190

	33	34	35	36	37	38	39	40
For the Years Ending	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
	Jun-2044	Jun-2045	Jun-2046	Jun-2047	Jun-2048	Jun-2049	Jun-2050	Jun-2051
Potential Gross Revenue								
Base Rental Revenue	\$84,854,207	\$87,709,586	\$ 90,229,066	\$ 92,849,554				
Absorption & Turnover V	(1,720,981)	(2,350,886)	(1,449,361)	(1,457,033)				
Base Rent Abatements	(1,608,303)	(2,232,036)	(1,050,676)	(1,771,656)				
Scheduled Base Rental R	81,524,923	83,126,664	87,729,029	89,620,865				
CPI & Other Adjustment	0	0	0	0				
Expense Reimbursement R								
Real Estate Tax Escal	1,114,544	1,153,372	1,238,506	1,339,448				
Operating Expense Esc	1,514,988	1,516,124	1,585,720	1,676,850				
Total Reimbursement Rev	2,629,532	2,669,496	2,824,226	3,016,298				
Electric & Fuel Recover	9,016,717	9,274,772	9,552,051	9,850,791				
Miscellaneous	596,754	614,452	632,870	652,058				
Total Potential Gross Rev	93,767,926	95,685,384	100,738,176	103,140,012				
General Vacancy	(1,143,686)	(590,203)	(1,616,265)	(1,680,878)				
Collection Loss	(937,679)	(956,854)	(1,007,381)	(1,031,401)				
Effective Gross Revenue	91,686,561	94,138,327	98,114,530	100,427,733	103,440,565	106,543,782	109,740,095	113,032,298
Operating Expenses								
Professional Fees	1,609,275	1,657,553	1,707,280	1,758,500				
Cleaning	4,660,345	4,800,155	4,944,158	5,092,484				
Insurance	579,393	596,775	614,679	633,120				
Payroll/Labor Costs	2,549,331	2,625,813	2,704,586	2,785,724				
Basic Rent	3,792,596	3,792,596	3,792,596	3,792,596				
Utilities	5,416,161	5,578,646	5,746,006	5,918,386				
Repairs and Maintenance	2,497,831	2,572,764	2,649,949	2,729,447				
Security	722,156	743,820	766,136	789,120				
Real Estate Taxes	12,475,029	12,849,278	13,234,760	13,631,799				
Management Fee	1,031,473	1,059,056	1,103,790	1,129,812				
Licenses and Permits	334,195	344,219	354,547	365,183				
Total Operating Expenses	35,667,785	36,620,675	37,618,487	38,626,171	35,878,582	36,954,940	38,063,588	39,205,496
Net Operating Income	56,018,776	57,517,652	60,496,043	61,801,562	67,561,983	69,588,842	71,676,507	73,826,803
Leasing & Capital Costs								
Tenant Improvements	2,058,070	2,826,306	1,371,735	2,238,763				
Leasing Commissions	1,976,121	2,543,735	1,151,016	2,119,673				
PB PIO	0	0	0	0				
Capital Improvements	0	0	0	0				
Base Building Costs	0	0	0	0				
Total Leasing & Capital C	4,034,191	5,370,041	2,522,751	4,358,436	4,001,958	4,122,017	4,245,678	4,373,048

Cash Flow Before Debt Ser 551,984,585 \$52,147,611 \$ 57,973,292 \$ 57,443,126 63,560,024 65,466,825 67,430,830 69,453,755
Taxes

Cash Flow to Operator 27,498,591 27,580,104 30,492,944 30,227,861 31,390,012 32,343,413 33,325,415 34,336,877

IV to Operator
Discount Rate

Cash Flow (Fee Simple) 55,777,181 55,940,207 61,765,888 61,235,722 63,560,024 65,466,825 67,430,830 69,453,755
PV

For the Years Ending	41	42	43	44	45	46	47	48
Year 41 Jun-2052								
Year 42 Jun-2053								
Year 43 Jun-2054								
Year 44 Jun-2055								
Year 45 Jun-2056								
Year 46 Jun-2057								
Year 47 Jun-2058								
Year 48 Jun-2059								

Potential Gross Revenue

Base Rental Revenue

Subscription & Turnover V

Base Rent Abatements

Scheduled Base Rental R

CPI & Other Adjustment

Expense Reimbursement R

Real Estate Tax

Escal

Operating Expense

Esc

Total Reimbursement Rev

Electric & Fuel Recover

Miscellaneous

Total Potential Gross Rev

General Vacancy

Collection Loss

Effective Gross Revenue

Operating Expenses

Professional Fees

Cleaning

Insurance

Payroll/Labor Costs

Basic Rent

Utilities

Repairs and Maintenance

Security

Real Estate Taxes

Management Fee

Licenses and Permits

Total Operating Expenses

Net Operating Income

Leasing & Capital Costs

Tenant Improvements

Leasing Commissions

PB PIO

Capital Improvements

Base Building Costs

Total Leasing & Capital C

40,381,660

41,593,110

42,840,904

44,126,131

45,449,915

46,813,412

48,217,814

49,664,349

76,041,607

78,322,855

80,672,541

83,092,717

85,585,498

88,153,063

90,797,655

93,521,585

4,504,239

4,639,367

4,778,548

4,921,904

5,069,561

5,221,648

5,378,297

5,539,646

Cash Flow Before Debt Ser & Taxes	71,537,367	73,683,488	75,893,993	78,170,813	80,515,937	82,931,415	85,419,358	87,981,939
Cash Flow to Operator	35,378,684	36,451,744	37,556,997	38,695,406	39,867,969	41,075,708	42,319,679	43,600,969
PV to Operator								
Discount Rate								
Cash Flow (Fee Simple)	71,537,367	73,683,488	75,893,993	78,170,813	80,515,937	82,931,415	85,419,358	87,981,939
PV								

For the Years Ending	49	50	51	52	53	54	55	56
	Year 49 Jun-2060	Year 50 Jun-2061	Year 51 Jun-2062	Year 52 Jun-2063	Year 53 Jun-2064	Year 54 Jun-2065	Year 55 Jun-2066	Year 56 Jun-2067

Potential Gross Revenue								
Base Rental Revenue								
Absorption & Turnover								
Base Rent Abatements								

Scheduled Base Rental R								
CPI & Other Adjustment								

Expense Reimbursement R								
Real Estate Tax								
Escal								
Operating Expense								
Esc								

Total Reimbursement Rev								
Electric & Fuel Recover								
Miscellaneous								

Total Potential Gross Rev								
General Vacancy								
Collection Loss								

Effective Gross Revenue	147,481,512	151,905,957	156,463,136	161,157,030	165,991,741	170,971,493	176,100,638	181,383,657
Operating Expenses								
Professional Fees								
Cleaning								
Insurance								
Payroll/Labor Costs								
Basic Rent								
Utilities								
Repairs and Maintenance								
Security								
Real Estate Taxes								
Management Fee								
Licenses and Permits								

Total Operating Expenses	51,154,279	52,688,908	54,269,575	55,897,662	57,574,592	59,301,830	61,080,885	62,913,311
Net Operating Income	96,327,232	99,217,049	102,193,561	105,259,368	108,417,149	111,669,663	115,019,753	118,470,346
Leasing & Capital Costs								
Tenant Improvements								
Leasing Commissions								
PB PIO								
Capital Improvements								
Base Building Costs								

Total Leasing & Capital C	5,705,836	5,877,011	6,053,321	6,234,921	6,421,968	6,614,627	6,813,066	7,017,458
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Cash Flow Before Debt Ser & Taxes	90,621,397	93,340,039	96,140,240	99,024,447	101,995,180	105,055,036	108,206,687	111,452,888
Cash Flow to Operator	44,920,698	46,280,019	47,680,120	49,122,224	50,607,590	52,137,518	53,713,343	55,336,444
PV to Operator								
Discount Rate								
Cash Flow (Fee Simple) PV	90,621,397	93,340,039	96,140,240	99,024,447	101,995,180	105,055,036	108,206,687	111,452,888

57 58 59 60 61 62 63 64

For the Years Ending
 Potential Gross Revenue
 Year 57 Jun-2068
 Year 58 Jun-2069
 Year 59 Jun-2070
 Year 60 Jun-2071
 Year 61 Jun-2072
 Year 62 Jun-2073
 Year 63 Jun-2074
 Year 64 Jun-2075

Base Rental Revenue
 Absorption & Turnover V
 Base Rent Abatements

Scheduled Base Rental R
 CPI & Other Adjustment

Expense Reimbursement R
 Real Estate Tax

Escal
 Operating Expense
 Esc

Total Reimbursement Rev
 Electric & Fuel Recover
 Miscellaneous

Total Potential Gross Rev
 General Vacancy
 Collection Loss

Effective Gross Revenue 186,825,167 192,429,922 198,202,819 204,148,904 210,273,371 216,581,572 223,079,019 229,771,390

Operating Expenses
 Professional Fees
 Cleaning
 Insurance

Payroll/Labor Costs
 Basic Rent
 Utilities

Repairs and Maintenance
 Security
 Real Estate Taxes

Management Fee
 Licenses and Permits

Total Operating Expenses 64,800,710 66,744,732 68,747,074 70,809,486 72,933,771 75,121,784 77,375,437 79,696,700

Net Operating Income 122,024,456 125,685,190 129,455,745 133,339,418 137,339,600 141,459,788 145,703,582 150,074,689

Leasing & Capital Costs
 Tenant Improvements
 Leasing Commissions

PB PIO
 Capital Improvements
 Base Building Costs

Total Leasing & Capital C 7,227,982 7,444,821 7,668,166 7,898,211 8,135,157 8,379,212 8,630,588 8,889,506

Cash Flow Before Debt Ser & Taxes	114,796,474	118,240,368	121,787,579	125,441,207	129,204,443	133,080,576	137,072,994	141,185,183
Cash Flow to Operator	57,008,237	58,730,184	60,503,790	62,330,603	64,212,222	66,150,288	68,146,497	70,202,592
PV to Operator								
Discount Rate								
Cash Flow (Fee Simple) PV	114,796,474	118,240,368	121,787,579	125,441,207	129,204,443	133,080,576	137,072,994	141,185,183

65 66 67 68 69 70 71 72

For the Years Ending
 Potential Gross Revenue Jun-2076 Year 65 Jun-2077 Year 66 Jun-2078 Year 67 Jun-2079 Year 68 Jun-2080 Year 69 Jun-2081 Year 70 Jun-2082 Year 71 Jun-2083 Year 72

Base Rental Revenue
 Absorption & Turnover V
 Base Rent Abatements

Scheduled Base Rental R
 CPI & Other Adjustment

Expense Reimbursement R
 Real Estate Tax
 Escal

Operating Expense
 Esc

Total Reimbursement Rev
 Electric & Fuel Recover
 Miscellaneous

Total Potential Gross Rev
 General Vacancy
 Collection Loss

Effective Gross Revenue 236,664,531 243,764,467 251,077,401 258,609,723 266,368,015 274,359,056 282,589,827 291,067,522

Operating Expenses:
 Professional Fees
 Cleaning
 Insurance

Payroll/Labor Costs
 Basic Rent
 Utilities

Repairs and Maintenance
 Security
 Real Estate Taxes

Management Fee
 Licenses and Permits

Total Operating Expenses 82,087,601 84,550,229 87,086,736 89,699,338 92,390,318 95,162,028 98,016,889 100,957,396

Net Operating Income 154,576,930 159,214,238 163,990,665 168,910,385 173,977,697 179,197,028 184,572,938 190,110,127

Leasing & Capital Costs
 Tenant Improvements
 Leasing Commissions

PB PIO
 Capital Improvements
 Base Building Costs

Total Leasing & Capital C 9,156,191 9,430,877 9,713,803 10,005,217 10,305,374 10,614,535 10,932,971 11,260,960

Cash Flow Before Debt Ser & Taxes	145,420,739	149,783,361	154,276,862	158,905,168	163,672,323	168,582,493	173,639,967	178,849,166
Cash Flow to Operator	72,320,369	74,501,681	76,748,431	79,062,584	81,446,161	83,901,246	86,429,984	89,034,583
PV to Operator								
Discount Rate								
Cash Flow (Fee Simple) PV	145,420,739	149,783,361	154,276,862	158,905,168				

	73	74	75	76	77	78	79	80
For the Years Ending	Year 73	Year 74	Year 75	Year 76	Year 77	Year 78	Year 79	Year 80
Potential Gross Revenue	Jun-2084	Jun-2085	Jun-2086	Jun-2087	Jun-2088	Jun-2089	Jun-2090	Jun-2091
Base Rental Revenue								
Absorption & Turnover V								
Base Rent Abatements								
Scheduled Base Rental R								
CPI & Other Adjustment								
Expense Reimbursement R								
Real Estate Tax								
Escal								
Operating Expense								
Esc								
Total Reimbursement Rev								
Electric & Fuel Recover								
Miscellaneous								
Total Potential Gross Rev								
General Vacancy								
Collection Loss								
Effective Gross Revenue	299,799,548	308,793,534	318,057,340	327,599,060	337,427,032	347,549,843	357,976,338	368,715,629
Operating Expenses								
Professional Fees								
Cleaning								
Insurance								
Payroll/Labor Costs								
Basic Rent								
Utilities								
Repairs and Maintenance								
Security								
Real Estate Taxes								
Management Fee								
Licenses and Permits								
Total Operating Expenses	103,986,117	107,105,701	110,318,872	113,628,438	117,037,291	120,548,410	124,164,862	127,889,808
Net Operating Income	195,813,430	201,687,833	207,738,468	213,970,622	220,389,741	227,001,433	233,811,476	240,825,821
Leasing & Capital Costs								
Tenant Improvements								
Leasing Commissions								
PB PIO								
Capital Improvements								
Base Building Costs								
Total Leasing & Capital C	11,598,789	11,946,753	12,305,155	12,674,310	13,054,539	13,446,175	13,849,561	14,265,047

Cash Flow Before Debt Ser & Taxes 184,214,641 189,741,081 195,433,313 201,296,312 207,335,202 213,555,258 219,961,916 226,560,773

Cash Flow to Operator 91,717,321 94,480,540 97,326,657 100,258,156 103,277,601 106,387,629 109,590,958 112,890,387

PV to Operator

Discount Rate

Cash Flow (Fee Simple)
PV

	Year 81 Jun-2092	Year 82 Jun-2093	Year 83 Jun-2094	Year 84 Jun-2095	Year 85 Jun-2096	Year 86 Jun-2097	Year 87 Jun-2098	Year 88 Jun-2099
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue								
Absorption & Turnover V								
Base Rent Abatements								
Scheduled Base Rental R								
CPI & Other Adjustment								
Expense Reimbursement R								
Real Estate Tax								
Escal								
Operating Expense								
Esc								
Total Reimbursement Rev								
Electric & Fuel Recover								
Miscellaneous								
Total Potential Gross Rev								
General Vacancy								
Collection Loss								
Effective Gross Revenue	379,777,097	391,170,410	402,905,523	414,992,688	427,442,469	440,265,743	453,473,715	467,077,927
Operating Expenses								
Professional Fees								
Cleaning								
Insurance								
Payroll/Labor Costs								
Basic Rent								
Utilities								
Repairs and Maintenance								
Security								
Real Estate Taxes								
Management Fee								
Licenses and Permits								
Total Operating Expenses	131,726,502	135,678,297	139,748,646	143,941,106	148,259,399	152,707,119	157,288,333	162,006,983
Net Operating Income	248,050,595	255,492,113	263,156,876	271,051,583	279,183,130	287,558,624	296,185,383	305,070,944
Leasing & Capital Costs								
Tenant Improvements								
Leasing Commissions								
PB PIO								
Capital Improvements								
Base Building Costs								
Total Leasing & Capital C	14,692,999	15,133,789	15,387,803	16,055,437	16,537,100	17,033,213	17,544,209	18,070,535

Cash Flow Before Debt Ser & Taxes	233,357,596	240,358,324	247,569,074	254,996,146	262,646,030	270,525,411	278,641,174	287,000,409
Cash Flow to Operator	116,288,798	119,789,162	123,394,537	127,108,073	130,933,015	134,872,706	138,930,587	143,110,204
PV to Operator								
Discount Rate								
Cash Flow (Fee Simple)								
PV								

	89	90	91	92	92.25
For the Years Ending	Year 89 Jun-2100	Year 90 Jun-2101	Year 91 Jun-2102	Year 92 Jun-2103	Year 92.25 9/30/2103
Potential Gross Revenue					
Base Rental Revenue					
Absorption & Turnover V					
Base Rent Abatements					
Scheduled Base Rental R CPI & Other Adjustment					
Expense Reimbursement R					
Real Estate Tax Escal					
Operating Expense Esc					
Total Reimbursement Rev					
Electric & Fuel Recover					
Miscellaneous					
Total Potential Gross Rev					
General Vacancy					
Collection Loss					
Effective Gross Revenue	481,090,265	495,522,973	510,388,662	525,700,322	541,471,331
Operating Expenses					
Professional Fees					
Cleaning					
Insurance					
Payroll/Labor Costs					
Basic Rent					
Utilities					
Repairs and Maintenance					
Security					
Real Estate Taxes					
Management Fee					
Licenses and Permits					
Total Operating Expenses	166,867,192	171,873,208	177,029,404	182,340,286	187,810,495
Net Operating Income	314,223,073	323,649,765	333,359,258	343,360,035	353,660,836
Leasing & Capital Costs					
Tenant Improvements					
Leasing Commissions					
PB PIO					
Capital Improvements					
Base Building Costs					
Total Leasing & Capital C	18,612,651	19,171,031	19,746,162	20,338,547	20,948,703
Cash Flow Before Debt Ser & Taxes	295,610,421	304,478,734	313,613,096	323,021,489	332,712,133

Cash Flow to Operator 147,415,211 151,849,367 156,416,548 161,120,744 41,491,517

PV to Operator

Discount Rate

Cash Flow (Fee Simple)

PV

Check	Net Cash Flow	142,411,161	117,540,330	63,647,114	19,837,687	18,516,184	13,747,009	9,572,565	13,220,305
	Net Cash Flow	(73,632,129)	(16,976,264)	67,866,083	133,801,111	147,063,298	160,837,795	171,956,756	174,189,335
	Total Rents Variance	1,377,438	2,479,313	36,950,554	69,917,868	76,548,962	83,436,210	88,995,691	90,111,980
	Duff Proforma check								
	Calc Above	(73,632,129)	(16,976,264)	67,866,083	133,801,111	147,063,298	160,837,795	171,956,756	174,189,335
	Dump from Pro Forma	(73,632,129)	(16,976,264)	67,866,083	133,801,111	147,063,298	160,837,795	171,956,756	174,189,335
	Variance								
	Available for Improvements:								
	Borrowed 7/2011	159,000,000							
	Fee position loan	(60,500,000)							
	Repay outstanding loan	(31,500,000)							
	Costs	(7,200,000)							
	Prior reserve - advanced to ESBC	59,800,000							
	Prior reserve - held by ESBA	8,900,000							
	Additional borrowing 2011	10,800,000							
	Net Cash Flow	79,500,000							
	Use of Cash from Loans	30,000,000							
	Rent if included in Oper above	(73,632,129)	(16,976,264)	67,866,083	133,801,111	147,063,298	160,837,795	171,956,756	174,189,335
	Total Fixed Rent	8,094,750	8,033,187	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625
	Overage Rent @ 50%	(9,472,188)	(10,512,500)	(10,450,938)	(10,450,938)	(10,450,938)	(10,450,938)	(10,450,938)	(10,450,938)
	Subtotal	(75,009,567)	(19,455,577)	30,915,729	63,883,243	70,514,337	77,401,585	82,961,066	84,077,355
	CF to Operator	(71,556,129)	(14,900,265)	35,471,042	68,438,556	75,069,649	81,956,898	87,516,378	88,632,668
	Variance	3,453,438	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313
	DUFF Argus Dump								
	Total Income	176,796,226	208,590,260	238,111,524	263,329,256	278,572,801	290,901,541	301,280,328	310,701,305
	Total Operating Expense	108,017,194	108,026,194	106,598,327	109,690,458	112,993,319	116,316,737	119,751,007	123,291,665
	Ground Rent	6,018,750	5,957,187	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
	Rent in Lieu of Debt Service	2,076,000	2,076,000	2,076,000	2,076,000	2,076,000	2,076,000	2,076,000	2,076,000
	Total Capital Expenses	142,411,161	117,540,330	63,647,114	19,837,687	18,516,184	13,747,009	9,572,565	13,220,305
	Net Cash Flow	(73,632,129)	(16,976,264)	67,866,083	133,801,111	147,063,298	160,837,795	171,956,756	174,189,335
	GROUND RENT FOR LF								
	VALUATION	6,018,750	5,957,188	40,366,667	73,334,181	79,965,274	86,852,523	92,412,003	93,528,293
	Variance	2	2	14	25	27	29	31	31
	Rent PSF								
	Average Rent PSF	\$ 87							

	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Fixed Rents								
Basic Rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Rent/Debt Service	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313
Total Fixed Rent	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938

Overage Rent								
Total Income	322,376,505	337,267,888	351,445,572	361,810,871	374,664,788	390,765,824	403,132,212	417,836,501
Total Operating Expense	(126,947,920)	(130,732,767)	(134,520,142)	(138,302,043)	(142,195,814)	(146,215,626)	(150,343,188)	(154,602,625)
Add: Rent if included in Opex above	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625
Net Operating Income	203,400,210	214,506,746	224,897,055	231,480,453	240,440,599	252,521,823	260,760,699	271,205,501
Add: Use of Cash from Loans								
Less: Total Capital Expenses (ADJUSTED)	(18,225,457)	(13,107,087)	(11,964,905)	(11,246,972)	(12,616,550)	(7,342,573)	(14,218,117)	(14,151,793)
Less: Total Fixed Rent	(3,895,625)	(3,895,625)	(3,895,625)	(3,895,625)	(3,895,625)	(3,895,625)	(3,895,625)	(3,895,625)
Less: Interest Income								
Other								
Income Subject to Overage Rent	179,279,128	195,504,014	207,036,525	214,337,856	221,928,424	229,283,625	240,646,957	251,158,083
Exclusion	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Remainder for Overage	178,279,128	194,504,014	206,036,525	213,337,856	220,928,424	228,283,625	239,646,957	250,158,083
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	89,139,564	97,252,017	103,018,263	106,668,928	110,464,212	119,141,812	119,823,479	125,079,042

CF of operator	90,139,564	98,252,017	104,018,263	107,668,928	111,464,212	120,141,812	120,823,479	126,079,042
CF to Fee Owner								
Total Fixed Rent	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938
Overage Rent %	89,139,564	97,252,017	103,018,263	106,668,928	110,464,212	119,141,812	119,823,479	125,079,042
Less: Debt Service	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)
Total	95,035,189	103,147,642	108,913,888	112,564,553	116,359,837	125,037,437	125,719,104	130,974,667
CF to Dist	185,174,753	201,399,659	212,932,150	220,233,481	227,824,049	245,179,250	246,542,582	257,053,708
FS CF	185,174,753	201,399,659	212,932,150	220,233,481	227,824,049	245,179,250	246,542,582	257,053,708
Check								

Fixed Rents	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Basic Rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
New Borrowing								
Loan Amount/New Debt								
Amount excluded from Rent/DS								
Amount Applicable to Rent/DS								
Interest Rate (I-O)								
Payments								
Rent/Debt Service*	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313
Total Debt Service	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250
(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)

Agus Dump	322,376,505	337,267,888	351,445,572	361,810,871	374,664,788	390,765,824	403,132,212	417,836,501
Total Income	322,376,505	337,267,888	351,445,572	361,810,871	374,664,788	390,765,824	403,132,212	417,836,501
Total Operating Expense	126,947,920	130,732,767	134,520,142	138,302,043	142,195,814	146,215,626	150,343,188	154,602,625

* in the above, future years are same as current and w/ anticipated borrowing. Diff to make any separate assumption.

17 18 19 20 21 22 23 24

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
Fixed Rents								
Basic Rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Rent/Debt Service	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313
Total Fixed Rent	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938

Overage Rent								
Total Income	429,408,771	435,577,296	469,510,812	489,592,051	504,991,183	519,509,315	531,659,485	553,032,647
Total Operating Expense	(158,979,204)	(163,438,079)	(168,176,239)	(172,992,725)	(177,994,853)	(183,000,313)	(188,213,493)	(193,615,359)
Add: Rent if included in Overage	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625
Net Operating Income	278,401,192	280,110,842	309,306,198	324,570,951	335,037,955	344,480,627	351,417,617	367,388,913
Add: Use of Cash from Loans								
Less: Total Capital Expenses (ADJUSTED)!	(25,404,073)	(58,860,519)	(27,139,972)	(8,415,534)	(11,356,628)	(14,670,730)	(28,401,233)	(26,388,018)
Less: Total Fixed Rent	(5,895,625)	(5,895,625)	(5,895,625)	(5,895,625)	(5,895,625)	(5,895,625)	(5,895,625)	(5,895,625)
Less: Interest Income								
Other								
Income Subject to Ovg Rent	247,101,494	215,354,698	276,270,601	310,259,792	317,785,702	323,914,272	317,120,759	335,105,270
Exclusion	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Remainder for Overage	246,101,494	214,354,698	275,270,601	309,259,792	316,785,702	322,914,272	316,120,759	334,105,270
Overage Rent %	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Overage Rent @ 50%	123,050,747	107,177,349	137,635,300	154,629,896	158,392,851	161,457,136	158,060,380	167,052,635
CF of operator	123,050,747	108,177,349	138,635,300	155,629,896	159,392,851	162,457,136	159,060,380	168,052,635

CF to Fee Owner								
Total Fixed Rent	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938
Overage Rent %	123,050,747	107,177,349	137,635,300	154,629,896	158,392,851	161,457,136	158,060,380	167,052,635
Less: Debt Service	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)
Total	128,946,372	113,072,974	143,530,925	160,525,521	164,288,476	167,352,761	163,956,005	172,948,260
CF to Dist	252,997,119	221,250,323	282,166,226	316,155,417	323,681,327	329,809,897	323,016,384	341,000,895
FS CF	252,997,119	221,250,323	282,166,226	316,155,417	323,681,327	329,809,897	323,016,384	341,000,895
Check								

Fixed Rents	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Basic Rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
New Borrowing								
Loan Amount/New Debt								
Amount excluded from Rent/DS								
Interest Rate (I-O)								
Payments								
Rent/Debt Service*	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313
Total debt service	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250
	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)

* in the above, future years are same as current and w/ anticipated borrowing. Duff to make any separate assumption.

Argus Dump								
Total Income	158,979,204	163,438,079	168,176,239	172,992,725	177,924,853	183,000,313	188,213,493	193,615,359
Total Operating Expense	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625
Ground Rents								
Total Capital Expenses								
Net Cash Flow								

Check

Total Rents Variance

Duff Pro forma check

Calc Above

Dump from Pro Forma

Variance

Available for improvements

Borrowed 7/2011

Fee position loan

Costs

Prior reserve - advanced to ESBC

Prior reserve - held by ESBA

Additional borrowing 2011

Net Cash Flow

Use of Cash from Loans

Rent if included in Opex above

Total Fixed Rent

Overage Rent @ 50%

Subtotal

CF to Operator

Variance

DUFF Argus Dump

Total Income

Total Operating Expense

Ground Rent

Rent in Lieu of Debt Service

Total Capital Expenses

Net Cash Flow

GROUND RENT FOR LP VALUATION

Variance

Rent PSF

Average Rent PSF

128,946,372	113,072,974	143,530,925	160,525,521	164,288,476	167,352,761	163,956,005	172,948,260
43	38	48	54	55	56	55	58

Check

Total Rents Variance

Duff Pro forma check

Calc Above

Dump from Pro Forma

Variance

Available for improvements

Borrowed 7/2011

Fee position loan

Repay outstanding loan

Costs

Prior reserve - advanced to ESB

Prior reserve - held by ESB

Additional borrowing 2011

Net Cash Flow

Use of Cash from Loans

Rent if included in Opex above

Total Fixed Rent

Average Rent @ 50%

Subtotal

CF to Operator

Variance

DUFF Argus Dump

Total Income

Total Operating Expense

Ground Rent

Rent in Lieu of Debt Service

Total Capital Expenses

Net Cash Flow

GROUND RENT FOR LF VALUATION

Variance

Rent PSF

Average Rent PSF

180,180,279	191,389,559	201,431,334	206,181,131	215,455,892	222,644,625	219,428,268	209,603,422
61	64	68	69	72	75	74	70

Net Cash Flow

Check
 Total Rent's Variance
 Duff Pro forma check
 Calc Above
 Dump from Pro Forma
 Variance

Available for Improvements
 Borrowed 7/2011
 Fee position loan
 Repay outstanding loan
 Costs

Prior reserve - advanced to ESBC
 Prior reserve - held by ESBA
 Additional borrowing 2011

Net Cash Flow
 Use of Cash from Loans
 Rent if included in Opex
 above
 Total Fixed Rent
 Overage Rent @ 50%
 Subtotal

CF to Operator
 Variance

DUFF Angus Dump
 Total Income
 Total Operating Expense
 Ground Rent
 Rent in Lieu of Debt Service
 Total Capital Expenses
 Net Cash Flow

GROUND RENT FOR LF
 VALUATION
 Variance
 Rent PSF
 Average Rent PSF

	177,981,641	221,212,651	251,728,109	261,291,906	271,809,265	276,615,633	282,445,307	290,845,232
	60	74	85	88	91	93	95	98

	Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48
Fixed Rents								
Basic Rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Rent/Debt Service	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313
Total Fixed Rent	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938

Overage Rent								
Total Income	930,776,719	958,700,021	987,461,021	1,017,084,852	1,047,597,398	1,079,025,319	1,111,386,079	1,144,737,961
Total Operating Expense	(314,438,143)	(323,632,139)	(333,101,954)	(342,855,864)	(352,902,392)	(363,250,314)	(373,908,675)	(384,886,786)
Rent if included in Opex above	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625

Add: Net Operating Income	624,310,201	643,039,507	662,330,692	682,200,613	702,666,631	723,746,630	745,459,029	767,822,800
Add: Use of Cash from Loans								
Less: Total Capital Expenses [ADJUSTED]	(30,211,516)	(31,117,862)	(32,051,398)	(33,012,940)	(34,003,328)	(35,023,428)	(36,074,131)	(37,156,355)
Less: Total Fixed Rent	(5,895,625)	(5,895,625)	(5,895,625)	(5,895,625)	(5,895,625)	(5,895,625)	(5,895,625)	(5,895,625)
Less: Interest Income								
Other								
Income Subject to Ovg Rent Exclusion	588,203,059	606,026,020	624,383,669	643,292,048	662,767,678	682,827,577	703,489,274	724,770,820
Remainder for Overage	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Overage Rent %	587,203,059	605,026,020	623,383,669	642,292,048	661,767,678	681,827,577	702,489,274	723,770,820
Overage Rent @ 50.0%	293,601,530	302,513,010	311,691,835	321,146,024	330,883,839	340,913,789	351,244,637	361,885,410

CF of operator	294,601,530	303,513,010	312,691,835	322,146,024	331,883,839	341,913,789	352,244,637	362,885,410
CF to Fee Owner								
Total Fixed Rent	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938	10,450,938
Overage Rent %	293,601,530	302,513,010	311,691,835	321,146,024	330,883,839	340,913,789	351,244,637	361,885,410
Less: Debt Service	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)	(4,555,313)
Total	299,497,155	308,408,635	317,587,460	327,041,649	336,779,464	346,809,414	357,140,262	367,781,035
CF to Dist.	594,098,684	611,921,645	630,279,294	649,187,673	668,663,303	688,723,202	709,384,899	730,666,445
FS CF	594,098,684	611,921,645	630,279,294	649,187,673	668,663,303	688,723,202	709,384,899	730,666,445
Check								

Fixed Rents	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Basic Rent								
Rent/Debt Service								
Total Fixed Rent								

New Borrowing								
Loan Amount/New Debt								
Amount excluded from Rent/DS								
Amount Applicable to Rent/DS								
Interest Rate (I-O)								
Payments								
Rent/Debt Service*	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313	4,555,313
Total debt service	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250	6,181,250
(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)	(1,625,938)

Arvus Dump								
Total Income	314,438,143	323,632,139	333,101,954	342,855,864	352,902,391	363,250,314	373,908,675	384,886,786
Total Operating Expense	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625
Ground Rents								
Total Capital Expenses								

* in the above, future years are same as current and w/ anticipated borrowing. Diff to make any separate assumption.

Net Cash Flow

Check

Total Rents Variance

Duff Pro forma check

Calc Above

Dump from Pro Forma

Variance

Available for improvements

Borrowed 7/2011

Fee position loan

Repay outstanding loan

Costs

Prior reserve - advanced to ESBC

Prior reserve - held by ESBA

Additional borrowing 2011

Net Cash Flow

Use of Cash from Loans

Rent if included in Opex

Above

Total Fixed Rent

Average Rent @ 50%

Subtotal

CF to Operator

Variance

DUFF Argus Dump

Total Income

Total Operating Expense

Ground Rent

Rent in Lieu of Debt

Service

Total Capital Expenses

Net Cash Flow

GROUND RENT FOR LF VALUATION

Variance

Rent PSF

Average Rent PSF

299,497,155	308,408,635	317,587,460	327,041,649	336,779,464	346,809,414	357,140,262	367,781,035
101	104	107	110	113	117	120	124

Net Cash Flow

Check Total Rents Variance

Duff Pro forma check
Calc Above
Dump from Pro Forma
Variance

Available for improvements
Borrowed 7/2011
Fee position loan
Repay outstanding loan
Costs

Prior reserve - advanced to ESBC
Prior reserve - held by ESBA
Additional borrowing 2011

Net Cash Flow
Use of Cash from Loans
Rent if included in Opex above
Total Fixed Rent
Overage Rent @ 50%
Subtotal
CP to Operator
Variance

DUFF Argus Dump

Total Income
Total Operating Expense
Ground Rent
Rent in Lieu of Debt Service
Total Capital Expenses
Net Cash Flow

GROUND RENT FOR LF
VALUATION
Variance
Rent PSF
Average Rent PSF
Check Operator

378,741,032 390,029,828 401,657,289 413,633,573 425,969,146 438,674,786 451,761,595 465,241,009

127 131 135 139 143 147 152 156

For the Years Ending	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Potential Gross Revenue	Jun-2012	Jun-2013	Jun-2014	Jun-2015	Jun-2016	Jun-2017	Jun-2018	Jun-2019

Base Rental								
Revenue	\$ 111,251,358	\$ 125,166,614	\$ 135,980,917	\$ 145,427,973	\$ 155,763,670	\$ 164,213,204	\$ 170,696,882	\$ 177,912,581
Antenna Revenue	\$ 15,944,912	\$ 16,531,284	\$ 17,132,922	\$ 17,412,382	\$ 17,692,234	\$ 18,178,194	\$ 18,936,395	\$ 19,274,489
Absorption & Turnover	(31,401,511)	(15,716,317)	(5,261,662)	(1,592,618)	(2,270,591)	(3,109,281)	(2,709,960)	(2,634,868)
Vacancy								
Base Rent								
Abatements	(\$ 16,723,802)	(\$ 18,668,669)	(\$ 12,657,338)	(\$ 3,767,342)	(\$ 2,469,392)	(\$ 2,079,813)	(\$ 1,950,618)	(\$ 2,763,190)

Scheduled Base Rental								
Revenue	79,070,957	107,312,912	135,194,839	157,480,395	168,715,921	177,202,304	184,972,699	191,789,012
Base Rental Step								
Revenue	0	0	0	162,903	382,086	433,659	428,244	426,642
CPI & Other								
Adjustment								
Revenue	6,276,077	6,864,798	6,948,116	7,585,970	7,793,166	7,120,459	5,319,390	2,692,578
Retail Sales Percent								
Revenue	0	0	0	0	0	0	0	0

Expense								
Reimbursement								
Revenue								
Real Estate								
Taxes	6,783,023	6,685,147	6,507,426	7,073,449	7,455,124	7,690,530	8,104,359	8,141,206
Operating								
expenses	200,659	206,686	212,883	488,278	950,409	2,022,297	3,288,245	4,516,795
Electric								
Inclusion	2,837,904	2,400,116	1,798,775	1,467,307	913,893	383,994	344,387	97,814
Electric								
Submetering	3,271,290	5,787,407	7,829,656	8,903,739	9,658,641	10,294,207	10,718,049	11,378,029
Escalation	104,781	98,762	101,725	104,776	69,916	32,869	33,856	34,873
Common								
Rent	249,879	257,377	0	0	0	0	0	0

Additional Broadcasting								
Revenue	3,679,939	3,796,126	3,929,829	3,964,619	3,994,589	4,177,774	4,699,209	6,010,871
Total								
Reimbursement								
Revenue	23,403,552	26,096,419	27,328,410	29,751,041	31,217,824	32,155,789	32,935,739	33,298,808
Lease								
Percentage Rent	202,126	216,273	231,412	247,611	264,946	283,490	303,336	324,568
Cancellation								
Fees	815,000	0	0	0	0	0	0	0

Collection Loss (1,855,929) (2,178,951) (2,492,655) (2,759,672) (2,917,399) (3,038,989) (3,139,064) (3,224,837)

Effective Gross Revenue 176,796,226 208,590,260 238,111,524 263,329,256 278,572,801 290,901,541 301,280,328 310,701,305

Operating Expenses

Real Estate Taxes	32,429,994	33,865,031	35,313,628	36,775,884	38,155,615	39,468,641	40,827,821	42,234,777
Cleaning	7,569,999	7,797,101	8,031,012	8,271,944	8,520,101	8,775,706	9,038,975	9,310,145
Security	6,099,999	6,056,000	6,237,680	6,424,811	6,617,555	6,816,081	7,020,564	7,231,180
Professional Fees	9,315,000	6,984,000	6,303,000	6,169,000	6,297,999	6,486,941	6,681,549	6,881,994
Insurance	8,478,408	8,732,760	8,994,744	9,264,585	9,542,522	9,828,800	10,123,663	10,427,372
Repairs & Maintenance	9,950,002	9,794,999	6,311,001	6,500,000	6,695,999	6,896,880	7,103,786	7,316,900
Payroll	9,800,001	9,910,151	10,018,093	10,318,637	10,628,196	10,947,040	11,275,453	11,613,717
Utilities	15,618,120	16,086,663	16,569,265	17,066,340	17,578,333	18,105,682	18,648,852	19,208,317
Ground Rent	8,094,750	8,033,187	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625
Average Rent	0	0	34,471,042	67,438,556	74,069,649	80,956,898	86,516,378	87,632,668
Management Fee	660,921	766,302	848,279	927,632	985,374	1,019,341	1,058,719	1,095,638

Total Operating Expenses 99,922,444 99,993,007 98,626,702 101,718,833 105,021,694 108,345,112 111,779,382 115,320,040

Net Operating Income 76,873,782 92,367,853 101,395,813 90,553,898 95,863,490 97,981,563 99,366,599 104,130,629

Leasing & Capital Costs

Tenant								
Improvements	24,541,561	14,984,245	8,999,786	1,131,607	3,546,704	3,094,743	1,751,693	3,239,360
Leasing	14,791,286	12,670,967	6,074,472	3,372,507	3,370,422	3,426,205	2,830,042	4,958,116
Commissions								
Capital								
Expenditures	81,597,597	77,357,223	40,085,890	13,607,064	9,145,450	5,278,480	2,722,131	2,538,483
Base Building								
Costs	3,120,001	2,574,999	3,044,785	1,726,509	2,453,608	1,947,581	2,268,699	2,484,346
LI & Pung								
LC/BB/TT	18,360,716	9,952,896	5,442,181	0	0	0	0	0
Total Leasing & Capital	142,411,161	117,540,330	63,647,114	19,837,687	18,516,184	13,747,009	9,572,565	13,220,305

Cash Flow Before Debt Service (\$ 65,537,379) (\$ 25,172,477) \$ 37,748,699 \$ 70,716,211 \$ 77,347,306 \$ 84,234,554 \$ 89,794,034 \$ 90,910,324

& Taxes Cash Flow to Operator (71,556,129) (14,900,265) 35,471,042 68,438,556 75,069,649 81,956,898 87,516,378 88,632,668

PV to Building Operator \$1,081,000,000

Discount Rate 8.75%

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Elevator Service	103,836	106,951	110,159	113,464	116,868	120,374	123,985	127,705
Labor	93,633	96,443	99,335	102,315	105,385	108,548	111,803	115,156
Keys	12,703	13,084	13,477	13,882	14,296	14,727	15,168	15,624
Lamp Sales	38,361	39,513	40,696	41,919	43,177	44,472	45,805	47,181
Capitvate	66,988	73,690	81,057	89,162	98,079	107,888	118,675	130,544
Window Cleaning	54,977	56,628	58,326	60,075	61,879	63,734	65,647	67,615
Trademark Licensing	150,673	158,208	166,116	174,423	183,144	192,300	201,915	212,013
Location Agreements	31,669	32,619	33,599	34,606	35,644	36,713	37,815	38,950
Event Income	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Extended Lighting	9,500	9,784	10,081	10,381	10,693	11,016	11,343	11,686
Interest	0	0	0	0	0	0	0	0
Late Payment Charges	216,412	201,265	187,176	174,073	161,890	150,555	140,017	130,217
Miscellaneous Income	95,006	97,859	100,793	103,818	106,933	110,140	113,445	116,846

Total Potential Gross Revenue	327,739,109	344,105,945	357,166,026	367,381,701	380,523,423	398,889,374	410,801,951	425,310,852
General Vacancy	(2,032,301)	(3,349,587)	(2,099,177)	(1,828,104)	(1,977,616)	(4,058,981)	(3,486,683)	(3,144,071)
Collection Loss	(3,330,303)	(3,488,470)	(3,621,277)	(3,742,726)	(3,881,019)	(4,064,570)	(4,183,056)	(4,330,279)

Effective Gross Revenue	322,376,505	337,267,888	351,445,572	361,810,871	374,664,788	390,765,824	403,132,212	417,836,501
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Operating Expenses								
Real Estate Taxes	43,691,185	45,198,789	46,643,083	48,018,356	49,434,886	50,893,915	52,396,712	53,944,594
Cleaning	9,589,450	9,877,132	10,173,447	10,478,652	10,793,009	11,116,800	11,450,304	11,793,814
Security	7,448,116	7,671,560	7,901,707	8,138,757	8,382,921	8,634,407	8,893,440	9,160,244
Professional Fees	7,088,455	7,301,108	7,520,140	7,745,746	7,978,117	8,217,462	8,463,985	8,717,905
Insurance	10,740,192	11,062,400	11,394,271	11,736,098	12,088,184	12,450,827	12,824,352	13,209,084
Repairs & Maintenance	7,536,407	7,762,499	7,995,374	8,235,236	8,482,293	8,736,760	8,998,865	9,268,829
Payroll	11,962,127	12,320,991	12,690,622	13,071,339	13,463,482	13,867,383	14,283,406	14,711,908
Utilities	19,784,568	20,378,104	20,989,448	21,619,130	22,267,705	22,935,735	23,623,809	24,332,522
Ground Rent	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625
Overage Rent	89,139,564	97,252,017	103,018,263	106,668,928	110,464,212	119,141,812	119,823,479	125,079,042
Management Fee	1,135,795	1,188,559	1,240,425	1,287,104	1,333,592	1,390,712	1,436,640	1,492,100

Total Operating Expenses	118,976,295	122,761,142	126,548,517	130,330,418	134,224,189	138,244,001	142,371,513	146,631,000
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Net Operating Income	110,642,677	113,670,924	118,646,251	123,508,828	123,468,974	244,550,198	252,789,074	263,233,876
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Leasing & Capital Costs								
Tenant Improvements	5,152,975	3,699,962	5,508,479	5,475,254	5,963,424	2,965,185	6,379,389	6,164,962
Leasing Commissions	7,590,788	5,792,903	6,456,426	5,771,718	6,653,126	4,377,388	7,838,728	7,986,831
Capital Expenditures	1,896,735	534,958	0	0	0	0	0	0
Base Building Costs	3,584,959	3,079,264	0	0	0	0	0	0
Li & Fung LC/BB/TTI	0	0	0	0	0	0	0	0

Total Leasing & Capital Costs	18,225,457	13,107,087	11,964,905	11,246,972	12,616,550	7,342,573	14,218,117	14,151,793
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Cash Flow Before Debt Service & Taxes	\$ 92,417,220	\$ 100,563,837	\$ 106,681,346	\$ 212,261,856	\$ 219,852,424	\$ 237,207,625	\$ 238,570,957	\$ 249,082,083
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Cash Flow to Operator 90,139,564 98,252,017 104,018,263 107,668,928 111,464,212 120,141,812 120,823,479 126,079,042
PV to Building Operator
Discount Rate

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Observatory	93,796,732	96,610,633	99,508,954	102,494,220	105,569,048	108,736,118	111,998,204	115,358,148
Income								
Operating Exp	1,611,383	1,530,816	1,454,275	1,381,560	1,312,484	1,246,859	1,184,515	1,125,289
Electric								
Submetering	2,938,363	3,026,515	3,117,309	3,210,828	3,307,155	3,406,368	3,508,560	3,613,816
Submetering -								
Broadcasters	12,452,981	13,200,161	13,992,170	14,831,700	15,721,604	16,664,899	17,664,792	18,724,680
Electric Retro	4,140,557	4,264,774	4,392,717	4,524,498	4,660,232	4,800,038	4,944,042	5,092,364
Legal Fees	102,490	105,564	108,732	111,993	115,353	118,812	122,377	126,049
RF System								
Reimb	31,766	32,719	33,701	34,712	35,753	36,826	37,931	39,069
Tower Reconfig								
Reimb	0	0	0	0	0	0	0	0
Broadcast Backup								
Power Reimb	0	0	0	0	0	0	0	0
Carpet Care &								
Shampoo	585,995	606,504	627,731	649,702	672,442	695,976	720,336	745,548
Cleaning Service	1,639,795	1,697,187	1,756,590	1,818,072	1,881,702	1,947,562	2,015,726	2,086,277
Porter/Matron								
Service	452,676	468,520	484,919	501,889	519,456	537,637	556,455	575,931
Rubbish Removal	362,036	374,704	387,821	401,395	415,442	429,984	445,032	460,609
Waxing/Floor								
Maintenance	430,692	445,765	461,368	477,517	494,229	511,526	529,429	547,960
Water	193,597	199,405	205,388	211,547	217,895	224,431	231,165	238,099
Skyride Security								
Reimb	0	0	0	0	0	0	0	0
Exterminating	2,265	2,265	2,265	2,265	2,265	2,265	2,265	2,265
Elevator Service	131,537	135,482	139,548	143,733	148,044	152,487	157,061	161,773
Labor	118,612	122,172	125,834	129,612	133,499	137,503	141,628	145,877
Keys	16,092	16,574	17,072	17,584	18,111	18,656	19,214	19,791
Lamp Sales	48,596	50,052	51,555	53,101	54,696	56,335	58,024	59,768
Capitivate	143,598	157,957	173,753	191,129	210,241	231,265	254,393	279,831
Window Cleaning	69,645	71,733	73,885	76,104	78,384	80,737	83,160	85,653
Trademark								
Licensing	222,612	233,744	245,428	257,702	270,588	284,114	298,322	313,238
Location								
Agreements	40,116	41,321	42,562	43,836	45,154	46,507	47,903	49,339
Event Income	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Extended Lighting	12,035	12,396	12,768	13,152	13,546	13,953	14,370	14,800
Interest	0	0	0	0	0	0	0	0
Late Payment								
Charges	121,102	112,623	104,741	97,408	90,589	84,250	78,350	72,867
Miscellaneous								
Income	120,353	123,963	127,683	131,513	135,459	139,523	143,707	148,019
Total Potential Gross	435,430,190	440,507,110	477,691,783	500,413,850	514,850,780	528,517,735	538,287,316	562,462,479
Revenue								
General Vacancy	(1,585,118)	(438,264)	(3,319,004)	(5,732,585)	(4,624,023)	(3,631,288)	(1,145,648)	(3,703,185)

Collection Loss	(4,436,301)	(4,491,550)	(4,861,967)	(5,089,213)	(5,235,574)	(5,377,133)	(5,482,183)	(5,726,647)
Effective Gross Revenue	429,408,771	435,577,296	469,510,812	489,592,051	504,991,183	519,509,315	531,659,485	553,032,647
Operating Expenses								
Real Estate Taxes	55,538,912	57,181,059	58,872,472	60,614,628	62,409,047	64,257,298	66,160,998	68,121,807
Cleaning	12,147,627	12,512,057	12,887,419	13,274,040	13,672,263	14,082,430	14,504,903	14,940,048
Security	9,435,050	9,718,103	10,009,644	10,309,935	10,619,233	10,937,809	11,265,945	11,603,923
Professional Fees	8,979,444	9,248,824	9,526,292	9,812,078	10,106,441	10,409,636	10,721,923	11,043,580
Insurance	13,605,356	14,013,516	14,433,923	14,866,939	15,312,948	15,772,336	16,245,506	16,732,872
Repairs & Maintenance	9,546,896	9,833,301	10,128,300	10,432,150	10,745,114	11,067,468	11,399,492	11,741,476
Payroll	15,153,265	15,607,863	16,076,100	16,558,382	17,055,133	17,566,789	18,093,792	18,636,604
Utilities	25,062,497	25,814,374	26,588,803	27,386,468	28,208,062	29,054,304	29,925,933	30,823,711
Ground Rent	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625	7,971,625
Overage Rent	123,050,747	107,177,349	137,635,300	154,629,896	158,392,851	161,457,136	158,060,380	167,052,635
Management Fee	1,538,532	1,537,357	1,681,661	1,766,480	1,824,987	1,880,618	1,923,376	1,999,713
Total Operating Expenses	151,007,579	155,466,454	160,204,614	165,021,100	169,953,228	175,028,688	180,241,868	185,643,734
Net Operating Income	270,429,567	272,139,217	301,334,573	316,599,326	327,066,330	336,509,002	343,445,992	359,417,288
Leasing & Capital Costs								
Tenant Improvements	10,663,746	25,828,868	11,280,284	3,315,770	4,797,012	7,185,098	13,519,731	11,548,511
Leasing Commissions	14,740,327	33,031,651	15,859,688	5,099,764	6,559,616	7,485,632	14,881,502	14,839,507
Capital Expenditures	0	0	0	0	0	0	0	0
Base Building Costs	0	0	0	0	0	0	0	0
Li & Fung LC/BB/TL	0	0	0	0	0	0	0	0
Total Leasing & Capital Costs	25,404,073	58,860,519	27,139,972	8,415,534	11,356,628	14,670,730	28,401,233	26,388,018
Cash Flow Before Debt Service & Taxes	\$ 245,025,494	\$ 213,278,698	\$ 274,194,601	\$ 308,183,792	\$ 315,709,702	\$ 321,838,272	\$ 315,044,759	\$ 333,029,270
Cash Flow to Operator	124,050,747	108,177,349	138,635,300	155,629,896	159,392,851	162,457,136	159,060,380	168,052,635
PV to Building Operator	Discount Rate	0	0	0	0	0	0	0

Observatory	150,516,218	155,031,706	159,682,656	164,473,137	169,407,330	174,489,550
Income						
Operating Exp	709,212	673,753	640,066	608,061	577,658	548,775
Esc.						
Electric	4,715,210	4,856,667	5,002,368	5,152,439	5,307,011	5,466,220
Submetering						
Submetering -						
Broadcasters	31,634,952	33,533,052	35,545,032	37,677,735	39,938,400	42,334,704
Electric Reimb	6,644,377	6,843,710	7,049,021	7,260,492	7,478,304	7,702,656
Legal Fees	164,465	169,400	174,480	179,716	185,109	190,660
RF System						
Reimb.	50,976	52,505	54,080	55,703	57,374	59,095
Tower Reconfig						
Reimb	0	0	0	0	0	0
Broadcast Backup						
Power Reimb	0	0	0	0	0	0
Carpet Care &						
Shampoo	1,016,105	1,051,669	1,088,477	1,126,574	1,166,005	1,206,815
Cleaning Service	2,843,380	2,942,902	3,045,900	3,152,509	3,262,847	3,377,044
Porter/Matron						
Service	784,935	812,408	840,840	870,272	900,731	932,255
Rubbish Removal	627,763	649,735	672,475	696,012	720,372	745,585
Waxing/Floor						
Maintenance	746,812	772,952	800,004	828,005	856,985	886,981
Water	310,665	319,985	329,585	339,473	349,657	360,147
Skyride Security						
Reimb	0	0	0	0	0	0
Exterminating	2,265	2,265	2,265	2,265	2,265	2,265
Elevator Service	211,078	217,408	223,932	230,650	237,568	244,697
Labor	190,337	196,047	201,929	207,987	214,226	220,654
Keys	25,824	26,596	27,397	28,216	29,065	29,936
Lamp Sales	77,982	80,321	82,730	85,212	87,768	90,401
Capivale	659,827	725,810	798,392	878,231	966,053	1,062,659
Window Cleaning	111,758	115,112	118,564	122,122	125,784	129,560
Trademark						
Licensing	485,936	510,230	535,743	562,531	590,656	620,189
Location						
Agreements	64,378	66,309	68,296	70,347	72,457	74,631
Event Income	200,000	200,000	200,000	200,000	200,000	200,000
Extended Lighting	19,312	19,894	20,488	21,105	21,737	22,390
Interest	0	0	0	0	0	0
Late Payment						
Charges	37,920	35,267	32,796	30,503	28,367	26,380
Miscellaneous						
Income	193,130	198,925	204,893	211,040	217,370	223,893
Total Potential Gross	702,642,587	754,305,793	785,845,198	816,371,212	843,913,903	867,743,386
Revenue						
General Vacancy	0	(1,186,115)	(8,098,166)	(9,090,120)	(8,741,251)	(7,123,585)

Collection Loss (7,166,384) (7,691,511) (8,003,634) (8,315,262) (8,589,597) (8,827,250)

Effective Gross Revenue 695,476,203 745,428,167 769,743,399 798,965,830 826,583,056 851,792,551 877,346,328 903,666,718

Operating Expenses

Real Estate Taxes 88,639,492 91,274,656 93,988,876 96,784,524 99,664,040 102,629,940
Cleaning 19,493,376 20,078,177 20,680,525 21,300,938 21,939,968 22,598,166
Security 15,140,487 15,594,701 16,062,543 16,544,419 17,040,751 17,551,972
Professional Fees 14,409,368 14,841,648 15,286,899 15,745,507 16,217,871 16,704,408
Insurance 21,832,603 22,487,579 23,162,208 23,857,073 24,572,787 25,309,969
Repairs & Maintenance 15,319,964 15,779,563 16,252,948 16,740,539 17,242,754 17,760,036
Payroll 24,316,543 25,046,039 25,797,419 26,571,343 27,368,483 28,189,536
Utilities 40,217,951 41,424,491 42,667,223 43,947,241 45,265,659 46,623,629
Ground Rent 7,971,625 7,971,625 7,971,625 7,971,625 7,971,625 7,971,625
Average Rent 172,086,016 215,317,026 245,832,484 255,396,281 265,913,640 270,720,008
Management Fee 2,505,030 2,700,254 2,780,602 2,906,154 3,001,146 3,092,622

Total Operating Expenses

241,874,814 249,227,108 256,679,243 264,397,738 272,313,459 280,460,278 288,874,086 297,540,309

Net Operating Income 445,629,764 488,229,434 505,092,531 526,596,467 546,297,972 563,360,648 588,472,241 606,126,409

Leasing & Capital Costs

Tenant Improvements 46,365,745 26,795,291 5,662,371 8,389,135 6,393,193 9,358,189
Leasing Commissions 56,167,987 31,876,092 8,841,191 8,490,770 9,153,499 13,638,443
Capital Expenditures Base Building Costs 0 0 0 0 0 0
Li & Fung LC/BB/TT 0 0 0 0 0 0

Total Leasing & Capital Costs 102,533,732 58,671,383 14,503,562 16,879,905 15,546,692 22,996,632 28,477,252 29,331,569

Cash Flow Before Debt & Taxes

Service \$ 343,096,032 \$ 429,558,051 \$ 490,588,969 \$ 509,716,562 \$ 530,751,280 \$ 540,364,016 559,994,990 576,794,839

Cash Flow to Operator 173,086,016 216,317,026 246,832,484 256,396,281 266,913,640 271,720,008 277,549,682 285,949,607

PV to Building Operator

Discount Rate

Check 0 0 0 0 0 0 0 0

Rubbish Removal									
Waxing/Floor									
Maintenance									
Water									
Skyride Security Reimb									
Exterminating									
Elevator Service									
Labor									
Keys									
Lamp Sales									
Capitvate									
Window Cleaning									
Trademark Licensing									
Location Agreements									
Event Income									
Extended Lighting									
Interest									
Late Payment Charges									
Miscellaneous Income									
Total Potential Gross Revenue									
General Vacancy									
Collection Loss									
Effective Gross Revenue	930,776,719	958,700,021	987,461,021	1,017,084,852	1,047,597,398	1,079,025,319	1,111,396,079	1,144,737,961	
Operating Expenses									
Real Estate Taxes									
Cleaning									
Security									
Professional Fees									
Insurance									
Repairs & Maintenance									
Payroll									
Utilities									
Ground Rent									
Overage Rent									
Management Fee									
Total Operating Expenses	306,466,518	315,660,514	325,130,329	334,884,239	344,930,766	355,278,689	365,937,050	376,915,161	
Net Operating Income	624,310,201	643,039,507	662,330,692	682,200,613	702,666,631	723,746,630	745,459,029	767,822,800	
Leasing & Capital Costs									
Tenant Improvements									
Leasing Commissions									
Capital Expenditures									
Base Building Costs									
Li & Pung LC/BB/TI									
Total Leasing & Capital Costs	30,211,516	31,117,862	32,051,398	33,012,940	34,003,328	35,023,428	36,074,131	37,156,355	

Cash Flow Before Debt Service 594,098,684 611,921,645 630,279,294 649,187,673 668,663,303 688,723,202 709,384,899 730,666,445
& Taxes

Cash Flow to Operator 294,601,530 303,513,010 312,691,835 322,146,024 331,883,839 341,913,789 352,244,637 362,885,410

Pvt. Building Operator

Discount Rate

Check 0 0 0 0 0 0 0 0

Submetering -				
Broadcasters				
Electric Retro				
Legal Fees				
RF System Reimb				
Tower Reconting				
Reimb				
Broadcast Backup				
Power Reimb				
Carpet Care &				
Shampoo				
Cleaning Service				
Porter/Matron				
Service				
Rubbish Removal				
Waxing/Floor				
Maintenance				
Water				
Skyride Security				
Reimb				
Exterminating				
Elevator Service				
Labor				
Keys				
Lamp Sales				
Capivate				
Window Cleaning				
Trademark				
Licensing				
Location				
Agreements				
Event Income				
Extended Lighting				
Interest				
Late Payment				
Charges				
Miscellaneous				
Income				
Total Potential Gross				
Revenue				
General Vacancy				
Collection Loss				
Effective Gross Revenue	1,179,080,100	1,214,452,503	1,250,886,078	1,288,412,661
				1,327,065,040
				1,366,876,992
				1,407,883,301
				1,450,119,801
Operating Expenses				
Real Estate Taxes				
Cleaning				
Security				

Observatory
Income

Operating Exp

Esc.

Electric

Submetering

Submetering -

Broadcasters

Electric Retro

Legal Fees

RF System

Reimb.

Tower Reconfg

Reimb

Broadcast Backup

Power Reimb

Carpet Care &

Shampoo

Cleaning Service

Porter/Matron

Service

Rubbish Removal

Waxing/Floor

Maintenance

Water

Skyride Security

Reimb

Exterminating

Elevator Service

Labor

Keys

Lamp Sales

Capivate

Window Cleaning

Trademark

Licensing

Location

Agreements

Event Income

Extended Lighting

Interest

Late Payment

Charges

Miscellaneous

Income

Total Potential Gross
Revenue

General Vacancy
Collection Loss

Effective Gross Revenue 1,493,623,395 1,538,432,096 1,584,585,059 1,632,122,611 1,681,086,289 1,731,518,878 1,783,464,444 1,836,968,378

Operating Expenses

Real Estate Taxes

Cleaning

Security

Professional Fees

Insurance

Repairs & Maintenance

Payroll

Utilities

Ground Rent

Overage Rent

Management Fee

Total Operating Expenses

Net Operating Income

Leasing & Capital Costs

Tenant

Improvements

Leasing

Commissions

Capital

Expenditures

Base Building

Costs

LI & Fung

LCBB/TL

Total Leasing & Capital Costs

Cash Flow Before Debt Service & Taxes

48,480,615	49,935,033	51,433,084	52,976,077	54,565,359	56,202,320	57,888,390	59,625,041
953,353,984	981,954,604	1,011,413,242	1,041,755,639	1,073,008,308	1,105,198,558	1,138,354,514	1,172,505,150

Cash Flow to Operator 474,229,180 488,529,489 503,258,809 518,430,007 534,056,342 550,151,466 566,729,445 583,804,762

PV to Building

Operator

Discount Rate

Check 0 0 0 0 0 0 0 0



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Entity	Appraised Property Value	Debt Obligations	Cash for Improvements	Present Value of Supervisory Fees	Unpaid Cash Overrides	Total Exchange Value	Per \$10,000
							Original Investment (after voluntary override for Empire State Building Associates L.L.C. and 250 West 57th St. Associates L.L.C.)
Empire State Building							
Empire State Building Associates L.L.C. (Lessor)							
JV	\$1,304,500,000 ⁽¹⁾	(\$123,750,000)	\$ 7,000,000	(\$ 5,137,451)	\$ 0	\$1,183,612,549	\$ 323,803
DCF	\$1,458,000,000	(\$189,000,000)	\$ 7,000,000	(\$ 5,137,451)	\$ 0	\$1,270,862,549	\$ 347,599
Empire State Building Company L.L.C. (Operating Lessee)							
JV	\$1,223,500,000 ⁽¹⁾	(\$ 64,250,000)	\$ 7,000,000	(\$ 4,113,518)	\$ 0	\$1,162,136,482	N/A
DCF	\$1,072,000,000	\$ 0	\$ 7,000,000	(\$ 4,113,518)	\$ 0	\$1,074,886,482	N/A
One Grand Central Place							
60 East 42nd St. Associates L.L.C. (Lessor)							
JV	\$ 359,500,000 ⁽¹⁾	(\$ 45,155,119)	\$ 0	(\$ 1,275,348)	\$ 0	\$ 313,069,533	\$ 402,658
DCF	\$ 392,000,000	(\$ 30,310,237)	\$ 0	(\$ 1,275,348)	\$ 0	\$ 360,414,215	\$ 386,387
Lincoln Building Associates L.L.C. (Operating Lessee)							
JV	\$ 344,500,000 ⁽¹⁾	(\$ 45,155,119)	\$ 0	(\$ 2,738,564)	(\$ 618,000)	\$ 296,982,317	N/A
DCF	\$ 312,000,000	\$ 0	\$ 0	(\$ 2,738,564)	(\$ 618,000)	\$ 308,642,436	N/A
250 West 57th St. Associates L.L.C. (Lessor)							
JV	\$ 186,000,000 ⁽¹⁾	(\$ 22,212,606)	\$ 0	(\$ 722,787)	\$ 0	\$ 163,064,607	\$ 409,862
DCF	\$ 197,000,000	(\$ 44,425,212)	\$ 0	(\$ 722,787)	\$ 0	\$ 151,852,001	\$ 381,630
Fisk Building Associates L.L.C. (Operating Lessee)							
JV	\$ 175,000,000 ⁽¹⁾	(\$ 22,212,606)	\$ 0	(\$ 729,597)	(\$ 909,000)	\$ 151,148,797	N/A
DCF	\$ 164,000,000	\$ 0	\$ 0	(\$ 729,597)	(\$ 909,000)	\$ 162,361,403	N/A

(1) Represents, for the joint venture method, the allocation of the appraised value determined by the independent valuer 50% to the subject LLC and 50% to the operating lessee after deducting the present value of the base rent from the appraised value and adding the present value of base rent to the appraised value of the subject LLC.

The supervisor did not believe that the sharing ratio shown in such preliminary draft valuation was appropriate, because:

- (a) It was inconsistent with the original intent of those who created the structure and drafted the agreements related thereto, to achieve the economic attributes of a 50/50 joint venture and practice (as described above).
- (b) It would have yielded a sharing ratio substantially dissimilar to that which was provided by other independent valuers in sales over the past decades of other two-tier properties supervised by the supervisor and was approved by investors in both the entities parallel to the subject LLCs and their operating lessees. The sharing ratios under the discounted cash flow analysis were 54.5% for Empire State Building Associates L.L.C. and 45.5% for Empire State Building Company L.L.C., 48.3% for 60 East 42nd St. Associates L.L.C. and 51.7% for Lincoln Building Associates L.L.C., and 48.6% for 250 West 57th St. Associates L.L.C. and 51.4% for Fisk Building Associates L.L.C. Since 1989, from which time the supervisor has comprehensive records of sales transactions, the supervisor has proposed to investors, and investors have approved, three sales of two-tier office properties. In each case, the sale included both the lessor and lessee, and the allocation of the purchase price was based on a sharing ratio that was determined based on a report by an independent third party experienced in valuing real property and was approved by the investors as part of their consent to the sale. The supervisor believes that the preliminary draft value initially provided by the independent third party (which determined the value of the residual interest in the property after expiration of the lease on a discounted cash flow basis) was inconsistent with the allocations in these prior sales of two-tier properties.

In one of these transactions, 200 Fifth Avenue (known as the International Toy Center), the independent third party determined that 52% of the purchase price should be allocated to the fee owner of the property and 48% of the purchase price should be allocated to the operating lessee. The independent third party based its determination on the present value of contractual lease payments under the operating lease, including agreed upon extensions. The independent third party's report stated that it also gave weight to the motivation of the investors at the origination of the investment, as well as noting that the lessee's operating control adds some marginal value to its position. Based on the analysis in the report, the supervisor does not believe that the independent third party attributed any value to the lessor's residual interest in the property after expiration of the lease.

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The second transaction involved the sale of ground leasehold and operating subleasehold interests in a property known as 500-512 Seventh Avenue. An unaffiliated third party which owned the fee interest was the ground lessor and did not join in the sale. The sellers, both supervised by the supervisor, were the ground lessee and the operating sublessee, both subject to expiration of their leasehold interest on the same day. Thus, there was no residual interest. The independent third party determined that the ground lessee would be allocated 46.32% – 48.20% of the purchase price and the operating sublessee would be allocated 51.80% – 53.68% of the purchase price (with a greater percentage being allocated to the sublessee as the purchase price increased).

The third transaction involved a distressed property known as 498 Seventh Avenue, where the operating lessee was in default under the operating lease due to a failure to pay real estate taxes. In addition, the property had no significant cash flow, so any leasing costs would be borne directly and solely by the operating lessee. Due to these special circumstances, a substantial portion of the proceeds (60% to 80%, depending on the purchase price) were allocated to the fee owner.

- (c) The supervisor believes such preliminary draft allocation overvalued the residual and does not believe that an independent third party in an arms' length market transaction would pay what the independent valuer determined to be the residual value of the Empire State Building. The supervisor's belief is based on (i) its experience in the prior transactions referred to in (b) above, (ii) its experience in real estate markets, and its discussions with others in the real estate industry as to the valuation of a fee interest subject to a long-term operating lease and (iii) the purchase price paid by Empire State Building Associates L.L.C. to acquire the fee interest from an independent third party.
- (d) The supervisor believes, based on its experience with its two-tier properties as discussed above, that in the absence of the proposed consolidation it is likely the operating lease term will be extended at the Empire State Building as part of joint improvement and financing agreements between the lessor and the operating lessee. (As noted previously, such extensions had arisen in similar circumstances for other two-tier properties, including those owned by the other subject LLCs, One Grand Central Place and 250 West 57th Street.)
- (e) The supervisor believes that the properties, particularly in view of their age, will continue to require building improvement and reinvestment over time, which will continue to require additional financing and likely result in additional lease extensions to maintain the operating lessee's incentive to join in such improvements and financing. Such lease extensions would reduce any value attributed to the residual interest in the building by making the residual more remote in time. Even without such lease extensions, improvements made decades into the future will reduce the cash flows to the lessor by the extent to which the operating lessee's spending decreases cash available for distribution. Finally, in the absence of such lease extensions, the supervisor believes the operating lessee would not join in the improvements and financing needed to make the necessary building improvements to prevent obsolescence, thereby reducing such residual value.
- (f) The operating lease does not address allocation of sale proceeds between the lessor and the operating lessee if sold together (which the supervisor believes is the best way to maximize such proceeds). Any such allocation would have to be made by negotiated agreement, and the supervisor believes that that negotiation would not result in a sharing ratio like the one set forth the independent valuer's preliminary draft valuation.

Accordingly, the supervisor concluded and represented to the independent valuer that the allocation of value between the lessor and the operating lessee should be determined by conforming to the economic format of a joint venture which shares excess profits 50/50, parallel to the existing operating lease format for sharing excess profits 50/50—including a corresponding allocation of the joint financing.

The supervisor does not view such conclusion as contradicting any statement in the original offering documents or operating lease to the effect that the operating lease is not a joint venture. Any such statements were intended only to reinforce the desire to avoid the tax and liability characteristics of a joint venture where it was felt needed in the face of having created de facto in the operating lease the economic characteristics of a joint venture.

Third-Party Ground Leases

For the property subject to a third-party ground lease, the independent valuer estimated the value of the private entity that is the ground lessee by calculating the present value of the future cash flows through the contractual term including all potential extensions noting that the reversion of the building would flow to the third-party ground lessor.

**Interim Preliminary Work Papers Relating to Property Valuations
Delivered by the Independent Valuer
to the Supervisor on October 15, 2011**

The following are interim preliminary work papers with respect to property valuations submitted by the independent valuer to the supervisor for its review and verification and were not intended to, and did not, reflect the final work product or advice or conclusions of the independent valuer.

The tables that follow also include a summary of projections that were utilized by the independent valuer in calculating the exchange values reflected in these preliminary work papers. The projections included in these interim preliminary work papers were not final and were being prepared solely for the purpose of determining the relative values among the subject LLCs, the private entities and the management companies and to establish exchange values to facilitate the consolidation and should not be relied upon for any other purpose, including without limitation, as an indicator of future performance of the company, the properties, the subject LLCs or the private entities. The final projections used in preparing the exchange values are included as Appendix C-1 to the prospectus/consent solicitation. The projections should not be relied upon in determining the market value or the estimated value of the company after giving effect to the consolidation and the IPO. The actual performance of the properties may be materially different from these projections because of changes in market conditions and many other factors.

Neither the subject LLCs nor the supervisor as a matter of course make public projections as to future performance, earnings or other results beyond the current fiscal year, and the supervisor is especially reluctant to disclose projections for extended periods due to the unpredictability of the underlying assumptions and estimates. The projections with respect to the properties were presented by the independent valuer based on the information provided by management of the supervisor and analysis performed by the independent valuer and reviewed and approved by management of the supervisor.

These projections were not prepared in accordance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial projections. This information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this prospectus/consent solicitation are cautioned not to place undue reliance on the prospective financial information. Neither the company's independent registered public accounting firm nor any other independent accountants have examined, compiled or otherwise applied procedures to the projections presented herein or express an opinion or any other form of assurance on them. The summary of the projection is being included in this prospectus/consent solicitation solely because the projections were used by the independent valuer in calculating the illustrative exchange values using the discounted cash flow method to allocate residual value.

The projections were based on numerous assumptions that may prove to be wrong. Important factors that may affect actual results and cause the projections to not be achieved include, but are not limited to, risks and uncertainties relating to the company and other factors described under "Risk Factors" and "Forward-Looking Statements." The projections also reflect assumptions as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in the projections. Accordingly, there can be no assurance that the projections will be realized.

Certain of the prospective financial information set forth herein may be considered non-U.S. GAAP financial measures. The independent valuer believed this information could be useful in valuing the properties. Non-U.S. GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP, and non-U.S. GAAP financial measures may not be comparable to similarly titled amounts used by other companies.

The inclusion of the summary of the projections in this prospectus/consent solicitation should not be regarded as an indication that any of the company, the subject LLCs or the supervisor or their respective affiliates, advisors or representatives considered the projections to be predictive of actual future events, and the projections should not be relied upon as such. None of the company, the subject LLCs or the supervisor or their respective affiliates, advisors, officers, directors, partners or representatives can give you any assurance that actual results will not differ from the projections, and none of them undertakes any obligation to update or otherwise revise or reconcile the projections to reflect circumstances existing after the date the projections were generated or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the projections are shown to be in error. None of the company, the supervisor and the subject LLCs intend to make publicly available any update or other revision to the projections. None of the company, the supervisor and the subject LLCs or their respective affiliates, advisors, officers, directors, partners or representatives has made or makes any representation to any participant or other person regarding the company's or the subject LLCs ultimate performance compared to the information contained in the projections or that forecasted results will be achieved. None of the subject LLCs, the private entities, the management companies or any of their affiliates has made any representation to the company concerning the projections.

Analysis Period	For Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 7.50%	Net Operating Income
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Year 1	Jun-2012	\$ 9,999,569	\$ 9,301,925	1
Year 2	Jun-2013	17,801,671	15,404,366	2
Year 3	Jun-2014	28,894,913	23,259,266	3
Year 4	Jun-2015	34,600,076	25,908,555	4
Year 5	Jun-2016	39,467,441	27,491,387	5
Year 6	Jun-2017	39,488,140	25,586,795	6
Year 7	Jun-2018	42,376,184	25,542,453	7
Year 8	Jun-2019	43,244,636	24,247,364	8
Year 9	Jun-2020	45,293,158	23,624,163	9
Year 10	Jun-2021	46,113,726	22,374,100	10
Year 11	Jun-2022 NOI		57,135,561	11

Total Cash Flow		347,279,514	222,740,373
Terminal Capitalization Rate @		891,314,746	432,460,503

6.25%

Selling Costs @

2.50%

Total Property Present		\$655,200,876
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Rounded to Thousands

\$655,000,000

Per SqFt		487.54
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Leasehold Value		\$341,000,000
Implied Land Value		\$314,000,000
Per Buildable		\$ 233.72

First Stamford Place	Fee Simple	\$ 80,440,000	Stamford SPE LLC	8.75%	7.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Merrifield First																
10 Bank	Fee Simple	\$ 80,440,000	Stamford SPE LLC	8.75%	7.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			1185 Bank Street LLC																
Metro Center	Fee Simple	\$ 45,000,000	One Station Place, Limited	9.00%	7.25%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Partnership																
MerriView	Fee Simple	\$138,000,000	Fairfield MerriView SPE LLC	8.50%	7.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			New York Union Square																
10 Union Square	Fee Simple	\$ 40,000,000	SPE LLC	9.25%	7.25%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			East/West Manhattan																
East/West Manhattan	Fee Simple	\$ 51,000,000	Retail LP East West Manhattan Retail Portfolio	7.00%	6.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Godham Retail																
Godham Retail	Fee Simple	\$ 59,000,000	SPE LLC 1185	7.00%	6.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			66-69 Main Street																
66-69 Main Street	Fee Simple	\$ 33,000,000	LLC Westport Retail Co-Investors LLC	7.00%	6.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			103-107 Main Street																
103-107 Main Street	Fee Simple	\$ 25,000,000	Westport Main Street Retail LLC	7.50%	6.25%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			Stamford, CT Land																
Stamford, CT Land	Fee Simple	\$ 14,600,000	BBSF LLC	7.50%	6.25%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

DRAFT-FOR DISCUSSION PURPOSES ONLY

Notes:

- [1] 100% parent company of Empire State Land Associates LLC.
- [2] Includes Empire State Building Inc.
- [3] Terminal Capitalization Rate used in 10-year hold valuation.

DUFF & PHELPS

Project Legacy

Real Property Summary of Hypothetical Fee Simple Values

Prepared as of October 15, 2011

Project Legacy: D&P DRAFT Real Property Valuations (as of July 1, 2011)

<u>Property</u>	<u>Size (SF)</u>	<u>Fee Simple Value ²</u>	<u>PSF</u>	<u>Discount Rate</u>	<u>Terminal Capitalization</u>
112 W 34th Street	784,026	\$ 404,000,000	\$ 515	8.75%	6.75%
OGCP	1,343,475	655,000,000	488	7.50%	6.25%
250 W 57th Street	560,879	310,000,000	553	7.75%	6.25%
501 7th Avenue	503,545	159,000,000	316	8.75%	6.75%
ESB	2,974,880	2,520,000,000	847	7.25%	6.00%
1333 Broadway	374,368	189,000,000	505	8.75%	6.75%
1350 Broadway	430,138	215,000,000	500	8.75%	6.75%
1359 Broadway	497,603	192,000,000	386	8.75%	6.75%
1400 Broadway	954,615	363,000,000	380	8.75%	6.75%
500 Mamaroneck	289,518	44,000,000	152	9.25%	7.25%
First Stamford Place	792,427	258,000,000	326	8.75%	7.00%
10 Bank	225,343	45,000,000	200	9.00%	7.25%
Metro Center	289,192	138,000,000	477	8.50%	7.00%
Merrittview	264,371	40,000,000	151	9.25%	7.25%
10 Union Square	58,005	51,000,000	879	7.00%	6.00%
East/West Manhattan	68,764	59,000,000	858	7.00%	6.00%
Gotham Retail	56,250	33,000,000	587	7.00%	6.00%
66-69 Main Street	17,406	25,000,000	1,436	7.50%	6.25%
103-107 Main Street	4,330	5,000,000	1,155	7.50%	6.25%
Stamford, CT Land ¹	325,000	14,600,000	45	N/A	N/A

DRAFT-FOR DISCUSSION PURPOSES ONLY

Notes:

- [1] Size in SF is gross buildable area.
 [2] Assumed regardless of certain ground leases in place.

OGCP	LXD	9/30/2083					
Year	1	2	3	4	5	6	
Period Ending	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	
Basic rent	24,000	24,000	24,000	24,000	24,000	24,000	
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	

PV of Fixed Ground Rent Payments \$14,000,000

250 W 57th	LXD	9/30/2103					
Year	1	2	3	4	5	6	
Period Ending	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000	
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000	
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000	

PV of Fixed Ground Rent Payments \$10,000,000

\$404,000,000 112 W 34th (Intra-Party)	LXD	6/10/2077					
Year	1	2	3	4	5	6	
Period Ending	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	
Basic rent	756,026	756,026	756,026	861,026	861,026	861,026	
Additional/Primary Rent							
Total Fixed Ground Rent Payments	756,026	756,026	756,026	861,026	861,026	861,026	
PV of Fixed Ground Rent Payments	\$10,000,000						
Reversion Based on Terminal							
PV of Reversion Based on Inflation	\$ 100,000						
TOTAL PV to INTRA Ground Lease	\$10,100,000						

112 W 34th (3rd Party)	LXD	6/10/2077					
Year	1	2	3	4	5	6	
Period Ending	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	
Rent	840,000	840,000	840,000	735,000	735,000	735,000	
PV of Fixed Ground Rent Payments	\$ 9,000,000						
Reversion Based on Terminal							
PV of Reversion Based on Inflation	\$10,900,000						
TOTAL PV to INTRA Ground Lease	\$19,900,000						

501 7th Avenue	LXD	3/31/2100					
Year	1	2	3	4	5	6	
Period Ending	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000	
Additional/Primary Rent							
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000	
PV of Fixed Ground Rent Payments	\$ 4,000,000						

ESB	LXD	1/5/2076					
Year	1	2	3	4	5	6	
Period Ending	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	
Basic rent	6,018,750	5,957,188	5,895,625	5,895,625	5,895,625	5,895,625	
Additional/Primary Rent							
Total Fixed Ground Rent Payments	6,018,750	5,957,188	5,895,625	5,895,625	5,895,625	5,895,625	
PV of Fixed Ground Rent Payments	\$81,000,000						

OGCP Year Period Ending	7 Jun-18	8 Jun-19	9 Jun-20	10 Jun-21	11 Jun-22	12 Jun-23
Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th Year Period Ending	7 Jun-18	8 Jun-19	9 Jun-20	10 Jun-21	11 Jun-22	12 Jun-23
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party) Year Period Ending	7 Jun-18	8 Jun-19	9 Jun-20	10 Jun-21	11 Jun-22	12 Jun-23
Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent	—	—	—	—	—	—
Total Fixed Ground Rent Payments	861,026	861,026	861,026	861,026	861,026	861,026
PV of Fixed Ground Rent Payments						
Reversion Based on Terminal	—	—	—	—	—	—
PV of Reversion Based on Inflation						
TOTAL PV to INTRA Ground Lease						

112 W 34th (3rd Party) Year Period Ending	7 Jun-18	8 Jun-19	9 Jun-20	10 Jun-21	11 Jun-22	12 Jun-23
Rent	735,000	735,000	735,000	735,000	735,000	735,000
PV of Fixed Ground Rent Payments						
Reversion Based on Terminal	—	—	—	—	—	—
PV of Reversion Based on Inflation						
TOTAL PV to INTRA Ground Lease						

501 7th Avenue Year Period Ending	7 Jun-18	8 Jun-19	9 Jun-20	10 Jun-21	11 Jun-22	12 Jun-23
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent	—	—	—	—	—	—
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB Year Period Ending	7 Jun-18	8 Jun-19	9 Jun-20	10 Jun-21	11 Jun-22	12 Jun-23
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent	—	—	—	—	—	—
Total Fixed Ground Rent Payments	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625

PV of Fixed Ground Rent Payments

OGCP Year Period Ending	13 Jun-24	14 Jun-25	15 Jun-26	16 Jun-27	17 Jun-28	18 Jun-29
Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th Year Period Ending	13 Jun-24	14 Jun-25	15 Jun-26	16 Jun-27	17 Jun-28	18 Jun-29
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party) Year Period Ending	13 Jun-24	14 Jun-25	15 Jun-26	16 Jun-27	17 Jun-28	18 Jun-29
Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent						
Total Fixed Ground Rent Payments	861,026	861,026	861,026	861,026	861,026	861,026

PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

112 W 34th (3rd Party) Year Period Ending	13 Jun-24	14 Jun-25	15 Jun-26	16 Jun-27	17 Jun-28	18 Jun-29
Rent	735,000	735,000	735,000	735,000	735,000	735,000

PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

501 7th Avenue Year Period Ending	13 Jun-24	14 Jun-25	15 Jun-26	16 Jun-27	17 Jun-28	18 Jun-29
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent						
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB Year Period Ending	13 Jun-24	14 Jun-25	15 Jun-26	16 Jun-27	17 Jun-28	18 Jun-29
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent						
Total Fixed Ground Rent Payments	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625

PV of Fixed Ground Rent Payments

OGCP

Year
Period Ending

	19 Jun-30	20 Jun-31	21 Jun-32	22 Jun-33	23 Jun-34	24 Jun-35
Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th

Year
Period Ending

	19 Jun-30	20 Jun-31	21 Jun-32	22 Jun-33	23 Jun-34	24 Jun-35
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)

Year
Period Ending

	19 Jun-30	20 Jun-31	21 Jun-32	22 Jun-33	23 Jun-34	24 Jun-35
Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent						
Total Fixed Ground Rent Payments	861,026	861,026	861,026	861,026	861,026	861,026

PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

112 W 34th (3rd Party)

Year
Period Ending

	19 Jun-30	20 Jun-31	21 Jun-32	22 Jun-33	23 Jun-34	24 Jun-35
Rent	735,000	735,000	735,000	735,000	735,000	735,000

PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

501 7th Avenue

Year
Period Ending

	19 Jun-30	20 Jun-31	21 Jun-32	22 Jun-33	23 Jun-34	24 Jun-35
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent						
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB

Year
Period Ending

	19 Jun-30	20 Jun-31	21 Jun-32	22 Jun-33	23 Jun-34	24 Jun-35
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent						
Total Fixed Ground Rent Payments	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625

PV of Fixed Ground Rent Payments

OGCP

Year Period Ending	25 Jun-36	26 Jun-37	27 Jun-38	28 Jun-39	29 Jun-40	30 Jun-41
Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th

Year Period Ending	25 Jun-36	26 Jun-37	27 Jun-38	28 Jun-39	29 Jun-40	30 Jun-41
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)

Year Period Ending	25 Jun-36	26 Jun-37	27 Jun-38	28 Jun-39	29 Jun-40	30 Jun-41
Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent						
Total Fixed Ground Rent Payments	861,026	861,026	861,026	861,026	861,026	861,026

PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

112 W 34th (3rd Party)

Year Period Ending	25 Jun-36	26 Jun-37	27 Jun-38	28 Jun-39	29 Jun-40	30 Jun-41
Rent	735,000	735,000	735,000	735,000	735,000	735,000

PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

501 7th Avenue

Year Period Ending	25 Jun-36	26 Jun-37	27 Jun-38	28 Jun-39	29 Jun-40	30 Jun-41
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent						
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB

Year Period Ending	25 Jun-36	26 Jun-37	27 Jun-38	28 Jun-39	29 Jun-40	30 Jun-41
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent						
Total Fixed Ground Rent Payments	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625

PV of Fixed Ground Rent Payments

OGCP

Year
Period Ending

31 Jun-42 32 Jun-43 33 Jun-44 34 Jun-45 35 Jun-46 36 Jun-47

Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th

Year
Period Ending

31 Jun-42 32 Jun-43 33 Jun-44 34 Jun-45 35 Jun-46 36 Jun-47

Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)

Year
Period Ending

31 Jun-42 32 Jun-43 33 Jun-44 34 Jun-45 35 Jun-46 36 Jun-47

Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent						
Total Fixed Ground Rent Payments	861,026	861,026	861,026	861,026	861,026	861,026

PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

112 W 34th (3rd Party)

Year
Period Ending

31 Jun-42 32 Jun-43 33 Jun-44 34 Jun-45 35 Jun-46 36 Jun-47

Rent	735,000	735,000	735,000	735,000	735,000	735,000
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PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

501 7th Avenue

Year
Period Ending

31 Jun-42 32 Jun-43 33 Jun-44 34 Jun-45 35 Jun-46 36 Jun-47

Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent						
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB

Year
Period Ending

31 Jun-42 32 Jun-43 33 Jun-44 34 Jun-45 35 Jun-46 36 Jun-47

Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent						
Total Fixed Ground Rent Payments	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625

PV of Fixed Ground Rent Payments

OGCP

Year	37	38	39	40	41	42
Period Ending	Jun-48	Jun-49	Jun-50	Jun-51	Jun-52	Jun-53
Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th

Year	37	38	39	40	41	42
Period Ending	Jun-48	Jun-49	Jun-50	Jun-51	Jun-52	Jun-53
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)

Year	37	38	39	40	41	42
Period Ending	Jun-48	Jun-49	Jun-50	Jun-51	Jun-52	Jun-53
Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent						
Total Fixed Ground Rent Payments	861,026	861,026	861,026	861,026	861,026	861,026
PV of Fixed Ground Rent Payments						
Reversion Based on Terminal						
PV of Reversion Based on Inflation						
TOTAL PV to INTRA Ground Lease						

112 W 34th (3rd Party)

Year	37	38	39	40	41	42
Period Ending	Jun-48	Jun-49	Jun-50	Jun-51	Jun-52	Jun-53
Rent	735,000	735,000	735,000	735,000	735,000	735,000
PV of Fixed Ground Rent Payments						
Reversion Based on Terminal						
PV of Reversion Based on Inflation						
TOTAL PV to INTRA Ground Lease						

501 7th Avenue

Year	37	38	39	40	41	42
Period Ending	Jun-48	Jun-49	Jun-50	Jun-51	Jun-52	Jun-53
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent						
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB

Year	37	38	39	40	41	42
Period Ending	Jun-48	Jun-49	Jun-50	Jun-51	Jun-52	Jun-53
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent						
Total Fixed Ground Rent Payments	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625

PV of Fixed Ground Rent Payments

OGCP

Year 43 44 45 46 47 48
 Period Ending Jun-54 Jun-55 Jun-56 Jun-57 Jun-58 Jun-59

Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th

Year 43 44 45 46 47 48
 Period Ending Jun-54 Jun-55 Jun-56 Jun-57 Jun-58 Jun-59

Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)

Year 43 44 45 46 47 48
 Period Ending Jun-54 Jun-55 Jun-56 Jun-57 Jun-58 Jun-59

Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent						
Total Fixed Ground Rent Payments	861,026	861,026	861,026	861,026	861,026	861,026

PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

112 W 34th (3rd Party)

Year 43 44 45 46 47 48
 Period Ending Jun-54 Jun-55 Jun-56 Jun-57 Jun-58 Jun-59

Rent	735,000	735,000	735,000	735,000	735,000	735,000
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PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

501 7th Avenue

Year 43 44 45 46 47 48
 Period Ending Jun-54 Jun-55 Jun-56 Jun-57 Jun-58 Jun-59

Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent						
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB

Year 43 44 45 46 47 48
 Period Ending Jun-54 Jun-55 Jun-56 Jun-57 Jun-58 Jun-59

Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent						
Total Fixed Ground Rent Payments	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625

PV of Fixed Ground Rent Payments

OGCP

Year Period Ending	49 Jun-60	50 Jun-61	51 Jun-62	52 Jun-63	53 Jun-64	54 Jun-65
Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th

Year Period Ending	49 Jun-60	50 Jun-61	51 Jun-62	52 Jun-63	53 Jun-64	54 Jun-65
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)

Year Period Ending	49 Jun-60	50 Jun-61	51 Jun-62	52 Jun-63	53 Jun-64	54 Jun-65
Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent						
Total Fixed Ground Rent Payments	861,026	861,026	861,026	861,026	861,026	861,026

PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

112 W 34th (3rd Party)

Year Period Ending	49 Jun-60	50 Jun-61	51 Jun-62	52 Jun-63	53 Jun-64	54 Jun-65
Rent	735,000	735,000	735,000	735,000	735,000	735,000

PV of Fixed Ground Rent Payments

Reversion Based on Terminal

PV of Reversion Based on Inflation

TOTAL PV to INTRA Ground Lease

501 7th Avenue

Year Period Ending	49 Jun-60	50 Jun-61	51 Jun-62	52 Jun-63	53 Jun-64	54 Jun-65
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent						
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB

Year Period Ending	49 Jun-60	50 Jun-61	51 Jun-62	52 Jun-63	53 Jun-64	54 Jun-65
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent						
Total Fixed Ground Rent Payments	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625

PV of Fixed Ground Rent Payments

OGCP Year Period Ending	55 Jun-66	56 Jun-67	57 Jun-68	58 Jun-69	59 Jun-70	60 Jun-71
Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th Year Period Ending	55 Jun-66	56 Jun-67	57 Jun-68	58 Jun-69	59 Jun-70	60 Jun-71
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party) Year Period Ending	55 Jun-66	56 Jun-67	57 Jun-68	58 Jun-69	59 Jun-70	60 Jun-71
Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent	—	—	—	—	—	—
Total Fixed Ground Rent Payments	861,026	861,026	861,026	861,026	861,026	861,026
PV of Fixed Ground Rent Payments						
Reversion Based on Terminal	—	—	—	—	—	—
PV of Reversion Based on Inflation	—	—	—	—	—	—
TOTAL PV to INTRA Ground Lease						

112 W 34th (3rd Party) Year Period Ending	55 Jun-66	56 Jun-67	57 Jun-68	58 Jun-69	59 Jun-70	60 Jun-71
Rent	735,000	735,000	735,000	735,000	735,000	735,000
PV of Fixed Ground Rent Payments						
Reversion Based on Terminal	—	—	—	—	—	—
PV of Reversion Based on Inflation	—	—	—	—	—	—
TOTAL PV to INTRA Ground Lease						

501 7th Avenue Year Period Ending	55 Jun-66	56 Jun-67	57 Jun-68	58 Jun-69	59 Jun-70	60 Jun-71
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent	—	—	—	—	—	—
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB Year Period Ending	55 Jun-66	56 Jun-67	57 Jun-68	58 Jun-69	59 Jun-70	60 Jun-71
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625
Additional/Primary Rent	—	—	—	—	—	—
Total Fixed Ground Rent Payments	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625	5,895,625

PV of Fixed Ground Rent Payments

OGCP

Year Period Ending	61 Jun-72	62 Jun-73	63 Jun-74	64 Jun-75	65 Jun-76	66 Jun-77
Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th

Year Period Ending	61 Jun-72	62 Jun-73	63 Jun-74	64 Jun-75	65 Jun-76	66 Jun-77
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)

Year Period Ending	61 Jun-72	62 Jun-73	63 Jun-74	64 Jun-75	65 Jun-76	66 Jun-77
Basic rent	861,026	861,026	861,026	861,026	861,026	861,026
Additional/Primary Rent	—	—	—	—	—	—
Total Fixed Ground Rent Payments	861,026	861,026	861,026	861,026	861,026	861,026
PV of Fixed Ground Rent Payments						
Reversion Based on Terminal						28,343,868
PV of Reversion Based on Inflation						
TOTAL PV to INTRA Ground Lease						

112 W 34th (3rd Party)

Year Period Ending	61 Jun-72	62 Jun-73	63 Jun-74	64 Jun-75	65 Jun-76	66 Jun-77
Rent	735,000	735,000	735,000	735,000	735,000	735,000
PV of Fixed Ground Rent Payments						
Reversion Based on Terminal						2,756,409,223
PV of Reversion Based on Inflation						
TOTAL PV to INTRA Ground Lease						

501 7th Avenue

Year Period Ending	61 Jun-72	62 Jun-73	63 Jun-74	64 Jun-75	65 Jun-76	66 Jun-77
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent	—	—	—	—	—	—
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB

Year Period Ending	61 Jun-72	62 Jun-73	63 Jun-74	64 Jun-75	64.5 Dec-75
Basic rent	5,895,625	5,895,625	5,895,625	5,895,625	2,947,813
Additional/Primary Rent	—	—	—	—	—
Total Fixed Ground Rent Payments	5,895,625	5,895,625	5,895,625	5,895,625	2,947,813

PV of Fixed Ground Rent Payments

OGCP Year Period Ending	67 Jun-78	68 Jun-79	69 Jun-80	70 Jun-81	71 Jun-82	72 Jun-83
Basic rent	24,000	24,000	24,000	24,000	24,000	24,000
Additional/Primary Rent	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800	1,053,800
Total Fixed Ground Rent Payments	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800	1,077,800

PV of Fixed Ground Rent Payments

250 W 57th Year Period Ending	67 Jun-78	68 Jun-79	69 Jun-80	70 Jun-81	71 Jun-82	72 Jun-83
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)

Year Period Ending	
	x
Basic rent	x
Additional/Primary Rent	x
Total Fixed Ground Rent Payments	x
PV of Fixed Ground Rent Payments	
Reversion Based on Terminal	x
PV of Reversion Based on Inflation	x
TOTAL PV to INTRA Ground Lease	x

112 W 34th (3rd Party)

Year Period Ending	
Rent	x
	x
PV of Fixed Ground Rent Payments	x
Reversion Based on Terminal	x
PV of Reversion Based on Inflation	x
TOTAL PV to INTRA Ground Lease	x
	x

501 7th Avenue

Year Period Ending	67 Jun-78	68 Jun-79	69 Jun-80	70 Jun-81	71 Jun-82	72 Jun-83
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent	—	—	—	—	—	—
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB

Year
Period Ending

Basic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments

PV of Fixed Ground Rent Payments

OGCP
 Year 72.25
 Period Ending Sep-83

Basic rent	6,000
Additional/Primary Rent	263,450
Total Fixed Ground Rent Payments	269,450

PV of Fixed Ground Rent Payments

250 W 57th Year Period Ending	73 Jun-84	74 Jun-85	75 Jun-86	76 Jun-87	77 Jun-88	78 Jun-89
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)
 Year
 Period Ending

Basic rent	
Additional/Primary Rent	
Total Fixed Ground Rent Payments	
PV of Fixed Ground Rent Payments	
Reversion Based on Terminal	
PV of Reversion Based on Inflation	
TOTAL PV to INTRA Ground Lease	

112 W 34th (3rd Party)
 Year
 Period Ending

Rent	
PV of Fixed Ground Rent Payments	
Reversion Based on Terminal	
PV of Reversion Based on Inflation	
TOTAL PV to INTRA Ground Lease	

501 7th Avenue Year Period Ending	73 Jun-84	74 Jun-85	75 Jun-86	76 Jun-87	77 Jun-88	78 Jun-89
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent						
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB
 Year
 Period Ending

Basic rent	
Additional/Primary Rent	
Total Fixed Ground Rent Payments	

PV of Fixed Ground Rent Payments

OGCPYear
Period EndingBasic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments**PV of Fixed Ground Rent Payments**250 W 57th
Year
Period EndingBasic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments

	79 Jun-90	80 Jun-91	81 Jun-92	82 Jun-93	83 Jun-94	84 Jun-95
Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)

Year
Period EndingBasic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments
PV of Fixed Ground Rent Payments
Reversion Based on Terminal
PV of Reversion Based on Inflation
TOTAL PV to INTRA Ground Lease

112 W 34th (3rd Party)

Year
Period Ending

Rent

PV of Fixed Ground Rent Payments
Reversion Based on Terminal
PV of Reversion Based on Inflation
TOTAL PV to INTRA Ground Lease

501 7th Avenue

Year
Period EndingBasic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments

	79 Jun-90	80 Jun-91	81 Jun-92	82 Jun-93	83 Jun-94	84 Jun-95
Basic rent	360,000	360,000	360,000	360,000	360,000	360,000
Additional/Primary Rent	—	—	—	—	—	—
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	360,000	360,000

PV of Fixed Ground Rent Payments

ESB

Year
Period EndingBasic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments**PV of Fixed Ground Rent Payments**

OGCP
 Year
 Period Ending

Basic rent
 Additional/Primary Rent
 Total Fixed Ground Rent Payments

PV of Fixed Ground Rent Payments

250 W 57th
 Year
 Period Ending

85 86 87 88 89 90
 Jun-96 Jun-97 Jun-98 Jun-99 Jun-00 Jun-01

Basic rent	28,000	28,000	28,000	28,000	28,000	28,000
Additional/Primary Rent	752,000	752,000	752,000	752,000	752,000	752,000
Total Fixed Ground Rent Payments	780,000	780,000	780,000	780,000	780,000	780,000

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)
 Year
 Period Ending

Basic rent
 Additional/Primary Rent
 Total Fixed Ground Rent Payments
 PV of Fixed Ground Rent Payments
 Reversion Based on Terminal
 PV of Reversion Based on Inflation
 TOTAL PV to INTRA Ground Lease

112 W 34th (3rd Party)
 Year
 Period Ending

Rent
 PV of Fixed Ground Rent Payments
 Reversion Based on Terminal
 PV of Reversion Based on Inflation
 TOTAL PV to INTRA Ground Lease

501 7th Avenue
 Year
 Period Ending

85 86 87 88 88.75
 Jun-96 Jun-97 Jun-98 Jun-99 Mar-00

Basic rent	360,000	360,000	360,000	360,000	270,000
Additional/Primary Rent					
Total Fixed Ground Rent Payments	360,000	360,000	360,000	360,000	270,000

PV of Fixed Ground Rent Payments

ESB
 Year
 Period Ending

Basic rent
 Additional/Primary Rent
 Total Fixed Ground Rent Payments

PV of Fixed Ground Rent Payments

OGCP
Year
Period Ending

Basic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments

PV of Fixed Ground Rent Payments

250 W 57th
Year
Period Ending

	91 Jun-02	92 Jun-03	92.25 Sep-03
Basic rent	28,000	28,000	7,000
Additional/Primary Rent	752,000	752,000	188,000
Total Fixed Ground Rent Payments	780,000	780,000	195,000

Basic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments

PV of Fixed Ground Rent Payments

\$404,000,000 112 W 34th (Intra-Party)
Year
Period Ending

Basic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments
PV of Fixed Ground Rent Payments
Reversion Based on Terminal
PV of Reversion Based on Inflation
TOTAL PV to INTRA Ground Lease

112 W 34th (3rd Party)
Year
Period Ending

Rent

PV of Fixed Ground Rent Payments
Reversion Based on Terminal
PV of Reversion Based on Inflation
TOTAL PV to INTRA Ground Lease

501 7th Avenue
Year
Period Ending

Basic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments

PV of Fixed Ground Rent Payments

ESB
Year
Period Ending

Basic rent
Additional/Primary Rent
Total Fixed Ground Rent Payments

PV of Fixed Ground Rent Payments

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019	Year 9 Jun-2020	Year 10 Jun-2021
Potential Gross Revenue										
Base Rental Revenue	\$ 111,251,358	\$ 125,166,614	\$ 135,492,616	\$ 144,323,803	\$ 153,558,583	\$ 160,866,828	\$ 166,294,838	\$ 172,311,034	\$ 178,328,553	\$ 187,894,750
Antenna Revenue	\$ 15,944,912	\$ 16,531,284	\$ 17,132,922	\$ 17,412,382	\$ 17,692,234	\$ 18,178,194	\$ 18,936,395	\$ 19,274,489	\$ 19,569,961	\$ 19,751,914
Absorption & Turnover										
Vacancy	(\$ 31,401,511)	(\$ 15,716,317)	(\$ 5,115,511)	(\$ 1,505,369)	(\$ 2,105,322)	(\$ 2,882,965)	(\$ 2,512,701)	(\$ 2,443,084)	(\$ 3,161,729)	(\$ 2,234,203)
Base Rent Abatements	(\$ 16,723,802)	(\$ 18,668,669)	(\$ 12,511,068)	(\$ 3,654,010)	(\$ 2,290,343)	(\$ 1,928,428)	(\$ 1,808,635)	(\$ 2,562,061)	(\$ 2,136,283)	(\$ 3,465,130)
Scheduled Base Rental Revenue	79,070,957	107,312,912	134,998,959	156,576,806	166,855,152	174,213,629	180,909,897	186,580,378	191,600,502	201,947,325
Base Rental Step Revenue										
CPI & Other Adjustment										
Revenue	6,276,077	6,864,798	6,948,116	7,585,970	7,793,166	7,120,459	5,319,390	2,692,578	2,429,114	1,744,302
Retail Sales Percent Revenue										
Expense Reimbursement										
Revenue										
Retail Estate Taxes	6,783,022	6,695,147	6,507,436	7,073,449	7,455,124	7,690,530	8,104,359	8,141,206	9,069,218	9,457,577
Operating expenses	200,659	206,686	212,883	488,278	950,409	2,022,297	3,288,245	4,516,795	5,973,403	7,437,011
Electric Inclusion	2,837,904	2,400,116	1,788,725	1,467,307	913,893	383,994	344,387	97,814	87,077	19,155
Electric Submetering	3,271,290	3,787,407	7,829,656	8,903,739	9,658,641	10,294,207	10,718,049	11,378,029	11,861,724	12,736,413
Escalation	104,781	98,762	101,725	104,776	69,916	32,869	33,856	34,873	35,917	6,167
Common Rent	249,879	257,377	0	0	0	0	0	0	0	0
Additional Broadcasting Revenue	3,679,939	3,796,126	3,929,829	3,964,619	3,994,589	4,177,774	4,699,209	6,010,871	6,209,658	6,223,941
Total Reimbursement Revenue	23,403,552	26,096,419	27,328,410	29,751,041	31,217,824	32,155,789	32,935,739	33,298,808	35,960,737	37,725,306
Percentage Rent	202,126	216,273	231,412	247,611	264,946	283,490	303,336	324,568	347,289	371,598
Lease Cancellation Fees	815,000	0	0	0	0	0	0	0	0	0
Observatory Income	38,451,021	60,204,532	62,010,689	63,871,010	65,787,142	67,760,754	69,793,576	71,887,385	74,044,006	76,265,327
Operating Exp Esc	3,294,026	3,478,125	3,304,216	3,139,008	2,982,057	2,832,952	2,691,308	2,556,740	2,428,903	2,307,458
Electric Submetering	1,831,091	1,886,023	1,942,605	2,000,882	2,060,909	2,122,738	2,186,418	2,252,011	2,319,571	2,389,159
Submetering - Broadcasters	5,191,788	5,347,538	5,507,966	5,838,445	6,188,758	6,560,076	6,953,679	7,370,902	7,813,154	8,281,944
Electric Retro	2,580,258	2,657,665	2,737,396	2,819,519	2,904,103	2,991,227	3,080,963	3,173,390	3,268,595	3,366,651
Legal Fees	63,868	65,785	67,737	69,792	71,882	74,041	76,261	78,551	80,906	83,333
RF System Reimb.	311,869	316,681	243,351	170,064	173,178	163,373	129,076	57,821	42,999	25,822
Tower Reconfig Reimb	0	0	0	0	0	0	0	0	0	0
Broadcast Backup Power	0	0	0	0	0	0	0	0	0	0
Reimb	0	0	0	0	0	0	0	0	0	0
Carpet Care & Shampoo	302,308	330,379	356,134	374,688	387,801	401,373	415,423	429,960	445,011	460,585
Cleaning Service	945,679	978,779	1,013,035	1,048,491	1,085,189	1,123,172	1,162,480	1,203,169	1,245,279	1,288,865
Porter/Matron Service	261,061	270,200	279,655	289,442	299,573	310,059	320,912	332,143	343,766	355,801
Rubbish Removal	208,787	216,095	223,658	231,487	239,588	247,972	256,655	265,635	274,934	284,557
Waxing/Floor Maintenance	248,383	257,075	266,074	275,386	285,024	295,000	305,326	316,011	327,073	338,520
Water	120,643	124,262	127,991	131,829	135,784	139,860	144,054	148,375	152,827	157,411
Skydive Security Reimb	198,000	0	0	0	0	0	0	0	0	0
Exterminating	1,710	1,810	1,942	2,032	2,092	2,156	2,221	2,286	2,294	2,265
Elevator Service	84,429	81,969	86,960	89,568	92,257	95,026	97,874	100,812	103,836	106,951
Labor	73,915	76,132	78,417	80,769	83,191	85,688	88,259	90,906	93,633	96,443
Keys	10,028	10,329	10,639	10,956	11,288	11,625	11,974	12,334	12,703	13,084
Lamp Sales	30,283	31,190	32,127	33,092	34,082	35,108	36,158	37,246	38,361	39,513
Capivate	32,127	34,378	37,812	41,995	47,756	50,329	55,354	60,899	66,988	73,690
Window Cleaning	43,400	44,702	46,044	47,424	48,848	50,313	51,820	53,377	54,977	56,628
Trademark Licensing	101,980	107,081	112,435	118,035	123,959	130,156	136,666	143,496	150,673	158,219
Location Agreements	25,000	25,751	26,521	27,319	28,137	28,981	29,853	30,746	31,669	32,618
Event Income	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	200,000	200,000
Extended Lighting	6,249	7,726	7,956	8,196	8,440	8,696	8,954	9,226	9,500	9,784
Interest	0	0	0	0	0	0	0	0	0	0
Late Payment Charges	386,741	359,669	344,493	311,078	289,303	269,051	250,217	232,704	216,412	201,265
Miscellaneous Income	208,334	77,250	79,568	81,955	84,412	86,945	89,555	92,241	95,006	97,859
Total Potential Gross Revenue	178,652,155	210,769,211	241,644,222	267,842,540	281,957,667	292,706,579	302,709,018	311,337,121	321,771,694	336,737,978
General Vacancy	0	0	(1,266,324)	(2,714,725)	(2,452,725)	(1,884,588)	(2,421,884)	(2,649,386)	(2,094,037)	(3,296,687)
Collection Loss	(1,855,929)	(2,178,951)	(2,490,695)	(2,750,636)	(2,998,793)	(3,009,102)	(3,098,436)	(3,172,749)	(3,270,628)	(3,414,790)

For the Years Ending

Year 41 Jun-2052 Year 42 Jun-2053 Year 43 Jun-2054 Year 44 Jun-2055 Year 45 Jun-2056 Year 46 Jun-2057 Year 47 Jun-2058 Year 48 Jun-2059 Year 49 Jun-2060 Year 50 Jun-2061

Potential Gross Revenue

Base Rental Revenue

Antenna Revenue

Absorption & Turnover Vacancy

Base Rent Abatements

Scheduled Base Rental Revenue

Base Rental Step Revenue

CPI & Other Adjustment Revenue

Retail Sales Percent Revenue

Expense Reimbursement Revenue

Real Estate Taxes

Operating Expenses

Electric Inclusion

Electric Submetering

Escalation

Common Rent

Additional Broadcasting Revenue

Total Reimbursement Revenue

Percentage Rent

Lease Cancellation Fees

Observatory Income

Operating Exp Esc.

Electric Submetering

Submetering - Broadcasters

Electric Retro

Legal Fees

Rf System Reimb

Tower Reconfig Reimb

Broadcast Backup Power Reimb

Campel Care & Shampoo

Cleaning Service

Porter/Matron Service

Rubbish Removal

Water/Floor Maintenance

Water

Skyride Security Reimb

Exterminating

Elevator Service

Labor

Keys

Lamp Sales

Capitive

Window Cleaning

Trademark Licensing

Location Agreements

Event Income

Extended Lighting

Interest

Late Payment Charges

Miscellaneous Income

Total Potential Gross Revenue

General Vacancy

Collection Loss

Effective Gross Revenue

Operating Expenses

Real Estate Taxes

Cleaning	
Security	
Professional Fees	
Insurance	
Repairs & Maintenance	
Payroll	
Utilities	
Management Fee	
Total Operating Expenses	
Net Operating Income	
Leasing & Capital Costs	
Tenant Improvements	
Leasing Commissions	
Capital Expenditures	
Base Building Costs	
LI & Pung LC/BB/VI	
Total Leasing & Capital Costs	
Cash Flow Before Debt Service & Taxes	
Fee Simple Value 10 YR Hold	

Cleaning	
Security	
Professional Fees	
Insurance	
Repairs & Maintenance	
Payroll	
Utilities	
Management Fee	
Total Operating Expenses	
Net Operating Income	
Leasing & Capital Costs	
Tenant Improvements	
Leasing Commissions	
Capital Expenditures	
Base Building Costs	
LI & Fung LC/BB/VI	
Total Leasing & Capital Costs	
Cash Flow Before Debt Service & Taxes	
Fee Simple Value 10 YR Hold	

For the Years Ending

Year 61 Jun-2072 Year 62 Jun-2073 Year 63 Jun-2074 Year 64 Jun-2075

Potential Gross Revenue

Base Rental Revenue

Antenna Revenue

Absorption & Turnover Vacancy

Base Rent Abatements

Scheduled Base Rental Revenue

Base Rental Step Revenue

CPI & Other Adjustment Revenue

Retail Sales Percent Revenue

Expense Reimbursement Revenue

Real Estate Taxes

Operating expenses

Electric Inclusion

Electric Submetering

Fiscalation

Common Rent

Additional Broad-casting Revenue

Total Reimbursement Revenue

Percentage Rent

Lease Cancellation Fees

Observatory Income

Operating Exp Esc

Electric Submetering

Submetering - Broadcasters

Electric Retro

Legal Fees

RF System Reimb

Tower Recordg Reimb

Broadcast Backup Power Reimb

Carpel Care & Shampoo

	Year 61 Jun-2072	Year 62 Jun-2073	Year 63 Jun-2074	Year 64 Jun-2075
Percentage Rent				
Lease Cancellation Fees				
Observatory Income				
Operating Exp Esc				
Electric Submetering				
Submetering - Broadcasters				
Electric Retro				
Legal Fees				
RF System Reimb				
Tower Recordg Reimb				
Broadcast Backup Power Reimb				
Carpel Care & Shampoo				
Cleaning Service				
Porter/Matron Service				
Rubbish Removal				
Water/Floor Maintenance				
Skynde Security Reimb				
Exterminating				
Elevator Service				
Labor				
Keys				
Lamp Sales				
Capitvate				
Window Cleaning				
Trademark Licensing				
Location Agreements				
Event Income				
Extended Lighting				
Interest				
Late Payment Charges				
Miscellaneous Income				
Total Potential Gross Revenue				
General Vacancy				
Collection Loss				
Effective Gross Revenue				
Operating Expenses				
Real Estate Taxes				

Cleaning	
Security	
Professional Fees	
Insurance	
Repairs & Maintenance	
Payroll	
Utilities	
Management Fee	
Total Operating Expenses	
Net Operating Income	
Leasing & Capital Costs	
Tenant Improvements	
Leasing Commissions	
Capital Expenditures	
Base Building Costs	
LI & Fund LC/BB/TI	
Total Leasing & Capital Costs	
Cash Flow Before Debt Service & Taxes	
Fee Simple Value 10 YR Hold	

1 2 3 4 5 6 7 8

For the Years Ending
 Year 1 Jun-2012 Year 2 Jun-2013 Year 3 Jun-2014 Year 4 Jun-2015 Year 5 Jun-2016 Year 6 Jun-2017 Year 7 Jun-2018 Year 8 Jun-2019

Potential Gross Revenue	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Base Rental Revenue	\$ 24,772,655	\$26,985,779	\$27,914,584	\$29,464,258	\$31,305,535	\$32,639,760	\$33,793,373	\$35,137,546
Absorption & Turnover V	(3,860,884)	(1,245,637)	(531,215)	(692,052)	(508,885)	(699,394)	(861,617)	(1,117,429)
Base Rent Abatements	(998,006)	(1,004,351)	(569,824)	(676,202)	(478,529)	(627,842)	(653,229)	(1,065,725)
Scheduled Base Rental R	19,913,765	24,735,791	26,813,545	28,096,004	30,318,121	31,312,524	32,278,527	32,954,392
CPI & Other Adjustment	831,488	827,730	817,613	662,640	643,649	527,936	473,701	190,582
Expense Reimbursement								

Real Estate Tax	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Escal	1,033,937	1,036,092	1,102,140	1,090,077	1,018,754	996,393	986,616	792,105
Operating Expense								
Esc	0	7,245	0	71,674	196,157	329,757	396,581	489,316
Total Reimbursement	1,033,937	1,043,337	1,102,140	1,161,751	1,214,911	1,326,150	1,383,197	1,281,421

Rev	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Electric & Fuel Recover	2,946,026	3,392,482	3,635,662	3,791,066	3,936,732	4,045,513	4,154,969	4,273,969
Miscellaneous	222,551	235,154	244,546	252,649	260,756	268,426	276,282	284,476
Total Potential Gross Rev	24,947,767	30,234,494	32,613,506	33,964,110	36,374,169	37,480,549	38,566,676	38,984,840
General Vacancy	0	0	(463,127)	(347,632)	(597,608)	(446,003)	(321,231)	(85,640)
Collection Loss	(249,479)	(302,344)	(326,136)	(339,640)	(363,742)	(374,806)	(385,667)	(389,848)
Effective Gross Revenue	24,698,288	29,932,150	31,824,243	33,276,838	35,412,819	36,659,740	37,859,778	38,509,352

Operating Expenses	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Professional Fees	780,000	681,000	663,000	682,890	703,377	724,477	746,212	768,600
Cleaning	2,131,340	2,153,000	1,919,999	1,977,600	2,036,928	2,098,035	2,160,977	2,225,808
Insurance	225,000	231,750	238,703	245,863	253,239	260,837	268,661	276,722
Payroll/Labor Costs	990,000	1,019,700	1,050,291	1,081,800	1,114,253	1,147,682	1,182,112	1,217,576
Utilities	2,103,296	2,166,394	2,231,387	2,298,328	2,367,278	2,438,296	2,511,445	2,586,790
Repairs and Maintenance	970,000	999,100	1,029,072	1,059,946	1,091,743	1,124,496	1,158,230	1,192,978
Security	280,440	288,853	297,519	306,445	315,637	325,107	334,860	344,905
Real Estate Taxes	4,467,936	4,678,549	4,891,160	5,105,776	5,305,218	5,491,697	5,684,730	5,884,548
Management Fee	277,856	336,737	358,022	374,364	398,395	412,421	425,923	433,229
Licenses and Permits	129,780	133,673	137,685	141,815	146,067	150,452	154,964	159,612
Total Operating Expenses	12,355,648	12,688,756	12,816,838	13,274,827	13,732,135	14,173,500	14,628,114	15,090,768

Net Operating Income	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Net Operating Income	12,342,640	17,243,394	19,007,405	20,002,011	21,680,684	22,486,240	23,231,664	23,418,584

Leasing & Capital Costs	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Tenant Improvements	1,681,666	1,594,775	857,937	971,205	709,282	744,140	952,808	1,458,828
Leasing Commissions	1,624,954	894,448	664,773	657,130	687,406	674,966	871,670	1,092,081
PB PIO	1,983,783	0	0	0	0	0	0	0
Capital Improvements	8,525,616	5,466,278	1,496,000	408,164	809,333	971,895	443,024	807,786
Base Building Costs	250,001	484,100	360,707	524,504	506,480	602,822	847,777	750,224
Total Leasing & Capital C	14,066,020	8,439,601	3,379,417	2,561,006	2,712,501	2,993,823	3,115,279	4,108,919

Cash Flow Before Debt Ser & Taxes	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Cash Flow Before Debt Ser & Taxes	(\$ 1,723,380)	\$ 8,803,793	\$15,627,988	\$17,441,005	\$18,968,183	\$19,492,417	\$20,116,385	\$19,309,665

Potential Gross Revenue	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024	Year 14 Jun-2025	Year 15 Jun-2026	Year 16 Jun-2027
Base Rental Revenue	\$36,307,348	\$38,481,751	\$40,299,634	\$41,852,956	\$43,175,497	\$44,627,634	\$45,885,525	\$47,099,478
Absorption & Turnover V	(529,482)	(1,171,212)	(1,244,415)	(1,104,831)	(847,617)	(930,872)	(813,098)	(740,035)
Base Rent Abatements	(917,776)	(865,315)	(869,460)	(1,038,299)	(691,863)	(1,104,306)	(662,947)	(761,495)
Scheduled Base Rental R	34,860,090	36,445,224	38,185,759	39,709,826	41,636,017	42,592,456	44,409,480	45,597,948
CPI & Other Adjustment	750	0	0	0	0	0	0	0
Expense Reimbursement R								
Real Estate Tax								
Escal	773,833	745,557	720,715	621,175	649,467	639,454	700,888	772,566
Operating Expense	605,628	705,812	816,103	782,098	819,865	798,922	868,229	948,084
Total Reimbursement	1,379,461	1,451,369	1,536,818	1,403,273	1,469,332	1,438,376	1,569,117	1,720,650
Electric & Fuel Recover	4,429,681	4,546,865	4,690,977	4,835,043	4,991,812	5,141,063	5,288,740	5,456,004
Miscellaneous	293,465	302,010	311,198	320,589	330,400	340,304	350,406	361,058
Total Potential Gross Rev	40,963,447	42,745,468	44,724,752	46,268,731	48,427,561	49,512,199	51,617,743	53,135,660
General Vacancy	(715,305)	(146,289)	(134,660)	(316,375)	(630,638)	(582,420)	(759,828)	(876,236)
Collection Loss	(409,634)	(427,455)	(447,248)	(462,686)	(484,275)	(495,122)	(516,179)	(531,357)
Effective Gross Revenue	39,838,508	42,171,724	44,142,844	45,489,670	47,312,648	48,434,657	50,341,736	51,728,067
Operating Expenses								
Professional Fees	791,656	815,408	839,867	865,066	891,016	917,748	945,278	973,638
Cleaning	2,292,579	2,361,358	2,432,198	2,505,166	2,580,319	2,657,728	2,737,462	2,819,584
Insurance	285,024	293,573	302,382	311,453	320,796	330,420	340,332	350,544
Payroll/Labor Costs	1,254,103	1,291,725	1,330,476	1,370,391	1,411,503	1,453,849	1,497,464	1,542,387
Utilities	2,664,393	2,744,324	2,826,652	2,911,454	2,998,798	3,088,761	3,181,424	3,276,866
Repairs and Maintenance	1,228,766	1,265,630	1,303,598	1,342,707	1,382,989	1,424,477	1,467,214	1,511,228
Security	355,253	365,912	376,886	388,196	399,839	411,836	424,190	436,918
Real Estate Taxes	6,091,391	6,305,501	6,510,624	6,705,943	6,907,120	7,114,335	7,327,765	7,547,597
Management Fee	448,183	474,432	496,607	511,758	532,268	544,891	566,343	581,942
Licenses and Permits	164,401	169,333	174,413	179,646	185,037	190,586	196,304	202,192
Total Operating Expenses	15,575,749	16,087,196	16,593,703	17,091,780	17,609,685	18,134,631	18,683,776	19,242,896
Net Operating Income	24,262,759	26,084,528	27,549,141	28,397,890	29,702,963	30,300,026	31,657,960	32,485,171
Leasing & Capital Costs								
Tenant Improvements	1,332,051	601,065	846,123	1,426,785	849,389	1,652,209	826,038	1,104,080
Leasing Commissions	935,110	2,257,927	1,997,586	1,225,337	827,889	1,150,591	864,434	877,643
PB PIO	0	0	0	0	0	0	0	0
Capital Improvements	2,546,280	1,856,518	0	0	0	0	0	0
Base Building Costs	772,728	848,103	0	0	0	0	0	0
Total Leasing & Capital C	5,586,169	5,563,613	2,838,709	2,652,122	1,677,278	2,802,800	1,690,472	1,981,723
Cash Flow Before Debt Ser & Taxes	\$18,676,590	\$20,520,915	\$24,710,432	\$25,745,768	\$28,025,685	\$27,497,226	\$29,967,488	\$30,503,448

For the Years Ending
 Jun-2018 Jun-2019 Jun-2020 Jun-2021 Jun-2022 Jun-2023 Jun-2024

Potential Gross Revenue	17	18	19	20	21	22	23	24
Base Rental Revenue	\$48,435,144	\$50,113,666	\$51,799,113	\$53,215,686	\$54,524,706	\$56,353,530	\$58,126,122	\$60,448,376
Absorption & Turnover V	(1,256,153)	(1,315,703)	(1,181,985)	(1,580,901)	(1,415,566)	(1,430,118)	(1,117,128)	(1,467,147)
Base Rent Abatements	(772,201)	(1,560,463)	(1,237,689)	(1,315,193)	(597,691)	(1,867,651)	(999,938)	(1,483,326)
Scheduled Base Rental R	46,406,790	47,237,500	49,379,439	50,319,592	52,511,449	53,055,761	56,049,056	57,497,903
CPI & Other Adjustment	0	0	0	0	0	0	0	0
Expense Reimbursement								
R								

Real Estate Tax	823,033	787,637	780,694	803,166	844,231	779,289	826,077	846,819
Escal								
Operating Expense	990,436	910,420	871,066	963,763	1,114,316	1,093,377	1,121,746	1,110,608
Esc								
Total Reimbursement	1,813,469	1,698,057	1,651,760	1,766,929	1,958,547	1,872,666	1,947,823	1,957,427

Electric & Fuel Recover	5,597,377	5,776,486	5,954,548	6,112,145	6,314,253	6,474,490	6,699,008	6,895,343
Miscellaneous	371,523	382,852	394,416	405,902	418,389	430,457	443,872	457,112
Total Potential Gross Rev.	54,189,159	55,094,895	57,380,163	58,604,568	61,202,638	61,833,374	65,139,759	66,807,785
General Vacancy	(407,207)	(376,615)	(374,879)	(224,663)	(462,981)	(467,785)	(870,579)	(581,101)
Collection Loss	(541,891)	(550,948)	(573,802)	(586,045)	(612,027)	(618,334)	(651,397)	(668,078)
Effective Gross Revenue	53,240,061	54,167,332	56,231,482	57,793,860	60,127,630	60,747,255	63,617,783	65,558,606

Operating Expenses								
Professional Fees	1,002,848	1,032,933	1,063,919	1,095,838	1,128,713	1,162,575	1,197,452	1,233,375
Cleaning	2,904,173	2,991,298	3,081,036	3,173,468	3,268,670	3,366,733	3,467,734	3,571,765
Insurance	361,058	371,892	383,047	394,538	406,376	418,567	431,123	444,057
Payroll/Labor Costs	1,588,660	1,636,320	1,685,409	1,735,970	1,788,051	1,841,691	1,896,944	1,953,851
Utilities	3,375,173	3,476,427	3,580,721	3,688,143	3,798,787	3,912,750	4,030,131	4,151,038
Repairs and Maintenance	1,556,565	1,603,262	1,651,360	1,700,902	1,751,927	1,804,486	1,858,620	1,914,380
Security	450,023	463,524	477,431	491,752	506,507	521,700	537,353	553,473
Real Estate Taxes	7,774,026	8,007,248	8,247,463	8,494,887	8,749,736	9,012,226	9,282,592	9,561,072
Management Fee	598,949	609,384	632,604	650,180	676,436	683,407	715,700	737,534
Licenses and Permits	208,260	214,507	220,941	227,570	234,397	241,429	248,672	256,132
Total Operating Expenses	19,819,735	20,406,795	21,023,931	21,653,248	22,309,600	22,965,564	23,666,321	24,376,677
Net Operating Income	33,420,326	33,760,537	35,207,551	36,140,612	37,818,030	37,781,691	39,951,462	41,181,929

Leasing & Capital Costs								
Tenant Improvements	1,071,766	2,213,797	1,933,343	889,536	804,045	2,048,092	1,278,690	2,189,484
Leasing Commissions	1,022,079	1,627,685	1,400,346	3,147,283	817,723	3,366,330	1,177,563	1,653,471
PB PLO	0	0	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0	0	0
Base Building Costs	0	0	0	0	0	0	0	0
Total Leasing & Capital C	2,093,845	3,841,482	3,333,689	4,036,819	1,621,768	5,414,422	2,456,253	3,824,955

Cash Flow Before Debt Ser & Taxes	\$31,326,481	\$29,919,055	\$31,873,862	\$32,103,793	\$36,196,262	\$32,367,269	\$37,495,209	\$37,356,974
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	25	26	27	28	29	30	31	32
For the Years Ending	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32
	Jun-2036	Jun-2037	Jun-2038	Jun-2039	Jun-2040	Jun-2041	Jun-2042	Jun-2043
Potential Gross Revenue								
Base Rental Revenue	\$62,258,853	\$63,944,580	\$65,745,829	\$67,969,161	\$70,333,623	\$72,267,441	\$74,129,620	\$76,296,006
Absorption & Turnover V	(1,281,783)	(995,021)	(1,547,461)	(1,791,059)	(1,743,523)	(2,042,593)	(995,057)	(2,750,627)
Base Rent Abatements	(932,957)	(925,977)	(1,098,566)	(2,078,770)	(1,577,941)	(1,870,283)	(790,873)	(2,310,464)
Scheduled Base Rental R	60,044,113	62,023,582	63,099,802	64,099,332	67,012,159	68,354,565	72,343,690	71,234,915
CPI & Other Adjustment	0	0	0	0	0	0	0	0
Expense Reimbursement R								
Real Estate Tax	931,327	1,028,099	1,123,157	1,087,096	1,065,559	1,096,915	1,130,472	1,093,876
Escal								
Operating Expense	1,193,784	1,293,236	1,387,661	1,287,608	1,210,508	1,310,724	1,491,409	1,538,950
Esc								
Total Reimbursement	2,125,111	2,321,335	2,510,818	2,374,704	2,276,067	2,407,639	2,621,881	2,632,826
Electric & Fuel Recover	7,107,624	7,332,410	7,535,153	7,748,747	7,992,951	8,230,684	8,500,273	8,701,573
Miscellaneous	470,913	485,233	499,505	514,285	529,907	545,768	562,520	578,504
Total Potential Gross Rev	69,747,761	72,162,560	73,645,278	74,737,068	77,811,084	79,538,656	84,028,364	83,147,818
General Vacancy	(849,104)	(1,199,707)	(708,321)	(504,784)	(643,116)	(404,844)	(1,555,646)	0
Collection Loss	(697,478)	(721,626)	(736,453)	(747,372)	(778,111)	(795,386)	(840,284)	(831,479)
Effective Gross Revenue	68,201,179	70,241,227	72,200,504	73,484,912	76,389,857	78,338,426	81,632,434	82,316,339
Operating Expenses								
Professional Fees	1,270,378	1,308,487	1,347,743	1,388,174	1,429,821	1,472,713	1,516,896	1,562,402
Cleaning	3,678,920	3,789,286	3,902,963	4,020,053	4,140,656	4,264,874	4,392,821	4,524,605
Insurance	457,379	471,099	485,233	499,791	514,784	530,227	546,134	562,519
Payroll/Labor Costs	2,012,466	2,072,840	2,135,025	2,199,076	2,265,048	2,333,000	2,402,989	2,475,081
Utilities	4,275,566	4,403,835	4,535,950	4,672,029	4,812,189	4,956,554	5,105,252	5,258,409
Repairs and Maintenance	1,971,811	2,030,964	2,091,893	2,154,651	2,219,290	2,285,868	2,354,446	2,425,077
Security	570,076	587,180	604,795	622,938	641,626	660,875	680,700	701,124
Real Estate Taxes	9,847,903	10,143,340	10,447,641	10,761,069	11,083,901	11,416,419	11,758,911	12,111,680
Management Fee	767,264	790,213	812,256	826,705	859,385	881,307	918,366	926,058
Licenses and Permits	263,817	271,729	279,883	288,278	296,928	305,834	315,012	324,459
Total Operating Expenses	25,115,580	25,868,973	26,643,382	27,432,764	28,263,628	29,107,671	29,991,527	30,871,414
Net Operating Income	43,085,599	44,372,254	45,557,122	46,052,148	48,126,229	49,230,755	51,640,907	51,444,925
Leasing & Capital Costs								
Tenant Improvements	1,151,186	1,280,479	1,552,343	3,025,569	2,671,361	1,019,218	1,052,900	2,415,104
Leasing Commissions	1,139,293	1,008,033	1,470,839	2,207,149	2,143,896	3,928,198	997,211	4,348,174
PB PIO	0	0	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0	0	0
Base Building Costs	0	0	0	0	0	0	0	0
Total Leasing & Capital C	2,290,479	2,288,532	3,023,182	5,232,718	4,815,257	4,947,416	2,050,111	6,763,278
Cash Flow Before Debt Ser & Taxes	\$40,795,120	\$42,083,722	\$42,533,940	\$40,819,430	\$43,310,972	\$44,283,339	\$49,590,796	\$44,681,647

	89	90	91	92	92.25
	Year 89 Jun-2100	Year 90 Jun-2101	Year 91 Jun-2102	Year 92 Jun-2103	Year 92.25 9/30/2103
For the Years Ending					
Potential Gross Revenue					
Base Rental Revenue					
Absorption & Turnover V					
Base Rent Abatements					
Scheduled Base Rental R					
CPI & Other Adjustment					
Expense Reimbursement R					
Real Estate Tax Escal					
Operating Expense Esc					
Total Reimbursement Rev					
Electric & Fuel Recover					
Miscellaneous					
Total Potential Gross Rev					
General Vacancy					
Collection Loss					
Effective Gross Revenue	450,598,063	464,116,005	478,039,485	492,380,670	507,152,090
Operating Expenses					
Professional Fees					
Cleaning					
Insurance					
Payroll/Labor Costs					
Utilities					
Repairs and Maintenance					
Security					
Real Estate Taxes					
Management Fee					
Licenses and Permits					
Total Operating Expenses	166,524,151	171,519,875	176,665,471	181,965,436	187,424,399
Net Operating Income	284,073,912	292,596,130	301,374,014	310,415,234	319,727,691
Leasing & Capital Costs					
Tenant Improvements					
Leasing Commissions					
PB PIO					
Capital Improvements					
Base Building Costs					
Total Leasing & Capital C	18,076,705	18,619,006	19,177,576	19,752,903	20,345,490
Cash Flow Before Debt Ser	265,997,207	273,977,124	282,196,437	290,662,331	74,845,550
& Taxes					
					4,738,006,726

Analysis Period	For Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 7.75%	Net Operating Income
Year 1	Jun-2012	(\$ 1,723,380)	(\$ 1,599,425)	1
Year 2	Jun-2013	8,803,793	7,582,899	2
Year 3	Jun-2014	15,627,988	12,492,554	3
Year 4	Jun-2015	17,441,005	12,939,050	4
Year 5	Jun-2016	18,968,183	13,059,885	5
Year 6	Jun-2017	19,492,417	12,455,525	6
Year 7	Jun-2018	20,116,385	11,929,685	7
Year 8	Jun-2019	19,309,665	10,627,632	8
Year 9	Jun-2020	18,676,590	9,539,862	9
Year 10	Jun-2021	20,520,915	9,728,008	10
Year 11	Jun-2022 NOI			28,549,998 11
Total Cash Flow		157,233,561	98,755,675	
Terminal Capitalization Rate @		445,379,969	211,133,862	
		6.25%		
Selling Costs @				
		2.50%		
Total Property Present			\$ 309,889,537	
Rounded to Thousands			\$ 310,000,000	
Per SqFt			\$ 552.70	
Percentage Value Distribu				
Leasehold Value			\$ 145,000,000	
Implied Land Value			\$ 165,000,000	
Per Buildable			\$ 294.18	

For the Years Ending		1	2	3	4	5	6	7	8
Potential Gross Revenue		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
		Jun-2012	Jun-2013	Jun-2014	Jun-2015	Jun-2016	Jun-2017	Jun-2018	Jun-2019
Base Rental Revenue	\$17,182,894	\$17,417,179	\$17,720,218	\$18,022,214	\$18,414,741	\$21,329,468	\$22,576,700	\$22,871,666	
Absorption & Turnover Vacanc	(2,329,681)	(970,634)	(70,045)	(177,762)	(46,748)	(1,648,829)	(272,577)	(92,228)	
Base Rent Abatements	(619,933)	(882,470)	(365,639)	(104,870)	(62,636)	(2,867,624)	(174,987)	(73,026)	
Scheduled Base Rental Revenue	14,233,280	15,564,075	17,284,534	17,739,582	18,305,357	16,813,015	22,129,136	22,706,412	
Base Rental Step Revenue	0	1,648	0	0	0	0	0	0	
Miscellaneous Rental Revenue	1,160,843	1,302,157	1,431,669	1,483,660	1,544,676	1,547,419	1,743,806	1,813,766	
CPI & Other Adjustment Reven	311,141	230,233	195,121	86,245	9,419	11,678	5,343	0	
Expense Reimbursement Revenue									
Real Estate Taxes - FY	680,120	692,839	730,860	754,080	787,450	344,980	192,205	202,475	
Real Estate Taxes	385,320	401,564	460,159	520,502	603,491	671,591	770,244	839,512	
OPEX	57,663	74,017	126,432	180,675	239,907	281,448	414,625	518,432	
OPEX w/adjustments	480,173	545,851	613,500	683,179	754,944	396,584	282,872	314,171	
Total Reimbursement Revenue	1,603,276	1,714,271	1,930,951	2,138,436	2,385,792	1,694,603	1,659,946	1,874,590	
Water Income	6,092	6,274	6,463	6,657	6,856	7,063	7,273	7,492	
Sprinkler Income	6,092	6,274	6,463	6,657	6,856	7,063	7,273	7,492	
Condenser Water Income	118,800	122,364	126,035	129,815	133,711	137,721	141,853	146,110	
Cleaning Service Income	28,907	29,774	30,668	31,586	32,535	33,512	34,516	35,552	
Legal Fee Income	1,284	1,322	1,363	1,403	1,444	1,489	1,534	1,579	
Miscellaneous Income	2,402	2,475	2,548	2,626	2,702	2,785	2,868	2,954	
Sublease Profit Sharing	39,636	39,636	39,636	39,636	39,636	9,909	0	0	
Sundry Income-Elevator Freig	66,173	68,160	70,202	72,310	74,479	76,712	79,014	81,383	
Total Potential Gross Revenue	17,577,926	19,088,663	21,125,653	21,738,613	22,543,463	20,342,969	25,812,562	26,677,330	
General Vacancy	0	0	(565,825)	(479,730)	(630,959)	0	(509,977)	(710,859)	
Collection Loss	(175,780)	(190,887)	(211,258)	(217,386)	(225,433)	(203,429)	(258,126)	(266,773)	
Effective Gross Revenue	17,402,146	18,897,776	20,348,570	21,041,497	21,687,071	20,139,540	25,044,459	25,699,698	
Operating Expenses									
Real Estate Taxes	2,949,142	3,030,708	3,172,369	3,315,373	3,509,345	3,756,408	3,948,293	4,084,563	
OPEX									
Utilities	2,039,357	2,100,538	2,163,553	2,228,461	2,295,314	2,364,173	2,435,100	2,508,151	
Cleaning	1,158,154	1,192,898	1,228,685	1,265,547	1,303,512	1,342,618	1,382,896	1,424,384	
Payroll	710,000	731,300	753,239	775,836	799,112	823,084	847,777	873,212	
R&M	856,027	845,400	870,764	896,887	923,793	951,506	980,052	1,009,453	
Security Expense	251,773	259,328	267,105	275,120	283,372	291,874	300,631	309,648	
Professional Fees	553,900	549,770	566,264	583,251	600,750	618,772	637,335	656,456	
Insurance	176,241	181,528	186,974	192,584	198,360	204,312	210,441	216,755	
Management Fees	217,527	236,222	254,356	263,020	271,088	251,744	313,056	321,246	
Total	5,962,979	6,096,984	6,290,940	6,480,706	6,675,301	6,848,083	7,107,288	7,319,305	
Total Operating Expenses	8,912,121	9,127,692	9,463,309	9,796,079	10,184,646	10,604,491	11,055,581	11,403,868	
Net Operating Income	8,490,025	9,770,084	10,885,261	11,245,418	11,502,425	9,535,049	13,988,878	14,295,830	
Leasing & Capital Costs									
Tenant Improvements	1,746,113	1,429,100	65,750	132,719	48,238	5,150,798	228,135	98,433	
Leasing Commissions	622,186	632,699	66,074	148,821	172,932	2,457,807	269,197	103,632	

Capital Expenditures	904,064	2,904,362	2,302,800	17,499	17,500	491,506	491,505	0
Base Building	150,000	92,700	63,654	109,272	33,766	1,124,496	155,227	73,792
Total Leasing & Capital Costs	3,422,363	5,058,861	2,498,278	408,311	272,436	9,224,607	1,144,064	275,857
Cash Flow Before Debt Service & Taxes	\$ 5,067,662	\$ 4,711,223	\$ 8,386,983	\$ 10,837,107	\$ 11,229,989	\$ 3,104,442	\$ 12,844,814	\$ 14,019,973
Total CF	\$ 5,067,662	\$ 4,711,223	\$ 8,386,983	\$ 10,837,107	\$ 11,229,989	\$ 3,104,442	\$ 12,844,814	\$ 14,019,973

For the Years Ending

	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024	Year 14 Jun-2025	Year 15 Jun-2026	Year 16 Jun-2027
Potential Gross Revenue								
Base Rental Revenue	\$24,097,550	\$25,155,748	\$26,377,119	\$27,499,110	\$28,005,850	\$28,641,036	\$29,353,371	\$31,127,844
Absorption & Turnover Vacant	(858,560)	(442,666)	(439,264)	(591,723)	(208,944)	(273,164)	(209,833)	(2,177,863)
Base Rent Abatements	(1,194,001)	(853,375)	(420,637)	(885,873)	(314,129)	(155,542)	(211,706)	(3,827,923)
Scheduled Base Rental Revenue	22,044,989	23,859,707	25,517,218	26,021,514	27,482,777	28,212,330	28,931,832	25,122,058
Base Rental Step Revenue	0	0	0	0	0	0	0	0
Miscellaneous Rental Revenue	1,853,175	1,962,555	2,020,894	2,077,409	2,168,439	2,215,402	2,281,246	2,189,068
CPI & Other Adjustment Revenue	0	0	0	0	0	0	0	0
Expense Reimbursement Revenue								
Real Estate Taxes - FY	54,433	24,506	27,097	29,767	31,401	13,212	0	0
Real Estate Taxes	912,711	705,742	663,966	628,884	667,497	792,159	900,527	666,051
OPEX	645,820	794,581	953,908	951,888	1,051,233	1,268,969	1,462,138	1,073,424
OPEX w/adjustments	174,773	37,735	0	0	0	0	0	0
Total Reimbursement Revenue	1,787,737	1,562,564	1,644,971	1,610,539	1,750,131	2,074,340	2,362,665	1,739,475
Water Income	7,717	7,949	8,187	8,434	8,685	8,947	9,215	9,491
Sprinkler Income	7,717	7,949	8,187	8,434	8,685	8,947	9,215	9,491
Condenser Water Income	150,492	155,007	159,658	164,447	169,380	174,461	179,697	185,087
Cleaning Service Income	36,619	37,716	38,849	40,015	41,214	42,451	43,725	45,035
Legal Fee Income	1,627	1,675	1,725	1,776	1,832	1,884	1,944	2,000
Miscellaneous Income	3,043	3,133	3,228	3,325	3,425	3,528	3,633	3,743
Sublease Profit Sharing	0	0	0	0	0	0	0	0
Sundry Income-Elevator Freig	83,825	86,341	88,932	91,598	94,347	97,177	100,093	103,095
Total Potential Gross Revenue	25,976,941	27,684,596	29,491,849	30,027,491	31,728,915	32,839,467	33,923,265	29,408,543
General Vacancy	0	(401,151)	(458,670)	(326,854)	(749,192)	(720,215)	(814,159)	0
Collection Loss	(259,769)	(276,846)	(294,920)	(300,275)	(317,289)	(328,394)	(339,233)	(294,085)
Effective Gross Revenue	25,717,172	27,006,599	28,738,259	29,400,362	30,662,434	31,790,858	32,769,873	29,114,458
Operating Expenses								
Real Estate Taxes	4,225,621	4,371,638	4,512,597	4,647,973	4,787,413	4,931,036	5,078,966	5,231,336
OPEX								
Utilities	2,583,396	2,660,899	2,740,725	2,822,947	2,907,635	2,994,864	3,084,710	3,177,252
Cleaning	1,467,115	1,511,128	1,556,462	1,603,155	1,651,251	1,700,788	1,751,811	1,804,368
Payroll	899,407	926,388	954,181	982,807	1,012,290	1,042,658	1,073,940	1,106,157
R&M	1,039,738	1,070,928	1,103,057	1,136,149	1,170,233	1,205,341	1,241,500	1,278,745
Security Expense	318,939	328,508	338,361	348,513	358,967	369,737	380,830	392,255
Professional Fees	676,149	696,432	717,327	738,846	761,012	783,841	807,358	831,576
Insurance	223,257	229,955	236,853	243,959	251,277	258,816	266,580	274,577
Management Fees	321,465	337,582	359,228	367,504	383,281	397,385	409,624	363,930
Total	7,529,466	7,761,820	8,006,194	8,243,880	8,495,946	8,753,430	9,016,353	9,228,860
Total Operating Expenses	11,755,087	12,133,458	12,518,791	12,891,853	13,283,359	13,684,466	14,095,319	14,460,196
Net Operating Income	13,962,085	14,873,141	16,219,468	16,508,509	17,379,075	18,106,392	18,674,554	14,654,262
Leasing & Capital Costs								
Tenant Improvements	2,327,147	1,241,863	1,017,457	1,249,208	488,609	104,203	161,128	6,886,430
Leasing Commissions	1,195,873	693,004	505,443	749,996	367,995	429,953	535,407	3,273,194

Capital Expenditures	93,226	93,225	0	0	0	0	0	0	0	0
Base Building	418,034	0	0	0	0	0	0	0	0	0
Total Leasing & Capital Costs	4,034,280	2,028,092	1,522,900	1,999,204	856,604	534,156	696,535	10,159,624		
Cash Flow Before Debt Service & Taxes	\$ 9,927,805	\$12,845,049	\$14,696,568	\$14,509,305	\$16,522,471	\$17,572,236	\$17,978,019	\$ 4,494,638		
Total CF	\$ 9,927,805	\$12,845,049	\$14,696,568	\$14,509,305	\$16,522,471	\$17,572,236	\$17,978,019	\$ 4,494,638		

Capital Expenditures										
Base Building	0	0	0	0	0	0	0	0	0	0
Total Leasing & Capital Costs	687,586	321,469	3,509,556	3,862,141	790,397	3,440,896	1,652,451	774,261		
Cash Flow Before Debt Service & Taxes	\$19,506,869	\$20,331,451	\$16,329,919	\$16,366,155	\$21,546,311	\$19,054,727	\$21,895,381	\$23,608,064		
Total CF	\$19,506,869	\$20,331,451	\$16,329,919	\$16,366,155	\$21,546,311	\$19,054,727	\$21,895,381	\$23,608,064		

	25 Year 25 Jun-2026	26 Year 26 Jun-2027	27 Year 27 Jun-2028	28 Year 28 Jun-2029	29 Year 29 Jun-2030	30 Year 30 Jun-2031	31 Year 31 Jun-2032	32 Year 32 Jun-2033
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue	\$39,524,302	\$41,403,531	\$43,805,389	\$44,463,351	\$45,286,152	\$46,689,260	\$48,053,567	\$50,467,575
Absorption & Turnover Vacanc	(380,944)	(2,883,316)	(216,245)	(519,675)	(1,112,865)	(1,300,015)	(262,111)	(1,054,748)
Base Rent Abatements	(229,765)	(4,338,647)	(963,238)	(351,898)	(1,753,250)	(1,481,225)	(645,025)	(1,585,451)
Scheduled Base Rental Revenue	38,913,593	34,181,568	42,625,906	43,591,778	42,420,037	43,908,020	47,146,431	47,827,376
Base Rental Step Revenue	0	0	0	0	0	0	0	0
Miscellaneous Rental Revenue	3,057,704	2,945,402	3,248,137	3,320,032	3,375,889	3,468,324	3,653,243	3,701,712
CPI & Other Adjustment Reven	0	0	0	0	0	0	0	0
Expense Reimbursement Revenue								
Real Estate Taxes - FY	0	0	0	0	0	0	0	0
Real Estate Taxes	1,093,258	953,940	723,483	872,066	949,850	883,127	972,016	1,012,821
OPEX	1,888,872	1,616,155	1,263,522	1,518,081	1,616,598	1,494,732	1,656,301	1,708,125
OPEX w/adjustments	0	0	0	0	0	0	0	0
Total Reimbursement Revenue	2,982,130	2,570,095	1,987,005	2,390,147	2,566,448	2,377,859	2,628,317	2,720,946
Water Income	12,383	12,756	13,138	13,533	13,938	14,355	14,787	15,231
Sprinkler Income	12,383	12,756	13,138	13,533	13,938	14,355	14,787	15,231
Condenser Water Income	241,495	248,740	256,203	263,890	271,804	279,961	288,359	297,009
Cleaning Service Income	58,762	60,525	62,340	64,212	66,136	68,122	70,164	72,269
Legal Fee Income	2,611	2,687	2,770	2,853	2,937	3,025	3,118	3,210
Miscellaneous Income	4,884	5,028	5,182	5,335	5,496	5,661	5,830	6,004
Sublease Profit Sharing	0	0	0	0	0	0	0	0
Sundry Income-Elevator Freig	134,517	138,551	142,708	146,989	151,400	155,940	160,620	165,437
Total Potential Gross Revenue	45,420,462	40,178,108	48,356,527	49,812,302	48,888,023	50,295,622	53,985,656	54,824,425
General Vacancy	(993,097)	0	(1,240,939)	(990,284)	(387,160)	(247,856)	(1,365,322)	(621,626)
Collection Loss	(454,204)	(401,782)	(483,564)	(498,123)	(488,881)	(502,956)	(539,856)	(548,244)
Effective Gross Revenue	43,973,161	39,776,326	46,632,024	48,323,895	48,011,982	49,544,810	52,080,478	53,654,555
Operating Expenses								
Real Estate Taxes	6,825,707	7,030,476	7,241,392	7,458,635	7,682,392	7,912,864	8,150,251	8,394,756
OPEX								
Utilities	4,145,592	4,269,961	4,398,060	4,530,000	4,665,901	4,805,880	4,950,055	5,098,557
Cleaning	2,354,290	2,424,916	2,497,666	2,572,595	2,649,772	2,729,266	2,811,144	2,895,479
Payroll	1,443,283	1,486,583	1,531,178	1,577,115	1,624,429	1,673,161	1,723,357	1,775,057
R&M	1,668,471	1,718,528	1,770,083	1,823,184	1,877,881	1,934,218	1,992,242	2,052,012
Security Expense	511,802	527,158	542,971	559,260	576,039	593,319	611,120	629,452
Professional Fees	1,085,020	1,117,572	1,151,097	1,185,631	1,221,199	1,257,836	1,295,570	1,334,437
Insurance	358,260	369,011	380,079	391,484	403,225	415,323	427,784	440,616
Management Fees	549,665	497,205	582,900	604,048	600,150	619,311	651,006	670,682
Total	12,116,383	12,410,934	12,854,034	13,243,317	13,618,596	14,028,314	14,462,278	14,896,292
Total Operating Expenses	18,942,090	19,441,410	20,095,426	20,701,952	21,300,988	21,941,178	22,612,529	23,291,048
Net Operating Income	25,031,071	20,334,916	26,536,598	27,621,943	26,710,994	27,603,632	29,467,949	30,363,507
Leasing & Capital Costs								
Tenant Improvements	199,930	9,223,770	161,355	517,731	3,085,132	3,416,042	665,036	3,048,761
Leasing Commissions	485,716	4,599,571	202,035	521,976	1,507,823	1,969,007	326,403	1,512,765

	0	0	0	0	0	0	0	0	0	0
Capital Expenditures	0	0	0	0	0	0	0	0	0	0
Base Building	0	0	0	0	0	0	0	0	0	0
Total Leasing & Capital Costs	685,646	13,823,341	363,390	1,039,707	4,592,955	5,385,049	991,439	4,561,526		
Cash Flow Before Debt Service & Taxes	\$24,345,425	\$ 6,511,575	\$26,173,208	\$26,582,236	\$22,118,039	\$22,218,583	\$28,476,510	\$25,801,981		
Total CF	\$24,345,425	\$ 6,511,575	\$26,173,208	\$26,582,236	\$22,118,039	\$22,218,583	\$28,476,510	\$25,801,981		

For the Years Ending
 Potential Gross Revenue

	33 Year 33 Jun-2044	34 Year 34 Jun-2045	35 Year 35 Jun-2046	36 Year 36 Jun-2047	37 Year 37 Jun-2048	38 Year 38 Jun-2049	39 Year 39 Jun-2050	40 Year 40 Jun-2051
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Base Rental Revenue	\$51,445,435	\$52,094,502	\$53,036,913	\$54,954,009	\$58,847,095	\$59,706,313		
Absorption & Turnover Vacant	(839,658)	(355,145)	(552,132)	(3,910,088)	(235,754)	(657,076)		
Base Rent Abatements	(1,137,124)	(282,389)	(264,831)	(2,148,572)	(5,087,479)	(415,535)		
Scheduled Base Rental Revenue	49,468,653	51,456,968	52,219,950	48,895,349	53,523,862	58,633,702		
Base Rental Step Revenue	0	0	0	0	0	0		
Miscellaneous Rental Revenue	3,833,481	3,999,903	4,098,557	3,963,083	4,369,716	4,465,001		
CPI & Other Adjustment Revenue	0	0	0	0	0	0		

Expense Reimbursement Revenue								
Real Estate Taxes - FY	0	0	0	0	0	0		
Real Estate Taxes	1,082,356	1,263,009	1,473,340	1,430,128	964,517	1,185,238		
OPEX	1,815,438	2,158,484	2,539,461	2,471,553	1,624,191	2,050,827		
OPEX w/adjustments	0	0	0	0	0	0		
Total Reimbursement Revenue	2,897,794	3,421,493	4,012,801	3,901,681	2,588,708	3,236,065		

Water Income	15,687	16,160	16,642	17,142	17,655	18,187		
Sprinkler Income	15,687	16,160	16,642	17,142	17,655	18,187		
Condenser Water Income	305,919	315,098	324,552	334,286	344,316	354,645		
Cleaning Service Income	74,438	76,671	78,972	81,340	83,781	86,292		
Legal Fee Income	3,306	3,405	3,507	3,613	3,721	3,833		
Miscellaneous Income	6,185	6,372	6,562	6,757	6,961	7,172		
Sublease Profit Sharing	0	0	0	0	0	0		
Sundry Income-Elevator Freig	170,401	175,513	180,780	186,201	191,787	197,543		

Total Potential Gross Revenue	56,791,551	59,487,743	60,958,965	57,406,594	61,148,162	67,020,627		
General Vacancy	(889,280)	(1,440,141)	(1,293,200)	0	(1,605,764)	(1,373,255)		
Collection Loss	(567,915)	(594,877)	(609,590)	(574,067)	(611,482)	(670,207)		
Effective Gross Revenue	55,334,356	57,452,725	59,056,175	56,832,527	58,930,916	64,977,165		
Operating Expenses								
Real Estate Taxes	8,646,601	8,905,999	9,173,178	9,448,372	9,731,825	10,023,780		

OPEX								
Utilities	5,251,512	5,409,060	5,571,330	5,738,470	5,910,623	6,087,944		
Cleaning	2,982,342	3,071,812	3,163,968	3,258,887	3,356,651	3,457,353		
Payroll	1,828,309	1,883,159	1,939,652	1,997,843	2,057,776	2,119,512		
R&M	2,113,571	2,176,979	2,242,286	2,309,557	2,378,844	2,450,208		
Security Expense	648,337	667,787	687,818	708,456	729,707	751,599		
Professional Fees	1,374,472	1,415,705	1,458,178	1,501,920	1,546,981	1,593,388		
Insurance	453,836	467,450	481,474	495,917	510,796	526,119		
Management Fees	691,680	718,159	738,203	710,407	736,636	812,213		

Total	15,344,059	15,810,111	16,282,909	16,721,457	17,228,014	17,798,336		
Total Operating Expenses	23,990,660	24,716,110	25,456,087	26,169,829	26,959,839	27,822,116		
Net Operating Income	31,343,696	32,736,615	33,600,088	30,662,698	31,971,077	37,155,049		
Leasing & Capital Costs								
Tenant Improvements	1,150,580	186,286	332,171	12,420,052	228,553	564,431		

3.0%

Leasing Commissions	960,418	771,860	382,113	6,571,237	266,872	589,686		
Capital Expenditures	0	0	0	0	0	0		
Base Building	0	0	0	0	0	0		
Total Leasing & Capital Costs	2,110,998	958,146	714,284	18,991,289	495,425	1,154,117	3,027,427	3,118,250
Cash Flow Before Debt Service & Taxes	\$29,232,698	\$31,778,469	\$32,885,804	\$11,671,409	\$31,475,652	\$36,000,932	35,242,273	36,299,541
Total CF	\$29,232,698	\$31,778,469	\$32,885,804	\$11,671,409	\$31,475,652	\$36,000,932	35,242,273	36,299,541

Base Building										
Total Leasing & Capital Costs	3,211,798	3,308,152	3,407,396	3,509,618	3,614,907	3,723,354	3,835,054	3,950,106		
Cash Flow Before Debt Service & Taxes	37,388,528	38,510,183	39,665,489	40,855,453	42,081,117	43,343,551	44,643,857	45,983,173		
Total CF	37,388,528	38,510,183	39,665,489	40,855,453	42,081,117	43,343,551	44,643,857	45,983,173		

Base Building										
Total Leasing & Capital Costs	4,068,609	4,190,668	4,316,388	4,445,879	4,579,256	4,716,633	4,858,132	5,003,876		
Cash Flow Before Debt Service & Taxes	47,362,668	48,783,548	50,247,055	51,754,466	53,307,100	54,906,313	56,553,503	58,250,108		
Total CF	47,362,668	48,783,548	50,247,055	51,754,466	53,307,100	54,906,313	56,553,503	58,250,108		

Management Fees

	Total								
Total Operating Expenses	48,786,249	50,249,836	51,757,331	53,310,051	54,909,353	56,556,633	58,253,332	60,000,932	
Net Operating Income	65,151,603	67,106,151	69,119,336	71,192,916	73,328,704	75,528,565	77,794,422	80,128,254	
Leasing & Capital Costs									
Tenant Improvements									
Leasing Commissions									
Capital Expenditures									
Base Building									
Total Leasing & Capital Costs	5,153,992	5,308,612	5,467,871	5,631,907	5,800,864	5,974,890	6,154,137	6,338,761	
Cash Flow Before Debt Service & Taxes	59,997,611	61,797,539	63,651,465	65,561,009	67,527,840	69,553,675	71,640,285	73,789,494	
Total CF	59,997,611	61,797,539	63,651,465	65,561,009	67,527,840	69,553,675	71,640,285	73,789,494	

For the Years Ending
 Potential Gross Revenue

	65 Year 65 Jun-2076	66 Year 66 Jun-2077	67 Year 67 Jun-2078	68 Year 68 Jun-2079	69 Year 69 Jun-2080	70 Year 70 Jun-2081	71 Year 71 Jun-2082	72 Year 72 Jun-2083
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Base Rental Revenue								
Absorption & Turnover								
Vacanc								
Base Rent Abatements								
Scheduled Base Rental								
Revenue								
Base Rental Step Revenue								
Miscellaneous Rental								
Revenue								
CPI & Other Adjustment								
Reven								
Expense Reimbursement								
Revenue								
Real Estate Taxes -								
FY								
Real Estate Taxes								
OPEX								
OPEX w/adjustments								
Total Reimbursement								
Revenue								
Water Income								
Sprinkler Income								
Condenser Water Income								
Cleaning Service Income								
Legal Fee Income								
Miscellaneous Income								
Sublease Profit Sharing								
Sundry Income-Elevator								
Freig								
Total Potential Gross Revenue								
General Vacancy								
Collection Loss								
Effective Gross Revenue	144,333,062	148,663,054	153,122,946	157,716,634	162,448,133	167,321,577	172,341,224	177,511,461
Operating Expenses								
Real Estate Taxes								
OPEX								
Utilities								
Cleaning								
Payroll								
R&M								
Security Expense								
Professional Fees								
Insurance								

	73 Year 73 Jun-2084	74 Year 74 Jun-2085	75 Year 75 Jun-2086	76 Year 76 Jun-2087	77 Year 77 Jun-2088	78 Year 78 Jun-2089	79 Year 79 Jun-2090	80 Year 80 Jun-2091
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Potential Gross Revenue

Base Rental Revenue

Absorption & Turnover

Vacant

Base Rent Abatements

Scheduled Base Rental

Revenue

Base Rental Step Revenue

Miscellaneous Rental

Revenue

CPI & Other Adjustment

Reven

Expense Reimbursement

Revenue

Real Estate Taxes

FY

Real Estate Taxes

OPEX

Total Reimbursement

Water Income

Sprinkler Income

Condenser Water Income

Cleaning Service Income

Legal Fee Income

Miscellaneous Income

Sublease Profit Sharing

Sundry Income-Elevator

Freig

Total Potential Gross Revenue

General Vacancy

Collection Loss

Effective Gross Revenue

Operating Expenses

Real Estate Taxes

OPEX

Utilities

Cleaning

Payroll

R&M

Security Expense

Professional Fees

Insurance

182,836,805

188,321,909

193,971,566

199,790,713

205,784,435

211,957,968

218,316,707

224,866,208

Management Fees

Total	78,287,608	80,636,236	83,055,323	85,546,983	88,113,392	90,756,794	93,479,498	96,283,883
Total Operating Expenses	78,287,608	80,636,236	83,055,323	85,546,983	88,113,392	90,756,794	93,479,498	96,283,883
Net Operating Income	104,549,197	107,685,673	110,916,243	114,243,731	117,671,043	121,201,174	124,837,209	128,582,325
Leasing & Capital Costs								
Tenant Improvements								
Leasing Commissions								
Capital Expenditures								
Base Building								
Total Leasing & Capital Costs	8,270,645	8,518,764	8,774,327	9,037,557	9,308,684	9,587,944	9,875,583	10,171,850
Cash Flow Before Debt Service & Taxes	96,278,552	99,166,909	102,141,916	105,206,174	108,362,359	111,613,230	114,961,627	118,410,475
Total CF	96,278,552	99,166,909	102,141,916	105,206,174	108,362,359	111,613,230	114,961,627	118,410,475

	121,962,790	125,621,673	129,390,324	133,272,033	137,270,194	141,388,300	145,629,949	149,998,848	2,307,168,954
Insurance									
Management Fees									
Total	99,172,399	102,147,571	105,211,998	108,368,358	111,619,409	114,967,991	118,417,031	121,969,542	125,628,628
Total Operating Expenses	132,439,795	136,412,989	140,505,379	144,720,540	149,062,156	153,534,021	158,140,042	162,884,243	167,770,770
Net Operating Income									
Leasing & Capital Costs									
Tenant Improvements									
Leasing Commissions									
Capital Expenditures									
Base Building									
Total Leasing & Capital Costs	10,477,006	10,791,316	11,115,055	11,448,507	11,791,962	12,145,721	12,510,093	12,885,395	13,271,957
Cash Flow Before Debt Service & Taxes	121,962,790	125,621,673	129,390,324	133,272,033	137,270,194	141,388,300	145,629,949	149,998,848	155,874,110
Total CF	121,962,790	125,621,673	129,390,324	133,272,033	137,270,194	141,388,300	145,629,949	149,998,848	2,307,168,954

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.75%	Net Operating Income	
Year 1	Jun-2012	\$ 5,067,662	\$ 4,659,919		1
Year 2	Jun-2013	4,711,223	3,983,595		2
Year 3	Jun-2014	8,386,983	6,521,057		3
Year 4	Jun-2015	10,837,107	7,748,119		4
Year 5	Jun-2016	11,229,989	7,383,002		5
Year 6	Jun-2017	310,442	187,674		6
Year 7	Jun-2018	12,844,814	7,140,407		7
Year 8	Jun-2019	14,019,973	7,166,598		8
Year 9	Jun-2020	9,927,805	4,666,485		9
Year 10	Jun-2021	12,845,049	5,551,919		10
Year 11	Jun-2022 NOI			16,702,351	11
Total Cash Flow		90,181,047	55,008,775		
Terminal Capitalization Rate @		241,256,176	104,276,341		
		6.75%			
Selling Costs @					
		2.50%			
Total Property Present Value			<u>\$159,285,116</u>		
Rounded to Thousands			<u>\$159,000,000</u>		
Per SqFt			315.76		
Percentage Value Distribution					
Leasehold Value			\$ 74,000,000		
Implied Land Value			\$ 85,000,000		
Per Buildable			\$ 168.80		

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$27,194,550	\$28,453,308	\$29,074,851	\$31,205,707	\$35,152,742	\$50,037,546	\$52,198,479	\$53,634,293
Absorption & Turnover Vacancy	(2,584,107)	(1,293,788)	(406,658)	(552,712)	(2,776,648)	(673,448)	(1,645,884)	(126,960)
Base Rent Abatements	(1,446,480)	(1,110,443)	(529,570)	(1,179,648)	(2,186,395)	(2,378,483)	(2,222,270)	(307,502)
Scheduled Base Rental Revenue	23,163,963	26,049,077	28,138,623	29,473,347	30,189,699	46,985,615	48,330,325	53,199,831
CPI & Other Adjustment Revenue	649,389	749,457	1,018,328	1,182,105	1,279,507	1,322,567	644,363	344,088
Expense Reimbursement Revenue								
Real Estate Taxes	782,197	1,028,293	1,332,755	1,507,952	1,578,668	1,231,268	1,068,278	1,156,041
Operating Expenses	37,814	36,122	37,205	64,294	137,501	239,017	333,677	500,757
Total Reimbursement Revenue	820,011	1,064,415	1,369,960	1,572,246	1,716,169	1,470,285	1,401,955	1,656,798
Electric & Fuel Recovery								
Electric & Fuel Recovery	1,963,799	2,153,193	2,282,345	2,357,039	2,367,494	2,543,036	2,569,665	2,739,995
Other	339,510	354,814	367,989	379,273	388,289	404,034	414,209	430,291
Total Potential Gross Revenue	26,936,672	30,370,956	33,177,245	34,964,010	35,941,158	52,725,537	53,360,517	58,371,003
General Vacancy	0	0	(600,860)	(512,789)	0	(928,522)	(4,308)	(1,627,979)
Collection Loss	(269,367)	(303,709)	(331,774)	(349,640)	(359,411)	(527,255)	(533,604)	(583,712)
Effective Gross Revenue	26,667,305	30,067,247	32,244,611	34,101,581	35,581,747	51,269,760	52,822,605	56,159,312
Operating Expenses								
Insurance	313,610	323,019	332,710	342,690	352,969	363,560	374,467	385,701
Real Estate Taxes	4,900,729	5,227,317	5,557,116	5,890,152	6,165,861	6,427,771	6,739,213	7,059,560
Repairs and Maintenance	1,254,441	1,292,076	1,330,836	1,370,763	1,411,885	1,454,244	1,497,888	1,542,805
Security	250,889	258,415	266,167	274,152	282,376	290,847	299,574	308,561
Utilities	2,352,078	2,422,641	2,495,318	2,570,180	2,647,284	2,726,703	2,808,505	2,892,759
Payroll	1,019,235	1,049,811	1,081,306	1,113,744	1,147,157	1,181,571	1,217,019	1,253,530
Professional Fees	1,489,649	1,074,000	703,000	724,091	745,811	768,188	791,232	814,969
Cleaning	1,646,455	1,695,849	1,746,723	1,799,125	1,853,101	1,908,693	1,965,952	2,024,932
Management Fee	333,342	375,840	403,057	426,271	444,772	640,872	660,282	701,992
Total Operating Expenses	13,560,428	13,718,968	13,916,233	14,511,168	15,051,216	15,762,449	16,354,112	16,984,809
Net Operating Income	13,106,877	16,348,279	18,328,378	19,590,413	20,530,531	35,507,311	36,468,493	39,174,503
Leasing & Capital Costs								
Tenant Improvements	4,801,677	1,961,406	1,582,557	1,405,380	1,574,991	4,250,341	3,881,573	493,737
Leasing Commissions	1,215,745	1,013,951	668,072	697,278	5,774,405	2,075,111	2,227,646	324,559
PB PIO	177,099	0	0	0	0	0	0	0
Capital Improvements	3,201,777	1,355,119	440,462	269,975	3,299,758	4,001,175	783,418	38,500
Base Building Costs	320,000	350,200	84,872	622,855	483,969	568,044	1,205,993	233,676
Total Leasing & Capital Costs	9,716,298	4,680,676	2,775,963	2,995,488	11,133,123	10,894,671	8,098,650	1,090,472
Cash Flow Before Debt Service & Taxes	3,390,579	11,667,603	15,552,415	16,594,925	9,397,408	24,612,640	28,369,863	38,084,031
Total CF	3,390,579	11,667,603	15,552,415	16,594,925	9,397,408	24,612,640	28,369,863	38,084,031

2/10/11 Final 2011-2020 Draft Based on
2011 Budget Draft#2 (Includes RET, CPI
& OPX Recover).

	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024	Year 14 Jun-2025	Year 15 Jun-2026	Year 16 Jun-2027
Potential Gross Revenue								
Base Rental Revenue	\$54,798,012	\$56,027,985	\$58,590,971	\$60,598,162	\$62,247,540	\$64,082,049	\$65,553,216	\$69,220,822
Absorption & Turnover/Vacancy	(318,995)	(245,212)	(817,204)	(988,261)	(520,032)	(834,663)	(2,816,552)	(1,835,748)
Base Rent Abatements	(318,092)	(320,415)	(1,130,563)	(1,198,317)	(433,727)	(1,793,148)	(939,217)	(5,026,844)
Scheduled Base Rental Revenue	54,160,925	55,462,358	56,643,204	58,411,584	61,293,781	61,454,238	61,797,447	62,358,230
CPI & Other Adjustment Revenue	392,520	449,477	76,504	0	0	0	0	0
Expense Reimbursement Revenue								
Real Estate Taxes	1,425,075	1,677,175	1,740,613	1,719,089	1,781,660	1,721,741	1,795,801	1,165,078
Operating Expenses	716,034	914,504	1,105,718	1,196,704	1,319,558	1,301,524	1,435,481	1,127,463
Total Reimbursement Revenue	2,141,109	2,591,679	2,846,331	2,915,793	3,101,218	3,023,265	3,231,282	2,292,541
Electric & Fuel Recovery	2,816,143	2,907,593	2,962,428	3,044,865	3,159,300	3,235,791	3,308,310	3,370,803
Other	442,964	456,526	468,951	482,767	498,155	512,382	526,792	541,153
Total Potential Gross Revenue	59,953,661	61,867,633	62,997,418	64,855,009	68,052,454	68,225,676	68,863,831	68,562,727
General Vacancy	(1,489,185)	(1,618,173)	(1,097,234)	(987,037)	(1,537,143)	(1,237,148)	0	(276,206)
Collection Loss	(599,535)	(618,676)	(629,975)	(648,550)	(680,523)	(682,258)	(688,639)	(685,627)
Effective Gross Revenue	57,864,941	59,630,784	61,270,209	63,219,422	65,834,788	66,306,270	68,175,192	67,600,894
Operating Expenses								
Insurance	397,271	409,189	421,466	434,111	447,132	460,548	474,362	488,595
Real Estate Taxes	7,389,097	7,728,121	8,015,165	8,248,860	8,489,565	8,737,489	8,992,851	9,255,874
Repairs and Maintenance	1,589,090	1,636,764	1,685,865	1,736,440	1,788,536	1,842,190	1,897,455	1,954,380
Security	317,818	327,351	337,174	347,287	357,707	368,436	379,491	390,876
Utilities	2,979,543	3,068,928	3,160,996	3,255,827	3,353,499	3,454,105	3,557,729	3,664,462
Payroll	1,291,135	1,329,868	1,369,765	1,410,860	1,453,183	1,496,780	1,541,683	1,587,933
Professional Fees	839,420	864,600	890,540	917,255	944,772	973,117	1,002,310	1,032,380
Cleaning	2,085,681	2,148,251	2,212,696	2,279,079	2,347,452	2,417,875	2,490,410	2,565,123
Management Fee	723,311	745,385	765,878	790,243	822,934	828,829	852,190	845,011
Total Operating Expenses	17,612,366	18,258,457	18,859,545	19,419,962	20,004,780	20,579,369	21,188,481	21,784,634
Net Operating Income	40,252,575	41,372,327	42,410,664	43,799,460	45,830,008	45,726,901	46,986,711	45,816,260
Leasing & Capital Costs								
Tenant Improvements	828,600	180,711	2,112,642	1,923,240	548,376	3,210,402	1,948,909	5,885,487
Leasing Commissions	429,843	232,865	1,079,311	1,315,850	369,528	1,537,580	1,101,363	9,614,671
PB PIO	0	0	0	0	0	0	0	0
Capital Improvements	71,207	71,206	0	0	0	0	0	0
Base Building Costs	126,677	287,051	0	0	0	0	0	0
Total Leasing & Capital Costs	1,456,327	771,833	3,191,953	3,239,090	917,904	4,747,982	3,050,272	15,500,158
Cash Flow Before Debt Service & Taxes	38,796,248	40,600,494	39,218,711	40,560,370	44,912,104	40,978,919	43,936,439	30,316,102
Total CF	38,796,248	40,600,494	39,218,711	40,560,370	44,912,104	40,978,919	43,936,439	30,316,102

	Year 17 Jun-2018	Year 18 Jun-2019	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
Potential Gross Revenue								
Base Rental Revenue	\$71,884,200	\$74,181,587	\$75,718,281	\$77,314,061	\$79,964,963	\$82,516,141	\$84,920,110	\$87,210,787
Absorption & Turnover Vacancy	(2,192,462)	(395,573)	(299,639)	(368,511)	(1,056,586)	(1,400,762)	(556,387)	(1,340,132)
Base Rent Abatements	(2,982,858)	(709,687)	(312,102)	(475,527)	(1,398,200)	(1,458,285)	(999,462)	(2,214,898)
Scheduled Base Rental Revenue	66,708,880	73,076,327	75,106,540	76,470,023	77,510,177	79,657,094	83,364,261	83,655,757
CPI & Other Adjustment Revenue	0	0	0	0	0	0	0	0
Expense Reimbursement Revenue								
Real Estate Taxes	1,024,262	1,004,602	1,243,862	1,449,012	1,589,010	1,675,114	1,789,779	1,839,615
Operating Expenses	973,378	941,720	1,217,492	1,449,222	1,590,664	1,661,545	1,765,563	1,782,399
Total Reimbursement Revenue	1,997,640	1,946,322	2,461,354	2,898,234	3,179,674	3,336,659	3,555,342	3,622,014
Electric & Fuel Recovery	3,467,342	3,676,351	3,790,251	3,906,561	3,981,935	4,092,246	4,259,779	4,335,030
Other	557,208	578,043	595,524	613,493	630,257	648,806	670,025	688,067
Total Potential Gross Revenue	72,731,070	79,277,043	81,953,669	83,888,311	85,307,043	87,734,805	91,849,407	92,300,868
General Vacancy	(55,244)	(1,994,605)	(2,167,961)	(2,159,194)	(1,534,173)	(1,273,305)	(2,215,787)	(1,469,097)
Collection Loss	(727,310)	(792,771)	(819,538)	(838,883)	(853,020)	(877,348)	(918,494)	(923,008)
Effective Gross Revenue	71,948,516	76,489,667	78,966,170	80,890,234	82,914,850	85,584,152	88,715,126	89,908,763
Operating Expenses								
Insurance	503,252	518,350	533,900	549,916	566,415	583,407	600,910	618,936
Real Estate Taxes	9,526,789	9,805,833	10,093,244	10,389,281	10,694,196	11,008,264	11,331,746	11,664,936
Repairs and Maintenance	2,013,012	2,073,400	2,135,605	2,199,672	2,265,661	2,333,632	2,403,641	2,475,749
Security	402,601	414,681	427,120	439,933	453,133	466,726	480,728	495,148
Utilities	3,774,395	3,887,627	4,004,255	4,124,383	4,248,115	4,375,557	4,506,825	4,642,029
Payroll	1,635,571	1,684,639	1,735,176	1,787,233	1,840,849	1,896,076	1,952,957	2,011,548
Professional Fees	1,063,351	1,095,251	1,128,108	1,161,951	1,196,811	1,232,715	1,269,697	1,307,787
Cleaning	2,642,077	2,721,339	2,802,980	2,887,068	2,973,682	3,062,891	3,154,778	3,249,421
Management Fee	899,356	956,122	987,078	1,011,127	1,036,435	1,069,803	1,108,939	1,123,860
Total Operating Expenses	22,460,404	23,157,242	23,847,466	24,550,564	25,275,297	26,029,071	26,810,221	27,589,414
Net Operating Income	49,488,112	53,332,425	55,118,704	56,339,670	57,639,553	59,555,081	61,904,905	62,319,349
Leasing & Capital Costs								
Tenant Improvements	5,199,151	764,777	545,814	742,580	2,373,839	2,545,891	1,389,070	4,238,695
Leasing Commissions	3,037,598	529,771	287,232	498,536	1,258,694	1,759,782	891,151	2,001,552
PB PIO	0	0	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0	0	0
Base Building Costs	0	0	0	0	0	0	0	0
Total Leasing & Capital Costs	8,236,749	1,294,548	833,046	1,241,116	3,632,533	4,305,673	2,280,221	6,240,247
Cash Flow Before Debt Service & Taxes	41,251,363	52,037,877	54,285,658	55,098,554	54,007,020	55,249,408	59,624,684	56,079,102
Total CF	41,251,363	52,037,877	54,285,658	55,098,554	54,007,020	55,249,408	59,624,684	56,079,102

	Year 25 Jun-2036	Year 26 Jun-2037	Year 27 Jun-2038	Year 28 Jun-2039	Year 29 Jun-2040	Year 30 Jun-2041	Year 31 Jun-2042	Year 32 Jun-2043
Potential Gross Revenue								
Base Rental Revenue	\$89,166,585	\$93,026,773	\$96,385,884	\$ 99,683,261	\$101,699,788	\$103,764,515	\$107,066,743	\$110,523,310
Absorption & Turnover Vacancy	(1,093,555)	(5,211,222)	(2,844,902)	(743,853)	(215,819)	(586,007)	(1,181,029)	(1,648,582)
Base Rent Abatements	(659,652)	(6,627,469)	(3,416,009)	(2,398,979)	(486,826)	(589,938)	(1,897,649)	(1,272,931)
Scheduled Base Rental Revenue	87,413,378	81,188,082	90,124,973	96,540,429	100,997,143	102,588,570	103,991,065	107,601,797
CPI & Other Adjustment Revenue	0	0	0	0	0	0	0	0
Expense Reimbursement Revenue								
Real Estate Taxes	2,017,871	1,447,730	1,345,444	1,253,240	1,563,789	1,854,963	2,080,768	2,223,163
Operating Expenses	1,964,239	1,629,156	1,436,408	1,250,749	1,601,593	1,928,175	2,166,265	2,295,368
Total Reimbursement Revenue	3,982,110	3,076,886	2,781,852	2,503,989	3,165,382	3,783,138	4,247,033	4,518,531
Electric & Fuel Recovery	4,488,285	4,481,224	4,659,547	4,933,905	5,098,042	5,242,092	5,359,236	5,511,459
Other	709,619	725,349	748,831	776,573	800,502	824,168	847,320	872,406
Total Potential Gross Revenue	96,593,392	89,471,541	98,315,203	104,754,896	110,061,069	112,437,968	114,444,654	118,504,193
General Vacancy	(1,837,054)	0	(189,901)	(2,421,109)	(3,092,488)	(2,804,713)	(2,287,741)	(1,956,001)
Collection Loss	(965,933)	(894,717)	(983,152)	(1,047,549)	(1,100,611)	(1,124,378)	(1,144,448)	(1,185,040)
Effective Gross Revenue	93,790,405	88,576,824	97,142,150	101,286,238	105,867,970	108,508,877	111,012,465	115,363,152
Operating Expenses								
Insurance	637,504	656,629	676,330	696,618	717,516	739,044	761,212	784,050
Real Estate Taxes	12,008,136	12,361,604	12,725,694	13,100,701	13,486,960	13,884,809	14,294,590	14,716,666
Repairs and Maintenance	2,550,024	2,626,523	2,705,318	2,786,480	2,870,073	2,956,175	3,044,860	3,136,205
Security	510,004	525,304	541,064	557,294	574,013	591,235	608,972	627,240
Utilities	4,781,291	4,924,728	5,072,472	5,224,644	5,381,386	5,542,824	5,709,111	5,880,384
Payroll	2,071,893	2,134,048	2,198,072	2,264,013	2,331,933	2,401,891	2,473,948	2,548,166
Professional Fees	1,347,022	1,387,430	1,429,056	1,471,925	1,516,083	1,561,568	1,608,412	1,656,665
Cleaning	3,346,906	3,447,311	3,550,730	3,657,253	3,766,970	3,879,980	3,996,379	4,116,268
Management Fee	1,172,380	1,107,210	1,214,278	1,266,078	1,323,349	1,356,360	1,387,657	1,442,039
Total Operating Expenses	28,425,150	29,170,787	30,113,014	31,025,006	31,968,283	32,913,886	33,885,141	34,907,683
Net Operating Income	65,365,255	59,406,037	67,029,136	70,261,232	73,899,687	75,594,991	77,127,324	80,455,469
Leasing & Capital Costs								
Tenant Improvements	2,072,952	8,425,588	6,865,067	1,124,592	835,460	937,976	3,284,200	2,251,276
Leasing Commissions	1,210,929	13,107,528	3,937,877	894,777	468,462	613,452	1,717,953	1,593,557
PB PIO	0	0	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0	0	0
Base Building Costs	0	0	0	0	0	0	0	0
Total Leasing & Capital Costs	3,283,881	21,533,116	10,802,944	2,019,369	1,303,922	1,551,428	5,002,153	3,844,833
Cash Flow Before Debt Service & Taxes	62,081,374	37,872,921	56,226,192	68,241,863	72,595,765	74,043,563	72,125,171	76,610,636
Total CF	62,081,374	37,872,921	56,226,192	68,241,863	72,595,765	74,043,563	72,125,171	76,610,636

For the Years Ending

Year 33 Jun-2044 Year 34 Jun-2045 Year 35 Jun-2046 Year 36 Jun-2047 Year 37 3/09
Year 37 Jun-2048 Year 38 Jun-2049 Year 39 Jun-2050 Year 40 Jun-2051

Potential Gross Revenue

Base Rental Revenue \$ 114,079,697 \$ 116,976,580 \$ 119,619,194 \$ 124,544,541

Absorption & Turnover

Vacancy (1,183,019) (1,940,539) (737,722) (7,115,784)

Base Rent Abatements (1,981,423) (2,868,570) (586,231) (8,955,199)

Scheduled Base Rental

Revenue 110,915,255 112,167,471 118,295,241 108,473,558

CPI & Other Adjustment

Revenue 0 0 0 0

Expense Reimbursement

Revenue 2,320,566 2,429,346 2,650,173 1,985,787

Operating Expenses 2,364,364 2,440,699 2,657,734 2,289,881

Total Reimbursement

Revenue 4,684,930 4,870,045 5,307,907 4,275,668

Electric & Fuel Recovery

5,795,129 5,821,622 6,068,093 6,020,095

Other 899,688 924,535 955,088 974,718

Total Potential Gross Revenue 122,205,002 123,783,673 130,626,329 119,744,039

General Vacancy (2,518,621) (1,831,188) (3,203,199) 0

Collection Loss (1,222,052) (1,237,835) (1,306,263) (1,197,442)

Effective Gross Revenue 118,464,329 120,714,650 126,116,867 118,546,597

Operating Expenses 807,573 831,799 856,752 882,456

Real Estate Taxes 15,151,403 15,599,185 16,060,398 16,535,448

Repairs and Maintenance 3,230,293 3,327,202 3,427,017 3,529,826

Security 646,057 665,439 685,404 705,963

Utilities 6,056,796 6,238,499 6,425,654 6,618,423

Payroll 2,624,612 2,703,330 2,784,431 2,867,984

Professional Fees 1,706,366 1,757,557 1,810,284 1,864,592

Cleaning 4,239,759 4,366,951 4,497,959 4,632,899

Management Fee 1,480,804 1,508,933 1,576,461 1,481,832

Total Operating Expenses 35,943,663 36,998,915 38,124,380 39,119,423

Net Operating Income 82,520,666 83,715,735 87,992,487 79,427,174

Leasing & Capital Costs

Tenant Improvements 2,923,234 5,080,580 1,043,304 10,497,934

Leasing Commissions 1,933,221 2,469,610 572,242 17,390,376

PB PIO 0 0 0 0

Capital Improvements 0 0 0 0

Base Building Costs 0 0 0 0

Total Leasing & Capital Costs 4,856,455 7,550,190 1,615,546 27,888,310

Cash Flow Before Debt Service & Taxes 77,664,211 76,165,545 86,376,941 51,538,864

Total CF 77,664,211 76,165,545 86,376,941 51,538,864

76,155,069 78,439,721 80,792,913 83,216,700

80,792,913 83,216,700

2/10/11 Final 2011-2020 Draft Based on
2011 Budget Draft #2 (Includes RFT, CPI
& OPX Recover).

	41	42	43	44	45	46	47	48
For the Years Ending	Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48
	Jun-2052	Jun-2053	Jun-2054	Jun-2055	Jun-2056	Jun-2057	Jun-2058	Jun-2059

Potential Gross Revenue

Base Rental Revenue

Absorption & Turnover

Vacancy

Base Rent Abatements

Scheduled Base Rental

Revenue

CPI & Other Adjustment

Revenue

Expense Reimbursement

Revenue

Real Estate Taxes

Operating Expenses

Total Reimbursement
Revenue

Electric & Fuel Recovery

Other

Total Potential Gross Revenue

General Vacancy

Collection Loss

Effective Gross Revenue 137,427,996 141,550,836 145,797,361 150,171,282 154,676,421 159,316,713 164,096,215 169,019,101

Operating Expenses

Insurance

Real Estate Taxes

Repairs and Maintenance

Security

Utilities

Payroll

Professional Fees

Cleaning

Management Fee

Total Operating Expenses 45,350,133 46,710,637 48,111,956 49,555,315 51,041,974 52,573,233 54,150,430 55,774,943

Net Operating Income 92,077,864 94,840,200 97,685,406 100,615,968 103,634,447 106,743,480 109,945,785 113,244,158

Leasing & Capital Costs

Tenant Improvements

Leasing Commissions

PB P/O

Capital Improvements

Base Building Costs

Total Leasing & Capital Costs 6,364,662 6,555,602 6,752,270 6,954,838 7,163,483 7,378,388 7,599,740 7,827,732

Cash Flow Before Debt Service & Taxes 85,713,201 88,284,597 90,933,135 93,661,129 96,470,963 99,365,092 102,346,045 105,416,426

Total CF 85,713,201 88,284,597 90,933,135 93,661,129 96,470,963 99,365,092 102,346,045 105,416,426

	Year 49 Jun-2060	Year 50 Jun-2061	Year 51 Jun-2062	Year 52 Jun-2063	Year 53 Jun-2064	Year 54 Jun-2065	Year 55 Jun-2066	Year 56 Jun-2067
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Potential Gross Revenue	49	50	51	52	53	54	55	56
For the Years Ending								
Base Rental Revenue								
Absorption & Turnover								
Vacancy								
Base Rent Abatements								
Scheduled Base Rental								
Revenue								
CPI & Other Adjustment								
Revenue								
Expense Reimbursement								
Revenue								
Real Estate Taxes								
Operating Expenses								
Total Reimbursement								
Revenue								
Electric & Fuel Recovery								
Other								
Total Potential Gross Revenue								
General Vacancy								
Collection Loss								
Effective Gross Revenue	174,089,674	179,312,365	184,691,735	190,232,488	195,939,462	201,817,646	207,872,175	214,108,341
Operating Expenses:								
Insurance								
Real Estate Taxes								
Repairs and Maintenance								
Security								
Utilities								
Payroll								
Professional Fees								
Cleaning								
Management Fee								
Total Operating Expenses	57,448,192	59,171,637	60,946,786	62,775,190	64,658,446	66,598,199	68,596,145	70,654,029
Net Operating Income	116,641,483	120,140,727	123,744,949	127,457,298	131,281,016	135,219,447	139,276,030	143,454,311
Leasing & Capital Costs								
Tenant Improvements								
Leasing Commissions								
PB PIO								
Capital Improvements								
Base Building Costs								
Total Leasing & Capital Costs	8,062,564	8,304,441	8,553,574	8,810,181	9,074,487	9,346,721	9,627,123	9,915,936
Cash Flow Before Debt Service & Taxes	108,578,919	111,836,287	115,191,375	118,647,116	122,206,530	125,872,726	129,648,908	133,538,375
Total CF	108,578,919	111,836,287	115,191,375	118,647,116	122,206,530	125,872,726	129,648,908	133,538,375

2/10/11 Final 2011-2020 Draft Based on
2011 Budget Draft#2 (Includes RFT, CPI
& OPX Recover).

57 58 59 60 61 62 63 64

For the Years Ending

Year 57 Jun-2068 Year 58 Jun-2069 Year 59 Jun-2070 Year 60 Jun-2071 Year 61 Jun-2072 Year 62 Jun-2073 Year 63 Jun-2074 Year 64 Jun-2075

Potential Gross Revenue

Base Rental Revenue

Absorption & Turnover

Vacancy

Base Rent Abatements

Scheduled Base Rental

Revenue

CPI & Other Adjustment

Revenue

Expense Reimbursement

Revenue

Real Estate Taxes

Operating Expenses

Total Reimbursement

Revenue

Electric & Fuel Recovery

Other

Total Potential Gross Revenue

General Vacancy

Collection Loss

Effective Gross Revenue 220,531,591 227,147,539 233,961,965 240,980,824 248,210,248 255,656,556 263,326,253 271,226,040

Operating Expenses

Insurance

Real Estate Taxes

Repairs and Maintenance

Security

Utilities

Payroll

Professional Fees

Cleaning

Management Fee

Total Operating Expenses 72,773,650 74,956,860 77,205,566 79,521,733 81,907,384 84,364,606 86,895,544 89,502,411

Net Operating Income 147,757,941 152,190,679 156,756,399 161,459,091 166,302,864 171,291,950 176,430,708 181,723,630

Leasing & Capital Costs

Tenant Improvements

Leasing Commissions

PB P/O

Capital Improvements

Base Building Costs

Total Leasing & Capital Costs 10,213,415 10,519,817 10,835,411 11,160,474 11,495,288 11,840,147 12,195,351 12,561,212

Cash Flow Before Debt Service & Taxes 137,544,526 141,670,862 145,920,988 150,298,617 154,807,576 159,451,803 164,235,357 169,162,418

Total CF 137,544,526 141,670,862 145,920,988 150,298,617 154,807,576 159,451,803 164,235,357 169,162,418

For the Years Ending		Year 65	Year 66
		Jun-2076	Jun-2077
Potential Gross Revenue			X
Base Rental Revenue			X
Absorption & Turnover Vacancy			X
Base Rent Abatements			X
Scheduled Base Rental Revenue			X
CPI & Other Adjustment Revenue			X
Expense Reimbursement Revenue			X
Real Estate Taxes			X
Operating Expenses			X
Total Reimbursement Revenue			X
Electric & Fuel Recovery			X
Other			X
Total Potential Gross Revenue			X
General Vacancy			X
Collection Loss			X
Effective Gross Revenue	279,362,821	287,743,706	X
Operating Expenses			X
Insurance			X
Real Estate Taxes			X
Repairs and Maintenance			X
Security			X
Utilities			X
Payroll			X
Professional Fees			X
Cleaning			X
Management Fee			X
Total Operating Expenses	92,187,483	94,953,107	X
Net Operating Income	187,175,338	192,790,599	X
Leasing & Capital Costs			X
Tenant Improvements			X
Leasing Commissions			X
PB P/O			X
Capital Improvements			X
Base Building Costs			X
Total Leasing & Capital Costs	12,938,048	13,326,189	X
Cash Flow Before Debt Service	174,237,291	179,464,409	X
& Taxes			X
Total CF	174,237,291	2,842,092,416	X
		3,021,556,825	X

4.16%

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.75%	Net Operating Income
Year 1	Jun-2012	\$ 3,390,579	\$ 3,117,774	1
Year 2	Jun-2013	11,667,603	9,865,591	2
Year 3	Jun-2014	15,552,415	12,092,331	3
Year 4	Jun-2015	16,594,925	11,864,740	4
Year 5	Jun-2016	9,397,408	6,178,197	5
Year 6	Jun-2017	24,612,640	14,879,304	6
Year 7	Jun-2018	28,369,863	15,770,751	7
Year 8	Jun-2019	38,084,031	19,467,437	8
Year 9	Jun-2020	38,796,248	18,235,864	9
Year 10	Jun-2021	40,600,494	17,548,446	10
Year 11	Jun-2022 NOI			44,013,377 11
Total Cash Flow		227,066,206	129,020,435	
Terminal Capitalization Rate @		635,748,784	274,784,911	
	6.75%			
Selling Costs @				
	2.50%			
Total Property Present Value			\$403,805,347	
Rounded to Thousands			\$404,000,000	
Per SqFt			515.29	
Leasehold Value			\$195,000,000	
Implied Land Value			\$209,000,000	
Per Buildable			\$ 266.57	

	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	Jun-2012	Jun-2013	Jun-2014	Jun-2015	Jun-2016	Jun-2017	Jun-2018	Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$57,630,132	\$60,494,216	\$63,507,032	\$65,783,617	\$68,096,442	\$71,405,165	\$76,071,153	\$78,155,547
Absorption & Turnover V	(6,390,133)	(4,396,781)	(2,795,508)	(2,154,123)	(864,779)	(1,648,699)	(1,814,931)	(1,657,649)
Base Rent Abatements	(3,135,083)	(2,350,223)	(1,464,571)	(1,287,453)	(756,801)	(1,306,547)	(1,226,051)	(1,327,047)
Scheduled Base Rental R	48,104,916	53,747,212	59,246,953	62,342,041	66,474,862	68,449,919	73,030,171	75,170,851
Porters' Wage Revenue	48,734	55,571	51,582					
CPI & Other Adjustment	2,230,701	2,291,881	2,179,127	1,924,936	1,601,781	1,628,810	1,557,953	1,152,157
Expense Reimbursement R	6,393,598	6,458,197	6,504,534	6,730,428	7,416,191	8,053,832	8,300,070	8,707,675
Miscellaneous Income	936,992	965,102	994,055	1,023,876	1,054,593	1,086,231	1,118,817	1,152,382
Carryover Electric	1,672,149	1,520,149	1,370,149	1,216,149	1,070,049	920,149	770,149	620,149
Total Potential Gross Rev	59,387,090	65,038,112	70,346,400	73,237,430	77,617,476	80,138,941	84,777,160	86,803,214
General Vacancy				(107,624)	(1,489,689)	(804,930)	(782,832)	(996,177)
Collection Loss	(593,871)	(650,381)	(703,464)	(732,374)	(776,175)	(801,389)	(847,772)	(868,032)
Effective Gross Revenue	58,793,219	64,387,731	69,642,936	72,397,432	75,351,612	78,532,622	83,146,556	84,939,005
Operating Expenses								
Payroll	1,974,908	2,034,155	2,095,180	2,158,035	2,222,776	2,289,460	2,358,143	2,428,888
Cleaning	4,030,425	4,151,338	4,275,878	4,404,154	4,536,279	4,672,367	4,812,538	4,956,914
Utilities	5,508,248	5,673,495	5,843,700	6,019,011	6,199,582	6,385,569	6,577,136	6,774,450
Security	1,025,000	1,055,750	1,087,423	1,120,045	1,153,647	1,188,256	1,223,904	1,260,621
Repairs & Maintenance	2,512,298	2,369,000	2,440,070	2,513,272	2,588,670	2,666,330	2,746,320	2,828,710
Management Fee	587,932	643,877	696,429	723,974	753,516	785,326	831,466	849,390
Professional Fees/Admin	1,571,866	1,260,000	1,297,800	1,336,734	1,376,836	1,418,141	1,460,685	1,504,506
Real Estate Taxes	11,245,488	11,454,662	11,665,652	11,878,470	12,192,599	12,614,408	13,051,043	13,503,026
Bid Tax	192,353	192,353	192,353	192,353	192,353	192,353	192,353	192,353
Insurance	470,216	484,322	498,852	513,818	529,232	545,109	561,462	578,306
Total Operating Expenses	29,118,734	29,318,952	30,093,337	30,859,866	31,745,490	32,757,319	33,815,050	34,877,164
Net Operating Income	29,674,485	35,068,779	39,549,599	41,537,566	43,606,122	45,775,303	49,331,506	50,061,841
Leasing & Capital Costs								
Tenant Improvements	5,658,252	4,221,476	2,184,532	2,427,679	829,874	1,802,465	2,201,267	2,398,914
Leasing Commissions	2,551,851	2,632,529	2,238,673	1,712,171	1,029,474	2,487,327	1,741,413	1,858,651
PB Work	3,618,709	3,194,709	1,848,759					
Capital Improvements	6,696,104	5,827,894	3,247,559	1,551,931	1,266,375	1,197,472	1,376,790	850,115
Base Building	1,150,000	1,390,500	1,135,163	1,245,709	1,012,958	799,899	1,635,852	1,709,525
Total Leasing & Capital C	19,674,916	17,267,108	10,654,686	6,937,490	4,138,681	6,287,163	6,955,322	6,817,205
Cash Flow Before Debt Ser & Taxes	\$ 9,999,569	\$17,801,671	\$28,894,913	\$34,600,076	\$39,467,441	\$39,488,140	\$42,376,184	\$43,244,636
Total CF	\$ 9,999,569	\$17,801,671	\$28,894,913	\$34,600,076	\$39,467,441	\$39,488,140	\$42,376,184	\$43,244,636

	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027
	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024	Jun-2025	Jun-2026	Jun-2027
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue	\$80,133,679	\$83,031,393	\$88,805,105	\$92,725,581	\$ 95,778,280	\$ 98,365,541	\$101,141,263	\$104,168,094
Absorption & Turnover Y	(1,887,306)	(1,833,899)	(2,895,264)	(3,068,806)	(2,242,004)	(2,290,575)	(1,972,047)	(2,267,031)
Base Rent Abatements	(1,318,043)	(1,376,557)	(2,967,768)	(2,634,255)	(1,706,106)	(1,628,131)	(1,737,668)	(1,464,657)
Scheduled Base Rental R	76,928,330	79,820,937	82,942,073	87,022,520	91,830,170	94,446,835	97,431,548	100,436,406
Porters' Wage Revenue								
CPI & Other Adjustment	958,135	811,524	306,562	222,030	277,836	335,316	394,520	242,676
Expense Reimbursement R	9,036,742	9,364,790	9,049,040	8,815,451	8,984,643	9,265,072	9,560,093	10,260,006
Miscellaneous Income	1,186,953	1,222,562	1,259,239	1,297,016	1,335,927	1,376,004	1,417,284	1,459,803
Carryover Electric	470,149	320,149	170,149					
Total Potential Gross Rev	88,580,309	91,539,962	93,727,063	97,357,017	102,428,576	105,423,227	108,803,445	112,398,891
General Vacancy	(826,722)	(967,317)	-3,406	(973,570)	(898,113)	(940,839)	(1,351,218)	(1,172,947)
Collection Loss	(885,803)	(915,400)	(937,271)	(973,570)	(1,024,286)	(1,054,232)	(1,088,034)	(1,123,989)
Effective Gross Revenue	86,867,784	89,657,245	92,786,386	96,383,447	100,506,177	103,428,156	106,364,193	110,101,955
Operating Expenses								
Payroll	2,501,754	2,576,807	2,654,111	2,733,735	2,815,747	2,900,219	2,987,226	3,076,842
Cleaning	5,105,622	5,258,790	5,416,554	5,579,051	5,746,422	5,918,815	6,096,379	6,279,271
Utilities	6,977,684	7,187,014	7,402,625	7,624,703	7,853,445	8,089,048	8,331,719	8,581,671
Security	1,298,439	1,337,393	1,377,514	1,418,840	1,461,405	1,505,247	1,550,404	1,596,917
Repairs & Maintenance	2,913,571	3,000,978	3,091,008	3,183,738	3,279,250	3,377,628	3,478,956	3,583,325
Management Fee	868,678	896,572	927,864	963,834	1,005,062	1,034,282	1,063,642	1,101,020
Professional Fees/Admin	1,549,641	1,596,130	1,644,014	1,693,335	1,744,135	1,796,459	1,850,352	1,905,863
Real Estate Taxes	13,970,896	14,455,212	14,922,075	15,369,737	15,830,829	16,305,754	16,794,927	17,298,775
Bid Tax	192,353	192,353	192,353	192,353	192,353	192,353	192,353	192,353
Insurance	595,656	613,525	631,931	650,889	670,416	690,528	711,244	732,581
Total Operating Expenses	35,974,294	37,114,774	38,260,049	39,410,215	40,599,064	41,810,333	43,057,202	44,348,618
Net Operating Income	50,893,490	52,542,471	54,526,337	56,973,232	59,907,113	61,617,823	63,306,991	65,753,337
Leasing & Capital Costs								
Tenant Improvements	2,004,113	2,422,847	6,092,973	5,216,704	2,490,288	3,449,947	2,608,895	2,638,971
Leasing Commissions	1,874,236	2,085,560	4,791,464	3,699,467	3,221,129	2,477,491	2,257,908	2,071,844
PB Work								
Capital Improvements	265,197	145,846						
Base Building	1,456,786	1,774,492						
Total Leasing & Capital C	5,600,332	6,428,745	10,884,437	8,916,171	5,711,417	5,927,438	4,866,803	4,710,815
Cash Flow Before Debt Ser	\$45,293,158	\$46,113,726	\$43,641,900	\$48,057,061	\$ 54,195,696	\$ 55,690,385	\$ 58,440,188	\$ 61,042,522
& Taxes								
Total CF	\$45,293,158	\$46,113,726	\$43,641,900	\$48,057,061	\$ 54,195,696	\$ 55,690,385	\$ 58,440,188	\$ 61,042,522

	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
For the Years Ending	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
Potential Gross Revenue	Jun-2028	Jun-2029	Jun-2030	Jun-2031	Jun-2032	Jun-2033	Jun-2034	Jun-2035
Base Rental Revenue	\$107,542,606	\$110,755,559	\$113,576,548	\$116,973,507	\$121,109,251	\$125,612,963	\$129,669,162	\$132,876,422
Absorption & Turnover V	(2,302,468)	(2,437,631)	(2,325,550)	(2,602,191)	(3,989,877)	(3,831,044)	(3,202,338)	(2,959,101)
Base Rent Abatements	(1,841,205)	(1,919,902)	(1,921,574)	(2,000,379)	(3,813,723)	(3,161,824)	(2,656,980)	(2,170,147)
Scheduled Base Rental R	103,398,933	106,398,026	109,329,424	112,370,937	113,305,651	118,620,095	123,809,844	127,747,174
Porters' Wage Revenue								
CPI & Other Adjustment	243,233	285,431	328,896	210,395	20,857	63,152	111,951	162,214
Expense Reimbursement R	10,716,956	11,115,605	11,572,400	11,985,606	11,996,915	11,761,720	11,842,205	12,285,983
Miscellaneous Income	1,503,597	1,548,705	1,595,166	1,643,021	1,692,312	1,743,081	1,795,374	1,849,235
Carryover Electric								
Total Potential Gross Rev	115,862,719	119,347,767	122,825,886	126,209,959	127,015,735	132,188,048	137,559,374	142,044,606
General Vacancy	(1,242,488)	(1,215,931)	(1,428,993)	(1,262,174)	(1,270,157)	(249,529)	(1,020,513)	(1,391,010)
Collection Loss	(1,158,627)	(1,193,478)	(1,228,259)	(1,262,100)	(1,270,157)	(1,321,880)	(1,375,594)	(1,420,446)
Effective Gross Revenue	113,461,604	116,938,358	120,168,634	123,685,685	125,745,578	130,616,639	135,163,267	139,233,150
Operating Expenses								
Payroll	3,169,148	3,264,222	3,362,149	3,463,013	3,566,904	3,673,911	3,784,128	3,897,652
Cleaning	6,467,649	6,661,678	6,861,529	7,067,375	7,279,396	7,497,778	7,722,711	7,954,392
Utilities	8,839,121	9,104,295	9,377,424	9,658,746	9,948,509	10,246,964	10,554,373	10,871,004
Security	1,644,824	1,694,169	1,744,994	1,797,344	1,851,264	1,906,802	1,964,006	2,022,926
Repairs & Maintenance	3,690,825	3,801,550	3,915,596	4,033,064	4,154,056	4,278,678	4,407,038	4,539,249
Management Fee	1,134,616	1,169,384	1,201,686	1,236,857	1,257,456	1,306,166	1,351,633	1,392,332
Professional Fees/Admin	1,963,039	2,021,930	2,082,588	2,145,066	2,209,418	2,275,700	2,343,971	2,414,290
Real Estate Taxes	17,817,738	18,352,270	18,902,838	19,469,923	20,054,021	20,655,642	21,275,311	21,913,570
Bid Tax	192,353	192,353	192,353	192,353	192,353	192,353	192,353	192,353
Insurance	754,559	777,195	800,511	824,527	849,262	874,740	900,982	928,012
Total Operating Expenses	45,673,872	47,039,046	48,441,668	49,888,268	51,362,639	52,908,734	54,496,506	56,125,780
Net Operating Income	67,787,732	69,899,312	71,726,966	73,797,417	74,382,939	77,707,905	80,666,761	83,107,370
Leasing & Capital Costs								
Tenant Improvements	2,314,515	3,393,521	3,548,026	3,306,997	8,398,616	6,739,638	3,178,530	4,415,639
Leasing Commissions	3,500,469	2,717,905	2,711,344	3,059,063	6,207,212	4,657,423	4,594,270	3,048,807
PB Work								
Capital Improvements								
Base Building								
Total Leasing & Capital C	5,814,984	6,111,426	6,259,370	6,366,060	14,605,828	11,397,061	7,772,800	7,464,446
Cash Flow Before Debt Ser	\$ 61,972,748	\$ 63,787,886	\$ 65,467,596	\$ 67,431,357	\$ 59,777,111	\$ 66,310,844	\$ 72,893,961	\$ 75,642,924
& Taxes								
Total CF	\$ 61,972,748	\$ 63,787,886	\$ 65,467,596	\$ 67,431,357	\$ 59,777,111	\$ 66,310,844	\$ 72,893,961	\$ 75,642,924

For the Year Ending	6/30/2044	6/30/2045	6/30/2046	6/30/2047	6/30/2048	6/30/2049	6/30/2050	6/30/2051
Year 33		34	35	36	37	38	39	40
Year 33	Jun-2044	Jun-2045	Jun-2046	Jun-2047	Jun-2048	Jun-2049	Jun-2050	Jun-2051

Potential Gross Revenue

Base Rental

Revenue \$174,346,952 \$178,857,360 \$183,697,679 \$188,585,487 \$194,591,722 \$200,256,045 \$205,553,094 \$211,374,731

Absorption & Turnover V -4,439,258 -3,642,958 -4,642,489 -3,449,802 -3,668,548 -4,664,427 -4,202,484 -5,102,046

Base Rent -5,087,755 -3,130,352 -3,644,645 -2,445,959 -3,276,951 -3,036,814 -3,466,040 -3,433,433

Scheduled Base Abatements 164,819,939 172,084,050 175,410,545 182,689,726 187,646,223 192,554,804 197,884,570 202,839,252

Rental R Porters' Wage Revenue CPI & Other Expense Adjustment Reimbursement R Miscellaneous Income Carryover Electric

144,913 212,297 281,702 353,189 426,820 502,660 580,776 482,166

15,808,237 16,405,049 16,830,685 17,899,471 18,978,079 19,843,709 20,643,222 21,538,525

2,412,832 2,485,217 2,559,773 2,636,567 2,715,664 2,797,134 2,881,048 2,967,479

Total Potential Gross Rev 183,185,921 191,186,613 195,082,705 203,578,953 209,766,786 215,698,307 221,989,616 227,827,422

General Vacancy -1,189,497 -2,201,929 -1,349,267 -2,761,061 -2,734,512 -1,946,455 -2,583,279 -1,885,838

Collection Loss -1,831,859 -1,911,866 -1,950,827 -2,035,790 -2,097,668 -2,156,983 -2,219,896 -2,278,274

Effective Gross Revenue 180,164,565 187,072,818 191,782,611 198,782,102 204,934,606 211,594,869 217,186,441 223,663,310

Operating Expenses Payroll 5,085,552 5,238,118 5,395,262 5,557,119 5,723,833 5,895,548 6,072,414 6,254,587

Cleaning 10,378,678 10,690,038 11,010,739 11,341,062 11,681,293 12,031,732 12,392,684 12,764,465

Utilities 14,184,194 14,609,720 15,048,012 15,499,452 15,964,436 16,443,369 16,936,670 17,444,770

Security 2,639,460 2,718,644 2,800,203 2,884,209 2,970,735 3,059,857 3,151,653 3,246,203

Repairs & Maintenance 5,922,690 6,100,371 6,283,382 6,471,884 6,666,040 6,866,021 7,072,002 7,284,162

Management Fee 1,801,646 1,870,728 1,917,826 1,987,821 2,049,346 2,115,949 2,171,864 2,236,633

Professional Fees/Admin 3,150,101 3,244,604 3,341,942 3,442,201 3,545,467 3,651,831 3,761,386 3,874,227

Real Estate Taxes 28,592,239 29,450,006 30,333,506 31,243,511 32,180,817 33,146,241 34,140,628 35,164,847

Bid Tax 192,353 192,353 192,353 192,353 192,353 192,353 192,353 192,353

Insurance 1,210,845 1,247,170 1,284,586 1,323,123 1,362,817 1,403,701 1,445,812 1,489,187

Total Operating Expenses 73,157,758 75,361,752 77,607,811 79,942,735 82,337,137 84,806,602 87,337,466 89,951,434

Net Operating Income 107,006,807 111,711,066 114,174,800 118,839,367 122,597,469 126,788,267 129,848,975 133,711,876

Leasing & Capital Costs Tenant Improvements 4,584,868 5,487,018 6,579,807 5,473,984 3,403,495 5,626,047 5,305,187 5,977,298

Leasing Commissions 8,603,550 4,422,440 5,102,461 4,205,934 5,689,489 4,164,388 4,912,975 5,026,492

PB Work

	Capital	Improvements	Base Building	Total Leasing & Capital
C	13,188,418	9,909,458	11,682,268	9,679,918
Cash Flow Before Debt	93,818,389	101,801,608	102,492,532	109,159,449
ser				113,504,485
& Taxes				116,997,832
Total CF	\$ 93,818,389	\$101,801,608	\$102,492,532	\$109,159,449
				\$113,504,485
				\$116,997,832
				\$119,630,813
				\$122,708,086

3.0%

6/30/2052	6/30/2053	6/30/2054	6/30/2055	6/30/2056	6/30/2057	6/30/2058	6/30/2059
Year 41	Year 42	Year 43	Year 44	Year 45	Year 46	Year 47	Year 48
Jun-2052	Jun-2053	Jun-2054	Jun-2055	Jun-2056	Jun-2057	Jun-2058	Jun-2059

For the Years Ending

Potential Gross Revenue

Base Rental

Revenue

Absorption & Turnover V

Base Rent

Abatements

Scheduled Base

Rental R

Porters' Wage

Revenue

CPI & Other

Adjustment

Expense

Reimbursement

R

Miscellaneous

Income

Carryover Electric

Total Potential Gross Rev

General Vacancy

Collection Loss

Effective Gross Revenue

Operating Expenses

Payroll

Cleaning

Utilities

Security

Repairs & Maintenance

Management Fee

Professional

Fees/Admin

Real Estate Taxes

Bid Tax

Insurance

Total Operating Expenses

Net Operating Income

Leasing & Capital Costs

Tenant

Improvements

Leasing

Commissions

PB Work

Capital										
Improvements										
Base Building										
Total Leasing & Capital										
C	9,017,575	9,288,102	9,566,745	9,853,748	10,149,360	10,453,841	10,767,456	11,090,480		
Cash Flow Before Debt										
Ser.	128,705,657	132,566,827	136,543,832	140,640,147	144,859,351	149,205,132	153,681,286	158,291,724		
& Taxes										
Total CF	\$128,705,657	\$132,566,827	\$136,543,832	\$140,640,147	\$144,859,351	\$149,205,132	\$153,681,286	\$158,291,724		

Improvements

Base Building									
Total Leasing & Capital	11,423,194	11,765,890	12,118,867	12,482,433	12,856,906	13,242,613	13,639,891	14,049,088	
C									
Cash Flow Before Debt	163,040,476	167,931,690	172,969,641	178,158,730	183,503,492	189,008,597	194,678,855	200,519,221	
ser									
& Taxes									
Total CF	\$163,040,476	\$167,931,690	\$172,969,641	\$178,158,730	\$183,503,492	\$189,008,597	\$194,678,855	\$200,519,221	

	6/30/2068	6/30/2069	6/30/2070	6/30/2071	6/30/2072	6/30/2073	6/30/2074	6/30/2075
Potential Gross Revenue	Year 57	Year 58	Year 59	Year 60	Year 61	Year 62	Year 63	Year 64
	Jun-2068	Jun-2069	Jun-2070	Jun-2071	Jun-2072	Jun-2073	Jun-2074	Jun-2075

Revenue								
Absorption & Turnover V								
Base Rent								

Abatements								
Scheduled Base Rental R								
Porters' Wage								

Revenue								
CPI & Other								
Adjustment								
Expense								
Reimbursement								
R								

Miscellaneous								
Income								
Carryover Electric								

Total Potential Gross Rev								
General Vacancy								
Collection Loss								

Effective Gross Revenue	369,681,372	380,771,814	392,194,968	403,960,817	416,079,641	428,562,031	441,418,892	454,661,458
Operating Expenses								
Payroll								
Cleaning								
Utilities								
Security								
Repairs &								

Maintenance								
Management Fee								
Professional								
Fees/Admin								
Real Estate Taxes								
Bid Tax								

Insurance								
Total Operating Expenses	148,676,015	153,136,295	157,730,384	162,462,296	167,336,164	172,356,249	177,526,937	182,852,745
Net Operating Income	221,005,358	227,635,518	234,464,584	241,498,521	248,743,477	256,205,781	263,891,955	271,808,713

Leasing & Capital Costs								
Tenant								
Improvements								
Leasing								
Commissions								
PB Work								
Capital								

Operating Expenses	148,676,015	153,136,295	157,730,384	162,462,296	167,336,164	172,356,249	177,526,937	182,852,745
Net Operating Income	221,005,358	227,635,518	234,464,584	241,498,521	248,743,477	256,205,781	263,891,955	271,808,713

Leasing								
Commissions								
PB Work								
Capital								

Improvements									
Base Building									
Total Leasing & Capital									
C									
Cash Flow Before Debt	14,470,560	14,904,677	15,351,818	15,812,372	16,286,743	16,775,346	17,278,606	17,796,964	
Ser. & Taxes	206,534,797	212,730,841	219,112,766	225,686,149	232,456,734	239,430,436	246,613,349	254,011,749	
Total CF	\$206,534,797	\$212,730,841	\$219,112,766	\$225,686,149	\$232,456,734	\$239,430,436	\$246,613,349	\$254,011,749	

For the Years Ending
 Potential Gross Revenue

6/30/2076	6/30/2077	6/30/2078	6/30/2079	6/30/2080	6/30/2081	6/30/2082	6/30/2083	9/30/2083
Year 65	Year 66	Year 67	Year 68	Year 69	Year 70	Year 71	Year 72	Year 72.25
Jun-2076	Jun-2077	Jun-2078	Jun-2079	Jun-2080	Jun-2081	Jun-2082	Jun-2083	Sep-2083

Base Rental Revenue

Absorption & Turnover V

Base Rent

Abatements

Scheduled Base Rental R

Porters' Wage

Revenue

CPI & Other Adjustment

Expense

Reimbursement

Miscellaneous Income

Carryover

Electric

Total Potential Gross Rev

General

Vacancy

Collection Loss

Effective Gross

Revenue

Operating Expenses

Payroll

Cleaning

Utilities

Security

Repairs & Maintenance

Management Fee

Professional

Fees/Admin

Real Estate

Taxes

Bid Tax

Insurance

Total Operating Expenses

188,338,327	193,988,477	199,808,131	205,802,375	211,976,447	218,335,740	224,885,812	231,632,387	238,581,358
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Net Operating Income	279,962,975	288,361,864	297,012,720	305,923,102	315,100,795	324,553,819	334,290,433	344,319,146	354,648,721
Leasing & Capital Costs									
Tenant Improvements									
Leasing Commissions									
PB Work									
Capital Improvements									
Base Building									
Total Leasing & Capital C	18,330,873	18,880,799	19,447,223	20,030,640	20,631,559	21,250,506	21,888,021	22,544,662	23,221,001
Cash Flow Before Debt Ser & Taxes	261,632,102	269,481,065	277,565,497	285,892,462	294,469,236	303,303,313	312,402,412	321,774,484	82,856,930
Total CF	\$261,632,102	\$269,481,065	\$277,565,497	\$285,892,462	\$294,469,236	\$303,303,313	\$312,402,412	\$321,774,484	\$5,542,820,122

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.75%	Net Operating Income
Year 1	Jun-2012	\$ 3,477,096	\$ 3,197,330	1
Year 2	Jun-2013	10,251,300	8,668,030	2
Year 3	Jun-2014	14,126,795	10,983,882	3
Year 4	Jun-2015	14,458,352	10,337,172	4
Year 5	Jun-2016	16,524,047	10,863,508	5
Year 6	Jun-2017	15,164,486	9,167,525	6
Year 7	Jun-2018	16,333,667	9,079,853	7
Year 8	Jun-2019	17,159,700	8,771,534	8
Year 9	Jun-2020	18,236,143	8,571,752	9
Year 10	Jun-2021	16,271,822	7,033,047	10
Year 11	Jun-2022 NOI			20,522,991 11
Total Cash Flow		142,003,408	86,673,633	
Terminal Cap Rate @	6.75%	296,443,208	128,129,416	
Selling Costs @	2.50%			
Total Property Present Value			<u>\$214,803,050</u>	
Rounded to Thousands			<u>\$215,000,000</u>	
Per SqFt			\$ 499.84	

For the Years Ending	1	2	3	4	5	6	7	8
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	Jun-2012	Jun-2013	Jun-2014	Jun-2015	Jun-2016	Jun-2017	Jun-2018	Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$20,948,089	\$21,318,934	\$21,823,366	\$23,236,463	\$24,217,160	\$25,060,580	\$25,816,207	\$26,325,000
Absorption & Turnover	(3,827,028)	(1,255,007)	(456,664)	(324,707)	(222,801)	(688,718)	(628,979)	(354,671)
Base Rent Abatements	(1,006,968)	(916,751)	(254,240)	(360,586)	(230,669)	(605,960)	(382,099)	(353,880)
Scheduled Base Rental	16,114,093	19,147,176	21,112,462	22,551,170	23,763,690	23,765,902	24,805,129	25,616,449
CPI & Other Adjustment	446,364	459,153	475,005	407,424	339,854	314,466	280,932	189,424
Expense Reimbursement Revenue								
Electric Inclusion	913,856	1,147,519	1,240,998	1,265,692	1,320,737	1,406,656	1,459,331	1,516,994
Electric Meter	564,619	581,553	599,000	616,972	614,534	569,328	553,057	552,475
RE Taxes	461,390	459,042	464,857	432,101	479,281	567,569	628,812	723,951
Condenser	56,826	50,831	46,698	21,857	18,613	19,173	11,334	8,457
Operating Expenses	13,489							
Op Exp Pool A	152,183	202,191	262,626	317,926	369,403	381,043	376,446	395,860
Op Exp Pool B		3,401	5,173	5,846	4,488	5,468	6,476	7,514
Total Reimbursement Revenue	2,162,363	2,444,537	2,619,352	2,660,394	2,807,056	2,949,237	3,035,456	3,205,251
Worldwide Connect	4,470	4,604	4,741	4,885	5,031	5,184	5,337	5,497
Capitave	1,236	1,273	1,311	1,352	1,391	1,432	1,476	1,521
FOM Cleaning	8,240	8,487	8,742	9,005	9,275	9,551	9,840	10,135
Late Charges	21,630	22,279	22,946	23,636	24,345	25,075	25,826	26,604
Other Services	101,396	104,436	107,571	110,797	114,121	117,545	121,071	124,704
License Fees								
(Omnipoint)	43,793	45,108	46,461	47,854	49,289	50,769	52,291	53,860
Electric (Added Billings)	267,800	275,833	284,110	292,632	301,412	310,452	319,767	329,362
Total Potential Gross Revenue	19,171,385	22,512,886	24,682,701	26,109,149	27,415,464	27,549,613	28,657,125	29,562,807
General Vacancy		(297,516)	(297,516)	(468,310)	(606,347)	(158,431)	(249,604)	(542,854)
Collection Loss	(191,713)	(225,130)	(246,827)	(261,091)	(274,154)	(275,496)	(286,572)	(295,629)
Effective Gross Revenue	18,979,672	22,287,756	24,138,358	25,379,748	26,534,963	27,115,686	28,120,949	28,724,324
Operating Expenses								
Real Estate Taxes	3,149,765	3,225,592	3,302,100	3,379,291	3,481,151	3,629,799	3,803,428	3,982,167
Payroll & Fringes	473,153	487,346	501,968	517,024	532,537	548,513	564,970	581,916
Cleaning	989,317	1,018,997	1,049,567	1,081,053	1,113,484	1,146,889	1,181,297	1,216,736
Utilities	1,828,087	1,882,929	1,939,417	1,997,602	2,057,528	2,119,252	2,182,833	2,248,317
Security	193,563	199,368	205,349	211,512	217,855	224,391	231,123	238,057
Repairs & Maintenance	891,999	753,000	775,000	798,250	822,197	846,864	872,268	898,438
Management Fee	189,797	222,877	241,383	253,798	265,349	271,158	281,208	287,244
Professional Fees	739,000	654,000	527,000	542,810	559,094	575,866	593,143	610,936
BID Taxes	108,106	111,349	114,689	118,131	121,675	125,324	129,083	132,957

Insurance	150,547	155,064	159,717	164,507	169,442	174,528	179,761	185,156
Total Operating Expenses	8,713,334	8,710,522	8,816,190	9,063,978	9,340,312	9,662,586	10,019,114	10,381,924
Net Operating Income	10,266,338	13,577,234	15,322,168	16,315,770	17,194,651	17,453,100	18,101,835	18,342,400
Leasing & Capital Costs								
Tenant Improvements	2,704,520	483,609	272,131	609,086	196,592	950,804	575,742	494,689
Leasing Commissions	1,222,317	469,920	230,730	525,820	224,680	676,794	571,411	418,678
Capital Improvements	2,512,405	2,182,405	552,512	552,512	19,332	161,016	161,015	19,333
Base Building	350,000	190,000	140,000	170,000	230,000	500,000	460,000	250,000
Total Leasing & Capital Costs	6,789,242	3,325,934	1,195,373	1,857,418	670,604	2,288,614	1,768,168	1,182,700
Cash Flow Before Debt Service & Taxes	\$ 3,477,096	\$10,251,300	\$14,126,795	\$14,458,352	\$16,524,047	\$15,164,486	\$16,333,667	\$17,159,700

	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024	Year 14 Jun-2025	Year 15 Jun-2026	Year 16 Jun-2027
For the Years Ending								
Potential Gross Revenue		9	10	11	12	13	14	15
Base Rental Revenue	\$27,205,870	\$28,432,378	\$29,403,934	\$30,700,089	\$31,446,821	\$32,902,925	\$38,073,093	\$39,353,356
Absorption & Turnover	(367,571)	(816,285)	(815,948)	(1,079,808)	(592,638)	(1,270,381)	(551,078)	(816,250)
Base Rent Abatements	(240,334)	(966,337)	(612,730)	(1,270,743)	(522,628)	(603,720)	(1,015,754)	(713,810)
Scheduled Base Rental	26,597,965	26,649,756	27,975,256	28,349,538	30,331,555	31,028,824	36,506,261	37,803,296
CPI & Other Adjustment	167,710	121,341	70,088	75,531	39,147			
Expense Reimbursement								
Revenue	1,573,969	1,633,600	1,658,342	1,771,213	1,942,718	2,033,135	2,081,524	2,123,905
Electric Inclusion								
Electric Meter	569,053	554,834	565,584	566,042	562,471	562,471	384,627	
Income	895,963	905,378	862,391	581,137	525,742	538,099	516,701	538,571
RE Taxes	6,344	2,177						
Condenser								
Operating								
Expenses								
Op Exp Pool A	456,348	422,543	397,382	310,204	320,380	391,453	444,775	465,466
Op Exp Pool B	5,723							
Total Reimbursement	3,507,400	3,518,532	3,483,699	3,228,596	3,351,311	3,347,314	3,043,000	3,127,942
Revenue								
Worldwide Connect	5,664	5,832	6,008	6,188	6,373	6,565	6,761	6,965
Capivale	1,564	1,613	1,661	1,712	1,763	1,814	1,870	1,925
FOM Cleaning	10,438	10,751	11,074	11,406	11,748	12,100	12,464	12,838
Late Charges	27,399	28,223	29,068	29,941	30,840	31,764	32,717	33,699
Other Services	128,445	132,297	136,267	140,354	144,565	148,904	153,369	157,970
License Fees								
(Omnipoint)	55,476	57,141	58,855	60,621	62,438	64,313	66,241	68,230
Electric (Added Billings)	339,240	349,419	359,902	370,696	381,819	393,274	405,071	417,224
Total Potential Gross Revenue	30,841,301	30,874,905	32,131,878	32,274,583	34,361,559	35,034,872	40,227,754	41,630,089
General Vacancy	(568,694)	(134,451)	(172,487)	(172,487)	(455,988)	(350,349)	(672,287)	(457,140)
Collection Loss	(308,412)	(308,749)	(321,320)	(322,744)	(343,617)	(350,349)	(402,276)	(416,302)
Effective Gross Revenue	29,964,195	30,431,705	31,638,071	31,951,839	33,561,954	34,684,523	39,153,191	40,756,647
Operating Expenses								
Real Estate Taxes	4,166,185	4,355,653	4,518,523	4,654,078	4,793,700	4,937,510	5,085,637	5,238,205
Payroll & Fringes	599,376	617,355	635,877	654,952	674,602	694,839	715,685	737,156
Cleaning	1,253,236	1,290,836	1,329,559	1,369,447	1,410,528	1,452,845	1,496,432	1,541,323
Utilities	2,315,764	2,385,240	2,456,795	2,530,500	2,606,414	2,684,607	2,765,147	2,848,101
Security	245,199	252,555	260,132	267,935	275,973	284,253	292,778	301,563
Repairs & Maintenance	925,391	953,151	981,747	1,011,200	1,041,535	1,072,780	1,104,965	1,138,114
Management Fee	299,642	304,318	316,381	319,518	333,620	346,844	391,532	407,567
Professional Fees	629,266	648,144	667,587	687,616	708,244	729,493	751,376	773,917
BID Taxes	136,944	141,054	145,286	149,645	154,133	158,758	163,521	168,424

Insurance	190,708	196,431	202,323	208,394	214,646	221,086	227,716	234,550
Total Operating Expenses	10,761,711	11,144,737	11,514,210	11,853,285	12,215,395	12,583,015	12,994,789	13,388,920
Net Operating Income	19,202,484	19,286,968	20,123,861	20,098,554	21,346,559	22,101,508	26,158,402	27,367,727
Leasing & Capital Costs								
Tenant Improvements	544,484	1,242,743	870,972	2,024,115	788,187	540,163	778,809	1,133,953
Leasing Commissions	351,857	1,362,403	710,853	1,334,665	677,123	1,408,738	2,648,655	810,189
Capital Improvements								
Base Building	70,000	410,000	600,000	520,000				
Total Leasing & Capital Costs	966,341	3,015,146	2,181,825	3,878,780	1,465,310	1,948,901	3,427,464	1,944,142
Cash Flow Before Debt Service & Taxes	\$18,236,143	\$16,271,822	\$17,942,036	\$16,219,774	\$19,881,249	\$20,152,607	\$22,730,938	\$25,423,585

	Year 17 Jun-2028	Year 18 Jun-2029	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue	\$40,565,788	\$41,658,969	\$42,611,159	\$43,982,034	\$45,490,312	\$47,298,501	\$48,608,420	\$49,813,494
Absorption & Turnover	(765,106)	(843,864)	(377,159)	(1,243,450)	(838,479)	(1,532,108)	(1,121,984)	(1,211,700)
Vacancy	(493,650)	(685,856)	(208,820)	(1,068,413)	(1,009,120)	(1,830,547)	(726,899)	(730,778)
Base Rent Abatements								
Scheduled Base Rental	39,307,032	40,129,249	42,025,180	41,670,171	43,642,713	43,935,846	46,759,537	47,871,016
Revenue								
CPI & Other Adjustment								
Revenue								
Expense Reimbursement								
Revenue	2,194,805	2,255,677	2,361,959	2,380,839	2,473,294	2,492,497	2,603,178	2,709,821
Electric Inclusion								
Electric Meter								
Income								
RE Taxes	572,901	594,970	689,950	703,251	713,093	587,057	568,969	627,917
Condenser								
Operating								
Expenses								
Op Exp Pool A	484,595	494,819	571,757	584,516	590,685	464,776	435,640	492,033
Op Exp Pool B								
Total Reimbursement	3,252,301	3,345,466	3,623,666	3,668,506	3,777,072	3,544,330	3,607,787	3,829,771
Revenue								
Worldwide Connect	7,174	7,389	7,609	7,838	8,074	8,316	8,566	8,822
Capitave	1,984	2,043	2,105	2,168	2,232	2,300	2,368	2,439
FOM Cleaning	13,223	13,619	14,028	14,448	14,883	15,329	15,790	16,262
Late Charges	34,709	35,751	36,824	37,924	39,066	40,237	41,446	42,688
Other Services	162,709	167,592	172,619	177,796	183,132	188,625	194,282	200,113
License Fees								
(Omnipoint)	70,274	72,385	74,556	76,792	79,096	81,469	83,914	86,431
Electric (Added Billings)	429,741	442,632	455,912	469,588	483,677	498,188	513,132	528,528
Total Potential Gross Revenue	43,279,147	44,216,126	46,412,499	46,125,326	48,229,945	48,314,640	51,226,822	52,586,070
General Vacancy	(556,222)	(507,936)	(1,026,530)	(1,177,613)	(633,574)	(448,480)	(448,480)	(402,233)
Collection Loss	(432,791)	(442,161)	(464,124)	(461,254)	(482,299)	(483,146)	(512,268)	(525,861)
Effective Gross Revenue	42,290,134	43,266,029	44,921,845	45,486,459	47,114,072	47,831,494	50,266,074	51,657,976
Operating Expenses								
Real Estate Taxes	5,395,352	5,557,212	5,723,928	5,895,647	6,072,515	6,254,690	6,442,333	6,635,602
Payroll & Fringes	759,271	782,048	805,509	829,675	854,565	880,202	906,609	933,805
Cleaning	1,587,564	1,635,191	1,684,246	1,734,772	1,786,817	1,840,421	1,895,634	1,952,504
Utilities	2,933,543	3,021,549	3,112,196	3,205,561	3,301,729	3,400,781	3,502,803	3,607,889
Security	310,611	319,929	329,526	339,410	349,596	360,082	370,883	382,011
Repairs & Maintenance	1,172,256	1,207,426	1,243,646	1,280,957	1,319,386	1,358,966	1,399,738	1,441,727
Management Fee	422,901	432,661	449,218	454,864	471,142	478,315	502,661	516,580
Professional Fees	797,136	821,049	845,679	871,051	897,181	924,097	951,821	980,376
BID Taxes	173,480	178,682	184,044	189,564	195,252	201,108	207,144	213,357

Insurance	241,584	248,833	256,297	263,988	271,906	280,063	288,465	297,119
Total Operating Expenses	13,793,698	14,204,580	14,634,289	15,065,489	15,520,089	15,978,725	16,468,091	16,960,970
Net Operating Income	28,496,436	29,061,449	30,287,556	30,420,970	31,593,983	31,852,769	33,797,983	34,697,006
Leasing & Capital Costs								
Tenant Improvements	684,270	1,046,175	267,926	1,579,882	1,750,126	2,801,412	1,165,951	453,623
Leasing Commissions	683,566	921,282	245,147	1,644,706	1,146,786	1,870,112	1,064,494	1,818,659
Capital Improvements								
Base Building								
Total Leasing & Capital Costs	1,367,836	1,967,457	513,073	3,224,588	2,896,912	4,671,524	2,230,445	2,272,282
Cash Flow Before Debt Service & Taxes	\$27,128,600	\$27,093,992	\$29,774,483	\$27,196,382	\$28,697,071	\$27,181,245	\$31,567,538	\$32,424,724

	Year 25 Jun-2036	Year 26 Jun-2037	Year 27 Jun-2038	Year 28 Jun-2039	Year 29 Jun-2040	Year 30 Jun-2041	Year 31 Jun-2042	Year 32 Jun-2043
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue	\$51,193,013	\$52,821,883	\$54,534,778	\$55,964,937	\$57,339,059	\$58,987,189	\$60,951,627	\$63,343,229
Absorption & Turnover	(1,500,721)	(971,343)	(1,168,375)	(1,272,914)	(719,224)	(1,769,081)	(1,192,084)	(2,965,809)
Vacancy	(1,594,914)	(1,004,523)	(733,850)	(732,292)	(663,316)	(1,045,320)	(1,416,582)	(1,939,520)
Base Rent Abatements								
Scheduled Base Rental	48,097,378	50,846,017	52,632,553	53,959,731	55,956,519	56,172,788	58,342,961	58,437,900
Revenue								
CPI & Other Adjustment								
Revenue								
Expense Reimbursement								
Revenue	2,801,140	2,864,056	2,937,842	3,020,348	3,157,993	3,191,648	3,317,878	3,276,383
Electric Inclusion								
Electric Meter								
Income								
RE Taxes	653,675	709,379	760,428	805,966	892,108	955,829	973,145	856,130
Condenser								
Operating								
Expenses								
Op Exp Pool A	576,454	613,111	645,171	671,771	734,802	789,045	805,005	685,605
Op Exp Pool B								
Total Reimbursement								
Revenue	4,031,269	4,186,546	4,343,441	4,498,085	4,784,903	4,936,522	5,096,028	4,818,118
Worldwide Connect	9,087	9,360	9,640	9,929	10,228	10,536	10,849	11,175
Capitvate	2,513	2,588	2,665	2,747	2,828	2,913	2,999	3,091
FOM Cleaning	16,751	17,252	17,771	18,302	18,853	19,418	20,001	20,601
Late Charges	43,969	45,289	46,647	48,048	49,487	50,973	52,500	54,077
Other Services	206,115	212,300	218,668	225,228	231,985	238,945	246,113	253,498
License Fees								
(Omnipoint)	89,023	91,694	94,444	97,280	100,196	103,201	106,298	109,488
Electric (Added Billings)	544,381	560,713	577,537	594,861	612,707	631,089	650,020	669,521
Total Potential Gross Revenue	53,040,486	55,971,759	57,943,366	59,454,211	61,767,706	62,166,385	64,527,769	64,377,469
General Vacancy	(135,516)	(736,951)	(604,977)	(548,899)	(1,155,384)	(148,982)	(779,512)	(643,776)
Collection Loss	(530,404)	(559,717)	(579,434)	(594,543)	(617,677)	(621,663)	(645,278)	(643,776)
Effective Gross Revenue	52,374,566	54,675,091	56,758,955	58,310,769	59,994,645	61,395,740	63,102,979	63,733,693
Operating Expenses								
Real Estate Taxes	6,834,670	7,039,711	7,250,901	7,468,428	7,692,481	7,923,255	8,160,954	8,405,783
Payroll & Fringes	961,822	990,674	1,020,397	1,051,008	1,082,537	1,115,015	1,148,464	1,182,919
Cleaning	2,011,077	2,071,411	2,133,551	2,197,560	2,263,486	2,331,391	2,401,331	2,473,372
Utilities	3,716,124	3,827,609	3,942,437	4,060,709	4,182,531	4,308,008	4,437,247	4,570,365
Security	393,471	405,277	417,433	429,958	442,855	456,142	469,824	483,922
Repairs & Maintenance	1,484,980	1,529,530	1,575,416	1,622,677	1,671,360	1,721,498	1,773,145	1,826,339
Management Fee	523,745	546,751	567,590	583,107	599,947	613,958	631,030	637,337
Professional Fees	1,009,787	1,040,079	1,071,283	1,103,421	1,136,522	1,170,620	1,205,737	1,241,911
BID Taxes	219,756	226,352	233,139	240,135	247,340	254,759	262,401	270,274

Insurance	306,033	315,213	324,671	334,410	344,443	354,776	365,419	376,381
Total Operating Expenses	17,461,465	17,992,607	18,536,818	19,091,413	19,663,502	20,249,422	20,855,552	21,468,603
Net Operating Income	34,913,101	36,682,484	38,222,137	39,219,356	40,331,143	41,146,318	42,247,427	42,265,090
Leasing & Capital Costs								
Tenant Improvements	1,857,183	1,578,485	1,013,472	1,023,280	1,194,510	2,440,042	2,048,115	3,307,899
Leasing Commissions	3,672,523	1,111,782	1,037,160	1,031,087	819,076	2,202,440	1,420,021	2,098,282
Capital Improvements								
Base Building								
Total Leasing & Capital Costs	5,529,706	2,690,267	2,050,632	2,054,367	2,013,586	4,642,482	3,468,136	5,406,181
Cash Flow Before Debt Service & Taxes	\$29,383,395	\$33,992,217	\$36,171,505	\$37,164,989	\$38,317,557	\$36,503,836	\$38,779,291	\$36,858,909

	Year 33 Jun-2034	Year 34 Jun-2045	Year 35 Jun-2046	Year 36 Jun-2047	Year 37 Jun-2048	Year 38 Jun-2049	Year 39 Jun-2050	Year 40 Jun-2051
Potential Gross Revenue								
Base Rental Revenue	\$65,293,071	\$66,894,746	\$68,612,770	\$70,820,472				
Absorption & Turnover Vacancy	(1,756,236)	(1,304,204)	(1,886,251)	(1,149,922)				
Base Rent Abatements	(2,112,623)	(1,112,887)	(1,891,992)	(1,289,389)				
Scheduled Base Rental Revenue	61,424,212	64,477,655	64,834,527	68,381,161				
CPI & Other Adjustment Revenue								
Expense Reimbursement Revenue								
Electric Inclusion	3,478,196	3,668,367	3,774,584	3,862,466				
Electric Meter Income								
RE Taxes	780,858	844,544	873,442	959,245				
Condenser								
Operating Expenses								
Op Exp Pool A	600,161	659,222	762,630	829,349				
Op Exp Pool B								
Total Reimbursement Revenue	4,859,215	5,172,133	5,410,656	5,651,060				
Worldwide Connect	11,512	11,857	12,213	12,577				
Capivare	3,181	3,279	3,376	3,478				
FOM Cleaning	21,218	21,855	22,512	23,186				
Late Charges	55,700	57,371	59,090	60,864				
Other Services	261,100	268,935	277,003	285,311				
License Fees (Omnipoint)	112,773	116,155	119,640	123,229				
Electric (Added Billings)	689,607	710,295	731,605	753,552				
Total Potential Gross Revenue	67,438,518	70,839,535	71,470,622	75,294,418				
General Vacancy	(319,607)	(860,108)	(314,455)	(1,143,408)				
Collection Loss	(674,385)	(708,395)	(714,707)	(752,943)				
Effective Gross Revenue	66,444,526	69,271,032	70,441,460	73,398,067	75,600,009	77,868,009	80,204,050	82,610,171
Operating Expenses								
Real Estate Taxes	8,657,955	8,917,695	9,185,224	9,460,781				
Payroll & Fringes	1,218,405	1,254,958	1,292,606	1,331,386				
Cleaning	2,547,574	2,624,001	2,702,721	2,783,802				
Utilities	4,707,475	4,848,699	4,994,161	5,143,985				
Security	498,436	513,393	528,792	544,657				
Repairs & Maintenance	1,881,128	1,937,562	1,995,688	2,055,561				
Management Fee	664,445	692,709	704,415	733,981				
Professional Fees	1,279,167	1,317,543	1,357,068	1,397,782				
BID Taxes	278,383	286,732	295,336	304,197				

<u>Analysis Period</u>	<u>For the Year Ending</u>	<u>Annual Cash Flow</u>	<u>P.V. of Cash Flow @ 8.75%</u>	<u>Net Operating Income</u>	
Year 1	Jun-2012	(\$ 2,627,063)	(\$ 2,415,690)		1
Year 2	Jun-2013	15,929,937	13,469,626		2
Year 3	Jun-2014	14,566,605	11,325,843		3
Year 4	Jun-2015	26,921,615	19,247,931		4
Year 5	Jun-2016	26,957,391	17,722,767		5
Year 6	Jun-2017	29,434,267	17,794,166		6
Year 7	Jun-2018	24,882,178	13,831,954		7
Year 8	Jun-2019	30,355,648	15,516,915		8
Year 9	Jun-2020	31,213,287	14,671,554		9
Year 10	Jun-2021	30,531,427	13,196,369		10
Year 11	Jun-2022 NOI			36,542,713	11
Total Cash Flow		228,165,292	134,361,434		
Terminal Cap Rate @		527,839,188	228,143,959		
	6.75%				
Selling Costs @					
	2.50%				
Total Property Present Value			<u>\$ 362,505,393</u>		
Rounded to Thousands			<u>\$ 363,000,000</u>		
Per SqFt			\$ 380.26		
Percentage Value Distribution					

Potential Gross Revenue	For the Years Ending							
	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Base Rental Revenue	\$ 31,468,813	\$33,959,941	\$36,956,483	\$39,057,009	\$41,326,569	\$42,807,597	\$44,828,408	\$46,600,871
Absorption & Turnover Vacancy	-3,971,512	-1,588,916	-1,170,181	-354,798	-692,561	-991,195	-1,067,053	-533,613
Base Rent Abatements	-2,405,649	-1,782,127	-3,014,751	-209,650	-959,770	-535,749	-1,281,796	-1,090,377
Scheduled Base Rental Revenue	25,091,652	30,588,898	32,771,551	38,492,561	39,674,238	41,280,653	42,479,559	44,976,881
CPI & Other Adjustment Revenue	712,999	836,657	966,578	1,081,665	1,053,863	935,240	637,341	64,243
Expense Reimbursement Revenue								
Electric Income	2,760,655	2,551,714	2,254,552	1,939,418	1,632,372	1,466,314	1,163,944	718,453
Electric Income for M.I.As	250,924	820,717	1,289,549	1,721,292	2,054,658	2,230,187	2,552,784	3,012,409
Sprinkler & Water Income	125,341	100,701	83,626	71,118	65,994	60,638	41,623	13,004
Oper Exp Escalations	1,568,598	1,663,638	1,771,955	1,882,828	1,975,507	2,119,427	2,087,052	1,997,754
RE Prop Tax Fiscal no ICIP	295,341	400,827	446,259	471,284	484,573	467,906	430,427	299,843
RE Tax Calendr Yrs no ICIP	90,099	112,242	134,608	153,815	166,167	183,116	149,010	116,231
RE BID Income	91,204	107,524	117,896	127,805	130,635	133,338	135,544	137,537
RE BID Income - New Leases								
Real Estate Taxes	148,307	161,976	73,271	56,474	74,215	142,787	251,695	407,891
BID Tax	2,869	3,023	795					
Payroll	22,441	23,122	5,955					
Cleaning	44,055	46,014	13,152					
Utilities	99,884	102,912	26,509					
Security	14,458	14,894	3,837					
Repairs and Maintenance	36,483	43,299	11,159					
Management Fee	8,666	10,373	2,749					
Professional Fees	38,273	31,676	6,688					
Insurance	7,848	8,085	2,082					
Total Reimbursement Revenue	5,605,446	6,202,737	6,244,642	6,424,034	6,584,121	6,803,713	6,812,079	6,703,122
Miscellaneous Income	381,294	392,733	404,515	416,651	429,148	442,025	455,285	468,944
Total Potential Gross Revenue	31,791,391	38,041,025	40,387,286	46,414,911	47,741,370	49,461,631	50,384,264	52,213,190
General Vacancy			-76,544	-1,048,293	-760,456	-522,389	-476,487	-1,048,791
Collection Loss	-317,913	-380,411	-403,872	-464,149	-477,413	-494,617	-503,843	-522,131
Effective Gross Revenue	31,473,478	37,660,614	39,906,870	44,902,469	46,503,501	48,444,625	49,403,934	50,642,268
Operating Expenses								
Real Estate Taxes	4,750,860	4,805,298	4,836,401	4,867,695	4,898,465	5,009,391	5,204,264	5,405,579
BID Tax	104,228	109,708	115,476	121,130	124,195	127,920	131,760	135,710
Payroll	815,000	839,449	864,635	890,572	917,290	944,808	973,152	1,002,348
Cleaning	1,599,998	1,670,578	1,909,319	1,966,599	2,025,599	2,086,366	2,148,957	2,213,424
Utilities	3,627,537	3,736,363	3,848,455	3,963,907	4,082,824	4,205,309	4,331,470	4,461,412
Security	525,038	540,790	557,013	573,722	590,936	608,663	626,923	645,731
Repairs and Maintenance	1,325,000	1,572,000	1,620,000	1,668,600	1,718,658	1,770,217	1,823,326	1,878,023
Management Fee	314,735	376,605	399,069	449,025	465,034	484,446	494,040	506,423
Professional Fees	1,390,001	1,150,000	971,000	1,000,129	1,030,134	1,061,039	1,092,868	1,125,656
Insurance	285,000	293,550	302,356	311,427	320,772	330,393	340,305	350,514
Total Operating Expenses	14,737,397	15,094,341	15,423,724	15,812,806	16,173,907	16,628,552	17,167,065	17,724,820

Net Operating Income	16,736,081	22,566,273	24,483,146	29,089,663	30,329,594	31,816,073	32,236,869	32,917,448
Leasing & Capital Costs								
Tenant Improvements	6,226,008	3,252,207	4,930,704	254,183	1,483,216	818,645	3,467,643	494,942
Leasing Commissions	2,550,827	1,392,214	2,510,549	391,988	1,048,372	571,526	2,043,536	472,468
Capital Improvements	9,766,308	1,451,915	1,275,288	1,221,877	120,615	541,635	903,512	484,390
Base Building	820,001	540,000	1,200,000	300,000	720,000	450,000	940,000	1,110,000
Total Leasing & Capital Costs	19,363,144	6,636,336	9,916,541	2,168,048	3,372,203	2,381,806	7,354,691	2,561,800
Cash Flow Before Debt Service & Taxes	(\$ 2,627,063)	\$15,929,937	\$14,566,605	\$26,921,615	\$26,957,391	\$29,434,267	\$24,882,178	\$30,355,648

For the Years Ending	9	10	11	12	13	14	15	16
	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024	Year 14 Jun-2025	Year 15 Jun-2026	Year 16 Jun-2027
Potential Gross Revenue								
Base Rental Revenue	\$47,927,790	\$49,622,415	\$51,299,014	\$53,621,714	\$55,864,295	\$57,402,509	\$59,275,078	\$60,536,528
Absorption & Turnover Vacancy	-491,791	-934,401	-1,308,825	-1,515,964	-1,937,070	-496,899	-1,453,133	-559,765
Base Rent Abatements	-762,349	-1,121,956	-1,300,802	-2,247,282	-2,695,035	-819,305	-2,003,766	-460,022
Scheduled Base Rental Revenue	46,673,650	47,566,058	48,689,387	49,858,468	51,232,190	56,086,305	55,818,179	59,516,741
CPI & Other Adjustment Revenue	64,436	64,400	63,497	33,581				
Expense Reimbursement Revenue								
Electric Income	577,061	366,038	298,272	299,080	299,661	308,651	227,514	203,302
Electric Income for MLAs	3,292,418	3,523,380	3,679,779	3,785,724	3,866,683	4,108,227	4,305,415	4,559,614
Sprinkler & Water Income	13,392	2,300						
Oper Exp Escalations	1,844,927	1,715,063	1,715,345	1,659,773	1,639,324	1,676,269	1,718,890	1,866,783
RE Prop Tax Fiscal no ICIP	219,464	133,910	104,691	109,910	114,549	124,288	33,581	238,928
RE Tax Calendr Yrs no ICIP	130,028	144,240	158,879	173,954	189,486	205,481	221,957	238,928
RE BID Income	141,399	143,794	147,260	151,520	154,994	163,858	165,509	172,776
RE BID Income - New Leases								
Real Estate Taxes	561,773	710,858	786,929	734,702	708,085	713,873	795,062	913,100
BID Tax								
Payroll								
Cleaning								
Utilities								
Security								
Repairs and Maintenance								
Management Fee								
Professional Fees								
Insurance								
Total Reimbursement Revenue	6,780,462	6,739,583	6,891,155	6,914,663	6,972,782	7,300,647	7,467,928	7,954,503
Miscellaneous Income	483,012	497,503	512,426	527,801	543,635	559,943	576,741	594,044
Total Potential Gross Revenue	54,001,560	54,867,544	56,156,465	57,334,513	58,748,607	63,946,895	63,862,848	68,065,288
General Vacancy	-1,143,010	-739,656	-415,134	-249,551	-587,486	-639,469	-638,629	-680,653
Collection Loss	-540,015	-548,677	-561,564	-573,346	-587,486	-618,711	-638,629	-680,653
Effective Gross Revenue	52,318,535	53,579,211	55,179,767	56,511,616	58,161,121	61,871,012	62,717,871	65,885,648
Operating Expenses								
Real Estate Taxes	5,613,562	5,828,440	6,026,699	6,207,498	6,393,722	6,585,537	6,783,101	6,986,595
BID Tax	139,784	143,975	148,296	152,745	157,326	162,047	166,907	171,914
Payroll	1,032,417	1,063,391	1,095,290	1,128,152	1,161,995	1,196,855	1,232,760	1,269,744
Cleaning	2,279,829	2,348,222	2,418,670	2,491,228	2,565,968	2,642,944	2,722,235	2,803,900
Utilities	4,595,256	4,733,112	4,875,108	5,021,359	5,172,000	5,327,160	5,486,976	5,651,584
Security	665,101	685,056	705,607	726,775	748,579	771,035	794,167	817,991
Repairs and Maintenance	1,934,364	1,992,396	2,052,168	2,113,732	2,177,146	2,242,459	2,309,733	2,379,024
Management Fee	523,185	535,791	551,799	565,116	581,611	618,711	627,179	658,856
Professional Fees	1,159,425	1,194,206	1,230,035	1,266,935	1,304,942	1,344,092	1,384,413	1,425,947
Insurance	361,029	371,860	383,016	394,507	406,341	418,533	431,087	444,021
Total Operating Expenses	18,303,952	18,896,449	19,486,688	20,068,047	20,669,630	21,309,373	21,938,558	22,609,576

Net Operating Income	34,014,583	34,682,762	35,693,079	36,443,569	37,491,491	40,561,639	40,779,313	43,276,072
Leasing & Capital Costs								
Tenant Improvements	1,193,966	1,863,654	2,856,634	2,850,329	5,265,108	377,772	3,248,502	1,049,211
Leasing Commissions	759,078	1,246,464	1,583,036	1,887,331	2,817,940	657,994	2,001,111	679,332
Capital Improvements	228,252	211,217						
Base Building	620,000	830,000						
Total Leasing & Capital Costs	2,801,296	4,151,335	4,439,670	4,737,660	8,083,048	1,035,766	5,249,613	1,728,543
Cash Flow Before Debt Service & Taxes	\$31,213,287	\$30,531,427	\$31,253,409	\$31,705,909	\$29,408,443	\$39,525,873	\$35,529,700	\$41,547,529

For the Years Ending	17	18	19	20	21	22	23	24
	Year 17 Jun-2028	Year 18 Jun-2029	Year 19 Jun-2030	Year 20 Jun-2031	Year 21 Jun-2032	Year 22 Jun-2033	Year 23 Jun-2034	Year 24 Jun-2035
Potential Gross Revenue								
Base Rental Revenue	\$62,356,736	\$67,260,246	\$69,947,054	\$71,317,207	\$72,926,826	\$75,451,976	\$78,450,217	\$81,211,982
Absorption & Turnover Vacancy	-1,813,657	-2,296,879	-1,004,265	-1,239,977	-1,359,090	-2,283,137	-2,601,882	-974,523
Base Rent Abatements	-1,309,827	-4,619,134	-1,189,652	-1,249,217	-1,470,016	-3,371,294	-2,437,262	-2,653,183
Scheduled Base Rental Revenue	59,233,252	60,344,233	67,753,137	68,828,013	70,097,720	69,797,545	73,411,073	77,634,276
CPI & Other Adjustment Revenue								
Expense Reimbursement Revenue								
Electric Income	209,400	53,921	5,699,858	5,858,101	6,027,017	6,137,193	6,296,903	6,632,750
Electric Income for MLAs	4,593,391	5,218,242	5,699,858	5,858,101	6,027,017	6,137,193	6,296,903	6,632,750
Sprinkler & Water Income								
Oper Exp Escalations	1,939,897	1,222,503	1,093,144	1,260,769	1,373,792	1,296,811	1,285,822	1,242,364
RE Prop Tax Fiscal no ICIP								
RE Tax Calendr Yrs no ICIP	256,404	68,603	198,564	203,926	209,948	213,789	219,465	230,968
RE BID Income	174,443	185,598	198,564	203,926	209,948	213,789	219,465	230,968
RE BID Income - New Leases								
Real Estate Taxes	950,111	818,140	868,673	995,784	1,068,650	1,010,957	1,003,340	971,322
BID Tax								
Payroll								
Cleaning								
Utilities								
Security								
Repairs and Maintenance								
Management Fee								
Professional Fees								
Insurance								
Total Reimbursement Revenue	8,123,646	7,567,007	7,860,239	8,318,580	8,679,407	8,658,750	8,805,530	9,077,404
Miscellaneous Income	611,865	630,220	649,128	668,601	688,658	709,320	730,598	752,518
Total Potential Gross Revenue	67,968,763	68,541,460	76,262,504	77,815,194	79,465,785	79,165,615	82,947,201	87,464,198
General Vacancy	-279,815		-1,313,738	-1,131,679	-1,065,656	-1,60,325		-1,727,138
Collection Loss	-679,688	-685,415	-762,624	-778,152	-794,657	-791,657	-829,473	-874,641
Effective Gross Revenue	67,009,260	67,856,045	74,186,142	75,905,363	77,605,472	78,213,633	82,117,728	84,862,419
Operating Expenses								
Real Estate Taxes	7,196,194	7,412,078	7,634,441	7,863,474	8,099,378	8,342,360	8,592,631	8,850,408
BID Tax	177,073	182,386	187,856	193,490	199,297	205,275	211,434	217,777
Payroll	1,307,835	1,347,072	1,387,483	1,429,106	1,471,981	1,516,140	1,561,624	1,608,473
Cleaning	2,888,017	2,974,659	3,063,899	3,155,815	3,250,488	3,348,005	3,448,444	3,551,897
Utilities	5,821,131	5,995,766	6,175,640	6,360,909	6,551,735	6,748,286	6,950,737	7,159,259
Security	842,532	867,807	893,843	920,657	948,277	976,726	1,006,027	1,036,207
Repairs and Maintenance	2,450,396	2,523,907	2,599,624	2,677,613	2,757,941	2,840,680	2,925,901	3,013,678
Management Fee	670,092	678,560	741,862	759,054	776,053	782,137	821,176	848,625
Professional Fees	1,468,724	1,512,786	1,558,169	1,604,915	1,653,062	1,702,655	1,753,733	1,806,346
Insurance	457,341	471,060	485,194	499,749	514,740	530,185	546,089	562,474
Total Operating Expenses	23,279,335	23,966,081	24,728,011	25,464,782	26,222,952	26,992,449	27,817,796	28,655,144

Net Operating Income	43,729,925	43,889,964	49,458,131	50,440,581	51,382,520	51,221,184	54,299,932	56,207,275
Leasing & Capital Costs								
Tenant Improvements	1,920,434	7,514,846	1,742,107	2,441,486	2,229,292	5,604,098	5,804,703	1,957,998
Leasing Commissions	1,370,601	3,987,404	1,278,350	1,558,234	1,408,808	3,443,084	3,123,272	1,694,889
Capital Improvements								
Base Building								
Total Leasing & Capital Costs	3,291,035	11,502,250	3,020,457	3,999,720	3,638,100	9,047,182	8,927,975	3,652,887
Cash Flow Before Debt Service & Taxes	\$40,438,890	\$32,387,714	\$46,437,674	\$46,440,861	\$47,744,420	\$42,174,002	\$45,371,957	\$52,554,388

For the Years Ending	25	26	27	28	29	30	31	32
	Year 25 Jun-2036	Year 26 Jun-2037	Year 27 Jun-2038	Year 28 Jun-2039	Year 29 Jun-2040	Year 30 Jun-2041	Year 31 Jun-2042	Year 32 Jun-2043
Potential Gross Revenue								
Base Rental Revenue	\$82,835,964	\$84,616,736	\$86,832,277	\$90,894,488	\$ 94,096,662	\$ 95,666,379	\$ 98,061,901	\$101,148,727
Absorption & Turnover Vacancy	-1,881,597	-806,391	-1,746,505	-3,777,536	-1,557,146	-1,299,607	-1,639,372	-3,550,816
Base Rent Abatements	-2,351,069	-596,469	-1,977,675	-6,401,364	-1,485,017	-1,445,978	-1,764,794	-4,236,689
Scheduled Base Rental Revenue	78,603,298	83,213,876	83,108,097	80,715,588	91,074,499	92,920,794	94,657,735	93,361,222
CPI & Other Adjustment Revenue								
Expense Reimbursement Revenue								
Electric Income								
Electric Income for MLAs	6,755,934	7,048,206	7,180,318	7,244,057	7,644,987	7,899,835	8,117,152	8,209,552
Sprinkler & Water Income								
Oper Exp Escalations	1,385,649	1,551,222	1,702,585	1,450,066	1,472,289	1,699,422	1,846,224	1,798,481
RE Prop Tax Fiscal no ICP								
RE Tax Calendr Yrs no ICP								
RE BID Income	235,305	245,481	250,165	252,499	266,338	275,064	282,616	286,042
RE BID Income - New								
Leases								
Real Estate Taxes	1,081,304	1,206,409	1,328,141	1,142,698	1,166,856	1,342,328	1,436,887	1,402,106
BID Tax								
Payroll								
Cleaning								
Utilities								
Security								
Repairs and Maintenance								
Management Fee								
Professional Fees								
Insurance								
Total Reimbursement Revenue	9,458,192	10,051,318	10,461,209	10,089,320	10,550,470	11,216,649	11,682,879	11,696,181
Miscellaneous Income	775,091	798,346	822,295	846,964	872,374	898,545	925,499	953,266
Total Potential Gross Revenue	88,836,581	94,063,540	94,391,601	91,651,872	102,497,343	105,035,988	107,266,113	106,010,669
General Vacancy	-839,949	-2,039,707	-1,137,638		-1,583,889	-1,890,460	-1,627,793	
Collection Loss	-888,365	-940,636	-943,918	-916,518	-1,024,972	-1,050,361	-1,072,661	-1,060,107
Effective Gross Revenue	87,108,267	91,083,197	92,310,045	90,735,354	99,888,482	102,095,167	104,565,659	104,950,562
Operating Expenses								
Real Estate Taxes	9,115,921	9,389,400	9,671,080	9,961,213	10,260,050	10,567,852	10,884,888	11,211,432
BID Tax	224,311	231,038	237,972	245,109	252,463	260,037	267,838	275,872
Payroll	1,656,728	1,706,428	1,757,621	1,810,352	1,864,660	1,920,601	1,978,220	2,037,564
Cleaning	3,658,455	3,768,208	3,881,255	3,997,691	4,117,622	4,241,151	4,368,387	4,499,437
Utilities	7,374,035	7,595,256	7,823,115	8,057,808	8,299,543	8,548,527	8,804,985	9,069,132
Security	1,067,293	1,099,313	1,132,294	1,166,260	1,201,249	1,237,287	1,274,405	1,312,637
Repairs and Maintenance	3,104,087	3,197,210	3,293,126	3,391,920	3,493,678	3,598,488	3,706,443	3,817,636
Management Fee	871,084	910,832	923,100	907,353	998,885	1,020,951	1,045,657	1,049,506
Professional Fees	1,860,537	1,916,351	1,973,844	2,033,059	2,094,049	2,156,871	2,221,578	2,288,225
Insurance	579,346	596,726	614,629	633,068	652,058	671,621	691,769	712,524

Total Operating Expenses	29,511,797	30,410,762	31,308,036	32,203,833	33,234,257	34,223,386	35,244,170	36,273,965
Net Operating Income	57,596,470	60,672,435	61,002,009	58,531,521	66,654,225	67,871,781	69,321,489	68,676,597
Leasing & Capital Costs								
Tenant Improvements	4,310,087	452,085	3,177,589	10,659,814	2,183,762	2,363,338	3,395,430	7,451,599
Leasing Commissions	2,605,103	465,100	2,162,719	5,655,290	1,565,072	1,521,193	2,222,763	4,563,533
Capital Improvements								
Base Building								
Total Leasing & Capital Costs	6,915,190	917,185	5,340,308	16,315,104	3,748,834	3,884,531	5,618,193	12,015,132
Cash Flow Before Debt Service & Taxes	\$50,681,280	\$59,755,250	\$55,661,701	\$42,216,417	\$ 62,905,391	\$ 63,987,250	\$ 63,703,296	\$ 56,661,465

Real Estate Taxes	11,547,778	11,894,208	12,251,038	12,618,566	12,993,296	13,368,417	13,743,547	14,118,677	14,493,807
BID Tax	284,149	292,674	301,455	310,498	319,796	329,296	338,996	348,796	358,596
Payroll	2,098,693	2,161,654	2,226,503	2,293,296	2,360,096	2,426,896	2,493,696	2,560,496	2,627,296
Cleaning	4,634,422	4,773,453	4,916,656	5,064,157	5,211,658	5,359,159	5,506,660	5,654,161	5,801,662
Utilities	9,341,209	9,621,444	9,910,088	10,207,391	1,477,385	1,477,385	1,477,385	1,477,385	1,477,385
Security	1,352,017	1,392,576	1,434,353	1,477,385	1,477,385	1,477,385	1,477,385	1,477,385	1,477,385
Repairs and Maintenance	3,932,165	4,050,132	4,171,633	4,296,783	4,296,783	4,296,783	4,296,783	4,296,783	4,296,783
Management Fee	1,104,639	1,130,907	1,177,970	1,217,854	1,217,854	1,217,854	1,217,854	1,217,854	1,217,854
Professional Fees	2,356,872	2,427,577	2,500,406	2,575,417	2,575,417	2,575,417	2,575,417	2,575,417	2,575,417
Insurance	733,898	755,916	778,593	801,950	801,950	801,950	801,950	801,950	801,950
Total Operating Expenses	37,385,842	38,500,541	39,668,695	40,863,297	42,089,196	43,351,872	44,652,428	45,992,001	47,371,577
Net Operating Income	73,078,035	74,590,260	78,128,330	80,922,099	83,349,762	85,850,255	88,425,762	91,078,535	93,819,308
Leasing & Capital Costs									
Tenant Improvements	5,047,339	6,033,800	4,484,062	2,108,157					
Leasing Commissions	2,881,581	3,875,375	2,479,123	1,862,438					
Capital Improvements									
Base Building									
Total Leasing & Capital Costs	7,928,920	9,909,175	6,963,185	3,970,595	6,016,318	6,196,808	6,382,712	6,574,193	6,768,691
Cash Flow Before Debt Service & Taxes	\$ 65,149,115	\$ 64,681,085	\$ 71,165,145	\$ 76,951,504	\$ 77,333,444	\$ 79,653,447	\$ 82,043,050	\$ 84,504,342	\$ 87,050,617

BID Tax										
Payroll										
Cleaning										
Utilities										
Security										
Repairs and Maintenance										
Management Fee										
Professional Fees										
Insurance										
Total Operating Expenses	47,371,761	48,792,914	50,256,701	51,764,402	53,317,334	54,916,854	56,564,360	58,261,291		
Net Operating Income	93,810,891	96,625,218	99,523,975	102,509,694	105,584,985	108,752,534	112,015,110	115,375,564		
Leasing & Capital Costs										
Tenant Improvements										
Leasing Commissions										
Capital Improvements										
Base Building										
Total Leasing & Capital Costs	6,771,419	6,974,562	7,183,799	7,399,313	7,621,292	7,849,931	8,085,429	8,327,992		
Cash Flow Before Debt Service & Taxes	87,039,472	89,650,656	92,340,176	95,110,381	97,963,693	100,902,604	103,929,682	107,047,572		

	49	50	51	52
	Year 49	Year 50	Year 51	Year 52
	Jun-2060	Jun-2061	Jun-2062	Jun-2063
Potential Gross Revenue				
Base Rental Revenue				
Absorption & Turnover Vacancy				
Base Rent Abatements				
Scheduled Base Rental Revenue				
CPI & Other Adjustment Revenue				
Expense Reimbursement Revenue				
Electric Income				
Electric Income for MLAs				
Sprinkler & Water Income				
Oper Exp Escalations				
RE Prop Tax Fiscal no ICIP				
RE Tax Calend Yrs no ICIP				
RE BID Income				
RE BID Income - New Leases				
Real Estate Taxes				
BID Tax				
Payroll				
Cleaning				
Utilities				
Security				
Repairs and Maintenance				
Management Fee				
Professional Fees				
Insurance				
Total Reimbursement Revenue				
Miscellaneous Income				
Total Potential Gross Revenue				
General Vacancy				
Collection Loss				
Effective Gross Revenue	178,845,960	184,211,339	189,737,679	195,429,809
Operating Expenses				
Real Estate Taxes				
BID Tax				
Payroll				
Cleaning				
Utilities				
Security				
Repairs and Maintenance				
Management Fee				
Professional Fees				
Insurance				
Total Operating Expenses	60,009,129	61,809,403	63,663,685	65,573,596
Net Operating Income	118,836,831	122,401,935	126,073,994	129,856,213

Leasing & Capital Costs					X
Tenant Improvements					X
Leasing Commissions					X
Capital Improvements					X
Base Building					X
Total Leasing & Capital Costs	8,577,831	8,835,166	9,100,221	9,373,228	X
Cash Flow Before Debt Service & Taxes	110,258,999	113,566,769	116,973,772	120,482,985	X
				<u>1,688,271,580</u>	X

<u>Analysis Period</u>	<u>For the Year Ending</u>	<u>Annual Cash Flow</u>	<u>P.V. of Cash Flow @ 8.75%</u>	<u>Net Operating Income</u>	
Year 1	Jun-2012	(\$ 6,245,714)	(\$ 5,743,185)		1
Year 2	Jun-2013	11,989,139	10,137,467		2
Year 3	Jun-2014	15,160,295	11,787,450		3
Year 4	Jun-2015	15,626,636	11,172,450		4
Year 5	Jun-2016	16,105,319	10,588,221		5
Year 6	Jun-2017	16,154,869	9,766,250		6
Year 7	Jun-2018	16,192,696	9,001,488		7
Year 8	Jun-2019	13,231,583	6,763,596		8
Year 9	Jun-2020	14,345,109	6,742,803		9
Year 10	Jun-2021	16,327,986	7,057,322		10
Year 11	Jun-2022 NOI			17,910,279	11
Total Cash Flow		128,887,918	77,273,863		
Terminal Cap @		258,704,030	111,817,696		
	6.75%				
Selling Costs @					
	2.50%				
Total Property Present Value			\$ 189,091,559		
Rounded to Thousands			\$ 189,000,000		
Per SqFt			504.85		

Percentage Value Distribution

Cash Flow	40.9%
Reversion	59.1%

1333 Broadway
1333 Broadway
Schedule Of Prospective Cash Flow

In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$ 20,432,854	\$20,623,345	\$21,008,104	\$21,639,196	\$22,291,833	\$22,608,530	\$22,958,999	\$23,318,641
Absorption & Turnover Vacancy	(7,651,037)	(24,363)		(46,308)	(17,606)	(31,632)	(6,468)	(534,417)
Base Rent Abatements	(737,282)	(1,543,483)		(17,756)	(17,606)	(19,200)	(5,606)	(688,651)
Scheduled Base Rental Revenue	12,044,535	19,055,499	21,008,104	21,575,132	22,274,227	22,557,698	22,946,925	22,095,573
CPI & Other Adjustment Revenue	26,363	44,684	69,894	92,185	73,432	94,937	117,067	139,831
Expense Reimbursement Revenue								
Real Estate Tax 1	5,016	21,848	39,918	59,314	81,085	111,329	166,489	294,403
Operating Expense Escalation	165,789	238,566	313,618	389,022	468,269	547,306	629,679	575,738
Electric	1,119,301	1,216,891	1,235,167	1,256,787	1,270,271	1,293,877	1,322,392	928,846
Total Reimbursement Revenue	1,290,106	1,477,305	1,588,703	1,705,123	1,819,625	1,952,512	2,118,560	1,798,987
Misc Income	66,724	68,726	70,788	72,911	75,098	77,352	79,671	82,063
Total Potential Gross Revenue	13,427,728	20,646,214	22,737,489	23,445,351	24,242,382	24,682,499	25,262,223	24,116,454
General Vacancy		(595,753)	(682,126)	(658,441)	(727,272)	(709,791)	(751,594)	(205,109)
Collection Loss		(134,277)	(206,461)	(227,376)	(242,424)	(246,825)	(252,623)	(241,164)
Effective Gross Revenue	13,293,451	19,844,000	21,827,987	22,552,457	23,272,686	23,725,883	24,258,006	23,670,181
Operating Expenses								
Payroll & Fines	335,001	345,049	355,402	366,063	377,046	388,357	400,008	412,008
Cleaning	785,001	808,549	832,808	857,791	883,524	910,031	937,331	965,450
Utilities	1,591,064	1,638,795	1,687,960	1,738,599	1,790,757	1,844,480	1,899,814	1,956,806
Security	99,998	103,000	106,091	109,272	112,551	115,929	119,404	122,988
Repairs & Maintenance	598,989	616,958	635,468	654,530	674,169	694,391	715,224	736,681
Professional Fees	550,000	451,071	450,083	463,583	477,492	491,817	506,571	521,769
Real Estate Taxes	2,056,016	2,137,903	2,222,731	2,310,605	2,401,631	2,538,482	2,721,706	2,909,279
Insurance	149,747	154,239	158,868	163,632	168,541	173,598	178,806	184,170
Management Fee	132,933	198,440	218,281	225,524	232,727	237,259	242,580	236,702
Total Operating Expenses	6,298,749	6,454,004	6,667,692	6,889,599	7,118,438	7,394,344	7,721,444	8,045,853
Net Operating Income	6,994,702	13,389,996	15,160,295	15,662,858	16,154,248	16,331,539	16,536,562	15,624,328
Leasing & Capital Costs								
Tenant Improvements	968,735	1,210		11,051	1,477	11,950	3,490	960,156
Leasing Commissions	3,608,565	34,348		25,171	37,453	27,219	7,948	710,181
Capital Improvements	8,263,117	1,355,298				87,501	332,428	382,429
Base Building	399,999	10,001			9,999	50,000		339,999
Total Leasing & Capital Costs	13,240,416	1,400,837		36,222	48,929	176,670	343,866	2,392,745
Cash Flow Before Debt Service & Taxes	(\$ 6,245,714)	\$11,989,139	\$15,160,295	\$15,626,636	\$16,105,319	\$16,154,869	\$16,192,696	\$13,231,583

	For the Years Ending				
	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024
Potential Gross Revenue					
Base Rental Revenue	\$24,116,106	\$25,095,254	\$25,685,829	\$27,123,302	\$29,401,492
Absorption & Turnover Vacancy	(340,186)	(85,051)	-1,018,342	-99,184	-1,582,486
Base Rent Abatements	(341,262)	(278,309)	-90,300	-1,120,807	-2,569,317
Scheduled Base Rental Revenue	23,434,658	24,731,894	24,577,187	25,903,311	25,249,689
CPI & Other Adjustment Revenue	68,946				
Expense Reimbursement Revenue					
Real Estate Tax I	460,066	650,630	869,721	660,315	505,240
Operating Expense Escalation	649,158	699,507	769,324	829,917	571,267
Electric	945,064	1,000,313	1,021,172	1,041,461	1,073,985
Total Reimbursement Revenue	2,054,288	2,350,450	2,660,217	2,531,693	2,150,492
Misc Income	84,524	87,059	89,672	92,362	95,132
Total Potential Gross Revenue	25,642,416	27,169,403	27,327,076	28,527,366	27,495,313
General Vacancy	(439,293)	(732,582)		-759,612	
Collection Loss	(256,425)	(271,693)	-273,272	-285,274	-274,952
Effective Gross Revenue	24,946,698	26,165,128	27,053,804	27,482,480	27,220,361
Operating Expenses					
Payroll & Finges	424,368	437,099	450,212	463,717	477,630
Cleaning	994,415	1,024,247	1,054,974	1,086,623	1,119,222
Utilities	2,015,512	2,075,978	2,138,257	2,202,405	2,268,477
Security	126,677	130,477	134,392	138,423	142,576
Repairs & Maintenance	758,782	781,545	804,991	829,140	854,016
Professional Fees	537,420	553,545	570,150	587,255	604,872
Real Estate Taxes	3,101,332	3,298,003	3,448,470	3,551,924	3,658,481
Insurance	189,696	195,385	201,249	207,284	213,503
Management Fee	249,467	261,651	270,538	274,824	272,203
Total Operating Expenses	8,397,669	8,757,930	9,073,233	9,341,595	9,610,980
Net Operating Income	16,549,029	17,407,198	17,980,571	18,140,885	17,609,381
Leasing & Capital Costs					
Tenant Improvements	909,350	275,255	13,853	572,179	4,145,024
Leasing Commissions	485,025	131,912	31,554	3,546,214	2,301,593
Capital Improvements	709,545	572,044			
Base Building	100,000	100,001			
Total Leasing & Capital Costs	2,203,920	1,079,212	45,407	4,118,393	6,446,617
Cash Flow Before Debt Service & Taxes	\$14,345,109	\$16,327,986	\$17,935,164	\$14,022,492	\$11,162,764

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.75%	Net Operating Income
Year 1	Jun-2012	\$ 9,455,111	\$ 8,694,355	1
Year 2	Jun-2013	10,396,336	8,790,666	2
Year 3	Jun-2014	12,534,419	9,745,776	3
Year 4	Jun-2015	9,248,249	6,612,146	4
Year 5	Jun-2016	11,424,310	7,510,756	5
Year 6	Jun-2017	14,996,028	9,065,686	6
Year 7	Jun-2018	14,730,142	8,188,457	7
Year 8	Jun-2019	14,828,977	7,580,137	8
Year 9	Jun-2020	15,679,852	7,370,188	9
Year 10	Jun-2021	12,455,316	5,383,467	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		125,748,740	78,941,634	
Terminal Cap @		261,009,850	112,814,323	
Selling Costs @		6.75%		
Total Property Present Value			\$191,755,957	
Rounded to Thousands			\$192,000,000	
Per SqFt			\$ 385.85	
Percentage Value Distribution				
Cash Flow			41.17%	
Reversion			58.83%	



MARLBORO BUILDING ASSOC. LLC
1359 BROADWAY
NEW YORK, NY 10018

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue	\$18,696,745	\$18,941,017	\$19,201,967	\$20,060,800	\$22,105,522	\$22,750,813	\$23,108,061	\$23,606,288
Absorption & Turnover	(1,078,747)	(480,167)	(197,637)	(718,404)	(385,406)	(114,540)	(250,384)	(261,473)
Vacancy	(201,571)	(340,917)	(226,981)	(786,543)	(1,075,736)	(42,678)	(178,321)	(341,646)
Base Rent Abatements								
Scheduled Base Rental	17,418,427	18,119,933	18,777,349	18,555,853	20,644,380	22,593,595	22,679,356	23,003,169
Revenue								
CPI & Other Adjustment								
Revenue	136,255	140,441	103,847	49,278	33,103	28,662	35,637	
Expense Reimbursement								
Revenue	2,594,644	3,150,411	3,254,119	3,170,720	2,795,588	3,027,856	3,346,268	3,662,778
Miscellaneous Income	200,600	200,600	200,600	200,600	200,600	200,600	200,600	200,600
Electric Additional	137,501	112,500	87,500	62,501	37,499	12,500		
Total Potential Gross Revenue	20,487,427	21,723,885	22,423,415	22,038,952	23,711,170	25,863,213	26,261,861	26,866,547
General Vacancy	(204,875)	(185,954)	(480,995)	(220,390)	(337,491)	(664,793)	(544,983)	(552,368)
Collection Loss		(217,238)	(224,234)	(220,390)	(237,111)	(258,634)	(262,618)	(268,665)
Effective Gross Revenue	20,282,552	21,320,693	21,718,186	21,818,562	23,136,568	24,939,786	25,454,260	26,045,514
Operating Expenses								
Payroll & Fringes	415,000	427,451	440,272	453,482	467,088	481,098	495,530	510,398
Cleaning	795,000	818,850	843,416	868,717	894,781	921,623	949,271	977,749
Utilities	2,537,775	2,613,910	2,692,324	2,773,095	2,856,289	2,941,977	3,030,236	3,121,142
Security	195,000	200,850	206,876	213,082	219,475	226,057	232,840	239,825
Repairs & Maintenance	959,999	871,000	897,131	924,043	951,766	980,318	1,009,728	1,040,019
Management Fees	253,533	266,507	271,478	272,732	289,207	311,748	318,179	325,569
Professional Fees	579,999	419,000	431,569	444,518	457,853	471,588	485,736	500,307
Real Estate Taxes	2,402,421	2,504,052	2,606,637	2,710,185	2,820,996	3,009,370	3,271,408	3,539,288
Bid Taxes	65,283	71,482	78,111	85,497	90,033	90,033	90,033	90,033
Insurance	174,161	179,386	184,767	190,311	196,020	201,900	207,958	214,197
Total Operating Expenses	8,378,171	8,372,488	8,652,581	8,935,662	9,243,508	9,635,712	10,090,919	10,558,527
Net Operating Income	11,904,381	12,948,205	13,065,605	12,882,900	13,893,060	15,304,074	15,363,341	15,486,987
Leasing & Capital Costs								
Tenant Improvements	70,760	82,507	63,902	1,963,786	772,819	25,354	105,230	107,057
Leasing Commissions	169,327	602,052	174,004	1,057,837	480,281	60,566	253,053	248,385
Capital Improvements	1,999,182	1,737,310	113,280	553,028	495,650	142,126	154,916	32,568
Base Building	210,001	130,000	180,000	60,000	720,000	80,000	120,000	270,000
Total Leasing & Capital Costs	2,449,270	2,551,869	531,186	3,634,651	2,468,750	308,046	633,199	658,010
Cash Flow Before Debt Service & Taxes	\$ 9,455,111	\$10,396,336	\$12,534,419	\$ 9,248,249	\$11,424,310	\$14,996,028	\$14,730,142	\$14,828,977

	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024
For the Years Ending					
Potential Gross Revenue					
Base Rental Revenue	\$24,047,866	\$25,226,412	\$28,422,937	\$29,679,195	\$30,376,007
Absorption & Turnover Vacancy	(159,565)	(939,398)	-1,270,942	-484,450	-561,201
Base Rent Abatements	(90,839)	(710,827)	-2,905,558	-231,636	-830,145
Scheduled Base Rental Revenue	23,797,462	23,576,187	24,246,437	28,963,109	28,984,661
CPI & Other Adjustment Revenue					
Expense Reimbursement Revenue	4,014,953	4,143,337	3,505,485	3,417,485	3,361,019
Miscellaneous Income	200,600	200,600	200,600	200,600	200,600
Electric Additional					
Total Potential Gross Revenue	28,013,015	27,920,124	27,952,522	32,581,194	32,546,280
General Vacancy	(685,612)			-507,519	-437,024
Collection Loss	(280,130)	(279,202)	-279,525	-325,812	-325,463
Effective Gross Revenue	27,047,273	27,640,922	27,672,997	31,747,863	31,788,793
Operating Expenses					
Payroll & Fringes	525,710	541,481	557,725	574,457	591,692
Cleaning	1,007,084	1,037,293	1,068,413	1,100,466	1,133,481
Utilities	3,214,777	3,311,221	3,410,557	3,512,876	3,618,260
Security	247,021	254,431	262,063	269,976	278,023
Repairs & Maintenance	1,071,221	1,103,356	1,136,458	1,170,551	1,205,667
Management Fees	338,090	345,512	345,913	396,847	397,360
Professional Fees	515,318	530,777	546,699	563,101	579,994
Real Estate Taxes	3,813,176	4,093,247	4,298,371	4,427,324	4,560,143
Bid Taxes	90,033	90,033	90,033	90,033	90,033
Insurance	220,620	227,242	234,057	241,080	248,312
Total Operating Expenses	11,043,050	11,534,593	11,950,289	12,346,661	12,702,965
Net Operating Income	16,004,223	16,106,329	15,722,708	19,401,202	19,085,828
Leasing & Capital Costs					
Tenant Improvements	58,395	2,190,116	3,634,791	107,756	1,009,636
Leasing Commissions	155,600	1,250,521	2,042,133	517,454	1,069,037
Capital Improvements	20,376	20,376			
Base Building	90,000	190,000			
Total Leasing & Capital Costs	324,371	3,651,013	5,676,924	625,210	2,078,673
Cash Flow Before Debt Service & Taxes	\$15,679,852	\$12,455,316	\$10,045,784	\$18,775,992	\$17,007,155

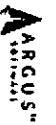
Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 9.25%	Net Operating Income
Year 1	Jun-2012	\$ 2,810,162	\$ 2,572,231	1
Year 2	Jun-2013	2,357,476	1,975,170	2
Year 3	Jun-2014	3,933,082	3,016,259	3
Year 4	Jun-2015	3,794,338	2,663,485	4
Year 5	Jun-2016	2,339,060	1,502,914	5
Year 6	Jun-2017	1,838,716	1,081,399	6
Year 7	Jun-2018	2,150,832	1,157,861	7
Year 8	Jun-2019	2,598,997	1,280,661	8
Year 9	Jun-2020	2,886,524	1,301,914	9
Year 10	Jun-2021	3,409,152	1,407,447	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		28,118,339	17,959,339	
Terminal Cap @		63,649,636	26,277,344	
		7.25%		
Selling Costs @				
		2.50%		
Total Property Present Value			\$44,236,684	
Rounded to Thousands			<u>\$44,000,000</u>	
Per SqFt			\$ 151.98	
Percentage Value Distrib				
Cash Flow			40.60%	
Reversion			59.40%	

500 Mamaroneck Avenue
Harrison, NY
Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue	\$ 7,913,094	\$8,038,386	\$8,137,380	\$ 8,345,882	\$8,450,757	\$8,558,834	\$ 8,625,913	\$ 8,904,417
Absorption & Turnover	(605,930)	(123,467)	(21,140)	(44,119)	(245,553)	(302,178)	(247,480)	(223,043)
Base Rent Abatements	(117,893)	(167,124)	(30,889)	(35,165)	(133,057)	(196,226)	(170,052)	(155,449)
Scheduled Base Rental	7,189,271	7,747,795	8,085,351	8,266,598	8,072,147	8,060,430	8,208,381	8,525,925
Expense Reimbursement	992,079	1,163,716	1,313,020	1,448,945	1,446,839	1,471,525	1,470,235	1,509,743
Other Income	340,000	350,200	360,707	371,526	382,673	394,153	405,978	418,157
Total Potential Gross Re	8,521,350	9,261,711	9,759,078	10,087,069	9,901,659	9,926,108	10,084,594	10,453,825
General Vacancy	(169,889)	(674,273)	(810,179)	(817,031)	(616,959)	(567,228)	(630,745)	(684,492)
Collection Loss	(127,821)	(138,924)	(146,388)	(151,306)	(148,524)	(148,893)	(151,268)	(156,807)
Effective Gross Revenue	8,223,640	8,448,514	8,802,511	9,118,732	9,136,176	9,209,987	9,302,581	9,612,526
Operating Expenses								
Real Estate Taxes	1,004,332	1,034,462	1,065,496	1,097,461	1,130,385	1,164,296	1,199,224	1,235,201
Insurance	55,000	56,651	58,348	60,100	61,904	63,759	65,674	67,643
Payroll/Labor Costs	740,000	762,200	785,064	808,620	832,875	857,864	883,598	910,107
Cleaning	410,000	422,300	434,968	448,019	461,458	475,302	489,561	504,249
Utilities	870,000	896,100	922,983	950,673	979,191	1,008,569	1,038,826	1,069,991
Repairs & Maintenance	390,000	401,700	413,751	426,165	438,947	452,117	465,681	479,651
Sanitation/Trash	30,000	30,900	31,827	32,783	33,764	34,777	35,822	36,897
Management Fee	267,269	274,576	286,081	296,359	296,926	299,325	302,334	312,408
Professional Fees	210,000	216,300	222,789	229,473	236,356	243,447	250,752	258,273
Security	145,000	149,352	153,830	158,446	163,199	168,095	173,136	178,332
Miscellaneous/Other	220,000	226,600	233,399	240,398	247,612	255,040	262,693	270,573
Total Operating Expenses	4,341,601	4,471,141	4,608,536	4,748,497	4,882,617	5,022,591	5,167,301	5,323,325
Net Operating Income	3,882,039	3,977,373	4,193,975	4,370,235	4,253,559	4,187,396	4,135,280	4,289,201
Leasing & Capital Costs								
Tenant Improvements	288,900	703,473	104,003	127,451	811,397	1,012,626	1,040,694	1,019,641
Leasing Commissions	98,849	290,410	47,738	58,399	290,603	418,208	368,735	370,824
Reserve	62,825	64,711	66,651	40,047	40,047	30,346	75,018	45,073
Capital Expenditures	621,303	561,303	42,501	350,000	812,499	887,500	500,001	254,666
Total Leasing & Capital	1,071,877	1,619,897	260,893	575,897	1,914,499	2,348,680	1,984,448	1,690,204
Cash Flow Before Debt Se	\$ 2,810,162	\$2,357,476	\$3,933,082	\$ 3,794,338	\$2,339,060	\$1,838,716	\$ 2,150,832	\$ 2,598,997
& INCOME TAX								
Fee Simple Value	\$44,000,000							
Implied Cap Rate	8.8%	9.0%	9.5%	9.9%	9.7%	9.5%	9.4%	9.7%

	For the Years Ending				
	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024
Potential Gross Revenue	\$ 9,167,663	\$ 9,392,454	\$ 9,662,362	\$ 9,939,907	\$10,247,496
Base Rental Revenue	(207,924)	(157,327)	(206,650)	-514,028	-217,378
Absorption & Turnover	(126,180)	(97,855)	(118,136)	-278,101	-138,109
Base Rent Abatements	8,833,559	9,137,272	9,337,576	9,147,778	9,892,009
Scheduled Base Rental	1,505,808	1,602,855	1,646,297	1,633,813	1,719,461
Expense Reimbursement	430,703	443,622	456,932	470,639	484,759
Other Income	10,770,070	11,183,749	11,440,805	11,252,230	12,096,229
Total Potential Gross Re	(725,205)	(806,664)	(783,384)	-486,104	-829,278
General Vacancy	(161,552)	(167,757)	(171,611)	-168,783	-181,443
Collection Loss	9,883,313	10,209,328	10,485,810	10,597,343	11,085,508
Effective Gross Revenue	1,272,258	1,310,425	1,349,738	1,390,232	1,431,936
Operating Expenses	69,672	71,763	73,916	76,132	78,417
Real Estate Taxes	937,410	965,533	994,499	1,024,332	1,055,064
Insurance	519,375	534,958	551,005	567,537	584,561
Payroll/Labor Costs	1,102,090	1,135,152	1,169,208	1,204,283	1,240,412
Cleaning	494,040	508,861	524,128	539,853	556,046
Utilities	38,003	39,143	40,317	41,527	42,773
Repairs & Maintenance	321,208	331,802	340,789	344,414	360,279
Sanitation/Trash	266,021	274,003	282,222	290,688	299,411
Management Fees	183,683	189,191	194,868	200,713	206,736
Professional Fees	278,688	287,051	295,660	304,533	313,667
Security	5,482,448	5,647,882	5,816,350	5,984,244	6,169,302
Miscellaneous/Other	4,400,865	4,561,446	4,669,460	4,613,099	4,916,206
Total Operating Expenses	868,606	524,151	729,991	1,913,180	815,124
Net Operating Income	290,742	236,836	276,335	639,480	366,872
Leasing & Capital Costs	33,160	81,974	84,433	86,965	89,576
Tenant Improvements	321,833	309,333	154,667		
Leasing Commissions	1,514,341	1,152,294	1,245,426	2,639,625	1,271,572
Reserve	\$ 2,886,524	\$ 3,409,152	\$ 3,424,034	\$ 1,973,474	\$ 3,644,634
Capital Expenditures					
Total Leasing & Capital					
Cash Flow Before Debt Se					
& INCOME TAX					
Fee Simple Value					
Implied Cap Rate	10.0%	10.4%	10.6%		

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 9.00%	Net Operating Income
Year 1	Jun-2012	\$ 1,166,393	\$ 1,070,085	1
Year 2	Jun-2013	2,043,437	1,719,920	2
Year 3	Jun-2014	3,141,220	2,425,598	3
Year 4	Jun-2015	3,961,915	2,806,720	4
Year 5	Jun-2016	3,505,279	2,278,191	5
Year 6	Jun-2017	2,785,531	1,660,921	6
Year 7	Jun-2018	3,086,588	1,688,469	7
Year 8	Jun-2019	3,340,681	1,676,575	8
Year 9	Jun-2020	2,379,857	1,095,752	9
Year 10	Jun-2021	3,690,493	1,558,904	10
Year 11	Jun-2022 NOI			4,803,401 11
Total Cash Flow		29,101,394	17,981,137	
Terminal Cap @		64,597,462	27,286,666	
		7.25%		
Selling Costs @				
		2.50%		
Total Property Present Value			\$45,267,803	
Rounded to Thousands			\$45,000,000	
Per SqFt			\$ 199.70	
Percentage Value Distribu				
Cash Flow			39.72%	
Reversion			60.28%	



Ten Bank
10 Bank Street
White Plains, NY

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$7,405,253	\$7,487,224	\$7,559,547	\$7,710,666	\$7,900,589	\$8,071,547	\$8,227,732	\$ 8,405,197
Absorption & Turnover V	(887,591)	(200,142)	(177,475)	(49,159)	(131,991)	(241,830)	(167,890)	(134,087)
Base Rent Abatements	(286,265)	(418,723)	(186,057)	(19,510)	(74,575)	(127,981)	(94,213)	(54,026)
Scheduled Base Rental R	6,231,397	6,868,359	7,196,015	7,641,997	7,694,023	7,701,736	7,965,629	8,217,084
Expense Reimbursement R	645,296	803,486	874,205	994,967	1,058,742	1,098,851	1,174,721	1,285,421
Other Income	625,000	643,752	663,062	682,955	703,442	724,547	746,282	768,672
Total Potential Gross Rev	7,501,693	8,315,597	8,733,282	9,319,919	9,456,207	9,525,134	9,886,632	10,271,177
General Vacancy	(112,525)	(124,734)	(45,293)	(185,068)	(107,714)	(2,344)	(83,473)	(126,045)
Collection Loss	(112,525)	(124,734)	(131,001)	(139,798)	(141,842)	(142,877)	(148,299)	(154,068)
Effective Gross Revenue	7,389,168	8,178,111	8,556,988	8,995,053	9,206,651	9,379,913	9,654,860	9,991,064
Operating Expenses								
Real Estate Taxes	1,441,282	1,484,519	1,529,056	1,574,929	1,622,175	1,670,842	1,720,967	1,772,594
Insurance	50,000	51,500	53,044	54,636	56,276	57,962	59,703	61,493
Payroll/Labor Costs	585,000	602,551	620,627	639,244	658,423	678,176	698,519	719,476
Cleaning	356,000	366,680	377,679	389,012	400,681	412,702	425,083	437,835
Utilities	860,000	885,800	912,373	939,746	967,938	996,975	1,026,886	1,057,691
Repairs & Maintenance	265,000	272,951	281,138	289,572	298,260	307,208	316,424	325,916
Sanitation/Trash	4,000	4,120	4,245	4,370	4,501	4,638	4,776	4,920
Miscellaneous/Other	165,000	169,951	175,047	180,301	185,709	191,280	197,019	202,929
Professional Fees	205,000	211,151	217,484	224,008	230,729	237,651	244,780	252,124
Security	130,000	133,900	137,917	142,056	146,315	150,707	155,226	159,884
Management Fee	240,148	265,789	278,102	292,338	299,217	304,848	313,782	324,709
Total Operating Expenses	4,301,430	4,448,912	4,586,712	4,730,212	4,870,224	5,012,989	5,163,165	5,319,571
Net Operating Income	3,087,738	3,729,199	3,970,276	4,264,841	4,336,427	4,366,924	4,491,695	4,671,493
Leasing & Capital Costs								
Tenant Improvements	756,298	623,253	523,015	126,127	396,936	755,883	530,821	349,265
Leasing Commissions	292,219	196,705	257,705	56,088	208,678	319,699	218,283	154,678
Reserves	26,579	19,555	48,336	29,044	21,367	30,812	22,669	56,037
Cap Ex	846,249	846,249	829,056	91,667	204,167	474,999	633,334	770,832
Total Leasing & Capital C	1,921,345	1,685,762	1,399,114	302,926	831,148	1,581,393	1,405,107	1,330,812
Cash Flow Before Debt Ser	\$1,166,393	\$2,043,437	\$3,141,220	\$3,961,915	\$3,505,279	\$2,785,531	\$3,086,588	\$ 3,340,681
& INCOME TAX								

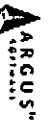
For the Years Ending	Year 9	Year 10	Year 11	Year 12	Year 13
	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2024
Potential Gross Revenue					
Base Rental Revenue	\$ 8,628,179	\$ 8,792,007	\$ 8,966,558	\$ 9,195,339	\$ 9,746,093
Absorption & Turnover V	(362,432)	(207,937)	(171,355)	-237,045	-556,392
Base Rent Abatements	(188,705)	(111,214)	(77,854)	-128,878	-335,791
Scheduled Base Rental R	8,077,042	8,472,856	8,717,349	8,829,416	8,853,910
Expense Reimbursement R	1,266,796	1,308,816	1,354,146	1,409,027	1,217,990
Other Income	791,732	815,483	839,948	865,146	891,099
Total Potential Gross Rev	10,135,570	10,597,155	10,911,443	11,103,589	10,962,999
General Vacancy		(62,191)	(105,715)	-46,471	-164,446
Collection Loss	(152,033)	(158,957)	(163,671)	-166,554	-10,798,553
Effective Gross Revenue	9,983,537	10,376,007	10,642,057	10,890,564	10,798,553
Operating Expenses					
Real Estate Taxes	1,825,773	1,880,545	1,936,964	1,995,071	2,054,924
Insurance	63,339	65,239	67,196	69,212	71,288
Payroll/Labor Costs	741,061	763,293	786,191	809,776	834,071
Cleaning	450,971	464,498	478,435	492,788	507,570
Utilities	1,089,421	1,122,106	1,155,768	1,190,441	1,226,155
Repairs & Maintenance	335,694	345,765	356,137	366,822	377,827
Sanitation/Trash	5,067	5,220	5,375	5,537	5,703
Miscellaneous/ Other	209,016	215,289	221,746	228,398	235,251
Professional Fees	259,689	267,478	275,502	283,767	292,282
Security	164,679	169,621	174,709	179,952	185,349
Management Fee	324,466	337,219	345,867	353,944	350,953
Total Operating Expenses	5,469,176	5,636,273	5,803,890	5,975,708	6,141,373
Net Operating Income	4,514,361	4,739,734	4,838,167	4,914,856	4,657,180
Leasing & Capital Costs					
Tenant Improvements	1,095,898	665,664	392,875	780,664	1,802,963
Leasing Commissions	480,888	324,129	204,733	383,393	730,141
Reserves	57,718	59,448	61,234	63,071	64,961
Cap Ex	500,000				
Total Leasing & Capital C	2,134,504	1,049,241	658,842	1,227,128	2,598,065
Cash Flow Before Debt Ser	\$ 2,379,857	\$ 3,690,493	\$ 4,179,325	\$ 3,687,728	\$ 2,059,115
& INCOME TAX					

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 8.50%	Net Operating Income	
Year 1	Jun-2012	\$ 9,565,905	\$ 8,816,502		1
Year 2	Jun-2013	9,783,790	8,310,892		2
Year 3	Jun-2014	8,733,769	6,837,738		3
Year 4	Jun-2015	10,168,082	7,337,026		4
Year 5	Jun-2016	9,407,156	6,256,186		5
Year 6	Jun-2017	9,234,006	5,659,939		6
Year 7	Jun-2018	10,666,306	6,025,677		7
Year 8	Jun-2019	10,205,729	5,313,811		8
Year 9	Jun-2020	10,356,012	4,969,640		9
Year 10	Jun-2021	9,397,104	4,156,202		10
Year 11	Jun-2022 NOI			12,095,851	11
Total Cash Flow		97,517,859	63,683,614		
Terminal Cap @		168,477,929	74,515,331		
	7.00%				
Selling Costs @					
	2.50%				
Total Property Present Value			<u>\$138,198,945</u>		
Rounded to Thousands			<u>\$138,000,000</u>		
Per SqFt			\$ 477.19		
Percentage Value Distribution					
Cash Flow			46.08%		
Reversion			53.92%		

Metro Center
One Station Place
Stamford, CT 06902
Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

For the Years Ending	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$12,899,087	\$13,198,387	\$13,660,127	\$14,036,898	\$14,361,653	\$14,600,184	\$14,941,551	\$15,531,299
Absorption & Turnover								
Vacant	(8,500)	(273,166)	(209,072)	(71,199)	(288,062)	(369,868)	(225,596)	(371,656)
Base Rent Abatements		(11,734)	(180,903)	(16,323)	(118,420)	(133,015)	(25,191)	(134,884)
Scheduled Base Rental	12,890,587	12,913,487	13,270,152	13,949,376	13,955,171	14,097,301	14,690,764	15,024,759
Expense Reimbursement								
Revenue	2,017,954	2,106,093	2,070,860	2,242,582	2,268,529	2,317,646	2,407,691	2,451,484
Miscellaneous Income	1,100,000	1,133,000	1,166,989	1,202,001	1,238,060	1,275,201	1,313,458	1,352,861
Total Potential Gross Revenue	16,008,541	16,152,580	16,508,001	17,393,959	17,461,760	17,690,148	18,411,913	18,829,104
General Vacancy	(151,670)			(103,452)				
Collection Loss	(160,085)	(161,526)	(165,081)	(173,939)	(174,617)	(176,902)	(184,119)	(188,292)
Effective Gross Revenue	15,696,786	15,991,054	16,342,920	17,116,568	17,287,143	17,513,246	18,227,794	18,640,812
Operating Expenses								
Real Estate Taxes	1,652,622	1,702,200	1,753,267	1,805,865	1,860,039	1,915,842	1,973,317	2,032,516
Insurance	70,000	72,100	74,264	76,491	78,785	81,149	83,583	86,091
Payroll/Labor Costs	775,000	798,252	822,196	846,864	872,269	898,438	925,391	953,151
Cleaning	535,000	551,052	567,580	584,609	602,148	620,211	638,819	657,982
Utilities	1,000,000	1,030,000	1,060,900	1,092,728	1,125,509	1,159,273	1,194,052	1,229,874
Repairs & Maintenance	510,000	525,300	541,059	557,292	574,008	591,230	608,967	627,237
Sanitation/Trash	30,000	30,900	31,827	32,783	33,764	34,777	35,822	36,897
Management Fee	510,145	519,709	531,145	556,288	561,832	569,180	592,404	605,825
Professional Fees	220,000	226,600	233,399	240,398	247,612	255,040	262,693	270,573
Security	155,000	159,648	164,440	169,372	174,456	179,687	185,077	190,632
Miscellaneous/Other	400,000	412,000	424,360	437,091	450,204	463,709	477,622	491,949
Total Operating Expenses	5,857,767	6,027,761	6,204,437	6,399,781	6,580,626	6,768,536	6,977,747	7,182,727
Net Operating Income	9,839,019	9,963,293	10,138,483	10,716,787	10,706,517	10,744,710	11,250,047	11,458,085
Leasing & Capital Costs								
Tenant Improvements	100,581	30,010	476,199	41,608	322,104	401,582	15,523	353,051
Leasing Commissions		49,494	646,014	70,430	484,757	528,289	26,205	493,652
Jeffrey's 2012 TI allowance	122,532							
Reserves								
Capital Expenditures	50,001	99,999	282,501	436,667	492,500	580,833	518,333	372,501
Total Leasing & Capital Costs	273,114	179,503	1,404,714	548,705	1,299,361	1,510,704	583,741	1,252,356
Cash Flow Before Debt Service & INCOME TAX	\$ 9,565,905	\$ 9,783,790	\$ 8,733,769	\$ 10,168,082	\$ 9,407,156	\$ 9,234,006	\$ 10,666,306	\$ 10,205,729

	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024
Potential Gross Revenue					
Base Rental Revenue	\$16,296,792	\$16,992,414	\$17,487,631	\$17,877,792	\$18,504,158
Absorption & Turnover Vacanc	(694,351)	(561,843)	(473,640)	-332,596	-1,014,968
Base Rent Abatements	(149,499)	(345,432)	(278,035)	-139,013	-388,460
Scheduled Base Rental Revenue	15,452,942	16,085,139	16,735,956	17,406,183	17,100,730
Expense Reimbursement Revenue	2,362,601	2,133,555	1,803,375	1,835,016	1,626,462
Miscellaneous Income	1,393,447	1,435,250	1,478,307	1,522,657	1,568,338
Total Potential Gross Revenue	19,208,990	19,653,944	20,017,638	20,763,856	20,295,530
General Vacancy	(192,089)	(196,539)	(200,176)	-207,639	-202,956
Collection Loss	19,016,901	19,457,405	19,817,462	20,556,217	20,092,574
Effective Gross Revenue	2,093,494	2,156,296	2,220,985	2,287,617	2,356,244
Operating Expenses					
Real Estate Taxes	88,674	91,334	94,075	96,896	99,803
Insurance	981,747	1,011,200	1,041,534	1,072,781	1,104,964
Payroll/Labor Costs	677,722	698,052	718,996	740,566	762,781
Cleaning	1,266,770	1,304,774	1,343,917	1,384,235	1,425,760
Utilities	646,052	665,435	685,396	705,960	727,139
Repairs & Maintenance	38,003	39,143	40,317	41,527	42,773
Sanitation/Trash	618,049	632,366	644,067	668,077	653,009
Management Fee	278,688	287,051	295,660	304,533	313,667
Professional Fees	196,348	202,239	208,308	214,556	220,992
Security	506,709	521,908	537,567	553,693	570,304
Miscellaneous/Other	7,392,256	7,609,798	7,830,822	8,070,441	8,277,436
Total Operating Expenses	11,624,645	11,847,607	11,986,640	12,485,776	11,815,138
Net Operating Income	395,108	928,142	735,656	364,098	1,026,948
Leasing & Capital Costs					
Tenant Improvements	517,258	1,259,081	949,355	496,759	1,353,529
Leasing Commissions					
Jefferies- 2012 TI allowance					
Reserves	356,267	23,680	56,832	56,832	56,832
Capital Expenditures	1,268,633	2,450,503	1,771,842	917,689	2,437,309
Total Leasing & Capital Costs	\$10,356,012	\$ 9,397,104	\$10,214,798	\$11,568,087	\$ 9,377,829
Cash Flow Before Debt Service & INCOME TAX					



First Stamford Place
Stamford, CT

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

For the Years Ending	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Gross Revenue								
Potential Rental Revenue	\$ 30,513,340	\$30,780,761	\$31,450,160	\$ 31,976,401	\$32,481,608	\$33,414,411	\$34,026,754	\$34,933,511
Absorption & Turnover Vacancy	(1,244,902)	(852,513)	(13,600)	(82,907)	(70,481)	(704,638)	(238,347)	(1,817,768)
Base Rent	(1,050,457)	(575,917)	(38,518)	(37,162)	(41,670)	(301,995)	(185,735)	(795,944)
Scheduled Base Rental Revenue	28,217,981	29,352,331	31,398,042	31,856,332	32,369,457	32,407,778	33,602,672	32,319,799
Expense								
Reimbursement Revenue	3,853,834	3,921,559	4,047,865	4,498,241	4,913,382	5,206,393	5,489,307	5,066,069
Miscellaneous Revenue	904,825	931,968	959,931	988,723	1,018,389	1,048,941	1,080,403	1,112,821
Total Gross Revenue	32,976,640	34,205,858	36,405,838	37,343,296	38,301,228	38,663,112	40,172,382	38,498,689
General Vacancy	(453,733)	(512,882)	(1,306,509)	(1,276,426)	(1,326,881)	(727,823)	(1,234,560)	(639,649)
Collection Loss	(261,920)	(273,296)	(293,221)	(301,246)	(309,821)	(311,278)	(324,928)	(307,097)
Effective Gross Revenue	32,260,987	33,419,680	34,806,108	35,765,624	36,664,526	37,624,011	38,612,894	37,551,943
Net Operating Income	32,260,987	33,419,680	34,806,108	35,765,624	36,664,526	37,624,011	38,612,894	37,551,943
Leasing & Capital Costs								
Tenant Improvements	2,862,609	2,329,754	201,517	194,416	170,147	1,415,795	900,134	3,497,124
Leasing Commissions	1,489,224	1,234,148	111,159	114,848	122,252	798,067	478,750	2,036,216
Capital Costs & Reserves	890,635	947,941	544,811	166,667	399,999	850,000	1,016,001	787,199
Total Leasing & Capital Costs	5,242,468	4,511,843	857,487	475,931	692,398	3,063,862	2,394,885	6,320,539
Cash Flow Before Debt Service	\$ 27,018,519	\$28,907,837	\$33,948,621	\$ 35,289,693	\$35,972,128	\$34,560,149	\$36,218,009	\$31,231,404
Portfolio Expenses								
Real Estate Taxes	3,877,437	3,993,760	4,113,573	4,236,980	4,364,090	4,495,012	4,629,863	4,768,758
Insurance	176,000	181,280	186,718	192,320	198,090	204,032	210,153	216,458
Payroll/Labor Costs	2,035,000	2,096,050	2,158,932	2,223,699	2,290,410	2,359,123	2,429,896	2,502,793
Cleaning	1,215,000	1,251,450	1,288,994	1,327,663	1,367,493	1,408,518	1,450,774	1,494,297
Utilities	2,820,000	2,904,600	2,991,738	3,081,490	3,173,935	3,269,153	3,367,227	3,468,244
Repairs & Maintenance	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611	1,391,129	1,432,863	1,475,849
Sanitation/Trash	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344
Management Fee	1,048,482	1,086,140	1,131,199	1,162,383	1,191,597	1,222,780	1,254,919	1,220,438
Professional Fees	460,000	473,800	488,014	502,654	517,734	533,266	549,264	565,742

Security	500,000	515,000	530,450	546,363	562,754	579,637	597,026	614,937
Miscellaneous/Other	522,000	537,660	553,790	570,403	587,516	605,141	623,295	641,994
Cash Flow After Portfolio Expenses	\$ 13,119,600	\$14,585,747	\$19,184,392	\$ 20,085,293	\$20,317,250	\$18,440,191	\$19,618,997	\$14,206,550

Total CF	\$ 13,119,600	\$14,585,747	\$19,184,392	\$ 20,085,293	\$20,317,250	\$18,440,191	\$19,618,997	\$14,206,550
PV of CFs	\$ 12,064,000	\$12,333,040	\$14,916,270	\$ 14,360,221	\$13,357,297	\$11,147,817	\$10,906,162	\$ 7,261,971
Total PV of CFs	\$258,000,000							

First Stamford Place SPE LLC		37.64%		\$ 97,110,000		37.64%		
Fairfax First Stamford SPE LLC		31.18%		\$ 80,440,000		31.18%		
Merifield First Stamford SPE LLC		31.18%		\$ 80,440,000		31.18%		
		100.00%		\$257,990,000				

	For the Years Ending				
	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024
Gross Revenue					
Potential Rental Revenue	\$36,083,273	\$ 37,266,612	\$38,295,121	\$40,397,068	\$41,820,497
Absorption & Turnover Vacancy	(574,822)	(596,038)	(825,672)	-2,104,700	-1,326,183
Base Rent Abatements	(507,916)	(448,339)	(464,087)	-1,146,790	-781,248
Scheduled Base Rental Revenue	35,000,534	36,222,215	37,005,362	37,145,578	39,713,066
Expense Reimbursement Revenue	4,860,227	5,187,653	5,484,356	4,962,272	4,921,822
Miscellaneous Revenue	1,146,203	1,180,591	1,216,008	1,252,489	1,290,060
Total Gross Revenue	41,006,964	42,590,459	43,705,726	43,360,339	45,924,948
General Vacancy	(935,689)	(979,754)	(1,129,216)	-707,299	-630,763
Collection Loss	(329,920)	(344,215)	(354,168)	-347,229	-370,847
Effective Gross Revenue	39,741,355	41,266,490	42,222,342	42,305,811	44,923,338
Net Operating Income	39,741,355	41,266,490	42,222,342	42,305,811	44,923,338
Leasing & Capital Costs					
Tenant Improvements	2,331,609	1,993,558	2,119,911	5,225,680	3,604,507
Leasing Commissions	1,249,034	1,056,277	1,105,141	2,717,415	1,951,926
Capital Costs & Reserves	437,199	235,213	148,380		
Total Leasing & Capital Costs	4,017,842	3,285,048	3,373,432	7,943,095	5,556,433
Cash Flow Before Debt Service	\$35,723,513	\$ 37,981,442	\$38,848,910	\$34,362,716	\$39,366,905
Portfolio Expenses					
Real Estate Taxes	4,911,821	5,059,176	5,210,951	5,367,280	5,528,298
Insurance	222,952	229,640	236,529	243,625	250,934
Payroll/Labor Costs	2,577,877	2,655,213	2,734,870	2,816,916	2,901,423
Cleaning	1,539,126	1,585,299	1,632,858	1,681,844	1,732,299
Utilities	3,572,292	3,679,460	3,789,844	3,903,540	4,020,646
Repairs & Maintenance	1,520,124	1,565,728	1,612,700	1,661,081	1,710,913
Sanitation/Trash	57,005	58,715	60,476	62,291	64,159
Management Fee	1,291,594	1,341,161	1,372,226	1,374,939	1,460,008
Professional Fees	582,714	600,196	618,202	636,748	655,850
Security	633,385	652,387	671,958	692,117	712,880
Miscellaneous/Other	661,254	681,092	701,524	722,570	744,247
Cash Flow After	\$18,153,369	\$ 19,873,375	\$20,206,772	\$15,199,765	19,585,248
Portfolio Expenses		333,657,745			
Total CF	\$18,153,369	\$353,531,120	\$23,580,204	\$23,142,860	\$25,141,681
PV of CFs	\$ 8,532,845	\$152,804,095			

9
10
Year 11 Total NOI
Year 12 Total NOI
Year 13 Total NOI

Total Pay of CFS

First Stamford Place SPE LLC

Hairax First Stamford SPE LLC

Merrifield First Stamford SPE LLC

<u>Analysis Period</u>	<u>For the Year Ending</u>	<u>Annual Cash Flow</u>	<u>P.V. of Cash Flow @ 9.25%</u>	<u>Net Operating Income</u>	
Year 1	Jun-2012	\$ 1,744,643	\$ 1,596,927		1
Year 2	Jun-2013	1,897,947	1,590,161		2
Year 3	Jun-2014	2,433,800	1,866,468		3
Year 4	Jun-2015	2,019,065	1,417,309		4
Year 5	Jun-2016	3,886,422	2,497,139		5
Year 6	Jun-2017	3,082,160	1,812,702		6
Year 7	Jun-2018	3,437,530	1,850,531		7
Year 8	Jun-2019	3,844,757	1,894,512		8
Year 9	Jun-2020	-890,849	-401,801		9
Year 10	Jun-2021	3,434,251	1,417,809		10
Year 11	Jun-2022 NOI			4,457,016	11
Total Cash Flow		24,889,726	15,541,757		
Terminal Cap @		59,939,176	24,745,505		
		7.25%			
Selling Costs @					
		2.50%			
Total Property Present Value			<u>\$40,287,262</u>		
Rounded to Thousands			<u>\$40,000,000</u>		
Per SqFt			\$ 151.30		
Percentage Value Distribu					
Cash Flow			38.58%		
Reversion			61.42%		

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$ 7,322,571	\$7,445,590	\$7,561,556	\$7,701,075	\$7,796,607	\$7,971,764	\$8,145,822	\$ 8,296,825
Absorption & Turnover V	(1,041,796)	(236,906)	(82,864)	(195,659)	(22,611)	(139,977)	(88,140)	(46,966)
Base Rent Abatements	(236,091)	(481,140)	(158,398)	(107,918)	(7,773,996)	(88,462)	(55,502)	(39,933)
Scheduled Base Rental R	6,044,684	6,727,544	7,320,294	7,397,498	7,773,996	7,743,325	8,002,180	8,209,926
Expense Reimbursement R	935,431	1,072,411	1,128,268	1,199,077	1,283,064	1,359,236	1,469,738	1,570,076
Other Income	270,000	278,100	286,443	295,036	303,888	313,004	322,393	332,066
Total Potential Gross Rev	7,250,115	8,078,055	8,735,005	8,891,611	9,360,948	9,415,565	9,794,311	10,112,068
General Vacancy	(108,752)	(303,566)	(490,297)	(395,014)	(608,461)	(481,134)	(554,220)	(613,371)
Collection Loss	(121,170)	(121,170)	(131,025)	(133,374)	(140,413)	(141,234)	(146,916)	(151,680)
Effective Gross Revenue	7,141,363	7,653,319	8,113,683	8,363,223	8,612,074	8,793,197	9,093,175	9,347,017
Operating Expenses								
Real Estate Taxes	725,219	746,975	769,385	792,467	816,240	840,729	865,948	891,928
Electric								
Insurance	50,000	51,500	53,044	54,636	56,276	57,962	59,703	61,493
Payroll/ Labor Costs	705,000	726,151	747,935	770,372	793,484	817,287	841,808	867,060
Cleaning	470,000	484,100	498,623	513,581	528,989	544,859	561,204	578,041
Utilities	644,000	663,320	683,219	703,716	724,827	746,572	768,972	792,038
Repairs & Maintenance	415,000	427,452	440,272	453,481	467,088	481,098	495,531	510,398
Sanitation/ Trash	25,000	25,752	26,522	27,319	28,138	28,980	29,853	30,746
Management Fee	232,095	248,732	263,695	271,804	279,892	285,780	295,527	303,779
Professional Fees	295,000	303,851	312,964	322,355	332,025	341,987	352,245	362,812
Security	115,000	118,452	122,003	125,664	129,433	133,318	137,316	141,435
Miscellaneous/Other	180,000	185,400	190,963	196,691	202,592	208,668	214,930	221,377
Total Operating Expenses	3,856,314	3,981,685	4,108,625	4,232,086	4,358,984	4,487,240	4,623,037	4,761,107
Net Operating Income	3,285,049	3,671,634	4,005,058	4,131,137	4,253,090	4,305,957	4,470,138	4,585,910
Leasing & Capital Costs								
Tenant Improvements	928,890	1,215,092	469,622	737,055		465,061	330,367	140,906
Leasing Commissions	259,627	530,727	176,637	300,017		208,737	148,073	61,546
Reserves	2,390	2,868						
Capital Expenditures	349,499	25,000	924,999	1,075,000	366,668	549,999	554,168	538,701
Total Leasing & Capital C	1,540,406	1,773,687	1,571,258	2,112,072	366,668	1,223,797	1,032,608	741,153
Cash Flow Before Depl. Ser	\$ 1,744,643	\$1,897,947	\$2,433,800	\$2,019,065	\$3,886,422	\$3,082,160	\$3,437,530	\$ 3,844,757
& INCOME TAX								

	For the Years Ending				
	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024
Potential Gross Revenue					
Base Rental Revenue	\$ 8,583,085	\$ 8,850,505	\$ 9,067,428	\$ 9,238,344	\$ 9,448,985
Absorption & Turnover V	(816,582)	(171,747)	(190,085)	(372,573)	(153,085)
Base Rent Abatements	(504,459)	(108,693)	(115,537)	(238,560)	(100,713)
Scheduled Base Rental R	7,262,044	8,570,065	8,761,806	8,627,211	9,195,187
Expense Reimbursement R	1,290,716	1,131,088	1,176,603	1,105,029	1,220,624
Other Income	342,028	352,288	362,858	373,743	384,957
Total Potential Gross Rev	8,894,788	10,033,441	10,301,267	10,105,983	10,800,768
General Vacancy	(133,422)	(492,889)	(491,854)	(308,532)	(558,915)
Collection Loss	(133,422)	(150,803)	(154,518)	(151,589)	(162,012)
Effective Gross Revenue	8,761,366	9,409,749	9,654,895	9,645,862	10,079,841
Operating Expenses					
Real Estate Taxes	918,686	946,248	974,633	1,003,873	1,033,989
Electric					
Insurance	63,339	65,239	67,196	69,212	71,288
Payroll/Labor Costs	893,074	919,865	947,461	975,886	1,005,161
Cleaning	595,381	613,245	631,640	650,590	670,106
Utilities	815,799	840,275	865,482	891,446	918,191
Repairs & Maintenance	525,710	541,482	557,725	574,457	591,691
Sanitation/Trash	31,669	32,619	33,599	34,606	35,642
Management Fee	284,744	305,817	313,784	313,490	327,596
Professional Fees	373,698	384,909	396,455	408,348	420,600
Security	145,680	150,048	154,550	159,188	163,963
Miscellaneous/Other	228,019	234,859	241,905	249,162	256,636
Total Operating Expenses	4,875,799	5,034,606	5,184,430	5,330,258	5,494,863
Net Operating Income	3,885,567	4,375,143	4,470,465	4,315,604	4,584,978
Leasing & Capital Costs					
Tenant Improvements	3,302,979	668,546	702,374	1,475,898	609,202
Leasing Commissions	1,155,570	247,226	271,802	534,961	229,113
Reserves		25,120	55,265	55,265	60,289
Capital Expenditures	317,867				
Total Leasing & Capital C	4,776,416	940,892	1,029,441	2,066,124	898,604
Cash Flow Before Debt Ser	(\$ 890,849)	\$ 3,434,251	\$ 3,441,024	\$ 2,249,480	\$ 3,686,374
& INCOME TAX					

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 7.00%	Net Operating Income
Year 1	Jun-2012	\$ 2,732,789	\$ 2,554,008	1
Year 2	Jun-2013	2,664,133	2,326,957	2
Year 3	Jun-2014	2,981,683	2,433,942	3
Year 4	Jun-2015	3,080,875	2,350,385	4
Year 5	Jun-2016	3,167,740	2,258,555	5
Year 6	Jun-2017	2,944,388	1,961,970	6
Year 7	Jun-2018	3,305,485	2,058,490	7
Year 8	Jun-2019	3,443,225	2,003,988	8
Year 9	Jun-2020	3,302,461	1,796,320	9
Year 10	Jun-2021	3,379,400	1,717,916	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		31,002,179	21,462,530	
Terminal Cap Rate @		6.00%	58,153,767	29,562,426
Selling Costs @		2.50%		
Total Property Present Value			\$51,024,956	
Rounded to Thousands			\$51,000,000	
Per SqFt			\$ 879.23	
Percentage Value Distribution				
Cash Flow			42.06%	
Reversion			57.94%	

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$4,200,064	\$4,309,119	\$4,448,156	\$4,555,756	\$4,651,120	\$4,726,468	\$4,846,038	\$5,000,010
Absorption & Turnover Vacancy	(60,139)	(72,167)				(56,832)		
Base Rent Abatements		(72,167)				(70,312)		
Scheduled Base Rental Revenue	4,200,064	4,176,813	4,448,156	4,555,756	4,651,120	4,599,324	4,846,038	5,000,010
Expense Reimbursement Revenue								
CAM	142,335	124,468	77,608	91,118	105,042	105,642	114,153	128,619
Real Estate Taxes	498,110	486,095	447,313	447,739	455,044	467,354	496,485	531,885
Total Reimbursement Revenue	640,445	610,563	524,921	538,857	560,086	572,996	610,638	660,504
Condenser Water	54,384	56,016	57,696	59,427	61,211	63,046	64,936	66,886
Total Potential Gross Revenue	4,894,893	4,843,392	5,030,773	5,154,040	5,272,417	5,235,366	5,521,612	5,727,400
General Vacancy	(146,846)	(86,967)	(150,924)	(154,620)	(158,173)	(101,934)	(165,649)	(171,823)
Effective Gross Revenue	4,748,047	4,756,425	4,879,849	4,999,420	5,114,244	5,133,432	5,355,963	5,555,577
Operating Expenses								
Insurance	15,840	16,317	16,804	17,309	17,829	18,362	18,914	19,482
Real Estate Taxes	1,194,718	1,204,418	1,204,870	1,205,322	1,213,026	1,238,358	1,274,599	1,311,979
Marketing/Advertising	21,321	21,960	22,620	23,298	23,997	24,717	25,458	26,221
Professional Fees	90,641	93,359	96,161	99,047	102,017	105,079	108,229	111,477
Management Fees	154,311	154,583	158,595	162,481	166,213	166,836	174,069	180,557
Repairs and Maintenance	32,445	33,419	34,420	35,453	36,517	37,612	38,742	39,903
Payroll/Labor Costs	37,851	38,989	40,157	41,363	42,602	43,882	45,197	46,554
Miscellaneous	186,225	24,721	25,464	26,226	27,013	27,825	28,658	29,519
CAM	266,978	274,989	283,236	291,734	300,487	309,501	318,785	328,350
Reserves	14,928	15,377	15,839	16,312	16,803	17,307	17,827	18,360
Total Operating Expenses	2,015,258	1,878,132	1,898,166	1,918,545	1,946,504	1,989,479	2,050,478	2,112,352
Net Operating Income	2,732,789	2,878,293	2,981,683	3,080,875	3,167,740	3,143,953	3,305,485	3,443,225
Leasing & Capital Costs								
Tenant Improvements		9,425						
Leasing Commissions		204,735						
Total Leasing & Capital Costs		214,160						
Cash Flow Before Debt Service & INCOME TAX	\$2,732,789	\$2,664,133	\$2,981,683	\$3,080,875	\$3,167,740	\$2,944,388	\$3,305,485	\$3,443,225

	For the Years Ending				
	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024
Potential Gross Revenue					
Base Rental Revenue	\$5,150,665	\$5,340,808	\$5,447,477	\$5,630,282	\$6,140,085
Absorption & Turnover Vacancy	(51,562)	(47,829)		-323,480	
Base Rent Abatelements	(61,874)	(57,395)		-140,115	-193,057
Scheduled Base Rental Revenue	5,037,229	5,235,584	5,447,477	5,166,687	5,947,028
Expense Reimbursement Revenue					
CAM	122,901	77,070	86,161	93,405	92,222
Real Estate Taxes	555,289	532,362	566,714	534,699	94,890
Total Reimbursement Revenue	678,190	609,432	652,875	628,104	187,112
Condenser Water	68,892	70,959	73,089	75,279	77,540
Total Potential Gross Revenue	5,784,311	5,915,975	6,173,441	5,870,070	6,211,680
General Vacancy	(123,514)	(131,085)	(185,203)		-186,349
Effective Gross Revenue	5,660,797	5,784,890	5,988,238	5,870,070	6,025,331
Operating Expenses					
Insurance	20,066	20,668	21,289	21,927	22,584
Real Estate Taxes	1,330,377	1,389,979	1,430,959	1,498,639	1,543,142
Marketing/Advertising	27,010	27,818	28,655	29,512	30,399
Professional Fees	114,823	118,266	121,814	125,469	129,229
Management Fees	183,975	188,010	194,618	190,777	195,823
Repairs and Maintenance	41,101	42,334	43,604	44,911	46,258
Payroll/Labor Costs	47,951	49,389	50,870	52,396	53,969
Miscellaneous	30,404	31,316	32,255	33,223	34,220
CAM	338,199	348,347	358,796	369,560	380,646
Reserves	18,912	19,479	20,064	20,665	21,286
Total Operating Expenses	2,172,818	2,235,606	2,302,924	2,387,079	2,457,556
Net Operating Income	3,487,979	3,549,284	3,685,314	3,482,991	3,567,775
Leasing & Capital Costs					
Tenant Improvements	9,981	7,056		17,522	96,214
Leasing Commissions	175,537	162,828		415,327	350,718
Total Leasing & Capital Costs	185,518	169,884		432,849	446,932
Cash Flow Before Debt Service & INCOME TAX	\$3,302,461	\$3,379,400	\$3,685,314	\$3,050,142	\$3,120,843

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 7.00%	Net Operating Income
Year 1	Jun-2012	\$ 3,425,987	\$ 3,201,857	1
Year 2	Jun-2013	3,456,308	3,018,873	2
Year 3	Jun-2014	2,677,541	2,185,671	3
Year 4	Jun-2015	3,023,063	2,306,280	4
Year 5	Jun-2016	3,056,575	2,179,296	5
Year 6	Jun-2017	3,090,349	2,059,230	6
Year 7	Jun-2018	3,044,883	1,896,200	7
Year 8	Jun-2019	3,697,307	2,151,866	8
Year 9	Jun-2020	3,760,201	2,045,300	9
Year 10	Jun-2021	3,824,989	1,944,430	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		33,057,203	22,989,004	
Terminal Cap Rate @		6.00%	70,487,506	35,832,274
Selling Costs @		2.50%		
Total Property Present Value			\$58,821,278	
Rounded to Thousands			\$59,000,000	
Per SqFt			\$ 858.01	
Percentage Value Distribution				
Cash Flow			39.08%	
Reversion			60.92%	

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$4,963,179	\$5,191,446	\$5,057,415	\$5,060,538	\$5,127,194	\$5,195,629	\$5,839,194	\$6,017,736
Absorption & Turnover Vacancy	(63,044)	(63,044)	(176,742)				(230,871)	
Base Rent Abatements	(47,283)	(47,283)	(132,557)					
Scheduled Base Rental Revenue	4,963,179	5,081,119	4,748,116	5,060,538	5,127,194	5,195,629	5,608,323	6,017,736
Expense Reimbursement Revenue								
CAM	102,412	108,512	31,195	5,639	8,059	10,554	12,021	19,793
Real Estate Taxes	379,511	410,394	187,461	144,520	177,057	206,154	151,783	150,622
Total Reimbursement Revenue	481,923	518,906	218,656	150,159	185,116	216,708	163,804	170,415
Total Potential Gross Revenue	5,445,102	5,600,025	4,966,772	5,210,697	5,312,310	5,412,337	5,772,127	6,188,151
General Vacancy	(163,353)	(106,848)		(156,321)	(159,369)	(162,371)	(173,162)	(185,644)
Effective Gross Revenue	5,281,749	5,493,177	4,966,772	5,054,376	5,152,941	5,249,966	5,598,965	6,002,507
Operating Expenses								
Insurance	10,558	10,874	11,201	11,537	11,883	12,240	12,607	12,984
Payroll/Labor Costs	31,113	32,046	33,008	33,996	35,018	36,070	37,151	38,265
Management Fees	171,657	178,528	161,420	164,267	167,471	170,624	181,966	195,081
Professional Fees	48,994	50,465	51,978	53,537	55,142	56,797	58,502	60,255
Marketing/Advertising	6,400	6,592	6,791	6,993	7,203	7,419	7,643	7,871
Utilities	1,907	1,964	2,023	2,085	2,146	2,210	2,277	2,345
Repairs and Maintenance	1,000	1,031	1,060	1,092	1,126	1,160	1,194	1,229
Common Area Maintenance	358,327	369,077	380,149	391,554	403,300	415,401	427,860	440,698
Real Estate Taxes	1,200,881	1,249,644	1,293,340	1,339,018	1,385,023	1,428,803	1,471,667	1,515,819
Miscellaneous/Other	7,868	8,103	8,348	8,597	8,856	9,120	9,396	9,675
Reserves	17,057	17,569	18,096	18,637	19,198	19,773	20,365	20,978
Total Operating Expenses	1,855,762	1,925,893	1,967,414	2,031,313	2,096,366	2,159,617	2,230,628	2,305,200
Net Operating Income	3,425,987	3,567,284	2,999,358	3,023,063	3,056,575	3,090,349	3,368,337	3,697,307
Leasing & Capital Costs								
Tenant Improvements		4,048	22,046					
Leasing Commissions		106,928	299,771					
Total Leasing & Capital Costs		110,976	321,817					
Cash Flow Before Debt Service & INCOME TAX	\$3,425,987	\$3,456,308	\$2,677,541	\$3,023,063	\$3,056,575	\$3,090,349	\$3,044,883	\$3,697,307

	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024
For the Years Ending					
Potential Gross Revenue					
Base Rental Revenue	\$6,113,299	\$6,211,722	\$6,313,107	\$ 8,004,933	\$8,469,930
Absorption & Turnover Vacancy				-1,233,188	-253,894
Base Rent Abatements				-455,291	-263,776
Scheduled Base Rental Revenue	6,113,299	6,211,722	6,313,107	6,316,454	7,952,260
Expense Reimbursement Revenue					
CAM	31,245	43,044	55,187	24,795	21,393
Real Estate Taxes	178,084	206,372	235,506	83,644	74,213
Total Reimbursement Revenue	209,329	249,416	290,693	108,439	95,606
Total Potential Gross Revenue	6,322,628	6,461,138	6,603,800	6,424,893	8,047,866
General Vacancy	(189,680)	(193,835)	(198,113)		
Effective Gross Revenue	6,132,948	6,267,303	6,405,687	6,424,893	8,047,866
Operating Expenses					
Insurance	13,375	13,776	14,189	14,615	15,052
Payroll/Labor Costs	39,413	40,596	41,813	43,068	44,360
Management Fees	199,320	203,688	208,186	208,808	261,555
Professional Fees	62,065	63,926	65,843	67,820	69,852
Marketing/Advertising	8,108	8,350	8,601	8,859	9,125
Utilities	2,415	2,488	2,564	2,640	2,719
Repairs and Maintenance	1,267	1,305	1,344	1,383	1,427
Common Area Maintenance	453,917	467,535	481,561	496,009	510,889
Real Estate Taxes	1,561,292	1,608,130	1,656,374	1,735,556	1,787,620
Miscellaneous/Other	9,968	10,265	10,574	10,892	11,219
Reserves	21,607	22,255	22,922	23,611	24,318
Total Operating Expenses	2,372,747	2,442,314	2,513,971	2,613,261	2,738,136
Net Operating Income	3,760,201	3,824,989	3,891,716	3,811,632	5,309,730
Leasing & Capital Costs					
Tenant Improvements				132,828	35,231
Leasing Commissions				1,291,653	596,518
Total Leasing & Capital Costs				1,424,481	631,749
Cash Flow Before Debt Service & INCOME TAX	\$3,760,201	\$3,824,989	\$3,891,716	\$ 2,387,151	\$4,677,981

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 7.00%	Net Operating Income
Year 1	Jun-2012	\$ 2,053,822	\$ 1,919,460	1
Year 2	Jun-2013	1,455,607	1,271,384	2
Year 3	Jun-2014	1,398,205	1,141,352	3
Year 4	Jun-2015	2,026,386	1,545,920	4
Year 5	Jun-2016	2,082,329	1,484,672	5
Year 6	Jun-2017	2,140,611	1,426,379	6
Year 7	Jun-2018	2,201,027	1,370,689	7
Year 8	Jun-2019	2,263,271	1,317,244	8
Year 9	Jun-2020	2,327,364	1,265,932	9
Year 10	Jun-2021	2,393,394	1,216,680	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		20,342,016	13,959,712	
Terminal Cap Rate @		38,408,657	19,525,014	
	6.00%			
Selling Costs @				
	2.50%			
Total Property Present Value			<u>\$33,484,726</u>	
Rounded to Thousands			<u>\$33,000,000</u>	
Per SqFt			\$ 586.67	
Percentage Value Distribution				
Cash Flow			41.69%	
Reversion			58.31%	



Gotham Retail Condominium
 1540 Third Avenue
 New York, NY

Schedule Of Prospective Cash Flow
 In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Potential Gross Revenue								
Base Rental Revenue	\$2,764,276	\$2,502,401	\$2,930,201	\$3,063,928	\$3,132,434	\$3,202,994	\$3,275,674	\$3,350,536
Absorption & Turnover								
Vacancy	(158,650)		(199,868)					
Base Rent Abatements		(99,950)	(119,921)					
Scheduled Base Rental Revenue	2,605,626	2,402,451	2,610,412	3,063,928	3,132,434	3,202,994	3,275,674	3,350,536
Expense Reimbursement Revenue								
Real Estate Taxes	434,940	466,777	221,773	209,027	251,724	285,126	313,045	341,801
CAM	8,537	10,836	10,445	12,046	12,408	12,782	13,164	13,558
Total Reimbursement Revenue	443,477	477,613	232,218	221,073	264,132	297,908	326,209	355,359
Condenser Water	62,315	64,185	66,109	68,094	70,137	72,239	74,408	76,639
Total Potential Gross Revenue	3,111,418	2,944,249	2,908,739	3,353,095	3,466,703	3,573,141	3,676,291	3,782,534
General Vacancy		(88,327)		(100,593)	(104,001)	(107,195)	(110,288)	(113,475)
Effective Gross Revenue	3,111,418	2,855,922	2,908,739	3,252,502	3,362,702	3,465,946	3,566,003	3,669,059
Operating Expenses								
Common Area Maintenance	78,769	81,134	83,568	86,075	88,656	91,317	94,055	96,877
Insurance	14,301	14,729	15,171	15,627	16,095	16,579	17,075	17,588
Payroll/Labor Costs	34,710	35,751	36,825	37,928	39,066	40,237	41,447	42,689
Utilities	54,075	55,697	57,369	59,088	60,863	62,687	64,569	66,504
Marketing/Advertising	6,076	6,260	6,446	6,640	6,841	7,044	7,257	7,474
Management Fees	101,122	92,817	94,535	105,705	109,289	112,642	115,896	119,245
Real Estate Taxes	713,219	768,339	810,012	854,600	897,298	930,696	958,617	987,374
Repairs and Maintenance	1,545	1,592	1,638	1,689	1,739	1,790	1,845	1,899
Professional Fees	36,520	37,614	38,740	39,904	41,101	42,334	43,605	44,910
Miscellaneous/Other	2,775	2,859	2,945	3,033	3,123	3,218	3,315	3,414
Reserves	14,484	14,919	15,367	15,827	16,302	16,791	17,295	17,814
Total Operating Expenses	1,057,596	1,111,711	1,162,616	1,226,116	1,280,373	1,325,335	1,364,976	1,405,788
Net Operating Income	2,053,822	1,744,211	1,746,123	2,026,386	2,082,329	2,140,611	2,201,027	2,263,271
Leasing & Capital Costs								
Tenant Improvements		5,049	7,706					
Leasing Commissions		283,555	340,212					
Total Leasing & Capital Costs		288,604	347,918					
Cash Flow Before Debt Service & INCOME TAX	\$2,053,822	\$1,455,607	\$1,398,205	\$2,026,386	\$2,082,329	\$2,140,611	\$2,201,027	\$2,263,271

Implied Cap

6.2%

5.3%

5.3%

6.1%

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6.5%

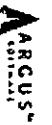
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	Year 9		Year 10		Year 11		Year 12		Year 13	
	Jun-2020	Jun-2021	Jun-2022	Jun-2023	Jun-2022	Jun-2023	Jun-2024	Jun-2024		
For the Years Ending										
Potential Gross Revenue										
Base Rental Revenue	\$3,427,638	\$3,507,058	\$3,588,854	\$3,835,366	\$3,993,517	\$3,993,517	\$3,993,517	\$3,993,517	\$3,993,517	\$3,993,517
Absorption & Turnover Vacancy				-250,915	-287,113	-287,113	-287,113	-287,113	-287,113	-287,113
Base Rent Abatements				-150,549	-172,268	-172,268	-172,268	-172,268	-172,268	-172,268
Scheduled Base Rental Revenue	3,427,638	3,507,058	3,588,854	3,433,902	3,534,136	3,534,136	3,534,136	3,534,136	3,534,136	3,534,136
Expense Reimbursement Revenue										
Real Estate Taxes	371,422	401,935	433,359	390,004	301,932	301,932	301,932	301,932	301,932	301,932
CAM	13,966	14,385	14,817	14,236	14,155	14,155	14,155	14,155	14,155	14,155
Total Reimbursement Revenue	385,388	416,320	448,176	404,240	316,087	316,087	316,087	316,087	316,087	316,087
Condenser Water	78,938	81,307	83,747	86,238	88,847	88,847	88,847	88,847	88,847	88,847
Total Potential Gross Revenue	3,891,964	4,004,685	4,120,777	3,924,400	3,939,070	3,939,070	3,939,070	3,939,070	3,939,070	3,939,070
General Vacancy	(116,760)	(120,141)	(123,623)	(123,623)	(123,623)	(123,623)	(123,623)	(123,623)	(123,623)	(123,623)
Effective Gross Revenue	3,775,204	3,884,544	3,997,154	3,924,400	3,939,070	3,939,070	3,939,070	3,939,070	3,939,070	3,939,070
Operating Expenses										
Common Area Maintenance	99,784	102,778	105,861	109,035	112,309	112,309	112,309	112,309	112,309	112,309
Insurance	18,116	18,658	19,218	19,796	20,388	20,388	20,388	20,388	20,388	20,388
Payroll/Labor Costs	43,969	45,289	46,647	48,048	49,488	49,488	49,488	49,488	49,488	49,488
Utilities	68,500	70,557	72,671	74,853	77,098	77,098	77,098	77,098	77,098	77,098
Marketing/Advertising	7,698	7,979	8,167	8,412	8,664	8,664	8,664	8,664	8,664	8,664
Management Fees	122,693	126,248	129,908	127,544	128,019	128,019	128,019	128,019	128,019	128,019
Real Estate Taxes	1,016,996	1,047,507	1,078,932	1,130,507	1,164,423	1,164,423	1,164,423	1,164,423	1,164,423	1,164,423
Repairs and Maintenance	1,957	2,016	2,076	2,139	2,203	2,203	2,203	2,203	2,203	2,203
Professional Fees	46,261	47,646	49,077	50,548	52,066	52,066	52,066	52,066	52,066	52,066
Miscellaneous/Other	3,517	3,623	3,730	3,842	3,959	3,959	3,959	3,959	3,959	3,959
Reserves	18,349	18,899	19,465	20,051	20,651	20,651	20,651	20,651	20,651	20,651
Total Operating Expenses	1,447,840	1,491,150	1,535,752	1,594,775	1,639,268	1,639,268	1,639,268	1,639,268	1,639,268	1,639,268
Net Operating Income	2,327,364	2,393,394	2,461,402	2,329,625	2,299,802	2,299,802	2,299,802	2,299,802	2,299,802	2,299,802
Leasing & Capital Costs										
Tenant Improvements				6,786	10,355	10,355	10,355	10,355	10,355	10,355
Leasing Commissions				427,105	488,721	488,721	488,721	488,721	488,721	488,721
Total Leasing & Capital Costs				433,891	499,076	499,076	499,076	499,076	499,076	499,076
Cash Flow Before Debt Service & INCOME TAX	\$2,327,364	\$2,393,394	\$2,461,402	\$1,895,734	\$1,800,726	\$1,800,726	\$1,800,726	\$1,800,726	\$1,800,726	\$1,800,726
Implied Cap	7.1%	7.3%								

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 7.50%	Net Operating Income
Year 1	Jun-2012	\$ 218,556	\$ 203,308	1
Year 2	Jun-2013	1,205,239	1,042,933	2
Year 3	Jun-2014	1,259,134	1,013,553	3
Year 4	Jun-2015	1,222,141	915,140	4
Year 5	Jun-2016	1,546,299	1,077,088	5
Year 6	Jun-2017	1,694,329	1,097,860	6
Year 7	Jun-2018	1,705,821	1,028,192	7
Year 8	Jun-2019	1,522,551	853,698	8
Year 9	Jun-2020	1,488,558	776,407	9
Year 10	Jun-2021	1,661,147	805,978	10
Year 11	Jun-2022 NOI			11
Total Cash Flow		13,523,775	8,814,157	2,129,095
Terminal Cap Rate @	6.25%	33,213,877	16,115,171	
Selling Costs @	2.50%			
Total Property Present Value			<u>\$24,929,328</u>	
Rounded to Thousands			<u>\$25,000,000</u>	
Per SqFt			1,436.29	
Percentage Value Distribution				
Cash Flow			35.36%	
Reversion			64.64%	



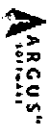
Westport Retail
Westport, CT

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
Potential Gross Revenue	\$1,522,511	\$1,522,510	\$1,601,609	\$1,876,120	\$1,884,597	\$2,043,122	\$2,056,491	\$1,928,983
Absorption & Turnover Vacancy			(68,604)	(141,327)				(60,735)
Base Rent Abatements	(314,125)			(105,995)				(31,886)
Scheduled Base Rental Revenue	1,208,386	1,522,510	1,533,005	1,628,798	1,884,597	2,043,122	2,056,491	1,836,362
Expense Reimbursement Revenue								
CAM less RET	5,372	5,953	5,598	9,259	14,067	14,902	15,772	24,367
Real Estate Taxes	60,134	67,613	65,135	60,861	89,222	97,571	106,175	142,928
Total Reimbursement Revenue	65,506	73,566	70,733	70,120	103,289	112,473	121,947	167,295
Total Potential Gross Revenue	1,273,892	1,596,076	1,603,738	1,698,918	1,987,886	2,155,595	2,178,438	2,003,657
General Vacancy	(44,587)	(55,862)			(69,576)	(75,445)	(76,246)	(11,518)
Collection Loss	(19,108)	(23,941)	(24,057)	(25,484)	(29,818)	(32,333)	(32,677)	(30,055)
Effective Gross Revenue	1,210,197	1,516,273	1,579,681	1,673,434	1,888,492	2,047,817	2,069,515	1,962,084
Operating Expenses								
Insurance	9,103	9,375	9,658	9,947	10,245	10,553	10,870	11,196
Real Estate Taxes	247,692	255,123	262,776	270,660	278,780	287,142	295,757	304,631
Payroll/Labor Costs	5,535	5,701	5,872	6,049	6,229	6,418	6,609	6,807
Management Fees	12,103	15,163	15,797	16,734	18,884	20,478	20,695	19,622
Professional Fees	9,623	9,911	10,209	10,515	10,831	11,156	11,490	11,834
Repairs and Maintenance	7,400	7,620	7,851	8,087	8,328	8,580	8,835	9,102
Utilities	1,571	1,618	1,666	1,716	1,768	1,822	1,875	1,933
Miscellaneous/Other	2,012	2,072	2,135	2,198	2,265	2,331	2,403	2,474
Reserves	4,320	4,451	4,583	4,721	4,863	5,008	5,160	5,314
Total Operating Expenses	299,359	311,034	320,547	330,627	342,193	353,488	363,694	372,913
Net Operating Income	910,838	1,205,239	1,259,134	1,342,807	1,546,299	1,694,329	1,705,821	1,589,171
Leasing & Capital Costs								
Tenant Improvements	398,871			21,199				6,377
Leasing Commissions	293,411			99,467				60,243
Total Leasing & Capital Costs	692,282			120,666				66,620
Cash Flow Before Debt Service & INCOME TAX	\$ 218,556	\$1,205,239	\$1,259,134	\$1,222,141	\$1,546,299	\$1,694,329	\$1,705,821	\$1,522,551

	For the Years Ending				
	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024
Potential Gross Revenue					
Base Rental Revenue	\$1,938,516	\$1,961,838	\$2,328,731	\$2,391,488	\$2,463,239
Absorption & Turnover Vacancy	(81,918)		(236,597)		(70,409)
Base Rent Abatelements	(43,007)		(124,212)		(36,965)
Scheduled Base Rental Revenue	1,813,591	1,961,838	1,967,922	2,391,488	2,355,865
Expense Reimbursement Revenue					
CAM/less RET	25,858	29,429	59,291	67,946	68,001
Real Estate Taxes	152,345	173,489	301,358	345,322	345,593
Total Reimbursement Revenue	178,203	202,918	360,649	413,268	413,594
Total Potential Gross Revenue	1,991,794	2,164,756	2,328,571	2,804,756	2,769,459
General Vacancy		(75,766)		-98,167	-28,986
Collection Loss	(29,877)	(32,471)	(34,929)	-42,071	-41,542
Effective Gross Revenue	1,961,917	2,056,519	2,293,642	2,664,518	2,698,931
Operating Expenses					
Insurance	11,531	11,877	12,233	12,601	12,979
Real Estate Taxes	313,768	323,183	332,877	342,864	353,149
Payroll/Labor Costs	7,011	7,223	7,438	7,661	7,893
Management Fees	19,620	20,564	22,938	26,643	26,990
Professional Fees	12,191	12,554	12,934	13,320	13,720
Repairs and Maintenance	9,373	9,657	9,944	10,244	10,550
Utilities	1,991	2,050	2,111	2,174	2,241
Miscellaneous/Other	2,548	2,626	2,703	2,785	2,869
Reserves	5,472	5,638	5,807	5,979	6,160
Total Operating Expenses	383,505	395,372	408,985	424,271	436,551
Net Operating Income	1,578,412	1,661,147	1,884,657	2,240,247	2,262,380
Leasing & Capital Costs					
Tenant Improvements	8,601		24,843		7,393
Leasing Commissions	81,253		234,677		69,838
Total Leasing & Capital Costs	89,854		259,520		77,231
Cash Flow Before Debt Service & INCOME TAX	\$1,488,558	\$1,661,147	\$1,625,137	\$2,240,247	\$2,185,149

Analysis Period	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 7.50%	Net Operating Income
Year 1	Jun-2012	\$ 347,376	\$ 323,140	1
Year 2	Jun-2013	305,392	264,266	2
Year 3	Jun-2014	324,277	261,030	3
Year 4	Jun-2015	372,704	279,081	4
Year 5	Jun-2016	384,727	267,985	5
Year 6	Jun-2017	396,271	256,768	6
Year 7	Jun-2018	313,754	189,117	7
Year 8	Jun-2019	382,873	214,678	8
Year 9	Jun-2020	309,334	161,344	9
Year 10	Jun-2021	376,146	182,504	10
Year 11	Jun-2022 NOI			371,768 11
Total Cash Flow		3,512,854	2,399,912	
Terminal Cap Rate @		5,799,576	2,813,919	
		6.25%		
Selling Costs @				
		2.50%		
Total Property Present Value			\$5,213,831	
Rounded to Thousands			\$5,000,000	
Per SqFt			1,154.73	
Percentage Value Distribution				
Cash Flow			46.03%	
Reversion			53.97%	



103-107 Main Street
103-107 Main Street
Westport, CT

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 7/1/2011

	Year 1 Jun-2012	Year 2 Jun-2013	Year 3 Jun-2014	Year 4 Jun-2015	Year 5 Jun-2016	Year 6 Jun-2017	Year 7 Jun-2018	Year 8 Jun-2019
For the Years Ending								
Potential Gross Revenue								
Base Rental Revenue	\$423,702	\$459,015	\$469,977	\$443,661	\$456,970	\$470,679	\$474,253	\$463,412
Absorption & Turnover Vacancy	(38,282)	(37,131)					(44,380)	(21,523)
Base Rent Abatements	(19,512)	(17,500)		(875)			(19,512)	
Scheduled Base Rental Revenue	423,702	401,221	415,346	442,786	456,970	470,679	410,361	441,889
Expense Reimbursement Revenue								
Real Estate Taxes	72,806	68,556	70,994	79,555	81,943	84,400	79,472	85,922
Insurance	3,676	4,262	3,977	1,953	2,009	2,072	1,948	2,110
CAM		3,615	8,026	14,879	15,327	15,788	14,863	16,073
Total Reimbursement Revenue	76,482	76,433	82,997	96,387	99,279	102,260	96,283	104,105
Condenser Water	299	308	316	327	336	347	357	368
Total Potential Gross Revenue	500,483	477,962	498,659	539,500	556,585	573,286	507,001	546,362
General Vacancy	(25,025)			(26,975)	(27,828)	(28,664)		(6,872)
Effective Gross Revenue	475,458	477,962	498,659	512,525	528,757	544,622	507,001	539,490
Operating Expenses								
Insurance	1,786	1,838	1,896	1,952	2,010	2,070	2,133	2,196
Payroll/Labor Costs	5,263	5,421	5,583	5,751	5,925	6,100	6,285	6,472
Professional Fees	21,281	21,919	22,577	23,255	23,952	24,670	25,411	26,172
Management Fees	9,510	9,559	9,973	10,251	10,574	10,893	10,140	10,789
Marketing/Advertising	8,000	8,240	8,486	8,742	9,004	9,276	9,551	9,840
Repairs and Maintenance	5,500	5,665	5,835	6,011	6,190	6,375	6,568	6,765
Utilities	300	309	318	327	338	349	359	368
Real Estate Taxes	72,805	74,989	77,239	79,557	81,942	84,401	86,933	89,541
Miscellaneous/Other	2,555	2,631	2,712	2,792	2,876	2,962	3,050	3,143
Reserves	1,082	1,115	1,148	1,183	1,219	1,255	1,293	1,331
Total Operating Expenses	128,082	131,686	135,767	139,821	144,030	148,351	151,723	156,617
Net Operating Income	347,376	346,276	362,892	372,704	384,727	396,271	355,278	382,873
Leasing & Capital Costs								
Tenant Improvements		4,019	3,899				4,659	
Leasing Commissions		36,865	34,716				36,865	
Total Leasing & Capital Costs		40,884	38,615				41,524	
Cash Flow Before Debt Service & Taxes	\$347,376	\$305,392	\$324,277	\$372,704	\$384,727	\$396,271	\$313,754	\$382,873

	For the Years Ending				
	Year 9 Jun-2020	Year 10 Jun-2021	Year 11 Jun-2022	Year 12 Jun-2023	Year 13 Jun-2024
Potential Gross Revenue					
Base Rental Revenue	\$446,656	\$454,722	\$468,364	\$484,856	\$459,898
Absorption & Turnover/Vacancy	(22,168)			-51,448	
Base Rent Abatements	(18,375)			-19,512	
Scheduled Base Rental Revenue	406,113	454,722	468,364	413,896	459,898
Expense Reimbursement Revenue					
Real Estate Taxes	88,499	94,994	97,842	92,131	103,801
Insurance	2,171	2,329	2,401	2,260	2,546
CAM	16,555	17,768	18,302	17,227	19,416
Total Reimbursement Revenue	107,225	115,091	118,545	111,618	125,763
Condenser Water	378	390	401	414	427
Total Potential Gross Revenue	513,716	570,203	587,310	525,928	586,088
General Vacancy	(4,626)	(28,511)	(29,365)		-29,304
Effective Gross Revenue	509,090	541,692	557,945	525,928	556,784
Operating Expenses					
Insurance	2,263	2,329	2,401	2,472	2,547
Payroll/Labor Costs	6,667	6,867	7,073	7,285	7,504
Professional Fees	26,958	27,768	28,599	29,459	30,342
Management Fees	10,181	10,836	11,159	10,519	11,134
Marketing/Advertising	10,134	10,439	10,751	11,074	11,406
Repairs and Maintenance	6,968	7,175	7,392	7,613	7,842
Utilities	380	392	402	416	428
Real Estate Taxes	92,227	94,993	97,845	100,778	103,803
Miscellaneous/Other	3,236	3,334	3,432	3,538	3,643
Reserves	1,371	1,413	1,454	1,499	1,544
Total Operating Expenses	160,385	165,546	170,508	174,653	180,193
Net Operating Income	348,705	376,146	387,437	351,275	376,591
Leasing & Capital Costs					
Tenant Improvements	4,655			5,402	
Leasing Commissions	34,716			36,865	
Total Leasing & Capital Costs	39,371			42,267	
Cash Flow Before Debt Service & Taxes	\$309,334	\$376,146	\$387,437	\$309,008	\$376,591

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persons who have been principals of, or are related to principals of, the supervisor. The supervisor has played the central role in administering the subject LLCs and the agents' role has been primarily performing ministerial functions and consenting to matters proposed by the supervisor for which the participants have given any required consent. The agents have a duty to comply with the participating agreements and the organizational documents of the subject LLCs and owe a fiduciary duty to the participants in their participation groups.

The participants are divided into participating groups and the participants in each participating group have been granted participations in the membership interest of one of the agents. Under the participating agreements, the agent has the right to take all actions with respect to its membership interest, except for certain significant actions, such as sales, financings and amendment to the operating lease, that require the consent of the participants. For a more detailed list of such actions requiring consent of the participants, see "Comparison of Ownership of Participation Interests, Operating Partnership Units and Shares of Common Stock—Voting Rights." The agents distribute all amounts received by them to the participants in their participating group, pro rata in proportion to their participation interests.

The Malkin Holdings group and the Helmsley estate own, on an aggregate basis, the following interests in each of the subject LLCs, each of the operating lessees and the private entities (other than the operating lessees), as a group, based on exchange values and percentage of aggregate exchange value for the applicable entity:

Entity	Malkin Holdings group		Helmsley estate	
	Exchange Value	Percentage	Exchange Value	Percentage
Empire State Building Associates L.L.C.				
As holders of participation interests ⁽¹⁾	\$ 74,481,907	6.29%	\$ 971,410	0.08%
Override Interests ⁽²⁾	\$ 108,143,382	9.14%	—	—
Total	\$ 182,625,289	15.43%	\$ 971,410	0.08%
60 East 42 nd St. Associates L.L.C.				
As holders of participation interests ⁽¹⁾	\$ 22,600,706	7.22%	\$ 1,207,974	0.39%
Override Interests ⁽²⁾	\$ 31,208,953	9.97%	—	—
Total	\$ 53,809,659	17.19%	\$ 1,207,974	0.39%
250 West 57 th St. Associates L.L.C.				
As holders of participation interests	\$ 10,933,720	6.71%	\$ 452,957	0.28%
Override Interests ⁽²⁾	\$ 12,207,951	7.49%	—	—
Total	\$ 23,141,671	14.19%	\$ 452,957	0.28%
Empire State Building Company L.L.C.				
As holders of participation interests ⁽¹⁾	\$ 24,724,899	2.13%	\$ 740,862,007	63.75%
Override Interests ⁽²⁾	\$ 52,889,643	4.55%	—	—
Total	\$ 77,614,543	6.68%	\$ 740,862,007	63.75%
Lincoln Building Associates L.L.C.				
As holders of participation interests ⁽¹⁾	\$ 19,979,144	6.75%	\$ 79,916,576	27.00%
Override Interests ⁽²⁾	\$ 29,598,732	10.0%	—	—
Total	\$ 49,577,876	16.75%	\$ 79,916,576	27.00%
Fisk Building Associates L.L.C.				
As holders of participation interests	\$ 18,354,490	12.14%	\$ 47,611,871	31.50%
Override Interests ⁽²⁾	\$ 31,851,768	21.07%	—	—
Total	\$ 50,206,258	33.22%	\$ 47,611,871	31.50%
Other Private Entities				
As holders of participation interests ⁽¹⁾	\$ 239,052,294	26.65%	\$ 157,600,323	17.57%
Override Interests ⁽²⁾	\$ 38,451,943	4.29%	—	—
Total	\$ 277,504,237	30.94%	\$ 157,600,323	17.57%
Aggregate in subject LLCs and private entities	\$ 714,479,533	—	\$1,028,623,118	—

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- (1) Does not include participation interests in which the Malkin Holdings group controls the vote, but does not have an economic interest. A member of the Malkin Holdings group is the trustee of a trust that owns participation interests. The member of the Malkin Holdings group does not require the consent of the participants/partners to give its consent with respect to such participation interests. These participation interests represent 0.15% of the participation interests of Empire State Building Associates L.L.C. The economic interests in such participation interests are held by unaffiliated third parties and have an exchange value of \$1,619,017.
- (2) The percentage determined is based on the percentage of distributions that will be received based on the exchange values, which were determined as described in "Exchange Value and Allocation of Operating Partnership Units and Common Stock—Derivation of Exchange Values." In the case of Empire State Building Associates L.L.C. and 250 West 57th St. Associates L.L.C., the override interests included in the table represent a voluntary capital override, which was voluntarily agreed to by certain participants.
- (3) Does not include participation interests in which the Malkin Holdings group controls the vote, but does not have an economic interest. A member of the Malkin Holdings group is the trustee of a trust that owns participation interests. The member of the Malkin Holdings group does not require the consent of the participants/partners to give its consent with respect to such participation interests. These participation interests represent 0.14% of the participation interests of 60 East 42nd St. Associates L.L.C. The economic interests in such participation interests are held by unaffiliated third parties and have an exchange value of \$402,658.
- (4) Does not include participation interests in which the Malkin Holdings group controls the vote, but does not have an economic interest. A member of the Malkin Holdings group either acts as agent for a participating group that owns the economic interests in the participation interests or is the general partner of a partnership that owns participation interests. In either case, the member of the Malkin Holdings group does not require the consent of the participants/partners to give its consent with respect to such participation interests. These participation interests represent 23.75% of the participation interests of Empire State Building Company L.L.C. The economic interests in such participation interests are held by unaffiliated third parties and have an exchange value of \$180,266,284.
- (5) Does not include participation interests in which the Malkin Holdings group controls the vote, but does not have an economic interest. A member of the Malkin Holdings group is the trustee of a trust that owns participation interests. The member of the Malkin Holdings group does not require the consent of the participants/partners to give its consent with respect to such participation interests. These participation interests represent 5.0% of the participation interests of Lincoln Building Associates L.L.C. The economic interests in such participation interests are held by unaffiliated third parties and have an exchange value of \$13,319,429.
- (6) Does not include participation interests in which the Malkin Holdings group controls the vote, but does not have an economic interest. A member of the Malkin Holdings group either acts as agent for a participating group that owns the economic interests in the participation interests, is the general partner of a partnership that owns participation interests or is the trustee of a trust that owns participation interests in certain of the subject LLCs and private entities. In either case, the member of the Malkin Holdings group does not require the consent of the participants/partners to give its consent with respect to such participation interests. With respect to the other private entities, a member of the Malkin Holdings group serves as trustee for a trust that holds participation interests in one of the other private entities. These participation interests represent 1.1% of the participation interests in such private entity. The economic interests in such participation interests are held by unaffiliated third parties and have an aggregate exchange value of \$1,586,319.

Property	Ground Lease Type
The Empire State Building	Operating Lease with Private Entity
One Grand Central Place	Operating Lease with Private Entity
250 W 57th Street	Operating Lease with Private Entity
1350 Broadway	Third-Party Operating Lease with Private Entity
501 Seventh Avenue	Operating Lease with Private Entity

Four of the properties owned by the subject LLCs and private entities listed above are subject to operating leases with a private entity. A subsidiary of Malkin Holdings LLC is supervisor to both the property owner or ground lessee with a third-party and the operating lessee.

One of the properties (which is owned by a private entity) listed above is subject to a “third-party” ground lease, which is a standard ground lease in which a third-party owns the land, and a subsidiary of the private entity is the lessee of the land and the owner of the building, until ground lease expiration when building ownership reverts back to the ground lessor. The private entity that is the ground lessee makes contractual ground rent payments to the third-party land owner for these properties.

As some of the properties owned by the subject LLCs and private entities are subject to operating leases, the independent valuer determined the value for the private entity that is the property owner or ground lessee with a third-party and the private entity that is the operating lessee. In order to determine the market value of the land and building, the independent valuer used the same discounted cash flow technique highlighted above to estimate the value of the unencumbered property. Secondly, the independent valuer deducted the present value of the fixed rent payments. Lastly, the independent valuer split the adjusted value evenly between the private entity that is the property owner or ground lessee with a third-party and the private entity that is the operating lessee.

The allocated exchange value was allocated 50% to the property owner and 50% to the operating lessee in a two tier entity instead of being allocated in accordance with discounted cash flow based on representations of the supervisor as to the original intent to treat the two tier entities as equivalent to a joint venture and the historical treatment of the two tier entities in this manner. The supervisor has represented that historically, agreements have been entered into to share capital expenditure and financing costs and the operating leases have been extended in connection therewith. As a result, the allocated exchange value has been allocated equally to the property owner and operating lessee, rather than in proportion to discounted cash flow, which would have resulted in a higher allocation to the property owner, which, in the case of Empire State Building Associates L.L.C. would have been significantly higher.

For the property subject to a third-party ground lease, the independent valuer estimated the value of the private entity that is the ground lessee by calculating the present value of the future cash flows through the contractual term including all potential extensions noting that the reversion of the building would flow to the third-party ground lessor.

In applying the discounted cash flow technique, the independent valuer estimated the operating results over a hypothetical 10-year holding period and assumed the properties owned by the subject LLCs and private entities would be sold at the end of the final year for a price calculated by capitalizing the following year’s projected net operating income. The independent valuer averaged the 11th, 12 and 13th years to account for any inconsistencies in cash flow. The independent valuer then discounted the cash flows at a rate reflective of market conditions, bearing in mind the investment characteristics of the properties owned by the subject LLCs and private entities. Lastly, the



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ground lessee with a third-party and the private entity that is the operating lessee. In order to determine the market value of the land and building, the independent valuer used the same discounted cash flow technique highlighted above to estimate the value of the unencumbered property. Secondly, the independent valuer deducted the present value of the fixed rent payments. Lastly, as more fully described in the "Exchange Value and Allocation of Operating Partnership Units and Common Stock—Derivation of Exchange Values" section, the independent valuer split the adjusted value evenly between the private entity or subject LLC that is the property owner or ground lessee with a third-party and the private entity that is the operating lessee.

The allocated exchange value (determined after deducting the present value of the fixed lease payments) was allocated 50% to the property owner and 50% to the operating lessee in a two tier entity instead of being allocated in accordance with discounted cash flow based on representations of the supervisor as to the original intent to treat the two tier entities as equivalent to a joint venture and the historical treatment of the two tier entities in this manner. The supervisor has represented that historically, agreements have been entered into to share capital expenditure and financing costs, and the operating leases have been extended in connection therewith. As a result, such allocated exchange value has been allocated equally to the property owner and operating lessee, rather than in proportion to the value indicated by the discounted cash flow analysis, which would have resulted in a significantly higher allocation to Empire State Building Associates L.L.C.

Supervisor's Reasons for Representation as to 50/50 Allocation

The supervisor made this representation to the independent valuer for the following reasons:

- When Lawrence A. Wien, and subsequently Lawrence A. Wien and Peter L. Malkin, structured the transactions involving the subject LLCs and the operating lessees, prepared the agreements establishing the structure, and marketed these investments, the intent of those who created the structure and drafted the agreements related thereto from the beginning was to achieve the economic attributes of a 50/50 joint venture. The primary objective of the unique format of the documents established by Mr. Wien, and then Mr. Wien and Mr. Peter Malkin, from the initiation of the investment groups by the supervisor was to establish a joint venture treatment which would offer the subject LLC investors favorable, flow-through tax treatment for U.S. federal income tax purposes while at the same time protecting the passive investors in the subject LLCs from general partner liability for building operations. The facts at the time dictated the transaction structure.
- When the subject LLCs were formed, the only entity structure which allowed flow-through tax treatment for U.S. federal income tax purposes was a general partnership which exposed investors to general partner liability. Limited partnerships with corporate characteristics subject to entity-level tax as corporations for U.S. federal income tax purposes, and limited liability companies had not yet been created. Lawrence A. Wien created the operating lease legal structure to produce the desirable result of flow-through tax treatment while protecting the investors against general partner liability for operations. His unique deal structure helped him raise money from the small investors who invested with him. This information is the understanding of persons still associated with the supervisor who were involved in the original structuring, and is reflected in the economic realities of the terms of the operating leases.
- When each property was acquired, a large group of passive investors invested in participations in member interests under partnership agreements through agents, who were members of, related to, or close business partners of the supervisor. Each partnership (holding either the fee title or ground leasehold of the property) became the lessor, which was supervised by the supervisor. Lawrence A. Wien, and later Lawrence A. Wien and Peter L. Malkin, formed in each case a small group of participants who created the entity known as the operating lessee. These individuals functioned as managing partners and were supervised by the supervisor. From the inception of each subject LLC and disclosed to every investor from inception, Lawrence A. Wien, then Lawrence A. Wien and Peter L. Malkin, then Peter L. Malkin and Anthony E. Malkin, have controlled the supervisor, had interests in the lessor, and had interests in and/or controlled the operating lessee. Part of the presentation of the



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ground lessee with a third-party and the private entity that is the operating lessee. In order to determine the market value of the land and building, the independent valuer used the same discounted cash flow technique highlighted above to estimate the value of the unencumbered property. Secondly, the independent valuer deducted the present value of the fixed rent payments. Lastly, as more fully described in the "Exchange Value and Allocation of Operating Partnership Units and Common Stock—Derivation of Exchange Values" section, the independent valuer split the adjusted value evenly between the private entity or subject LLC that is the property owner or ground lessee with a third-party and the private entity that is the operating lessee.

The allocated exchange value (determined after deducting the present value of the fixed lease payments) was allocated 50% to the property owner and 50% to the operating lessee in a two tier entity instead of being allocated in accordance with discounted cash flow based on representations of the supervisor as to the original intent to treat the two tier entities as equivalent to a joint venture and the historical treatment of the two tier entities in this manner. The supervisor has represented that historically, agreements have been entered into to share capital expenditure and financing costs, and the operating leases have been extended in connection therewith. As a result, such allocated exchange value has been allocated equally to the property owner and operating lessee, rather than in proportion to the value indicated by the discounted cash flow analysis, which would have resulted in a significantly higher allocation to Empire State Building Associates L.L.C.

Supervisor's Reasons for Representation as to 50/50 Allocation

The supervisor made this representation to the independent valuer for the following reasons:

- When Lawrence A. Wien, and subsequently Lawrence A. Wien and Peter L. Malkin, structured the transactions involving the subject LLCs and the operating lessees, prepared the agreements establishing the structure, and marketed these investments, the intent of those who created the structure and drafted the agreements related thereto from the beginning was to achieve the economic attributes of a 50/50 joint venture. The primary objective of the unique format of the documents established by Mr. Wien, and then Mr. Wien and Mr. Peter Malkin, from the initiation of the investment groups by the supervisor was to establish a joint venture treatment which would offer the subject LLC investors favorable, flow-through tax treatment for U.S. federal income tax purposes while at the same time protecting the passive investors in the subject LLCs from general partner liability for building operations. The facts at the time dictated the transaction structure.
- When the subject LLCs were formed, the only entity structure which allowed flow-through tax treatment for U.S. federal income tax purposes was a general partnership which exposed investors to general partner liability. Limited partnerships with corporate characteristics subject to entity-level tax as corporations for U.S. federal income tax purposes, and limited liability companies had not yet been created. Lawrence A. Wien created the operating lease legal structure to produce the desirable result of flow-through tax treatment while protecting the investors against general partner liability for operations. His unique deal structure helped him raise money from the small investors who invested with him. This information is the understanding of persons still associated with the supervisor who were involved in the original structuring, and is reflected in the economic realities of the terms of the operating leases.
- When each property was acquired, a large group of passive investors invested in participations in member interests under partnership agreements through agents, who were members of, related to, or close business partners of the supervisor. Each partnership (holding either the fee title or ground leasehold of the property) became the lessor, which was supervised by the supervisor. Lawrence A. Wien, and later Lawrence A. Wien and Peter L. Malkin, formed in each case a small group of participants who created the entity known as the operating lessee. These individuals functioned as managing partners and were supervised by the supervisor. From the inception of each subject LLC and disclosed to every investor from inception, Lawrence A. Wien, then Lawrence A. Wien and Peter L. Malkin, then Peter L. Malkin and Anthony E. Malkin, have controlled the supervisor, had interests in the lessor, and had interests in and/or controlled the operating lessee. Part of the presentation of the

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subject LLCs by Mr. Wien and Mr. Peter L. Malkin when marketing the subject entity to investors was that both of the two entities were supervised by Mr. Wien and/or Mr. Peter L. Malkin and that Mr. Wien and Mr. Malkin were also investors in the operating lessee of each subject property.

- This two-tier operating lessee/lessor arrangement synthesized a conventional joint venture waterfall while protecting investors from taxes at the entity level and general partner liability. After a fixed annual priority distribution of income (equal to basic rent of \$6,018,750, \$28,000 and \$24,000 (in addition to amounts attributable to debt service), respectively, and in the case of 60 East 42nd St. Associates, L.L.C. and 250 West 57th St. Associates, L.L.C., \$1,053,800 and \$752,000, respectively, as primary additional rent, as provided in the operating lease for each of Empire State Building Associates, L.L.C., 60 East 42nd St. Associates, L.L.C., and 250 West 57th St. Associates, L.L.C.) to the passive investors in the lessor position, who had provided cash for the acquisition (this initial allocation of income was referred to as "basic rent"), in the case of Empire State Building Associates L.L.C., income in the amount of \$1,000,000 is allocated to the operating lessee (*i.e.*, the managing partners), and in the case of 60 East 42nd St. Associates, L.L.C. and 250 West 57th St. Associates, L.L.C., income in the amount of \$1,053,800 and \$752,000, respectively, is allocated to the fee owner as primary additional rent out of profits, and then, in each case, the remaining income is shared 50/50 between the investors (*i.e.* managing partners) in the operating lessee and the cash investors in the lessor through "overage rent" equal to 50% of the remaining property profits.
- Consistent with this structure, for the third party ground lease and acquisition mortgage in effect at inception of the investment at the Empire State Building, the operating lease provided for reducing the operating lessee's basic rent to the lessor by 50% of any reduction in the lessor's required payments to third parties for such ground lease rent and such mortgage, all to maintain the 50/50 sharing in such two-tier arrangement.
- The residual interest in the property owned by each subject LLC as lessor (*i.e.*, the value after expiration of the operating lease) was not viewed as having any material additional value (in excess of the present value of the basic rent to be received under the operating lease), because the scheduled lease terms (with renewals) were fixed to continue for more than 100 years in the future. Even then, the parties' relative positions in the structure have fostered a practice of lease term extensions. Each subject LLC would be entitled to 100% of the remaining value only if the lease were terminated.
- Pursuant to the operating lease, the lessor has no say in property operations, improvements, leasing, repairs, maintenance, insurance, real estate tax protests, or any other decision regarding the operation of real estate. Only the operating lessee controls the operations of the property. Cooperation of the lessor and the operating lessee is required to mortgage the property efficiently, because both positions are generally required as collateral for any financing of size. Thus, the parties were from inception placed in structural positions of economic and management interdependence, and by design the supervisor represents both parties and can make this relationship function.
- The lessor can not sell the entire property without the cooperation of the operating lessee. While the lessor can sell its fee interest in the property without the operating lessee's consent, the lessor does not have any right to sell the property free of the operating lease. Because any sale by the lessor alone is subject to the operating lease, a buyer would be subject to the operating lessee's continuing to determine leasing, capital expenditure, property operation, and all issues which determine property performance and distributions to the lessor as noted above. Thus, the decision to sell the entire property and the sharing of any resulting sale proceeds requires joint action between the subject LLC and operating lessee.
- Under the supervisor, the lessors and the operating lessees subject to this structure have historically shared the costs of required building improvements. This was the original intention of Mr. Wien, and later Mr. Wien and Mr. Peter L. Malkin, because of the mutual benefit to the lessor and the operating lessee from any such improvement. These arrangements flow from the terms of the operating leases, under which (a) any expenditure after payment of the basic rent reduces the operating lessee's profit, and only that excess profit is split 50/50 with the lessor and (b) the operating lessee has full control over the property, and has the obligation to repair, maintain and replace the property, but is not required to make

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- capital improvements. The lease terms express and mandate an interdependence between the lessor and the operating lessee for the capital improvements which are necessary to maximize the long-term value of the property—an interdependence expressed by 50/50 cost-sharing, debt financing and improvement programs between the lessor and the operating lessee, typically including lease extension to induce the operating lessee to join in such long-term reinvestment in the property.
- In connection with such joint financing for capital and other improvements, the lessor and the operating lessee give effect to 50/50 sharing of the resulting debt service by (a) increasing the basic rent under the operating lease by an amount equal to such debt service and (b) allowing such increase in basic rent to be deducted in calculating profits for payment of 50% overage rent. Thus, the lessor receives additional basic rent to pay the debt service, but its overage rent receipts are reduced by an amount equal to 50% of such debt service—yielding an overall 50/50 sharing of the new debt service burden between the lessor and the operating lessee. If debt service thereafter is reduced, such basic rent is correspondingly reduced, to maintain such 50/50 sharing. In each case, the amendment to the operating lease recites that the proceeds of the financing will be used to pay for property improvements, including the capital improvements program. Accordingly, the lessor and the operating lessee are effectively sharing the costs of property improvements 50/50.
 - Generally, the operating leases have been extended in connection with the joint programs for sharing of costs of improvements and related financing. Such extensions were made in similar circumstances for other two-tier properties, including those owned by One Grand Central Place and 250 West 57th Street. However, for the current phase of improvements at the Empire State Building, other factors recently in place, including the prospect of the proposed consolidation and planning for transfer tax efficiency, caused the parties to defer any action on lease extension. While the lessor at the Empire State Building has granted the supervisor unilateral authority to enter into mortgage financing for up to 50% of the value of all interests subordinated to the mortgage (which would include the operating lessee's interest with its consent), the operating lessee at the Empire State Building has consented to only a small amount of financing. If the operating lessee does not approve more financing, requirements for capital improvement and upgrade may result in material diminishment and/or suspension of overage rent. The supervisor will recommend that the operating lessee require an extension of its operating lease (as in other properties) if the proposed consolidation is not consummated before it is determined how additional improvement work is financed.
 - The independent valuer initially provided a preliminary draft valuation that allocated the property value based upon the lease agreements between the lessor and the operating lessee using a discounted cash flow analysis. Such draft valuation allocated additional value to the lessor by attributing value to the residual interest (that is, the value of the property at the expiration of the operating lease), which the independent valuer determined on a discounted cash flow basis by (a) applying an assumed inflation rate to forecast such residual value and (b) then computing the net present value of that residual by applying a discount rate.
 - The independent valuer's preliminary draft valuation also allocated all of the debt to the lessor. Pursuant to the operating lease terms as amended for each financing, the debt service is a shared expense between the lessor and the operating lessee, but the principal amount due on maturity is contractually only an obligation of the lessor. In contrast, the final method allocated all debt as shared financing costs which were allocated 50% to the lessor and 50% to the operating lessee, except for \$60,500,000 of debt of Empire State Building Associates L.L.C. relating to financing costs incurred by Empire State Building Associates L.L.C. in connection with the acquisition of the fee interest, which benefited Empire State Building Associates L.L.C. as it was relieved of the obligation to pay the ground rent.
 - As compared with the final method used to allocate the appraised value between the lessor and the operating lessee, such preliminary draft valuation, which was prepared on a discounted cash flow basis and resulted in residual value allocated to the lessor, had the effect of allocating a greater amount of appraised value after such debt allocation (a) to the lessor at the Empire State Building and (b) to the operating lessee at the other four two-tier properties, as shown in the table below.

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As discussed above, the independent valuer initially provided a preliminary draft valuation which used a discounted cash flow method to determine the value of the residual. For the reasons described above, preliminary exchange values shown in this prospectus/consent solicitation were determined by the independent valuer based on the representation of the supervisor described above treating the two-tier entities on a basis consistent with the economic attributes of a 50/50 joint venture. Set forth below is a comparison of the allocation of value of each of the subject LLCs and their operating lessees using the joint venture methodology ("JV") and the discounted cash flow method for calculating the residual ("DCF").

Each of the valuations has been calculated based on the valuation inputs used to calculate the exchange values shown in this prospectus/consent solicitation.

The valuation based on the discounted cash flow method, as set forth below, was calculated by the independent valuer. The supervisor requested the independent valuer in September 2012 to calculate the exchange values using the discounted cash flow methodology on this basis solely for illustrative purposes to show participants the effect of the different methods. This illustrative valuation prepared by the independent valuer and summarized below was not prepared based on the same valuation inputs as the original valuation using the discounted cash flow methodology prepared by the independent valuer. The original discounted cash flow methodology had been prepared on the basis of valuation inputs that were not yet final.

The supervisor requested that the independent valuer prepare the illustrative valuation using the discounted cash flow methodology using the same valuation inputs that were used to prepare the exchange values shown in this prospectus/consent solicitation to show participants the effect of the application of the discounted cash flow method for valuing the residual interest in the properties owned by the subject LLCs. Calculation on this basis resulted in an increase in the difference between the exchange values of Empire State Building Associates L.L.C. and Empire State Building Company L.L.C. from the original calculation using the discounted cash flow method.

A copy of this illustrative valuation prepared by the independent valuer, which is attached as Exhibit 99.48 to the Registration Statement on Form S-4, of which this prospectus/consent solicitation is a part, may be obtained without charge by you or your representative (who has been so designated in writing) upon written request to MacKenzie Partners, Inc., the company's vote tabulator, at 105 Madison Avenue, NY, NY 10016 or by calling toll free at (888) 410-7850.

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	Entity	Appraised Property Value	Debt Obligations	Cash for Improvements	Present Value of Supervisory Fees	Unpaid Cash Overrides	Total Exchange Value	Per \$10,000 Original Investment (after voluntary override for Empire State Building Associates L.L.C. and 250 West 57th St. Associates L.L.C.)
Empire State Building								
Empire State Building Associates L.L.C. (Lessor)								
	JV	\$1,306,500,000 ⁽¹⁾	(\$124,750,000)	\$ 7,000,000	(\$ 5,137,451)	\$ 0	\$ 1,183,612,549	\$ 323,803
	DCF	\$1,458,000,000	(\$189,000,000)	\$ 7,000,000	(\$ 5,137,451)	\$ 0	\$ 1,270,862,549	\$ 347,599
Empire State Building Company L.L.C. (Operating Lessee)								
	JV	\$1,223,500,000 ⁽¹⁾	(\$ 64,250,000)	\$ 7,000,000	(\$ 4,113,518)	\$ 0	\$ 1,162,136,482	N/A
	DCF	\$1,072,000,000	\$ 0	\$ 7,000,000	(\$ 4,113,518)	\$ 0	\$ 1,074,886,482	N/A
One Grand Central Place								
60 East 42nd St. Associates L.L.C. (Lessor)								
	JV	\$ 359,500,000 ⁽¹⁾	(\$ 45,155,119)	\$ 0	(\$ 1,275,348)	\$ 0	\$ 313,069,533	\$ 402,658
	DCF	\$ 392,000,000	(\$ 90,310,237)	\$ 0	(\$ 1,275,348)	\$ 0	\$ 300,414,415	\$ 386,387
Lincoln Building Associates L.L.C. (Operating Lessee)								
	JV	\$ 344,500,000 ⁽¹⁾	(\$ 45,155,119)	\$ 0	(\$ 2,739,564)	(\$618,000)	\$ 295,987,317	N/A
	DCF	\$ 312,000,000	\$ 0	\$ 0	(\$ 2,739,564)	(\$618,000)	\$ 308,642,436	N/A
250 West 57th St.								
250 West 57th St. Associates L.L.C. (Lessor)								
	JV	\$ 186,000,000 ⁽¹⁾	(\$ 22,212,606)	\$ 0	(\$ 722,787)	\$ 0	\$ 163,064,607	\$ 409,662
	DCF	\$ 197,000,000	(\$ 44,425,212)	\$ 0	(\$ 722,787)	\$ 0	\$ 151,852,001	\$ 381,630
Fisk Building Associates L.L.C. (Operating Lessee)								
	JV	\$ 175,000,000 ⁽¹⁾	(\$ 22,212,606)	\$ 0	(\$ 729,597)	(\$909,000)	\$ 151,148,797	N/A
	DCF	\$ 164,000,000	\$ 0	\$ 0	(\$ 729,597)	(\$909,000)	\$ 162,361,403	N/A

(1) Represents, for the joint venture method, the allocation of the appraised value determined by the independent valuer, 50% to the subject LLC and 50% to the operating lessee after deducting the present value of the base rent from the appraised value and adding the present value of base rent to the appraised value of the subject LLC.

The supervisor did not believe that the sharing ratio shown in such preliminary draft valuation was appropriate, because:

- (a) It was inconsistent with the original intent of those who created the structure and drafted the agreements related thereto, to achieve the economic attributes of a 50/50 joint venture and practice (as described above).
- (b) It would have yielded a sharing ratio substantially dissimilar to that which was provided by other independent valuers in sales over the past decades of other two-tier properties supervised by the supervisor and was approved by investors in both the entities parallel to the subject LLCs and their operating lessees. The sharing ratios under the discounted cash flow analysis were 54.5% for Empire State Building Associates L.L.C. and 45.5% for Empire State Building Company L.L.C., 48.3% for 60 East 42nd St. Associates L.L.C. and 51.7% for Lincoln Building Associates L.L.C., and 48.6% for 250 West 57th St. Associates L.L.C. and 51.4% for Fisk Building Associates L.L.C. Since 1989, from which time the supervisor has comprehensive records of sales transactions, the supervisor has proposed to investors, and investors have approved, three sales of two-tier office properties. In each case, the sale included both the lessor and lessee, and the allocation of the purchase price was based on a sharing ratio that was determined based on a report by an independent third party experienced in valuing real property and was approved by the investors as part of their consent to the sale. The supervisor believes that the preliminary draft value initially provided by the independent third party (which determined the value of the residual interest in the property after expiration of the lease on a discounted cash flow basis) was inconsistent with the allocations in these prior sales of two-tier properties.

In one of these transactions, 200 Fifth Avenue (known as the International Toy Center), the independent third party determined that 52% of the purchase price should be allocated to the fee owner of the property and 48% of the purchase price should be allocated to the operating lessee. The independent third party based its determination on the present value of contractual lease payments under the operating lease, including agreed upon extensions. The independent third party's report stated that it also gave weight to the motivation of the investors at the origination of the investment, as well as noting that the lessee's operating control adds some marginal value to its position. Based on the analysis in the report, the supervisor does not believe that the independent third party attributed any value to the lessor's residual interest in the property after expiration of the lease.

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The second transaction involved the sale of ground leasehold and operating subleasehold interests in a property known as 500-512 Seventh Avenue. An unaffiliated third party which owned the fee interest was the ground lessor and did not join in the sale. The sellers, both supervised by the supervisor, were the ground lessee and the operating sublessee, both subject to expiration of their leasehold interest on the same day. Thus, there was no residual interest. The independent third party determined that the ground lessee would be allocated 46.32% – 48.20% of the purchase price and the operating sublessee would be allocated 51.80% – 53.68% of the purchase price (with a greater percentage being allocated to the sublessee as the purchase price increased).

The third transaction involved a distressed property known as 498 Seventh Avenue, where the operating lessee was in default under the operating lease due to a failure to pay real estate taxes. In addition, the property had no significant cash flow, so any leasing costs would be borne directly and solely by the operating lessee. Due to these special circumstances, a substantial portion of the proceeds (60% to 80%, depending on the purchase price) were allocated to the fee owner.

- (c) The supervisor believes such preliminary draft allocation overvalued the residual and does not believe that an independent third party in an arms' length market transaction would pay what the independent valuer determined to be the residual value of the Empire State Building. The supervisor's belief is based on (i) its experience in the prior transactions referred to in (b) above, (ii) its experience in real estate markets, and its discussions with others in the real estate industry as to the valuation of a fee interest subject to a long-term operating lease and (iii) the purchase price paid by Empire State Building Associates L.L.C. to acquire the fee interest from an independent third party.
 - (d) The supervisor believes, based on its experience with its two-tier properties as discussed above, that in the absence of the proposed consolidation it is likely the operating lease term will be extended at the Empire State Building as part of joint improvement and financing agreements between the lessor and the operating lessee. (As noted previously, such extensions had arisen in similar circumstances for other two-tier properties, including those owned by the other subject LLCs, One Grand Central Place and 250 West 57th Street.)
 - (e) The supervisor believes that the properties, particularly in view of their age, will continue to require building improvement and reinvestment over time, which will continue to require additional financing and likely result in additional lease extensions to maintain the operating lessee's incentive to join in such improvements and financing. Such lease extensions would reduce any value attributed to the residual interest in the building by making the residual more remote in time. Even without such lease extensions, improvements made decades into the future will reduce the cash flows to the lessor by the extent to which the operating lessee's spending decreases cash available for distribution. Finally, in the absence of such lease extensions, the supervisor believes the operating lessee would not join in the improvements and financing needed to make the necessary building improvements to prevent obsolescence, thereby reducing such residual value.
 - (f) The operating lease does not address allocation of sale proceeds between the lessor and the operating lessee if sold together (which the supervisor believes is the best way to maximize such proceeds). Any such allocation would have to be made by negotiated agreement, and the supervisor believes that that negotiation would not result in a sharing ratio like the one set forth in the independent valuer's preliminary draft valuation.
- Accordingly, the supervisor concluded and represented to the independent valuer that the allocation of value between the lessor and the operating lessee should be determined by conforming to the economic format of a joint venture which shares excess profits 50/50, parallel to the existing operating lease format for sharing excess profits 50/50—including a corresponding allocation of the joint financing.
 - The supervisor does not view such conclusion as contradicting any statement in the original offering documents or operating lease to the effect that the operating lease is not a joint venture. Any such statements were intended only to reinforce the desire to avoid the tax and liability characteristics of a joint venture where it was felt needed in the face of having created de facto in the operating lease the economic characteristics of a joint venture.

Third-Party Ground Leases

For the property subject to a third-party ground lease, the independent valuer estimated the value of the private entity that is the ground lessee by calculating the present value of the future cash flows through the contractual term including all potential extensions noting that the reversion of the building would flow to the third-party ground lessor.

it the Appraisal, dated as of a date proximate to the effective date of the S-4 Registration Statement, which will be attached in its entirety to the Form S-4 prospectus as Appendix B. Accordingly, the final form of the Appraisal will be included as part of the Form S-4 prospectus and we have added the Appraisal to the exhibit index, referring to the Appraisal being included as Appendix B. Because the Appraisal will be attached in its entirety to the Form S-4 prospectus that will be delivered to each participant, we respectfully submit that the disclosure required by Regulation S-K Item 911(a)(3) would be confusing to participants and should not be required.

Ground Lease and Operating Lease Methodology, page 154

95. Please disclose the discount rate used by the independent valuer in appraising the value of the subject LLCs.

We supplementally advise the Staff that such discount rates are disclosed under "Discount Rate" on page B-6 of the Appraisal attached as Appendix B to the Form S-4 prospectus, and a statement of the range has been added to the section under "Reports, Opinions and Appraisals – Application of Discounted Cash Flow" on page 195 of the Form S-4 prospectus.

96. Refer to the first sentence of the fourth full paragraph in this section regarding the allocated exchange value. We note that you did not use discounted cash flow to determine the allocation of exchange value for the property owner and operating lessee. Please advise us whether a discounted cash flow analysis was performed.

The new disclosure describing the reasons for the representation made by the supervisor under "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 192 of the Form S-4 prospectus clarifies that a discounted cash flow analysis was performed.

97. Also in the fourth paragraph, please provide support for the supervisor's assertion that it was the "original intent" to treat the entities as equivalent to a joint venture. Please also explain in much greater detail the historical agreements that support this intent.

Disclosure has been added describing the reasons for the representation made by the supervisor under "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 192 of the Form S-4 prospectus.

98. We note your disclosure that historically agreements have been entered into between the property owner and operating lessee to share capital expenditures and financing costs. Please disclose the agreements and the terms which reflect this understanding, specifically those agreements between Empire State Building Associates and the operating lessee. Also discuss to what extent these expenditures and costs were shared. Please also discuss whether the independent valuer examined these agreements.



The bullet point under the heading “Reports, Opinions and Appraisals – Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 208 of the Form S-4 prospectus has been revised to clarify that the subject LLC, as lessor, has the right to sell its interests in the property without the operating lessee’s consent, but that such sale would be subject to the operating lease. Additionally, similar language appearing under “Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies” on page 27 of the Form S-4 prospectus and the disclosure under the heading “Background of and Reasons for the Consolidation – Background of the Subject LLCs” on page 138 of the Form S-4 prospectus has been revised.

54. **We note your response to comment 104 regarding the \$60,500,000 debt obligation attributed only to ESBA. Please include a brief discussion of this under this subsection.**

The disclosure under the heading “Reports, Opinions and Appraisals – Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 209 of the Form S-4 prospectus has been revised as requested.

55. **We note your added disclosure on page 194 regarding the supervisor’s reasons for belief that the sharing ratio in the preliminary draft valuation was inappropriate. Please provide appropriate balancing disclosure by making revisions to the following sections:**

- (a) **Qualify that this statement represents the supervisor’s belief.**
- (b) **Clarify the transactions to which you are referring.**
- (c) **Explain in greater detail why the supervisor believes the draft allocation overvalued the residual value.**

Bullet points (b) and (c) under the heading “Reports, Opinions and Appraisals – Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 211 of the Form S-4 prospectus have been revised as requested. Bullet point (a) has been revised in accordance with the response to comment 49.

Fairness Opinion, page 199

56. **We note the statement in the second paragraph on page 199 to the effect that the fairness opinion with respect to the individual participation interests is a legal conclusion, rather than an economic conclusion. Please advise us as to the import of this paragraph. If the fairness opinion is a legal conclusion, please describe the qualifications of the independent valuer to make this determination. Furthermore, it does not appear appropriate to characterize this as a fairness opinion of a financial advisor if it is not speaking to fairness from a financial point of view.**

Please note that the disclosure under the heading “Reports, Opinions and Appraisals – Fairness Opinion” in the second paragraph on page 216 of the Form S-4 prospectus was not intended to reflect a legal conclusion, and the disclosure and draft opinion letter have been revised in response to the Staff’s comment by deleting the phrase noted by the Staff.



lease that had been payable by Empire State Building Associates L.L.C. to the fee owner. As disclosed in our response to comment 52 of your letter dated June 8, 2012, Empire State Building Company L.L.C. also benefited from this action, because its interest was also subject to the ground lease.

20. **We note your revised disclosure on page 211 in response to comment 55 of our letter dated June 8, 2012. Please revise part (b) to quantify the “substantially dissimilar” sharing ratio that would have been yielded by the DCF analysis.**

The disclosure under the heading “Reports, Opinions and Appraisals — Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 211 of the Form S-4 prospectus has been revised as requested.

Fairness Opinion, page 216

21. **We note your response to comment 57 of our letter dated June 8, 2012. Your disclosure still does not clearly state whether you determined the amount of consideration or Duff & Phelps recommended the amount of consideration. Please provide this disclosure as required by Item 911(a)(2)(v) of Regulation S-K.**

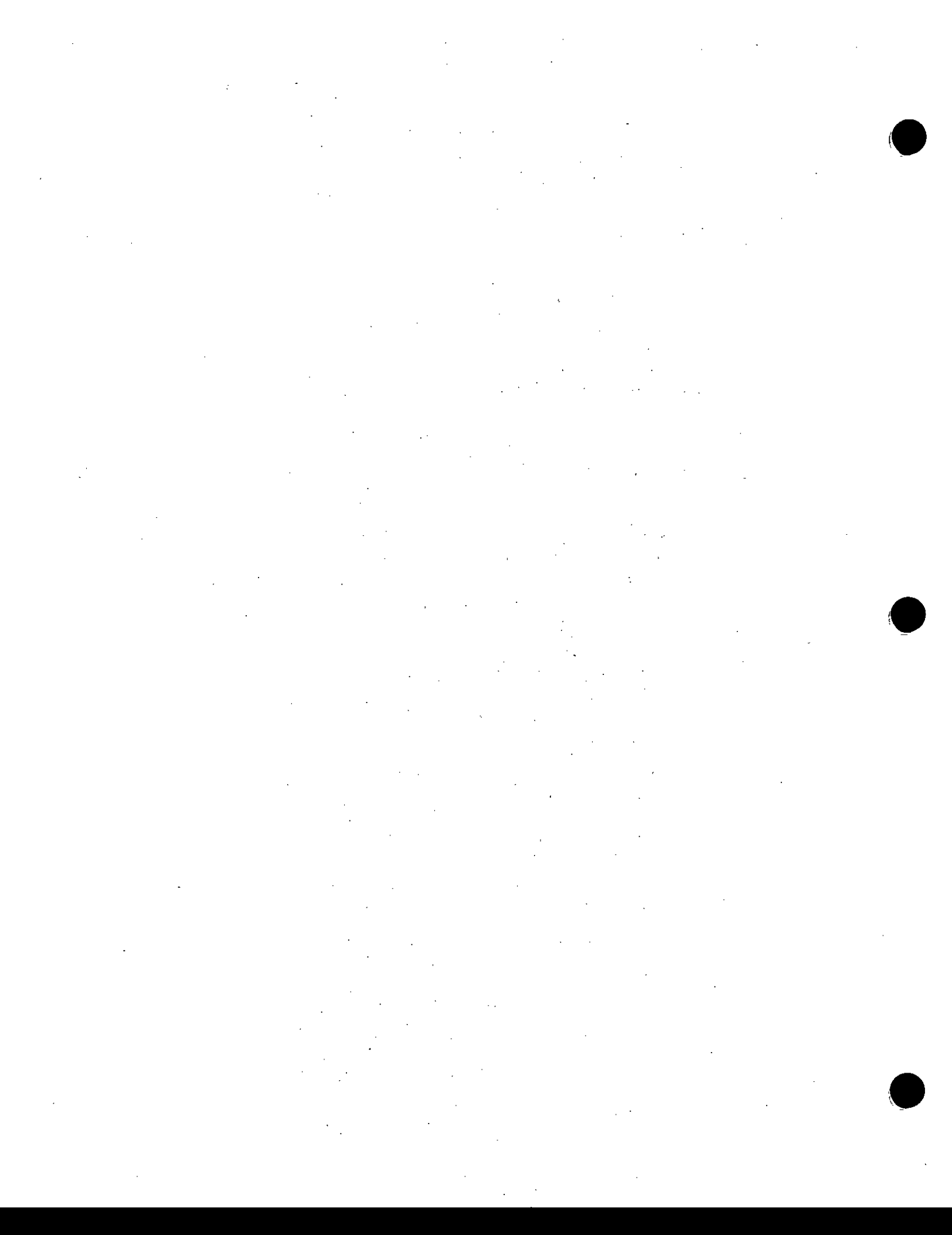
The disclosure under the heading “Reports, Opinions and Appraisals — Fairness Opinion” on page 216 of the Form S-4 prospectus has been revised as requested.

22. **We note your response to comment 58 of our letter dated June 8, 2012. Please revise your disclosure as requested to specify that if the roll-up transaction is completed with less than all of the subject LLCs participating, no report, opinion or appraisal concerning the fairness of the transaction will have been obtained. See Item 911(b)(1)(ii)(C) of Regulation S-K.**

The disclosure under the heading “Reports, Opinions and Appraisals — Fairness Opinion” on page 216 of the Form S-4 prospectus has been revised as requested.

23. **We note your response to comment 61 of our letter dated June 8, 2012. Please clarify your disclosure regarding the fairness opinion to specify whether it addresses the method of allocation or the amounts allocated, or both. Please also disclose the implications of this distinction. If Duff & Phelps assumed that the method of allocating amounts to a specific subject LLC were fair, please so state.**

The description of the fairness opinion under “Reports, Opinions and Appraisals — Fairness Opinion” on page 221 of the Form S-4 prospectus has been revised to clarify the disclosure regarding what the fairness opinion addresses as to the allocation of consideration and its effects.



We supplementally advise the Staff the disclosure added under the heading "Voluntary Pro Rata Reimbursement Program for Expenses of Legal Proceedings with Former Property Manager and Leasing Agent" on page 224 of the Form S-4 prospectus in response to comment 17 of your comment letter, dated July 31 2012, included the aggregate amounts of excess cash available for distribution by the subject LLCs, and not the amounts payable to Peter L. Malkin and Malkin Holdings. As disclosed in such section on page 224 of the Form S-4 prospectus, amounts are payable to Peter L. Malkin and Malkin Holdings only out of the share of the excess cash distributions to participants that have consented to the voluntary reimbursement. To clarify, we have added a disclosure on page 224 of the Form S-4 prospectus as to the cash distributable per \$10,000 original investment.

21. **Please revise the disclosure in bold at the bottom of page 204 to clarify, if applicable, that one's consent, withheld consent, or failure to consent to the voluntary pro rata reimbursement program will not result in the buyout of one's participation interests.**

The disclosure under the heading "Voluntary Pro Rata Reimbursement Program for Expenses of Legal Proceedings with Former Property Manager and Leasing Agent" on page 225 of the Form S-4 prospectus has been revised as requested.

22. **We note your response to comment 19 of our letter dated July 31, 2012. In your response you state that "the value of Empire State Building Associates L.L.C.'s interest was increased by the present value of lease payments under the ground lease that had been payable by Empire State Building Associates L.L.C. to the fee owner." Since the increase of this value appears to affect only the interests held by ESBA, please advise us how the acquired residual interest in the property held by ESBA is not viewed as having any material additional value as discussed in the fourth full bullet point on page 208. Please further advise how this is consistent with the 50/50 allocation.**

We supplementally advise the Staff that the reference to "material additional value" in the second bullet point on page 230 of the Form S-4 prospectus was meant to refer to value in excess of the present value of the basic rent received under the operating lease, which present value previously was less due to the amount Empire State Building Associates L.L.C. was required to pay under the ground lease prior to the purchase of the fee title. The disclosure under the heading "Reports, Opinions and Appraisals – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 230 of the Form S-4 prospectus has been revised to clarify the intended meaning of the reference to additional value. Please note that the allocation of these specific amounts is consistent with the 50/50 allocation. The reference to the 50/50 allocations refers to a 50/50 sharing after specific priority allocations, which is consistent with the way 50/50 joint ventures frequently work.



it the Appraisal, dated as of a date proximate to the effective date of the S-4 Registration Statement, which will be attached in its entirety to the Form S-4 prospectus as Appendix B. Accordingly, the final form of the Appraisal will be included as part of the Form S-4 prospectus and we have added the Appraisal to the exhibit index, referring to the Appraisal being included as Appendix B. Because the Appraisal will be attached in its entirety to the Form S-4 prospectus that will be delivered to each participant, we respectfully submit that the disclosure required by Regulation S-K Item 911(a)(3) would be confusing to participants and should not be required.

Ground Lease and Operating Lease Methodology, page 154

95. Please disclose the discount rate used by the independent valuer in appraising the value of the subject LLCs.

We supplementally advise the Staff that such discount rates are disclosed under "Discount Rate" on page B-6 of the Appraisal attached as Appendix B to the Form S-4 prospectus, and a statement of the range has been added to the section under "Reports, Opinions and Appraisals – Application of Discounted Cash Flow" on page 195 of the Form S-4 prospectus.

96. Refer to the first sentence of the fourth full paragraph in this section regarding the allocated exchange value. We note that you did not use discounted cash flow to determine the allocation of exchange value for the property owner and operating lessee. Please advise us whether a discounted cash flow analysis was performed.

The new disclosure describing the reasons for the representation made by the supervisor under "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 192 of the Form S-4 prospectus clarifies that a discounted cash flow analysis was performed.

97. Also in the fourth paragraph, please provide support for the supervisor's assertion that it was the "original intent" to treat the entities as equivalent to a joint venture. Please also explain in much greater detail the historical agreements that support this intent.

Disclosure has been added describing the reasons for the representation made by the supervisor under "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 192 of the Form S-4 prospectus.

98. We note your disclosure that historically agreements have been entered into between the property owner and operating lessee to share capital expenditures and financing costs. Please disclose the agreements and the terms which reflect this understanding, specifically those agreements between Empire State Building Associates and the operating lessee. Also discuss to what extent these expenditures and costs were shared. Please also discuss whether the independent valuer examined these agreements.

The response to this item is included as part of the disclosure describing the reasons for the representation made by the supervisor under "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 192 of the Form S-4 prospectus. We supplementally advise the Staff that the agreements in which the financing costs and capital expenditures were shared were amendments to the operating leases under which it was agreed that the basic rent would be increased by the amount of the debt service on the financing. These amendments were made available by the supervisor to the independent valuer. Additionally, the sharing of financing costs under these amendments was discussed by the supervisor with the independent valuer.

Compensation and Material Relationships, page 155

99. **We note your statement that the independent valuer previously performed a "financial reporting appraisal" in connection with the consolidation. Please tell us to what this refers. We may have further comment.**

We supplementally advise the Staff that the "financial reporting appraisals" refers to the allocation of the appraised value, as determined in the appraisal by the independent appraiser, among the assets of the non-controlled entities to allow for the reporting of those non-controlled entities on the balance sheet in accordance with GAAP. These services were not "previously provided." They were separate services provided after the appraisal process, because the derivation of the information was based on the appraisals by the independent valuer.

100. **Please disclose the amount of any compensation paid to the independent valuer with respect to transactions within the past two years. See Item 911(a)(2)(iv) of Regulation S-K.**

We supplementally advise the Staff that no compensation other than the fees in connection with the consolidation as disclosed under "Reports, Opinions and Appraisals – General" on page 189 of the Form S-4 prospectus and the fees for the financial reporting appraisals as discussed in our response to comment 99 above, have been paid to the independent valuer within the past two years. The disclosure under this section on page 189 of the Form S-4 prospectus has been revised to state the amount paid for the financial reporting appraisals.

Fairness Opinion page 158

101. **Please include disclosure pursuant to Items 911(a)(2)(vi), 911(a)(3), and 911(b), and 911(c)(2), or tell us how you have complied.**

We supplementally advise the Staff that the disclosures under "Reports, Opinions and Appraisals – Fairness Opinion" on page 199 of the Form S-4 prospectus include the requirements of Item 911(a)(2)(vi). The supervisor supplementally advises the Staff that

Reports, Opinions, and Appraisals, page 189

47. **Please revise to discuss how the overrides were valued and why. Please also include related discussion in the summary. Please also explain how the valuation method and/or amount was determined to be fair. In addition, please disclose whether the fairness opinion covers the valuation of the override interests.**

The disclosures under the heading "Summary – Fairness Opinion" and "Reports, Opinions and Appraisals – Fairness Opinion" on pages 63 and 216, respectively, of the Form S-4 prospectus have been revised as requested.

Operating Leases, page 191

48. **We note your response to comment 96 of our letter dated March 14, 2012. Please further revise your disclosure at the top of page 192 to disclose the allocated exchange value that was attributed to Empire State Building Associates using discounted cash flow analysis. We note the reasons that the supervisor recommended a different method of valuation, but please disclose the "significantly higher" valuation amount that would have resulted under the other analysis. Lastly, please disclose why the discounted cash flow analysis would have resulted in a significantly higher allocation to ESBA and not the other public entities.**

We have revised the disclosure under the heading "Reports, Opinions and Appraisals – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 210 of the Form S-4 prospectus to include a table showing the discounted cash flow analysis and a comparison to the calculation of the exchange value under the analysis used in the consent solicitation/prospectus. This shows how the discounted cash flow analysis resulted in a higher allocation to Empire State Building Associates L.L.C. ("ESBA") and a lower allocation to the other two-tier entities as a result of the impact of the debt deduction.

Supervisor's Reasons for Representation as to a 50/50 Allocation, page 192

49. **We note your response to comment 97 of our letter dated March 14, 2012 and reissue in part our prior comment. We note your disclosure in the fourth bulleted paragraph on page 192 that investors in Empire State Building Associates first receive a priority distribution before any income is shared 50/50 between investors in ESBA and investors in Empire State Building Company. In addition, we note your disclosure in the last bullet point on page 195 regarding the original offering documents or operating lease stating to the effect that the operating lease is not a joint venture along with the disclosure in section 2.05, of the sublease between ESBA and ESBC that provides: "The receipt by Sublessor of overage rent shall not be deemed to create any partnership or joint venture between Sublessor and Sublessee." In light of these disclosures, please clarify here and elsewhere that it is the supervisor's opinion that that the initial intent was to achieve the economic attributes of a 50/50 joint venture.**



Filed by Empire State Realty Trust Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486
Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following was provided to persons calling participants in Empire State Building Associates L.L.C., 60 East 42nd Street Associates L.L.C. and 250 West 57th Street Associates L.L.C., respectively, on August 6, 2012, to be used as a script for such calls:

LEGACY TEL OUTREACH – CALL SCRIPT

- I am calling from Malkin Holdings regarding the proposed consolidation of various office and retail properties into a publicly traded real estate investment trust, known as a REIT. The new entity will be called Empire State Realty Trust, Inc.
- We have sent you several letters about the consolidation and will be continuing to make outreach to our investors. We thought it might be helpful if we called you directly to answer any questions you may have about any of our letters, the proposed transaction, or anything else you might have on your mind.
- Is now a good time to for you? If not, would you like to schedule a time for me or someone else from the organization to call you back?
- Thank you for taking the time to speak with us. First off, may I ask you if you have received our letters? If so, did you find them helpful? Is there anything about which you have a question which you would like addressed or explained in greater detail?
- First and foremost, Malkin Holdings believes that the consolidation gives investors greater potential for increased distributions and increased value from capital appreciation than they would have by remaining a participant in any of the subject LLCs. This belief is based on the anticipated growth in the revenues of the initial properties operated as a portfolio under the Malkin brand and potential additional investments by the REIT.
- I would like to confirm that you are aware that you will now have the option to defer tax that would be triggered by the proposed consolidation. We want to make sure you know that this tax deferral treatment is well established and is not contingent upon obtaining any IRS or SEC ruling. Do you have any question about the three different options?
- If questions:
 - ESBA investors will have the option to elect either taxable Class A Shares or tax-deferred operating partnership units – known as OP Units. We plan to list the Class A Shares and OP Units on the NYSE or another national securities exchange.

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- While these OP Units don't have voting rights, if you elect to receive OP Units, you may also choose to elect a portion in Class B Shares which provide voting rights equivalent to Class A Shares in the REIT with minimal tax effect. The Malkin family has elected to receive OP Units and Class B Shares, as well as a small portion of Class A Shares, in exchange for their interests in your entity. Investors will now be able to avail themselves of the same equity structure and tax treatment as the Malkin family and the private entities.
 - Do you have more questions about this new structure? *(If so, all answers to come directly from the July 2nd letter and S-4 or to be referred to another "expert" for another follow-up call).*
 - We understand that change can be disconcerting and that many of you may be content with your current investment as is. But there are many developments from which we think you will benefit in the proposed transaction, and I would like to share some of them with you now.
 - We believe that an excellent opportunity for all investors is to pursue the consolidation and IPO for reasons laid out in the draft Form S-4 filed with the SEC and, in addition to greater potential for upside and capital appreciation, I will touch on the highlights here.
 - This transaction is expected to result in regular quarterly dividends which must be at least of 90% of REIT taxable income. The source of distributions will be the consolidated results of a portfolio of properties, rather than being dependent on just one property.
 - Next, this path will result in coordinated planning and decision-making and improved accountability from a board of directors consisting predominantly of independent directors that is responsible for overseeing the operations of the REIT.
 - And perhaps most importantly, it will also provide liquidity that investors currently lack. Should you need to sell all or part of your ownership interest for any reason, we expect that there will be a public market to facilitate an efficient sale and that it will permit much higher value to be realized by a selling investor than has been achieved from sales of participation interests in the limited market that has been available historically.
 - As you likely know, Malkin Holdings supervises buildings throughout the greater New York metropolitan area, in and out of Manhattan. The properties that will be acquired by the REIT have their own unique attributes and significant growth opportunities. Many of them are award-winning in their own right. The properties, as a whole, have an excellent and growing collection of top quality tenants, with similar credit to the new tenants who are leasing space at the Empire State Building. And all are located in locations near important transportation hubs and Manhattan or growing business communities in the New York metropolitan area such as White Plains and Stamford.
 - While the Empire State Building is the most well-known, it is only one property, and all the properties are valuable. The other properties, as a whole, show potential for upside.
 - [One thing that is very important for Empire State Building Associates is the fact is, the status quo cannot continue. Under Leona Helmsley's will, her executors must sell all interests in her estate which represent more than a 1% ownership interest in any corporation, partnership or other business entity. Her estate's interests include an interest in the operating lease of the Empire State Building which shares a veto with the Malkin family of all decisions by the

operating lessee of the Empire State Building. Thus, a sale by the estate to an unknown third party carries real risk to investors, because such party would have the power to significantly influence and control operations and, as a result, distributions to investors.

- [Institutional investors make up the vast majority of purchasers of REIT shares. Something for which REIT investors look is dedicated management. Therefore, it makes sense to include in the proposed REIT all of the Manhattan and New York City market properties supervised by Malkin Holdings. This way, REIT management cannot be accused of favoring a non-REIT property over a REIT owned property.] But under the structure being proposed now, all of these properties will be under consolidated so that a benefit to one property benefits all.
- Do you have any specific questions about why we are recommending this transaction? *(If so, all answers to come directly from pages 27-30 of draft S-4).*
- [We know that there is a lot of information contained in our filings and our letters. For that reason, we have launched a website which contains the publicly available materials on this transaction that we have filed thus far. It also contains information about the properties being consolidated. The website address is www.empirestaterealtytrust.com]
- [We will continually update our website so you should consider it a resource. Once the Form S-4 is declared effective by the SEC, we will add even more content to the website including videos and instructions on how to vote.]
- FOR ESBA ONLY:
 - We also want to take a moment to ask you if you have any question or comment about any outreach you may have received from individuals who are opposing this transaction. We have been following their comments and questions they have raised about our proposed transaction. Under securities laws, we were required to provide your address to these investors. We have received reports of statements made on these calls and have heard many of these calls ourselves. We believe that those individuals are creating an environment of confusion through incorrect statements about ESBA and our proposed transaction. We suggest that you rely on our letters and SEC filings (i.e., the Form S-4) for facts and conclusions about this transaction, rather than on these individuals' conclusions. From our direct experience, we believe one cannot rely on the accuracy of their conclusions.
 - We encourage you to rely on information that Malkin Holdings has publicly filed with SEC rather than on speculative and unsupported comments. We also welcome any comment or question from any investor at any time.
- We also want to talk to you a bit about the process and what you can expect in the coming months.
- As we have explained in several of our letters, you need not do anything immediately. No action whatsoever is required of you at this time. In order for us to solicit your vote, the SEC must declare our Form S-4 effective. We expect that is still a few months away.

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- At that time, we will be mailing you the final document and consent solicitation and you will then have at least 60 days after such mailing to review the filing, ask additional questions if you have them, and speak to your personal advisors if desired before you need to vote.
 - Now that I have touched on some of the current topics, I want to ask you if any specific questions about the consolidation proposal or if any of what you have read or heard is of concern to you?
 - I will do my best to answer your questions, or I will arrange for someone to follow up with you if I cannot answer any question myself.

Filed by Empire State Realty Trust, Inc.
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The following is a transcript of videos providing information concerning the consolidation which will be included on a website relating to the consolidation and are being sent to participants in each of Empire State Building Associates, L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C. as a DVD.

MALKIN
HOLDINGS

PROPOSAL REGARDING

EMPIRE STATE
REALTY TRUST

Informational DVD

Peter L. Malkin and Anthony E. Malkin
discuss the proposed consolidation and IPO

Topics:

- Choices to be Made
- Explanation of Investment Structure
- Benefits of the Recommended Consolidation and IPO
- Why We Recommend the Consolidation and IPO Now
- Benefits of Consolidation/IPO vs Downside of Status Quo

Choices to be Made (Ch. 1-3)

Ch. 1 - Introduction

Ch. 2 - Choices to be Made

Ch. 3 - Conclusion Including Summation of Key Points

Instructions: How to fill out the consent form. (Ch. 4)

Explanation of Investment Structure (Ch. 5-7)

Ch. 5 - Introduction

Ch. 6 - Explanation of Investment Structure

Ch. 7 - Conclusion Including Summation of Key Points

Benefits of the Recommended Consolidation and IPO (Ch. 8-10)

Ch. 8 - Introduction

Ch. 9 - Benefits of the Recommended Consolidation and IPO

Ch. 10 - Conclusion Including Summation of Key Points

Why We Recommend the Consolidation and IPO Now (Ch. 11-13)

Ch. 11 - Introduction

Ch. 12 - Why We Recommend the Consolidation and IPO Now

Ch. 13 - Conclusion Including Summation of Key Points

Benefits of Consolidation/ IPO vs Downside of Status Quo (Ch. 14-16)

Ch. 14 - Introduction

Ch. 15 - Benefits of Consolidation/ IPO vs Downside of Status Quo

Ch. 16 - Conclusion Including Summation of Key Points

W&H Properties Video (Ch. 17)

Malkin Properties Video (Ch. 18)

MALKIN PROPOSAL REGARDING **EMPIRE STATE**
HOLDINGS REALTY TRUST

There are material risks and conflicts of interest associated with the consolidation. You should carefully review the sections entitled "Risk Factors" and "Conflicts of Interest" in the prospectus/consent solicitation which is part of the Form S-4 which has been filed with [and declared effective by] the SEC. There can be no assurance that participants will realize the benefits described in the videos, including the potential increase in distributions and capital appreciation. In addition, in the prospectus/consent solicitation which is part of the Form S-4 includes a more detailed discussion of the tax consequences of the consolidation.

We also caution you that this letter contains forward-looking statements. These forward-looking statements, including the potential for more consistent distributions than the status quo, with greater potential for increased distributions as a holder of operating partnership units or common stock than as a participant in a subject LLC, and the potential for additional capital appreciation over time, are based on our beliefs and expectations as applicable, which may not be correct. Important factors that could cause such actual results to differ materially from the expectations reflected in these forward-looking statements include those set forth in the prospectus/consent solicitation which is part of the Form S-4.

While we believe that the terms of the consolidation are fair and in the best interests of participants, there can never be any guaranty that the consideration you will receive from the consolidation represents the fair market value of your interests.

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Each of the three public entities, Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C., and 250 West 57th St. Associates L.L.C. (the "Companies") and their agents and Malkin Holdings LLC (the "Supervisor"), Empire State Realty Trust, Inc. (the "REIT"), Empire State Realty OP, L.P., and each officer and director of the Companies, the Supervisor or of the REIT may be deemed to be a participant in the solicitation of consents in connection with the proposed consolidation. The names of such persons and a description of their interests in the Companies and the REIT are set forth, respectively, in each Company's Annual Report on Form 10-K for the year ended December 31, 2011 the REIT's Registration Statement on Form S-4 and prospectus/consent solicitation, which have been filed with the SEC.

Investors in the Companies are urged to review the Registration Statement on Form S-4, the prospectus/consent solicitation and other related documents now filed or to be filed with the SEC, because they contain important information. You can obtain them without charge on the SEC's website at www.sec.gov. You can also obtain without charge a copy of the prospectus/consent solicitation and the supplements relating to the individual entities by contacting Ned H. Cohen at Malkin Holdings LLC.

Transcript of Video Relating to Choices to be Made

Peter Malkin

Hello, I'm Peter Malkin.

Anthony Malkin

And I'm Tony Malkin.

Peter Malkin

I began my work for you in 1958, when I joined my late father-in-law Lawrence A. Wien for what became a wonderful partnership spanning more than thirty years. I was here and was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son joined me in 1989, and in joining me has worked tirelessly for more than twenty-three years. I want you to know that I considered many options, including leaving things as they have been for the last several decades before deciding that this is the best course of action for the more than 5,000 investors we represent in the 23 different entities we are proposing to include in this consolidation and REIT formation.

Anthony Malkin

In this video, we'd like to speak to you about why we decided to propose a consolidation of 18 properties and one development site we supervise into one publicly-traded Real Estate Investment Trust, or REIT. For decades, we have served investors in protecting their investments, building value, and generating distributions. Each one of the investments involved in this solicitation is more than half a century old. We want you to know why we think that this is the best course of action for the next 50 years. We know that you may have questions, and we want to assure you that we are here, and want, to answer them for you.

Peter Malkin

I want you to know that in the more than two years during which we have been working on this proposed consolidation and REIT formation, I have been reflecting on my career, and the innovative investments created by my father-in-law starting in 1934, and then by my father-in-law and me, and then by me and my son Tony. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring, profitable investment, liquidity, and choice. Had his life not been cut short by cancer, I am certain that Lawrence A. Wien would have had the shared the same enthusiasm and endorsement for our plans.

Anthony Malkin

In our proposed consolidation into a REIT and IPO, you will have the ability to choose what securities you will receive in exchange for your current interests. We'd like to take a moment now to discuss the different types of securities you may choose.

Peter Malkin

Each of these securities has different features, so it is important that you understand the differences and make a choice that is right for you. All of these options offer you the prospect of regular quarterly dividends from the diversified portfolio of properties that are part of the consolidation, as well as opportunities for liquidity.

Anthony Malkin

Under the new structure, you will have the option to elect one or a combination of the following:

- Operating Partnership Units, also referred to as OP Units;
- A combination of OP Units and Class B Shares; or
- Class A Shares.

Importantly, OP Units, Class B Shares and Class A shares will have the same rights to dividend distributions.

Peter Malkin

Let's discuss a little more of what each of these securities is and what the general tax implications would be.

I'll begin with OP Units...

OP Units are 100% tax deferred, meaning that tax would be owed on any gain on your investment **only** at the time of a future capital transaction, such as when you decide to sell or the property owned by your entity is sold. OP Units will also be listed on the New York Stock Exchange. However, since OP Units do not have a vote in the REIT and they have a more limited market as a result, there is no guarantee that they would trade at the same price as Class A Shares.

If and when OP Unit holders decide to liquidate, however, they would not have to sell their units on the exchange. They would also have the option of exchanging their OP Units for cash at the then price of Class A shares, or, at the REIT's option, receive Class A Shares on a one-for-one basis. As detailed in the S-4, some of your OP Units are permitted to be sold in the first year, and all or any part of your holdings may be sold any time starting 12 months after the IPO.

Anthony Malkin***Another alternative is a combination of OP Units and Class B Shares...***

Because OP Units do not have voting rights, we are offering the option to receive Class B Shares instead of 2% of the OP Units you would otherwise receive.

So for example, if you were eligible to receive 100 OP Units, you could instead choose 98 OP Units and 2 Class B Shares. Class B Shares are different in that each carries the same voting rights as 50 Class A Shares – and so you, by choosing 2 Class B Shares, would have the same voting rights as if you chose 100 Class A Shares.

Receipt of Class B Shares is taxable at the time of the IPO, so instead of deferring taxes on 100% of your investment, you would defer taxes on 98% of your investment.

If you decide you want to sell your Class B Shares, which will not be listed on a national securities exchange, they are automatically converted, on a one-for-one basis, to Class A Shares or their cash equivalent.

Peter Malkin

The final alternative is to receive Class A Shares...

These shares will have the same rights to dividend distributions as OP Units and Class B Shares and also carry voting rights in the REIT. However, receipt of Class A Shares is taxable at the time of the IPO.

As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A Shares six months after the IPO and the balance 12 months after the IPO.

Anthony Malkin

So the bottom line is that this is a structure that gives you great flexibility. You have a range of options including to defer taxes, receive quarterly dividends and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, all of those private entities have approved the proposed consolidation.

Peter Malkin

Thanks, Tony. We hope you have found this discussion helpful. For your reference, the Malkin family elected the combination of Class B Shares and OP Units, in addition to a small number of Class A Shares.

Peter Malkin

So in summary, by putting these properties together, we believe all investors will benefit through ongoing dividends with the potential to increase through property performance, better financing, more efficient operation, and beneficial acquisitions. The potential for increased distributions from dividends and stock appreciation over time offers benefit for all investors. Our family, as you know, has interests in all of the properties we supervise, and we would not be proposing this if we did not think it would benefit all the entities in which we have invested.

So what's next?

Anthony Malkin

We have already the necessary authorization from twenty out of twenty-three entities we plan to consolidate into the REIT – these are what we call the private entities.

We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building, One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

Over these weeks, you will likely have contact with representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote.

Peter Malkin

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Should you have additional questions on what we have just discussed, please feel free to e-mail them through this website, or call the 800 number.

Thank you very much for listening, and as always, we do appreciate your support.

Rolling credits:

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- ESRT REIT Class A common stock and/or Operating Partnership Units will be listed on the New York Stock Exchange.
- We believe the ESRT REIT offers a greater potential for dividend increases than status quo.
- ESRT REIT will make quarterly distributions at a minimum of 90% of REIT taxable income annually.
- Should the proposed consolidation and IPO move forward, you will receive two special distributions:
 - a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses.
 - a one-time distribution of class action settlement proceeds.
- ESRT REIT will allow you to diversify your assets – one of the first principles of sound investing.
- ESRT REIT will offer you new growth opportunities, through potential acquisitions, with better access to capital markets.
- We believe the proposed consolidation and IPO are in the best interests of all investors.

We are available to speak with you and want to answer all of your questions. Please call toll-free, 1-888-410-7850, or contact us at inquiries@malkinholdings.com.

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You can find more information at www.empirestaterealtytrust.com.

Thank you for your attention to this important decision.

Transcript of Video Relating to Instructions: How to fill out the consent form

- Scene 1
 - Read: “Instructions: How to fill out the consent form.”
- Scene 2
 - Part 1
 - Read: “The consent form provides boxes for you to enter your vote separately with regard to”
 - Part 2
 - Read:
 - “The proposed consolidation, the vote shown is in favor of the proposed consolidation.”
 - “The proposed third party portfolio sale, the vote shown is in favor of the proposed third party portfolio sale, and.”
 - “The request for voluntary pro rata reimbursement for litigation and arbitration costs, the vote shown is in favor of the proposed voluntary reimbursement.”
 - “Simply indicate your vote in the applicable box.”
- Scene 3
 - Part 1
 - Read:
 - “The form also provides spaces for you to elect the form of consideration you wish to receive in the consolidation.”
 - Part 2
 - Read:
 - “This form has been filled out to indicate a participant who wishes to have a vote and be subject to the least in taxes. The participant has elected 100% Operating Partnership Units with Class B shares, so that such participant will receive 98% Operating Partnership Units, 2% Class B shares, and no Class A shares.”
- Scene 4
 - Read:
 - “Investors wanting what is expected to be a 100% tax deferred treatment should elect 100% Operating Partnership Units.”
 - “Investors wanting a 100% taxable treatment should elect 100% Class A common stock.”
 - “Note: Operating Partnership Units do not have voting rights while Class A common stock has voting rights.”

-
- Scene 5
 - Part 1
 - Read: "After you have completed the foregoing voting and election, please submit the consent form as soon as possible."
 - Part 2
 - Read: "You can submit your form by mail or fax."
 - Scene 6
 - Part 1
 - Read: "If you sign and submit your form without indicating your vote on either the consolidation proposal or third party portfolio proposal, your participation interest will be counted as a vote "FOR" such proposal."
 - Part 2
 - Read: "If you sign and submit your form without indicating your vote on the voluntary reimbursement proposal, your participation interest will be counted as "DOES NOT CONSENT TO" such proposal."
 - Part 3
 - Read: "If you do not submit your consent form, or you indicate on your consent form that you "Abstain" from any proposal, it will have the effect of voting "Against" such proposal."
 - Scene 7
 - Part 1
 - Read: "Should you have any question, please contact us by phone, on our website, or by e-mail."
 - Part 2
 - Read: "Thank you for your support."

Rolling credits:

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- ESRT REIT will allow you to diversify your assets – one of the first principles of sound investing.
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Transcript of Video Relating to Explanation of Investment Structure

Peter Malkin

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Anthony Malkin

And I'm Tony Malkin.

Peter Malkin

I began my work for you in 1958, when I joined my late father-in-law Lawrence A. Wien for what became a wonderful partnership spanning more than thirty years. I was here and was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son joined me in 1989, and in joining me has worked tirelessly for more than twenty-three years. I want you to know that I considered many options, including leaving things as they have been for the last several decades before deciding that this is the best course of action for the more than 5,000 investors we represent in the 23 different entities we are proposing to include in this consolidation and REIT formation.

Anthony Malkin

In this video, we'd like to speak to you about why we decided to propose a consolidation of 18 properties and one development site we supervise into one publicly-traded Real Estate Investment Trust, or REIT. For decades, we have served investors in protecting their investments, building value, and generating distributions. Each one of the investments involved in this solicitation is more than half a century old. We want you to know why we think that this is the best course of action for the next 50 years. We know that you may have questions, and we want to assure you that we are here, and want, to answer them for you.

Peter Malkin

I want you to know that in the more than two years during which we have been working on this proposed consolidation and REIT formation, I have been reflecting on my career, and the innovative investments created by my father-in-law starting in 1934, and then by my father-in-law and me, and then by me and my son Tony. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring, profitable investment, liquidity, and choice. Had his life not been cut short by cancer, I am certain that Lawrence A. Wien would have had the shared the same enthusiasm and endorsement for our plans.

Anthony Malkin

The purpose of this video is to provide you some background about what we call the two-tiered properties that were created by my grandfather and my father, and which formed the ownership structure of the Empire State Building, One Grand Central Place, formerly known as The Lincoln Building, and 250 West 57th Street, formerly known as The Fisk Building. We think understanding the history of these unique investment structures is critical to your ability to evaluate the proposal before you.

Peter Malkin

In the 1930's through the 1960's, tax and corporate laws were very different than they are today. My father-in-law, Lawrence Wien, was a pioneer in the development of a structure for real estate investments that was revolutionary at the time and, in doing so, established the firm that continues today as Malkin Holdings.

There used to be limited options to invest in real estate. You could have invested in a limited partnership or a corporation — but at that time your income would be taxed twice, once when the corporation or limited partnership received it, and then again when the individuals received dividends. This “double taxation” would significantly reduce the benefits to investors.

The alternative was to invest in a general partnership — but then every partner, no matter how small, would face potential unlimited personal liability if the partnership were sued for any reason, including contract disputes, construction accidents, a building visitor slipping and falling, or a landlord/ tenant dispute.

Anthony Malkin

To address these issues, my grandfather developed an innovative two-tiered structure, which gave investors the chance to buy into an entity called the Lessor... that is your investment group. Your investment group purchased property and then simultaneously leased it to an Operating Lessee – which controls all operations of the property and is subject to potential liability for lawsuits.

The benefit of this structure is that it allows you to receive income distributions and upside based on performance from the Operating Lessee – but with your income taxed only once. You have no responsibility to manage the properties and you are protected from liability.

Malkin Holdings has supervised the operations of the buildings, making decisions on leasing, management, capital expenditures, and even, when it was necessary, successfully suing to remove the former managing/leasing agent Helmsley-Spear and reinvesting to turn the properties around. This is the same role we have fulfilled since your investment was made.

Peter Malkin

So as you can see, your investment was linked to its Operating Lessee from the moment you, or your predecessor invested, and that linkage was the key to the original investment structure. This is the structure my father-in-law Lawrence A. Wien, Harry Helmsley, and I used to acquire the Empire State Building in 1961, and which Mr. Wien and Mr. Helmsley used to acquire the Lincoln Building (now One Grand Central Place) and the Fisk Building (now 250 West 57th Street).

The supervisor... Malkin Holdings... has been the same entity for nearly 80 years and your investment, we believe, has performed well over time. However, this structure has since become cumbersome, inefficient and outdated, and the realities of running a competitive real estate business today are more expensive and complicated. We think it's time for a constructive streamlining that offers every investor voting rights in electing the governing board and options for liquidity as well as tax deferral.

Anthony Malkin

We believe that, in addition to unlocking the full value of your investment, the proposed consolidation and IPO as a REIT will allow all investors to benefit from centralized decision-making by an experienced management team, and clear and transparent corporate governance with a board comprised of six outside directors and only me as the sole inside director.

Peter Malkin

In a REIT format, your quarterly dividends will be based on the performance of a portfolio of many properties, rather than just one property, and those distributions are required to be at least 90% of annual REIT taxable income to maintain qualification as a REIT. Dividends will generally not be affected by any fluctuation in the stock price. Furthermore, we believe our management and operational structure will be streamlined and more efficient, with one corporate entity working on behalf of all investors.

Anthony Malkin

Importantly, once we are a REIT, you will have the ability to sell part or all of your interest as and when you wish at a true market price for your liquid shares, traded on the New York Stock Exchange, following an initial lock up period. Or you can make the same choice as our family... we presently plan to hold our interests for the future.

Peter Malkin

So in summary, by putting these properties together, we believe all investors will benefit through ongoing dividends with the potential to increase through property performance, better financing, more efficient operation, and beneficial acquisitions. The potential for increased distributions from dividends and stock appreciation over time offers benefit for all investors. Our family, as you know, has interests in all of the properties we supervise, and we would not be proposing this if we did not think it would benefit all the entities in which we have invested.

So what's next?

Anthony Malkin

We have already the necessary authorization from twenty out of twenty-three entities we plan to consolidate into the REIT – these are what we call the private entities.

We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building, One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

Over these weeks, you will likely have contact with representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote.

Peter Malkin

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Transcript of Video Relating to Benefits of the Recommended Consolidation and IPO

Peter Malkin

Hello, I'm Peter Malkin.

Anthony Malkin

And I'm Tony Malkin.

Peter Malkin

I began my work for you in 1958, when I joined my late father-in-law Lawrence A. Wien for what became a wonderful partnership spanning more than thirty years. I was here and was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son joined me in 1989, and in joining me has worked tirelessly for more than twenty-three years. I want you to know that I considered many options, including leaving things as they have been for the last several decades before deciding that this is the best course of action for the more than 5,000 investors we represent in the 23 different entities we are proposing to include in this consolidation and REIT formation.

Anthony Malkin

In this video, we'd like to speak to you about why we decided to propose a consolidation of 18 properties and one development site we supervise into one publicly-traded Real Estate Investment Trust, or REIT. For decades, we have served investors in protecting their investments, building value, and generating distributions. Each one of the investments involved in this solicitation is more than half a century old. We want you to know why we think that this is the best course of action for the next 50 years. We know that you may have questions, and we want to assure you that we are here, and want, to answer them for you.

Peter Malkin

I want you to know that in the more than two years during which we have been working on this proposed consolidation and REIT formation, I have been reflecting on my career, and the innovative investments created by my father-in-law starting in 1934, and then by my father-in-law and me, and then by me and my son Tony. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring, profitable investment, liquidity, and choice. Had his life not been cut short by cancer, I am certain that Lawrence A. Wien would have had the shared the same enthusiasm and endorsement for our plans.

Anthony Malkin

Malkin Holdings supervises many office buildings and retail properties in Manhattan, Fairfield County, CT and Westchester County, NY. Each property has its own unique attributes and qualities and is home to a wide variety of tenants. All are fully renovated, have renovations largely complete, or in the case of the Empire State Building, are in the middle of renovation programs. All are well located either at or with easy access to important transportation hubs and/ or key highways.

There is detailed information on all of these buildings in the Form S-4, which is on this website, and in videos which are on this website, and we would encourage you to have a look.

Peter Malkin

So how does combining these properties benefit investors? Well, the first, major benefit is diversification. Diversifying your assets is one of the first principles of sound investing and is certainly the case with real estate investing too. Different buildings have different needs at different times, and go through different leasing cycles and different capital expenditure cycles. By combining the performances of all the properties under one roof, investors have less exposure to any one asset.

Anthony Malkin

The second big opportunity is growth. A consolidation would enable us to pursue attractive growth opportunities through acquisitions and upgrading existing properties. As a group of properties with a strong balance sheet, we expect to be able to borrow from many different lenders at lower interest rates. By having more options for financing, and more structures through which to borrow, we should save on interest costs, free up more cash that can be used for dividend distributions, and conduct financings with greater efficiency—allowing us to focus more on delivering property level results.

Peter Malkin

A third big benefit is efficiency. Generating financial reports and tax filings, entering into financings and refinancings, and handling the same processes in operation and leasing for all of the properties is complex. By consolidating the properties, we eliminate many “non-monetary” costs required to conduct our daily business. We will be able to focus more on property and company performance—fewer steps, more focus, and the opportunity for greater efficiency.

Anthony Malkin

There are numerous other benefits too, such as attracting interest from institutional investors that supports our stock price. When we began considering a consolidation and IPO it became clear that it was important to potential investors that we include all of the properties in the Manhattan and New York City market area that we supervise under one corporate structure. In fact, excluding any property which we supervise in these market areas and which fits the REIT’s profile and strategic plan could lead to potential conflicts of interest or management distractions which could damage the value of the company in investors’ eyes.

Obviously, we cannot predict what that stock price will be... it will depend on many factors including the economic and market environment at the time of the IPO.

As an investor in the REIT, you can expect to receive regular quarterly dividends based on the performance of a portfolio of many properties, rather than just one property, and those distributions are required to be at least 90% of annual REIT taxable income to maintain REIT qualification. We anticipate that these dividends will be much more consistent than the dividends you have received to date in your standalone entity. This is also attractive to investors.

And in addition to quarterly dividends, we expect there are excellent prospects for growth through performance. Our family are major owners of the properties to be consolidated, and we are not selling, instead we are looking to share in the upside in which we believe.

Peter Malkin

So in summary, by putting these properties together, we believe all investors will benefit through ongoing dividends with the potential to increase through property performance, better financing, more efficient operation, and beneficial acquisitions. The potential for increased distributions from dividends and stock appreciation over time offers benefit for all investors. Our family, as you know, has interests in all of the properties we supervise, and we would not be proposing this if we did not think it would benefit all the entities in which we have invested.

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Transcript of Video Relating to Why We Recommend the Consolidation and IPO Now

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In this video, we'd like to speak to you about why we decided to propose a consolidation of 18 properties and one development site we supervise into one publicly-traded Real Estate Investment Trust, or REIT. For decades, we have served investors in protecting their investments, building value, and generating distributions. Each one of the investments involved in this solicitation is more than half a century old. We want you to know why we think that this is the best course of action for the next 50 years. We know that you may have questions, and we want to assure you that we are here, and want, to answer them for you.

Peter Malkin

I want you to know that in the more than two years during which we have been working on this proposed consolidation and REIT formation, I have been reflecting on my career, and the innovative investments created by my father-in-law starting in 1934, and then by my father-in-law and me, and then by me and my son Tony. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring, profitable investment, liquidity, and choice. Had his life not been cut short by cancer, I am certain that Lawrence A. Wien would have had the shared the same enthusiasm and endorsement for our plans.

Anthony Malkin

My dad and I would like to discuss why we believe it is in everyone's interests to combine 18 office and retail properties plus one development site into a diversified real estate portfolio — and to convert that portfolio into a Real Estate Investment Trust, or a REIT, through an Initial Public Offering, or IPO.

Taken together, these developments combined to make the proposed consolidation of properties and IPO the next logical step for investors.

Peter Malkin

As many of you are aware, for decades, my father-in-law, Lawrence A. Wien, worked together with Harry Helmsley. After Harry Helmsley's death in 1997, however, Helmsley-Spear, Inc. was sold to its senior officers. It was about that time I commenced proceedings to remove Helmsley-Spear as managing agent because the performance at the properties was suffering.

Through very lengthy and costly legal proceedings, we successfully removed Helmsley-Spear and began turning around these pre-war properties into trophy properties. We successfully completed significant upgrades, made considerable capital improvements, hired new staff and executives at Malkin Holdings, and added new managing agents. This brings us back to our proposed consolidation and IPO as a REIT.

With a consolidation and IPO, we can give investors many valuable benefits and allow the Helmsley estate to exit without raising risk to remaining investors. We will maintain our management team which has done such a fine job transforming the supervised properties. We also will be able to realize for investors significant benefits in becoming a publicly traded REIT.

Anthony Malkin

The first benefit is improved decision-making and efficiency.

Our proposal will result in coordinated planning and decision-making by experienced officers and employees, overseen by a board comprised of six independent directors and me. The board will be accountable to shareholders, who will be able to vote on the board members, as with any other publicly-traded company.

Importantly, there will be no opportunity for damaging deadlocks like there have been in the past under the current structure. And Malkin Holdings will no longer have to supervise competing interests of various ownership groups. All ownership groups will be part of one company with one set of objectives.

Second, the REIT will allow you to enjoy diversification and regular quarterly dividends.

Right now, many of you have all your eggs in one basket, figuratively speaking. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing.

REITs are also required to distribute at least 90% of their annual REIT taxable income to shareholders to maintain REIT status. The expected regular quarterly dividends to investors in the REIT will be based on the performance of a variety of properties rather than just one. We believe that you have a greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation than as a participant in any individual LLC from improved performance and a better capital structure made possible by the combined balance sheet of all the properties.

Peter Malkin

Third, a REIT has better access to capital markets for property needs and growth.

Borrowing money is a complicated, costly and time consuming process, especially when done on a property-by-property basis. Combining the properties gives us the possibility of borrowing more cheaply and efficiently. In addition, as a public REIT we expect to have better access to debt and equity capital to acquire new properties that offer growth opportunities.

Fourth, the REIT will reduce the complication and cost of operating your investments.

Certain tax laws have changed in a way that makes the very complicated original structures under which we operate our properties unnecessary. These changes give us the opportunity to increase the efficiency and lower the costs associated with our ownership structure.

Anthony Malkin

Another benefit is the potential for liquidity at a time of your choosing.

Many of you may wish to keep your interest and continue receiving dividends. But others may wish to liquidate all or part of their investment after all these years. Your investment is worth many times what you or one of your predecessors paid for it. But currently there is no efficient, public market for you to sell your interest.

While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares or units at any time you like and sell all or a part of your interest at any time you choose, following an initial lock up period.

And finally, the IPO allows a sale of the Helmsley estate's interests without disruption to other investors.

The Helmsley estate owns a veto in the operating lessee of the Empire State Building and large portions in the operating lessees of One Grand Central Place and 250 West 57th Street. If the estate does not liquidate its interest through an IPO, we expect it to sell its interests to an unknown third party.

We must all face the reality that Leona Helmsley's will requires her estate to liquidate its investments, including properties supervised by Malkin Holdings. You may see a copy of Mrs. Helmsley's will on our website by clicking the link in the copy of the August 6, 2012 letter to participants.

And so it is important to understand that the Helmsley estate sale requirement will end the status quo no matter how investors vote. If the consolidation and REIT transaction go forward as proposed, there will be no disruption. Otherwise, there is no way to predict how an unknown third party will act on matters that affect the availability of cash for distributions.

Peter Malkin

So in summary, by putting these properties together, we believe all investors will benefit through ongoing dividends with the potential to increase through property performance, better financing, more efficient operation, and beneficial acquisitions. The potential for increased distributions from dividends and stock appreciation over time offers benefit for all investors. Our family, as you know, has interests in all of the properties we supervise, and we would not be proposing this if we did not think it would benefit all the entities in which we have invested.

So what's next?

Anthony Malkin

We have already the necessary authorization from twenty out of twenty-three entities we plan to consolidate into the REIT – these are what we call the private entities.

We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building, One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

Over these weeks, you will likely have contact with representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote.

Peter Malkin

We hope you will view the other videos and documents on this site as well. We hope this has been helpful to you as you evaluate your options.

Should you have additional questions on what we have just discussed, please feel free to e-mail them through this website, or call the 800 number.

Thank you very much for listening, and as always, we do appreciate your support.

Rolling credits:

We hope you found this video helpful. This is a summary of what we think are the highlights of the proposed consolidation and IPO:

- You may choose a 100% tax deferred option through the receipt of Operating Partnership units.
- ESRT REIT Class A common stock and/or Operating Partnership Units will be listed on the New York Stock Exchange.
- We believe the ESRT REIT offers a greater potential for dividend increases than status quo.
- ESRT REIT will make quarterly distributions at a minimum of 90% of REIT taxable income annually.
- Should the proposed consolidation and IPO move forward, you will receive two special distributions:
 - a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses.
 - a one-time distribution of class action settlement proceeds.
- ESRT REIT will allow you to diversify your assets – one of the first principles of sound investing.
- ESRT REIT will offer you new growth opportunities, through potential acquisitions, with better access to capital markets.
- We believe the proposed consolidation and IPO are in the best interests of all investors.

We are available to speak with you and want to answer all of your questions. Please call toll-free, 1-888-410-7850, or contact us at inquiries@malkinholdings.com.

We are hosting conference calls to help inform you about the facts with regards to the proposed consolidation and IPO. You can register online at www.empirestaterealtytrust.com or you can call toll-free 1-888-410-7850.

You can find more information at www.empirestaterealtytrust.com.

Thank you for your attention to this important decision.

Transcript of Video Relating to Benefits of Consolidation/IPO vs Downside of Status Quo

Peter Malkin

Hello, I'm Peter Malkin.

Anthony Malkin

And I'm Tony Malkin.

Peter Malkin

I began my work for you in 1958, when I joined my late father-in-law Lawrence A. Wien for what became a wonderful partnership spanning more than thirty years. I was here and was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son joined me in 1989, and in joining me has worked tirelessly for more than twenty-three years. I want you to know that I considered many options, including leaving things as they have been for the last several decades before deciding that this is the best course of action for the more than 5,000 investors we represent in the 23 different entities we are proposing to include in this consolidation and REIT formation.

Anthony Malkin

In this video, we'd like to speak to you about why we decided to propose a consolidation of 18 properties and one development site we supervise into one publicly-traded Real Estate Investment Trust, or REIT. For decades, we have served investors in protecting their investments, building value, and generating distributions. Each one of the investments involved in this solicitation is more than half a century old. We want you to know why we think that this is the best course of action for the next 50 years. We know that you may have questions, and we want to assure you that we are here, and want, to answer them for you.

Peter Malkin

I want you to know that in the more than two years during which we have been working on this proposed consolidation and REIT formation, I have

been reflecting on my career, and the innovative investments created by my father-in-law starting in 1934, and then by my father-in-law and me, and then by me and my son Tony. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring, profitable investment, liquidity, and choice. Had his life not been cut short by cancer, I am certain that Lawrence A. Wien would have had the same enthusiasm and endorsement for our plans.

Anthony Malkin

And now you have a simple, but very important choice: *Should I vote for or against the proposed transaction?* You are now in a position to make your decision and to vote on the proposed transaction. We think it is important for you to compare what will happen if the transaction moves forward, as well as the consequences to investors like you if it does not.

If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include: 100% tax deferred Operating Partnership—or “OP”—Units that do not have voting rights;

A 98% tax-deferred combination of Class B Common Stock and OP Units that would have the same voting rights as if you had selected only Class A Common Stock; or

Fully taxable Class A Common Stock with full voting rights.

Each one of these options will provide you with ownership in prime, improved or improving office and retail real estate in Manhattan and the New York City market. And importantly, no matter which security you choose, you can expect to receive regular, quarterly dividends with the potential for increased dividends and the potential for capital appreciation.

Class A shares and OP Units will be traded on the New York Stock Exchange, and the Class B shares and 100% tax deferred OP Units can be exchanged for cash (equal to the market value) or, at the REIT’s option, Class A shares at a time of your choosing after the initial lock-up period, giving you great investment and tax planning flexibility. If it helps your decision in any way, please know that the Malkin family has chosen to receive a combination of Class B Common Stock, OP Units, and Class A Common Stock.

Peter Malkin

Now let's talk for a moment about dividends.

We believe that if the transaction moves forward, dividends will be paid quarterly, based on the performance of many properties, rather than just one. Unlike the current structure, where distributions beyond a minimum are discretionary and are based on the need to establish reserves, to qualify as a REIT, dividends are at least 90% of the REIT's annual taxable income, and REIT taxable income will be determined by the performance of the portfolio of properties and unaffected by the company's stock price. While the price of Class A shares or OP Units or shares may go down or up, that will not change the requirement to pay dividends of at least 90% of REIT taxable income.

Combining properties also creates the potential for more stable dividends through greater performance stability of many properties, rather than just one, better access to capital markets, streamlined financial reporting, and a simplified management structure that increases efficiency and allows for better planning. The REIT expects to maintain modest leverage, which should allow the REIT to pursue acquisitions that could increase its cash flow – potentially allowing for further growth and enhanced dividend distribution.

And finally, at present, we have to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time to time. As a REIT, we will no longer have to hold cash reserves in each individual entity, allowing for a one-time distribution of cash reserves at or just after the consolidation and IPO and no need to establish entity level reserves at your LLC at any time.

Anthony Malkin

Another benefit of the transaction is modern corporate governance. Investors would own shares in a publicly traded company with a centralized, experienced management team governed by a board comprised of six independent directors and me. You have received already the summary biographies of the six proposed independent directors in our September 6, 2012 letter. Each has successful experience either in real estate, public companies, or both.

As a public company with its securities listed on the NYSE, your board will be accountable to you, and those of you with voting securities would elect the board members and vote on other company matters each year. In addition, you will have greater transparency into our operations through regular, quarterly earnings reports and mandated SEC disclosures of material events. You would also enjoy all the protections afforded all public shareholders through SEC, NYSE, and Dodd-Frank rules and regulations.

A modern corporate governance structure will allow decisions to be made more efficiently, on behalf of all investors, with less wasteful duplication. It will also help ESRT attract top talent and provide for management succession planning for what will happen after I am no longer CEO. It will also eliminate the risk of damaging deadlocks in decision-making inherent in the current ownership structure. And finally, it will allow us to have one auditing firm, Ernst & Young, to prepare one audited statement for all the activities of the REIT.

Peter Malkin

Another benefit is simplified tax filing. Instead of a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing, Class A or B Common Stock shareholders will receive one form 1099 and OP Units holders will receive one form K-1. ESRT has committed to make efforts to deliver all of these forms by March 31st so you will not have to file your returns on extension.

Anthony Malkin

Now let's talk for a moment about what will happen if the transaction does not proceed.

If the status quo remains, you will continue to own an illiquid interest in an entity which owns a partial interest in a single property. This means you cannot obtain a true and efficient market price for your interest, and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing. While it's true that some have been able to sell their interests in the past, it has been a much more time consuming and complex process and only accomplished at tremendous discounts to comparable interests in publicly traded REITS.

You will also continue to be subject to an ownership structure that is universally recognized as archaic, and which limits your rights and the value of your investment. Present ownership structures rely upon Malkin Holdings to keep everything together, and there is no plan for succession of management after my and my father's involvement.

The current decision-making and financial reporting structures are inefficient, more costly, limit your partnership's access to capital markets, require large entity level cash reserves, and therefore can limit the money available for distribution to investors. The current ownership structure also presents the risk of damaging deadlocks in decision-making. Instead of owning a piece of a new company with one set of objectives, you run the risk of competing agendas and decision-making. Malkin Holdings as supervisor manages around these dangers as effectively as we can, but they are always present, always a threat to your returns, and have contributed to poor performance in the past.

Your investment presently relies on third party service providers and outside accountants. Those professionals are part of a group of outside service providers and accountants who are coordinated by Malkin Holdings as supervisor. This is not efficient, is costly, and causes delays in financial and tax reporting. Filing for all these entities has become more complicated, we are not able to get them all prepared and distributed for investors to be able to file by April 15th each year.

Peter Malkin

In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and the decisions made by an operating lessee over which you have no control. Currently, your investment relies on the operating lessee's payment of overage rents for extra distributions. Without centralized ownership and management, the operating lessees at these three properties make all decisions that determine whether or not overage rent is paid.

For example, if the operating lessees choose to use cash flow to fund future capital improvements, tenant installation costs, commissions, and other expenses rather than to use financing, your distributions from overage rent may decrease or cease until overage rent resumes. Also, because you currently rely only on the performance of one property – any major expenditure unique to your property, or major tenant failure, will impact you directly and not be smoothed out by the performance of other properties.

Many of you have personally experienced inconsistent property performance, together with a lack of efficient access to the capital markets, which has interrupted, and can interrupt, distributions. REITs however distribute at least 90% of annual REIT taxable income.

And finally, without the combination, there will be no access to growth through acquisitions. A combined balance sheet creates the opportunity to acquire additional property, experience additional revenue and capital appreciation, and still maintain the conservative levels of leverage for which we are well known. Over time, new acquisitions offer you additional dividends and capital appreciation potential.

And finally, all investors will continue to have the time-consuming and complicated burden associated with filing taxes under the current structure. Malkin Holdings will continue to prepare a K-1 for each investment entity. This process is time-consuming, and with increasingly complex tax rules and regulations, is not practical to complete in time for investors to file by April 15 of each year.

And so in summary, we strongly believe that the proposed transaction is in the best interests of all investors. It provides:

Tax deferral until such time as you choose to sell or there is another capital transaction;

Enhanced stability through diversity;

Opportunity for liquidity at a true market price and at a time of your choosing;

More consistent dividends than the status quo, which has the potential to grow over time;

Better access to capital markets;

Opportunity for additional capital appreciation over time;

Modern corporate governance with an independent board;

Better prospects for management transition;

Greater transparency and financial reporting; and

Less costly and involved tax filings.

Importantly, the Malkin family will not be selling any shares in the proposed transaction.

Anthony Malkin

We have already the necessary authorization from twenty out of twenty-three entities we plan to consolidate into the REIT – these are what we call the private entities.

We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building, One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

Over these weeks, you will likely have contact with representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote.

Peter Malkin

We hope you will view the other videos and documents on this site as well. We hope this has been helpful to you as you evaluate your options.

Should you have additional questions on what we have just discussed, please feel free to e-mail them through this website, or call the 800 number.

Thank you very much for listening, and as always, we do appreciate your support.

Rolling credits:

We hope you found this video helpful. This is a summary of what we think are the highlights of the proposed consolidation and IPO:

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 - a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses.
 - a one-time distribution of class action settlement proceeds.
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- ESRT REIT will offer you new growth opportunities, through potential acquisitions, with better access to capital markets.
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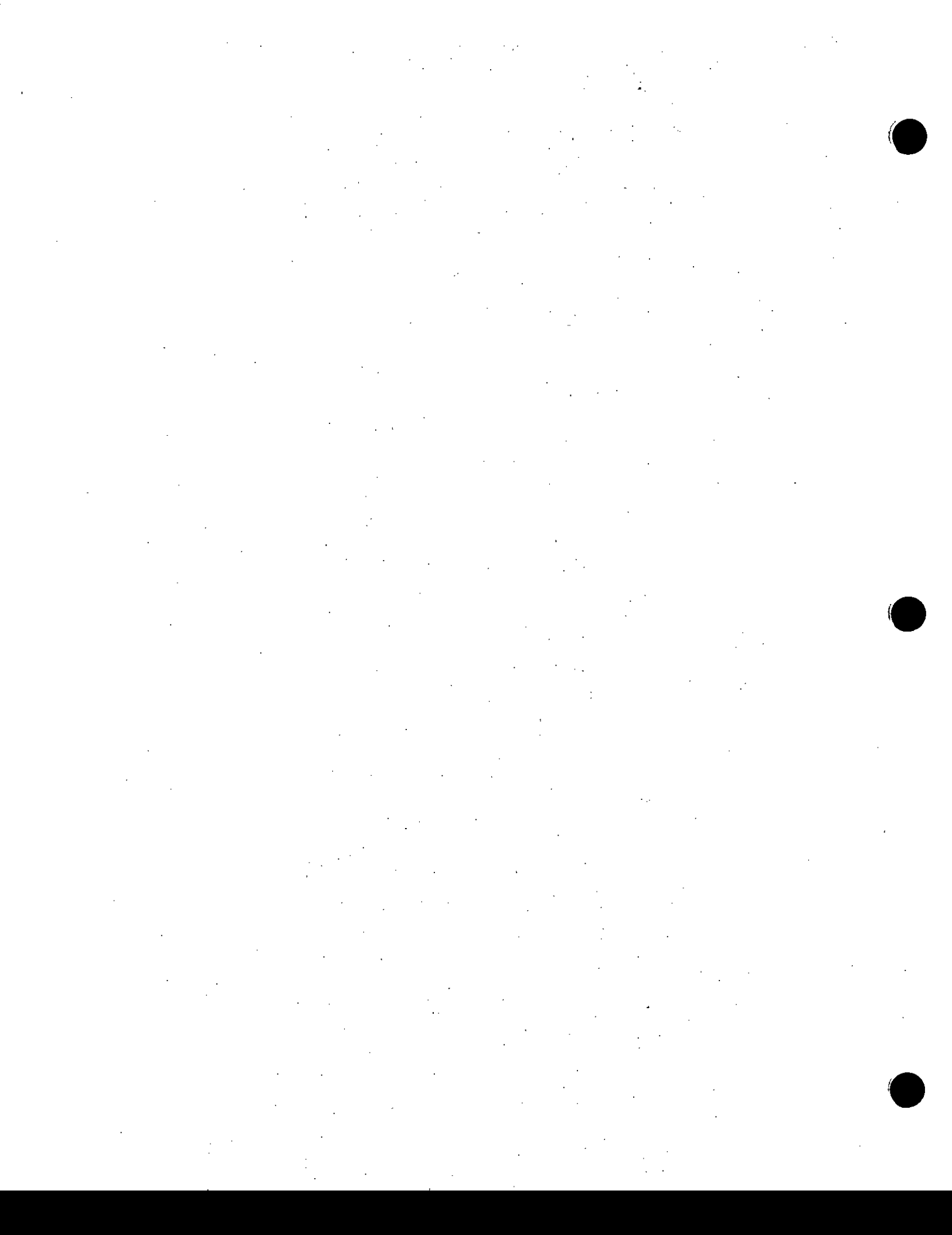
Thank you for your attention to this important decision.

W&H Properties Video Transcript

- ESRT logo: Manhattan's Premier Pre-War Trophy Portfolio
- Empire State Building \ One Grand Central Place \ 250 West 57th Street
- 112 West 34th Street \ 501 Seventh Avenue \ 1333 Broadway
- 1350 Broadway \ 1359 Broadway \ 1400 Broadway
- Every building is located at or near a major Midtown transportation hub [Midtown Manhattan Map]:
 - 250 West 57th Street
 - One Grand Central Place
 - 1400 Broadway
 - 501 Seventh Avenue
 - 1359 Broadway
 - 1350 Broadway
 - 1333 Broadway
 - Empire State Building
 - 112 West 34th Street
- In a vibrant 24/7 environment
- Long-term financially strong ownership committed to sustainability
- We have completed nearly \$800 million of a \$1.25 billion portfolio capital investment program
- Responsive, 24-hour tenant-focused on-site management
- Offering the widest range of spaces on the market
- Full floors
- Pre-builts
- Tenant build-outs
- Sustainable
- Experienced, disciplined, forward-looking
- We deliver on our promises
- Thank you for giving us the opportunity to compete for your business.
- ESRT logo.

Malkin Properties Video Transcript

- [ESRT Logo]: Presenting Malkin Properties' Premier Commercial Property Portfolio
- [Greater NY Metro-area Map:]
 - 103-107 Main Street
 - 66-69 Main Street
 - MerrittView
 - Metro Center
 - Metro Tower
 - First Stamford Place
 - Ten Bank Street
 - 500 Mamaroneck Avenue
- [Midtown Manhattan Map:]
 - The Gotham
 - 1010 Third Avenue
 - 250 West 57th Street
 - 77 West 55th Street
 - One Grand Central Place
 - 501 Seventh Avenue
 - 1400 Broadway
 - 1359 Broadway
 - 1350 Broadway
 - 1333 Broadway
 - 112 West 34th Street
 - Empire State Building
 - 10 Union Square
- Four generations of prudent, successful real estate investment & asset management
- Pre-War Trophy Manhattan Office Buildings
- Best-In-Class Suburban Office Properties
- Premier Retail Properties in 24/7 Locations
- Every building is located at or near a major transportation hub
- Long-term ownership with financial strength
- Committed to sustainable business practices and energy efficient innovation
- We have completed over \$800 million of a \$1.5 billion portfolio capital investment program
- Experienced, disciplined, forward-looking
- Proactive, hands-on ownership and business management
- Tenant satisfaction is our number one priority
- Exceptional service & amenities
- Offering the widest range of spaces on the market
- Thousands of tenants call Malkin buildings home
- Thank you for giving us the opportunity to compete for your business.
- Performance for Today. Perspective for Tomorrow.
- [ESRT logo]



Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in 60 East 42nd St. Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose. Due to the large number of attendees and to ensure audio quality, this is a listen-only call in which all participants' lines are muted.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings, including the Prospectus Consent Solicitation Statement, which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Each of the three public entities, Empire State Building Associates LLC, 60 East 42nd Street Associates LLC, and 250 West 57th Street Associates LLC, the companies and their agents, and Malkin Holdings LLC, the supervisor, Empire State Realty Trust, Inc., the REIT, Empire State Realty OP, L.P., and each officer and director of the companies, the supervisor, or of the REIT, may be deemed to be a participant in the solicitation of consent in connection with the proposed consolidation. The names of such persons and a description of their interest in the companies and the REIT are set forth respectively in each Company's Annual Report on Form 10-K for the year ended December 31st, 2011, the REIT's Registration Statement on Form S-4 and

Prospectus Consent Solicitation Statement which have been filed with the SEC. Investors are urged to review the Registration Statement on Form S-4, the Prospectus Consent Solicitation Statement, which you have received, and other related documents now filed, or to be filed, with the SEC, because they contain important information. You can obtain them, without charge, on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the Prospectus Consent Solicitation and the supplements relating to the individual entities by contacting Ned H. Cohen at Malkin Holdings LLC.

A transcript of comments by the Malkins and questions and answers from this call will be available on our website, www.empirestaterealtytrust.com when available, will also be filed with the SEC and will be available at www.sec.gov.

With that, I will turn the call over to the Malkins.

Tony Malkin: Thank you, Operator. I am Tony Malkin and my father and I would like to welcome you all and thank you for participating. We're going to start with some remarks and then move to question and answer. We will be on the phone between one and one-and-a-half hours. We're very happy to speak with you. We hope that you have, or will, review some key materials we have sent to you and which are also on our website. The videos and some other of the information on our website, including instructions on how to fill out your Consent Form, are also on the DVD we sent with the Proxy Consent Solicitation Statement and other solicitation materials.

We are committed to answering every question you may have to help you understand why we are making this important recommendation. We will answer the most commonly asked questions in the time we have available on today's call. If you have submitted questions not answered on this call, we will reach out to you individually in a separate call. If you have new questions, you can make a toll-free call to our proxy solicitor at 1 (888) 410-7850, or reach us through our website at www.empirestaterealtytrust.com. Again, the toll-free number is 1 (888) 410-7850 and the website address is www.empirestaterealtytrust.com, and I'll spell that out for you. It's all one word www.empire, that's E-M-P-I-R-E, state S-T-A-T-E, realty R-E-A-L-T-Y, trust T-R-U-S-T, dot com. We will also repeat the phone number and the website at the end of the call.

Now, let's get started. Dad?

Peter Malkin: Thanks, Tony, and thank you all for joining us today. As many of you know, I began my work for you in 1958, when I joined my late father-in-law, Lawrence A. Wien, for what became a wonderful partnership spanning more than 30 years. I was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son Tony joined me in 1989.

Before we get into the detail on the proposed transaction, I want you to know that we considered many other options, including leaving things as they have been, before deciding that the consolidation of properties into one publicly traded Real Estate Investment Trust, or REIT, is a unique opportunity in the life of these investments and the best course of action for the almost 5,000 investors we represent. The purpose of today's call is to explain to you why we believe this transaction will benefit you. Now that our S-4 is effective with the SEC, we are in a position to answer any question you have.

This proposal did not come about overnight. In fact, we have been working on it for nearly three years. All during this time I have been reflecting upon my career and the innovative investments created by my father-in-law starting in 1934. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring profitable investment, liquidity and choice. Although he is no longer with us, I am sure that my father-in-law, Lawrence A. Wien, would have had the same enthusiasm and endorsement for our plans.

Tony and I are going to walk you through the details, but in a nutshell, we believe that the transaction we are recommending is a big improvement for every investor. We believe our proposed transaction, which offers you a 100% tax-deferred option, gives you tremendous benefits, including the following:

Every investor will have the opportunity for liquidity after an initial lock-up period, when and if he or she decides it is appropriate, and when he or she choose liquidity they will be able to do so by selling shares or units on the New York Stock Exchange.

Second, all investors in the REIT are expected to receive ongoing distributions which we believe offer greater potential to increase more over time than if the status quo remained.

Third, we believe this greater potential for increased distributions results from the cumulative performance of many excellent properties, instead of just relying on one property, better financing, more efficient operation and potentially beneficial acquisitions.

Fourth, the proposed REIT will operate under Corporate Governance Guidelines, providing investors with increased transparency, accountability, and a simplified and more timely tax filing.

Finally, again, you have the option to exchange your current interest for an interest in the operating partnership of the REIT in a manner that is expected to be 100% tax-deferred.

My family, as you know, has interests in this building, just like you, and I would not be proposing this if I did not think it would benefit all investors.

Now, Tony will describe some of the benefits of the proposed transaction in more detail.

Tony Malkin: Thanks. Let me begin by addressing why we believe it is in your interest to vote for the proposed transaction. Obviously, the ability we were able to create for each of you to participate in what is expected to be a 100% tax-deferred transaction is the starting point. After that, the first key benefit is the opportunity for you to continue to own valuable and important real estate with a more stable and what we believe is greater potential for increasing distributions than your existing investment.

Combining properties creates the potential for more stable distributions through the greater performance stability of many properties, rather than just one. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing. Unlike the current structure, where distributions beyond a minimum are discretionary and based on the need to establish reserves, REIT dividends must be at least 90% of the REIT's annual taxable income. We expect they would be paid every quarter. We also believe that you have greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation than as a participant in your subject LLC. The REIT will have better access to capital markets, streamlined financial reporting and a simplified management structure that increases efficiency. The REIT also expects to maintain modest leverage, which should allow the REIT to pursue acquisitions that could increase its cash flow, potentially allowing for further growth and enhanced distributions.

Another factor is our current need to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time to time. As a REIT, we will no longer have to hold cash reserves in each individual entity. In fact, there will be a one-time distribution of whatever available cash reserves there are, at or just after, the consolidation and IPO. And there is no need to establish property level reserves by the REIT any longer. If the transaction proceeds, in addition to the one-time distribution of cash reserves, the REIT will reimburse all transaction expenses out of IPO proceeds, thereby increasing the funds available for such one-time distributions at the time of the IPO. Finally, each investor will receive their portion of the \$55 million Class Action Settlement Fund, subject to court

approval, but this one-time distribution and the receipt of such will occur only if the proposed transaction moves forward. If our proposed consolidation and IPO are not approved, these three one-time distributions will not occur.

In the Prospectus Consent Solicitation Statement, which is in the form in the final S-4, we have estimated what dividends would be for the REIT during the 12-month period ending September 30, 2013. The presentation of this 12-month estimate in the Prospectus Consent Solicitation Statement is the market convention for REIT IPOs and is consistent with SEC guidelines. Importantly, for most investors, including those investors in the Empire State Building, the estimated distributions in the S-4 are projected to be higher than under the status quo historical average distributions, and over the longer term we believe that all investors will have the greater potential for increasing distributions than they currently have, for all the reasons I just mentioned. Remember, REIT taxable income will be determined by the performance of the Portfolio of Properties and is unaffected by the Company's stock price. While the price of shares may go up and down, that will not change the requirement to pay dividends of at least 90% of REIT taxable income on an annual basis.

Dad?

Peter Malkin: Another significant benefit is the potential for liquidity at a time of your own choosing. Just to be clear, under the proposed consolidation and initial public offering there is never any requirement that you sell your shares for cash. Many of you may wish to keep your interest for you and your family and to continue receiving expected regular steady distributions, which we believe offer greater potential to increase more over time than if the status quo remained. That's fine. And because you have the option of choosing what is expected to be a tax-deferred security, you have the ability to avoid realizing a capital gain until the time of a future capital transaction, such as when you may decide to sell, and your family may avoid the capital gain tax completely if you hold onto your units for life and they are given a stepped-up basis in your estate.

I should note at the outset that the Malkin family intends to hold its shares and units, but others may wish to liquidate all or a part of their investment. I can't think of a case in which your investment is not worth many times what you or one of your predecessors paid for it, but currently there is no efficient public market for you to sell your interest in its present form. While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares or units any time you like and to sell all or part of your interest any time you choose, following the initial lock-up period.

Another benefit of the transaction is Corporate Governance. Investors would own shares in a publicly traded company with a centralized experienced management team. The management team would report to a board comprised of six independent directors and my son Tony. A full set of biographies of the six proposed Independent Directors is in the Prospectus Consent Solicitation Statement. Importantly, each Board Member has successful experience in real estate, public companies, or both. As a public company, your Board has a fiduciary responsibility to all stock holders and will be accountable to you, and those of you with voted securities would elect the Board Members and vote on certain other corporate matters each year. This is in contrast to your current investment where you have no vote.

You should also enjoy greater legal protections. As a public company with securities listed on the New York Stock Exchange, you would have all the protections afforded all public stockholders through the SEC, the New York Stock Exchange, and the new Dodd-Frank Rules and Regulations.

Another benefit is simplified tax filing, instead of receiving a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing. Class A or B common stock shareholders will receive one Form 1099, and OP unitholders will receive one Form K-1. The REIT has committed to make efforts to deliver all of these forms by March 31st of each year, so you will not have to file your returns on extension.

So, in summary, we believe there are many benefits to the proposed transaction. We believe all investors will benefit through ongoing distribution, with the greater potential to increase through property performance, better financing, more efficient operations, and beneficial acquisitions. The potential for increased distributions and stock price capital appreciation over time benefits all investors. You will enjoy modern Corporate Governance, an accountable Board of Directors, greater transparency and simplified tax filing. In our view, when you consider all these benefits, your decision to vote for the consolidation and IPO should be an easy one.

Dad?

Peter Malkin: We also think it's important for everyone to consider what will happen if the transaction does not move forward. Were that to occur, you will continue to own an illiquid interest in an entity that owns a partial interest in a single property. This means you are not likely to obtain a true and efficient market price for your interest and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing. You will also continue to be subject to an ownership structure that is universally recognized as archaic, which limits your rights and the value of your investment and which is potentially subject to damaging deadlocks.

Also, because you currently rely only on the performance of one property, any major expenditure unique to your property, or major tenant failure, will impact you directly and not be mitigated by the performance of other properties. In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and to the decisions made by the operating lessee, over which you have no control. Without the consolidation, there will not be the same access to growth through acquisitions and therefore you will forego the positive impact such acquisitions could have on distributions. Your entity will not be reimbursed for the transaction expenses incurred over the past several years and your entity will not make the one-time distribution to you of such reimbursement amount, plus its excess reserves. You will not receive any settlement payment. And finally, your tax filing will remain complex and subject to delays beyond April 15th each year.

Tony Malkin: Thanks, Dad. If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include a 100% tax-deferred operating partnership, or OP, units that do not have voting rights, a 98% tax-deferred combination of Class B common stock and OP units that would have the same voting rights as if you had selected only Class A common stock, or fully taxable Class A common stock with full voting rights. Each one of these options will provide you with ownership in prime, improved, or improving, office and retail real estate in Manhattan and the Greater New York Metropolitan Area, and importantly, no matter which security you choose, you can expect to receive regular quarterly distributions with the greater potential for increased distributions and capital appreciation than your current investment.

Let us discuss a little more what each of these securities is and what the general tax implications would be.

Peter Malkin: I'll begin with the OP units. OP units are expected to be 100% tax deferred, meaning that tax would be owed on any gain on your investment only at the time of a future capital transaction, such as when you decide to sell or the property owned by your entity is sold. OP units will also be listed on the New York Stock Exchange, but have no vote in the REIT. If and when OP unitholders decide to liquidate, however, they would not have to sell their units on the Exchange. Beginning after one year, they would also have the option of exchanging their OP units for cash at the then price of the Class A shares or, at the REIT's option, to receive Class A shares one for one. As detailed in the Prospectus Consent Solicitation Statement, some of your OP units are permitted to be sold immediately, and up to 50% can be sold after six months and all or any part of your holdings may be sold at any time starting 12 months after the initial public offering.

Another alternative is a combination of OP units and Class B shares. Because OP units do not have voting rights, we are offering the

option to receive Class B shares instead of 2% of the OP units you would otherwise receive. So, for example, if you were eligible to receive 100 OP units, you could instead choose 98 OP units and two Class B shares. Class B shares are different, in that each carries the same voting rights as 50 Class A shares. So, you, by choosing two Class B shares, would have the same voting rights as if you chose 100 Class A shares. However, receipt of Class B shares is taxable at the time of the IPO. So, instead of deferring taxes at 100% of your investment, you would defer taxes on 98% of your investment. If you decide you want to sell your Class B shares, which will not be listed on a National Securities Exchange, they are automatically converted on a one-for-one basis to Class A shares.

Tony Malkin: The final alternative is to receive Class A shares. These shares will have the same rights to distributions as OP units and Class B shares, and also carry voting rights in the REIT. However, receipt of Class A shares is taxable at the time of the IPO. As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A shares six months after the IPO and the balance 12 months after the IPO.

So, the bottom line is that we have created a structure that gives you great flexibility. You have a range of options, including to defer taxes, receive quarterly distributions and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, we received all of the required consents from those private entities, who have approved the proposed consolidation. For your reference, the Malkin family elected a combination of Class B shares and OP units, in addition to a small number of Class A shares.

If I may, let me turn this back to my father for some closing remarks.

Peter Malkin: Thank you, Tony. We hope that you have found this discussion helpful. In summary, we want to make sure you understand the following key points about this transaction:

You have the option to receive OP units which are expected to be 100% tax deferred. You would have new liquidity options through a listing of Class A common shares and OP units on the New York Stock Exchange. We believe the REIT offers a greater potential for distribution increases than the status quo. Dividends will be paid quarterly and at a minimum of 90% of REIT taxable income annually. You can diversify your assets, one of the first principles of sound investing. You will have increased growth opportunities through potential acquisitions, with better access to capital markets. You will receive a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses. You have the opportunity to receive class action settlement proceeds. For all these reasons, among others, we believe the proposed transaction is in the best interest of all investors.

And now let's begin the question and answer session.

Tony Malkin: Thank you to everyone who submitted questions. We are going to answer the most commonly asked questions. If your question is not answered, it is likely specific to your particular situation or has not been asked by any other investor and we will reach out to you individually. If you have new questions, you can reach out via the website at www.empirestaterealtytrust.com. Once again, that's all one word, www.empirestaterealtytrust.com. Or via our toll-free phone number, which is 1 (888) 410-7850. Again, that is 1 (888) 410-7850.

With that, let's take our first question: Is the MacKenzie that is doing the tender offer the same as the MacKenzie who is your proxy solicitor?

The answer is no, there is absolutely no relation whatsoever and it is purely a coincidence that they have the same name. The MacKenzie that is doing the tender offer has made prior tender offers that we have opposed or recommended against. We have separately mailed a Schedule 14d-9 to participants, which you all should have received, which states our recommendation against the tender offer.

Next, we have a question: What happens to my interest if the transaction proceeds?

Our Prospectus Consent Solicitation Statement states in several places that if your subject LLC participates in the consolidation you will have the option to exchange your current interest for one of three types of securities, as we discussed on the call earlier and as can be found on page 74 of that Consent Solicitation Statement. Those securities are, one, operating partnership units, or OP units, which are expected to be 100% tax-deferred; a combination of Class B common stock and OP units, which are expected to be 98% tax-deferred; or Class A common stock, which is 100% taxable. We, of course, cannot advise you on which security you should choose. We suggest that you consult your Financial Advisor if you are not sure which security is best for you. If you have questions about how to make your election, however, you can call us any time and we would be happy to explain further your options.

Dad?

Peter Malkin: The next question is: Will I be required to pay taxes on the consideration received in this transaction?

Our Prospectus Consent Solicitation Statement highlights in several places, including on pages 20 to 22, that if you elect to receive OP units you will not pay any tax on the consideration you receive in our recommended consolidation. You will only realize a capital gain at the time of a future capital event, such as when you decide to sell your interest or if the property owned by your entity is sold at some point in the future. If you choose OP units, the entire transaction, as set forth in the Prospectus Consent Solicitation Statement, is expected to be 100% tax deferred for you.

Tony Malkin: The next question is: Who is Duff & Phelps and how can I feel comfortable that their work has given me fair value for my interests in the consolidation?

As stated in our Prospectus Consent Solicitation Statement, given our family's role in owning interests and in supervising all the entities in our consolidation, we wanted an independent third party to produce the exchange values and render a fairness opinion for all participants, and we chose Duff & Phelps to do this work. We chose Duff & Phelps because we wanted the work to be performed by an independent group. Duff & Phelps is an internationally recognized firm with an excellent reputation for valuation services across all industries, and it provides these for a broad variety of real estate firms.

The Prospectus Consent Solicitation Statement, on pages 235 through 254, describes in detail how Duff & Phelps did its work. They began by requesting and receiving historical and current information and market data, which we delivered to them from our records and from the third-party managing agents. They then appraised the value of each of the properties, the development site and the management companies to be included in the REIT. Then Duff & Phelps calculated the exchange value for each property. Each of the properties will receive its proportionate share of the consideration in the consolidation based on its proportionate share of the aggregate exchange value. This results in the value of each entity relative to the others, which is how the consideration in the consolidation is being allocated to you. The exchange value for each entity was then allocated to the participants and the override interests, in accordance with the organizational documents for each entity. In this way, all values were established in the same way, including our own values.

The valuation materials which Duff & Phelps provided to us are attached in the materials you received as Appendices A and B to the Prospectus Consent Solicitation Statement, and the financial projections used by Duff & Phelps in its exchange valuation process for all the properties are attached as Appendix C. I can also tell you that we believe the valuations are fair, that our interests have been valued in the same way, and that we will be voting in favor of the transaction.

Peter Malkin: The next question is: Is there a deadline to vote?

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period, which would take us out to March 25, 2013. The longer it takes to approve the proposed consolidation and initial public offering, the greater will be the expenses borne by all investors, the longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses, and the longer it will take for you to receive your share of the class action settlement proceeds. Importantly, all these benefits will occur only if the vote is for the consolidation and initial public offering and the consolidation and initial public offering are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can, so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

The next question: How did the Malkins get their override interests?

The Prospectus Consent Solicitation Statement sets forth the variety of overrides from different ownership groups to which the Malkin Group is entitled. Some of these overrides have been in place since the creation of each investment. Some were put in place at later dates. Every one of these overrides was either included in the organizational documents when investors agreed to make their investment or has been consented to, in writing, by the investors in the entities.

Tony Malkin: This question: Isn't Malkin Holdings going to continue to get management fees, commissions from leasing, and supervisory fees, once the consolidation is concluded and the REIT goes forward?

No, that's not true. Today, Malkin Holdings receives no management fees or commissions from any of the properties involved in this consent. All Malkin Holdings receives is its supervisory fees and its overrides, when payable. All Malkin Holdings fees and entitlements were valued as part of Duff & Phelps' work. When the consolidation and IPO move forward, Malkin Holdings will receive no more fees. All Malkin Holdings will get is its ownership in the REIT.

Peter Malkin: The next question: What is the Malkins' entitlement to these override interests?

The Prospectus Consent Solicitation Statement points out that the overrides are written contracts entered into by you, the family member from whom you inherited your interest or the party from whom you acquired your interest when the investment was made or at some point

thereafter. Every one of these agreements is available for inspection. The Malkins are entitled to distributions on the override interests out of the proceeds from a capital transaction. As the REIT will acquire each building in which you are a participant, the proposed consolidation is a capital transaction. The proposed consolidation represents a transfer to a new entity with substantial additional assets, substantial new investors, and a new governance structure, in no way a continuation of the prior entities for the same investors.

Tony Malkin: This question: When do you expect the consolidation and IPO to be completed?

We plan to complete the consolidation as soon as possible, after receipt of the approval by the required vote of your subject LLC's participants, and the approval by the required vote of the other subject LLCs' participants for inclusion. At that time, we will measure the market and calendar for other public offerings and choose the best timing for the IPO. By its terms, the consolidation and IPO are required to be completed no later than December 31st, 2014, but we are certainly hoping to wrap it up long before that date.

Another question: When can I sell OP units or shares of Class A and Class B common stock of the REIT after the consolidation and IPO?

First of all, please keep in mind Class B common stock cannot be sold, it can only be exchanged for Class A common stock to be sold, and that can take place 12 months after the offering. As explained in the Prospectus Consent Solicitation Statement and in our videos, after the closing of the consolidation and the IPO every participant, except the Malkin family, will have the ability to sell up to 50% of both the OP units and Class A common stock received in the consolidation at any time after the 180th day following the IPO pricing date, and the balance of the OP units and Class A common stock 12 months after the IPO pricing date. In addition, each participant that receives OP units may, immediately following the consolidation and the IPO, sell up to 4% of the OP units issued to him or to her. And I would point out that the Malkin family has a longer lock-up.

The next question: When are OP units exchangeable for shares of Class A common stock?

Twelve months after the completion of the IPO each OP unit will be exchangeable for the then cash value of a share of Class A common stock or, at the REIT's election, one share of Class A common stock.

Peter Malkin: Another question: What about all these lawsuits against the Malkins over this deal? There are five of them. Doesn't that mean that the Malkins have done something wrong?

No. Virtually all large deals get challenged in court. These claims now have been settled with no admission of wrongdoing. In fact, after plaintiffs' counsel reviewed thousands of documents and interviewed many witnesses, the plaintiffs now intend to support the proposed transaction.

Tony Malkin: Here's a question: What is my interest worth?

As described in the Prospectus Consent Solicitation Statement, for each \$10,000 of original investment held by you, the exchange value is now \$402,660. The exchange value was determined based on appraisals by Duff & Phelps LLC, the independent valuer, to establish relative value among properties of participation interests, and it does not necessarily represent the fair market value of your participation interests. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO, after you vote on the consolidation proposal. We have described, on pages 6 through 8 of the Prospectus Consent Solicitation Statement, the differences between the exchange value and the enterprise value, which is the value based on the IPO price. The Prospectus Consent Solicitation Statement also includes a table, on page 7, showing the range of enterprise values per \$10,000 original investment unit based on an illustrative range of IPO prices.

Peter Malkin: Another question: What will happen to my distributions if the transaction does go forward?

We believe that there is greater potential for your distributions to go up more over time as part of this transaction than if you stayed with just the status quo. In the Prospectus Consent Solicitation Statement, we've provided an estimate of expected annual distributions to investors in each of the groups for which a vote is to be taken. On pages 183 through 189 of the Prospectus Consent Solicitation Statement, you will find a comparison of what our estimated distributions for the 12 months ending September 30, 2013 will be to the average annual distributions to investors in 60 East 42nd Street Associates for the five years ended December 31, 2011, showing that the estimated distribution for the 12-month period is greater than this average annual distribution. We also believe your distributions will be less subject to fluctuation and are expected to be paid four times per year, once in each quarter, as opposed to the historic practice of a small regular monthly distribution and an annual overage rent payment, which is inconsistent and only payable to the extent of available cash flow.

As stated in our Prospectus Consent Solicitation Statement, letters and videos, REITs are required to distribute at least 90% of REIT taxable income annually. The post IPO REIT will have no need to maintain property level reserves at each property. There will be many more and more

efficient ways to access the capital markets. There are many reasons why we believe participants have greater potential for increased distributions following the transaction than in the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Tony Malkin: Here's another question: Can't things just stay the way they are? Why can't we just have the status quo?

Things can't stay the way they are and the status quo cannot continue. Leona Helmsley's estate must sell its interest in your operating lessee. It is not an option. It is a requirement under the will of Leona Helmsley. The Helmsley estate owns a 30% interest in the operating lessee. Any purchaser of the Helmsley estate interests will be able to have significant influence over the decisions made by the operating lessee. The operating lessee's decisions control property operation and use of cash flow, thus determining the amount of cash available for distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or group which would then have the ability to exercise substantial influence over decisions, thereby creating the potential for decisions which impair distributions.

We believe that reality dictates that the best decisions and conditions change over time. The Tax Code which drove my grandfather to structure the purchase of One Grand Central Place has changed. Financing and operations are different today than in the past, technology, rules and business have become more complex, and the structures of yesterday do not allow us to address efficiently the challenges and opportunities of today. We do believe the status quo does not make sense any longer.

Peter Malkin: What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by my entity?

If you vote against the consolidation, you do not vote or you abstain, and your subject entity participates in the consolidation, your participation interest will be subject to a buy-out, pursuant to a buy-out amount that would be substantially lower than the exchange amount. The buy-out amount for an original \$10,000 participation is currently \$100, as compared to the exchange value of \$402,660 per \$10,000 original investment. A participant that voted against the consolidation or the Third-Party Portfolio proposal, or abstained, or that did not submit a Consent Form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required supermajority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buy-out and will participate on the same basis as other participants who approved the consolidation or third-party portfolio transaction.

Tony Malkin: Let me briefly touch on where we go from here. We now have begun the process of soliciting consents from Investors in the three public LLCs that own interests in the three properties, the Empire State Building, One Grand Central Place, and 250 West 57th Street. The operating lessees of these three properties have already provided their consents. By law, the solicitation period must last at least 60 days after the beginning of the solicitation period. The end of that 60-day period is March 25th, 2013.

The longer it takes to approve the proposed consolidation and IPO, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses, and the longer it will take for you to receive your share of the class action settlement proceeds. Importantly, all of these benefits will only occur if the vote for the consolidation and IPO are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can, so that your vote is counted and the consolidation goes as quickly as possible, to minimize ongoing expenses.

You may already have been contacted by representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners, Inc. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote. You can also contact Malkin Holdings directly through our website or by phone at 1 (888) 410-7850. Again, that toll-free number is 1 (888) 410-7850. A transcript of comments and questions and answers from this call will be available on our website, along with all of the other materials to which I referred earlier in the call. Remember, the website address is www.empirestaterealtytrust.com. That's all one word, www.empirestaterealtytrust.com.

Peter Malkin: Thank you very much for listening and, as always, we appreciate your support.

Operator: Thank you, Mr. Malkin. This concludes our call today. Thank you all for participating.



Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in 250 West 57th St. Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose. Due to the large number of attendees and to ensure audio quality, this is a listen-only call in which all participants' lines are muted.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings, including the Prospectus Consent Solicitation Statement, which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Each of the three public entities, Empire State Building Associates, LLC; 60 East 42nd Street Associates, LLC; and 250 West 57th Street Associates, LLC; the Companies and their agents and Malkin Holdings, LLC, the supervisor; Empire State Realty Trust, Inc., the REIT; Empire State Realty OP, L.P.; and each officer and director of the Companies, the supervisor, or of the REIT, may be deemed to be a participant in the solicitation of consent in connection with the proposed consolidation. The names of such persons and a description of their interest in the Companies and the REIT are set forth respectively in each Company's Annual Report on Form 10-K for the year ended December 31st, 2011; the REIT's registration statement on Form S-4; and Prospectus Consent Solicitation Statement which have been filed with the SEC.

Investors are urged to review the registration statement on Form S-4, the Prospectus Consent Solicitation Statement which, you have received, and other related documents now filed or to be filed with the SEC because they contain important information. You can obtain them without charge on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the Prospectus Consent Solicitation and the supplements relating to the individual entities, by contacting Ned H. Cohen at Malkin Holdings, LLC.

A transcript of comments by the Malkins and questions and answers from this call will be available on our website, www.empirestaterealtytrust.com when available, will also be filed with the SEC, and will be available at www.sec.gov. With that, I will turn the call over to the Malkins.

Tony Malkin: Thank you, Operator. I am Tony Malkin and my father and I would like to welcome you all and thank you for participating.

We're going to start with some remarks and then move to question-and-answer. We will be on the phone between one and one-and-a-half hours. We are very happy to speak with you. We hope that you have or will review some key materials we have sent to you and which are also on our website. The videos and some other of the information on our website, including instructions on how to fill out your consent form, are also on the DVD we sent with the proxy consent solicitation statement and other solicitation materials. We are committed to answering every question you may have to help you understand why we are making this important recommendation.

We will answer the most commonly-asked questions in the time we have available on today's call. If you have submitted questions not answered on this call, we will reach out to you individually in a separate call. If you have new questions, you can make a toll-free call to our proxy solicitor at 1-888-410-7850 or reach us through our website at www.empirestaterealtytrust.com. Again, the toll-free number is 1-888-410-7850 and the website address is www.empirestaterealtytrust.com. And I'll spell that out for you. It's all one word, www.empire—that's e-m-p-i-r-e; state, s-t-a-t-e; realty, r-e-a-l-t-y; trust, t-r-u-s-t; (dot) com. We will also repeat the phone number and the website at the end of the call.

Now let's get started. Dad?

Peter Malkin: Thanks, Tony, and thank you all for joining us today.

As many of you know, I began my work for you in 1958 when I joined my late father-in-law, Lawrence A. Wien, for what became a wonderful partnership spanning more than 30 years. I was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son, Tony, joined me in 1989.

Before we get into the detail on the proposed transaction, I want you to know that we considered many other options, including leaving things as they have been, before deciding that the consolidation of properties into one publicly-traded Real Estate Investment Trust, or REIT, is a unique opportunity in the life of these investments and the best course of action for the almost 5,000 investors we represent. The purpose of today's call is to explain to you why we believe this transaction will benefit you. Now that our S-4 is effective with the SEC, we are in a position to answer any question you have.

This proposal did not come about overnight. In fact, we have been working on it for nearly three years. All during this time, I have been reflecting upon my career and the innovative investments created by my father-in-law, starting in 1934. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring, profitable investment, liquidity, and choice. Although he is no longer with us, I am sure that my father-in-law, Lawrence A. Wien, would have had the same enthusiasm and endorsement for our plans.

Tony and I are going to walk you through the details, but in a nutshell, we believe that the transaction we are recommending is a big improvement for every investor. We believe our proposed transaction, which offers you a 100% tax-deferred option, gives you tremendous benefits, including the following. Every investor will have the opportunity for liquidity after an initial lock-up period, when and if he or she decides it is appropriate. And when he or she choose liquidity, they will be able to do so by selling shares or units on the New York Stock Exchange.

Second, all investors in the REIT are expected to receive ongoing distributions which we believe offer greater potential to increase more over time than if the status quo remained.

Third, we believe this greater potential for increased distributions results from the cumulative performance of many excellent properties instead of just relying on one property, better financing, more efficient operation, and potentially beneficial acquisitions.

Fourth, the proposed REIT will operate under corporate governance guidelines, providing investors with increased transparency, accountability and a simplified and more timely tax filing.

Finally, again you have the option to exchange your current interest for an interest in the operating partnership of the REIT in a manner that is expected to be 100% tax-deferred.

My family, as you know, has interests in this building, just like you. And I would not be proposing this if I did not think it would benefit all investors.

Now Tony will describe some of the benefits of the proposed transaction in more detail.

Tony Malkin: Thanks. Let me begin by addressing why we believe it is in your interest to vote for the proposed transaction.

Obviously, the ability we were able to create for each of you to participate in what is expected to be a 100% tax-deferred transaction is the starting point. After that, the first key benefit is the opportunity for you to continue to own valuable and important real estate with a more stable and what we believe is greater potential for increasing distributions than your existing investment.

Combining properties creates the potential for more stable distributions through the greater performance stability of many properties, rather than just one. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing. Unlike the current structure, where distributions beyond a minimum are discretionary and based on the need to establish reserves, REIT dividends must be at least 90% of the REIT's annual taxable income. We expect they would be paid every quarter. We also believe that you have greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation, than as a participant in your subject LLC.

The REIT will have better access to capital markets, streamlined financial reporting and a simplified management structure that increases efficiency. The REIT also expects to maintain modest leverage, which should allow the REIT to pursue acquisitions that could increase its cash flow, potentially allowing for further growth and enhanced distributions.

Another factor is our current need to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time-to-time. As a REIT, we will no longer have to hold cash reserves in each individual entity. In fact, there will be a one-time distribution of whatever available cash reserves there are at or just after the consolidation and IPO. And there is no need to establish property level reserves by the REIT any longer. If the transaction proceeds, in addition to the one-time distribution of cash reserves, the REIT will reimburse all transaction expenses out of IPO proceeds, thereby increasing the funds available for such one-time distribution at the time of the IPO.

Finally, each investor will receive their portion of the \$55 million class action settlement fund, subject to court approval but this one-time distribution, and the receipt of such, will occur only if the proposed transaction moves forward. If our proposed consolidation and IPO are not approved, these three one-time distributions will not occur. In the Prospectus Consent Solicitation Statement, which is the form in the final S-4, we have estimated what dividends would be for the REIT during the 12-month period ending September 30, 2013. The presentation of this 12-month estimate in the Prospectus Consent Solicitation Statement is the market convention for REIT IPOs and is consistent with SEC guidelines. Importantly, for most investors, including those investors in the Empire State Building, the estimated distributions in the S-4 are projected to be higher than under the status quo historical average distributions. And over the longer term, we believe that all investors will have the greater potential for increasing distributions than they currently have, for all the reasons I just mentioned. Remember, REIT taxable income will be determined by the performance of the portfolio of properties and is unaffected by the Company's stock price. While the price of shares may go up and down, that will not change the requirement to pay dividends of at least 90% of REIT taxable income on an annual basis. Dad?

Peter Malkin: Another significant benefit is the potential for liquidity at a time of your own choosing. Just to be clear, under the proposed consolidation and initial public offering, there is never any requirement that you sell your shares for cash. Many of you may wish to keep your interest for you and your family and to continue receiving expected regular steady distributions, which we believe offer greater potential to increase more over time than if the status quo remained. That's fine. And because you have the option of choosing what is expected to be a tax-deferred security, you have the ability to avoid realizing a capital gain until the time of a future capital transaction, such as when you may decide to sell. And your family may avoid the capital gain tax completely if you hold onto your units for life and they are given a stepped-up basis in your estate.

I should note at the outset that the Malkin family intends to hold its shares and units, but others may wish to liquidate all or a part of their investment. I can't think of a case in which your investment is not worth many times what you or one of your predecessors paid for it. But currently, there is no efficient public market for you to sell your interest in its present form.

While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares or units any time you like and to sell all or part of your interest any time you choose, following the initial lock-up period.

Another benefit of the transaction is corporate governance. Investors would own shares in a publicly-traded company with a centralized, experienced management team. The management team would report to a Board comprised of six independent directors and my son, Tony. A full set of biographies of the six proposed independent directors is in the Prospectus Consent Solicitation Statement. Importantly, each Board member has successful experience in real estate, public companies, or both.

As a public company, your Board has a fiduciary responsibility to all stockholders and will be accountable to you. And those of you with voting securities would elect the Board members and vote on certain other corporate matters each year. This is in contrast to your current investment where you have no vote.

You should also enjoy greater legal protections. As a public company with securities listed on the New York Stock Exchange, you would have all the protections afforded all public stockholders through the SEC, the New York Stock Exchange, and the new Dodd-Frank rules and regulations.

Tony Malkin: Another benefit is simplified tax filing instead of receiving a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing. Class A or B common stock shareholders will receive one Form 1099, and OP unitholders will receive one form K-1. The REIT has committed to make efforts to deliver all of these forms by March 31st of each year so you will not have to file your returns on extension.

So in summary, we believe there are many benefits to the proposed transaction. We believe all investors will benefit through ongoing distributions with a greater potential to increase through property performance, better financing, more efficient operations and beneficial acquisitions. The potential for increased distributions and stock-priced capital appreciation over time, benefits all investors. You will enjoy modern corporate governance, an accountable Board of Directors, greater transparency and simplified tax filing. In our view, when you consider all these benefits, your decision to vote for the consolidation and IPO should be an easy one. Dad?

Peter Malkin: We also think it's important for everyone to consider what will happen if the transaction does not move forward. Were that to occur, you will continue to own an illiquid interest in an entity that owns a partial interest in a single property. This means you are not likely to obtain a true and efficient market price for your interest and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing.

You will also continue to be subject to an ownership structure that is universally recognized as archaic, which limits your rights and the value of your investment and which is potentially subject to damaging deadlocks.

Also, because you currently rely only on the performance of one property, any major expenditure unique to your property or major tenant failure will impact you directly and not be mitigated by the performance of other properties.

In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and to the decisions made by the operating lessee, over which you have no control.

Without the consolidation, there will not be the same access to growth through acquisitions and therefore, you will forego the positive impact such acquisitions could have on distributions. Your entity will not be reimbursed for the transaction expenses incurred over the past several years, and your entity will not make the one-time distribution to you of such reimbursement amount, plus its excess reserves. You will not receive any settlement payment. And finally, your tax filing will remain complex and subject to delays beyond April 15th each year.

Tony Malkin: Thanks, Dad. If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include 100% tax-deferred operating partnership, or OP, units that do not have voting rights; a 98% tax-deferred combination of Class B common stock and OP units that would have the same voting rights as if you had selected only Class A common stock; or fully taxable Class A common stock with full voting rights. Each one of these options will provide you with ownership in prime, improved, or improving office and retail real estate in Manhattan and the greater New York metropolitan area. And importantly, no matter which security you choose, you can expect to receive regular quarterly distributions with the greater potential for increased distributions and capital appreciation than your current investment.

Let us discuss a little more what each of these securities is and what the general tax implications would be.

Peter Malkin: I'll begin with the OP units. OP units are expected to be 100% tax deferred, meaning that tax would be owed on any gain on your investment only at the time of a future capital transaction, such as when you decide to sell, or the property owned by your entity is sold. OP units will also be listed on the New York Stock Exchange but have no vote in the REIT. If and when OP unitholders decide to liquidate, however, they would not have to sell their units on the Exchange. Beginning after one year, they would also have the option of exchanging their OP units for cash at the then price of Class A shares or at the REIT's option to receive Class A shares one-for-one.

As detailed in the Prospectus Consent Solicitation Statement, some of your OP units are permitted to be sold immediately, and up to 50% can be sold after six months. And all or any part of your holdings may be sold at any time starting 12 months after the initial public offering.

Another alternative is a combination of OP units and Class B shares. Because OP units do not have voting rights, we are offering the option to receive Class B shares instead of 2% of the OP units you would otherwise receive. So, for example, if you were eligible to receive 100 OP units, you could instead choose 98 OP units and two Class B shares. Class B shares are different in that each carries the same voting rights as 50 Class A shares. And so you, by choosing two Class B shares, would have the same voting rights as if you chose 100 Class A shares. However, receipt of Class B shares is taxable at the time of the IPO. So, instead of deferring taxes on 100% of your investment, you would defer taxes on 98% of your investment.

If you decide you want to sell your Class B shares, which will not be listed on a national securities exchange, they are automatically converted on a one-for-one basis to Class A shares.

Tony Malkin: The final alternative is to receive Class A shares. These shares will have the same rights to distributions as OP units and Class B shares and also carry voting rights in the REIT. However, receipt of Class A shares is taxable at the time of the IPO.

As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A shares six months after the IPO and the balance 12 months after the IPO.

So the bottom line is that we have created a structure that gives you great flexibility. You have a range of options, including to defer taxes, receive quarterly distributions and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, we received all of the required consents from those private entities, who have approved the proposed consolidation.

For your reference, the Malkin family elected a combination of Class B shares and OP units, in addition to a small number of Class A shares.

If I may, let me turn this back to my father for some closing remarks.

Peter Malkin: Thank you, Tony. We hope that you have found this discussion helpful. In summary, we want to make sure you understand the following key points about this transaction.

You have the option to receive OP units which are expected to be 100% tax-deferred. You would have new liquidity options through a listing of Class A common shares and OP units on the New York Stock Exchange.

We believe the REIT offers a greater potential for distribution increases than the status quo. Dividends will be paid quarterly and at a minimum of 90% of REIT taxable income annually.

You can diversify your assets, one of the first principles of sound investing.

You will have increased growth opportunities through potential acquisitions with better access to capital markets.

You will receive a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses.

You have the opportunity to receive class action settlement proceeds.

For all these reasons, among others, we believe the proposed transaction is in the best interests of all investors. And now, let's begin the question-and-answer session.

Tony Malkin: Thank you to everyone who submitted questions. We are going to answer the most commonly-asked questions. If your question is not answered, it is likely specific to your particular situation or has not been asked by any other investor, and we will reach out to you individually. If you have new questions, you can reach out via the website at www.empirestaterealtytrust.com. Once again, that's all one word, www.empirestaterealtytrust.com, or via our toll-free phone number, which is 1-888-410-7850. Again, that is 1-888-410-7850. With that let's take our first question.

“Is the MacKenzie that is doing the tender offer the same as the MacKenzie who is your proxy solicitor?”

The answer is no, there is absolutely no relation whatsoever, and it is purely a coincidence that they have the same name. The MacKenzie that is doing the tender offer has made prior tender offers that we have opposed or recommended against. We have separately mailed a Schedule 14D-9 to participants, which you all should've received, which states our recommendation against the tender offer.

Next we have a question, "What happens to my interest if the transaction proceeds?"

Our Prospectus Consent Solicitation Statement states in several places that if your subject LLC participates in the consolidation, you will have the option to exchange your current interest for one of three types of securities. As we discussed on the call earlier and as can be found on Page 74 of that Consent Solicitation Statement, those securities are 1) operating partnership units, or OP units, which are expected to be 100% tax-deferred; a combination of Class B common stock and OP units, which are expected to be 98% tax-deferred; or Class A common stock, which is 100% taxable.

We, of course, cannot advise you on which security you should choose. We suggest that you consult your financial advisor, if you are not sure which security is best for you. If you have questions about how to make your election, however, you can call us anytime and we would be happy to explain further your options. Dad?

Peter Malkin: The next question is, "Will I be required to pay taxes on the consideration received in this transaction?"

Our Prospectus Consent Solicitation Statement highlights in several places, including on pages 20 to 22, that if you elect to receive OP units, you will not pay any tax on the consideration you receive in our recommended consolidation. You will only realize a capital gain at the time of a future capital event, such as when you decide to sell your interest or if the property owned by your entity is sold at some point in the future. If you choose OP units, the entire transaction as set forth in the Prospectus Consent Solicitation Statement is expected to be 100% tax-deferred for you.

Tony Malkin: The next question is, "Who is Duff & Phelps and how can I feel comfortable that their work has given me fair value for my interests in the consolidation?"

As stated in our Prospectus Consent Solicitation Statement, given our family's role in owning interests and in supervising all the entities in our consolidation, we wanted an independent third party to produce the exchange values and render a fairness opinion for all participants, and we chose Duff & Phelps to do this work. We chose Duff & Phelps because we wanted the work to be performed by an independent group. Duff & Phelps is an internationally-recognized firm with an excellent reputation for valuation services across all industries, and it provides these for a broad variety of real estate firms.

The Prospectus Consent Solicitation Statement, on pages 235 through 254, describes in detail how Duff & Phelps did its work. They began by requesting and receiving historical and current information and market data which we delivered to them from our records and from the third-party managing agents. They then appraised the value of each of the properties, the development site and the management companies to be included in the REIT. Then Duff & Phelps calculated the exchange value for each property.

Each of the properties will receive its proportionate share of the consideration in the consolidation based on its proportionate share at the aggregate exchange value. This results in the value of each entity relative to the others, which is how the consideration in the consolidation is being allocated to you.

The exchange value for each entity was then allocated to the participants and the override interests in accordance with the organizational documents for each entity. In this way, all values were established in the same way, including our own values.

The valuation materials, which Duff & Phelps provided to us, are attached in the materials you received as Appendices A and B to the Prospectus Consent Solicitation Statement and the financial projections used by Duff & Phelps in its exchange valuation process for all the properties, are attached as Appendix C. I can also tell you that we believe the valuations are fair, that our interests have been valued in the same way and that we will be voting in favor of the transaction.

Peter Malkin: The next question is, "Is there a deadline to vote?"

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period, which would take us out to March 25, 2013. The longer it takes to approve the proposed consolidation and initial public offering, the greater will be the expenses borne by all investors; the longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses; and the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all these benefits will occur only if the vote is for the consolidation and initial public offering and the consolidation and initial public offering are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

The next question, "How did the Malkins get their override interest?"

The Prospectus Consent Solicitation Statement sets forth the variety of overrides from different ownership groups to which the Malkin Group is entitled. Some of these overrides have been in place since the creation of each investment. Some were put in place at later dates. Every one of these overrides was either included in the organizational documents when investors agreed to make their investment or has been consented to, in writing, by the investors in the entities.

Tony Malkin: This question, "Isn't Malkin Holdings going to continue to get management fees, commissions from leasing, and supervisory fees once the consolidation is concluded and the REIT goes forward?"

No, that's not true. Today, Malkin Holdings receives no management fees or commissions from any of the properties involved in this consent. All Malkin Holdings receives is its supervisory fees and its overrides, when payable. All Malkin Holdings fees and entitlements were valued as part of Duff & Phelps' work. When the consolidation and IPO move forward, Malkin Holdings will receive no more fees. All Malkin Holdings will get is its ownership in the REIT.

Peter Malkin: The next question, "What is the Malkins' entitlement to these override interests?"

The Prospectus Consent Solicitation Statement points out that the overrides are written contracts entered into by you, the family member from whom you inherited your interest, or the party from whom you acquired your interest when the investment was made or at some point thereafter. Every one of these agreements is available for inspection.

The Malkins are entitled to distributions on the override interests out of the proceeds from a capital transaction. As the REIT will acquire each building in which you are a participant, the proposed consolidation is a capital transaction. The proposed consolidation represents a transfer to a new entity with substantial additional assets, substantial new investors and a new governance structure, in no way a continuation of the prior entities for the same investors.

Tony Malkin: This question, "When do you expect the consolidation and IPO to be completed?"

We plan to complete the consolidation as soon as possible after receipt of the approval by the required vote of your subject LLC's participants and the approval by the required vote of the other subject LLC's participants for inclusion. At that time, we will measure the market and calendar

for other public offerings and choose the best timing for the IPO. By its terms, the consolidation and IPO are required to be completed no later than December 31st, 2014, but we are certainly hoping to wrap it up long before that date.

Another question, "When can I sell OP units or shares of Class A and Class B common stock of the REIT after the consolidation and IPO?"

First of all, please keep in mind Class B common stock cannot be sold. It can only be exchanged for Class A common stock to be sold. And that can take place 12 months after the offering. As explained in the Prospectus Consent Solicitation Statement and in our videos, after the closing of the consolidation and the IPO, every participant, except the Malkin family, will have the ability to sell up to 50% of both the OP units and Class A common stock received in the consolidation at any time after the 180th day following the IPO pricing date and the balance of the OP units and Class A common stock, 12 months after the IPO pricing date. In addition, each participant that receives OP units may, immediately following the consolidation and the IPO, sell up to 4% of the OP units issued to him or to her. And I would point out that the Malkin family has a longer lock-up.

The next question, "When are OP units exchangeable for shares of Class A common stock?"

Twelve months after the completion of the IPO, each OP unit will be exchangeable for the then cash value of a share of Class A common stock or, at the REIT's election, one share of Class A common stock.

Peter Malkin: Another question, "What about all these lawsuits against the Malkins over this deal? There are five of them. Doesn't that mean that the Malkins have done something wrong?"

No. Virtually all large deals get challenged in court. These claims now have been settled with no admission of wrongdoing. In fact, after plaintiffs' counsel reviewed thousands of documents and interviewed many witnesses, the plaintiffs now intend to support the proposed transaction.

Tony Malkin: Here's another question. "What is my interest worth?"

As described in the Prospectus Consent Solicitation Statement, for each 10,000 of original investment held by you, the exchange value is now \$409,660, if you or your predecessor consented to the voluntary capital override or \$452,950 if there has been no such consent.

The exchange value was determined based on an appraisal by Duff & Phelps, LLC, the independent valuer, to establish relative value amongst properties and participation interests. And it does not necessarily represent the fair market value of your participation interest. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO after you vote on the consolidation proposal.

We have described in the Prospectus Consent Solicitation Statement on pages 6 through 8 of the Prospectus Consent Solicitation Statement, the differences between the exchange values and the enterprise value, which is based on the IPO price. The Prospectus Consent Solicitation Statement also includes a table on page 7, showing the range of enterprise values per \$10,000 original investment based on an illustrative range of IPO prices.

Peter Malkin: And the next question, "What will happen to my distributions if the transaction does go forward?"

We believe that there is greater potential for your distributions to go up more over time as part of this transaction than if you stayed just with the status quo. In the Prospectus Consent Solicitation Statement, we've provided an estimate of expected annual distributions to investors in each of the groups for which a vote is to be taken.

On pages 183 through 189 of the Prospectus Consent Solicitation Statement, you can find a comparison of what our estimated distributions for 12 months ending September 30, 2013, will be in comparison to the average annual distributions 250 West 57th Street investors received for the five years ended December 31, 2011. The estimated distribution is less than the average annual distribution per \$10,000 original investment for the five years ended December 31, 2011. However, the estimated distributions are more than such average for such period, if one eliminates the distributions attributable to borrowing and distributions attributable to an extraordinary lease cancellation payment that was a one-time event. We believe that borrowing for distributions cannot be continued.

We also believe your distributions will be less subject to fluctuation and are expected to be paid four times per year, once each quarter, as opposed to the historic practice of a small, regular monthly distribution and an annual overage rent payment, which is inconsistent and only payable to the extent of available cash flow.

As stated in our Prospectus Consent Solicitation Statement, letters and videos, REITs are required to distribute at least 90% of REIT taxable income annually. The post-IPO REIT will have no need to maintain property level reserves at each property. There will be many more and more efficient ways to access the capital markets.

There are many reasons why we believe participants have greater potential for increased distributions following the transaction than in the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Tony Malkin: Here's a question, "Does the estimated decrease in distributions mean my company has been undervalued relative to the other properties?"

No. We do not believe that is true. As we have said, all the buildings were valued independently by Duff & Phelps.

Here's another question. "Can't things just stay the way they are? Why can't we just have the status quo?"

Well, things can't stay the way they are and the status quo can't continue. Leona Helmsley's estate must sell its interests in your operating lessee. This is not an option. It is requirement under the will of Leona Helmsley. The Helmsley estate owns a 35% interest in the operating lessee. Any purchaser of the Helmsley estate interests will be able to have very material influence over decisions made by the operating lessee.

The operating lessee's decisions control property operations and use of cash flow, thus determining the amount of cash available for your distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or a group which would then have the ability to exercise substantial influence over decisions, thereby creating the potential for decisions which impair distributions.

We feel that reality dictates that the best decisions and conditions change over time. The tax code which drove my grandfather to structure the purpose of 250 West 57th Street has changed. Financing and operations are different today than in the past. Technology, rules and business have become more complex and the structures of yesterday do not allow us to address efficiently, the challenges and opportunities of today. We believe the status quo does not make sense any longer.

Peter Malkin: Another question, "What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by my entity?"

If you vote against the consolidation, you do not vote or you abstain and your subject entity participates in the consolidation, you will receive OP units, unless you elect to receive a combination of Class B shares and OP units or shares of Class A common stock.

Tony Malkin: Let me briefly touch on where we go from here. We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building, One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period. The end of that 60-day period is March 25th, 2013. The longer it takes to approve the proposed consolidation and IPO, the greater will be the expenses borne by all investors; the longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions; the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses and the longer it will take for you to receive your share of the class action settlement proceeds. Importantly, all of these benefits will only occur if the vote for the consolidation and IPO are completed.

For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

You may already have been contacted by representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners, Inc. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote. You can also contact Malkin Holdings directly through our website or by phone at 1-888-410-7850. Again, that toll-free number is 1-888-410-7850. A transcript of comments and questions and answers from this call will be available on our website, along with all of the other materials to which I referred earlier on the call. Remember, the website address is www.empirestaterealtytrust.com. That's all one word, www.empirestaterealtytrust.com.

Peter Malkin: Thank you very much for listening and as always, we appreciate your support.

Operator: Thank you, Mr. Malkin. This concludes our call today. Thank you all for participating.

Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in Empire State Building Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose. Due to the large number of attendees and to ensure audio quality, this is a listen-only call in which all participants lines are muted.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings including the Prospectus Consent Solicitation Statement which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Each of the three public entities, Empire State Building Associates, LLC; 60 East 42nd Street Associates, LLC and 250 West 57th Street Associates, LLC, the Companies and their agents and Malkin Holdings LLC, the Supervisor; Empire State Realty Trust Inc. the REIT, Empire State Realty OP, L.P., and each officer and director of the Companies, the supervisor or of the REIT, may be deemed to be a participant in the Solicitation of Consent in connection with the proposed consolidation. The names of such persons and a description of their interest in the Companies and the REIT are set forth, respectively, in each Company's Annual Report on Form 10-K for the year ended December 31st, 2011, the REIT's Registration Statement on Form S-4 and Prospectus Consent Solicitation Statement, which have been filed with the SEC.

Investors are urged to review the Registration Statement on Form S-4, the Prospectus Consent Solicitation Statement, which you have received, and other related documents now filed or to be filed with the SEC because they contain important information. You can obtain them, without charge, on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the Prospectus Consent Solicitation and the supplements relating to the individual entities by contacting Ned H. Cohen at Malkin Holdings LLC.

A transcript of comments by the Malkins and questions and answers from this call will be available on our website, www.empirestaterealtytrust.com, when available, will also be filed with the SEC and will be available at www.sec.gov.

With that, I will turn the call over to the Malkins.

Tony Malkin: Thank you, Operator. I am Tony Malkin and my father and I would like to welcome you all and thank you for participating. We are going to start with some remarks and then move to question and answer. We will be on the phone between one and a half and two hours.

We are very happy to speak with you. We hope that you have, or will, review some key materials we have sent to you, which are also on our website. The videos and some other of the information on our website, including instructions on how to fill out your Consent Form are also on the DVD we sent with the Proxy, Consent Solicitation Statement and other solicitation materials. We are committed to answering every question you may have to help you understand why we are making this important recommendation. We will answer the most commonly asked questions in the time we have available on today's call. If you have submitted questions not answered on this call, we will be reaching out to you individually in a separate call. If you have new questions, you can make a toll-free call to our proxy solicitor at 1-888-410-7850; that's 1-888-410-7850 or reach out to us through our website at www.empirestaterealtytrust.com. That's all one word without spaces: www.empirestaterealtytrust.com and I'll spell that for you. That's e-m-p-i-r-e-s-t-a-t-e-r-e-a-l-t-y-t-r-u-s-t dot com. Again, the toll-free number is 1-888-410-7850, and the website address is www.empirestaterealtytrust.com. We will also repeat this information again at the end of the call.

Now, let's get started. Dad?

Peter Malkin: Thanks, Tony, and thank you all for joining us today. As many of you know, I began my work for you in 1958 when I joined my late

father-in-law, Lawrence A. Wien, for what became a wonderful partnership spanning more than 30 years. I was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son Tony joined me in 1989.

Before we get into the detail on the proposed transaction, I want you to know that we considered many other options, including leaving things as they have been, before deciding that the consolidation of properties into one publicly traded real estate investment trust, or REIT, is a unique opportunity in the life of these investments and the best course of action for the almost 5,000 investors we represent. The purpose of today's call is to explain to you why we believe this transaction will benefit you. Now that our S-4 is effective with the SEC, we are in a position to answer any question you have.

This proposal did not come about over night. In fact, we have been working on it for nearly three years. All during this time I have been reflecting upon my career and the innovative investments created by my father-in-law starting in 1934. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring profitable investment, liquidity and choice. Although he is no longer with us, I am sure that my father-in-law, Lawrence A. Wien, would have had the same enthusiasm and endorsement for our plans.

Tony and I are going to walk you through the details, but in a nutshell, we believe that the transaction we are recommending is a big improvement for every investor. We believe our proposed transaction, which offers you a 100% tax-deferred option, gives you tremendous benefits, including the following: every investor will have the opportunity for liquidity after an initial lock-up period when, and if, he or she decides it is appropriate. And when he or she choose liquidity, they will be able to do so by selling shares or units on the New York Stock Exchange.

Second, all investors in the REIT are expected to receive ongoing distributions which we believe offer greater potential to increase more over time than if the status quo remained.

Third, we believe this greater potential for increased distributions results from the cumulative performance of many excellent properties instead of just relying on one property, better financing, more efficient operation and potentially beneficial acquisitions.

Fourth, the proposed REIT will operate under corporate governance guidelines providing investors with increased transparency, accountability and a simplified and more timely tax filing.

Finally, again, you have the option to exchange your current interest for an interest in the operating partnership of the REIT in a manner that is expected to be 100% tax-deferred.

My family, as you know, has interests in this building just like you, and I would not be proposing this if I did not think it would benefit all investors.

Now, Tony will describe some of the benefits of the proposed transaction in more detail.

Tony Malkin: Thanks. Let me begin by addressing why we believe it is in your interest to vote for the proposed transaction. Obviously, the ability we were able to create for each of you to participate in what is expected to be a 100% tax-deferred transaction is the starting point. After that, the first key benefit is the opportunity for you to continue to own valuable and important real estate with a more stable, and what we believe, is greater potential for increasing distributions than your existing investment.

Combining properties creates the potential for more stable distributions through the greater performance stability of many properties rather than just one. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing. Unlike the current structure, where distributions beyond a minimum are discretionary and based on the need to establish reserves, REIT dividends must be at least 90% of the REIT's annual taxable income. We expect they would be paid every quarter. We also believe that you have greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation, than as a participant in your subject LLC. The REIT will have better access to capital markets, streamlined financial reporting and a simplified management structure that increases efficiency. The REIT also expects to maintain modest leverage which should allow the REIT to pursue acquisitions that could increase its cash flow, potentially allowing for further growth and enhanced distributions.

Another factor is our current need to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time-to-time. As a REIT, we will no longer have to hold cash reserves in each individual entity. In fact, there will be a one-time distribution of whatever available cash reserves there are, at or just after the consolidation and IPO, and there is no need to establish property level reserves by the REIT any longer.

If the transaction proceeds, in addition to the one-time distribution of cash reserves, the REIT will reimburse all transaction expenses out of IPO proceeds, thereby increasing the funds available for such one-time distribution at the time of the IPO.

Finally, each investor will receive their portion of the \$55 million class action settlement fund, subject to court approval, but this one-time distribution and the receipt of such, will occur only if the proposed transaction moves forward. If our proposed consolidation and IPO are not approved, these three one-time distributions will not occur.

In the Prospectus Consent Solicitation Statement, which is in the Form in the final S-4, we have estimated what dividends would be for the REIT during the 12-month period ending September 30, 2013. The presentation of this 12-month estimate in the Prospectus Consent Solicitation Statement is the market convention for REIT IPOs and is consistent with SEC guidelines. Importantly, for most investors, including those investors in the Empire State Building, the estimated distributions in the S-4 are projected to be higher than under the status quo historical average distributions, and over the longer term, we believe that all investors will have the greater potential for increasing distributions than they currently have for all the reasons I just mentioned. Remember, REIT taxable income will be determined by the performance of the portfolio of properties and is unaffected by the Company's stock price. While the price of shares may go up and down, that will not change the requirement to pay dividends of at least 90% of REIT taxable income on an annual basis. Dad?

Peter Malkin: Another significant benefit is the potential for liquidity at a time of your own choosing. Just to be clear, under the proposed consolidation and initial public offering, there is never any requirement that you sell your shares for cash. Many of you may wish to keep your interest for you and your family and to continue receiving expected regular, steady distributions which we believe offer greater potential to increase more over time than if the status quo remained. That's fine. And because you have the option of choosing what is expected to be a tax-deferred security, you have the ability to avoid realizing a capital gain until the time of a future capital transaction, such as when you may decide to sell. And your family may avoid the capital gain tax completely if you hold on to your units for life and they are given a stepped-up basis in your estate.

I should note at the outset, that the Malkin family intends to hold its shares and units but others may wish to liquidate all or a part of their investment. I can't think of a case in which your investment is not worth many times what you or one of your predecessors paid for it. But currently, there is no efficient public market for you to sell your interest in its present form. While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares, or units, any time you like and to sell all or part of your interest any time you choose following the initial lock-up period.

Another benefit of the transaction is corporate governance. Investors would own shares in a publicly traded company with a centralized, experienced management team. The management team would report to a Board comprised of six independent directors and my son, Tony. A full set of biographies of the six proposed independent directors is in the Prospectus Consent Solicitation Statement. Importantly, each board member has successful experience in real estate, public companies, or both. As a public company, your Board has a fiduciary responsibility to all stockholders and will be accountable to you and those of you with voted securities would elect the board members and vote on certain other corporate matters each year. This is in contrast to your current investment where you have no vote.

You should also enjoy greater legal protections. As a public company with securities listed on the New York Stock Exchange, you would have all the protections afforded all public stockholders through the SEC, the New York Stock Exchange and the new Dodd-Frank rules and regulations.

Tony Malkin: Another benefit is simplified tax filing instead of receiving a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing. Class A or B common stock shareholders will receive one Form 10-99 and OP unitholders will receive one Form K-1. The REIT has committed to make efforts to deliver all of these forms by March 31st of each year, so you will not have to file your returns on extension.

So, in summary, we believe there are many benefits to the proposed transaction. We believe all investors will benefit through ongoing distributions with the greater potential to increase through property performance, better financing, more efficient operations and beneficial acquisitions. The potential for increased distributions and stock price capital appreciation over time, benefits all investors. You will enjoy modern corporate governance, an accountable Board of Directors, greater transparency and simplified tax filing. In our view, when you consider all these benefits, your decision to vote for the consolidation and IPO should be an easy one. Dad?

Peter Malkin: We also think it's important for everyone to consider what will happen if the transaction does not move forward. Were that to occur, you will continue to own an illiquid interest in an entity that owns a partial interest in a single property. This means you are not likely to obtain a true and efficient market price for your interest and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing.

You will also continue to be subject to an ownership structure that is universally recognized as archaic, which limits your rights and the value of your investment and which is potentially subject to damaging deadlocks.

Also, because you currently rely only on the performance of one property, any major expenditure unique to your property or major tenant failure will impact you directly and not be mitigated by the performance of other properties. In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and to the decisions made by the operating lessee over which you have no control.

Without the consolidation, there will not be the same access to growth through acquisitions and, therefore, you will forego the positive impacts such acquisitions could have on distributions.

Your entity will not be reimbursed for the transaction expenses incurred over the past several years and your entity will not make the one-time distribution to you of such reimbursement amount plus its excess reserves. You will not receive any settlement payment. And finally, your tax filing will remain complex and subject to delays beyond April 15th each year.

Now, Tony will address some special considerations for Empire State Building investors.

Tony Malkin: Thanks, Dad. We all take pride in being involved with a special property such as the Empire State Building but there are significant risks, as well. One of these risks comes from the current ownership structure. The Helmsley estate holds a veto in your operating lessee, the Empire State Building Company. You may know that for decades, my grandfather, Lawrence A. Wien, worked with my dad and the Helmsley family. After Harry Helmsley's death in 1997, however, Helmsley-Spear Inc. was sold to its senior officers. About that time, we commenced proceedings to remove Helmsley-Spear as managing agent because the performance of the properties was suffering. Through a very lengthy and costly legal proceeding, we successfully removed Helmsley-Spear and began turning around these historic, pre-war properties. We successfully completed significant upgrades, made considerable capital investments, hired new staff and executives at Malkin Holdings and added new managing agents. But now, we must all face the reality that Leona Helmsley's will requires her estate to liquidate its investments, including properties supervised by Malkin Holdings. If the estate does not liquidate its interest through an IPO, we expect it to sell its interests to an unknown third party. Dad?

Peter Malkin: And so it is important to understand that the Helmsley estate sale requirement will end the status quo, no matter how investors vote. Anyone who purchases the Helmsley estate's interest will receive the same veto rights that the Helmsley estate currently has. There simply is no way to predict how an unknown third party will act on matters that affect the availability of cash

for distributions. On the other hand, if the proposed consolidation and REIT transaction go forward as proposed, the rights of the holder of the Helmsley estate's interests to interfere with decisions would no longer exist.

With a consolidation and IPO, we can give investors many valuable benefits and allow the Helmsley estate to exit without raising risks to remaining investors. We will maintain our management team, which has done such a fine job transforming the supervised properties. We also believe that we will be able to realize for investors, the significant benefits in becoming a publicly traded REIT, which we have been discussing on today's call.

We are aware that some individuals have suggested that the value of the Empire State Building is somehow being shortchanged, but the fact is, that the uniqueness of the property has been reflected in the value allocated by Duff & Phelps, an independent valuer. The Empire State Building is approximately 34% of the total square feet of the REIT, but it has been afforded more than 56% of the exchange value.

Remember, as is stated in the Prospectus Consent Solicitation Statement, distributions for Empire State Building investors are expected to be greater than historic distributions, not decreased, as some have suggested.

Investors should also consider other unique risks to the Empire State Building. Given the prominence of the asset, it is susceptible to acts of terrorism and other events beyond our control that can impact our financial performance at the building. Approximately 40% of the revenue of the operating lessee in 2011 was from the observatory, driven by tourists. Going forward, we face new competition for this source of revenue. The new One World Trade Center will have a new observatory which will bring new competition to the market for the tourists who visit. One World Trade Center has also announced that it will offer a full broadcast platform for television, radio and other broadcasters. Approximately 10.4% of the revenue of the operating lessee in 2011 was from the broadcast operations of the Empire State Building. That has been a major source of overage rent payment, New York LLC, which contributes to your additional distribution. With increased competition, the benefits from the broadcast operations may be less, which may adversely impact your potential for additional distributions.

Tony Malkin: Thanks, Dad. If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include: 100% tax-deferred operating partnership, or OP, units that do not have voting rights; a 98% tax-deferred combination of Class B common stock and OP units that would have the same voting rights as if you had selected only Class A common stock; or fully-taxable Class A common stock with full voting rights. Each one of these options will provide you with ownership in prime, improved or improving office and retail real estate in Manhattan and the

Greater New York Metropolitan area. And importantly, no matter which security you choose, you can expect to receive regular quarterly distributions with the greater potential for increased distributions and capital appreciation, than your current investment.

Let us discuss a little more what each of these securities is and what the general tax implications would be.

Peter Malkin: I'll begin with the OP units. OP units are expected to be 100% tax-deferred, meaning that tax would be owed on any gain on your investment only at the time of a future capital transaction, such as when you decide to sell or the property owned by your entity is sold. OP units will also be listed on the New York Stock Exchange but have no vote in the REIT. If and when OP unitholders decide to liquidate, however, they would not have to sell their units on the Exchange. Beginning after one year, they would also have the option of exchanging their OP units for cash at the then price of Class A shares, or at the REIT's option to receive Class A shares, one-for-one. As detailed in the Prospectus Consent Solicitation Statement, some of your OP units are permitted to be sold immediately and up to 50% can be sold after six months and all or any part of your holdings may be sold at any time starting 12 months after the initial public offering.

Another alternative is a combination of OP units and Class B shares. Because OP units do not have voting rights, we are offering the option to receive Class B shares instead of 2% of the OP units you would otherwise receive. So, for example, if you were eligible to receive 100 OP units, you could instead, choose 98 OP units and two Class B shares. Class B shares are different in that each carries the same voting rights as 50 Class A shares. And so you, by choosing two Class B shares, would have the same voting rights as if you chose 100 Class A shares. However, receipt of Class B shares is taxable at the time of the IPO, so instead of deferring taxes on 100% of your investment, you would defer taxes on 98% of your investment.

If you decide you want to sell your Class B shares, which will not be listed on a national securities exchange, they are automatically converted on a one-for-one basis to Class A shares.

Tony Malkin: The final alternative is to receive Class A shares. These shares will have the same rights to distributions as OP units and Class B shares and also carry voting rights in the REIT. However, receipt of Class A shares is taxable at the time of the IPO. As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A shares six months after the IPO and the balance 12 months after the IPO.

So, the bottom line is that we have created a structure that gives you great flexibility. You have a range of options, including to defer

taxes, receive quarterly distributions and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, we received all of the required consents from those private entities who have approved the proposed consolidation.

For your reference, the Malkin family elected a combination of Class B shares and OP units, in addition to a small number of Class A shares.

If I may, let me turn this back to my father for some closing remarks.

Peter Malkin: Thank you, Tony. We hope that you have found this discussion helpful. In summary, we want to make sure you understand the following key points about this transaction.

You have the option to receive OP units which are expected to be 100% tax-deferred. You would have new liquidity options through a listing of Class A common shares and OP units on the New York Stock Exchange. We believe the REIT offers a greater potential for distribution increases than the status quo. Dividends will be paid quarterly and at a minimum of 90% of REIT taxable income annually. You can diversify your assets; one of the first principles of sound investing. You will have increased growth opportunities through potential acquisitions with better access to capital markets. You will receive a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses. You have the opportunity to receive class action settlement proceeds. For all these reasons, among others, we believe the proposed transaction is in the best interest of all investors.

And now, let's begin the question-and-answer session.

Tony Malkin: Thank you to everyone who's submitted questions. We are going to answer the most commonly asked questions. If your question is not answered, it is likely specific to your particular situation or has not been asked by any other investor and we will reach out to you individually. If you have new questions, you can reach out via the website at www.empirestaterealtytrust.com. Once again, that's all one word, www.empirestaterealtytrust.com or via our toll-free phone number which is 1-888-410-7850. Again, that is 1-888-410-7850.

With that, let's take our first question. "Is the MacKenzie that is doing the tender offer the same as the MacKenzie who is your proxy solicitor?"

The answer is no. There is absolutely no relation whatsoever and it is purely a coincidence that they have the same name. The MacKenzie that is doing the tender offer has made prior tender offers that we have opposed or recommended against. We have separately mailed, a Schedule 14D-9 to participants which you all should have received which states our recommendation against the tender offer.

Next, we have a question. "What happens to my interest if the transaction proceeds?"

Our Prospectus Consent Solicitation Statement states in several places that if your subject LLC participates in the consolidation, you will have the option to exchange your current interest for one of three types of securities. As we discussed on the call earlier and as can be found on page 74 of that Consent Solicitation Statement, those securities are: 1) operating partnership units, OP units, which are expected to be 100% tax-deferred; a combination of Class B common stock and OP units which are expected to be 98% tax-deferred; or, Class A common stock which is 100% taxable.

We, of course, cannot advise you on which security you should choose and we suggest that you consult your financial advisor if you are not sure which security is best for you.

If you have questions about how to make your election, however, you can call us anytime and we would be happy to explain further, your options. Dad?

Peter Malkin: The next question is, "Will I be required to pay taxes on the consideration received in this transaction?"

Our Prospectus Consent Solicitation Statement highlights, in several places, including on pages 20-22, that if you elect to receive OP units, you will not pay any tax on the consideration you receive in our recommended consolidation. You will only realize a capital gain at the time of a future capital event, such as when you decide to sell your interest or if the property owned by your entity is sold at some point in the future. If you choose OP units, the entire transaction as set forth in the Prospectus Consent Solicitation Statement, is expected to be 100% tax-deferred for you.

Tony Malkin: The next question is, "Who is Duff & Phelps and how can I feel comfortable that their work has given me fair value for my interests in the consolidation?"

As stated in our Prospectus Consent Solicitation Statement, given our family's role in owning interests and in supervising all the entities in our consolidation, we wanted an independent third party to produce the

exchange values and render a fairness opinion for all participants and we chose Duff & Phelps to do this work. We chose Duff & Phelps because we wanted the work to be performed by an independent group.

Duff & Phelps is an internationally recognized firm with an excellent reputation for valuation services across all industries and it provides these for a broad variety of real estate firms. The Prospectus Consent Solicitation Statement, on pages 235 through 254, describes in detail, how Duff & Phelps did its work. They began by requesting and receiving historical and current information and market data which we delivered to them from our records and from the third party managing agents. They then appraised the value of each of the properties, the development site and the management companies to be included in the REIT. Then Duff & Phelps calculated the exchange value for each property. Each of the properties will receive its proportionate share of the consideration in the consolidation, based on its proportionate share of the aggregate exchange value. This results in the value of each entity relative to the others, which is how the consideration in the consolidation is being allocated to you.

The exchange value for each entity was then allocated to the participants and the override interests in accordance with the organizational documents for each entity. In this way, all values were established in the same way, including our own values. The valuation materials, which Duff & Phelps provided to us, are attached in the materials you received as Appendices A and B to the Prospectus Consent Solicitation Statement and the financial projections used by Duff & Phelps in its exchange valuation process for all the properties are attached as Appendix C.

I can also tell you that we believe the valuations are fair, that our interests have been valued in the same way, and that we will be voting in favor of the transaction.

Peter Malkin: The next question is, "Is there a deadline to vote?"

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period, which would take us out to March 25, 2013. The longer it takes to approve the proposed consolidation and initial public offering, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses, and the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all these benefits will occur only if the vote is for the consolidation and initial public offering and the consolidation and

initial public offering are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

The next question: "How did the Malkins get their override interest?"

The Prospectus Consent Solicitation Statement sets forth the variety of overrides from different ownership groups to which the Malkin Group is entitled. Some of these overrides have been in place since the creation of each investment. Some were put in place at later dates. Every one of these overrides was either included in the organizational documents when investors agreed to make their investment or has been consented to in writing by the investors in the entities.

Tony Malkin: This question: "Isn't Malkin Holdings going to continue to get management fees, commissions from leasing and supervisory fees once the consolidation is concluded and the REIT goes forward?"

No, that's not true. Today, Malkin Holdings receives no management fees or commissions from any of the properties involved in this consent. All Malkin Holdings receives is its supervisory fees and its overrides when payable. All Malkin Holdings' fees and entitlements were valued as part of Duff & Phelps work. When the consolidation and IPO move forward, Malkin Holdings will receive no more fees. All Malkin Holdings will get is its ownership in the REIT.

Peter Malkin: The next question: "What is the Malkin's entitlement to these override interests?"

The Prospectus Consent Solicitation Statement points out that the overrides are written contracts entered into by you, the family member from whom you inherited your interest or the party from whom you acquired your interest when the investment was made or at some point, thereafter. Every one of these agreements is available for inspection.

The Malkins are entitled to distributions on the override interests out of the proceeds from a capital transaction. As the REIT will acquire each building in which you are a participant, the proposed consolidation is a capital transaction. The proposed consolidation represents a transfer to a new entity with substantial additional assets, substantial new investors and a new governance structure; in no way, a continuation of the prior entities for the same investors.

Tony Malkin: This question; "When do you expect the consolidation and IPO to be completed?"

We plan to complete the consolidation as soon as possible after receipt of the approval by the required vote of your subject LLC's participants and the approval by the required vote of the other subject LLCs' participants for inclusion. At that time, we will measure the market and calendar for other public offerings and choose the best timing for the IPO. By its terms, the consolidation and IPO are required to be completed no later than December 31st, 2014 but we are certainly hoping to wrap it up long before that date.

Another question: "When can I sell OP units or shares of Class A and Class B common stock of the REIT after the consolidation and IPO?"

First of all, please keep in mind Class B common stock cannot be sold. It can only be exchanged for Class A common stock to be sold and that can take place 12 months after the offering. As explained in the Prospectus Consent Solicitation Statement and in our videos, after the closing of the consolidation and the IPO, every participant, except the Malkin family, will have the ability to sell up to 50% of both the OP units and Class A common stock received in the consolidation at any time after the 180th day following the IPO pricing date, and the balance of the OP units and Class A common stock 12 months after the IPO pricing date. In addition, each participant that receives OP units may, immediately following the consolidation and the IPO, sell up to 4% of the OP units issued to him or to her and I would point out that the Malkin family has a longer lock-up.

The next question: "When are OP units exchangeable for shares of Class A common stock?"

Twelve months after the completion of the IPO, each OP unit will be exchangeable for the then cash value of a share of Class A common stock or, at the REIT's election, one share of Class A common stock.

Peter Malkin: Another question: "What about all these lawsuits against the Malkins over this deal? There are five of them. Doesn't that mean that the Malkins have done something wrong?"

No. Virtually all large deals get challenged in court. These claims now have been settled with no admission of wrongdoing. In fact, after plaintiff's counsel reviewed thousands of documents and interviewed many witnesses, the plaintiffs now intend to support the proposed transaction.

Another question: "What is my interest worth?"

As described in the Prospectus Consent Solicitation Statement, for each \$10,000 of original investment held by you, the exchange value is now \$323,800 if you or your predecessor consented to the voluntary capital override or \$358,670 if there has been no such consent.

The exchange value was determined based on an appraisal by Duff & Phelps, the independent valuer, to establish relative value among properties and participation interests and it does not necessarily represent the fair market value of your participation interest. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO after you vote on the consolidation proposal.

We have described in the Prospectus Consent Solicitation Statement on pages 6 through 8, the differences between the exchange values and the enterprise value, which is the value based on the IPO price. The Prospectus Consent Solicitation Statement also includes a table on page 7, showing the range of enterprise values per \$10,000 original investments based on an illustrative range of IPO prices.

Tony Malkin: Here's a question: "What is this I hear about a 10% commission to Malkin?"

There is no commission being paid by any entity or any of the participants, to Malkin. In the case of Empire State Building Associates, Malkin has been entitled to a 6% override on cash flow since inception and consents entered into voluntarily by investors in 1991, 2001 and 2008, a total of approximately 94% of all Empire State Building Associates investors agreed that Malkin would receive an override on a capital event of 10% of their distributions above a stated level. Malkin has agreed that we will not receive any other compensation from any non-consenting investors in Empire State Building Associates. There is no commission to Malkin.

Peter Malkin: The next question: "Explain to me where the 50/50 allocation of value between Empire State Building Associates and Empire State Building Company comes from."

The Prospectus Consent Solicitation Statement is very helpful here on pages 156 through 158 and pages 238 through 243, which explain the history of my father-in-law's and my acquisition of the Empire State Building. We structured the transactions creating the two-tiered entity properties. Our intent was to create a structure that had the same economic attributes as a 50/50 joint venture while protecting our investors from double taxation and from unlimited personal liability.

Just as an aside, I encourage you, after this call, to go to the website and take a look at our letter of May 11, 2012 and our video on the two-tier ownership structure, which is also on the DVD we sent to you. The letter and the video lay out the details and benefits of this structure which was really driven by the tax code at that time.

The two entities have always functioned economically as a 50/50 partnership. For example, Empire State Building Associates and Empire State Building Company have historically shared the cost of building improvements on a 50/50 basis. Empire State Building Associates and Empire State Building Company have historically shared financing costs on a 50/50 basis. And after basic rent is paid to Empire State Building Associates, and the first \$1 million of profit is retained by Empire State Building Company, all overage rent is divided on a 50/50 basis. Empire State Building Associates does not operate the Empire State Building, nor does it make decisions about capital expenditures, leasing, repairs, maintenance, use of property cash flow or any other decision regarding the operation of real estate. All of these matters are under the exclusive control of its operating lessee, Empire State Building Company. Cooperation of Empire State Building Company also is required to mortgage the property efficiently because both positions are generally required as collateral for any financing of size.

In addition, Empire State Building Associates cannot sell the entire property without the cooperation of Empire State Building Company. If Empire State Building Associates sold its interest without Empire State Building Company joining in the sale, the property sold by Empire State Building Associates would continue to be subject to Empire State Building Company's operating lease. Accordingly, a buyer would be subject to Empire State Building Company's continuing to determine leasing, repairs, capital expenditures, property operation and use of cash flow from the property and all issues which determine property performance and lease payments to Empire State Building Associates.

When my father-in-law, Lawrence A. Wien, and subsequently, my father-in-law and I, structured the transactions, LLCs and operating lessees prepared the operating agreements established in the structure and marketing of these investments, the intent of those who created the structure and drafted the agreements from the beginning was to achieve the economic attributes of a 50/50 joint venture. The primary objective of the unique format of the documents we used was to establish a joint venture treatment which would share profits and offer the subject LLC investors favorable flow-through tax treatment for U.S. federal income tax purposes. They did not call it a joint venture to protect the passive investors from general partner liability for building operations. The facts at the time, dictated the transaction structure. This is the same structure my father-in-law used for many deals during the time the tax code was written that way and they all operated in the same way. Allocations similar to the 50/50 joint venture format have been confirmed by independent valuers, approved by the investors and used to allocate sale proceeds in prior sales of properties supervised by Malkin Holdings. This is all laid out in detail in the Prospectus Consent Solicitation Statement on pages 238 through 243.

By the way, contrary to what we believe has been incorrectly stated by certain parties, the Malkin family does not benefit from the 50/50 allocation. The Malkin Group's interest in Empire State Building Associates is significantly higher; over 15.4% in the Empire State Building Associates versus approximately 6.7% in Empire State Building Company, meaning that it would be in our economic interest for more value to be allocated to Empire State Building Associates. However, we do not believe that would be historically consistent or fair and we have committed to be bound by the allocation by the independent valuer, Duff & Phelps.

Tony Malkin: Another question: "What will happen to my distributions if the transaction goes forward?"

We believe that there is a greater potential for your distributions to go up more over time as a part of this transaction than if you stayed just with the status quo. In the Prospectus Consent Solicitation Statement, we provided an estimate of expected annual distributions to investors in each of the groups for which a vote is to be taken. On pages 183 through 189 of the Prospectus Consent Solicitation Statement, you can find a comparison of what our estimated distributions for 12 months ending September 30, 2013 will be in comparison to the average annual distribution Empire State Building Associates investors received for the five years ended December 31, 2011, showing that the estimated distribution for the 12-month period is greater than this average annual distribution.

We also believe your distributions will be less subject to fluctuation and are expected to be paid four times each year, once each quarter, as opposed to the historic practice of a small, regular distribution and an annual overage rent payment, which is inconsistent and only payable to the extent of available cash flow.

As stated in our Prospectus Consent Solicitation Statement, letters and videos, REITs are required to distribute at least 90% of REIT taxable income annually. The post-IPO REIT will have no need to maintain property level reserves at each property. There will be many more and more efficient ways to access the capital markets.

There are many reasons why we believe participants have a greater potential for increased distributions following the transaction, than the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Here is another question: "I was told the Empire State Building is nearly completely turned around, needs very little additional investment and has upside with no risk. Is that true?"

No, that is not true. The Empire State Building consists of 2.7 million square feet of office space, which includes space leased to broadcasting tenants and the observatory and 169,215 feet of retail. While its management transitioned from Helmsley-Spear in August 2006 and the plans for its turnaround program were announced in October 2007, the program is not complete. While the lobby has been restored and the observatory largely upgraded and new leases concluded to new tenants for over 1.5 million square feet of office and retail space, costs remain for the completion of the comprehensive program for renovation and repositioning of the Empire State Building. As of September 30, 2012, we estimate additional capital costs at the Empire State Building to range between \$185 million and \$225 million through 2016. This does not include additional costs for tenant improvements, leasing commissions and other expenses on the spaces which have not been leased to new tenants.

The portfolio-wide renovation and repositioning program at all the other properties proposed to be consolidated, is expected to be substantially completed by the end of 2013, while the work and expense at the Empire State Building are anticipated to continue through 2016.

Additional Empire State Building Associates related risks disclosed in the Prospectus Consent Solicitation Statement, include risks of terrorist attack and competition to the Empire State Building's observatory and broadcasting operations from the new One World Trade Center observatory deck and broadcast antenna, as well as the existing broadcast operations at 4 Times Square. We are prepared for and are addressing the remaining costs for improvements and leasing, as well as the security and competitive threats, but it is not accurate to say the Empire State Building turnaround is near completion and the asset performance is assured with little additional expense and no risk.

If the consolidation does not go forward, it is possible that Empire State Building Company may not approve additional borrowings to fund these costs, in which case, Empire State Building Company may use cash flow resulting in immediate and sustained reductions or cessation of overage rent, or may either defer or not make such expenditures at all.

Peter Malkin: And the next question: "I was told that it would be easy and just as good for the Empire State Building or Empire State Building Associates to become a REIT on its own. Is that true?"

No, and nor do we believe that it is realistic or desirable. There is no professional expert investing in REITs who has told us

anything but the opposite. Any Empire State Building-only REIT would require the consent of Empire State Building Company, which is controlled by the Helmsley estate and the Malkin family, which have not consented to such a transaction.

We have been advised that a single asset REIT is not typical and most potential REIT investors, the great majority of which are institutional investors, would not react favorably to such a REIT. Such investors much prefer the diversification of risk from a consolidated portfolio of quality properties. One reason is that a stand-alone REIT would bear many of the same ongoing expenses of a REIT owning a portfolio of properties without the benefit of other properties to share them with. We believe these expenses and single-property risks would make it less attractive to investors and diminish value to Empire State Building Associates participants. There would be, by the way, more time and money required to pursue such a transaction and without Empire State Building Company cooperation, an Empire State Building Associates stand-alone REIT, would not fix the biggest problem in the status quo, an inefficient and archaic organizational structure, poor access to capital markets and unpredictable distributions which are determined as a result of decisions by an operating lessee, over which Empire State Building Associates has no control.

A further question: "I was told that the other properties are low quality. Won't those properties decrease the value of my investment?"

No. Our strategy for redevelopment of Empire State Building was based on our prior successful redevelopment of other office and retail properties proposed to be part of the consolidation and IPO. Those properties have been recognized with industry awards, are well located and have a roster of quality tenants. The Prospectus Consent Solicitation Statement includes property descriptions, awards won by these other properties and a listing of high quality tenants like Kohl's, eBay, JP Morgan Chase, Aetna Insurance, which are in these buildings. Our website and DVD also includes short video tours of the properties.

Tony Malkin: Next question: "Is it true that the Empire State Building has been undervalued relative to the other properties in the IPO?"

No, we do not believe that is true. As we have said, all the buildings were valued independently by Duff & Phelps but also as we mentioned, the Empire State Building is only 34% of the square footage of the total portfolio, but it would receive more than 56% of the total consideration in the consolidation. This recognizes the unique value of the building and, we believe, fully values the building relative to the other properties.

Here's another question: "Is it true that Empire State Building has more upside and I will lose that in the proposed consolidation and IPO?"

No, that's not true. Again, Duff & Phelps took into account the expected future performance of all of the properties in determining their exchange values. This includes Empire State Building's office, retail, broadcast and observatory operations. Empire State Building's potential, yielded the highest exchange value per square foot of any building in the portfolio.

Here's a question: "What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by Empire State Building Associates?"

If you vote against the consolidation, you do not vote or you abstain, and Empire State Building Associates participates in the consolidation, your participate interests will be subject to a buyout. The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost, less capital repaid but not less than \$100 is currently \$100 for the interest held by a participant in Empire State Building Associates as compared to the exchange value of \$323,800 or \$358,670 if you are not subject to the voluntary capital override per \$10,000 original investment for Empire State Building Associates.

A participant in Empire State Building Associates who voted against the consolidation or the third party portfolio proposal, or abstained, as applicable, or that did not submit a consent form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required super-majority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buyout and will participate on the same basis as the other participants who approved the consolidation or third party portfolio transaction.

Peter Malkin: Another question: "Could Empire State Building Associates purchase the Helmsley estate's interest?"

We do not believe that this is realistic. Empire State Building Associates receives a low basic rent and highly variable overage rent from Empire State Building Company to cover costs and to service and repay loans. Empire State Building Company is not required to operate in such a way as to maximize cash flow or overage rent payments to Empire State Building Associates. Based on our extensive experience in financings, including three financings relating to the Empire State Building since 2001, we do not believe that Empire State Building Associates would be able to borrow the necessary amounts to acquire the Helmsley estate's interest. In addition, Empire State

Building Associates would need a new consent from Empire State Building Associates participants and from Empire State Building Company for any such financing.

One person, who was incorrectly described by the Edelman's, and those working with them as an accountant and an Empire State Building insider, who spoke in favor of this strategy, has since sent to all Empire State Building Associates investors, a letter saying that he personally had not done any work to determine whether this could be financed and achieved and did not mean to hold himself out as someone who could engineer and execute such a transaction. The Helmsley estate and the Malkin family, whose consents would be required for Empire State Building Company to proceed, have committed to a different path. We do not believe that this approach is either credible or feasible.

Tony Malkin: Here's another question: "Can't things just stay the way they are? Why can't we just have the status quo?"

Well, things can't stay the way they are, nor can we continue with the status quo. Leona Helmsley's estate must sell its interest in Empire State Building Associates operating lessee, Empire State Building Company. This is not an option. It is a requirement under the will of Leona Helmsley. The Helmsley estate's interest and the Malkin family's interest hold equal veto rights on decisions made by Empire State Building Company. Empire State Building Company decisions control property operations and use of cash flow, thus determining the amount of cash available for Empire State Building Associates' distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or group, which would then have such veto on decisions by Empire State Building Company, thereby creating the potential for stalemate and the resulting impairment of Empire State Building Associates' distributions.

We believe that reality dictates that the best decisions and conditions change over time. The tax code which drove my grandfather and father to structure the purchase of the Empire State Building has changed. Financing and operations are different today than in the past; more than 50 years ago. Technology, rules and business have become more complex and the structures of yesterday do not allow us to address efficiently, the challenges and opportunities of today. We believe the status quo does not make sense any longer.

Let me briefly touch on where we go from here. We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building; One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period. The end of that 60-day period is March 25th, 2013. The longer it takes to approve the proposed consolidation and IPO, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses and, the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all of these benefits will only occur if the vote for the consolidation and IPO are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

You may already have been contacted by representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners, Inc. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote. You can also contact Malkin Holdings directly through our website or by phone at 1-888-410-7850. Again, that toll-free number is 1-888-410-7850.

A transcript of comments and questions and answers from this call will be available on our website, along with all of the other materials to which I referred earlier in the call. Remember, the website address is www.empirestaterealtytrust.com.

That's all one word, www.empirestaterealtytrust.com.

Peter Malkin: Thank you very much for listening and as always, we appreciate your support.

Operator: Thank you, Mr. Malkin. This concludes our call today. Thank you all for participating.

Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following are scripts to be used for telephone calls with participants in Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C.

TELEPHONE OUTREACH – CALL SCRIPT

- I am [name] at MacKenzie Partners and am calling as agent for Malkin Holdings regarding the proposed consolidation of various office and retail properties into a publicly traded real estate investment trust, known as a REIT. The new entity will be called Empire State Realty Trust, Inc.
- You should have now received the January 21 consent solicitation material relating to the Form S-4 which was declared effective by the Securities & Exchange Commission. Malkin Holdings is recommending and requesting your vote “FOR” all the proposals. We thought it might be helpful if we called you directly to answer any question you may have.
- Is now a good time to for you? If not, would you like to schedule a time for me or someone else from the organization to call you back?
- Thank you for taking the time to speak with us. I would appreciate your confirming your email address for our records.
- If helpful, I’d like to describe exactly what you have received in this mailing and what is asked of you.
- You have received:
 - a cover letter of about 20 pages which summarizes for you the overall transaction and its effect on you and the entity in which you are invested.
 - a final prospectus/consent solicitation of about 1,000 pages, which provides material information on the overall transaction in the format required for SEC clearance and includes the final valuations and fairness opinion of the independent valuer, Duff & Phelps.
 - a separate supplement of about 200 pages which provides information specific to your entity and property.
 - a three page colored consent form which requests consent on each proposal described in the prospectus.

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- If you have multiple investments, you are receiving a cover letter, supplement, and a three-page consent form for each investment, and each consent form must be completed and signed for you to exercise your right to vote.
 - a three page tax form in which you are asked to certify, as applicable, that you are a U.S. taxpayer and that you are exempt from back-up tax withholding.
 - In addition in the same package, you have received supplementary materials to assist you in your decision and vote:
 - a DVD with videos in which Peter and Anthony Malkin discuss the transaction and videos showing the portfolio of properties
 - instructions and access code for our website www.empirestaterealtytrust.com
 - if you cannot locate or have misplaced your access code, you can call Malkin Holdings at 212-850-2705 to obtain a replacement.
 - your investment advisor can use your access code
 - We hope you will visit the Malkin Holdings website for these proposals, as it gives you access to information and videos, an opportunity to submit questions and to register for conference calls, and instructions on how to fill out your consent form.
 - You can use the website to register for conference calls with Peter and Anthony Malkin by clicking on "Register for a conference call" or call 1-888-410-7850.
 - You can see from the prospectus/consent solicitation that you are actually being asked to consent to three proposals: a consolidation with an IPO, a third party portfolio transaction, and a voluntary reimbursement of certain expenses related to the successful past litigation which led to the turnaround of the Manhattan office portfolio.
 - Malkin Holdings recommends and requests that you vote "FOR" the consolidation and the third-party portfolio sale proposal and that you join the more than 70% of all investors previously solicited in other entities supervised by Malkin Holdings who have elected to "AGREE" to the voluntary reimbursement.
 - Importantly, the consent form offers you choices as to the form of consideration you will receive from the consolidation:
 - Operating Partnership units—100% tax-deferred, but not including REIT voting rights
 - Operating Partnership units with Class B REIT shares—98% tax-deferred, including REIT voting rights as if holding all Class A REIT shares
 - Class A REIT shares—100% taxable, including REIT voting rights
 - Malkin Holdings plans to list the Class A REIT Shares and Operating Partnership units on the New York Stock Exchange.

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- These are the same choices as were offered to the private investors and the Malkin family. The Malkin family mostly elected such Operating Partnership units with accompanying Class B REIT Shares.
 - If you have a question regarding your consent form, please do not hesitate to call. Filling out these forms correctly is very important for you to get what you want.
 - Now that I have touched on some of the current topics, I want to ask you if you have any specific questions about the consolidation proposal or if any of what you have read or heard is of concern to you? I will do my best to answer your questions, or I will arrange for someone to follow up with you if I cannot answer any question myself.
 - I would like to confirm that you are aware that you have the option to defer tax that would be triggered by the proposed consolidation. We want to make sure you know that this tax deferral treatment is well established and is not contingent upon obtaining any IRS or SEC ruling. Do you have any question about the three different elections for Operating Partnership units, Class B REIT Shares, or Class A REIT Shares?
 - We understand that change can be disconcerting and that many of you may be content with your current investment as is. But Malkin Holdings believes you will receive many benefits from the proposed transaction, and I would like to share some of them with you now. *(Answers to questions should track the S-4 or be referred to an MH source for a follow-up call).*
 - First, Malkin Holdings believes that the consolidation gives investors greater potential for increased distributions and increased value from capital appreciation than they would have by remaining a participant in your existing entities. This belief is based on the anticipated growth in the revenues of the initial properties operated as a branded portfolio and potential additional investments by the REIT.
 - This transaction is expected to result in regular quarterly dividends which must be at least 90% of REIT taxable income on an annual basis. The source of distributions will be the consolidated results of a portfolio of properties, rather than being dependent on just one property.
 - This path will result in coordinated planning and decision-making and improved accountability from a board of directors responsible for overseeing the operations of the REIT and consisting entirely of independent directors except Chairman and CEO Anthony Malkin.
 - And perhaps most importantly, it will also provide the liquidity that investors currently lack. Should you need or want to sell all or part of your ownership interest for any reason at any time, Malkin Holdings expects that there will be a public market to facilitate an efficient sale. Historically, there has been only a limited market for sales of participation interests, which does not reflect the true value of the participation interests.

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- If the consolidation and IPO go forward, you will receive at that time special distributions consisting of excess reserves from your entity and the reimbursement your entity will receive from the IPO proceeds to reimburse its expenses over the last almost 3 years for consolidation and IPO expenses, and you will also receive your share of the class action settlement proceeds. (You receive settlement proceeds—you do not pay any portion of the settlement.) If the consolidation and IPO do not occur, you will not receive any of these amounts. [See S-4 pages 231-232 for estimated amounts of these distributions.]
 - As you likely know, Malkin Holdings supervises buildings throughout the greater New York metropolitan area, in and out of Manhattan. The properties that will be acquired by the REIT each have their own unique attributes and significant growth opportunities. Many of them are award-winning in their own right. The properties have an excellent and growing collection of top quality tenants, with equal or better credit to the new tenants who are leasing space at the Empire State Building. And all are located in locations near important transportation hubs and Manhattan or growing business communities in the New York metropolitan area such as White Plains and Stamford.
 - While the Empire State Building is the most well-known, it is only one property, and all the properties are valuable. They all show potential for upside.
 - [FOR ESBA ONLY: One thing that is very important for Empire State Building Associates is the fact that the status quo cannot continue. Under Leona Helmsley's will, her executors must sell all interests in her estate which represent more than a 1% ownership interest in any corporation, partnership or other business entity. Her estate's interests include an interest in the operating lease of the Empire State Building which shares a veto with the Malkin family of all decisions by the operating lessee of the Empire State Building. Thus, a sale by the estate to an unknown third party carries real risk to investors, because such party would have the power to significantly influence and control operations and, as a result, distributions to investors.]
 - Malkin Holdings plans to continually update their website with relevant information, including videos and voting instructions, so that you can consider it a resource moving forward.
 - FOR ESBA ONLY:
 - We also want to take a moment to ask you if you have any question or comment about any outreach you may have received from individuals who are opposing this transaction. Malkin Holdings has been following the comments and questions they have raised about our proposed transaction. Under securities laws,

Malkin Holdings was required to provide your address to these investors. Malkin Holdings has received reports of statements made on these calls and has heard many of these calls themselves. Malkin Holdings believes that those individuals are disseminating false and misleading information about ESBA and the proposed transaction. Malkin Holdings suggests that you rely on its materials which have been filed with the SEC (i.e., the prospectus/consent solicitation which was included in the Form S-4 and materials we have sent you) for facts and conclusions about this transaction, rather than on these individuals' conclusions. From Malkin Holdings' direct experience, they believe one cannot rely on the accuracy of these individuals' conclusions.

• [IF YOU RECEIVE A QUESTION REGARDING THE EDELMANS:]

- Malkin Holdings believes this consolidation and IPO offers numerous compelling benefits to all investors, including an option for a 100% tax-deferral, new-found liquidity from publicly traded securities on the New York Stock Exchange, steady dividends, diversification and growth prospects. Now that investors have complete information before them, Malkin Holdings is confident that investors will appreciate the benefits to them and vote for the consolidation and IPO.
- Malkin Holdings thinks the organized opposition to this led by the Edelman cousins and those working with them is using lies and deception to influence votes. Malkin Holdings thinks anyone who votes on their message will be exposed to economic harm and will have a claim against the Edelmanns. The Malkins are working hard to correct the Edelmanns' deceptive and misleading statements.
- Now that we have mailed you the final document and consent solicitation, we welcome your questions so that you can be informed and return your consent form promptly.
- Malkin Holding strongly recommends that you vote "FOR" the proposals.
- I hope this information is helpful to you. We are here to answer your questions. Please feel free to contact us at any time.
- And please be sure to visit the website, watch the videos on the website or on the dvd which came in the package, and register for a conference call.

TELEPHONE INCOMING – CALL SCRIPT

- [ANSWER THE PHONE] Hello, this is MacKenzie Partners, agent for Malkin Holdings regarding Empire State Realty Trust. My name is _____. May I help you?"
- [AS PART OF YOUR INITIAL EXCHANGE WITH THE INVESTOR]
 - Thank you for taking the time to call and speak with us.
 - To protect every investor's confidential information, I need to verify your identity with a question. [PER PROTOCOL ASK FOR SS#, INVESTOR ID, OR ADDRESS & INVESTMENTS]
 - [FOR INVESTOR UNABLE TO VERIFY IDENTITY:]
 - "We apologize, but we are unable to find you on our investor list, & therefore we are not authorized to discuss the investment with you at this time. It is possible that your investment is held under a different entity name or perhaps there is a mistake. Please call Malkin Holdings (Melanie Boruch 212-850-2742) to pursue this further. Thank you for your patience."
 - I would appreciate your confirming your email address for our records.
 - We welcome your calls at any time, and I want to assure you are also aware that we have also created a website www.empirestaterealtytrust.com to give you access to information and videos, an opportunity to submit questions and to register for conference calls with Peter and Anthony Malkin, and instructions on how to fill out your consent form.
 - You received a website access code in your S-4 package, and you can visit the website at any time.
 - If you cannot locate or have misplaced your access code, you may call Malkin Holdings at 212-850-2705 to obtain a replacement.
 - You may register for conference calls with Peter and Anthony Malkin by visiting the website and clicking on "Register for a conference call"—or by calling our toll-free number here 1-888-410-7850.
 - Your investment advisor can use your access code.

[PLEASE ASSURE INVESTORS ARE AWARE OF THE INFORMATION RESOURCES AVAILABLE TO THEM AS NOTED ABOVE—
THEREAFTER, PROCEED TO ADDRESS THE INVESTOR'S SPECIFIC QUESTIONS. FOR REFERENCE, INCLUDED BELOW FROM OUTREACH
CALL NOTES ARE KEY POINTS WHICH SHOULD LIKELY ARISE IN ADDRESSING QUESTIONS.]

- If helpful, I'd like to describe exactly what you have received in this mailing and what is asked of you.
- You have received:
 - a cover letter of about 20 pages which summarizes for you the overall transaction and its effect on you and the entity in which you are invested.

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- a final prospectus/consent solicitation of about 1,000 pages, which provides material information on the overall transaction in the format required for SEC clearance and includes the final valuations and fairness opinion of the independent valuer, Duff & Phelps.
 - a separate supplement of about 200 pages which provides information specific to your entity and property.
 - a three page colored consent form which requests consent on each proposal described in the prospectus.
 - If you have multiple investments, you are receiving a cover letter, supplement, and a three-page consent form for each investment, and each consent form must be completed and signed for you to exercise your right to vote.
 - a three page tax form in which you are asked to certify, as applicable, that you are a U.S. taxpayer and that you are exempt from back-up tax withholding.
 - In addition in the same package, you have received supplementary materials to assist you in your decision and vote:
 - a DVD with videos in which Peter and Anthony Malkin discuss the transaction and videos showing the portfolio properties
 - instructions and access code for our website www.empirestaterealtytrust.com
 - You can see from the prospectus/consent solicitation that you are actually being asked to consent to three proposals: a consolidation with an IPO, a third party portfolio transaction, and a voluntary reimbursement of certain expenses related to the successful past litigation which led to the turnaround of the Manhattan office portfolio.
 - Malkin Holdings recommends and requests that you vote "FOR" the consolidation and the third-party portfolio sale proposal and that you join the more than 70% of all investors previously solicited who have elected to "AGREE" to the voluntary reimbursement.
 - Importantly, the consent form offers you choices as to the form of consideration you will receive from the consolidation:
 - Operating Partnership units—100% tax-deferred, but not including REIT voting rights
 - Operating Partnership units with Class B REIT shares—98% tax-deferred, including REIT voting rights as if holding all Class A REIT shares
 - Class A REIT shares—100% taxable, including REIT voting rights

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- Malkin Holdings plans to list the Class A REIT Shares and Operating Partnership units on the New York Stock Exchange.
 - These are the same choices as were offered to the private investors and the Malkin family, who mostly elected such Operating Partnership units with accompanying Class B REIT shares.
 - If you have a question regarding your consent form, please do not hesitate to call. Filling these forms out correctly is very important for you to get what you want.
 - I would like to confirm that you are aware that you have the option to defer tax that would be triggered by the proposed consolidation. We want to make sure you know that this tax deferral treatment is well established and is not contingent upon obtaining any IRS or SEC ruling. Do you have any question about the three different elections for OP units, Class B stock, or Class A stock?
 - We understand that change can be disconcerting and that many of you may be content with your current investment as is. But Malkin Holdings believes you will receive many benefits from the proposed transaction, and I would like to share some of them with you now. *(Answers to questions should track the S-4 or be referred to an MH source for a follow-up call).*
 - First, Malkin Holdings believes that the consolidation gives investors greater potential for increased distributions and increased value from capital appreciation than they would have by remaining a participant in your existing entities. This belief is based on the anticipated growth in the revenues of the initial properties operated as a branded portfolio and potential additional investments by the REIT.
 - This transaction is expected to result in regular quarterly dividends which must be at least 90% of REIT taxable income on an annual basis. The source of distributions will be the consolidated results of a portfolio of properties, rather than being dependent on just one property.
 - This path will result in coordinated planning and decision-making and improved accountability from a board of directors responsible for overseeing the operations of the REIT and consisting entirely of independent directors except Chairman and CEO Anthony Malkin.
 - And perhaps most importantly, it will also provide the liquidity that investors currently lack. Should you need or want to sell all or part of your ownership interest for any reason, Malkin Holdings expects that there will be a public market to facilitate an efficient sale. Historically, there has been only a limited market for sales of participation interests, which does not reflect the true value of the participation interests.

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- If the consolidation and IPO go forward, you will receive at that time special distributions consisting of excess reserves from your entity and the reimbursement your entity will receive from the IPO proceeds to reimburse its expenses over the last almost 3 years for consolidation and IPO expenses, and you will also receive your share of the class action settlement proceeds. (You receive settlement proceeds—you do not pay any portion of the settlement.) If the consolidation and IPO do not occur, you will not receive any of these amounts. [*See S-4 pages 231-232 for estimated amounts of these distributions.*]
 - As you likely know, Malkin Holdings supervises buildings throughout the greater New York metropolitan area, in and out of Manhattan. The properties that will be acquired by the REIT each have their own unique attributes and significant growth opportunities. Many of them are award-winning in their own right. The properties have an excellent and growing collection of top quality tenants, with equal or better credit to the new tenants who are leasing space at the Empire State Building. And all are located in locations near important transportation hubs and Manhattan or growing business communities in the New York metropolitan area such as White Plains and Stamford.
 - While the Empire State Building is the most well-known, it is only one property, and all the properties are valuable. They all show potential for upside.
 - [FOR ESBA ONLY: One thing that is very important for Empire State Building Associates is the fact that the status quo cannot continue. Under Leona Helmsley's will, her executors must sell all interests in her estate which represent more than a 1% ownership interest in any corporation, partnership or other business entity. Her estate's interests include an interest in the operating lease of the Empire State Building which shares a veto with the Malkin family of all decisions by the operating lessee of the Empire State Building. Thus, a sale by the estate to an unknown third party carries real risk to investors, because such party would have the power to significantly influence and control operations and, as a result, distributions to investors.]
 - Malkin Holdings plans to continually update its website with relevant information, including videos and voting instructions, so that you can consider it a resource moving forward.
 - FOR ESBA ONLY:
 - We also want to take a moment to ask you if you have any question or comment about any outreach you may have received from individuals who are opposing this transaction. Malkin Holdings has been following the comments and questions they have raised about our proposed transaction. Under securities laws, Malkin Holdings was required to provide your address to these investors. Malkin Holdings has received reports of statements made on these calls and has heard many of these calls themselves.

Malkin Holdings believes that those individuals are disseminating false and misleading information about ESBA and the proposed transaction. Malkin Holdings suggests that you rely on its materials which have been filed with the SEC (i.e., the prospectus/consent solicitation which was included in the Form S-4 and materials we have sent you) for facts and conclusions about this transaction, rather than on these individuals' conclusions. From Malkin Holdings' direct experience, they believe one cannot rely on the accuracy of these individuals' conclusions.

- [IF YOU RECEIVE A QUESTION REGARDING THE EDELMANS:]
 - Malkin Holdings believes this consolidation and IPO offers numerous compelling benefits to all investors, including an option for a 100% tax-deferral, new-found liquidity from publicly traded securities on the New York Stock Exchange, steady dividends, diversification and growth prospects. Now that investors have complete information before them, Malkin Holdings is confident that investors will appreciate the benefits to them and vote for the consolidation and IPO.
 - Malkin Holdings thinks the organized opposition to this led by the Edelman cousins and those working with them is using lies and deception to influence votes. Malkin Holdings thinks anyone who votes on their message will be exposed to economic harm and will have a claim against the Edelmanns. The Malkins are working hard to correct the Edelmanns' deceptive and misleading statements.
- Now that we have mailed you the final document and consent solicitation, we welcome your questions so that you can be informed and return your consent form promptly.
- Malkin Holding strongly recommends that you vote "FOR" the proposals.
- I hope this information is helpful to you. We are here to answer your questions. Please feel free to contact us at any time.
- And please be sure to visit the website, watch the videos on the website or on the dvd which came in the package, and register for a conference call.

LEGEND

We urge participants to review the Registration Statement on Form S-4, the proxy/consent solicitation statement and other related documents now filed or to be filed with the SEC, because they contain important information. Participants can obtain them without charge on the Securities and Exchange Commission's website at www.sec.gov. Participants can also obtain without charge a copy of the prospectus/ consent solicitation and the supplements relating to the individual entities by contacting Ned H. Cohen at 212-687-8700 at Malkin Holdings LLC.



Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is a transcription of an interview with Anthony E. Malkin that was broadcast on Bloomberg Television.

From Bloomberg.com "**The Property Players**"

On "Property Players," Malkin Holdings President Tony Malkin discusses how to profit by owning a piece of the Empire State Building. He speaks on Bloomberg Television's "In The Loop." (Source: Bloomberg)

Interviewer: Betty Liu

Mrs. Liu: Well, after more than 40 years of controlling the Empire State Building the Malkin Family is at the forefront of a battle to give investors the chance to profit from owning a piece of this iconic skyscraper here in Manhattan. Tony Malkin is a 4th generation owner and operator trying to form a real estate investment trust that would take the Empire State Building and several other properties public this year. The plan is this year. The hitch though is that investment structure, as complicated perhaps as the steel bones of the art deco masterpiece, there are more than 2,700 parties invested in the deed of this building together known as the Empire State Building Associates, and in order for this IPO to proceed about 80% would have to approve this transaction. Well, speaking publicly the first time on all of this is Tony Malkin. He is the president of Malkin Holdings as well as the CEO of the Empire State Realty Trust, the REIT that is being formed. Tony, great to have you here.

Mr. Malkin: Nice to be here.

Mrs. Liu: Thank you for choosing us to speak out on this for the first time. Now, first of all, you said the letter is out right? ... to the investors?

Mr. Malkin: That's right.

Mrs. Liu: To get their vote. They need to vote as early....they are going to vote as early as March, right? ...that those votes will come in?

Mr. Malkin: The shortest period of time allowed by the FCC is 60 days. So the soonest it could be done is March 25th.

Mrs. Liu: Ok, what is the sense that you are getting so far on approval?

Mr. Malkin: Well, I don't think that we really are in a position to speculate. We certainly hope that investors, now that they are getting the full facts - the correct facts, see the merit in this proposal and will vote in favor of it.

Mrs. Liu: And you are planning to raise what? ...about a billion dollars in this IPO?

Mr. Malkin: We are looking at an offering of approximately a billion dollars, most of which will not be raised by the company. Most of which will represent selling shareholders. Only a little bit will be raised by the company to pay expenses.

Mrs. Liu: Ok. Alright so, now let's get into the meat of the matter which is that there is a small group of investors, right? in particular there are two cousins named Steve and Richard Edelman in California who say that... who oppose this deal and they have been talking to shareholders ... they have been talking to investors, they have been holding conference calls. You have been on some of those calls yourself, and they say that this deal is unfair and you know that the REIT is going to invite speculators into these buildings, into these properties. They say that the Malkin family is just profiting from this. What's your response to this?

Mr. Malkin: Well, look, this is a wonderful opportunity for investors, improved opportunity for liquidity, we think much greater opportunity for distributions, capital appreciation over time, better access to capital markets, modern corporate governance, 6 out of 7 directors will be external. All of this provided in a fully liquid stock on the New York Stock Exchange with an option for 100% tax deferral for any investor who chooses to go forward. We think the Edelms are working really with spreading lies and deception. And we think that anybody who follows their information and bases their vote on what they say would face serious material financial harm. Our job is to get the correct information out to investors and let them make an intelligent decision.

Mrs. Liu: Well, we tried to contact the Edelms before your segment and then they have not responded ... as of up to this time they haven't made any comment

Mr. Malkin: We've offered to meet with them and they've refused.

Mrs. Liu: Oh really? They've refused repeatedly?

Mr. Malkin: Yes.

Mrs. Liu: What is it that you... from what you know from them, what is it that they are aiming for? Do they want things to just stay the same. They just don't want this to happen?

Mr. Malkin: Well, you know, it's very interesting. The status quo is an archaic structure which is rife with the opportunity for the kind of mess with disputes and everything with deadlocks which we have experienced in the past which they are trying to put forward today. The Edelman Trust, they don't actually own interest. They are beneficiaries of a trust. They don't even have a vote. According to the statements they have made, represent less than 3/10 of 1% of the ownership of Empire State Building Associates, a very small minority of the total package. We don't know...

Mrs. Liu: How do you know that that's about how much they represent?

Mr. Malkin: Well, they've made statements saying that their grandfather purchased a \$100,000 interest, and that would represent based on what we do know. We can't disclose anything from our own records. Obviously we know exactly what they own.

Mrs. Liu: Right.

Mr. Malkin: But the reality is it's hard for us to determine what they are after, except of course, except the opportunity they probably see to profit disproportionate to their interest. Lots of people have tried to do this over time. Donald Trump tried to break the lease. We've had disputes with Mrs. Helmsley over the years, which of course we resolved and are working very well with the Helmsley estate right now.

Mrs. Liu: Right, you two work together in supervising the Empire State Building?

Mr. Malkin: Malkin Holdings supervises it exclusively, but the Helmsley Estate and the Malkin Family control Empire State Building Company which is the operating lease and which makes all decisions, which determines in fact the performance based on its decision.

Mrs. Liu: Right, the returns for the investors.

Mr. Malkin: The investors make a very small regular monthly distribution and then depending upon the results of Empire State Building Company and the decision that it makes, they get at present a one time extra distribution or not each year. The last 5 years there have been 2 years with no distribution. But the fact is that with a publicly traded REIT, 90% of REIT taxable income must be distributed, and that would be distributed on a regular basis with a much better opportunity for distribution.

Mrs. Liu: But Tony, you know, if the Edelmans, though, control or, you know, a very small portion of this and they don't have a very big voice, you know, in your view then

why... why directly battle with them? Why not just sort of ignore them and leave them alone? What is...?

Mr. Malkin: Our job is to protect the thousands of investors, to make sure that they have the best information to make the best decision in their own interests. If they make a decision following the Edelman advice, we believe that they will face serious financial... potentially serious financial harm. And our job is... we're fiduciaries on behalf of these investors. We're there to protect them and make sure they get the right advice.

Mrs. Liu: What is then the biggest question that you have received so far from investors?

Mr. Malkin: Well, you know from investors the biggest questions are largely based on the Edelmanns' lies. Is this a taxable event? No, you have a 100% tax deferred option. Are my distributions going to go down? No, we think that distributions are going to go up much more than if the status quo continues. Won't I get hurt if the share price goes down? The answer is no, you are going to maintain an ownership interest in real estate no matter what. You will have the choice whether or not you wish to sell. Distributions have nothing to do with the stock price. They have to do with the performance of the asset.

Mrs. Liu: And haven't they asked you also... why, you know, why not have a REIT just based on the Empire State Building, why do you have to put in other assets in here?

Mr. Malkin: Well, the institutional world likes to see a diverse pool of assets. There is really no successful history for a single asset REIT. Having the diversity is important, plus what we know is that the institutional investment world does not want to see split interests by the operating party. That is why we are not excluding properties that we control from this REIT. We are including everything in the New York City, Manhattan and greater New York area in office and retail from which we work. That is going to satisfy institutions. That is what they are interested in investing in.

Mrs. Liu: But how do you plan on resolving this with the Edelmanns then?

Mr. Malkin: You know, we are going to have a vote. You know, like with anything else, elections are binary. We have until 2014 actually to get the vote. We hope we get it done sooner than that to cut expenses and reduce costs along the way. We intend to get our message out to that we are out of our quiet period. We've been declared effective by the FCC, reviewed all our documents and said we're ok to go out and solicit a vote. We've got a website for our investors. We're conducting conference calls for our investors. We have regular mailings to them. And our job is to correct what we believe are the lies and deceptions being put out by the Edelmanns.

LEGEND

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The following is the transcript of a conference call attended by participants in Empire State Building Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings including the Prospectus Consent Solicitation Statement which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Each of the three public entities, Empire State Building Associates, LLC; 60 East 42nd Street Associates, LLC and 250 West 57th Street Associates, LLC, the Companies and their agents and Malkin Holdings LLC, the Supervisor; Empire State Realty Trust Inc. the REIT, Empire State Realty OP, L.P., and each officer and director of the Companies, the supervisor or of the REIT, may be deemed to be a participant in the Solicitation of Consent in connection with the proposed consolidation. The names of such persons and a description of their interest in the Companies and the REIT are set forth, respectively, in each Company's Annual Report on Form 10-K for the year ended December 31st, 2011, the REIT's Registration Statement on Form S-4 and Prospectus Consent Solicitation Statement, which have been filed with the SEC.

Investors are urged to review the Registration Statement on Form S-4, the Prospectus Consent Solicitation Statement, which you have received, and other related documents now filed or to be filed with the SEC because they contain important information. You can obtain them, without charge, on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the Prospectus Consent Solicitation and the supplements relating to the individual entities by contacting Ned H. Cohen at Malkin Holdings LLC.

Because of scheduling limitations and to give maximum flexibility in accommodating such a large number of calls, this call has been prerecorded. A transcript of comments by the Malkins and questions and answers from this call will be available on our website, www.empirestaterealtytrust.com, and also be filed with the SEC and available on its website at www.sec.gov.

With that, I will turn the call over to the Malkins.

Tony Malkin: Thank you, Operator. I am Tony Malkin and my father and I would like to welcome you all and thank you for participating. We are going to start with some remarks and then move to question and answer. We will be on the phone between one and a half and two hours.

We are very happy to speak with you. We hope that you have, or will, review some key materials we have sent to you, which are also on our website. The videos and some other of the information on our website, including instructions on how to fill out your Consent Form are also on the DVD we sent with the Proxy, Consent Solicitation Statement and other solicitation materials. We are committed to answering every question you may have to help you understand why we are making this important recommendation. We will answer the most commonly asked questions in the time we have available on today's call. If you have submitted questions not answered on this call, we will be reaching out to you individually in a separate call. If you have new questions, you can make a toll-free call to our proxy solicitor at 1-888-410-7850; that's 1-888-410-7850 or reach out to us through our website at www.empirestaterealtytrust.com. That's all one word without spaces: www.empirestaterealtytrust.com and I'll spell that for you. That's e-m-p-i-r-e-s-t-a-t-e-r-e-a-l-t-y-t-r-u-s-t dot com. Again, the toll-free number is 1-888-410-7850, and the website address is www.empirestaterealtytrust.com. We will also repeat this information again at the end of the call.

Now, let's get started. Dad?

Peter Malkin: Thanks, Tony, and thank you all for joining us today. As many of you know, I began my work for you in 1958 when I joined my late

father-in-law, Lawrence A. Wien, for what became a wonderful partnership spanning more than 30 years. I was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son Tony joined me in 1989.

Before we get into the detail on the proposed transaction, I want you to know that we considered many other options, including leaving things as they have been, before deciding that the consolidation of properties into one publicly traded real estate investment trust, or REIT, is a unique opportunity in the life of these investments and the best course of action for the almost 5,000 investors we represent. The purpose of today's call is to explain to you why we believe this transaction will benefit you. Now that our S-4 is effective with the SEC, we are in a position to answer any question you have.

This proposal did not come about over night. In fact, we have been working on it for nearly three years. All during this time I have been reflecting upon my career and the innovative investments created by my father-in-law starting in 1934. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring profitable investment, liquidity and choice. Although he is no longer with us, I am sure that my father-in-law, Lawrence A. Wien, would have had the same enthusiasm and endorsement for our plans.

Tony and I are going to walk you through the details, but in a nutshell, we believe that the transaction we are recommending is a big improvement for every investor. We believe our proposed transaction, which offers you a 100% tax-deferred option, gives you tremendous benefits, including the following: every investor will have the opportunity for liquidity after an initial lock-up period when, and if, he or she decides it is appropriate. And when he or she choose liquidity, they will be able to do so by selling shares or units on the New York Stock Exchange.

Second, all investors in the REIT are expected to receive ongoing distributions which we believe offer greater potential to increase more over time than if the status quo remained.

Third, we believe this greater potential for increased distributions results from the cumulative performance of many excellent properties instead of just relying on one property, better financing, more efficient operation and potentially beneficial acquisitions.

Fourth, the proposed REIT will operate under corporate governance guidelines providing investors with increased transparency, accountability and a simplified and more timely tax filing.

Finally, again, you have the option to exchange your current interest for an interest in the operating partnership of the REIT in a manner that is expected to be 100% tax-deferred.

My family, as you know, has interests in this building just like you, and I would not be proposing this if I did not think it would benefit all investors.

Now, Tony will describe some of the benefits of the proposed transaction in more detail.

Tony Malkin: Thanks. Let me begin by addressing why we believe it is in your interest to vote for the proposed transaction. Obviously, the ability we were able to create for each of you to participate in what is expected to be a 100% tax-deferred transaction is the starting point. After that, the first key benefit is the opportunity for you to continue to own valuable and important real estate with a more stable, and what we believe, is greater potential for increasing distributions than your existing investment.

Combining properties creates the potential for more stable distributions through the greater performance stability of many properties rather than just one. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing. Unlike the current structure, where distributions beyond a minimum are discretionary and based on the need to establish reserves, REIT dividends must be at least 90% of the REIT's annual taxable income. We expect they would be paid every quarter. We also believe that you have greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation, than as a participant in your subject LLC. The REIT will have better access to capital markets, streamlined financial reporting and a simplified management structure that increases efficiency. The REIT also expects to maintain modest leverage which should allow the REIT to pursue acquisitions that could increase its cash flow, potentially allowing for further growth and enhanced distributions.

Another factor is our current need to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time-to-time. As a REIT, we will no longer have to hold cash reserves in each individual entity. In fact, there will be a one-time distribution of whatever available cash reserves there are, at or just after the consolidation and IPO, and there is no need to establish property level reserves by the REIT any longer.

If the transaction proceeds, in addition to the one-time distribution of cash reserves, the REIT will reimburse all transaction expenses out of IPO proceeds, thereby increasing the funds available for such one-time distribution at the time of the IPO.

Finally, each investor will receive their portion of the \$55 million class action settlement fund, subject to court approval, but this one-time distribution and the receipt of such, will occur only if the proposed transaction moves forward. If our proposed consolidation and IPO are not approved, these three one-time distributions will not occur.

In the Prospectus Consent Solicitation Statement, which is in the Form in the final S-4, we have estimated what dividends would be for the REIT during the 12-month period ending September 30, 2013. The presentation of this 12-month estimate in the Prospectus Consent Solicitation Statement is the market convention for REIT IPOs and is consistent with SEC guidelines. Importantly, for most investors, including those investors in the Empire State Building, the estimated distributions in the S-4 are projected to be higher than under the status quo historical average distributions, and over the longer term, we believe that all investors will have the greater potential for increasing distributions than they currently have for all the reasons I just mentioned. Remember, REIT taxable income will be determined by the performance of the portfolio of properties and is unaffected by the Company's stock price. While the price of shares may go up and down, that will not change the requirement to pay dividends of at least 90% of REIT taxable income on an annual basis. Dad?

Peter Malkin: Another significant benefit is the potential for liquidity at a time of your own choosing. Just to be clear, under the proposed consolidation and initial public offering, there is never any requirement that you sell your shares for cash. Many of you may wish to keep your interest for you and your family and to continue receiving expected regular, steady distributions which we believe offer greater potential to increase more over time than if the status quo remained. That's fine. And because you have the option of choosing what is expected to be a tax-deferred security, you have the ability to avoid realizing a capital gain until the time of a future capital transaction, such as when you may decide to sell. And your family may avoid the capital gain tax completely if you hold on to your units for life and they are given a stepped-up basis in your estate.

I should note at the outset, that the Malkin family intends to hold its shares and units but others may wish to liquidate all or a part of their investment. I can't think of a case in which your investment is not worth many times what you or one of your predecessors paid for it. But currently, there is no efficient public market for you to sell your interest in its present form. While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares, or units, any time you like and to sell all or part of your interest any time you choose following the initial lock-up period.

Another benefit of the transaction is corporate governance. Investors would own shares in a publicly traded company with a centralized, experienced management team. The management team would report to a Board comprised of six independent directors and my son, Tony. A full set of biographies of the six proposed independent directors is in the Prospectus Consent Solicitation Statement. Importantly, each board member has successful experience in real estate, public companies, or both. As a public company, your Board has a fiduciary responsibility to all stockholders and will be accountable to you and those of you with voted securities would elect the board members and vote on certain other corporate matters each year. This is in contrast to your current investment where you have no vote.

You should also enjoy greater legal protections. As a public company with securities listed on the New York Stock Exchange, you would have all the protections afforded all public stockholders through the SEC, the New York Stock Exchange and the new Dodd-Frank rules and regulations.

Tony Malkin: Another benefit is simplified tax filing instead of receiving a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing. Class A or B common stock shareholders will receive one Form 10-99 and OP unitholders will receive one Form K-1. The REIT has committed to make efforts to deliver all of these forms by March 31st of each year, so you will not have to file your returns on extension.

So, in summary, we believe there are many benefits to the proposed transaction. We believe all investors will benefit through ongoing distributions with the greater potential to increase through property performance, better financing, more efficient operations and beneficial acquisitions. The potential for increased distributions and stock price capital appreciation over time, benefits all investors. You will enjoy modern corporate governance, an accountable Board of Directors, greater transparency and simplified tax filing. In our view, when you consider all these benefits, your decision to vote for the consolidation and IPO should be an easy one. Dad?

Peter Malkin: We also think it's important for everyone to consider what will happen if the transaction does not move forward. Were that to occur, you will continue to own an illiquid interest in an entity that owns a partial interest in a single property. This means you are not likely to obtain a true and efficient market price for your interest and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing.

You will also continue to be subject to an ownership structure that is universally recognized as archaic, which limits your rights and the value of your investment and which is potentially subject to damaging deadlocks.

Also, because you currently rely only on the performance of one property, any major expenditure unique to your property or major tenant failure will impact you directly and not be mitigated by the performance of other properties. In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and to the decisions made by the operating lessee over which you have no control.

Without the consolidation, there will not be the same access to growth through acquisitions and, therefore, you will forego the positive impacts such acquisitions could have on distributions.

Your entity will not be reimbursed for the transaction expenses incurred over the past several years and your entity will not make the one-time distribution to you of such reimbursement amount plus its excess reserves. You will not receive any settlement payment. And finally, your tax filing will remain complex and subject to delays beyond April 15th each year.

Now, Tony will address some special considerations for Empire State Building investors.

Tony Malkin: Thanks, Dad. We all take pride in being involved with a special property such as the Empire State Building but there are significant risks, as well. One of these risks comes from the current ownership structure. The Helmsley estate holds a veto in your operating lessee, the Empire State Building Company. You may know that for decades, my grandfather, Lawrence A. Wien, worked with my dad and the Helmsley family. After Harry Helmsley's death in 1997, however, Helmsley-Spear Inc. was sold to its senior officers. About that time, we commenced proceedings to remove Helmsley-Spear as managing agent because the performance of the properties was suffering. Through a very lengthy and costly legal proceeding, we successfully removed Helmsley-Spear and began turning around these historic, pre-war properties. We successfully completed significant upgrades, made considerable capital investments, hired new staff and executives at Malkin Holdings and added new managing agents. But now, we must all face the reality that Leona Helmsley's will requires her estate to liquidate its investments, including properties supervised by Malkin Holdings. If the estate does not liquidate its interest through an IPO, we expect it to sell its interests to an unknown third party. Dad?

Peter Malkin: And so it is important to understand that the Helmsley estate sale requirement will end the status quo, no matter how investors vote. Anyone who purchases the Helmsley estate's interest will receive the same veto rights that the Helmsley estate currently has. There simply is no way to predict how an unknown third party will act on matters that affect the availability of cash

for distributions. On the other hand, if the proposed consolidation and REIT transaction go forward as proposed, the rights of the holder of the Helmsley estate's interests to interfere with decisions would no longer exist.

With a consolidation and IPO, we can give investors many valuable benefits and allow the Helmsley estate to exit without raising risks to remaining investors. We will maintain our management team, which has done such a fine job transforming the supervised properties. We also believe that we will be able to realize for investors, the significant benefits in becoming a publicly traded REIT, which we have been discussing on today's call.

We are aware that some individuals have suggested that the value of the Empire State Building is somehow being shortchanged, but the fact is, that the uniqueness of the property has been reflected in the value allocated by Duff & Phelps, an independent valuer. The Empire State Building is approximately 34% of the total square feet of the REIT, but it has been afforded more than 56% of the exchange value.

Remember, as is stated in the Prospectus Consent Solicitation Statement, distributions for Empire State Building investors are expected to be greater than historic distributions, not decreased, as some have suggested.

Investors should also consider other unique risks to the Empire State Building. Given the prominence of the asset, it is susceptible to acts of terrorism and other events beyond our control that can impact our financial performance at the building. Approximately 40% of the revenue of the operating lessee in 2011 was from the observatory, driven by tourists. Going forward, we face new competition for this source of revenue. The new One World Trade Center will have a new observatory which will bring new competition to the market for the tourists who visit. One World Trade Center has also announced that it will offer a full broadcast platform for television, radio and other broadcasters. Approximately 10.4% of the revenue of the operating lessee in 2011 was from the broadcast operations of the Empire State Building. That has been a major source of overage rent payment, New York LLC, which contributes to your additional distribution. With increased competition, the benefits from the broadcast operations may be less, which may adversely impact your potential for additional distributions.

Tony Malkin: Thanks, Dad. If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include: 100% tax-deferred operating partnership, or OP, units that do not have voting rights; a 98% tax-deferred combination of Class B common stock and OP units that would have the same voting rights as if you had selected only Class A common stock; or fully-taxable Class A common stock with full voting rights. Each one of these options will provide you with ownership in prime, improved or improving office and retail real estate in Manhattan and the

Greater New York Metropolitan area. And importantly, no matter which security you choose, you can expect to receive regular quarterly distributions with the greater potential for increased distributions and capital appreciation, than your current investment.

Let us discuss a little more what each of these securities is and what the general tax implications would be.

Peter Malkin: I'll begin with the OP units. OP units are expected to be 100% tax-deferred, meaning that tax would be owed on any gain on your investment only at the time of a future capital transaction, such as when you decide to sell or the property owned by your entity is sold. OP units will also be listed on the New York Stock Exchange but have no vote in the REIT. If and when OP unitholders decide to liquidate, however, they would not have to sell their units on the Exchange. Beginning after one year, they would also have the option of exchanging their OP units for cash at the then price of Class A shares, or at the REIT's option to receive Class A shares, one-for-one. As detailed in the Prospectus Consent Solicitation Statement, some of your OP units are permitted to be sold immediately and up to 50% can be sold after six months and all or any part of your holdings may be sold at any time starting 12 months after the initial public offering.

Another alternative is a combination of OP units and Class B shares. Because OP units do not have voting rights, we are offering the option to receive Class B shares instead of 2% of the OP units you would otherwise receive. So, for example, if you were eligible to receive 100 OP units, you could instead, choose 98 OP units and two Class B shares. Class B shares are different in that each carries the same voting rights as 50 Class A shares. And so you, by choosing two Class B shares, would have the same voting rights as if you chose 100 Class A shares. However, receipt of Class B shares is taxable at the time of the IPO, so instead of deferring taxes on 100% of your investment, you would defer taxes on 98% of your investment.

If you decide you want to sell your Class B shares, which will not be listed on a national securities exchange, they are automatically converted on a one-for-one basis to Class A shares.

Tony Malkin: The final alternative is to receive Class A shares. These shares will have the same rights to distributions as OP units and Class B shares and also carry voting rights in the REIT. However, receipt of Class A shares is taxable at the time of the IPO. As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A shares six months after the IPO and the balance 12 months after the IPO.

So, the bottom line is that we have created a structure that gives you great flexibility. You have a range of options, including to defer

taxes, receive quarterly distributions and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, we received all of the required consents from those private entities who have approved the proposed consolidation.

For your reference, the Malkin family elected a combination of Class B shares and OP units, in addition to a small number of Class A shares.

If I may, let me turn this back to my father for some closing remarks.

Peter Malkin: Thank you, Tony. We hope that you have found this discussion helpful. In summary, we want to make sure you understand the following key points about this transaction.

You have the option to receive OP units which are expected to be 100% tax-deferred. You would have new liquidity options through a listing of Class A common shares and OP units on the New York Stock Exchange. We believe the REIT offers a greater potential for distribution increases than the status quo. Dividends will be paid quarterly and at a minimum of 90% of REIT taxable income annually. You can diversify your assets; one of the first principles of sound investing. You will have increased growth opportunities through potential acquisitions with better access to capital markets. You will receive a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses. You have the opportunity to receive class action settlement proceeds. For all these reasons, among others, we believe the proposed transaction is in the best interest of all investors.

And now, let's begin the question-and-answer session.

Tony Malkin: Thank you to everyone who's submitted questions. We are going to answer the most commonly asked questions. If your question is not answered, it is likely specific to your particular situation or has not been asked by any other investor and we will reach out to you individually. If you have new questions, you can reach out via the website at www.empirestaterealtytrust.com. Once again, that's all one word, www.empirestaterealtytrust.com or via our toll-free phone number which is 1-888-410-7850. Again, that is 1-888-410-7850.

With that, let's take our first question. "Is the MacKenzie that is doing the tender offer the same as the MacKenzie who is your proxy solicitor?"

The answer is no. There is absolutely no relation whatsoever and it is purely a coincidence that they have the same name. The MacKenzie that is doing the tender offer has made prior tender offers that we have opposed or recommended against. We have separately mailed, a Schedule 14D-9 to participants which you all should have received which states our recommendation against the tender offer.

Next, we have a question. "What happens to my interest if the transaction proceeds?"

Our Prospectus Consent Solicitation Statement states in several places that if your subject LLC participates in the consolidation, you will have the option to exchange your current interest for one of three types of securities. As we discussed on the call earlier and as can be found on page 74 of that Consent Solicitation Statement, those securities are: 1) operating partnership units, OP units, which are expected to be 100% tax-deferred; a combination of Class B common stock and OP units which are expected to be 98% tax-deferred; or, Class A common stock which is 100% taxable.

We, of course, cannot advise you on which security you should choose and we suggest that you consult your financial advisor if you are not sure which security is best for you.

If you have questions about how to make your election, however, you can call us anytime and we would be happy to explain further, your options. Dad?

Peter Malkin: The next question is, "Will I be required to pay taxes on the consideration received in this transaction?"

Our Prospectus Consent Solicitation Statement highlights, in several places, including on pages 20-22, that if you elect to receive OP units, you will not pay any tax on the consideration you receive in our recommended consolidation. You will only realize a capital gain at the time of a future capital event, such as when you decide to sell your interest or if the property owned by your entity is sold at some point in the future. If you choose OP units, the entire transaction as set forth in the Prospectus Consent Solicitation Statement, is expected to be 100% tax-deferred for you.

Tony Malkin: The next question is, "Who is Duff & Phelps and how can I feel comfortable that their work has given me fair value for my interests in the consolidation?"

As stated in our Prospectus Consent Solicitation Statement, given our family's role in owning interests and in supervising all the entities in our consolidation, we wanted an independent third party to produce the

exchange values and render a fairness opinion for all participants and we chose Duff & Phelps to do this work. We chose Duff & Phelps because we wanted the work to be performed by an independent group.

Duff & Phelps is an internationally recognized firm with an excellent reputation for valuation services across all industries and it provides these for a broad variety of real estate firms. The Prospectus Consent Solicitation Statement, on pages 235 through 254, describes in detail, how Duff & Phelps did its work. They began by requesting and receiving historical and current information and market data which we delivered to them from our records and from the third party managing agents. They then appraised the value of each of the properties, the development site and the management companies to be included in the REIT. Then Duff & Phelps calculated the exchange value for each property. Each of the properties will receive its proportionate share of the consideration in the consolidation, based on its proportionate share of the aggregate exchange value. This results in the value of each entity relative to the others, which is how the consideration in the consolidation is being allocated to you.

The exchange value for each entity was then allocated to the participants and the override interests in accordance with the organizational documents for each entity. In this way, all values were established in the same way, including our own values. The valuation materials, which Duff & Phelps provided to us, are attached in the materials you received as Appendices A and B to the Prospectus Consent Solicitation Statement and the financial projections used by Duff & Phelps in its exchange valuation process for all the properties are attached as Appendix C.

I can also tell you that we believe the valuations are fair, that our interests have been valued in the same way, and that we will be voting in favor of the transaction.

Peter Malkin: The next question is, "Is there a deadline to vote?"

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period, which would take us out to March 25, 2013. The longer it takes to approve the proposed consolidation and initial public offering, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses, and the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all these benefits will occur only if the vote is for the consolidation and initial public offering and the consolidation and

initial public offering are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

The next question: "How did the Malkins get their override interest?"

The Prospectus Consent Solicitation Statement sets forth the variety of overrides from different ownership groups to which the Malkin Group is entitled. Some of these overrides have been in place since the creation of each investment. Some were put in place at later dates. Every one of these overrides was either included in the organizational documents when investors agreed to make their investment or has been consented to in writing by the investors in the entities.

Tony Malkin: This question: "Isn't Malkin Holdings going to continue to get management fees, commissions from leasing and supervisory fees once the consolidation is concluded and the REIT goes forward?"

No, that's not true. Today, Malkin Holdings receives no management fees or commissions from any of the properties involved in this consent. All Malkin Holdings receives is its supervisory fees and its overrides when payable. All Malkin Holdings' fees and entitlements were valued as part of Duff & Phelps work. When the consolidation and IPO move forward, Malkin Holdings will receive no more fees. All Malkin Holdings will get is its ownership in the REIT.

Peter Malkin: The next question: "What is the Malkin's entitlement to these override interests?"

The Prospectus Consent Solicitation Statement points out that the overrides are written contracts entered into by you, the family member from whom you inherited your interest or the party from whom you acquired your interest when the investment was made or at some point, thereafter. Every one of these agreements is available for inspection.

The Malkins are entitled to distributions on the override interests out of the proceeds from a capital transaction. As the REIT will acquire each building in which you are a participant, the proposed consolidation is a capital transaction. The proposed consolidation represents a transfer to a new entity with substantial additional assets, substantial new investors and a new governance structure; in no way, a continuation of the prior entities for the same investors.

Tony Malkin: This question; “When do you expect the consolidation and IPO to be completed?”

We plan to complete the consolidation as soon as possible after receipt of the approval by the required vote of your subject LLC’s participants and the approval by the required vote of the other subject LLCs’ participants for inclusion. At that time, we will measure the market and calendar for other public offerings and choose the best timing for the IPO. By its terms, the consolidation and IPO are required to be completed no later than December 31st, 2014 but we are certainly hoping to wrap it up long before that date.

Another question: “When can I sell OP units or shares of Class A and Class B common stock of the REIT after the consolidation and IPO?”

First of all, please keep in mind Class B common stock cannot be sold. It can only be exchanged for Class A common stock to be sold and that can take place 12 months after the offering. As explained in the Prospectus Consent Solicitation Statement and in our videos, after the closing of the consolidation and the IPO, every participant, except the Malkin family, will have the ability to sell up to 50% of both the OP units and Class A common stock received in the consolidation at any time after the 180th day following the IPO pricing date, and the balance of the OP units and Class A common stock 12 months after the IPO pricing date. In addition, each participant that receives OP units may, immediately following the consolidation and the IPO, sell up to 4% of the OP units issued to him or to her and I would point out that the Malkin family has a longer lock-up.

The next question: “When are OP units exchangeable for shares of Class A common stock?”

Twelve months after the completion of the IPO, each OP unit will be exchangeable for the then cash value of a share of Class A common stock or, at the REIT’s election, one share of Class A common stock.

Peter Malkin: Another question: “What about all these lawsuits against the Malkins over this deal? There are five of them. Doesn’t that mean that the Malkins have done something wrong?”

No. Virtually all large deals get challenged in court. These claims now have been settled with no admission of wrongdoing. In fact, after plaintiff’s counsel reviewed thousands of documents and interviewed many witnesses, the plaintiffs now intend to support the proposed transaction.

Another question: “What is my interest worth?”

As described in the Prospectus Consent Solicitation Statement, for each \$10,000 of original investment held by you, the exchange value is now \$323,800 if you or your predecessor consented to the voluntary capital override or \$358,670 if there has been no such consent.

The exchange value was determined based on an appraisal by Duff & Phelps, the independent valuer, to establish relative value among properties and participation interests and it does not necessarily represent the fair market value of your participation interest. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO after you vote on the consolidation proposal.

We have described in the Prospectus Consent Solicitation Statement on pages 6 through 8, the differences between the exchange values and the enterprise value, which is the value based on the IPO price. The Prospectus Consent Solicitation Statement also includes a table on page 7, showing the range of enterprise values per \$10,000 original investments based on an illustrative range of IPO prices.

Tony Malkin: Here's a question: "What is this I hear about a 10% commission to Malkin?"

There is no commission being paid by any entity or any of the participants, to Malkin. In the case of Empire State Building Associates, Malkin has been entitled to a 6% override on cash flow since inception and consents entered into voluntarily by investors in 1991, 2001 and 2008, a total of approximately 94% of all Empire State Building Associates investors agreed that Malkin would receive an override on a capital event of 10% of their distributions above a stated level. Malkin has agreed that we will not receive any other compensation from any non-consenting investors in Empire State Building Associates. There is no commission to Malkin.

Peter Malkin: The next question: "Explain to me where the 50/50 allocation of value between Empire State Building Associates and Empire State Building Company comes from."

The Prospectus Consent Solicitation Statement is very helpful here on pages 156 through 158 and pages 238 through 243, which explain the history of my father-in-law's and my acquisition of the Empire State Building. We structured the transactions creating the two-tiered entity properties. Our intent was to create a structure that had the same economic attributes as a 50/50 joint venture while protecting our investors from double taxation and from unlimited personal liability.

Just as an aside, I encourage you, after this call, to go to the website and take a look at our letter of May 11, 2012 and our video on the two-tier ownership structure, which is also on the DVD we sent to you. The letter and the video lay out the details and benefits of this structure which was really driven by the tax code at that time.

The two entities have always functioned economically as a 50/50 partnership. For example, Empire State Building Associates and Empire State Building Company have historically shared the cost of building improvements on a 50/50 basis. Empire State Building Associates and Empire State Building Company have historically shared financing costs on a 50/50 basis. And after basic rent is paid to Empire State Building Associates and the first \$1 million of profit is retained by Empire State Building Company, all overage rent is divided on a 50/50 basis. Empire State Building Associates does not operate the Empire State Building, nor does it make decisions about capital expenditures, leasing, repairs, maintenance, use of property cash flow or any other decision regarding the operation of real estate. All of these matters are under the exclusive control of its operating lessee, Empire State Building Company. Cooperation of Empire State Building Company also is required to mortgage the property efficiently because both positions are generally required as collateral for any financing of size.

In addition, Empire State Building Associates cannot sell the entire property without the cooperation of Empire State Building Company. If Empire State Building Associates sold its interest without Empire State Building Company joining in the sale, the property sold by Empire State Building Associates would continue to be subject to Empire State Building Company's operating lease. Accordingly, a buyer would be subject to Empire State Building Company's continuing to determine leasing, repairs, capital expenditures, property operation and use of cash flow from the property and all issues which determine property performance and lease payments to Empire State Building Associates.

When my father-in-law, Lawrence A. Wien, and subsequently, my father-in-law and I, structured the transactions, LLCs and operating lessees prepared the operating agreements established in the structure and marketing of these investments, the intent of those who created the structure and drafted the agreements from the beginning was to achieve the economic attributes of a 50/50 joint venture. The primary objective of the unique format of the documents we used was to establish a joint venture treatment which would share profits and offer the subject LLC investors favorable flow-through tax treatment for U.S. federal income tax purposes. They did not call it a joint venture to protect the passive investors from general partner liability for building operations. The facts at the time, dictated the transaction structure. This is the same structure my father-in-law used for many deals during the time the tax code was written that way and they all operated in the same way. Allocations similar to the 50/50 joint venture format have been confirmed by independent valuers, approved by the investors and used to allocate sale proceeds in prior sales of properties supervised by Malkin Holdings. This is all laid out in detail in the Prospectus Consent Solicitation Statement on pages 238 through 243.

By the way, contrary to what we believe has been incorrectly stated by certain parties, the Malkin family does not benefit from the 50/50 allocation. The Malkin Group's interest in Empire State Building Associates is significantly higher; over 15.4% in the Empire State Building Associates versus approximately 6.7% in Empire State Building Company, meaning that it would be in our economic interest for more value to be allocated to Empire State Building Associates. However, we do not believe that would be historically consistent or fair and we have committed to be bound by the allocation by the independent valuer, Duff & Phelps.

Tony Malkin: Here's another question. What is the distribution for March 2013 for Empire State Building Associates?

Well the amount of this distribution has not yet been determined. It will depend, amongst other things, upon a calculation of the 2012 income of the operating lessee and the determination of the reserves needed for 2013. After the distribution amount is determined, we will include it in a supplement to the S-4, which will be filed with the SEC, posted on our website and mailed to investors.

Tony Malkin: Another question: "What will happen to my distributions if the transaction goes forward?"

We believe that there is a greater potential for your distributions to go up more over time as a part of this transaction than if you stayed just with the status quo. In the Prospectus Consent Solicitation Statement, we provided an estimate of expected annual distributions to investors in each of the groups for which a vote is to be taken. On pages 183 through 189 of the Prospectus Consent Solicitation Statement, you can find a comparison of what our estimated distributions for 12 months ending September 30, 2013 will be in comparison to the average annual distribution Empire State Building Associates investors received for the five years ended December 31, 2011, showing that the estimated distribution for the 12-month period is greater than this average annual distribution.

We also believe your distributions will be less subject to fluctuation and are expected to be paid four times each year, once each quarter, as opposed to the historic practice of a small, regular distribution and an annual overage rent payment, which is inconsistent and only payable to the extent of available cash flow.

As stated in our Prospectus Consent Solicitation Statement, letters and videos, REITs are required to distribute at least 90% of REIT taxable income annually. The post-IPO REIT will have no need to maintain property level reserves at each property. There will be many more and more efficient ways to access the capital markets.

There are many reasons why we believe participants have a greater potential for increased distributions following the transaction, than the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Here is another question: "I was told the Empire State Building is nearly completely turned around, needs very little additional investment and has upside with no risk. Is that true?"

No, that is not true. The Empire State Building consists of 2.7 million square feet of office space, which includes space leased to broadcasting tenants and the observatory and 169,215 feet of retail. While its management transitioned from Helmsley-Spear in August 2006 and the plans for its turnaround program were announced in October 2007, the program is not complete. While the lobby has been restored and the observatory largely upgraded and new leases concluded to new tenants for over 1.5 million square feet of office and retail space, costs remain for the completion of the comprehensive program for renovation and repositioning of the Empire State Building. As of September 30, 2012, we estimate additional capital costs at the Empire State Building to range between \$185 million and \$225 million through 2016. This does not include additional costs for tenant improvements, leasing commissions and other expenses on the spaces which have not been leased to new tenants.

The portfolio-wide renovation and repositioning program at all the other properties proposed to be consolidated, is expected to be substantially completed by the end of 2013, while the work and expense at the Empire State Building are anticipated to continue through 2016.

Additional Empire State Building Associates related risks disclosed in the Prospectus Consent Solicitation Statement, include risks of terrorist attack and competition to the Empire State Building's observatory and broadcasting operations from the new One World Trade Center observatory deck and broadcast antenna, as well as the existing broadcast operations at 4 Times Square. We are prepared for and are addressing the remaining costs for improvements and leasing, as well as the security and competitive threats, but it is not accurate to say the Empire State Building turnaround is near completion and the asset performance is assured with little additional expense and no risk.

If the consolidation does not go forward, it is possible that Empire State Building Company may not approve additional borrowings to fund these costs, in which case, Empire State Building Company may use cash flow resulting in immediate and sustained reductions or cessation of overage rent, or may either defer or not make such expenditures at all.

Peter Malkin: And the next question: "I was told that it would be easy and just as good for the Empire State Building or Empire State Building Associates to become a REIT on its own. Is that true?"

No, and nor do we believe that it is realistic or desirable. There is no professional expert investing in REITs who has told us

anything but the opposite. Any Empire State Building-only REIT would require the consent of Empire State Building Company, which is controlled by the Helmsley estate and the Malkin family, which have not consented to such a transaction.

We have been advised that a single asset REIT is not typical and most potential REIT investors, the great majority of which are institutional investors, would not react favorably to such a REIT. Such investors much prefer the diversification of risk from a consolidated portfolio of quality properties. One reason is that a stand-alone REIT would bear many of the same ongoing expenses of a REIT owning a portfolio of properties without the benefit of other properties to share them with. We believe these expenses and single-property risks would make it less attractive to investors and diminish value to Empire State Building Associates participants. There would be, by the way, more time and money required to pursue such a transaction and without Empire State Building Company cooperation, an Empire State Building Associates stand-alone REIT, would not fix the biggest problem in the status quo, an inefficient and archaic organizational structure, poor access to capital markets and unpredictable distributions which are determined as a result of decisions by an operating lessee, over which Empire State Building Associates has no control.

A further question: "I was told that the other properties are low quality. Won't those properties decrease the value of my investment?"

No. Our strategy for redevelopment of Empire State Building was based on our prior successful redevelopment of other office and retail properties proposed to be part of the consolidation and IPO. Those properties have been recognized with industry awards, are well located and have a roster of quality tenants. The Prospectus Consent Solicitation Statement includes property descriptions, awards won by these other properties and a listing of high quality tenants like Kohl's, eBay, JP Morgan Chase, Aetna Insurance, which are in these buildings. Our website and DVD also includes short video tours of the properties.

Tony Malkin: Next question: "Is it true that the Empire State Building has been undervalued relative to the other properties in the IPO?"

No, we do not believe that is true. As we have said, all the buildings were valued independently by Duff & Phelps but also as we mentioned, the Empire State Building is only 34% of the square footage of the total portfolio, but it would receive more than 56% of the total consideration in the consolidation. This recognizes the unique value of the building and, we believe, fully values the building relative to the other properties.

Here's another question: "Is it true that Empire State Building has more upside and I will lose that in the proposed consolidation and IPO?"

No, that's not true. Again, Duff & Phelps took into account the expected future performance of all of the properties in determining their exchange values. This includes Empire State Building's office, retail, broadcast and observatory operations. Empire State Building's potential, yielded the highest exchange value per square foot of any building in the portfolio.

Here's a question: "What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by Empire State Building Associates?"

If you vote against the consolidation, you do not vote or you abstain, and Empire State Building Associates participates in the consolidation, your participate interests will be subject to a buyout. The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost, less capital repaid but not less than \$100 is currently \$100 for the interest held by a participant in Empire State Building Associates as compared to the exchange value of \$323,800 or \$358,670 if you are not subject to the voluntary capital override per \$10,000 original investment for Empire State Building Associates.

A participant in Empire State Building Associates who voted against the consolidation or the third party portfolio proposal, or abstained, as applicable, or that did not submit a consent form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required super-majority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buyout and will participate on the same basis as the other participants who approved the consolidation or third party portfolio transaction.

Peter Malkin: Another question: "Could Empire State Building Associates purchase the Helmsley estate's interest?"

We do not believe that this is realistic. Empire State Building Associates receives a low basic rent and highly variable overage rent from Empire State Building Company to cover costs and to service and repay loans. Empire State Building Company is not required to operate in such a way as to maximize cash flow or overage rent payments to Empire State Building Associates. Based on our extensive experience in financings, including three financings relating to the Empire State Building since 2001, we do not believe that Empire State Building Associates would be able to borrow the necessary amounts to acquire the Helmsley estate's interest. In addition, Empire State

Building Associates would need a new consent from Empire State Building Associates participants and from Empire State Building Company for any such financing.

One person, who was incorrectly described by the Edelman's, and those working with them as an accountant and an Empire State Building insider, who spoke in favor of this strategy, has since sent to all Empire State Building Associates investors, a letter saying that he personally had not done any work to determine whether this could be financed and achieved and did not mean to hold himself out as someone who could engineer and execute such a transaction. The Helmsley estate and the Malkin family, whose consents would be required for Empire State Building Company to proceed, have committed to a different path. We do not believe that this approach is either credible or feasible.

Tony Malkin: Here's another question: "Can't things just stay the way they are? Why can't we just have the status quo?"

Well, things can't stay the way they are, nor can we continue with the status quo. Leona Helmsley's estate must sell its interest in Empire State Building Associates operating lessee, Empire State Building Company. This is not an option. It is a requirement under the will of Leona Helmsley. The Helmsley estate's interest and the Malkin family's interest hold equal veto rights on decisions made by Empire State Building Company. Empire State Building Company decisions control property operations and use of cash flow, thus determining the amount of cash available for Empire State Building Associates' distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or group, which would then have such veto on decisions by Empire State Building Company, thereby creating the potential for stalemate and the resulting impairment of Empire State Building Associates' distributions.

We believe that reality dictates that the best decisions and conditions change over time. The tax code which drove my grandfather and father to structure the purchase of the Empire State Building has changed. Financing and operations are different today than in the past; more than 50 years ago. Technology, rules and business have become more complex and the structures of yesterday do not allow us to address efficiently, the challenges and opportunities of today. We believe the status quo does not make sense any longer.

Let me briefly touch on where we go from here. We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building; One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period. The end of that 60-day period is March 25th, 2013. The longer it takes to approve the proposed consolidation and IPO, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses and, the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all of these benefits will only occur if the vote for the consolidation and IPO are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

You may already have been contacted by representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners, Inc. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote. You can also contact Malkin Holdings directly through our website or by phone at 1-888-410-7850. Again, that toll-free number is 1-888-410-7850.

A transcript of comments and questions and answers from this call will be available on our website, along with all of the other materials to which I referred earlier in the call. Remember, the website address is www.empirestaterealtytrust.com.

That's all one word, www.empirestaterealtytrust.com.

Peter Malkin: Thank you very much for listening and as always, we appreciate your support.

Operator: Thank you, Mr. Malkin. This concludes our call today. Thank you all for participating.

Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in 250 West 57th St. Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings, including the Prospectus Consent Solicitation Statement, which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Investors are urged to review the registration statement on Form S-4, the Prospectus Consent Solicitation Statement which, you have received, and other related documents now filed or to be filed with the SEC because they contain important information. You can obtain them without charge on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the Prospectus Consent Solicitation and the supplements relating to the individual entities, by contacting Ned H. Cohen at Malkin Holdings, LLC.

Because of scheduling limitations and to give maximum flexibility in accommodating such a large number of calls, this call has been prerecorded.

A transcript of comments by the Malkins and questions and answers from this call will be available on our website, www.empirestaterealtytrust.com and also be filed with the SEC, and available on its website at www.sec.gov. With that, I will turn the call over to the Malkins.

Tony Malkin: Thank you, Operator. I am Tony Malkin and my father and I would like to welcome you all and thank you for participating.

We're going to start with some remarks and then move to question-and-answer. We will be on the phone between one and one-and-a-half hours. We are very happy to speak with you. We hope that you have or will review some key materials we have sent to you and which are also on our website. The videos and some other of the information on our website, including instructions on how to fill out your consent form, are also on the DVD we sent with the proxy consent solicitation statement and other solicitation materials. We are committed to answering every question you may have to help you understand why we are making this important recommendation.

We will answer the most commonly-asked questions in the time we have available on today's call. If you have submitted questions not answered on this call, we will reach out to you individually in a separate call. If you have new questions, you can make a toll-free call to our proxy solicitor at 1-888-410-7850 or reach us through our website at www.empirestaterealtytrust.com. Again, the toll-free number is 1-888-410-7850 and the website address is www.empirestaterealtytrust.com. And I'll spell that out for you. It's all one word, www.empire—that's e-m-p-i-r-e; state, s-t-a-t-e; realty, r-e-a-l-t-y; trust, t-r-u-s-t; (dot) com. We will also repeat the phone number and the website at the end of the call.

Now let's get started. Dad?

Peter Malkin: Thanks, Tony, and thank you all for joining us today.

As many of you know, I began my work for you in 1958 when I joined my late father-in-law, Lawrence A. Wien, for what became a wonderful partnership spanning more than 30 years. I was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son, Tony, joined me in 1989.

Before we get into the detail on the proposed transaction, I want you to know that we considered many other options, including leaving things as they have been, before deciding that the consolidation of properties into one publicly-traded Real Estate Investment Trust, or REIT, is a unique opportunity in the life of these investments and the best course of action for the almost 5,000 investors we represent. The purpose of today's call is to explain to you why we believe this transaction will benefit you. Now that our S-4 is effective with the SEC, we are in a position to answer any question you have.

This proposal did not come about overnight. In fact, we have been working on it for nearly three years. All during this time, I have been reflecting upon my career and the innovative investments created by my father-in-law, starting in 1934. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring, profitable investment, liquidity, and choice. Although he is no longer with us, I am sure that my father-in-law, Lawrence A. Wien, would have had the same enthusiasm and endorsement for our plans.

Tony and I are going to walk you through the details, but in a nutshell, we believe that the transaction we are recommending is a big improvement for every investor. We believe our proposed transaction, which offers you a 100% tax-deferred option, gives you tremendous benefits, including the following. Every investor will have the opportunity for liquidity after an initial lock-up period, when and if he or she decides it is appropriate. And when he or she choose liquidity, they will be able to do so by selling shares or units on the New York Stock Exchange.

Second, all investors in the REIT are expected to receive ongoing distributions which we believe offer greater potential to increase more over time than if the status quo remained.

Third, we believe this greater potential for increased distributions results from the cumulative performance of many excellent properties instead of just relying on one property, better financing, more efficient operation, and potentially beneficial acquisitions.

Fourth, the proposed REIT will operate under corporate governance guidelines, providing investors with increased transparency, accountability and a simplified and more timely tax filing.

Finally, again you have the option to exchange your current interest for an interest in the operating partnership of the REIT in a manner that is expected to be 100% tax-deferred.

My family, as you know, has interests in this building, just like you. And I would not be proposing this if I did not think it would benefit all investors.

Now Tony will describe some of the benefits of the proposed transaction in more detail.

Tony Malkin: Thanks. Let me begin by addressing why we believe it is in your interest to vote for the proposed transaction.

Obviously, the ability we were able to create for each of you to participate in what is expected to be a 100% tax-deferred transaction is the starting point. After that, the first key benefit is the opportunity for you to continue to own valuable and important real estate with a more stable and what we believe is greater potential for increasing distributions than your existing investment.

Combining properties creates the potential for more stable distributions through the greater performance stability of many properties, rather than just one. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing. Unlike the current structure, where distributions beyond a minimum are discretionary and based on the need to establish reserves, REIT dividends must be at least 90% of the REIT's annual taxable income. We expect they would be paid every quarter. We also believe that you have greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation, than as a participant in your subject LLC.

The REIT will have better access to capital markets, streamlined financial reporting and a simplified management structure that increases efficiency. The REIT also expects to maintain modest leverage, which should allow the REIT to pursue acquisitions that could increase its cash flow, potentially allowing for further growth and enhanced distributions.

Another factor is our current need to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time-to-time. As a REIT, we will no longer have to hold cash reserves in each individual entity. In fact, there will be a one-time distribution of whatever available cash reserves there are at or just after the consolidation and IPO. And there is no need to establish property level reserves by the REIT any longer. If the transaction proceeds, in addition to the one-time distribution of cash reserves, the REIT will reimburse all transaction expenses out of IPO proceeds, thereby increasing the funds available for such one-time distribution at the time of the IPO.

Finally, each investor will receive their portion of the \$55 million class action settlement fund, subject to court approval but this one-time distribution, and the receipt of such, will occur only if the proposed transaction moves forward. If our proposed consolidation and IPO are not approved, these three one-time distributions will not occur. In the Prospectus Consent Solicitation Statement, which is the form in the final S-4, we have estimated what dividends would be for the REIT during the 12-month period ending September 30, 2013. The presentation of this 12-month estimate in the Prospectus Consent Solicitation Statement is the market convention for REIT IPOs and is consistent with SEC guidelines. Importantly, for most investors, including those investors in the Empire State Building, the estimated distributions in the S-4 are projected to be higher than under the status quo historical average distributions. And over the longer term, we believe that all investors will have the greater potential for increasing distributions than they currently have, for all the reasons I just mentioned. Remember, REIT taxable income will be determined by the performance of the portfolio of properties and is unaffected by the Company's stock price. While the price of shares may go up and down, that will not change the requirement to pay dividends of at least 90% of REIT taxable income on an annual basis. Dad?

Peter Malkin: Another significant benefit is the potential for liquidity at a time of your own choosing. Just to be clear, under the proposed consolidation and initial public offering, there is never any requirement that you sell your shares for cash. Many of you may wish to keep your interest for you and your family and to continue receiving expected regular steady distributions, which we believe offer greater potential to increase more over time than if the status quo remained. That's fine. And because you have the option of choosing what is expected to be a tax-deferred security, you have the ability to avoid realizing a capital gain until the time of a future capital transaction, such as when you may decide to sell. And your family may avoid the capital gain tax completely if you hold onto your units for life and they are given a stepped-up basis in your estate.

I should note at the outset that the Malkin family intends to hold its shares and units, but others may wish to liquidate all or a part of their investment. I can't think of a case in which your investment is not worth many times what you or one of your predecessors paid for it. But currently, there is no efficient public market for you to sell your interest in its present form.

While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares or units any time you like and to sell all or part of your interest any time you choose, following the initial lock-up period.

Another benefit of the transaction is corporate governance. Investors would own shares in a publicly-traded company with a centralized, experienced management team. The management team would report to a Board comprised of six independent directors and my son, Tony. A full set of biographies of the six proposed independent directors is in the Prospectus Consent Solicitation Statement. Importantly, each Board member has successful experience in real estate, public companies, or both.

As a public company, your Board has a fiduciary responsibility to all stockholders and will be accountable to you. And those of you with voting securities would elect the Board members and vote on certain other corporate matters each year. This is in contrast to your current investment where you have no vote.

You should also enjoy greater legal protections. As a public company with securities listed on the New York Stock Exchange, you would have all the protections afforded all public stockholders through the SEC, the New York Stock Exchange, and the new Dodd-Frank rules and regulations.

Tony Malkin: Another benefit is simplified tax filing instead of receiving a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing. Class A or B common stock shareholders will receive one Form 1099, and OP unitholders will receive one form K-1. The REIT has committed to make efforts to deliver all of these forms by March 31st of each year so you will not have to file your returns on extension.

So in summary, we believe there are many benefits to the proposed transaction. We believe all investors will benefit through ongoing distributions with a greater potential to increase through property performance, better financing, more efficient operations and beneficial acquisitions. The potential for increased distributions and stock-priced capital appreciation over time, benefits all investors. You will enjoy modern corporate governance, an accountable Board of Directors, greater transparency and simplified tax filing. In our view, when you consider all these benefits, your decision to vote for the consolidation and IPO should be an easy one. Dad?

Peter Malkin: We also think it's important for everyone to consider what will happen if the transaction does not move forward. Were that to occur, you will continue to own an illiquid interest in an entity that owns a partial interest in a single property. This means you are not likely to obtain a true and efficient market price for your interest and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing.

You will also continue to be subject to an ownership structure that is universally recognized as archaic, which limits your rights and the value of your investment and which is potentially subject to damaging deadlocks.

Also, because you currently rely only on the performance of one property, any major expenditure unique to your property or major tenant failure will impact you directly and not be mitigated by the performance of other properties.

In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and to the decisions made by the operating lessee, over which you have no control.

Without the consolidation, there will not be the same access to growth through acquisitions and therefore, you will forego the positive impact such acquisitions could have on distributions. Your entity will not be reimbursed for the transaction expenses incurred over the past several years, and your entity will not make the one-time distribution to you of such reimbursement amount, plus its excess reserves. You will not receive any settlement payment. And finally, your tax filing will remain complex and subject to delays beyond April 15th each year.

Tony Malkin: Thanks, Dad. If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include 100% tax-deferred operating partnership, or OP, units that do not have voting rights; a 98% tax-deferred combination of Class B common stock and OP units that would have the same voting rights as if you had selected only Class A common stock; or fully taxable Class A common stock with full voting rights. Each one of these options will provide you with ownership in prime, improved, or improving office and retail real estate in Manhattan and the greater New York metropolitan area. And importantly, no matter which security you choose, you can expect to receive regular quarterly distributions with the greater potential for increased distributions and capital appreciation than your current investment.

Let us discuss a little more what each of these securities is and what the general tax implications would be.

Peter Malkin: I'll begin with the OP units. OP units are expected to be 100% tax deferred, meaning that tax would be owed on any gain on your investment only at the time of a future capital transaction, such as when you decide to sell, or the property owned by your entity is sold. OP units will also be listed on the New York Stock Exchange but have no vote in the REIT. If and when OP unitholders decide to liquidate, however, they would not have to sell their units on the Exchange. Beginning after one year, they would also have the option of exchanging their OP units for cash at the then price of Class A shares or at the REIT's option to receive Class A shares one-for-one.

As detailed in the Prospectus Consent Solicitation Statement, some of your OP units are permitted to be sold immediately, and up to 50% can be sold after six months. And all or any part of your holdings may be sold at any time starting 12 months after the initial public offering.

Another alternative is a combination of OP units and Class B shares. Because OP units do not have voting rights, we are offering the option to receive Class B shares instead of 2% of the OP units you would otherwise receive. So, for example, if you were eligible to receive 100 OP units, you could instead choose 98 OP units and two Class B shares. Class B shares are different in that each carries the same voting rights as 50 Class A shares. And so you, by choosing two Class B shares, would have the same voting rights as if you chose 100 Class A shares. However, receipt of Class B shares is taxable at the time of the IPO. So, instead of deferring taxes on 100% of your investment, you would defer taxes on 98% of your investment.

If you decide you want to sell your Class B shares, which will not be listed on a national securities exchange, they are automatically converted on a one-for-one basis to Class A shares.

Tony Malkin: The final alternative is to receive Class A shares. These shares will have the same rights to distributions as OP units and Class B shares and also carry voting rights in the REIT. However, receipt of Class A shares is taxable at the time of the IPO.

As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A shares six months after the IPO and the balance 12 months after the IPO.

So the bottom line is that we have created a structure that gives you great flexibility. You have a range of options, including to defer taxes, receive quarterly distributions and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, we received all of the required consents from those private entities, who have approved the proposed consolidation.

For your reference, the Malkin family elected a combination of Class B shares and OP units, in addition to a small number of Class A shares.

If I may, let me turn this back to my father for some closing remarks.

Peter Malkin: Thank you, Tony. We hope that you have found this discussion helpful. In summary, we want to make sure you understand the following key points about this transaction.

You have the option to receive OP units which are expected to be 100% tax-deferred. You would have new liquidity options through a listing of Class A common shares and OP units on the New York Stock Exchange.

We believe the REIT offers a greater potential for distribution increases than the status quo. Dividends will be paid quarterly and at a minimum of 90% of REIT taxable income annually.

You can diversify your assets, one of the first principles of sound investing.

You will have increased growth opportunities through potential acquisitions with better access to capital markets.

You will receive a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses.

You have the opportunity to receive class action settlement proceeds.

For all these reasons, among others, we believe the proposed transaction is in the best interests of all investors. And now, let's begin the question-and-answer session.

Tony Malkin: Thank you to everyone who submitted questions. We are going to answer the most commonly-asked questions. If your question is not answered, it is likely specific to your particular situation or has not been asked by any other investor, and we will reach out to you individually. If you have new questions, you can reach out via the website at www.empirestaterealtytrust.com. Once again, that's all one word, www.empirestaterealtytrust.com, or via our toll-free phone number, which is 1-888-410-7850. Again, that is 1-888-410-7850. With that let's take our first question.

"Is the MacKenzie that is doing the tender offer the same as the MacKenzie who is your proxy solicitor?"

The answer is no, there is absolutely no relation whatsoever, and it is purely a coincidence that they have the same name. The MacKenzie that is doing the tender offer has made prior tender offers that we have opposed or recommended against. We have separately mailed a Schedule 14D-9 to participants, which you all should've received, which states our recommendation against the tender offer.

Next we have a question, "What happens to my interest if the transaction proceeds?"

Our Prospectus Consent Solicitation Statement states in several places that if your subject LLC participates in the consolidation, you will have the option to exchange your current interest for one of three types of securities. As we discussed on the call earlier and as can be found on Page 74 of that Consent Solicitation Statement, those securities are 1) operating partnership units, or OP units, which are expected to be 100% tax-deferred; a combination of Class B common stock and OP units, which are expected to be 98% tax-deferred; or Class A common stock, which is 100% taxable.

We, of course, cannot advise you on which security you should choose. We suggest that you consult your financial advisor, if you are not sure which security is best for you. If you have questions about how to make your election, however, you can call us anytime and we would be happy to explain further your options. Dad?

Peter Malkin: The next question is, "Will I be required to pay taxes on the consideration received in this transaction?"

Our Prospectus Consent Solicitation Statement highlights in several places, including on pages 20 to 22, that if you elect to receive OP units, you will not pay any tax on the consideration you receive in our recommended consolidation. You will only realize a capital gain at the time of a future capital event, such as when you decide to sell your interest or if the property owned by your entity is sold at some point in the future. If you choose OP units, the entire transaction as set forth in the Prospectus Consent Solicitation Statement is expected to be 100% tax-deferred for you.

Tony Malkin: The next question is, "Who is Duff & Phelps and how can I feel comfortable that their work has given me fair value for my interests in the consolidation?"

As stated in our Prospectus Consent Solicitation Statement, given our family's role in owning interests and in supervising all the entities in our consolidation, we wanted an independent third party to produce the exchange values and render a fairness opinion for all participants, and we chose Duff & Phelps to do this work. We chose Duff & Phelps because we wanted the work to be performed by an independent group. Duff & Phelps is an internationally-recognized firm with an excellent reputation for valuation services across all industries, and it provides these for a broad variety of real estate firms.

The Prospectus Consent Solicitation Statement, on pages 235 through 254, describes in detail how Duff & Phelps did its work. They began by requesting and receiving historical and current information and market data which we delivered to them from our records and from the third-party managing agents. They then appraised the value of each of the properties, the development site and the management companies to be included in the REIT. Then Duff & Phelps calculated the exchange value for each property.

Each of the properties will receive its proportionate share of the consideration in the consolidation based on its proportionate share at the aggregate exchange value. This results in the value of each entity relative to the others, which is how the consideration in the consolidation is being allocated to you.

The exchange value for each entity was then allocated to the participants and the override interests in accordance with the organizational documents for each entity. In this way, all values were established in the same way, including our own values.

The valuation materials, which Duff & Phelps provided to us, are attached in the materials you received as Appendices A and B to the Prospectus Consent Solicitation Statement and the financial projections used by Duff & Phelps in its exchange valuation process for all the properties, are attached as Appendix C. I can also tell you that we believe the valuations are fair, that our interests have been valued in the same way and that we will be voting in favor of the transaction.

Peter Malkin: The next question is, "Is there a deadline to vote?"

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period, which would take us out to March 25, 2013. The longer it takes to approve the proposed consolidation and initial public offering, the greater will be the expenses borne by all investors; the longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses; and the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all these benefits will occur only if the vote is for the consolidation and initial public offering and the consolidation and initial public offering are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

Tony Malkin: Here's another question: "Who pays for all the materials that have been sent out in connection with the proposed transaction?"

The more voluminous materials that have been distributed were necessary to meet SEC requirements. In addition, we have sent out a series of letters and other shorter materials that we felt were necessary to keep all investors apprised of certain developments relating to the proposed transaction. With agent authorization under the original agreements for your investment, the costs are initially being shared by your LLC, along with all the other public and private entities supervised by Malkin Holdings that would participate in the consolidation.

If the consolidation is approved and closes, the new REIT will reimburse each of the entities for its share of these costs and the amount reimbursed will be distributed to you and the other participants in cash at, or soon after, the IPO.

If the consolidation is not approved, each entity's expense is unreimbursed, and no such distribution will be available.

Peter Malkin: The next question, “How did the Malkins get their override interest?”

The Prospectus Consent Solicitation Statement sets forth the variety of overrides from different ownership groups to which the Malkin Group is entitled. Some of these overrides have been in place since the creation of each investment. Some were put in place at later dates. Every one of these overrides was either included in the organizational documents when investors agreed to make their investment or has been consented to, in writing, by the investors in the entities.

Tony Malkin: This question, “Isn’t Malkin Holdings going to continue to get management fees, commissions from leasing, and supervisory fees once the consolidation is concluded and the REIT goes forward?”

No, that’s not true. Today, Malkin Holdings receives no management fees or commissions from any of the properties involved in this consent. All Malkin Holdings receives is its supervisory fees and its overrides, when payable. All Malkin Holdings fees and entitlements were valued as part of Duff & Phelps’ work. When the consolidation and IPO move forward, Malkin Holdings will receive no more fees. All Malkin Holdings will get is its ownership in the REIT.

Peter Malkin: The next question, “What is the Malkins’ entitlement to these override interests?”

The Prospectus Consent Solicitation Statement points out that the overrides are written contracts entered into by you, the family member from whom you inherited your interest, or the party from whom you acquired your interest when the investment was made or at some point thereafter. Every one of these agreements is available for inspection.

The Malkins are entitled to distributions on the override interests out of the proceeds from a capital transaction. As the REIT will acquire each building in which you are a participant, the proposed consolidation is a capital transaction. The proposed consolidation represents a transfer to a new entity with substantial additional assets, substantial new investors and a new governance structure, in no way a continuation of the prior entities for the same investors.

Tony Malkin: This question, “When do you expect the consolidation and IPO to be completed?”

We plan to complete the consolidation as soon as possible after receipt of the approval by the required vote of your subject LLC’s participants and the approval by the required vote of the other subject LLC’s participants for inclusion. At that time, we will measure the market and calendar

for other public offerings and choose the best timing for the IPO. By its terms, the consolidation and IPO are required to be completed no later than December 31st, 2014, but we are certainly hoping to wrap it up long before that date.

Another question, "When can I sell OP units or shares of Class A and Class B common stock of the REIT after the consolidation and IPO?"

First of all, please keep in mind Class B common stock cannot be sold. It can only be exchanged for Class A common stock to be sold. And that can take place 12 months after the offering. As explained in the Prospectus Consent Solicitation Statement and in our videos, after the closing of the consolidation and the IPO, every participant, except the Malkin family, will have the ability to sell up to 50% of both the OP units and Class A common stock received in the consolidation at any time after the 180th day following the IPO pricing date and the balance of the OP units and Class A common stock, 12 months after the IPO pricing date. In addition, each participant that receives OP units may, immediately following the consolidation and the IPO, sell up to 4% of the OP units issued to him or to her. And I would point out that the Malkin family has a longer lock-up.

The next question, "When are OP units exchangeable for shares of Class A common stock?"

Twelve months after the completion of the IPO, each OP unit will be exchangeable for the then cash value of a share of Class A common stock or, at the REIT's election, one share of Class A common stock.

Peter Malkin: Another question, "What about all these lawsuits against the Malkins over this deal? There are five of them. Doesn't that mean that the Malkins have done something wrong?"

No. Virtually all large deals get challenged in court. These claims now have been settled with no admission of wrongdoing. In fact, after plaintiffs' counsel reviewed thousands of documents and interviewed many witnesses, the plaintiffs now intend to support the proposed transaction.

Tony Malkin: Here's another question. "What is my interest worth?"

As described in the Prospectus Consent Solicitation Statement, for each 10,000 of original investment held by you, the exchange value is now \$409,660, if you or your predecessor consented to the voluntary capital override or \$452,950 if there has been no such consent.

The exchange value was determined based on an appraisal by Duff & Phelps, LLC, the independent valuer, to establish relative value amongst properties and participation interests. And it does not necessarily represent the fair market value of your participation interest. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO after you vote on the consolidation proposal.

We have described in the Prospectus Consent Solicitation Statement on pages 6 through 8 of the Prospectus Consent Solicitation Statement, the differences between the exchange values and the enterprise value, which is based on the IPO price. The Prospectus Consent Solicitation Statement also includes a table on page 7, showing the range of enterprise values per \$10,000 original investment based on an illustrative range of IPO prices.

Peter Malkin: And the next question, "What will happen to my distributions if the transaction does go forward?"

We believe that there is greater potential for your distributions to go up more over time as part of this transaction than if you stayed just with the status quo. In the Prospectus Consent Solicitation Statement, we've provided an estimate of expected annual distributions to investors in each of the groups for which a vote is to be taken.

On pages 183 through 189 of the Prospectus Consent Solicitation Statement, you can find a comparison of what our estimated distributions for 12 months ending September 30, 2013, will be in comparison to the average annual distributions 250 West 57th Street investors received for the five years ended December 31, 2011. The estimated distribution is less than the average annual distribution per \$10,000 original investment for the five years ended December 31, 2011. However, the estimated distributions are more than such average for such period, if one eliminates the distributions attributable to borrowing and distributions attributable to an extraordinary lease cancellation payment that was a one-time event. We believe that borrowing for distributions cannot be continued.

We also believe your distributions will be less subject to fluctuation and are expected to be paid four times per year, once each quarter, as opposed to the historic practice of a small, regular monthly distribution and an annual overage rent payment, which is inconsistent and only payable to the extent of available cash flow.

As stated in our Prospectus Consent Solicitation Statement, letters and videos, REITs are required to distribute at least 90% of REIT taxable income annually. The post-IPO REIT will have no need to maintain property level reserves at each property. There will be many more and more efficient ways to access the capital markets.

There are many reasons why we believe participants have greater potential for increased distributions following the transaction than in the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Tony Malkin: Here's a question, "Does the estimated decrease in distributions mean my company has been undervalued relative to the other properties?"

No. We do not believe that is true. As we have said, all the buildings were valued independently by Duff & Phelps.

Here's another question. "Can't things just stay the way they are? Why can't we just have the status quo?"

Well, things can't stay the way they are and the status quo can't continue. Leona Helmsley's estate must sell its interests in your operating lessee. This is not an option. It is requirement under the will of Leona Helmsley. The Helmsley estate owns a 35% interest in the operating lessee. Any purchaser of the Helmsley estate interests will be able to have very material influence over decisions made by the operating lessee.

The operating lessee's decisions control property operations and use of cash flow, thus determining the amount of cash available for your distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or a group which would then have the ability to exercise substantial influence over decisions, thereby creating the potential for decisions which impair distributions.

We feel that reality dictates that the best decisions and conditions change over time. The tax code which drove my grandfather to structure the purpose of 250 West 57th Street has changed. Financing and operations are different today than in the past. Technology, rules and business have become more complex and the structures of yesterday do not allow us to address efficiently, the challenges and opportunities of today. We believe the status quo does not make sense any longer.

Peter Malkin: Another question, "What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by my entity?"

If you vote against the consolidation, you do not vote or you abstain and your subject entity participates in the consolidation, you will receive OP units, unless you elect to receive a combination of Class B shares and OP units or shares of Class A common stock.

Tony Malkin: Let me briefly touch on where we go from here. We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building, One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period. The end of that 60-day period is March 25th, 2013. The longer it takes to approve the proposed consolidation and IPO, the greater will be the expenses borne by all investors; the longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions; the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses and the longer it will take for you to receive your share of the class action settlement proceeds. Importantly, all of these benefits will only occur if the vote for the consolidation and IPO are completed.

For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

You may already have been contacted by representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners, Inc. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote. You can also contact Malkin Holdings directly through our website or by phone at 1-888-410-7850. Again, that toll-free number is 1-888-410-7850. A transcript of comments and questions and answers from this call will be available on our website, along with all of the other materials to which I referred earlier on the call. Remember, the website address is www.empirestaterealtytrust.com. That's all one word, www.empirestaterealtytrust.com.

Peter Malkin: Thank you very much for listening and as always, we appreciate your support.

Operator: Thank you, Mr. Malkin. This concludes our call today. Thank you all for participating.

Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in Empire State Building Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings including the Prospectus Consent Solicitation Statement which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Investors are urged to review the Registration Statement on Form S-4, the Prospectus Consent Solicitation Statement, which you have received, and other related documents now filed or to be filed with the SEC because they contain important information. You can obtain them, without charge, on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the Prospectus Consent Solicitation and the supplements relating to the individual entities by contacting Ned H. Cohen at Malkin Holdings LLC.

Because of scheduling limitations and to give maximum flexibility in accommodating such a large number of calls, this call has been prerecorded. A transcript of comments by the Malkins and questions and answers from this call will be available on our website, www.empirestaterealtytrust.com, and also be filed with the SEC and available on its website at www.sec.gov.

With that, I will turn the call over to the Malkins.

Tony Malkin: Thank you, Operator. I am Tony Malkin and my father and I would like to welcome you all and thank you for participating. We are going to start with some remarks and then move to question and answer. We will be on the phone between one and a half and two hours.

We are very happy to speak with you. We hope that you have, or will, review some key materials we have sent to you, which are also on our website. The videos and some other of the information on our website, including instructions on how to fill out your Consent Form are also on the DVD we sent with the Proxy, Consent Solicitation Statement and other solicitation materials. We are committed to answering every question you may have to help you understand why we are making this important recommendation. We will answer the most commonly asked questions in the time we have available on today's call. If you have submitted questions not answered on this call, we will be reaching out to you individually in a separate call. If you have new questions, you can make a toll-free call to our proxy solicitor at 1-888-410-7850; that's 1-888-410-7850 or reach out to us through our website at www.empirestaterealtytrust.com. That's all one word without spaces: www.empirestaterealtytrust.com and I'll spell that for you. That's e-m-p-i-r-e-s-t-a-t-e-r-e-a-l-t-y-t-r-u-s-t dot com. Again, the toll-free number is 1-888-410-7850, and the website address is www.empirestaterealtytrust.com. We will also repeat this information again at the end of the call.

Now, let's get started. Dad?

Peter Malkin: Thanks, Tony, and thank you all for joining us today. As many of you know, I began my work for you in 1958 when I joined my late

father-in-law, Lawrence A. Wien, for what became a wonderful partnership spanning more than 30 years. I was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son Tony joined me in 1989.

Before we get into the detail on the proposed transaction, I want you to know that we considered many other options, including leaving things as they have been, before deciding that the consolidation of properties into one publicly traded real estate investment trust, or REIT, is a unique opportunity in the life of these investments and the best course of action for the almost 5,000 investors we represent. The purpose of today's call is to explain to you why we believe this transaction will benefit you. Now that our S-4 is effective with the SEC, we are in a position to answer any question you have.

This proposal did not come about over night. In fact, we have been working on it for nearly three years. All during this time I have been reflecting upon my career and the innovative investments created by my father-in-law starting in 1934. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring profitable investment, liquidity and choice. Although he is no longer with us, I am sure that my father-in-law, Lawrence A. Wien, would have had the same enthusiasm and endorsement for our plans.

Tony and I are going to walk you through the details, but in a nutshell, we believe that the transaction we are recommending is a big improvement for every investor. We believe our proposed transaction, which offers you a 100% tax-deferred option, gives you tremendous benefits, including the following: every investor will have the opportunity for liquidity after an initial lock-up period when, and if, he or she decides it is appropriate. And when he or she choose liquidity, they will be able to do so by selling shares or units on the New York Stock Exchange.

Second, all investors in the REIT are expected to receive ongoing distributions which we believe offer greater potential to increase more over time than if the status quo remained.

Third, we believe this greater potential for increased distributions results from the cumulative performance of many excellent properties instead of just relying on one property, better financing, more efficient operation and potentially beneficial acquisitions.

Fourth, the proposed REIT will operate under corporate governance guidelines providing investors with increased transparency, accountability and a simplified and more timely tax filing.

Finally, again, you have the option to exchange your current interest for an interest in the operating partnership of the REIT in a manner that is expected to be 100% tax-deferred.

My family, as you know, has interests in this building just like you, and I would not be proposing this if I did not think it would benefit all investors.

Now, Tony will describe some of the benefits of the proposed transaction in more detail.

Tony Malkin: Thanks. Let me begin by addressing why we believe it is in your interest to vote for the proposed transaction. Obviously, the ability we were able to create for each of you to participate in what is expected to be a 100% tax-deferred transaction is the starting point. After that, the first key benefit is the opportunity for you to continue to own valuable and important real estate with a more stable, and what we believe, is greater potential for increasing distributions than your existing investment.

Combining properties creates the potential for more stable distributions through the greater performance stability of many properties rather than just one. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing. Unlike the current structure, where distributions beyond a minimum are discretionary and based on the need to establish reserves, REIT dividends must be at least 90% of the REIT's annual taxable income. We expect they would be paid every quarter. We also believe that you have greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation, than as a participant in your subject LLC. The REIT will have better access to capital markets, streamlined financial reporting and a simplified management structure that increases efficiency. The REIT also expects to maintain modest leverage which should allow the REIT to pursue acquisitions that could increase its cash flow, potentially allowing for further growth and enhanced distributions.

Another factor is our current need to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time-to-time. As a REIT, we will no longer have to hold cash reserves in each individual entity. In fact, there will be a one-time distribution of whatever available cash reserves there are, at or just after the consolidation and IPO, and there is no need to establish property level reserves by the REIT any longer.

If the transaction proceeds, in addition to the one-time distribution of cash reserves, the REIT will reimburse all transaction expenses out of IPO proceeds, thereby increasing the funds available for such one-time distribution at the time of the IPO.

Finally, each investor will receive their portion of the \$55 million class action settlement fund, subject to court approval, but this one-time distribution and the receipt of such, will occur only if the proposed transaction moves forward. If our proposed consolidation and IPO are not approved, these three one-time distributions will not occur.

In the Prospectus Consent Solicitation Statement, which is in the Form in the final S-4, we have estimated what dividends would be for the REIT during the 12-month period ending September 30, 2013. The presentation of this 12-month estimate in the Prospectus Consent Solicitation Statement is the market convention for REIT IPOs and is consistent with SEC guidelines. Importantly, for most investors, including those investors in the Empire State Building, the estimated distributions in the S-4 are projected to be higher than under the status quo historical average distributions, and over the longer term, we believe that all investors will have the greater potential for increasing distributions than they currently have for all the reasons I just mentioned. Remember, REIT taxable income will be determined by the performance of the portfolio of properties and is unaffected by the Company's stock price. While the price of shares may go up and down, that will not change the requirement to pay dividends of at least 90% of REIT taxable income on an annual basis. Dad?

Peter Malkin: Another significant benefit is the potential for liquidity at a time of your own choosing. Just to be clear, under the proposed consolidation and initial public offering, there is never any requirement that you sell your shares for cash. Many of you may wish to keep your interest for you and your family and to continue receiving expected regular, steady distributions which we believe offer greater potential to increase more over time than if the status quo remained. That's fine. And because you have the option of choosing what is expected to be a tax-deferred security, you have the ability to avoid realizing a capital gain until the time of a future capital transaction, such as when you may decide to sell. And your family may avoid the capital gain tax completely if you hold on to your units for life and they are given a stepped-up basis in your estate.

I should note at the outset, that the Malkin family intends to hold its shares and units but others may wish to liquidate all or a part of their investment. I can't think of a case in which your investment is not worth many times what you or one of your predecessors paid for it. But currently, there is no efficient public market for you to sell your interest in its present form. While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares, or units, any time you like and to sell all or part of your interest any time you choose following the initial lock-up period.

Another benefit of the transaction is corporate governance. Investors would own shares in a publicly traded company with a centralized, experienced management team. The management team would report to a Board comprised of six independent directors and my son, Tony. A full set of biographies of the six proposed independent directors is in the Prospectus Consent Solicitation Statement. Importantly, each board member has successful experience in real estate, public companies, or both. As a public company, your Board has a fiduciary responsibility to all stockholders and will be accountable to you and those of you with voted securities would elect the board members and vote on certain other corporate matters each year. This is in contrast to your current investment where you have no vote.

You should also enjoy greater legal protections. As a public company with securities listed on the New York Stock Exchange, you would have all the protections afforded all public stockholders through the SEC, the New York Stock Exchange and the new Dodd-Frank rules and regulations.

Tony Malkin: Another benefit is simplified tax filing instead of receiving a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing. Class A or B common stock shareholders will receive one Form 10-99 and OP unitholders will receive one Form K-1. The REIT has committed to make efforts to deliver all of these forms by March 31st of each year, so you will not have to file your returns on extension.

So, in summary, we believe there are many benefits to the proposed transaction. We believe all investors will benefit through ongoing distributions with the greater potential to increase through property performance, better financing, more efficient operations and beneficial acquisitions. The potential for increased distributions and stock price capital appreciation over time, benefits all investors. You will enjoy modern corporate governance, an accountable Board of Directors, greater transparency and simplified tax filing. In our view, when you consider all these benefits, your decision to vote for the consolidation and IPO should be an easy one. Dad?

Peter Malkin: We also think it's important for everyone to consider what will happen if the transaction does not move forward. Were that to occur, you will continue to own an illiquid interest in an entity that owns a partial interest in a single property. This means you are not likely to obtain a true and efficient market price for your interest and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing.

You will also continue to be subject to an ownership structure that is universally recognized as archaic, which limits your rights and the value of your investment and which is potentially subject to damaging deadlocks.

Also, because you currently rely only on the performance of one property, any major expenditure unique to your property or major tenant failure will impact you directly and not be mitigated by the performance of other properties. In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and to the decisions made by the operating lessee over which you have no control.

Without the consolidation, there will not be the same access to growth through acquisitions and, therefore, you will forego the positive impacts such acquisitions could have on distributions.

Your entity will not be reimbursed for the transaction expenses incurred over the past several years and your entity will not make the one-time distribution to you of such reimbursement amount plus its excess reserves. You will not receive any settlement payment. And finally, your tax filing will remain complex and subject to delays beyond April 15th each year.

Now, Tony will address some special considerations for Empire State Building investors.

Tony Malkin: Thanks, Dad. We all take pride in being involved with a special property such as the Empire State Building but there are significant risks, as well. One of these risks comes from the current ownership structure. The Helmsley estate holds a veto in your operating lessee, the Empire State Building Company. You may know that for decades, my grandfather, Lawrence A. Wien, worked with my dad and the Helmsley family. After Harry Helmsley's death in 1997, however, Helmsley-Spear Inc. was sold to its senior officers. About that time, we commenced proceedings to remove Helmsley-Spear as managing agent because the performance of the properties was suffering. Through a very lengthy and costly legal proceeding, we successfully removed Helmsley-Spear and began turning around these historic, pre-war properties. We successfully completed significant upgrades, made considerable capital investments, hired new staff and executives at Malkin Holdings and added new managing agents. But now, we must all face the reality that Leona Helmsley's will requires her estate to liquidate its investments, including properties supervised by Malkin Holdings. If the estate does not liquidate its interest through an IPO, we expect it to sell its interests to an unknown third party. Dad?

Peter Malkin: And so it is important to understand that the Helmsley estate sale requirement will end the status quo, no matter how investors vote. Anyone who purchases the Helmsley estate's interest will receive the same veto rights that the Helmsley estate currently has. There simply is no way to predict how an unknown third party will act on matters that affect the availability of cash

for distributions. On the other hand, if the proposed consolidation and REIT transaction go forward as proposed, the rights of the holder of the Helmsley estate's interests to interfere with decisions would no longer exist.

With a consolidation and IPO, we can give investors many valuable benefits and allow the Helmsley estate to exit without raising risks to remaining investors. We will maintain our management team, which has done such a fine job transforming the supervised properties. We also believe that we will be able to realize for investors, the significant benefits in becoming a publicly traded REIT, which we have been discussing on today's call.

We are aware that some individuals have suggested that the value of the Empire State Building is somehow being shortchanged, but the fact is, that the uniqueness of the property has been reflected in the value allocated by Duff & Phelps, an independent valuer. The Empire State Building is approximately 34% of the total square feet of the REIT, but it has been afforded more than 56% of the exchange value.

Remember, as is stated in the Prospectus Consent Solicitation Statement, distributions for Empire State Building investors are expected to be greater than historic distributions, not decreased, as some have suggested.

Investors should also consider other unique risks to the Empire State Building. Given the prominence of the asset, it is susceptible to acts of terrorism and other events beyond our control that can impact our financial performance at the building. Approximately 40% of the revenue of the operating lessee in 2011 was from the observatory, driven by tourists. Going forward, we face new competition for this source of revenue. The new One World Trade Center will have a new observatory which will bring new competition to the market for the tourists who visit. One World Trade Center has also announced that it will offer a full broadcast platform for television, radio and other broadcasters. Approximately 10.4% of the revenue of the operating lessee in 2011 was from the broadcast operations of the Empire State Building. That has been a major source of overage rent payment, New York LLC, which contributes to your additional distribution. With increased competition, the benefits from the broadcast operations may be less, which may adversely impact your potential for additional distributions.

Tony Malkin: Thanks, Dad. If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include: 100% tax-deferred operating partnership, or OP, units that do not have voting rights; a 98% tax-deferred combination of Class B common stock and OP units that would have the same voting rights as if you had selected only Class A common stock; or fully-taxable Class A common stock with full voting rights. Each one of these options will provide you with ownership in prime, improved or improving office and retail real estate in Manhattan and the

Greater New York Metropolitan area. And importantly, no matter which security you choose, you can expect to receive regular quarterly distributions with the greater potential for increased distributions and capital appreciation, than your current investment.

Let us discuss a little more what each of these securities is and what the general tax implications would be.

Peter Malkin: I'll begin with the OP units. OP units are expected to be 100% tax-deferred, meaning that tax would be owed on any gain on your investment only at the time of a future capital transaction, such as when you decide to sell or the property owned by your entity is sold. OP units will also be listed on the New York Stock Exchange but have no vote in the REIT. If and when OP unitholders decide to liquidate, however, they would not have to sell their units on the Exchange. Beginning after one year, they would also have the option of exchanging their OP units for cash at the then price of Class A shares, or at the REIT's option to receive Class A shares, one-for-one. As detailed in the Prospectus Consent Solicitation Statement, some of your OP units are permitted to be sold immediately and up to 50% can be sold after six months and all or any part of your holdings may be sold at any time starting 12 months after the initial public offering.

Another alternative is a combination of OP units and Class B shares. Because OP units do not have voting rights, we are offering the option to receive Class B shares instead of 2% of the OP units you would otherwise receive. So, for example, if you were eligible to receive 100 OP units, you could instead, choose 98 OP units and two Class B shares. Class B shares are different in that each carries the same voting rights as 50 Class A shares. And so you, by choosing two Class B shares, would have the same voting rights as if you chose 100 Class A shares. However, receipt of Class B shares is taxable at the time of the IPO, so instead of deferring taxes on 100% of your investment, you would defer taxes on 98% of your investment.

If you decide you want to sell your Class B shares, which will not be listed on a national securities exchange, they are automatically converted on a one-for-one basis to Class A shares.

Tony Malkin: The final alternative is to receive Class A shares. These shares will have the same rights to distributions as OP units and Class B shares and also carry voting rights in the REIT. However, receipt of Class A shares is taxable at the time of the IPO. As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A shares six months after the IPO and the balance 12 months after the IPO.

So, the bottom line is that we have created a structure that gives you great flexibility. You have a range of options, including to defer

taxes, receive quarterly distributions and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, we received all of the required consents from those private entities who have approved the proposed consolidation.

For your reference, the Malkin family elected a combination of Class B shares and OP units, in addition to a small number of Class A shares.

If I may, let me turn this back to my father for some closing remarks.

Peter Malkin: Thank you, Tony. We hope that you have found this discussion helpful. In summary, we want to make sure you understand the following key points about this transaction.

You have the option to receive OP units which are expected to be 100% tax-deferred. You would have new liquidity options through a listing of Class A common shares and OP units on the New York Stock Exchange. We believe the REIT offers a greater potential for distribution increases than the status quo. Dividends will be paid quarterly and at a minimum of 90% of REIT taxable income annually. You can diversify your assets; one of the first principles of sound investing. You will have increased growth opportunities through potential acquisitions with better access to capital markets. You will receive a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses. You have the opportunity to receive class action settlement proceeds. For all these reasons, among others, we believe the proposed transaction is in the best interest of all investors.

And now, let's begin the question-and-answer session.

Tony Malkin: Thank you to everyone who's submitted questions. We are going to answer the most commonly asked questions. If your question is not answered, it is likely specific to your particular situation or has not been asked by any other investor and we will reach out to you individually. If you have new questions, you can reach out via the website at www.empirestaterealtytrust.com. Once again, that's all one word, www.empirestaterealtytrust.com or via our toll-free phone number which is 1-888-410-7850. Again, that is 1-888-410-7850.

With that, let's take our first question. "Is the MacKenzie that is doing the tender offer the same as the MacKenzie who is your proxy solicitor?"

The answer is no. There is absolutely no relation whatsoever and it is purely a coincidence that they have the same name. The MacKenzie that is doing the tender offer has made prior tender offers that we have opposed or recommended against. We have separately mailed, a Schedule 14D-9 to participants which you all should have received which states our recommendation against the tender offer.

Next, we have a question. "What happens to my interest if the transaction proceeds?"

Our Prospectus Consent Solicitation Statement states in several places that if your subject LLC participates in the consolidation, you will have the option to exchange your current interest for one of three types of securities. As we discussed on the call earlier and as can be found on page 74 of that Consent Solicitation Statement, those securities are: 1) operating partnership units, OP units, which are expected to be 100% tax-deferred; a combination of Class B common stock and OP units which are expected to be 98% tax-deferred; or, Class A common stock which is 100% taxable.

We, of course, cannot advise you on which security you should choose and we suggest that you consult your financial advisor if you are not sure which security is best for you.

If you have questions about how to make your election, however, you can call us anytime and we would be happy to explain further, your options. Dad?

Peter Malkin: The next question is, "Will I be required to pay taxes on the consideration received in this transaction?"

Our Prospectus Consent Solicitation Statement highlights, in several places, including on pages 20-22, that if you elect to receive OP units, you will not pay any tax on the consideration you receive in our recommended consolidation. You will only realize a capital gain at the time of a future capital event, such as when you decide to sell your interest or if the property owned by your entity is sold at some point in the future. If you choose OP units, the entire transaction as set forth in the Prospectus Consent Solicitation Statement, is expected to be 100% tax-deferred for you.

Tony Malkin: The next question is, "Who is Duff & Phelps and how can I feel comfortable that their work has given me fair value for my interests in the consolidation?"

As stated in our Prospectus Consent Solicitation Statement, given our family's role in owning interests and in supervising all the entities in our consolidation, we wanted an independent third party to produce the

exchange values and render a fairness opinion for all participants and we chose Duff & Phelps to do this work. We chose Duff & Phelps because we wanted the work to be performed by an independent group.

Duff & Phelps is an internationally recognized firm with an excellent reputation for valuation services across all industries and it provides these for a broad variety of real estate firms. The Prospectus Consent Solicitation Statement, on pages 235 through 254, describes in detail, how Duff & Phelps did its work. They began by requesting and receiving historical and current information and market data which we delivered to them from our records and from the third party managing agents. They then appraised the value of each of the properties, the development site and the management companies to be included in the REIT. Then Duff & Phelps calculated the exchange value for each property. Each of the properties will receive its proportionate share of the consideration in the consolidation, based on its proportionate share of the aggregate exchange value. This results in the value of each entity relative to the others, which is how the consideration in the consolidation is being allocated to you.

The exchange value for each entity was then allocated to the participants and the override interests in accordance with the organizational documents for each entity. In this way, all values were established in the same way, including our own values. The valuation materials, which Duff & Phelps provided to us, are attached in the materials you received as Appendices A and B to the Prospectus Consent Solicitation Statement and the financial projections used by Duff & Phelps in its exchange valuation process for all the properties are attached as Appendix C.

I can also tell you that we believe the valuations are fair, that our interests have been valued in the same way, and that we will be voting in favor of the transaction.

Peter Malkin: The next question is, "Is there a deadline to vote?"

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period, which would take us out to March 25, 2013. The longer it takes to approve the proposed consolidation and initial public offering, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses, and the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all these benefits will occur only if the vote is for the consolidation and initial public offering and the consolidation and

initial public offering are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

Tony Malkin: Here's another question: "Who pays for all the materials that have been sent out in connection with the proposed transaction?"

The more voluminous materials that have been distributed were necessary to meet SEC requirements. In addition, we have sent out a series of letters and other shorter materials that we felt were necessary to keep all investors apprised of certain developments relating to the proposed transaction. With agent authorization under the original agreements for your investment, the costs are initially being shared by your LLC, along with all the other public and private entities supervised by Malkin Holdings that would participate in the consolidation.

If the consolidation is approved and closes, the new REIT will reimburse each of the entities for its share of these costs and the amount reimbursed will be distributed to you and the other participants in cash at, or soon after, the IPO.

If the consolidation is not approved, each entity's expense is unreimbursed, and no such distribution will be available.

Peter Malkin: The next question: "How did the Malkins get their override interest?"

The Prospectus Consent Solicitation Statement sets forth the variety of overrides from different ownership groups to which the Malkin Group is entitled. Some of these overrides have been in place since the creation of each investment. Some were put in place at later dates. Every one of these overrides was either included in the organizational documents when investors agreed to make their investment or has been consented to in writing by the investors in the entities.

Tony Malkin: This question: "Isn't Malkin Holdings going to continue to get management fees, commissions from leasing and supervisory fees once the consolidation is concluded and the REIT goes forward?"

No, that's not true. Today, Malkin Holdings receives no management fees or commissions from any of the properties involved in this consent. All Malkin Holdings receives is its supervisory fees and its overrides when payable. All Malkin Holdings' fees and entitlements were valued as part of Duff & Phelps work. When the consolidation and IPO move forward, Malkin Holdings will receive no more fees. All Malkin Holdings will get is its ownership in the REIT.

Peter Malkin: The next question: "What is the Malkin's entitlement to these override interests?"

The Prospectus Consent Solicitation Statement points out that the overrides are written contracts entered into by you, the family member from whom you inherited your interest or the party from whom you acquired your interest when the investment was made or at some point, thereafter. Every one of these agreements is available for inspection.

The Malkins are entitled to distributions on the override interests out of the proceeds from a capital transaction. As the REIT will acquire each building in which you are a participant, the proposed consolidation is a capital transaction. The proposed consolidation represents a transfer to a new entity with substantial additional assets, substantial new investors and a new governance structure; in no way, a continuation of the prior entities for the same investors.

Tony Malkin: This question; “When do you expect the consolidation and IPO to be completed?”

We plan to complete the consolidation as soon as possible after receipt of the approval by the required vote of your subject LLC’s participants and the approval by the required vote of the other subject LLCs’ participants for inclusion. At that time, we will measure the market and calendar for other public offerings and choose the best timing for the IPO. By its terms, the consolidation and IPO are required to be completed no later than December 31st, 2014 but we are certainly hoping to wrap it up long before that date.

Another question: “When can I sell OP units or shares of Class A and Class B common stock of the REIT after the consolidation and IPO?”

First of all, please keep in mind Class B common stock cannot be sold. It can only be exchanged for Class A common stock to be sold and that can take place 12 months after the offering. As explained in the Prospectus Consent Solicitation Statement and in our videos, after the closing of the consolidation and the IPO, every participant, except the Malkin family, will have the ability to sell up to 50% of both the OP units and Class A common stock received in the consolidation at any time after the 180th day following the IPO pricing date, and the balance of the OP units and Class A common stock 12 months after the IPO pricing date. In addition, each participant that receives OP units may, immediately following the consolidation and the IPO, sell up to 4% of the OP units issued to him or to her and I would point out that the Malkin family has a longer lock-up.

The next question: “When are OP units exchangeable for shares of Class A common stock?”

Twelve months after the completion of the IPO, each OP unit will be exchangeable for the then cash value of a share of Class A common stock or, at the REIT’s election, one share of Class A common stock.

Peter Malkin: Another question: “What about all these lawsuits against the Malkins over this deal? There are five of them. Doesn’t that mean that the Malkins have done something wrong?”

No. Virtually all large deals get challenged in court. These claims now have been settled with no admission of wrongdoing. In fact, after plaintiff’s counsel reviewed thousands of documents and interviewed many witnesses, the plaintiffs now intend to support the proposed transaction.

Another question: “What is my interest worth?”

As described in the Prospectus Consent Solicitation Statement, for each \$10,000 of original investment held by you, the exchange value is now \$323,800 if you or your predecessor consented to the voluntary capital override or \$358,670 if there has been no such consent.

The exchange value was determined based on an appraisal by Duff & Phelps, the independent valuer, to establish relative value among properties and participation interests and it does not necessarily represent the fair market value of your participation interest. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO after you vote on the consolidation proposal.

We have described in the Prospectus Consent Solicitation Statement on pages 6 through 8, the differences between the exchange values and the enterprise value, which is the value based on the IPO price. The Prospectus Consent Solicitation Statement also includes a table on page 7, showing the range of enterprise values per \$10,000 original investments based on an illustrative range of IPO prices.

Tony Malkin: Here's a question: "What is this I hear about a 10% commission to Malkin?"

There is no commission being paid by any entity or any of the participants, to Malkin. In the case of Empire State Building Associates, Malkin has been entitled to a 6% override on cash flow since inception and consents entered into voluntarily by investors in 1991, 2001 and 2008, a total of approximately 94% of all Empire State Building Associates investors agreed that Malkin would receive an override on a capital event of 10% of their distributions above a stated level. Malkin has agreed that we will not receive any other compensation from any non-consenting investors in Empire State Building Associates. There is no commission to Malkin.

Peter Malkin: The next question: "Explain to me where the 50/50 allocation of value between Empire State Building Associates and Empire State Building Company comes from."

The Prospectus Consent Solicitation Statement is very helpful here on pages 156 through 158 and pages 238 through 243, which explain the history of my father-in-law's and my acquisition of the Empire State Building. We structured the transactions creating the two-tiered entity properties. Our intent was to create a structure that had the same economic attributes as a 50/50 joint venture while protecting our investors from double taxation and from unlimited personal liability.

Just as an aside, I encourage you, after this call, to go to the website and take a look at our letter of May 11, 2012 and our video on the two-tier ownership structure, which is also on the DVD we sent to you. The letter and the video lay out the details and benefits of this structure which was really driven by the tax code at that time.

The two entities have always functioned economically as a 50/50 partnership. For example, Empire State Building Associates and Empire State Building Company have historically shared the cost of building improvements on a 50/50 basis. Empire State Building Associates and Empire State Building Company have historically shared financing costs on a 50/50 basis. And after basic rent is paid to Empire State Building Associates and the first \$1 million of profit is retained by Empire State Building Company, all overage rent is divided on a 50/50 basis. Empire State Building Associates does not operate the Empire State Building, nor does it make decisions about capital expenditures, leasing, repairs, maintenance, use of property cash flow or any other decision regarding the operation of real estate. All of these matters are under the exclusive control of its operating lessee, Empire State Building Company. Cooperation of Empire State Building Company also is required to mortgage the property efficiently because both positions are generally required as collateral for any financing of size.

In addition, Empire State Building Associates cannot sell the entire property without the cooperation of Empire State Building Company. If Empire State Building Associates sold its interest without Empire State Building Company joining in the sale, the property sold by Empire State Building Associates would continue to be subject to Empire State Building Company's operating lease. Accordingly, a buyer would be subject to Empire State Building Company's continuing to determine leasing, repairs, capital expenditures, property operation and use of cash flow from the property and all issues which determine property performance and lease payments to Empire State Building Associates.

When my father-in-law, Lawrence A. Wien, and subsequently, my father-in-law and I, structured the transactions, LLCs and operating lessees prepared the operating agreements established in the structure and marketing of these investments, the intent of those who created the structure and drafted the agreements from the beginning was to achieve the economic attributes of a 50/50 joint venture. The primary objective of the unique format of the documents we used was to establish a joint venture treatment which would share profits and offer the subject LLC investors favorable flow-through tax treatment for U.S. federal income tax purposes. They did not call it a joint venture to protect the passive investors from general partner liability for building operations. The facts at the time, dictated the transaction structure. This is the same structure my father-in-law used for many deals during the time the tax code was written that way and they all operated in the same way. Allocations similar to the 50/50 joint venture format have been confirmed by independent valuers, approved by the investors and used to allocate sale proceeds in prior sales of properties supervised by Malkin Holdings. This is all laid out in detail in the Prospectus Consent Solicitation Statement on pages 238 through 243.

By the way, contrary to what we believe has been incorrectly stated by certain parties, the Malkin family does not benefit from the 50/50 allocation. The Malkin Group's interest in Empire State Building Associates is significantly higher, over 15.4% in the Empire State Building Associates versus approximately 6.7% in Empire State Building Company, meaning that it would be in our economic interest for more value to be allocated to Empire State Building Associates. However, we do not believe that would be historically consistent or fair and we have committed to be bound by the allocation by the independent valuer, Duff & Phelps.

Tony Malkin: Here's another question. What is the distribution for March 2013 for Empire State Building Associates?

Well the amount of this distribution has not yet been determined. It will depend, amongst other things, upon a calculation of the 2012 income of the operating lessee and the determination of the reserves needed for 2013. After the distribution amount is determined, we will include it in a supplement to the S-4, which will be filed with the SEC, posted on our website and mailed to investors.

Tony Malkin: Another question: "What will happen to my distributions if the transaction goes forward?"

We believe that there is a greater potential for your distributions to go up more over time as a part of this transaction than if you stayed just with the status quo. In the Prospectus Consent Solicitation Statement, we provided an estimate of expected annual distributions to investors in each of the groups for which a vote is to be taken. On pages 183 through 189 of the Prospectus Consent Solicitation Statement, you can find a comparison of what our estimated distributions for 12 months ending September 30, 2013 will be in comparison to the average annual distribution Empire State Building Associates investors received for the five years ended December 31, 2011, showing that the estimated distribution for the 12-month period is greater than this average annual distribution.

We also believe your distributions will be less subject to fluctuation and are expected to be paid four times each year, once each quarter, as opposed to the historic practice of a small, regular distribution and an annual overage rent payment, which is inconsistent and only payable to the extent of available cash flow.

As stated in our Prospectus Consent Solicitation Statement, letters and videos, REITs are required to distribute at least 90% of REIT taxable income annually. The post-IPO REIT will have no need to maintain property level reserves at each property. There will be many more and more efficient ways to access the capital markets.

There are many reasons why we believe participants have a greater potential for increased distributions following the transaction, than the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Here is another question: "I was told the Empire State Building is nearly completely turned around, needs very little additional investment and has upside with no risk. Is that true?"

No, that is not true. The Empire State Building consists of 2.7 million square feet of office space, which includes space leased to broadcasting tenants and the observatory and 169,215 feet of retail. While its management transitioned from Helmsley-Spear in August 2006 and the plans for its turnaround program were announced in October 2007, the program is not complete. While the lobby has been restored and the observatory largely upgraded and new leases concluded to new tenants for over 1.5 million square feet of office and retail space, costs remain for the completion of the comprehensive program for renovation and repositioning of the Empire State Building. As of September 30, 2012, we estimate additional capital costs at the Empire State Building to range between \$185 million and \$225 million through 2016. This does not include additional costs for tenant improvements, leasing commissions and other expenses on the spaces which have not been leased to new tenants.

The portfolio-wide renovation and repositioning program at all the other properties proposed to be consolidated, is expected to be substantially completed by the end of 2013, while the work and expense at the Empire State Building are anticipated to continue through 2016.

Additional Empire State Building Associates related risks disclosed in the Prospectus Consent Solicitation Statement, include risks of terrorist attack and competition to the Empire State Building's observatory and broadcasting operations from the new One World Trade Center observatory deck and broadcast antenna, as well as the existing broadcast operations at 4 Times Square. We are prepared for and are addressing the remaining costs for improvements and leasing, as well as the security and competitive threats, but it is not accurate to say the Empire State Building turnaround is near completion and the asset performance is assured with little additional expense and no risk.

If the consolidation does not go forward, it is possible that Empire State Building Company may not approve additional borrowings to fund these costs, in which case, Empire State Building Company may use cash flow resulting in immediate and sustained reductions or cessation of overage rent, or may either defer or not make such expenditures at all.

Peter Malkin: And the next question: "I was told that it would be easy and just as good for the Empire State Building or Empire State Building Associates to become a REIT on its own. Is that true?"

No, and nor do we believe that it is realistic or desirable. There is no professional expert investing in REITs who has told us

anything but the opposite. Any Empire State Building-only REIT would require the consent of Empire State Building Company, which is controlled by the Helmsley estate and the Malkin family, which have not consented to such a transaction.

We have been advised that a single asset REIT is not typical and most potential REIT investors, the great majority of which are institutional investors, would not react favorably to such a REIT. Such investors much prefer the diversification of risk from a consolidated portfolio of quality properties. One reason is that a stand-alone REIT would bear many of the same ongoing expenses of a REIT owning a portfolio of properties without the benefit of other properties to share them with. We believe these expenses and single-property risks would make it less attractive to investors and diminish value to Empire State Building Associates participants. There would be, by the way, more time and money required to pursue such a transaction and without Empire State Building Company cooperation, an Empire State Building Associates stand-alone REIT, would not fix the biggest problem in the status quo, an inefficient and archaic organizational structure, poor access to capital markets and unpredictable distributions which are determined as a result of decisions by an operating lessee, over which Empire State Building Associates has no control.

A further question: "I was told that the other properties are low quality. Won't those properties decrease the value of my investment?"

No. Our strategy for redevelopment of Empire State Building was based on our prior successful redevelopment of other office and retail properties proposed to be part of the consolidation and IPO. Those properties have been recognized with industry awards, are well located and have a roster of quality tenants. The Prospectus Consent Solicitation Statement includes property descriptions, awards won by these other properties and a listing of high quality tenants like Kohl's, eBay, JP Morgan Chase, Aetna Insurance, which are in these buildings. Our website and DVD also includes short video tours of the properties.

Tony Malkin: Next question: "Is it true that the Empire State Building has been undervalued relative to the other properties in the IPO?"

No, we do not believe that is true. As we have said, all the buildings were valued independently by Duff & Phelps but also as we mentioned, the Empire State Building is only 34% of the square footage of the total portfolio, but it would receive more than 56% of the total consideration in the consolidation. This recognizes the unique value of the building and, we believe, fully values the building relative to the other properties.

Here's another question: "Is it true that Empire State Building has more upside and I will lose that in the proposed consolidation and IPO?"

No, that's not true. Again, Duff & Phelps took into account the expected future performance of all of the properties in determining their exchange values. This includes Empire State Building's office, retail, broadcast and observatory operations. Empire State Building's potential, yielded the highest exchange value per square foot of any building in the portfolio.

Here's a question: "What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by Empire State Building Associates?"

If you vote against the consolidation, you do not vote or you abstain, and Empire State Building Associates participates in the consolidation, your participate interests will be subject to a buyout. The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost, less capital repaid but not less than \$100 is currently \$100 for the interest held by a participant in Empire State Building Associates as compared to the exchange value of \$323,800 or \$358,670 if you are not subject to the voluntary capital override per \$10,000 original investment for Empire State Building Associates.

A participant in Empire State Building Associates who voted against the consolidation or the third party portfolio proposal, or abstained, as applicable, or that did not submit a consent form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required super-majority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buyout and will participate on the same basis as the other participants who approved the consolidation or third party portfolio transaction.

Peter Malkin: Another question: "Could Empire State Building Associates purchase the Helmsley estate's interest?"

We do not believe that this is realistic. Empire State Building Associates receives a low basic rent and highly variable overage rent from Empire State Building Company to cover costs and to service and repay loans. Empire State Building Company is not required to operate in such a way as to maximize cash flow or overage rent payments to Empire State Building Associates. Based on our extensive experience in financings, including three financings relating to the Empire State Building since 2001, we do not believe that Empire State Building Associates would be able to borrow the necessary amounts to acquire the Helmsley estate's interest. In addition, Empire State

Building Associates would need a new consent from Empire State Building Associates participants and from Empire State Building Company for any such financing.

One person, who was incorrectly described by the Edelman's, and those working with them as an accountant and an Empire State Building insider, who spoke in favor of this strategy, has since sent to all Empire State Building Associates investors, a letter saying that he personally had not done any work to determine whether this could be financed and achieved and did not mean to hold himself out as someone who could engineer and execute such a transaction. The Helmsley estate and the Malkin family, whose consents would be required for Empire State Building Company to proceed, have committed to a different path. We do not believe that this approach is either credible or feasible.

Tony Malkin: Here's another question: "Can't things just stay the way they are? Why can't we just have the status quo?"

Well, things can't stay the way they are, nor can we continue with the status quo. Leona Helmsley's estate must sell its interest in Empire State Building Associates operating lessee, Empire State Building Company. This is not an option. It is a requirement under the will of Leona Helmsley. The Helmsley estate's interest and the Malkin family's interest hold equal veto rights on decisions made by Empire State Building Company. Empire State Building Company decisions control property operations and use of cash flow, thus determining the amount of cash available for Empire State Building Associates' distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or group, which would then have such veto on decisions by Empire State Building Company, thereby creating the potential for stalemate and the resulting impairment of Empire State Building Associates' distributions.

We believe that reality dictates that the best decisions and conditions change over time. The tax code which drove my grandfather and father to structure the purchase of the Empire State Building has changed. Financing and operations are different today than in the past; more than 50 years ago. Technology, rules and business have become more complex and the structures of yesterday do not allow us to address efficiently, the challenges and opportunities of today. We believe the status quo does not make sense any longer.

Let me briefly touch on where we go from here. We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building; One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period. The end of that 60-day period is March 25th, 2013. The longer it takes to approve the proposed consolidation and IPO, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses and, the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all of these benefits will only occur if the vote for the consolidation and IPO are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

You may already have been contacted by representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners, Inc. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote. You can also contact Malkin Holdings directly through our website or by phone at 1-888-410-7850. Again, that toll-free number is 1-888-410-7850.

A transcript of comments and questions and answers from this call will be available on our website, along with all of the other materials to which I referred earlier in the call. Remember, the website address is www.empirestaterealtytrust.com.

That's all one word, www.empirestaterealtytrust.com.

Peter Malkin: Thank you very much for listening and as always, we appreciate your support.

Operator: Thank you, Mr. Malkin. This concludes our call today. Thank you all for participating.

Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in 60 East 42nd St. Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings, including the Prospectus Consent Solicitation Statement, which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Investors are urged to review the Registration Statement on Form S-4, the Prospectus Consent Solicitation Statement, which you have received, and other related documents now filed, or to be filed, with the SEC, because they contain important information. You can obtain them, without charge, on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the Prospectus Consent Solicitation and the supplements relating to the individual entities by contacting Ned H. Cohen at Malkin Holdings LLC.

Because of scheduling limitations and to give maximum flexibility in accommodating such a large number of calls, this call has been prerecorded.

A transcript of comments by the Malkins and questions and answers from this call will be available on our website, www.empirestaterealtytrust.com and also be filed with the SEC and available on its web site at www.sec.gov.

With that, I will turn the call over to the Malkins.

Tony Malkin: Thank you, Operator. I am Tony Malkin and my father and I would like to welcome you all and thank you for participating. We're going to start with some remarks and then move to question and answer. We will be on the phone between one and one-and-a-half hours. We're very happy to speak with you. We hope that you have, or will, review some key materials we have sent to you and which are also on our website. The videos and some other of the information on our website, including instructions on how to fill out your Consent Form, are also on the DVD we sent with the Proxy Consent Solicitation Statement and other solicitation materials.

We are committed to answering every question you may have to help you understand why we are making this important recommendation. We will answer the most commonly asked questions in the time we have available on today's call. If you have submitted questions not answered on this call, we will reach out to you individually in a separate call. If you have new questions, you can make a toll-free call to our proxy solicitor at 1 (888) 410-7850, or reach us through our website at www.empirestaterealtytrust.com. Again, the toll-free number is 1 (888) 410-7850 and the website address is www.empirestaterealtytrust.com, and I'll spell that out for you. It's all one word www.empire.com, that's E-M-P-I-R-E, state S-T-A-T-E, realty R-E-A-L-T-Y, trust T-R-U-S-T, dot com. We will also repeat the phone number and the website at the end of the call.

Now, let's get started. Dad?

Peter Malkin: Thanks, Tony, and thank you all for joining us today. As many of you know, I began my work for you in 1958, when I joined my late father-in-law, Lawrence A. Wien, for what became a wonderful partnership spanning more than 30 years. I was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son Tony joined me in 1989.

Before we get into the detail on the proposed transaction, I want you to know that we considered many other options, including leaving things as they have been, before deciding that the consolidation of properties into one publicly traded Real Estate Investment Trust, or REIT, is a unique opportunity in the life of these investments and the best course of action for the almost 5,000 investors we represent. The purpose of today's call is to explain to you why we believe this transaction will benefit you. Now that our S-4 is effective with the SEC, we are in a position to answer any question you have.

This proposal did not come about overnight. In fact, we have been working on it for nearly three years. All during this time I have been reflecting upon my career and the innovative investments created by my father-in-law starting in 1934. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring profitable investment, liquidity and choice. Although he is no longer with us, I am sure that my father-in-law, Lawrence A. Wien, would have had the same enthusiasm and endorsement for our plans.

Tony and I are going to walk you through the details, but in a nutshell, we believe that the transaction we are recommending is a big improvement for every investor. We believe our proposed transaction, which offers you a 100% tax-deferred option, gives you tremendous benefits, including the following:

Every investor will have the opportunity for liquidity after an initial lock-up period, when and if he or she decides it is appropriate, and when he or she choose liquidity they will be able to do so by selling shares or units on the New York Stock Exchange.

Second, all investors in the REIT are expected to receive ongoing distributions which we believe offer greater potential to increase more over time than if the status quo remained.

Third, we believe this greater potential for increased distributions results from the cumulative performance of many excellent properties, instead of just relying on one property, better financing, more efficient operation and potentially beneficial acquisitions.

Fourth, the proposed REIT will operate under Corporate Governance Guidelines, providing investors with increased transparency, accountability, and a simplified and more timely tax filing.

Finally, again, you have the option to exchange your current interest for an interest in the operating partnership of the REIT in a manner that is expected to be 100% tax-deferred.

My family, as you know, has interests in this building, just like you, and I would not be proposing this if I did not think it would benefit all investors.

Now, Tony will describe some of the benefits of the proposed transaction in more detail.

Tony Malkin: Thanks. Let me begin by addressing why we believe it is in your interest to vote for the proposed transaction. Obviously, the ability we were able to create for each of you to participate in what is expected to be a 100% tax-deferred transaction is the starting point. After that, the first key benefit is the opportunity for you to continue to own valuable and important real estate with a more stable and what we believe is greater potential for increasing distributions than your existing investment.

Combining properties creates the potential for more stable distributions through the greater performance stability of many properties, rather than just one. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing. Unlike the current structure, where distributions beyond a minimum are discretionary and based on the need to establish reserves, REIT dividends must be at least 90% of the REIT's annual taxable income. We expect they would be paid every quarter. We also believe that you have greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation than as a participant in your subject LLC. The REIT will have better access to capital markets, streamlined financial reporting and a simplified management structure that increases efficiency. The REIT also expects to maintain modest leverage, which should allow the REIT to pursue acquisitions that could increase its cash flow, potentially allowing for further growth and enhanced distributions.

Another factor is our current need to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time to time. As a REIT, we will no longer have to hold cash reserves in each individual entity. In fact, there will be a one-time distribution of whatever available cash reserves there are, at or just after, the consolidation and IPO. And there is no need to establish property level reserves by the REIT any longer. If the transaction proceeds, in addition to the one-time distribution of cash reserves, the REIT will reimburse all transaction expenses out of IPO proceeds, thereby increasing the funds available for such one-time distributions at the time of the IPO. Finally, each investor will receive their portion of the \$55 million Class Action Settlement Fund, subject to court

approval, but this one-time distribution and the receipt of such will occur only if the proposed transaction moves forward. If our proposed consolidation and IPO are not approved, these three one-time distributions will not occur.

In the Prospectus Consent Solicitation Statement, which is in the form in the final S-4, we have estimated what dividends would be for the REIT during the 12-month period ending September 30, 2013. The presentation of this 12-month estimate in the Prospectus Consent Solicitation Statement is the market convention for REIT IPOs and is consistent with SEC guidelines. Importantly, for most investors, including those investors in the Empire State Building, the estimated distributions in the S-4 are projected to be higher than under the status quo historical average distributions, and over the longer term we believe that all investors will have the greater potential for increasing distributions than they currently have, for all the reasons I just mentioned. Remember, REIT taxable income will be determined by the performance of the Portfolio of Properties and is unaffected by the Company's stock price. While the price of shares may go up and down, that will not change the requirement to pay dividends of at least 90% of REIT taxable income on an annual basis.

Dad?

Peter Malkin: Another significant benefit is the potential for liquidity at a time of your own choosing. Just to be clear, under the proposed consolidation and initial public offering there is never any requirement that you sell your shares for cash. Many of you may wish to keep your interest for you and your family and to continue receiving expected regular steady distributions, which we believe offer greater potential to increase more over time than if the status quo remained. That's fine. And because you have the option of choosing what is expected to be a tax-deferred security, you have the ability to avoid realizing a capital gain until the time of a future capital transaction, such as when you may decide to sell, and your family may avoid the capital gain tax completely if you hold onto your units for life and they are given a stepped-up basis in your estate.

I should note at the outset that the Malkin family intends to hold its shares and units, but others may wish to liquidate all or a part of their investment. I can't think of a case in which your investment is not worth many times what you or one of your predecessors paid for it, but currently there is no efficient public market for you to sell your interest in its present form. While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares or units any time you like and to sell all or part of your interest any time you choose, following the initial lock-up period.

Another benefit of the transaction is Corporate Governance. Investors would own shares in a publicly traded company with a centralized experienced management team. The management team would report to a board comprised of six independent directors and my son Tony. A full set of biographies of the six proposed Independent Directors is in the Prospectus Consent Solicitation Statement. Importantly, each Board Member has successful experience in real estate, public companies, or both. As a public company, your Board has a fiduciary responsibility to all stock holders and will be accountable to you, and those of you with voted securities would elect the Board Members and vote on certain other corporate matters each year. This is in contrast to your current investment where you have no vote.

You should also enjoy greater legal protections. As a public company with securities listed on the New York Stock Exchange, you would have all the protections afforded all public stockholders through the SEC, the New York Stock Exchange, and the new Dodd-Frank Rules and Regulations.

Another benefit is simplified tax filing, instead of receiving a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing. Class A or B common stock shareholders will receive one Form 1099, and OP unitholders will receive one Form K-1. The REIT has committed to make efforts to deliver all of these forms by March 31st of each year, so you will not have to file your returns on extension.

So, in summary, we believe there are many benefits to the proposed transaction. We believe all investors will benefit through ongoing distribution, with the greater potential to increase through property performance, better financing, more efficient operations, and beneficial acquisitions. The potential for increased distributions and stock price capital appreciation over time benefits all investors. You will enjoy modern Corporate Governance, an accountable Board of Directors, greater transparency and simplified tax filing. In our view, when you consider all these benefits, your decision to vote for the consolidation and IPO should be an easy one.

Dad?

Peter Malkin: We also think it's important for everyone to consider what will happen if the transaction does not move forward. Were that to occur, you will continue to own an illiquid interest in an entity that owns a partial interest in a single property. This means you are not likely to obtain a true and efficient market price for your interest and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing. You will also continue to be subject to an ownership structure that is universally recognized as archaic, which limits your rights and the value of your investment and which is potentially subject to damaging deadlocks.

Also, because you currently rely only on the performance of one property, any major expenditure unique to your property, or major tenant failure, will impact you directly and not be mitigated by the performance of other properties. In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and to the decisions made by the operating lessee, over which you have no control. Without the consolidation, there will not be the same access to growth through acquisitions and therefore you will forego the positive impact such acquisitions could have on distributions. Your entity will not be reimbursed for the transaction expenses incurred over the past several years and your entity will not make the one-time distribution to you of such reimbursement amount, plus its excess reserves. You will not receive any settlement payment. And finally, your tax filing will remain complex and subject to delays beyond April 15th each year.

Tony Malkin: Thanks, Dad. If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include a 100% tax-deferred operating partnership, or OP, units that do not have voting rights, a 98% tax-deferred combination of Class B common stock and OP units that would have the same voting rights as if you had selected only Class A common stock, or fully taxable Class A common stock with full voting rights. Each one of these options will provide you with ownership in prime, improved, or improving, office and retail real estate in Manhattan and the Greater New York Metropolitan Area, and importantly, no matter which security you choose, you can expect to receive regular quarterly distributions with the greater potential for increased distributions and capital appreciation than your current investment.

Let us discuss a little more what each of these securities is and what the general tax implications would be.

Peter Malkin: I'll begin with the OP units. OP units are expected to be 100% tax deferred, meaning that tax would be owed on any gain on your investment only at the time of a future capital transaction, such as when you decide to sell or the property owned by your entity is sold. OP units will also be listed on the New York Stock Exchange, but have no vote in the REIT. If and when OP unitholders decide to liquidate, however, they would not have to sell their units on the Exchange. Beginning after one year, they would also have the option of exchanging their OP units for cash at the then price of the Class A shares or, at the REIT's option, to receive Class A shares one for one. As detailed in the Prospectus Consent Solicitation Statement, some of your OP units are permitted to be sold immediately, and up to 50% can be sold after six months and all or any part of your holdings may be sold at any time starting 12 months after the initial public offering.

Another alternative is a combination of OP units and Class B shares. Because OP units do not have voting rights, we are offering the

option to receive Class B shares instead of 2% of the OP units you would otherwise receive. So, for example, if you were eligible to receive 100 OP units, you could instead choose 98 OP units and two Class B shares. Class B shares are different, in that each carries the same voting rights as 50 Class A shares. So, you, by choosing two Class B shares, would have the same voting rights as if you chose 100 Class A shares. However, receipt of Class B shares is taxable at the time of the IPO. So, instead of deferring taxes at 100% of your investment, you would defer taxes on 98% of your investment. If you decide you want to sell your Class B shares, which will not be listed on a National Securities Exchange, they are automatically converted on a one-for-one basis to Class A shares.

Tony Malkin: The final alternative is to receive Class A shares. These shares will have the same rights to distributions as OP units and Class B shares, and also carry voting rights in the REIT. However, receipt of Class A shares is taxable at the time of the IPO. As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A shares six months after the IPO and the balance 12 months after the IPO.

So, the bottom line is that we have created a structure that gives you great flexibility. You have a range of options, including to defer taxes, receive quarterly distributions and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, we received all of the required consents from those private entities, who have approved the proposed consolidation. For your reference, the Malkin family elected a combination of Class B shares and OP units, in addition to a small number of Class A shares.

If I may, let me turn this back to my father for some closing remarks.

Peter Malkin: Thank you, Tony. We hope that you have found this discussion helpful. In summary, we want to make sure you understand the following key points about this transaction:

You have the option to receive OP units which are expected to be 100% tax deferred. You would have new liquidity options through a listing of Class A common shares and OP units on the New York Stock Exchange. We believe the REIT offers a greater potential for distribution increases than the status quo. Dividends will be paid quarterly and at a minimum of 90% of REIT taxable income annually. You can diversify your assets, one of the first principles of sound investing. You will have increased growth opportunities through potential acquisitions, with better access to capital markets. You will receive a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses. You have the opportunity to receive class action settlement proceeds. For all these reasons, among others, we believe the proposed transaction is in the best interest of all investors.

And now let's begin the question and answer session.

Tony Malkin: Thank you to everyone who submitted questions. We are going to answer the most commonly asked questions. If your question is not answered, it is likely specific to your particular situation or has not been asked by any other investor and we will reach out to you individually. If you have new questions, you can reach out via the website at www.empirestaterealtytrust.com. Once again, that's all one word, www.empirestaterealtytrust.com. Or via our toll-free phone number, which is 1 (888) 410-7850. Again, that is 1 (888) 410-7850.

With that, let's take our first question: Is the MacKenzie that is doing the tender offer the same as the MacKenzie who is your proxy solicitor?

The answer is no, there is absolutely no relation whatsoever and it is purely a coincidence that they have the same name. The MacKenzie that is doing the tender offer has made prior tender offers that we have opposed or recommended against. We have separately mailed a Schedule 14d-9 to participants, which you all should have received, which states our recommendation against the tender offer.

Next, we have a question: What happens to my interest if the transaction proceeds?

Our Prospectus Consent Solicitation Statement states in several places that if your subject LLC participates in the consolidation you will have the option to exchange your current interest for one of three types of securities, as we discussed on the call earlier and as can be found on page 74 of that Consent Solicitation Statement. Those securities are, one, operating partnership units, or OP units, which are expected to be 100% tax-deferred; a combination of Class B common stock and OP units, which are expected to be 98% tax-deferred; or Class A common stock, which is 100% taxable. We, of course, cannot advise you on which security you should choose. We suggest that you consult your Financial Advisor if you are not sure which security is best for you. If you have questions about how to make your election, however, you can call us any time and we would be happy to explain further your options.

Dad?

Peter Malkin: The next question is: Will I be required to pay taxes on the consideration received in this transaction?

Our Prospectus Consent Solicitation Statement highlights in several places, including on pages 20 to 22, that if you elect to receive OP units you will not pay any tax on the consideration you receive in our recommended consolidation. You will only realize a capital gain at the time of a future capital event, such as when you decide to sell your interest or if the property owned by your entity is sold at some point in the future. If you choose OP units, the entire transaction, as set forth in the Prospectus Consent Solicitation Statement, is expected to be 100% tax deferred for you.

Tony Malkin: The next question is: Who is Duff & Phelps and how can I feel comfortable that their work has given me fair value for my interests in the consolidation?

As stated in our Prospectus Consent Solicitation Statement, given our family's role in owning interests and in supervising all the entities in our consolidation, we wanted an independent third party to produce the exchange values and render a fairness opinion for all participants, and we chose Duff & Phelps to do this work. We chose Duff & Phelps because we wanted the work to be performed by an independent group. Duff & Phelps is an internationally recognized firm with an excellent reputation for valuation services across all industries, and it provides these for a broad variety of real estate firms.

The Prospectus Consent Solicitation Statement, on pages 235 through 254, describes in detail how Duff & Phelps did its work. They began by requesting and receiving historical and current information and market data, which we delivered to them from our records and from the third-party managing agents. They then appraised the value of each of the properties, the development site and the management companies to be included in the REIT. Then Duff & Phelps calculated the exchange value for each property. Each of the properties will receive its proportionate share of the consideration in the consolidation based on its proportionate share of the aggregate exchange value. This results in the value of each entity relative to the others, which is how the consideration in the consolidation is being allocated to you. The exchange value for each entity was then allocated to the participants and the override interests, in accordance with the organizational documents for each entity. In this way, all values were established in the same way, including our own values.

The valuation materials which Duff & Phelps provided to us are attached in the materials you received as Appendices A and B to the Prospectus Consent Solicitation Statement, and the financial projections used by Duff & Phelps in its exchange valuation process for all the properties are attached as Appendix C. I can also tell you that we believe the valuations are fair, that our interests have been valued in the same way, and that we will be voting in favor of the transaction.

Peter Malkin: The next question is: Is there a deadline to vote?

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period, which would take us out to March 25, 2013. The longer it takes to approve the proposed consolidation and initial public offering, the greater will be the expenses borne by all investors, the longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses, and the longer it will take for you to receive your share of the class action settlement proceeds. Importantly, all these benefits will occur only if the vote is for the consolidation and initial public offering and the consolidation and initial public offering are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can, so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

Tony Malkin: Here's another question: "Who pays for all the materials that have been sent out in connection with the proposed transaction?"

The more voluminous materials that have been distributed were necessary to meet SEC requirements. In addition, we have sent out a series of letters and other shorter materials that we felt were necessary to keep all investors apprised of certain developments relating to the proposed transaction. With agent authorization under the original agreements for your investment, the costs are initially being shared by your LLC, along with all the other public and private entities supervised by Malkin Holdings that would participate in the consolidation.

If the consolidation is approved and closes, the new REIT will reimburse each of the entities for its share of these costs and the amount reimbursed will be distributed to you and the other participants in cash at, or soon after, the IPO.

If the consolidation is not approved, each entity's expense is unreimbursed, and no such distribution will be available.

Peter Malkin: The next question: How did the Malkins get their override interests?

The Prospectus Consent Solicitation Statement sets forth the variety of overrides from different ownership groups to which the Malkin Group is entitled. Some of these overrides have been in place since the creation of each investment. Some were put in place at later dates. Every one of these overrides was either included in the organizational documents when investors agreed to make their investment or has been consented to, in writing, by the investors in the entities.

Tony Malkin: This question: Isn't Malkin Holdings going to continue to get management fees, commissions from leasing, and supervisory fees, once the consolidation is concluded and the REIT goes forward?

No, that's not true. Today, Malkin Holdings receives no management fees or commissions from any of the properties involved in this consent. All Malkin Holdings receives is its supervisory fees and its overrides, when payable. All Malkin Holdings fees and entitlements were valued as part of Duff & Phelps' work. When the consolidation and IPO move forward, Malkin Holdings will receive no more fees. All Malkin Holdings will get is its ownership in the REIT.

Peter Malkin: The next question: What is the Malkins' entitlement to these override interests?

The Prospectus Consent Solicitation Statement points out that the overrides are written contracts entered into by you, the family member from whom you inherited your interest or the party from whom you acquired your interest when the investment was made or at some point

thereafter. Every one of these agreements is available for inspection. The Malkins are entitled to distributions on the override interests out of the proceeds from a capital transaction. As the REIT will acquire each building in which you are a participant, the proposed consolidation is a capital transaction. The proposed consolidation represents a transfer to a new entity with substantial additional assets, substantial new investors, and a new governance structure, in no way a continuation of the prior entities for the same investors.

Tony Malkin: This question: When do you expect the consolidation and IPO to be completed?

We plan to complete the consolidation as soon as possible, after receipt of the approval by the required vote of your subject LLC's participants, and the approval by the required vote of the other subject LLCs' participants for inclusion. At that time, we will measure the market and calendar for other public offerings and choose the best timing for the IPO. By its terms, the consolidation and IPO are required to be completed no later than December 31st, 2014, but we are certainly hoping to wrap it up long before that date.

Another question: When can I sell OP units or shares of Class A and Class B common stock of the REIT after the consolidation and IPO?

First of all, please keep in mind Class B common stock cannot be sold, it can only be exchanged for Class A common stock to be sold, and that can take place 12 months after the offering. As explained in the Prospectus Consent Solicitation Statement and in our videos, after the closing of the consolidation and the IPO every participant, except the Malkin family, will have the ability to sell up to 50% of both the OP units and Class A common stock received in the consolidation at any time after the 180th day following the IPO pricing date, and the balance of the OP units and Class A common stock 12 months after the IPO pricing date. In addition, each participant that receives OP units may, immediately following the consolidation and the IPO, sell up to 4% of the OP units issued to him or to her. And I would point out that the Malkin family has a longer lock-up.

The next question: When are OP units exchangeable for shares of Class A common stock?

Twelve months after the completion of the IPO each OP unit will be exchangeable for the then cash value of a share of Class A common stock or, at the REIT's election, one share of Class A common stock.

Peter Malkin: Another question: What about all these lawsuits against the Malkins over this deal? There are five of them. Doesn't that mean that the Malkins have done something wrong?

No. Virtually all large deals get challenged in court. These claims now have been settled with no admission of wrongdoing. In fact, after plaintiffs' counsel reviewed thousands of documents and interviewed many witnesses, the plaintiffs now intend to support the proposed transaction.

Tony Malkin: Here's a question: What is my interest worth?

As described in the Prospectus Consent Solicitation Statement, for each \$10,000 of original investment held by you, the exchange value is now \$402,660. The exchange value was determined based on appraisals by Duff & Phelps LLC, the independent valuer, to establish relative value among properties of participation interests, and it does not necessarily represent the fair market value of your participation interests. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO, after you vote on the consolidation proposal. We have described, on pages 6 through 8 of the Prospectus Consent Solicitation Statement, the differences between the exchange value and the enterprise value, which is the value based on the IPO price. The Prospectus Consent Solicitation Statement also includes a table, on page 7, showing the range of enterprise values per \$10,000 original investment unit based on an illustrative range of IPO prices.

Peter Malkin: Another question: What will happen to my distributions if the transaction does go forward?

We believe that there is greater potential for your distributions to go up more over time as part of this transaction than if you stayed with just the status quo. In the Prospectus Consent Solicitation Statement, we've provided an estimate of expected annual distributions to investors in each of the groups for which a vote is to be taken. On pages 183 through 189 of the Prospectus Consent Solicitation Statement, you will find a comparison of what our estimated distributions for the 12 months ending September 30, 2013 will be to the average annual distributions to investors in 60 East 42nd Street Associates for the five years ended December 31, 2011, showing that the estimated distribution for the 12-month period is greater than this average annual distribution. We also believe your distributions will be less subject to fluctuation and are expected to be paid four times per year, once in each quarter, as opposed to the historic practice of a small regular monthly distribution and an annual overage rent payment, which is inconsistent and only payable to the extent of available cash flow.

As stated in our Prospectus Consent Solicitation Statement, letters and videos, REITs are required to distribute at least 90% of REIT taxable income annually. The post IPO REIT will have no need to maintain property level reserves at each property. There will be many more and more

efficient ways to access the capital markets. There are many reasons why we believe participants have greater potential for increased distributions following the transaction than in the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Tony Malkin: Here's another question: Can't things just stay the way they are? Why can't we just have the status quo?

Things can't stay the way they are and the status quo cannot continue. Leona Helmsley's estate must sell its interest in your operating lessee. It is not an option. It is a requirement under the will of Leona Helmsley. The Helmsley estate owns a 30% interest in the operating lessee. Any purchaser of the Helmsley estate interests will be able to have significant influence over the decisions made by the operating lessee. The operating lessee's decisions control property operation and use of cash flow, thus determining the amount of cash available for distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or group which would then have the ability to exercise substantial influence over decisions, thereby creating the potential for decisions which impair distributions.

We believe that reality dictates that the best decisions and conditions change over time. The Tax Code which drove my grandfather to structure the purchase of One Grand Central Place has changed. Financing and operations are different today than in the past, technology, rules and business have become more complex, and the structures of yesterday do not allow us to address efficiently the challenges and opportunities of today. We do believe the status quo does not make sense any longer.

Peter Malkin: What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by my entity?

If you vote against the consolidation, you do not vote or you abstain, and your subject entity participates in the consolidation, your participation interest will be subject to a buy-out, pursuant to a buy-out amount that would be substantially lower than the exchange amount. The buy-out amount for an original \$10,000 participation is currently \$100, as compared to the exchange value of \$402,660 per \$10,000 original investment. A participant that voted against the consolidation or the Third-Party Portfolio proposal, or abstained, or that did not submit a Consent Form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required supermajority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buy-out and will participate on the same basis as other participants who approved the consolidation or third-party portfolio transaction.

Tony Malkin: Let me briefly touch on where we go from here. We now have begun the process of soliciting consents from Investors in the three public LLCs that own interests in the three properties, the Empire State Building, One Grand Central Place, and 250 West 57th Street. The operating lessees of these three properties have already provided their consents. By law, the solicitation period must last at least 60 days after the beginning of the solicitation period. The end of that 60-day period is March 25th, 2013.

The longer it takes to approve the proposed consolidation and IPO, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses, and the longer it will take for you to receive your share of the class action settlement proceeds. Importantly, all of these benefits will only occur if the vote for the consolidation and IPO are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can, so that your vote is counted and the consolidation goes as quickly as possible, to minimize ongoing expenses.

You may already have been contacted by representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners, Inc. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote. You can also contact Malkin Holdings directly through our website or by phone at 1 (888) 410-7850. Again, that toll-free number is 1 (888) 410-7850. A transcript of comments and questions and answers from this call will be available on our website, along with all of the other materials to which I referred earlier in the call. Remember, the website address is www.empirestaterealtytrust.com. That's all one word, www.empirestaterealtytrust.com.

Peter Malkin: Thank you very much for listening and, as always, we appreciate your support.

Operator: Thank you, Mr. Malkin. This concludes our call today. Thank you all for participating.



Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in Empire State Building Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings including the Prospectus Consent Solicitation Statement which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Investors are urged to review the Registration Statement on Form S-4, the Prospectus Consent Solicitation Statement, which you have received, and other related documents now filed or to be filed with the SEC because they contain important information. You can obtain them, without charge, on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the Prospectus Consent Solicitation and the supplements relating to the individual entities by contacting Ned H. Cohen at Malkin Holdings LLC.

Because of scheduling limitations and to give maximum flexibility in accommodating such a large number of calls, this call has been prerecorded. A transcript of comments by the Malkins and questions and answers from this call will be available on our website, www.empirestaterealtytrust.com, and also be filed with the SEC and available on its website at www.sec.gov.

With that, I will turn the call over to the Malkins.

Tony Malkin: Thank you, Operator. I am Tony Malkin and my father and I would like to welcome you all and thank you for participating. We are going to start with some remarks and then move to question and answer. We will be on the phone between one and a half and two hours.

We are very happy to speak with you. We hope that you have, or will, review some key materials we have sent to you, which are also on our website. The videos and some other of the information on our website, including instructions on how to fill out your Consent Form are also on the DVD we sent with the Proxy, Consent Solicitation Statement and other solicitation materials. We are committed to answering every question you may have to help you understand why we are making this important recommendation. We will answer the most commonly asked questions in the time we have available on today's call. If you have submitted questions not answered on this call, we will be reaching out to you individually in a separate call. If you have new questions, you can make a toll-free call to our proxy solicitor at 1-888-410-7850; that's 1-888-410-7850 or reach out to us through our website at www.empirestaterealtytrust.com. That's all one word without spaces: www.empirestaterealtytrust.com and I'll spell that for you. That's e-m-p-i-r-e-s-t-a-t-e-r-e-a-l-t-y-t-r-u-s-t dot com. Again, the toll-free number is 1-888-410-7850, and the website address is www.empirestaterealtytrust.com. We will also repeat this information again at the end of the call.

Now, let's get started. Dad?

Peter Malkin: Thanks, Tony, and thank you all for joining us today. As many of you know, I began my work for you in 1958 when I joined my late

father-in-law, Lawrence A. Wien, for what became a wonderful partnership spanning more than 30 years. I was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son Tony joined me in 1989.

Before we get into the detail on the proposed transaction, I want you to know that we considered many other options, including leaving things as they have been, before deciding that the consolidation of properties into one publicly traded real estate investment trust, or REIT, is a unique opportunity in the life of these investments and the best course of action for the almost 5,000 investors we represent. The purpose of today's call is to explain to you why we believe this transaction will benefit you. Now that our S-4 is effective with the SEC, we are in a position to answer any question you have.

This proposal did not come about over night. In fact, we have been working on it for nearly three years. All during this time I have been reflecting upon my career and the innovative investments created by my father-in-law starting in 1934. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring profitable investment, liquidity and choice. Although he is no longer with us, I am sure that my father-in-law, Lawrence A. Wien, would have had the same enthusiasm and endorsement for our plans.

Tony and I are going to walk you through the details, but in a nutshell, we believe that the transaction we are recommending is a big improvement for every investor. We believe our proposed transaction, which offers you a 100% tax-deferred option, gives you tremendous benefits, including the following: every investor will have the opportunity for liquidity after an initial lock-up period when, and if, he or she decides it is appropriate. And when he or she choose liquidity, they will be able to do so by selling shares or units on the New York Stock Exchange.

Second, all investors in the REIT are expected to receive ongoing distributions which we believe offer greater potential to increase more over time than if the status quo remained.

Third, we believe this greater potential for increased distributions results from the cumulative performance of many excellent properties instead of just relying on one property, better financing, more efficient operation and potentially beneficial acquisitions.

Fourth, the proposed REIT will operate under corporate governance guidelines providing investors with increased transparency, accountability and a simplified and more timely tax filing.

Finally, again, you have the option to exchange your current interest for an interest in the operating partnership of the REIT in a manner that is expected to be 100% tax-deferred.

My family, as you know, has interests in this building just like you, and I would not be proposing this if I did not think it would benefit all investors.

Now, Tony will describe some of the benefits of the proposed transaction in more detail.

Tony Malkin: Thanks. Let me begin by addressing why we believe it is in your interest to vote for the proposed transaction. Obviously, the ability we were able to create for each of you to participate in what is expected to be a 100% tax-deferred transaction is the starting point. After that, the first key benefit is the opportunity for you to continue to own valuable and important real estate with a more stable, and what we believe, is greater potential for increasing distributions than your existing investment.

Combining properties creates the potential for more stable distributions through the greater performance stability of many properties rather than just one. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing. Unlike the current structure, where distributions beyond a minimum are discretionary and based on the need to establish reserves, REIT dividends must be at least 90% of the REIT's annual taxable income. We expect they would be paid every quarter. We also believe that you have greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation, than as a participant in your subject LLC. The REIT will have better access to capital markets, streamlined financial reporting and a simplified management structure that increases efficiency. The REIT also expects to maintain modest leverage which should allow the REIT to pursue acquisitions that could increase its cash flow, potentially allowing for further growth and enhanced distributions.

Another factor is our current need to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time-to-time. As a REIT, we will no longer have to hold cash reserves in each individual entity. In fact, there will be a one-time distribution of whatever available cash reserves there are, at or just after the consolidation and IPO, and there is no need to establish property level reserves by the REIT any longer.

If the transaction proceeds, in addition to the one-time distribution of cash reserves, the REIT will reimburse all transaction expenses out of IPO proceeds, thereby increasing the funds available for such one-time distribution at the time of the IPO.

Finally, each investor will receive their portion of the \$55 million class action settlement fund, subject to court approval, but this one-time distribution and the receipt of such, will occur only if the proposed transaction moves forward. If our proposed consolidation and IPO are not approved, these three one-time distributions will not occur.

In the Prospectus Consent Solicitation Statement, which is in the Form in the final S-4, we have estimated what dividends would be for the REIT during the 12-month period ending September 30, 2013. The presentation of this 12-month estimate in the Prospectus Consent Solicitation Statement is the market convention for REIT IPOs and is consistent with SEC guidelines. Importantly, for most investors, including those investors in the Empire State Building, the estimated distributions in the S-4 are projected to be higher than under the status quo historical average distributions, and over the longer term, we believe that all investors will have the greater potential for increasing distributions than they currently have for all the reasons I just mentioned. Remember, REIT taxable income will be determined by the performance of the portfolio of properties and is unaffected by the Company's stock price. While the price of shares may go up and down, that will not change the requirement to pay dividends of at least 90% of REIT taxable income on an annual basis. Dad?

Peter Malkin: Another significant benefit is the potential for liquidity at a time of your own choosing. Just to be clear, under the proposed consolidation and initial public offering, there is never any requirement that you sell your shares for cash. Many of you may wish to keep your interest for you and your family and to continue receiving expected regular, steady distributions which we believe offer greater potential to increase more over time than if the status quo remained. That's fine. And because you have the option of choosing what is expected to be a tax-deferred security, you have the ability to avoid realizing a capital gain until the time of a future capital transaction, such as when you may decide to sell. And your family may avoid the capital gain tax completely if you hold on to your units for life and they are given a stepped-up basis in your estate.

I should note at the outset, that the Malkin family intends to hold its shares and units but others may wish to liquidate all or a part of their investment. I can't think of a case in which your investment is not worth many times what you or one of your predecessors paid for it. But currently, there is no efficient public market for you to sell your interest in its present form. While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares, or units, any time you like and to sell all or part of your interest any time you choose following the initial lock-up period.

Another benefit of the transaction is corporate governance. Investors would own shares in a publicly traded company with a centralized, experienced management team. The management team would report to a Board comprised of six independent directors and my son, Tony. A full set of biographies of the six proposed independent directors is in the Prospectus Consent Solicitation Statement. Importantly, each board member has successful experience in real estate, public companies, or both. As a public company, your Board has a fiduciary responsibility to all stockholders and will be accountable to you and those of you with voted securities would elect the board members and vote on certain other corporate matters each year. This is in contrast to your current investment where you have no vote.

You should also enjoy greater legal protections. As a public company with securities listed on the New York Stock Exchange, you would have all the protections afforded all public stockholders through the SEC, the New York Stock Exchange and the new Dodd-Frank rules and regulations.

Tony Malkin: Another benefit is simplified tax filing instead of receiving a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing. Class A or B common stock shareholders will receive one Form 10-99 and OP unitholders will receive one Form K-1. The REIT has committed to make efforts to deliver all of these forms by March 31st of each year, so you will not have to file your returns on extension.

So, in summary, we believe there are many benefits to the proposed transaction. We believe all investors will benefit through ongoing distributions with the greater potential to increase through property performance, better financing, more efficient operations and beneficial acquisitions. The potential for increased distributions and stock price capital appreciation over time, benefits all investors. You will enjoy modern corporate governance, an accountable Board of Directors, greater transparency and simplified tax filing. In our view, when you consider all these benefits, your decision to vote for the consolidation and IPO should be an easy one. Dad?

Peter Malkin: We also think it's important for everyone to consider what will happen if the transaction does not move forward. Were that to occur, you will continue to own an illiquid interest in an entity that owns a partial interest in a single property. This means you are not likely to obtain a true and efficient market price for your interest and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing.

You will also continue to be subject to an ownership structure that is universally recognized as archaic, which limits your rights and the value of your investment and which is potentially subject to damaging deadlocks.

Also, because you currently rely only on the performance of one property, any major expenditure unique to your property or major tenant failure will impact you directly and not be mitigated by the performance of other properties. In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and to the decisions made by the operating lessee over which you have no control.

Without the consolidation, there will not be the same access to growth through acquisitions and, therefore, you will forego the positive impacts such acquisitions could have on distributions.

Your entity will not be reimbursed for the transaction expenses incurred over the past several years and your entity will not make the one-time distribution to you of such reimbursement amount plus its excess reserves. You will not receive any settlement payment. And finally, your tax filing will remain complex and subject to delays beyond April 15th each year.

Now, Tony will address some special considerations for Empire State Building investors.

Tony Malkin: Thanks, Dad. We all take pride in being involved with a special property such as the Empire State Building but there are significant risks, as well. One of these risks comes from the current ownership structure. The Helmsley estate holds a veto in your operating lessee, the Empire State Building Company. You may know that for decades, my grandfather, Lawrence A. Wien, worked with my dad and the Helmsley family. After Harry Helmsley's death in 1997, however, Helmsley-Spear Inc. was sold to its senior officers. About that time, we commenced proceedings to remove Helmsley-Spear as managing agent because the performance of the properties was suffering. Through a very lengthy and costly legal proceeding, we successfully removed Helmsley-Spear and began turning around these historic, pre-war properties. We successfully completed significant upgrades, made considerable capital investments, hired new staff and executives at Malkin Holdings and added new managing agents. But now, we must all face the reality that Leona Helmsley's will requires her estate to liquidate its investments, including properties supervised by Malkin Holdings. If the estate does not liquidate its interest through an IPO, we expect it to sell its interests to an unknown third party. Dad?

Peter Malkin: And so it is important to understand that the Helmsley estate sale requirement will end the status quo, no matter how investors vote. Anyone who purchases the Helmsley estate's interest will receive the same veto rights that the Helmsley estate currently has. There simply is no way to predict how an unknown third party will act on matters that affect the availability of cash

for distributions. On the other hand, if the proposed consolidation and REIT transaction go forward as proposed, the rights of the holder of the Helmsley estate's interests to interfere with decisions would no longer exist.

With a consolidation and IPO, we can give investors many valuable benefits and allow the Helmsley estate to exit without raising risks to remaining investors. We will maintain our management team, which has done such a fine job transforming the supervised properties. We also believe that we will be able to realize for investors, the significant benefits in becoming a publicly traded REIT, which we have been discussing on today's call.

We are aware that some individuals have suggested that the value of the Empire State Building is somehow being shortchanged, but the fact is, that the uniqueness of the property has been reflected in the value allocated by Duff & Phelps, an independent valuer. The Empire State Building is approximately 34% of the total square feet of the REIT, but it has been afforded more than 56% of the exchange value.

Remember, as is stated in the Prospectus Consent Solicitation Statement, distributions for Empire State Building investors are expected to be greater than historic distributions, not decreased, as some have suggested.

Investors should also consider other unique risks to the Empire State Building. Given the prominence of the asset, it is susceptible to acts of terrorism and other events beyond our control that can impact our financial performance at the building. Approximately 40% of the revenue of the operating lessee in 2011 was from the observatory, driven by tourists. Going forward, we face new competition for this source of revenue. The new One World Trade Center will have a new observatory which will bring new competition to the market for the tourists who visit. One World Trade Center has also announced that it will offer a full broadcast platform for television, radio and other broadcasters. Approximately 10.4% of the revenue of the operating lessee in 2011 was from the broadcast operations of the Empire State Building. That has been a major source of overage rent payment, New York LLC, which contributes to your additional distribution. With increased competition, the benefits from the broadcast operations may be less, which may adversely impact your potential for additional distributions.

Tony Malkin: Thanks, Dad. If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include: 100% tax-deferred operating partnership, or OP, units that do not have voting rights; a 98% tax-deferred combination of Class B common stock and OP units that would have the same voting rights as if you had selected only Class A common stock; or fully-taxable Class A common stock with full voting rights. Each one of these options will provide you with ownership in prime, improved or improving office and retail real estate in Manhattan and the

Greater New York Metropolitan area. And importantly, no matter which security you choose, you can expect to receive regular quarterly distributions with the greater potential for increased distributions and capital appreciation, than your current investment.

Let us discuss a little more what each of these securities is and what the general tax implications would be.

Peter Malkin: I'll begin with the OP units. OP units are expected to be 100% tax-deferred, meaning that tax would be owed on any gain on your investment only at the time of a future capital transaction, such as when you decide to sell or the property owned by your entity is sold. OP units will also be listed on the New York Stock Exchange but have no vote in the REIT. If and when OP unitholders decide to liquidate, however, they would not have to sell their units on the Exchange. Beginning after one year, they would also have the option of exchanging their OP units for cash at the then price of Class A shares, or at the REIT's option to receive Class A shares, one-for-one. As detailed in the Prospectus Consent Solicitation Statement, some of your OP units are permitted to be sold immediately and up to 50% can be sold after six months and all or any part of your holdings may be sold at any time starting 12 months after the initial public offering.

Another alternative is a combination of OP units and Class B shares. Because OP units do not have voting rights, we are offering the option to receive Class B shares instead of 2% of the OP units you would otherwise receive. So, for example, if you were eligible to receive 100 OP units, you could instead, choose 98 OP units and two Class B shares. Class B shares are different in that each carries the same voting rights as 50 Class A shares. And so you, by choosing two Class B shares, would have the same voting rights as if you chose 100 Class A shares. However, receipt of Class B shares is taxable at the time of the IPO, so instead of deferring taxes on 100% of your investment, you would defer taxes on 98% of your investment.

If you decide you want to sell your Class B shares, which will not be listed on a national securities exchange, they are automatically converted on a one-for-one basis to Class A shares.

Tony Malkin: The final alternative is to receive Class A shares. These shares will have the same rights to distributions as OP units and Class B shares and also carry voting rights in the REIT. However, receipt of Class A shares is taxable at the time of the IPO. As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A shares six months after the IPO and the balance 12 months after the IPO.

So, the bottom line is that we have created a structure that gives you great flexibility. You have a range of options, including to defer

taxes, receive quarterly distributions and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, we received all of the required consents from those private entities who have approved the proposed consolidation.

For your reference, the Malkin family elected a combination of Class B shares and OP units, in addition to a small number of Class A shares.

If I may, let me turn this back to my father for some closing remarks.

Peter Malkin: Thank you, Tony. We hope that you have found this discussion helpful. In summary, we want to make sure you understand the following key points about this transaction.

You have the option to receive OP units which are expected to be 100% tax-deferred. You would have new liquidity options through a listing of Class A common shares and OP units on the New York Stock Exchange. We believe the REIT offers a greater potential for distribution increases than the status quo. Dividends will be paid quarterly and at a minimum of 90% of REIT taxable income annually. You can diversify your assets; one of the first principles of sound investing. You will have increased growth opportunities through potential acquisitions with better access to capital markets. You will receive a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses. You have the opportunity to receive class action settlement proceeds. For all these reasons, among others, we believe the proposed transaction is in the best interest of all investors.

And now, let's begin the question-and-answer session.

Tony Malkin: Thank you to everyone who's submitted questions. We are going to answer the most commonly asked questions. If your question is not answered, it is likely specific to your particular situation or has not been asked by any other investor and we will reach out to you individually. If you have new questions, you can reach out via the website at www.empirestaterealtytrust.com. Once again, that's all one word, www.empirestaterealtytrust.com or via our toll-free phone number which is 1-888-410-7850. Again, that is 1-888-410-7850.

With that, let's take our first question. "Is the MacKenzie that is doing the tender offer the same as the MacKenzie who is your proxy solicitor?"

The answer is no. There is absolutely no relation whatsoever and it is purely a coincidence that they have the same name. The MacKenzie that is doing the tender offer has made prior tender offers that we have opposed or recommended against. We have separately mailed, a Schedule 14D-9 to participants which you all should have received which states our recommendation against the tender offer.

Next, we have a question. "What happens to my interest if the transaction proceeds?"

Our Prospectus Consent Solicitation Statement states in several places that if your subject LLC participates in the consolidation, you will have the option to exchange your current interest for one of three types of securities. As we discussed on the call earlier and as can be found on page 74 of that Consent Solicitation Statement, those securities are: 1) operating partnership units, OP units, which are expected to be 100% tax-deferred; a combination of Class B common stock and OP units which are expected to be 98% tax-deferred; or, Class A common stock which is 100% taxable.

We, of course, cannot advise you on which security you should choose and we suggest that you consult your financial advisor if you are not sure which security is best for you.

If you have questions about how to make your election, however, you can call us anytime and we would be happy to explain further, your options. Dad?

Peter Malkin: The next question is, "Will I be required to pay taxes on the consideration received in this transaction?"

Our Prospectus Consent Solicitation Statement highlights, in several places, including on pages 20-22, that if you elect to receive OP units, you will not pay any tax on the consideration you receive in our recommended consolidation. You will only realize a capital gain at the time of a future capital event, such as when you decide to sell your interest or if the property owned by your entity is sold at some point in the future. If you choose OP units, the entire transaction as set forth in the Prospectus Consent Solicitation Statement, is expected to be 100% tax-deferred for you.

Tony Malkin: The next question is, "Who is Duff & Phelps and how can I feel comfortable that their work has given me fair value for my interests in the consolidation?"

As stated in our Prospectus Consent Solicitation Statement, given our family's role in owning interests and in supervising all the entities in our consolidation, we wanted an independent third party to produce the

exchange values and render a fairness opinion for all participants and we chose Duff & Phelps to do this work. We chose Duff & Phelps because we wanted the work to be performed by an independent group.

Duff & Phelps is an internationally recognized firm with an excellent reputation for valuation services across all industries and it provides these for a broad variety of real estate firms. The Prospectus Consent Solicitation Statement, on pages 235 through 254, describes in detail, how Duff & Phelps did its work. They began by requesting and receiving historical and current information and market data which we delivered to them from our records and from the third party managing agents. They then appraised the value of each of the properties, the development site and the management companies to be included in the REIT. Then Duff & Phelps calculated the exchange value for each property. Each of the properties will receive its proportionate share of the consideration in the consolidation, based on its proportionate share of the aggregate exchange value. This results in the value of each entity relative to the others, which is how the consideration in the consolidation is being allocated to you.

The exchange value for each entity was then allocated to the participants and the override interests in accordance with the organizational documents for each entity. In this way, all values were established in the same way, including our own values. The valuation materials, which Duff & Phelps provided to us, are attached in the materials you received as Appendices A and B to the Prospectus Consent Solicitation Statement and the financial projections used by Duff & Phelps in its exchange valuation process for all the properties are attached as Appendix C.

I can also tell you that we believe the valuations are fair, that our interests have been valued in the same way, and that we will be voting in favor of the transaction.

Peter Malkin: The next question is, "Is there a deadline to vote?"

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period, which would take us out to March 25, 2013. The longer it takes to approve the proposed consolidation and initial public offering, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses, and the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all these benefits will occur only if the vote is for the consolidation and initial public offering and the consolidation and

initial public offering are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

Tony Malkin: Here's another question: "Who pays for all the materials that have been sent out in connection with the proposed transaction?"

The more voluminous materials that have been distributed were necessary to meet SEC requirements. In addition, we have sent out a series of letters and other shorter materials that we felt were necessary to keep all investors apprised of certain developments relating to the proposed transaction. With agent authorization under the original agreements for your investment, the costs are initially being shared by your LLC, along with all the other public and private entities supervised by Malkin Holdings that would participate in the consolidation.

If the consolidation is approved and closes, the new REIT will reimburse each of the entities for its share of these costs and the amount reimbursed will be distributed to you and the other participants in cash at, or soon after, the IPO.

If the consolidation is not approved, each entity's expense is unreimbursed, and no such distribution will be available.

Peter Malkin: The next question: "How did the Malkins get their override interest?"

The Prospectus Consent Solicitation Statement sets forth the variety of overrides from different ownership groups to which the Malkin Group is entitled. Some of these overrides have been in place since the creation of each investment. Some were put in place at later dates. Every one of these overrides was either included in the organizational documents when investors agreed to make their investment or has been consented to in writing by the investors in the entities.

Tony Malkin: This question: "Isn't Malkin Holdings going to continue to get management fees, commissions from leasing and supervisory fees once the consolidation is concluded and the REIT goes forward?"

No, that's not true. Today, Malkin Holdings receives no management fees or commissions from any of the properties involved in this consent. All Malkin Holdings receives is its supervisory fees and its overrides when payable. All Malkin Holdings' fees and entitlements were valued as part of Duff & Phelps work. When the consolidation and IPO move forward, Malkin Holdings will receive no more fees. All Malkin Holdings will get is its ownership in the REIT.

Peter Malkin: The next question: "What is the Malkin's entitlement to these override interests?"

The Prospectus Consent Solicitation Statement points out that the overrides are written contracts entered into by you, the family member from whom you inherited your interest or the party from whom you acquired your interest when the investment was made or at some point, hereafter. Every one of these agreements is available for inspection.

The Malkins are entitled to distributions on the override interests out of the proceeds from a capital transaction. As the REIT will acquire each building in which you are a participant, the proposed consolidation is a capital transaction. The proposed consolidation represents a transfer to a new entity with substantial additional assets, substantial new investors and a new governance structure; in no way, a continuation of the prior entities for the same investors.

Tony Malkin: This question: "When do you expect the consolidation and IPO to be completed?"

We plan to complete the consolidation as soon as possible after receipt of the approval by the required vote of your subject LLC's participants and the approval by the required vote of the other subject LLCs' participants for inclusion. At that time, we will measure the market and calendar for other public offerings and choose the best timing for the IPO. By its terms, the consolidation and IPO are required to be completed no later than December 31st, 2014 but we are certainly hoping to wrap it up long before that date.

Another question: "When can I sell OP units or shares of Class A and Class B common stock of the REIT after the consolidation and IPO?"

First of all, please keep in mind Class B common stock cannot be sold. It can only be exchanged for Class A common stock to be sold and that can take place 12 months after the offering. As explained in the Prospectus Consent Solicitation Statement and in our videos, after the closing of the consolidation and the IPO, every participant, except the Malkin family, will have the ability to sell up to 50% of both the OP units and Class A common stock received in the consolidation at any time after the 180th day following the IPO pricing date, and the balance of the OP units and Class A common stock 12 months after the IPO pricing date. In addition, each participant that receives OP units may, immediately following the consolidation and the IPO, sell up to 4% of the OP units issued to him or to her and I would point out that the Malkin family has a longer lock-up.

The next question: "When are OP units exchangeable for shares of Class A common stock?"

Twelve months after the completion of the IPO, each OP unit will be exchangeable for the then cash value of a share of Class A common stock or, at the REIT's election, one share of Class A common stock.

Peter Malkin: Another question: "What about all these lawsuits against the Malkins over this deal? There are five of them. Doesn't that mean that the Malkins have done something wrong?"

No. Virtually all large deals get challenged in court. These claims now have been settled with no admission of wrongdoing. In fact, after plaintiff's counsel reviewed thousands of documents and interviewed many witnesses, the plaintiffs now intend to support the proposed transaction.

Here is a new question: "How will the challenge to the Class Action Settlement affect this transaction?"

Our Consent Solicitation toward the consolidation and IPO continues without interruption. Importantly, this class action challenge is not a new lawsuit, but rather a motion filed by a handful of investors in Empire State Building Associates seeking to block the settlement reached by us and investors representing all entities proposed for the consolidation last September. Objections are common in these types of proceedings and we see no change in the timing for our ongoing vote and the completion of our proposed IPO within the timeframe of the consent as it is presently proposed. This is one set of plaintiff's attorneys suing another set of a plaintiff's attorneys. While the litigators are suing each other, we intend to focus on operating the properties and partnerships and getting the consent done for the good of all investors.

Here's another new question: "Can you please explain the third party proposal we are being asked to vote on? Is it the same as the tender offer?"

In our Consent Solicitation, we are asking for authority to enter into a third party portfolio transaction under which the entire portfolio which would have gone into the REIT would instead be acquired by an unrelated third party. In that case, the REIT wouldn't be formed. We believe it would be beneficial for you to consent to this proposal to provide us with the flexibility to accept a proposal from a third party if we determine that the price in the transaction includes an adequate premium above the value expected to be realized, over time, from the REIT formation. There are clear requirements written in our Consent Solicitation documents for any third party portfolio transaction. The price must be at least 115% of the aggregate exchange value of all the public and private entities included in the transactions.

No member of the Malkin family can be related to the third party buyer or receive any special benefit from such a sale. If a sale were to occur, the Malkins would have no further involvement with any of the properties; not as investors, executives or board members. The Malkins would be cashed out just like any other investor.

Of course, if we receive a bona fide offer, we will disclose the offer. Such third party portfolio sale is unrelated to the tender offer. We have sent all investors a copy of a Form 14D-9, which is filed with the SEC, with our reasons for recommending that you do not accept the tender offer from MacKenzie Capital. By the way, to clarify further, MacKenzie Capital has no connection to MacKenzie Partners, the proxy solicitor retained by Malkin Holdings to help address investor questions regarding our proposals. It is just a strange coincidence that they have the same name.

Another question: "What is my interest worth?"

As described in the Prospectus Consent Solicitation Statement, for each \$10,000 of original investment held by you, the exchange value is now \$323,800 if you or your predecessor consented to the voluntary capital override or \$358,670 if there has been no such consent.

The exchange value was determined based on an appraisal by Duff & Phelps, the independent valuer, to establish relative value among properties and participation interests and it does not necessarily represent the fair market value of your participation interest. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO after you vote on the consolidation proposal.

We have described in the Prospectus Consent Solicitation Statement on pages 6 through 8, the differences between the exchange values and the enterprise value, which is the value based on the IPO price. The Prospectus Consent Solicitation Statement also includes a table on page 7, showing the range of enterprise values per \$10,000 original investments based on an illustrative range of IPO prices.

Tony Malkin: Here's a question: "What is this I hear about a 10% commission to Malkin?"

There is no commission being paid by any entity or any of the participants, to Malkin. In the case of Empire State Building Associates, Malkin has been entitled to a 6% override on cash flow since inception and consents entered into voluntarily by investors in 1991, 2001 and 2008, a total of approximately 94% of all Empire State Building Associates investors agreed that Malkin would receive an override on a capital event of 10% of their distributions above a stated level. Malkin has agreed that we will not receive any other compensation from any non-consenting investors in Empire State Building Associates. There is no commission to Malkin.

Peter Malkin: The next question: "Explain to me where the 50/50 allocation of value between Empire State Building Associates and Empire State Building Company comes from."

The Prospectus Consent Solicitation Statement is very helpful here on pages 156 through 158 and pages 238 through 243, which explain the history of my father-in-law's and my acquisition of the Empire State Building. We structured the transactions creating the two-tiered entity properties. Our intent was to create a structure that had the same economic attributes as a 50/50 joint venture while protecting our investors from double taxation and from unlimited personal liability.

Just as an aside, I encourage you, after this call, to go to the website and take a look at our letter of May 11, 2012 and our video on the two-tier ownership structure, which is also on the DVD we sent to you. The letter and the video lay out the details and benefits of this structure which was really driven by the tax code at that time.

The two entities have always functioned economically as a 50/50 partnership. For example, Empire State Building Associates and Empire State Building Company have historically shared the cost of building improvements on a 50/50 basis. Empire State Building Associates and Empire State Building Company have historically shared financing costs on a 50/50 basis. And after basic rent is paid to Empire State Building Associates and the first \$1 million of profit is retained by Empire State Building Company, all overage rent is divided on a 50/50 basis. Empire State Building Associates does not operate the Empire State Building, nor does it make decisions about capital expenditures, leasing, repairs, maintenance, use of property cash flow or any other decision regarding the operation of real estate. All of these matters are under the exclusive control of its operating lessee, Empire State Building Company. Cooperation of Empire State Building Company also is required to mortgage the property efficiently because both positions are generally required as collateral for any financing of size.

In addition, Empire State Building Associates cannot sell the entire property without the cooperation of Empire State Building Company. If Empire State Building Associates sold its interest without Empire State Building Company joining in the sale, the property sold by Empire State Building Associates would continue to be subject to Empire State Building Company's operating lease. Accordingly, a buyer would be subject to Empire State Building Company's continuing to determine leasing, repairs, capital expenditures, property operation and use of cash flow from the property and all issues which determine property performance and lease payments to Empire State Building Associates.

When my father-in-law, Lawrence A. Wien, and subsequently, my father-in-law and I, structured the transactions, LLCs and operating lessees prepared the operating agreements established in the structure and marketing of these investments, the intent of those who created the structure and drafted the agreements from the beginning was to achieve the economic attributes of a 50/50 joint venture. The primary objective of the unique format of the documents we used was to establish a joint venture treatment which would share profits and offer the subject LLC investors favorable flow-through tax treatment for U.S. federal income tax purposes. They did not call it a joint venture to protect the passive investors from general partner liability for building operations. The facts at the time, dictated the transaction structure. This is the same structure my father-in-law used for many deals during the time the tax code was written that way and they all operated in the same way. Allocations similar to the 50/50 joint venture format have been confirmed by independent valuers, approved by the investors and used to allocate sale proceeds in prior sales of properties supervised by Malkin Holdings. This is all laid out in detail in the Prospectus Consent Solicitation Statement on pages 238 through 243.

By the way, contrary to what we believe has been incorrectly stated by certain parties, the Malkin family does not benefit from the 50/50 allocation. The Malkin Group's interest in Empire State Building Associates is significantly higher; over 15.4% in the Empire State Building Associates versus approximately 6.7% in Empire State Building Company, meaning that it would be in our economic interest for more value to be allocated to Empire State Building Associates. However, we do not believe that would be historically consistent or fair and we have committed to be bound by the allocation by the independent valuer, Duff & Phelps.

Tony Malkin: Here's another question. What is the distribution for March 2013 for Empire State Building Associates?

Well the amount of this distribution has not yet been determined. It will depend, amongst other things, upon a calculation of the 2012 income of the operating lessee and the determination of the reserves needed for 2013. After the distribution amount is determined, we will include it in a supplement to the S-4, which will be filed with the SEC, posted on our website and mailed to investors.

Tony Malkin: Another question: "What will happen to my distributions if the transaction goes forward?"

We believe that there is a greater potential for your distributions to go up more over time as a part of this transaction than if you stayed just with the status quo. In the Prospectus Consent Solicitation Statement, we provided an estimate of expected annual distributions to investors in each of the groups for which a vote is to be taken. On pages 183 through 189 of the Prospectus Consent Solicitation Statement, you can find a comparison of what our estimated distributions for 12 months ending September 30, 2013 will be in comparison to the average annual distribution Empire State Building Associates investors received for the five years ended December 31, 2011, showing that the estimated distribution for the 12-month period is greater than this average annual distribution.

We also believe your distributions will be less subject to fluctuation and are expected to be paid four times each year, once each quarter, as opposed to the historic practice of a small, regular distribution and an annual overage rent payment, which is inconsistent and only payable to the extent of available cash flow.

As stated in our Prospectus Consent Solicitation Statement, letters and videos, REITs are required to distribute at least 90% of REIT taxable income annually. The post-IPO REIT will have no need to maintain property level reserves at each property. There will be many more and more efficient ways to access the capital markets.

There are many reasons why we believe participants have a greater potential for increased distributions following the transaction, than the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Here is another question: "I was told the Empire State Building is nearly completely turned around, needs very little additional investment and has upside with no risk. Is that true?"

No, that is not true. The Empire State Building consists of 2.7 million square feet of office space, which includes space leased to broadcasting tenants and the observatory and 169,215 feet of retail. While its management transitioned from Helmsley-Spear in August 2006 and the plans for its turnaround program were announced in October 2007, the program is not complete. While the lobby has been restored and the observatory largely upgraded and new leases concluded to new tenants for over 1.5 million square feet of office and retail space, costs remain for the completion of the comprehensive program for renovation and repositioning of the Empire State Building. As of September 30, 2012, we estimate additional capital costs at the Empire State Building to range between \$185 million and \$225 million through 2016. This does not include additional costs for tenant improvements, leasing commissions and other expenses on the spaces which have not been leased to new tenants.

The portfolio-wide renovation and repositioning program at all the other properties proposed to be consolidated, is expected to be substantially completed by the end of 2013, while the work and expense at the Empire State Building are anticipated to continue through 2016.

Additional Empire State Building Associates related risks disclosed in the Prospectus Consent Solicitation Statement, include risks of terrorist attack and competition to the Empire State Building's observatory and broadcasting operations from the new One World Trade Center observatory deck and broadcast antenna, as well as the existing broadcast operations at 4 Times Square. We are prepared for and are addressing the remaining costs for improvements and leasing, as well as the security and competitive threats, but it is not accurate to say the Empire State Building turnaround is near completion and the asset performance is assured with little additional expense and no risk.

If the consolidation does not go forward, it is possible that Empire State Building Company may not approve additional borrowings to fund these costs, in which case, Empire State Building Company may use cash flow resulting in immediate and sustained reductions or cessation of overage rent, or may either defer or not make such expenditures at all.

Peter Malkin: And the next question: "I was told that it would be easy and just as good for the Empire State Building or Empire State Building Associates to become a REIT on its own. Is that true?"

No, and nor do we believe that it is realistic or desirable. There is no professional expert investing in REITs who has told us

anything but the opposite. Any Empire State Building-only REIT would require the consent of Empire State Building Company, which is controlled by the Helmsley estate and the Malkin family, which have not consented to such a transaction.

We have been advised that a single asset REIT is not typical and most potential REIT investors, the great majority of which are institutional investors, would not react favorably to such a REIT. Such investors much prefer the diversification of risk from a consolidated portfolio of quality properties. One reason is that a stand-alone REIT would bear many of the same ongoing expenses of a REIT owning a portfolio of properties without the benefit of other properties to share them with. We believe these expenses and single-property risks would make it less attractive to investors and diminish value to Empire State Building Associates participants. There would be, by the way, more time and money required to pursue such a transaction and without Empire State Building Company cooperation, an Empire State Building Associates stand-alone REIT, would not fix the biggest problem in the status quo, an inefficient and archaic organizational structure, poor access to capital markets and unpredictable distributions which are determined as a result of decisions by an operating lessee, over which Empire State Building Associates has no control.

A further question: "I was told that the other properties are low quality. Won't those properties decrease the value of my investment?"

No. Our strategy for redevelopment of Empire State Building was based on our prior successful redevelopment of other office and retail properties proposed to be part of the consolidation and IPO. Those properties have been recognized with industry awards, are well located and have a roster of quality tenants. The Prospectus Consent Solicitation Statement includes property descriptions, awards won by these other properties and a listing of high quality tenants like Kohl's, eBay, JP Morgan Chase, Aetna Insurance, which are in these buildings. Our website and DVD also includes short video tours of the properties.

Tony Malkin: Next question: "Is it true that the Empire State Building has been undervalued relative to the other properties in the IPO?"

No, we do not believe that is true. As we have said, all the buildings were valued independently by Duff & Phelps but also as we mentioned, the Empire State Building is only 34% of the square footage of the total portfolio, but it would receive more than 56% of the total consideration in the consolidation. This recognizes the unique value of the building and, we believe, fully values the building relative to the other properties.

Here's another question: "Is it true that Empire State Building has more upside and I will lose that in the proposed consolidation and IPO?"

No, that's not true. Again, Duff & Phelps took into account the expected future performance of all of the properties in determining their exchange values. This includes Empire State Building's office, retail, broadcast and observatory operations. Empire State Building's potential, yielded the highest exchange value per square foot of any building in the portfolio.

Here's a question: "What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by Empire State Building Associates?"

If you vote against the consolidation, you do not vote or you abstain, and Empire State Building Associates participates in the consolidation, your participate interests will be subject to a buyout. The buyout amount for your interest would be substantially lower than the exchange value. The buyout amount, which is equal to the original cost, less capital repaid but not less than \$100 is currently \$100 for the interest held by a participant in Empire State Building Associates as compared to the exchange value of \$323,800 or \$358,670 if you are not subject to the voluntary capital override per \$10,000 original investment for Empire State Building Associates.

A participant in Empire State Building Associates who voted against the consolidation or the third party portfolio proposal, or abstained, as applicable, or that did not submit a consent form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required super-majority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buyout and will participate on the same basis as the other participants who approved the consolidation or third party portfolio transaction.

Peter Malkin: Another question: "Could Empire State Building Associates purchase the Helmsley estate's interest?"

We do not believe that this is realistic. Empire State Building Associates receives a low basic rent and highly variable overage rent from Empire State Building Company to cover costs and to service and repay loans. Empire State Building Company is not required to operate in such a way as to maximize cash flow or overage rent payments to Empire State Building Associates. Based on our extensive experience in financings, including three financings relating to the Empire State Building since 2001, we do not believe that Empire State Building Associates would be able to borrow the necessary amounts to acquire the Helmsley estate's interest. In addition, Empire State

Building Associates would need a new consent from Empire State Building Associates participants and from Empire State Building Company for any such financing.

One person, who was incorrectly described by the Edelman's, and those working with them as an accountant and an Empire State Building insider, who spoke in favor of this strategy, has since sent to all Empire State Building Associates investors, a letter saying that he personally had not done any work to determine whether this could be financed and achieved and did not mean to hold himself out as someone who could engineer and execute such a transaction. The Helmsley estate and the Malkin family, whose consents would be required for Empire State Building Company to proceed, have committed to a different path. We do not believe that this approach is either credible or feasible.

Tony Malkin: Here's another question: "Can't things just stay the way they are? Why can't we just have the status quo?"

Well, things can't stay the way they are, nor can we continue with the status quo. Leona Helmsley's estate must sell its interest in Empire State Building Associates operating lessee, Empire State Building Company. This is not an option. It is a requirement under the will of Leona Helmsley. The Helmsley estate's interest and the Malkin family's interest hold equal veto rights on decisions made by Empire State Building Company. Empire State Building Company decisions control property operations and use of cash flow, thus determining the amount of cash available for Empire State Building Associates' distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or group, which would then have such veto on decisions by Empire State Building Company, thereby creating the potential for stalemate and the resulting impairment of Empire State Building Associates' distributions.

We believe that reality dictates that the best decisions and conditions change over time. The tax code which drove my grandfather and father to structure the purchase of the Empire State Building has changed. Financing and operations are different today than in the past; more than 50 years ago. Technology, rules and business have become more complex and the structures of yesterday do not allow us to address efficiently, the challenges and opportunities of today. We believe the status quo does not make sense any longer.

Let me briefly touch on where we go from here. We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building; One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period. The end of that 60-day period is March 25th, 2013. The longer it takes to approve the proposed consolidation and IPO, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses and, the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all of these benefits will only occur if the vote for the consolidation and IPO are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

You may already have been contacted by representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners, Inc. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote. You can also contact Malkin Holdings directly through our website or by phone at 1-888-410-7850. Again, that toll-free number is 1-888-410-7850.

A transcript of comments and questions and answers from this call will be available on our website, along with all of the other materials to which I referred earlier in the call. Remember, the website address is www.empirestaterealtytrust.com.

That's all one word, www.empirestaterealtytrust.com.

Peter Malkin: Thank you very much for listening and as always, we appreciate your support.

Operator: Thank you, Mr. Malkin. This concludes our call today. Thank you all for participating.

Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in 60 East 42nd St. Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings, including the Prospectus Consent Solicitation Statement, which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Investors are urged to review the Registration Statement on Form S-4, the Prospectus Consent Solicitation Statement, which you have received, and other related documents now filed, or to be filed, with the SEC, because they contain important information. You can obtain them, without charge, on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the Prospectus Consent Solicitation and the supplements relating to the individual entities by contacting Ned H. Cohen at Malkin Holdings LLC.

Because of scheduling limitations and to give maximum flexibility in accommodating such a large number of calls, this call has been prerecorded.

A transcript of comments by the Malkins and questions and answers from this call will be available on our website, www.empirestaterealtytrust.com and also be filed with the SEC and available on its web site at www.sec.gov.

With that, I will turn the call over to the Malkins.

Tony Malkin: Thank you, Operator. I am Tony Malkin and my father and I would like to welcome you all and thank you for participating. We're going to start with some remarks and then move to question and answer. We will be on the phone between one and one-and-a-half hours. We're very happy to speak with you. We hope that you have, or will, review some key materials we have sent to you and which are also on our website. The videos and some other of the information on our website, including instructions on how to fill out your Consent Form, are also on the DVD we sent with the Proxy Consent Solicitation Statement and other solicitation materials.

We are committed to answering every question you may have to help you understand why we are making this important recommendation. We will answer the most commonly asked questions in the time we have available on today's call. If you have submitted questions not answered on this call, we will reach out to you individually in a separate call. If you have new questions, you can make a toll-free call to our proxy solicitor at 1 (888) 410-7850, or reach us through our website at www.empirestaterealtytrust.com. Again, the toll-free number is 1 (888) 410-7850 and the website address is www.empirestaterealtytrust.com, and I'll spell that out for you. It's all one word www.empire, that's E-M-P-I-R-E, state S-T-A-T-E, realty R-E-A-L-T-Y, trust T-R-U-S-T, dot com. We will also repeat the phone number and the website at the end of the call.

Now, let's get started. Dad?

Peter Malkin: Thanks, Tony, and thank you all for joining us today. As many of you know, I began my work for you in 1958, when I joined my late father-in-law, Lawrence A. Wien, for what became a wonderful partnership spanning more than 30 years. I was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son Tony joined me in 1989.

Before we get into the detail on the proposed transaction, I want you to know that we considered many other options, including leaving things as they have been, before deciding that the consolidation of properties into one publicly traded Real Estate Investment Trust, or REIT, is a unique opportunity in the life of these investments and the best course of action for the almost 5,000 investors we represent. The purpose of today's call is to explain to you why we believe this transaction will benefit you. Now that our S-4 is effective with the SEC, we are in a position to answer any question you have.

This proposal did not come about overnight. In fact, we have been working on it for nearly three years. All during this time I have been reflecting upon my career and the innovative investments created by my father-in-law starting in 1934. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring profitable investment, liquidity and choice. Although he is no longer with us, I am sure that my father-in-law, Lawrence A. Wien, would have had the same enthusiasm and endorsement for our plans.

Tony and I are going to walk you through the details, but in a nutshell, we believe that the transaction we are recommending is a big improvement for every investor. We believe our proposed transaction, which offers you a 100% tax-deferred option, gives you tremendous benefits, including the following:

Every investor will have the opportunity for liquidity after an initial lock-up period, when and if he or she decides it is appropriate, and when he or she choose liquidity they will be able to do so by selling shares or units on the New York Stock Exchange.

Second, all investors in the REIT are expected to receive ongoing distributions which we believe offer greater potential to increase more over time than if the status quo remained.

Third, we believe this greater potential for increased distributions results from the cumulative performance of many excellent properties, instead of just relying on one property, better financing, more efficient operation and potentially beneficial acquisitions.

Fourth, the proposed REIT will operate under Corporate Governance Guidelines, providing investors with increased transparency, accountability, and a simplified and more timely tax filing.

Finally, again, you have the option to exchange your current interest for an interest in the operating partnership of the REIT in a manner that is expected to be 100% tax-deferred.

My family, as you know, has interests in this building, just like you, and I would not be proposing this if I did not think it would benefit all investors.

Now, Tony will describe some of the benefits of the proposed transaction in more detail.

Tony Malkin: Thanks. Let me begin by addressing why we believe it is in your interest to vote for the proposed transaction. Obviously, the ability we were able to create for each of you to participate in what is expected to be a 100% tax-deferred transaction is the starting point. After that, the first key benefit is the opportunity for you to continue to own valuable and important real estate with a more stable and what we believe is greater potential for increasing distributions than your existing investment.

Combining properties creates the potential for more stable distributions through the greater performance stability of many properties, rather than just one. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing. Unlike the current structure, where distributions beyond a minimum are discretionary and based on the need to establish reserves, REIT dividends must be at least 90% of the REIT's annual taxable income. We expect they would be paid every quarter. We also believe that you have greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation than as a participant in your subject LLC. The REIT will have better access to capital markets, streamlined financial reporting and a simplified management structure that increases efficiency. The REIT also expects to maintain modest leverage, which should allow the REIT to pursue acquisitions that could increase its cash flow, potentially allowing for further growth and enhanced distributions.

Another factor is our current need to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time to time. As a REIT, we will no longer have to hold cash reserves in each individual entity. In fact, there will be a one-time distribution of whatever available cash reserves there are, at or just after, the consolidation and IPO. And there is no need to establish property level reserves by the REIT any longer. If the transaction proceeds, in addition to the one-time distribution of cash reserves, the REIT will reimburse all transaction expenses out of IPO proceeds, thereby increasing the funds available for such one-time distributions at the time of the IPO. Finally, each investor will receive their portion of the \$55 million Class Action Settlement Fund, subject to court

approval, but this one-time distribution and the receipt of such will occur only if the proposed transaction moves forward. If our proposed consolidation and IPO are not approved, these three one-time distributions will not occur.

In the Prospectus Consent Solicitation Statement, which is in the form in the final S-4, we have estimated what dividends would be for the REIT during the 12-month period ending September 30, 2013. The presentation of this 12-month estimate in the Prospectus Consent Solicitation Statement is the market convention for REIT IPOs and is consistent with SEC guidelines. Importantly, for most investors, including those investors in the Empire State Building, the estimated distributions in the S-4 are projected to be higher than under the status quo historical average distributions, and over the longer term we believe that all investors will have the greater potential for increasing distributions than they currently have, for all the reasons I just mentioned. Remember, REIT taxable income will be determined by the performance of the Portfolio of Properties and is unaffected by the Company's stock price. While the price of shares may go up and down, that will not change the requirement to pay dividends of at least 90% of REIT taxable income on an annual basis.

Dad?

Peter Malkin: Another significant benefit is the potential for liquidity at a time of your own choosing. Just to be clear, under the proposed consolidation and initial public offering there is never any requirement that you sell your shares for cash. Many of you may wish to keep your interest for you and your family and to continue receiving expected regular steady distributions, which we believe offer greater potential to increase more over time than if the status quo remained. That's fine. And because you have the option of choosing what is expected to be a tax-deferred security, you have the ability to avoid realizing a capital gain until the time of a future capital transaction, such as when you may decide to sell, and your family may avoid the capital gain tax completely if you hold onto your units for life and they are given a stepped-up basis in your estate.

I should note at the outset that the Malkin family intends to hold its shares and units, but others may wish to liquidate all or a part of their investment. I can't think of a case in which your investment is not worth many times what you or one of your predecessors paid for it, but currently there is no efficient public market for you to sell your interest in its present form. While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares or units any time you like and to sell all or part of your interest any time you choose, following the initial lock-up period.

Another benefit of the transaction is Corporate Governance. Investors would own shares in a publicly traded company with a centralized experienced management team. The management team would report to a board comprised of six independent directors and my son Tony. A full set of biographies of the six proposed Independent Directors is in the Prospectus Consent Solicitation Statement. Importantly, each Board Member has successful experience in real estate, public companies, or both. As a public company, your Board has a fiduciary responsibility to all stock holders and will be accountable to you, and those of you with voted securities would elect the Board Members and vote on certain other corporate matters each year. This is in contrast to your current investment where you have no vote.

You should also enjoy greater legal protections. As a public company with securities listed on the New York Stock Exchange, you would have all the protections afforded all public stockholders through the SEC, the New York Stock Exchange, and the new Dodd-Frank Rules and Regulations.

Another benefit is simplified tax filing, instead of receiving a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing. Class A or B common stock shareholders will receive one Form 1099, and OP unitholders will receive one Form K-1. The REIT has committed to make efforts to deliver all of these forms by March 31st of each year, so you will not have to file your returns on extension.

So, in summary, we believe there are many benefits to the proposed transaction. We believe all investors will benefit through ongoing distribution, with the greater potential to increase through property performance, better financing, more efficient operations, and beneficial acquisitions. The potential for increased distributions and stock price capital appreciation over time benefits all investors. You will enjoy modern Corporate Governance, an accountable Board of Directors, greater transparency and simplified tax filing. In our view, when you consider all these benefits, your decision to vote for the consolidation and IPO should be an easy one.

Dad?

Peter Malkin: We also think it's important for everyone to consider what will happen if the transaction does not move forward. Were that to occur, you will continue to own an illiquid interest in an entity that owns a partial interest in a single property. This means you are not likely to obtain a true and efficient market price for your interest and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing. You will also continue to be subject to an ownership structure that is universally recognized as archaic, which limits your rights and the value of your investment and which is potentially subject to damaging deadlocks.

Also, because you currently rely only on the performance of one property, any major expenditure unique to your property, or major tenant failure, will impact you directly and not be mitigated by the performance of other properties. In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and to the decisions made by the operating lessee, over which you have no control. Without the consolidation, there will not be the same access to growth through acquisitions and therefore you will forego the positive impact such acquisitions could have on distributions. Your entity will not be reimbursed for the transaction expenses incurred over the past several years and your entity will not make the one-time distribution to you of such reimbursement amount, plus its excess reserves. You will not receive any settlement payment. And finally, your tax filing will remain complex and subject to delays beyond April 15th each year.

Tony Malkin: Thanks, Dad. If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include a 100% tax-deferred operating partnership, or OP, units that do not have voting rights, a 98% tax-deferred combination of Class B common stock and OP units that would have the same voting rights as if you had selected only Class A common stock, or fully taxable Class A common stock with full voting rights. Each one of these options will provide you with ownership in prime, improved, or improving, office and retail real estate in Manhattan and the Greater New York Metropolitan Area, and importantly, no matter which security you choose, you can expect to receive regular quarterly distributions with the greater potential for increased distributions and capital appreciation than your current investment.

Let us discuss a little more what each of these securities is and what the general tax implications would be.

Peter Malkin: I'll begin with the OP units. OP units are expected to be 100% tax deferred, meaning that tax would be owed on any gain on your investment only at the time of a future capital transaction, such as when you decide to sell or the property owned by your entity is sold. OP units will also be listed on the New York Stock Exchange, but have no vote in the REIT. If and when OP unitholders decide to liquidate, however, they would not have to sell their units on the Exchange. Beginning after one year, they would also have the option of exchanging their OP units for cash at the then price of the Class A shares or, at the REIT's option, to receive Class A shares one for one. As detailed in the Prospectus Consent Solicitation Statement, some of your OP units are permitted to be sold immediately, and up to 50% can be sold after six months and all or any part of your holdings may be sold at any time starting 12 months after the initial public offering.

Another alternative is a combination of OP units and Class B shares. Because OP units do not have voting rights, we are offering the

option to receive Class B shares instead of 2% of the OP units you would otherwise receive. So, for example, if you were eligible to receive 100 OP units, you could instead choose 98 OP units and two Class B shares. Class B shares are different, in that each carries the same voting rights as 50 Class A shares. So, you, by choosing two Class B shares, would have the same voting rights as if you chose 100 Class A shares. However, receipt of Class B shares is taxable at the time of the IPO. So, instead of deferring taxes at 100% of your investment, you would defer taxes on 98% of your investment. If you decide you want to sell your Class B shares, which will not be listed on a National Securities Exchange, they are automatically converted on a one-for-one basis to Class A shares.

Tony Malkin: The final alternative is to receive Class A shares. These shares will have the same rights to distributions as OP units and Class B shares, and also carry voting rights in the REIT. However, receipt of Class A shares is taxable at the time of the IPO. As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A shares six months after the IPO and the balance 12 months after the IPO.

So, the bottom line is that we have created a structure that gives you great flexibility. You have a range of options, including to defer taxes, receive quarterly distributions and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, we received all of the required consents from those private entities, who have approved the proposed consolidation. For your reference, the Malkin family elected a combination of Class B shares and OP units, in addition to a small number of Class A shares.

If I may, let me turn this back to my father for some closing remarks.

Peter Malkin: Thank you, Tony. We hope that you have found this discussion helpful. In summary, we want to make sure you understand the following key points about this transaction:

You have the option to receive OP units which are expected to be 100% tax deferred. You would have new liquidity options through a listing of Class A common shares and OP units on the New York Stock Exchange. We believe the REIT offers a greater potential for distribution increases than the status quo. Dividends will be paid quarterly and at a minimum of 90% of REIT taxable income annually. You can diversify your assets, one of the first principles of sound investing. You will have increased growth opportunities through potential acquisitions, with better access to capital markets. You will receive a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses. You have the opportunity to receive class action settlement proceeds. For all these reasons, among others, we believe the proposed transaction is in the best interest of all investors.

And now let's begin the question and answer session.

Tony Malkin: Thank you to everyone who submitted questions. We are going to answer the most commonly asked questions. If your question is not answered, it is likely specific to your particular situation or has not been asked by any other investor and we will reach out to you individually. If you have new questions, you can reach out via the website at www.empirestaterealtytrust.com. Once again, that's all one word, www.empirestaterealtytrust.com. Or via our toll-free phone number, which is 1 (888) 410-7850. Again, that is 1 (888) 410-7850.

With that, let's take our first question: Is the MacKenzie that is doing the tender offer the same as the MacKenzie who is your proxy solicitor?

The answer is no, there is absolutely no relation whatsoever and it is purely a coincidence that they have the same name. The MacKenzie that is doing the tender offer has made prior tender offers that we have opposed or recommended against. We have separately mailed a Schedule 14d-9 to participants, which you all should have received, which states our recommendation against the tender offer.

Next, we have a question: What happens to my interest if the transaction proceeds?

Our Prospectus Consent Solicitation Statement states in several places that if your subject LLC participates in the consolidation you will have the option to exchange your current interest for one of three types of securities, as we discussed on the call earlier and as can be found on page 74 of that Consent Solicitation Statement. Those securities are, one, operating partnership units, or OP units, which are expected to be 100% tax-deferred; a combination of Class B common stock and OP units, which are expected to be 98% tax-deferred; or Class A common stock, which is 100% taxable. We, of course, cannot advise you on which security you should choose. We suggest that you consult your Financial Advisor if you are not sure which security is best for you. If you have questions about how to make your election, however, you can call us any time and we would be happy to explain further your options.

Dad?

Peter Malkin: The next question is: Will I be required to pay taxes on the consideration received in this transaction?

Our Prospectus Consent Solicitation Statement highlights in several places, including on pages 20 to 22, that if you elect to receive OP units you will not pay any tax on the consideration you receive in our recommended consolidation. You will only realize a capital gain at the time of a future capital event, such as when you decide to sell your interest or if the property owned by your entity is sold at some point in the future. If you choose OP units, the entire transaction, as set forth in the Prospectus Consent Solicitation Statement, is expected to be 100% tax deferred for you.

Tony Malkin: The next question is: Who is Duff & Phelps and how can I feel comfortable that their work has given me fair value for my interests in the consolidation?

As stated in our Prospectus Consent Solicitation Statement, given our family's role in owning interests and in supervising all the entities in our consolidation, we wanted an independent third party to produce the exchange values and render a fairness opinion for all participants, and we chose Duff & Phelps to do this work. We chose Duff & Phelps because we wanted the work to be performed by an independent group. Duff & Phelps is an internationally recognized firm with an excellent reputation for valuation services across all industries, and it provides these for a broad variety of real estate firms.

The Prospectus Consent Solicitation Statement, on pages 235 through 254, describes in detail how Duff & Phelps did its work. They began by requesting and receiving historical and current information and market data, which we delivered to them from our records and from the third-party managing agents. They then appraised the value of each of the properties, the development site and the management companies to be included in the REIT. Then Duff & Phelps calculated the exchange value for each property. Each of the properties will receive its proportionate share of the consideration in the consolidation based on its proportionate share of the aggregate exchange value. This results in the value of each entity relative to the others, which is how the consideration in the consolidation is being allocated to you. The exchange value for each entity was then allocated to the participants and the override interests, in accordance with the organizational documents for each entity. In this way, all values were established in the same way, including our own values.

The valuation materials which Duff & Phelps provided to us are attached in the materials you received as Appendices A and B to the Prospectus Consent Solicitation Statement, and the financial projections used by Duff & Phelps in its exchange valuation process for all the properties are attached as Appendix C. I can also tell you that we believe the valuations are fair, that our interests have been valued in the same way, and that we will be voting in favor of the transaction.

Peter Malkin: The next question is: Is there a deadline to vote?

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period, which would take us out to March 25, 2013. The longer it takes to approve the proposed consolidation and initial public offering, the greater will be the expenses borne by all investors, the longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses, and the longer it will take for you to receive your share of the class action settlement proceeds. Importantly, all these benefits will occur only if the vote is for the consolidation and initial public offering and the consolidation and initial public offering are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can, so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

Tony Malkin: Here's another question: "Who pays for all the materials that have been sent out in connection with the proposed transaction?"

The more voluminous materials that have been distributed were necessary to meet SEC requirements. In addition, we have sent out a series of letters and other shorter materials that we felt were necessary to keep all investors apprised of certain developments relating to the proposed transaction. With agent authorization under the original agreements for your investment, the costs are initially being shared by your LLC, along with all the other public and private entities supervised by Malkin Holdings that would participate in the consolidation.

If the consolidation is approved and closes, the new REIT will reimburse each of the entities for its share of these costs and the amount reimbursed will be distributed to you and the other participants in cash at, or soon after, the IPO.

If the consolidation is not approved, each entity's expense is unreimbursed, and no such distribution will be available.

Peter Malkin: The next question: How did the Malkins get their override interests?

The Prospectus Consent Solicitation Statement sets forth the variety of overrides from different ownership groups to which the Malkin Group is entitled. Some of these overrides have been in place since the creation of each investment. Some were put in place at later dates. Every one of these overrides was either included in the organizational documents when investors agreed to make their investment or has been consented to, in writing, by the investors in the entities.

Tony Malkin: This question: Isn't Malkin Holdings going to continue to get management fees, commissions from leasing, and supervisory fees, once the consolidation is concluded and the REIT goes forward?

No, that's not true. Today, Malkin Holdings receives no management fees or commissions from any of the properties involved in this consent. All Malkin Holdings receives is its supervisory fees and its overrides, when payable. All Malkin Holdings fees and entitlements were valued as part of Duff & Phelps' work. When the consolidation and IPO move forward, Malkin Holdings will receive no more fees. All Malkin Holdings will get is its ownership in the REIT.

Peter Malkin: The next question: What is the Malkins' entitlement to these override interests?

The Prospectus Consent Solicitation Statement points out that the overrides are written contracts entered into by you, the family member from whom you inherited your interest or the party from whom you acquired your interest when the investment was made or at some point

thereafter. Every one of these agreements is available for inspection. The Malkins are entitled to distributions on the override interests out of the proceeds from a capital transaction. As the REIT will acquire each building in which you are a participant, the proposed consolidation is a capital transaction. The proposed consolidation represents a transfer to a new entity with substantial additional assets, substantial new investors, and a new governance structure, in no way a continuation of the prior entities for the same investors.

Tony Malkin: This question: When do you expect the consolidation and IPO to be completed?

We plan to complete the consolidation as soon as possible, after receipt of the approval by the required vote of your subject LLC's participants, and the approval by the required vote of the other subject LLCs' participants for inclusion. At that time, we will measure the market and calendar for other public offerings and choose the best timing for the IPO. By its terms, the consolidation and IPO are required to be completed no later than December 31st, 2014, but we are certainly hoping to wrap it up long before that date.

Another question: When can I sell OP units or shares of Class A and Class B common stock of the REIT after the consolidation and IPO?

First of all, please keep in mind Class B common stock cannot be sold, it can only be exchanged for Class A common stock to be sold, and that can take place 12 months after the offering. As explained in the Prospectus Consent Solicitation Statement and in our videos, after the closing of the consolidation and the IPO every participant, except the Malkin family, will have the ability to sell up to 50% of both the OP units and Class A common stock received in the consolidation at any time after the 180th day following the IPO pricing date, and the balance of the OP units and Class A common stock 12 months after the IPO pricing date. In addition, each participant that receives OP units may, immediately following the consolidation and the IPO, sell up to 4% of the OP units issued to him or to her. And I would point out that the Malkin family has a longer lock-up.

The next question: When are OP units exchangeable for shares of Class A common stock?

Twelve months after the completion of the IPO each OP unit will be exchangeable for the then cash value of a share of Class A common stock or, at the REIT's election, one share of Class A common stock.

Peter Malkin: Another question: What about all these lawsuits against the Malkins over this deal? There are five of them. Doesn't that mean that the Malkins have done something wrong?

No. Virtually all large deals get challenged in court. These claims now have been settled with no admission of wrongdoing. In fact, after plaintiffs' counsel reviewed thousands of documents and interviewed many witnesses, the plaintiffs now intend to support the proposed transaction.

Here is a new question: "How will the challenge to the Class Action Settlement affect this transaction?"

Our Consent Solicitation toward the consolidation and IPO continues without interruption. Importantly, this class action challenge is not a new lawsuit, but rather a motion filed by a handful of investors in Empire State Building Associates seeking to block the settlement reached by us and investors representing all entities proposed for the consolidation last September. Objections are common in these types of proceedings and we see no change in the timing for our ongoing vote and the completion of our proposed IPO within the timeframe of the consent as it is presently proposed. This is one set of plaintiff's attorneys suing another set of a plaintiff's attorneys. While the litigators are suing each other, we intend to focus on operating the properties and partnerships and getting the consent done for the good of all investors.

Here's another new question: "Can you please explain the third party proposal we are being asked to vote on? Is it the same as the tender offer?"

In our Consent Solicitation, we are asking for authority to enter into a third party portfolio transaction under which the entire portfolio which would have gone into the REIT would instead be acquired by an unrelated third party. In that case, the REIT wouldn't be formed. We believe it would be beneficial for you to consent to this proposal to provide us with the flexibility to accept a proposal from a third party if we determine that the price in the transaction includes an adequate premium above the value expected to be realized, over time, from the REIT formation. There are clear requirements written in our Consent Solicitation documents for any third party portfolio transaction. The price must be at least 115% of the aggregate exchange value of all the public and private entities included in the transactions.

No member of the Malkin family can be related to the third party buyer or receive any special benefit from such a sale. If a sale were to occur, the Malkins would have no further involvement with any of the properties; not as investors, executives or board members. The Malkins would be cashed out just like any other investor.

Of course, if we receive a bona fide offer, we will disclose the offer. Such third party portfolio sale is unrelated to the tender offer. We have sent all investors a copy of a Form 14D-9, which is filed with the SEC, with our reasons for recommending that you do not accept the tender offer from MacKenzie Capital. By the way, to clarify further, MacKenzie Capital has no connection to MacKenzie Partners, the proxy solicitor retained by Malkin Holdings to help address investor questions regarding our proposals. It is just a strange coincidence that they have the same name.

Tony Malkin: Here's a question: What is my interest worth?

As described in the Prospectus Consent Solicitation Statement, for each \$10,000 of original investment held by you, the exchange value is now \$402,660. The exchange value was determined based on appraisals by Duff & Phelps LLC, the independent valuer, to establish relative value among properties of participation interests, and it does not necessarily represent the fair market value of your participation interests. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO, after you vote on the consolidation proposal. We have described, on pages 6 through 8 of the Prospectus Consent Solicitation Statement, the differences between the exchange value and the enterprise value, which is the value based on the IPO price. The Prospectus Consent Solicitation Statement also includes a table, on page 7, showing the range of enterprise values per \$10,000 original investment unit based on an illustrative range of IPO prices.

Peter Malkin: Another question: What will happen to my distributions if the transaction does go forward?

We believe that there is greater potential for your distributions to go up more over time as part of this transaction than if you stayed with just the status quo. In the Prospectus Consent Solicitation Statement, we've provided an estimate of expected annual distributions to investors in each of the groups for which a vote is to be taken. On pages 183 through 189 of the Prospectus Consent Solicitation Statement, you will find a comparison of what our estimated distributions for the 12 months ending September 30, 2013 will be to the average annual distributions to investors in 60 East 42nd Street Associates for the five years ended December 31, 2011, showing that the estimated distribution for the 12-month period is greater than this average annual distribution. We also believe your distributions will be less subject to fluctuation and are expected to be paid four times per year, once in each quarter, as opposed to the historic practice of a small regular monthly distribution and an annual average rent payment, which is inconsistent and only payable to the extent of available cash flow.

As stated in our Prospectus Consent Solicitation Statement, letters and videos, REITs are required to distribute at least 90% of REIT taxable income annually. The post IPO REIT will have no need to maintain property level reserves at each property. There will be many more and more

efficient ways to access the capital markets. There are many reasons why we believe participants have greater potential for increased distributions following the transaction than in the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Tony Malkin: Here's another question: Can't things just stay the way they are? Why can't we just have the status quo?

Things can't stay the way they are and the status quo cannot continue. Leona Helmsley's estate must sell its interest in your operating lessee. It is not an option. It is a requirement under the will of Leona Helmsley. The Helmsley estate owns a 30% interest in the operating lessee. Any purchaser of the Helmsley estate interests will be able to have significant influence over the decisions made by the operating lessee. The operating lessee's decisions control property operation and use of cash flow, thus determining the amount of cash available for distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or group which would then have the ability to exercise substantial influence over decisions, thereby creating the potential for decisions which impair distributions.

We believe that reality dictates that the best decisions and conditions change over time. The Tax Code which drove my grandfather to structure the purchase of One Grand Central Place has changed. Financing and operations are different today than in the past, technology, rules and business have become more complex, and the structures of yesterday do not allow us to address efficiently the challenges and opportunities of today. We do believe the status quo does not make sense any longer.

Peter Malkin: What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by my entity?

If you vote against the consolidation, you do not vote or you abstain, and your subject entity participates in the consolidation, your participation interest will be subject to a buy-out, pursuant to a buy-out amount that would be substantially lower than the exchange amount. The buy-out amount for an original \$10,000 participation is currently \$100, as compared to the exchange value of \$402,660 per \$10,000 original investment. A participant that voted against the consolidation or the Third-Party Portfolio proposal, or abstained, or that did not submit a Consent Form, may change his or her vote to a vote in favor of the applicable proposal within 10 days after receiving written notice that must be given by the supervisor that the required supermajority consent has been received by such participant's participating group. In such case, his or her participation interest will not be subject to the buy-out and will participate on the same basis as other participants who approved the consolidation or third-party portfolio transaction.

Tony Malkin: Let me briefly touch on where we go from here. We now have begun the process of soliciting consents from Investors in the three public LLCs that own interests in the three properties, the Empire State Building, One Grand Central Place, and 250 West 57th Street. The operating lessees of these three properties have already provided their consents. By law, the solicitation period must last at least 60 days after the beginning of the solicitation period. The end of that 60-day period is March 25th, 2013.

The longer it takes to approve the proposed consolidation and IPO, the greater will be the expenses borne by all investors. The longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses, and the longer it will take for you to receive your share of the class action settlement proceeds. Importantly, all of these benefits will only occur if the vote for the consolidation and IPO are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can, so that your vote is counted and the consolidation goes as quickly as possible, to minimize ongoing expenses.

You may already have been contacted by representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners, Inc. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote. You can also contact Malkin Holdings directly through our website or by phone at 1 (888) 410-7850. Again, that toll-free number is 1 (888) 410-7850. A transcript of comments and questions and answers from this call will be available on our website, along with all of the other materials to which I referred earlier in the call. Remember, the website address is www.empirestaterealtytrust.com. That's all one word, www.empirestaterealtytrust.com.

Peter Malkin: Thank you very much for listening and, as always, we appreciate your support.

Operator: Thank you, Mr. Malkin. This concludes our call today. Thank you all for participating.



Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is the transcript of a conference call attended by participants in 250 West 57th St. Associates L.L.C.

Operator: On behalf of Malkin Holdings, hello and welcome to this conference call to discuss the proposed consolidation that will close simultaneously with an IPO. All participants have registered specifically for this call and have been checked in for this call. Each call participant has been asked to submit questions he or she wishes to pose.

Before we get started, let me remind you that today's call will contain forward-looking statements within the meaning of the Federal Securities Laws. These statements represent predictions and expectations as to future events which Malkin Holdings believes are reasonable and are based on reasonable assumptions. However, numerous risks and uncertainties could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Information about some of these risks and uncertainties can be found in the Company's SEC filings, including the Prospectus Consent Solicitation Statement, which you have received. The Company assumes no obligation to revise or update any forward-looking statements.

Investors are urged to review the registration statement on Form S-4, the Prospectus Consent Solicitation Statement which, you have received, and other related documents now filed or to be filed with the SEC because they contain important information. You can obtain them without charge on the SEC's website at www.sec.gov. You can also obtain, without charge, a copy of the Prospectus Consent Solicitation and the supplements relating to the individual entities, by contacting Ned H. Cohen at Malkin Holdings, LLC.

Because of scheduling limitations and to give maximum flexibility in accommodating such a large number of calls, this call has been prerecorded.

A transcript of comments by the Malkins and questions and answers from this call will be available on our website, www.empirestaterealtytrust.com and also be filed with the SEC, and available on its website at www.sec.gov. With that, I will turn the call over to the Malkins.

Tony Malkin: Thank you, Operator. I am Tony Malkin and my father and I would like to welcome you all and thank you for participating.

We're going to start with some remarks and then move to question-and-answer. We will be on the phone between one and one-and-a-half hours. We are very happy to speak with you. We hope that you have or will review some key materials we have sent to you and which are also on our website. The videos and some other of the information on our website, including instructions on how to fill out your consent form, are also on the DVD we sent with the proxy consent solicitation statement and other solicitation materials. We are committed to answering every question you may have to help you understand why we are making this important recommendation.

We will answer the most commonly-asked questions in the time we have available on today's call. If you have submitted questions not answered on this call, we will reach out to you individually in a separate call. If you have new questions, you can make a toll-free call to our proxy solicitor at 1-888-410-7850 or reach us through our website at www.empirestaterealtytrust.com. Again, the toll-free number is 1-888-410-7850 and the website address is www.empirestaterealtytrust.com. And I'll spell that out for you. It's all one word, www.empire—that's e-m-p-i-r-e; state, s-t-a-t-e; realty, r-e-a-l-t-y; trust, t-r-u-s-t; (dot) com. We will also repeat the phone number and the website at the end of the call.

Now let's get started. Dad?

Peter Malkin: Thanks, Tony, and thank you all for joining us today.

As many of you know, I began my work for you in 1958 when I joined my late father-in-law, Lawrence A. Wien, for what became a wonderful partnership spanning more than 30 years. I was a partner with my father-in-law and Harry Helmsley when we acquired the Empire State Building in 1961. My son, Tony, joined me in 1989.

Before we get into the detail on the proposed transaction, I want you to know that we considered many other options, including leaving things as they have been, before deciding that the consolidation of properties into one publicly-traded Real Estate Investment Trust, or REIT, is a unique opportunity in the life of these investments and the best course of action for the almost 5,000 investors we represent. The purpose of today's call is to explain to you why we believe this transaction will benefit you. Now that our S-4 is effective with the SEC, we are in a position to answer any question you have.

This proposal did not come about overnight. In fact, we have been working on it for nearly three years. All during this time, I have been reflecting upon my career and the innovative investments created by my father-in-law, starting in 1934. As I approach the end of my career, I want to make sure that our investors are given the best opportunity for enduring, profitable investment, liquidity, and choice. Although he is no longer with us, I am sure that my father-in-law, Lawrence A. Wien, would have had the same enthusiasm and endorsement for our plans.

Tony and I are going to walk you through the details, but in a nutshell, we believe that the transaction we are recommending is a big improvement for every investor. We believe our proposed transaction, which offers you a 100% tax-deferred option, gives you tremendous benefits, including the following. Every investor will have the opportunity for liquidity after an initial lock-up period, when and if he or she decides it is appropriate. And when he or she choose liquidity, they will be able to do so by selling shares or units on the New York Stock Exchange.

Second, all investors in the REIT are expected to receive ongoing distributions which we believe offer greater potential to increase more over time than if the status quo remained.

Third, we believe this greater potential for increased distributions results from the cumulative performance of many excellent properties instead of just relying on one property, better financing, more efficient operation, and potentially beneficial acquisitions.

Fourth, the proposed REIT will operate under corporate governance guidelines, providing investors with increased transparency, accountability and a simplified and more timely tax filing.

Finally, again you have the option to exchange your current interest for an interest in the operating partnership of the REIT in a manner that is expected to be 100% tax-deferred.

My family, as you know, has interests in this building, just like you. And I would not be proposing this if I did not think it would benefit all investors.

Now Tony will describe some of the benefits of the proposed transaction in more detail.

Tony Malkin: Thanks. Let me begin by addressing why we believe it is in your interest to vote for the proposed transaction.

Obviously, the ability we were able to create for each of you to participate in what is expected to be a 100% tax-deferred transaction is the starting point. After that, the first key benefit is the opportunity for you to continue to own valuable and important real estate with a more stable and what we believe is greater potential for increasing distributions than your existing investment.

Combining properties creates the potential for more stable distributions through the greater performance stability of many properties, rather than just one. Spreading your investment across a portfolio of quality properties diversifies your risk, which is a basic principle of sound investing. Unlike the current structure, where distributions beyond a minimum are discretionary and based on the need to establish reserves, REIT dividends must be at least 90% of the REIT's annual taxable income. We expect they would be paid every quarter. We also believe that you have greater potential for increased distributions as a unitholder or stockholder and increased value from capital appreciation, than as a participant in your subject LLC.

The REIT will have better access to capital markets, streamlined financial reporting and a simplified management structure that increases efficiency. The REIT also expects to maintain modest leverage, which should allow the REIT to pursue acquisitions that could increase its cash flow, potentially allowing for further growth and enhanced distributions.

Another factor is our current need to maintain cash reserves for each individual ownership entity to protect against unknowns and to cover expenses from time-to-time. As a REIT, we will no longer have to hold cash reserves in each individual entity. In fact, there will be a one-time distribution of whatever available cash reserves there are at or just after the consolidation and IPO. And there is no need to establish property level reserves by the REIT any longer. If the transaction proceeds, in addition to the one-time distribution of cash reserves, the REIT will reimburse all transaction expenses out of IPO proceeds, thereby increasing the funds available for such one-time distribution at the time of the IPO.

Finally, each investor will receive their portion of the \$55 million class action settlement fund, subject to court approval but this one-time distribution, and the receipt of such, will occur only if the proposed transaction moves forward. If our proposed consolidation and IPO are not approved, these three one-time distributions will not occur. In the Prospectus Consent Solicitation Statement, which is the form in the final S-4, we have estimated what dividends would be for the REIT during the 12-month period ending September 30, 2013. The presentation of this 12-month estimate in the Prospectus Consent Solicitation Statement is the market convention for REIT IPOs and is consistent with SEC guidelines. Importantly, for most investors, including those investors in the Empire State Building, the estimated distributions in the S-4 are projected to be higher than under the status quo historical average distributions. And over the longer term, we believe that all investors will have the greater potential for increasing distributions than they currently have, for all the reasons I just mentioned. Remember, REIT taxable income will be determined by the performance of the portfolio of properties and is unaffected by the Company's stock price. While the price of shares may go up and down, that will not change the requirement to pay dividends of at least 90% of REIT taxable income on an annual basis. Dad?

Peter Malkin: Another significant benefit is the potential for liquidity at a time of your own choosing. Just to be clear, under the proposed consolidation and initial public offering, there is never any requirement that you sell your shares for cash. Many of you may wish to keep your interest for you and your family and to continue receiving expected regular steady distributions, which we believe offer greater potential to increase more over time than if the status quo remained. That's fine. And because you have the option of choosing what is expected to be a tax-deferred security, you have the ability to avoid realizing a capital gain until the time of a future capital transaction, such as when you may decide to sell. And your family may avoid the capital gain tax completely if you hold onto your units for life and they are given a stepped-up basis in your estate.

I should note at the outset that the Malkin family intends to hold its shares and units, but others may wish to liquidate all or a part of their investment. I can't think of a case in which your investment is not worth many times what you or one of your predecessors paid for it. But currently, there is no efficient public market for you to sell your interest in its present form.

While there have been some sales over the years, we believe that they have been concluded at substantial discounts. By going public, there will be a true market price available and you will be able to see the price of your shares or units any time you like and to sell all or part of your interest any time you choose, following the initial lock-up period.

Another benefit of the transaction is corporate governance. Investors would own shares in a publicly-traded company with a centralized, experienced management team. The management team would report to a Board comprised of six independent directors and my son, Tony. A full set of biographies of the six proposed independent directors is in the Prospectus Consent Solicitation Statement. Importantly, each Board member has successful experience in real estate, public companies, or both.

As a public company, your Board has a fiduciary responsibility to all stockholders and will be accountable to you. And those of you with voting securities would elect the Board members and vote on certain other corporate matters each year. This is in contrast to your current investment where you have no vote.

You should also enjoy greater legal protections. As a public company with securities listed on the New York Stock Exchange, you would have all the protections afforded all public stockholders through the SEC, the New York Stock Exchange, and the new Dodd-Frank rules and regulations.

Tony Malkin: Another benefit is simplified tax filing instead of receiving a K-1 for each investment you have with Malkin Holdings, which is often received too late to make an April 15th filing. Class A or B common stock shareholders will receive one Form 1099, and OP unitholders will receive one form K-1. The REIT has committed to make efforts to deliver all of these forms by March 31st of each year so you will not have to file your returns on extension.

So in summary, we believe there are many benefits to the proposed transaction. We believe all investors will benefit through ongoing distributions with a greater potential to increase through property performance, better financing, more efficient operations and beneficial acquisitions. The potential for increased distributions and stock-priced capital appreciation over time, benefits all investors. You will enjoy modern corporate governance, an accountable Board of Directors, greater transparency and simplified tax filing. In our view, when you consider all these benefits, your decision to vote for the consolidation and IPO should be an easy one. Dad?

Peter Malkin: We also think it's important for everyone to consider what will happen if the transaction does not move forward. Were that to occur, you will continue to own an illiquid interest in an entity that owns a partial interest in a single property. This means you are not likely to obtain a true and efficient market price for your interest and you will significantly limit your ability to monetize all or part of your interest at a price and time of your choosing.

You will also continue to be subject to an ownership structure that is universally recognized as archaic, which limits your rights and the value of your investment and which is potentially subject to damaging deadlocks.

Also, because you currently rely only on the performance of one property, any major expenditure unique to your property or major tenant failure will impact you directly and not be mitigated by the performance of other properties.

In addition, your cash distributions will remain inconsistent and volatile, subject to the performance of a single property and to the decisions made by the operating lessee, over which you have no control.

Without the consolidation, there will not be the same access to growth through acquisitions and therefore, you will forego the positive impact such acquisitions could have on distributions. Your entity will not be reimbursed for the transaction expenses incurred over the past several years, and your entity will not make the one-time distribution to you of such reimbursement amount, plus its excess reserves. You will not receive any settlement payment. And finally, your tax filing will remain complex and subject to delays beyond April 15th each year.

Tony Malkin: Thanks, Dad. If the transaction proceeds, you will be able to choose what securities you will receive in exchange for your current interests. Your choices include 100% tax-deferred operating partnership, or OP, units that do not have voting rights; a 98% tax-deferred combination of Class B common stock and OP units that would have the same voting rights as if you had selected only Class A common stock; or fully taxable Class A common stock with full voting rights. Each one of these options will provide you with ownership in prime, improved, or improving office and retail real estate in Manhattan and the greater New York metropolitan area. And importantly, no matter which security you choose, you can expect to receive regular quarterly distributions with the greater potential for increased distributions and capital appreciation than your current investment.

Let us discuss a little more what each of these securities is and what the general tax implications would be.

Peter Malkin: I'll begin with the OP units. OP units are expected to be 100% tax deferred, meaning that tax would be owed on any gain on your investment only at the time of a future capital transaction, such as when you decide to sell, or the property owned by your entity is sold. OP units will also be listed on the New York Stock Exchange but have no vote in the REIT. If and when OP unitholders decide to liquidate, however, they would not have to sell their units on the Exchange. Beginning after one year, they would also have the option of exchanging their OP units for cash at the then price of Class A shares or at the REIT's option to receive Class A shares one-for-one.

As detailed in the Prospectus Consent Solicitation Statement, some of your OP units are permitted to be sold immediately, and up to 50% can be sold after six months. And all or any part of your holdings may be sold at any time starting 12 months after the initial public offering.

Another alternative is a combination of OP units and Class B shares. Because OP units do not have voting rights, we are offering the option to receive Class B shares instead of 2% of the OP units you would otherwise receive. So, for example, if you were eligible to receive 100 OP units, you could instead choose 98 OP units and two Class B shares. Class B shares are different in that each carries the same voting rights as 50 Class A shares. And so you, by choosing two Class B shares, would have the same voting rights as if you chose 100 Class A shares. However, receipt of Class B shares is taxable at the time of the IPO. So, instead of deferring taxes on 100% of your investment, you would defer taxes on 98% of your investment.

If you decide you want to sell your Class B shares, which will not be listed on a national securities exchange, they are automatically converted on a one-for-one basis to Class A shares.

Tony Malkin: The final alternative is to receive Class A shares. These shares will have the same rights to distributions as OP units and Class B shares and also carry voting rights in the REIT. However, receipt of Class A shares is taxable at the time of the IPO.

As with OP units, those wanting to liquidate their investment would be eligible to sell half of their Class A shares six months after the IPO and the balance 12 months after the IPO.

So the bottom line is that we have created a structure that gives you great flexibility. You have a range of options, including to defer taxes, receive quarterly distributions and maintain voting rights. This structure provides the same choices that were made available to the Malkin family and to the investors in the private entities we supervise. As you may know, we received all of the required consents from those private entities, who have approved the proposed consolidation.

For your reference, the Malkin family elected a combination of Class B shares and OP units, in addition to a small number of Class A shares.

If I may, let me turn this back to my father for some closing remarks.

Peter Malkin: Thank you, Tony. We hope that you have found this discussion helpful. In summary, we want to make sure you understand the following key points about this transaction.

You have the option to receive OP units which are expected to be 100% tax-deferred. You would have new liquidity options through a listing of Class A common shares and OP units on the New York Stock Exchange.

We believe the REIT offers a greater potential for distribution increases than the status quo. Dividends will be paid quarterly and at a minimum of 90% of REIT taxable income annually.

You can diversify your assets, one of the first principles of sound investing.

You will have increased growth opportunities through potential acquisitions with better access to capital markets.

You will receive a one-time distribution of cash reserves and reimbursement of consolidation and IPO expenses.

You have the opportunity to receive class action settlement proceeds.

For all these reasons, among others, we believe the proposed transaction is in the best interests of all investors. And now, let's begin the question-and-answer session.

Tony Malkin: Thank you to everyone who submitted questions. We are going to answer the most commonly-asked questions. If your question is not answered, it is likely specific to your particular situation or has not been asked by any other investor, and we will reach out to you individually. If you have new questions, you can reach out via the website at www.empirestaterealtytrust.com. Once again, that's all one word, www.empirestaterealtytrust.com, or via our toll-free phone number, which is 1-888-410-7850. Again, that is 1-888-410-7850. With that let's take our first question.

"Is the MacKenzie that is doing the tender offer the same as the MacKenzie who is your proxy solicitor?"

The answer is no, there is absolutely no relation whatsoever, and it is purely a coincidence that they have the same name. The MacKenzie that is doing the tender offer has made prior tender offers that we have opposed or recommended against. We have separately mailed a Schedule 14D-9 to participants, which you all should've received, which states our recommendation against the tender offer.

Next we have a question, "What happens to my interest if the transaction proceeds?"

Our Prospectus Consent Solicitation Statement states in several places that if your subject LLC participates in the consolidation, you will have the option to exchange your current interest for one of three types of securities. As we discussed on the call earlier and as can be found on Page 74 of that Consent Solicitation Statement, those securities are 1) operating partnership units, or OP units, which are expected to be 100% tax-deferred; a combination of Class B common stock and OP units, which are expected to be 98% tax-deferred; or Class A common stock, which is 100% taxable.

We, of course, cannot advise you on which security you should choose. We suggest that you consult your financial advisor, if you are not sure which security is best for you. If you have questions about how to make your election, however, you can call us anytime and we would be happy to explain further your options. Dad?

Peter Malkin: The next question is, "Will I be required to pay taxes on the consideration received in this transaction?"

Our Prospectus Consent Solicitation Statement highlights in several places, including on pages 20 to 22, that if you elect to receive OP units, you will not pay any tax on the consideration you receive in our recommended consolidation. You will only realize a capital gain at the time of a future capital event, such as when you decide to sell your interest or if the property owned by your entity is sold at some point in the future. If you choose OP units, the entire transaction as set forth in the Prospectus Consent Solicitation Statement is expected to be 100% tax-deferred for you.

Tony Malkin: The next question is, "Who is Duff & Phelps and how can I feel comfortable that their work has given me fair value for my interests in the consolidation?"

As stated in our Prospectus Consent Solicitation Statement, given our family's role in owning interests and in supervising all the entities in our consolidation, we wanted an independent third party to produce the exchange values and render a fairness opinion for all participants, and we chose Duff & Phelps to do this work. We chose Duff & Phelps because we wanted the work to be performed by an independent group. Duff & Phelps is an internationally-recognized firm with an excellent reputation for valuation services across all industries, and it provides these for a broad variety of real estate firms.

The Prospectus Consent Solicitation Statement, on pages 235 through 254, describes in detail how Duff & Phelps did its work. They began by requesting and receiving historical and current information and market data which we delivered to them from our records and from the third-party managing agents. They then appraised the value of each of the properties, the development site and the management companies to be included in the REIT. Then Duff & Phelps calculated the exchange value for each property.

Each of the properties will receive its proportionate share of the consideration in the consolidation based on its proportionate share at the aggregate exchange value. This results in the value of each entity relative to the others, which is how the consideration in the consolidation is being allocated to you.

The exchange value for each entity was then allocated to the participants and the override interests in accordance with the organizational documents for each entity. In this way, all values were established in the same way, including our own values.

The valuation materials, which Duff & Phelps provided to us, are attached in the materials you received as Appendices A and B to the Prospectus Consent Solicitation Statement and the financial projections used by Duff & Phelps in its exchange valuation process for all the properties, are attached as Appendix C. I can also tell you that we believe the valuations are fair, that our interests have been valued in the same way and that we will be voting in favor of the transaction.

Peter Malkin: The next question is, "Is there a deadline to vote?"

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period, which would take us out to March 25, 2013. The longer it takes to approve the proposed consolidation and initial public offering, the greater will be the expenses borne by all investors; the longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions, the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses; and the longer it will take for you to receive your share of the class action settlement proceeds.

Importantly, all these benefits will occur only if the vote is for the consolidation and initial public offering and the consolidation and initial public offering are completed. For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

Tony Malkin: Here's another question: "Who pays for all the materials that have been sent out in connection with the proposed transaction?"

The more voluminous materials that have been distributed were necessary to meet SEC requirements. In addition, we have sent out a series of letters and other shorter materials that we felt were necessary to keep all investors apprised of certain developments relating to the proposed transaction. With agent authorization under the original agreements for your investment, the costs are initially being shared by your LLC, along with all the other public and private entities supervised by Malkin Holdings that would participate in the consolidation.

If the consolidation is approved and closes, the new REIT will reimburse each of the entities for its share of these costs and the amount reimbursed will be distributed to you and the other participants in cash at, or soon after, the IPO.

If the consolidation is not approved, each entity's expense is unreimbursed, and no such distribution will be available.

Peter Malkin: The next question, "How did the Malkins get their override interest?"

The Prospectus Consent Solicitation Statement sets forth the variety of overrides from different ownership groups to which the Malkin Group is entitled. Some of these overrides have been in place since the creation of each investment. Some were put in place at later dates. Every one of these overrides was either included in the organizational documents when investors agreed to make their investment or has been consented to, in writing, by the investors in the entities.

Tony Malkin: This question, "Isn't Malkin Holdings going to continue to get management fees, commissions from leasing, and supervisory fees once the consolidation is concluded and the REIT goes forward?"

No, that's not true. Today, Malkin Holdings receives no management fees or commissions from any of the properties involved in this consent. All Malkin Holdings receives is its supervisory fees and its overrides, when payable. All Malkin Holdings fees and entitlements were valued as part of Duff & Phelps' work. When the consolidation and IPO move forward, Malkin Holdings will receive no more fees. All Malkin Holdings will get is its ownership in the REIT.

Peter Malkin: The next question, "What is the Malkins' entitlement to these override interests?"

The Prospectus Consent Solicitation Statement points out that the overrides are written contracts entered into by you, the family member from whom you inherited your interest, or the party from whom you acquired your interest when the investment was made or at some point thereafter. Every one of these agreements is available for inspection.

The Malkins are entitled to distributions on the override interests out of the proceeds from a capital transaction. As the REIT will acquire each building in which you are a participant, the proposed consolidation is a capital transaction. The proposed consolidation represents a transfer to a new entity with substantial additional assets, substantial new investors and a new governance structure, in no way a continuation of the prior entities for the same investors.

Tony Malkin: This question, "When do you expect the consolidation and IPO to be completed?"

We plan to complete the consolidation as soon as possible after receipt of the approval by the required vote of your subject LLC's participants and the approval by the required vote of the other subject LLC's participants for inclusion. At that time, we will measure the market and calendar

for other public offerings and choose the best timing for the IPO. By its terms, the consolidation and IPO are required to be completed no later than December 31st, 2014, but we are certainly hoping to wrap it up long before that date.

Another question, "When can I sell OP units or shares of Class A and Class B common stock of the REIT after the consolidation and IPO?"

First of all, please keep in mind Class B common stock cannot be sold. It can only be exchanged for Class A common stock to be sold. And that can take place 12 months after the offering. As explained in the Prospectus Consent Solicitation Statement and in our videos, after the closing of the consolidation and the IPO, every participant, except the Malkin family, will have the ability to sell up to 50% of both the OP units and Class A common stock received in the consolidation at any time after the 180th day following the IPO pricing date and the balance of the OP units and Class A common stock, 12 months after the IPO pricing date. In addition, each participant that receives OP units may, immediately following the consolidation and the IPO, sell up to 4% of the OP units issued to him or to her. And I would point out that the Malkin family has a longer lock-up.

The next question, "When are OP units exchangeable for shares of Class A common stock?"

Twelve months after the completion of the IPO, each OP unit will be exchangeable for the then cash value of a share of Class A common stock or, at the REIT's election, one share of Class A common stock.

Peter Malkin: Another question, "What about all these lawsuits against the Malkins over this deal? There are five of them. Doesn't that mean that the Malkins have done something wrong?"

No. Virtually all large deals get challenged in court. These claims now have been settled with no admission of wrongdoing. In fact, after plaintiffs' counsel reviewed thousands of documents and interviewed many witnesses, the plaintiffs now intend to support the proposed transaction.

Here is a new question: "How will the challenge to the Class Action Settlement affect this transaction?"

Our Consent Solicitation toward the consolidation and IPO continues without interruption. Importantly, this class action challenge is not a new lawsuit, but rather a motion filed by a handful of investors in Empire State Building Associates seeking to block the settlement reached by us and investors representing all entities proposed for the consolidation last September. Objections are common in these types of proceedings and we see no change in the timing for our ongoing vote and the completion of our proposed IPO within the timeframe of the consent as it is presently proposed. This is one set of plaintiff's attorneys suing another set of a plaintiff's attorneys. While the litigators are suing each other, we intend to focus on operating the properties and partnerships and getting the consent done for the good of all investors.

Here's another new question: "Can you please explain the third party proposal we are being asked to vote on? Is it the same as the tender offer?"

In our Consent Solicitation, we are asking for authority to enter into a third party portfolio transaction under which the entire portfolio which would have gone into the REIT would instead be acquired by an unrelated third party. In that case, the REIT wouldn't be formed. We believe it would be beneficial for you to consent to this proposal to provide us with the flexibility to accept a proposal from a third party if we determine that the price in the transaction includes an adequate premium above the value expected to be realized, over time, from the REIT formation. There are clear requirements written in our Consent Solicitation documents for any third party portfolio transaction. The price must be at least 115% of the aggregate exchange value of all the public and private entities included in the transactions.

No member of the Malkin family can be related to the third party buyer or receive any special benefit from such a sale. If a sale were to occur, the Malkins would have no further involvement with any of the properties; not as investors, executives or board members. The Malkins would be cashed out just like any other investor.

Of course, if we receive a bona fide offer, we will disclose the offer. Such third party portfolio sale is unrelated to the tender offer. We have sent all investors a copy of a Form 14D-9, which is filed with the SEC, with our reasons for recommending that you do not accept the tender offer from MacKenzie Capital. By the way, to clarify further, MacKenzie Capital has no connection to MacKenzie Partners, the proxy solicitor retained by Malkin Holdings to help address investor questions regarding our proposals. It is just a strange coincidence that they have the same name.

Tony Malkin: Here's another question. "What is my interest worth?"

As described in the Prospectus Consent Solicitation Statement, for each 10,000 of original investment held by you, the exchange value is now \$409,660, if you or your predecessor consented to the voluntary capital override or \$452,950 if there has been no such consent.

The exchange value was determined based on an appraisal by Duff & Phelps, LLC, the independent valuer, to establish relative value amongst properties and participation interests. And it does not necessarily represent the fair market value of your participation interest. The consideration you receive will be based on the REIT's value in the IPO, which will not be known until the pricing of the IPO after you vote on the consolidation proposal.

We have described in the Prospectus Consent Solicitation Statement on pages 6 through 8 of the Prospectus Consent Solicitation Statement, the differences between the exchange values and the enterprise value, which is based on the IPO price. The Prospectus Consent Solicitation Statement also includes a table on page 7, showing the range of enterprise values per \$10,000 original investment based on an illustrative range of IPO prices.

Peter Malkin: And the next question, "What will happen to my distributions if the transaction does go forward?"

We believe that there is greater potential for your distributions to go up more over time as part of this transaction than if you stayed just with the status quo. In the Prospectus Consent Solicitation Statement, we've provided an estimate of expected annual distributions to investors in each of the groups for which a vote is to be taken.

On pages 183 through 189 of the Prospectus Consent Solicitation Statement, you can find a comparison of what our estimated distributions for 12 months ending September 30, 2013, will be in comparison to the average annual distributions 250 West 57th Street investors received for the five years ended December 31, 2011. The estimated distribution is less than the average annual distribution per \$10,000 original investment for the five years ended December 31, 2011. However, the estimated distributions are more than such average for such period, if one eliminates the distributions attributable to borrowing and distributions attributable to an extraordinary lease cancellation payment that was a one-time event. We believe that borrowing for distributions cannot be continued.

We also believe your distributions will be less subject to fluctuation and are expected to be paid four times per year, once each quarter, as opposed to the historic practice of a small, regular monthly distribution and an annual overage rent payment, which is inconsistent and only payable to the extent of available cash flow.

As stated in our Prospectus Consent Solicitation Statement, letters and videos, REITs are required to distribute at least 90% of REIT taxable income annually. The post-IPO REIT will have no need to maintain property level reserves at each property. There will be many more and more efficient ways to access the capital markets.

There are many reasons why we believe participants have greater potential for increased distributions following the transaction than in the status quo. For your information, our family has no plan to sell any of our interests and we believe the potential benefits of the combined portfolio are greater than for any property standing alone.

Tony Malkin: Here's a question, "Does the estimated decrease in distributions mean my company has been undervalued relative to the other properties?"

No. We do not believe that is true. As we have said, all the buildings were valued independently by Duff & Phelps.

Here's another question. "Can't things just stay the way they are? Why can't we just have the status quo?"

Well, things can't stay the way they are and the status quo can't continue. Leona Helmsley's estate must sell its interests in your operating lessee. This is not an option. It is requirement under the will of Leona Helmsley. The Helmsley estate owns a 35% interest in the operating lessee. Any purchaser of the Helmsley estate interests will be able to have very material influence over decisions made by the operating lessee.

The operating lessee's decisions control property operations and use of cash flow, thus determining the amount of cash available for your distributions. If the consolidation is not completed, the Helmsley estate will have to find another way to liquidate its real estate holdings. In that case, the Helmsley estate could sell to a person or a group which would then have the ability to exercise substantial influence over decisions, thereby creating the potential for decisions which impair distributions.

We feel that reality dictates that the best decisions and conditions change over time. The tax code which drove my grandfather to structure the purpose of 250 West 57th Street has changed. Financing and operations are different today than in the past. Technology, rules and business have become more complex and the structures of yesterday do not allow us to address efficiently, the challenges and opportunities of today. We believe the status quo does not make sense any longer.

Peter Malkin: Another question, "What will I be entitled to receive if I don't vote for the consolidation and the consolidation proposal is approved by my entity?"

If you vote against the consolidation, you do not vote or you abstain and your subject entity participates in the consolidation, you will receive OP units, unless you elect to receive a combination of Class B shares and OP units or shares of Class A common stock.

Tony Malkin: Let me briefly touch on where we go from here. We now have begun the process of soliciting consents from investors in the three public LLCs that own interests in the three properties: the Empire State Building, One Grand Central Place and 250 West 57th Street. The operating lessees of these three properties have already provided their consents.

By law, the solicitation period must last at least 60 days after the beginning of the solicitation period. The end of that 60-day period is March 25th, 2013. The longer it takes to approve the proposed consolidation and IPO, the greater will be the expenses borne by all investors; the longer it will take until the benefits that we believe will be realized from the consolidation, including steadier, more regular distributions; the longer it will take for you to receive the one-time distribution of reserves and reimbursement of offering expenses and the longer it will take for you to receive your share of the class action settlement proceeds. Importantly, all of these benefits will only occur if the vote for the consolidation and IPO are completed.

For these reasons, delay is costly and it is important that you make your choice and send in your vote as soon as you can so that your vote is counted and the consolidation goes as quickly as possible to minimize ongoing expenses.

You may already have been contacted by representatives of Malkin Holdings and our proxy solicitor, MacKenzie Partners, Inc. They can answer your questions and help you make sure you have all the information you need in order to cast an informed vote. You can also contact Malkin Holdings directly through our website or by phone at 1-888-410-7850. Again, that toll-free number is 1-888-410-7850. A transcript of comments and questions and answers from this call will be available on our website, along with all of the other materials to which I referred earlier on the call. Remember, the website address is www.empirestaterealtytrust.com. That's all one word, www.empirestaterealtytrust.com.

Peter Malkin: Thank you very much for listening and as always, we appreciate your support.

Operator: Thank you, Mr. Malkin. This concludes our call today. Thank you all for participating.

Filed by Empire State Realty Trust, Inc.
and Empire State Realty OP, L.P.
Pursuant to Rule 425 under the Securities Act of 1933

Subject Companies: Empire State Realty Trust, Inc.
Commission File No. for Registration Statement
on Form S-4: 333-179486

Empire State Realty OP, L.P.
Commission File No. for Registration Statement
on Form S-4: 333-179486-01

The following is a supplementary script to be used for telephone calls to participants in Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C.

TELEPHONE OUTREACH – SUPPLEMENTAL CALL SCRIPT

- Did you receive the consent form and the special “How to Vote” guide which we mailed to you earlier this week? If not, would you like us to overnight one to you today?
- If you did receive it, have you filled out the consent form and mailed it back?
 - o When do you plan to focus on this?
 - o Do you have any question about the consent form or the Malkin Holdings proposals that I can answer now for you?
 - o Would you like to fill out the consent form now while I am on the phone and can answer any questions for you?
 - o Do you have someone assisting you with your review? Would you like us to speak to them directly? Would you like us to send them directly the consent forms and our prior mailings?
 - o Would you like to schedule an appointment for us to call to help you fill out the form at a time that is convenient for you.
 - o Are there any issues or concerns that you would like to discuss with Malkin Holdings directly?
If yes, what are they?
What would time would be convenient?
- Conclude the call by reading them a message:
“Malkin Holdings has always seen its investors as part of a family, and the mission of Malkin Holdings is to preserve and enhance the value of your investment. Malkin Holdings firmly believes the proposed transaction offers great benefits and is the best path forward. Please mail your consent back today to make your vote count”

LEGEND

We urge participants to review the Registration Statement on Form S-4, the proxy/consent solicitation statement and other related documents now filed or to be filed with the SEC, because they contain important information. Participants can obtain them without charge on the Securities and Exchange Commission's website at www.sec.gov. Participants can also obtain without charge a copy of the prospectus/ consent solicitation and the supplements relating to the individual entities by contacting Ned H. Cohen at 212-687-8700 at Malkin Holdings LLC.

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The following is an additional script for answering certain questions from investors that call Malkin Holdings LLC or its proxy solicitation agent:

MALKIN HOLDINGS—LEGACY: supplementary script for telephone responses

Answers to Common Questions and Concerns

March 7, 2013

There are certain questions which have been raised by a number of investors on phone calls with Malkin representatives. Here are simple answers to those most common questions and concerns.

If investor mentions potential tax issues:

You should not recognize any tax at the time of the consolidation if you choose the OP units. That's how the Malkin family has chosen to take most of their shares. Otherwise, we can't give tax advice but are happy to talk to your advisor or accountant.

In order to help the investor fill out their ballot:

Do you have the colored sheet? If you have it in front of you, I can help you fill out your ballot to reflect your choices.

If the investor is in the midst of or about to initiate a transfer:

Don't worry, you can vote now and still execute your planned transfer. If you have already commenced your transfer with our office, we are happy to speak to your transferee.

If the investor mentions an accountant or advisor:

We're talking to many of our investors' financial advisors, and we'd be happy to speak with yours. Would you like that? If so, can you tell me their name, number, and e-mail, and we will be happy to call them and send them copies of all the necessary information to have an informed conversation.

If the investor is concerned about the urgency behind the balloting:

This process is expensive and time consuming, and there have been thousands of investors to contact. The soonest we can finish the vote is March 25th, and the sooner we get the balloting done, the sooner we can stop spending money on the process, and you can receive your special distribution checks on completion of the consolidation and IPO.

If the investor asks about an erosion of goodwill towards the Malkin family:

We don't see an erosion of goodwill. We've been talking to thousands of investors for months, and we're very encouraged by the tremendous support we have received in our conversations. Thousands in the privates and public entities have already voted in support of the program. We believe the dissident investors have made outrageously false statements in an attempt to generate negative public attention. We know that the more-than-fifty-year long relationship the Malkin family has with the investors is as strong as ever.

If the investor asks what is the motive of Steven and Richard Edelman:

We're confused by it, too. We have said repeatedly that much of what they're saying is simply not true. Our facts are in the consent solicitation as part of Form S-4, which we filed with the SEC, and which the SEC declared effective. The Edelmanns have refused to meet with us, and we don't know what their motivations are, especially because they are passive beneficiaries of trusts and don't even have a vote.

If the investor expresses discomfort with the super-majority rule and buyout process:

The buyout process was put in place when these investments were first formed to prevent a small minority of investors from blocking the desires of the overwhelming majority on the few items on which investors vote, including capital transactions. This process protects investors, all of us, and has been part of decision-making in our investments for decades.

tnk 3/7/13

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The following is an additional supplemental script for calls by Malkin Holdings LLC or its proxy solicitation agent to investors in Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C., and 250 West 57th St. Associates L.L.C.:

Supplemental script

Malkin Holdings' March 14 letter provided the voting results already received on the consolidation proposal as of March 13, to correct recent negative predictions made publicly by a few investors. Less than 50 days after the start of the solicitation, about 2/3 of the participants had already voted, and more than 90% of such voters in each of ESBA, 60 East 42nd, and 250 West 57th had approved, results which Malkin Holdings believes show a very strong level of support from participants for the proposed transaction.

More details are in the letter. The voting results are subject to change, and the results shown in the letter should not be viewed as a prediction of the final outcome. We are taking the unusual step of providing this voting information during the consent solicitation to correct the negative predictions of certain investors.



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August 31, 2012

BY CERTIFIED MAIL

Mr. Richard Edelman
608 N. Rios Ave.
Solana Beach, CA 92075

Empire State Building Associates

Dear Mr. Edelman:

We represent Malkin Holdings LLC and write concerning your August 28, 2012 email to the empirestatebuildinginvestors@gmail.com address list which lists as its subject "Malkin Holdings on 50/50 ownership split "legally distinct from a joint venture".

The following false and misleading statements, among others, were contained in your email.

1. Your email falsely states that "the sublessee [Empire State Building Company, L.L.C. ("ESBC")] has a contract to manage the building for us [Empire State Building Associates, L.L.C. ("ESBA")]."

In fact, ESBC has property rights and responsibilities far beyond a "contract to manage the building", including the right to occupy the building, control all operations, lease space and facilities, direct all repairs and maintenance, decide what portion of cash flow is reinvested and what portion is distributed and retain (a) the first \$1 million of building profits after payment of base rent and. (b) 50% of profits thereafter. Further, these rights remain in effect to 2076 under currently exercised operating lease extensions, and are binding on ESBA and any ESBA purchaser,

2. Your email falsely states: "Six months after filing for an IPO for Empire State Realty Trust, Inc, Malkin Holdings now states, for the first time, there is no legal joint venture between Empire State Building LLC, [sic] the owner of the Empire State Building and their sublessee (operating lessee)".

That statement is incorrect. The owner of the Empire State Building (Empire State Building Associates, L.L.C. ("ESBA.)) and the operating lessee (Empire State

Building Company, L.L.C. ("ESBC")) have never been a *legal* joint venture because such a structure would have exposed investors to possible double taxation and operating liabilities. As Malkin Holdings consistently has stated, however, the two entities always have been treated as an *economic* joint venture.

The distinction between the entities as an economic joint venture versus a legal joint venture is evident in the two quotations¹ from filings with the Securities and Exchange Commission ("SEC") that are cited in your email. Those quotations show that that the lessor and lessee relationship was intentionally designed to be an economic joint venture, not a legal joint venture, for the protection of investors.

3. Your email falsely implies that ESBA and ESBC have not functioned economically as a 50/50 joint venture because, in 1961, ESBA paid \$33,000,000 and borrowed \$6,000,000 to purchase the master lease while ESBC made no contribution towards purchasing the master lease.

Your recitation of certain purchase terms is false and misleading, because it fails to reflect the contributions by principals of ESBC, including Lawrence A. Wien and Peter L. Malkin, that evidence ESBC's contribution to the acquisition of the master lease. Those contributions included: (i) originating the investment; (ii) negotiating the purchase; (iii) arranging the financing; (iv) conducting the public offering of equity interests; (v) advancing millions of dollars to purchase the building; and (vi) assuming the operating liabilities of the building. Furthermore, the rent paid by ESBC provided the funds to pay the charges on the \$6,000,000 mortgage.

These terms were described in the original offering documents and were accepted in the subscriptions signed by the original investors, including your grandparents. You have never been and are not now an investor in ESBA.

4. Your email falsely implies that ESBA and ESBC have not functioned economically as a 50/50 joint venture because, in 2002, ESBA spent \$60,000,000 to purchase fee title for the land and building, whereas ESBC neither spent nor lent money to acquire the fee title.

The facts are ESBA entered into the agreement to purchase this fee title in 2002 on its own, outside of its relationship with ESBC. There would have been no reason for ESBC to make any financial contribution towards a transaction to which it was not a party and therefore the transaction is entirely irrelevant to the relationship between ESBC and ESBA. The terms of ESBA's purchase, including its mortgage, were approved by all ESBA investors, including your grandparents. Further, the independent valuer, Duff & Phelps, treated this fee as belonging solely to ESBA in allocating value between ESBA and ESBC in connection with the proposed consolidation.

¹ The two quotes are: (i) "The receipt by Sublessor of overage rent shall not be deemed to create any partnership or joint venture between Sublessor and Sublessee [sic]." (1961); (ii) "Empire is not a member of Sublessee and its relationship with the Sublessee is through the contractual obligations set forth in the lease." (2007).



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NEW YORK REGIONAL OFFICE
3 WORLD FINANCIAL CENTER
Room 400
NEW YORK, NEW YORK 10281-1022

(b)(6),(b)(7)(C)
(b)(6),(b)(7)(C) @sec.gov

February 20, 2013

By Electronic Mail

(b)(6),(b)(7)(C)
(b)(6),(b)(7)(C) @cliffordchance.com

Re: **In re Empire State Realty Trust, MNY-08894**

Dear (b)(6),(b)(7)(C)

I write to confirm our conversation of February 13, 2013, in which we advised you that we are conducting an inquiry into the matter identified above and requested that your client, Malkin Holdings LLC (“Malkin”), together with any related entities and agents, voluntarily produce documents relevant to our inquiry.

As we discussed, the documents and electronically stored information (“documents”) that we would like to see include the following:¹

1. A copy of the documents previously provided to plaintiffs’ counsel in connection with the New York State Supreme Court cases currently pending concerning the consent solicitations for the proposed consolidation of the Empire State Building Associates and other real estate entities into a REIT – the Empire State Realty Trust – and the subsequent IPO of the REIT (the “Proposed IPO”).
2. Copies of all emails sent to or from the mailbox inquiries@malkinholdings.com in advance of investor calls about the Proposed IPO, and any logs or other records of inquiries received by telephone in advance of the calls.
3. Copies of any scripts used by Malkin representatives and/or by MacKenzie Partners for communicating with investors in the entities that have been or are currently being solicited to agree to the Proposed IPO, as well as any less formal documents used to educate employees about how to handle inquiries from investors about the Proposed IPO.

¹ We understand that there are additional documents your client would like to bring to our attention, including information concerning Richard (b)(6),(b)(7)(C) Edelman. We are happy to receive any such additional information that your client wishes to provide.

(b)(6),(b)(7)(C)

February 20, 2013

Page 2

Based on my subsequent conversations with you and with (b)(6),(b)(7)(C) of Dewey Pegno & Kramarsky LLP, I understand that we can expect to receive the documents in an **electronic** format consistent with the SEC Data Delivery Standards, which have been provided to (b)(6),(b)(7)(C) under separate cover. If that is not feasible, please let us know so we can discuss a mutually agreeable alternative format.

You may provide the documents, or a sub-set of the documents, in hard-copy form as well if you would like. Please note in your cover letter that the documents are a duplicate copy (or subset, as applicable) of the electronic production, and include this letter with both productions.

As discussed, we understand that you expect to be able to produce the requested documents by February 22, 2013. If the timing of the production changes, please provide us with an updated estimated production date.

I have attached a copy of Form 1662, which provides important information concerning the Commission's routine uses of information provided to it.

This inquiry is non-public and should not be construed as an indication by the Commission or its staff that any violation of law has occurred, or as an adverse reflection upon any person, entity, or security.

We very much appreciate your client's agreement to provide documents on a voluntary basis and look forward to meeting with you soon to discuss our inquiry. If you have any questions or concerns, please do not hesitate to contact me at (b)(6),(b)(7)(C) or (b)(6),(b)(7)(C) @sec.gov or (b)(6),(b)(7)(C) at (b)(6),(b)(7)(C) @sec.gov.

Sincerely,

(b)(6),(b)(7)(C)

Division of Enforcement

Enclosure

cc: (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

From: (b)(6),(b)(7)(C)
Sent: Thursday, May 10, 2012 5:16 PM
To: (b)(6),(b)(7)(C)
Subject: FW: (b)(6),(b)(7)(C) Re: Empire State Realty Trust

From: (b)(6),(b)(7)(C)
Sent: Tuesday, May 08, 2012 10:30 AM
To: (b)(6),(b)(7)(C)
Cc: [Redacted]
Subject: RE: (b)(6),(b)(7)(C) Re: Empire State Realty Trust

(b)(5)

From: (b)(6),(b)(7)(C)
Sent: Monday, May 07, 2012 4:45 PM
To: (b)(6),(b)(7)(C)
Cc: [Redacted]
Subject: FW: (b)(6),(b)(7)(C) Re: Empire State Realty Trust

(b)(6), We could use your opinion. Thanks (b)(6),

From: (b)(6),(b)(7)(C)
Sent: Monday, May 07, 2012 11:17 AM
To: (b)(6),(b)(7)(C)
Subject: (b)(6),(b)(7)(C) Re: Empire State Realty Trust

(b)(6),(b)(7) performed a very thorough review of this TCR. Rather than rehashing his extensive work, attached is his review and supporting documents. (b)(5)

(b)(6),(b)(7)(C)
U.S. Securities & Exchange Commission
P: (b)(6),(b)(7)(C)
F: [Redacted]
(b)(6),(b)(7)@sec.gov

There are fifty years of records that *Empire State Building Associates L.L.C.* is the sole property owner of the Master Lease, the Building, and the Land.

In the proposed sale of the Empire State Building, by the property owner, to Empire Realty Trust, Inc., REIT, the "supervisor" asserts, for the first time, that 50% of the sale go to Empire State Building Company L.L.C., the sublessee.

The "supervisor" is using his position as supervisor, to both the property owner and sublessee, to divert \$1.2 billion to the sublessee. The supervisor's family would receive a \$290 million windfall. The largest beneficiary of this 50% appropriation of the Building would be Helmsley Trust, at \$800 million.

https://docs.google.com/viewer?a=v&pid=explorer&chrome=true&srcid=0B6P73bLn-R1LOGZIMTk1YTAiNDI2MC00ZmI0LTlmZiQtdMDk0ZTc3Y2MzN2M4&hl=en_US

February 2012

S-4 for Empire Realty Trust, Inc. REIT,

page 144

---cut---

The allocated exchange value was allocated 50% to the property owner and 50% to the operating lessee in a two tier entity instead of being allocated in accordance with discounted cash flow based on representations of the supervisor as to the original intent to treat the two tier entities as equivalent to a joint venture and the historical treatment of the two tier entities in this manner. The supervisor has represented that historically, agreements have been entered into to share capital expenditure and financing costs and the operating leases have been extended in connection therewith. As a result, the allocated exchange value has been allocated equally to the property owner and operating lessee, rather than in proportion to discounted cash flow, which would have resulted in a higher allocation to the property owner, which, in the case of Empire State Building Associates L.L.C. would have been significantly higher.

---cut---

S-4 for Empire Realty Trust, Inc. REIT,

page 21

Entity ⁽¹⁾	Appraised Property Value ⁽²⁾	Appraised Entity Value	Total Exchange Value
Empire State Building Associates L.L.C.		\$1,300,500,000	\$1,209,442,285
Empire State Building Company L.L.C. ⁽³⁾		\$1,219,500,000	\$1,189,775,581
Total		\$2,520,000,000	\$2,399,217,867

https://docs.google.com/viewer?a=v&pid=explorer&chrome=true&srcid=0B6P73bLn-R1LOWRI NDI1NGItMDQ2YS00YzEwLWJhNWMTOTBiYjA5ODQ0YWJj&hl=en_US

December 27, 1961

Sublease between Empire State Building Associates As Sublessor and Empire State Building Company As Sublessee

page 4

---cut---

The receipt by Sublessor of overage rent shall not be deemed to create any partnership or joint venture between Sublessor and Sublessee.

---cut---

https://docs.google.com/viewer?a=v&pid=explorer&chrome=true&srcid=1pZLHYBFdRF6jInZ12dnaJSetcWPkYZqVBLQKlw9XA5kGm5f2yFi8aovDe8JF&hl=en_US

Summer 2002

Real Estate Investor
A publication of Wein and Malkin Securities Corp
Vol IV Number 3

---cut---

.....says Peter Malkin.

"Acquiring the land under the Empire State Building presented a one-of-a-kind opportunity," he continues. "We offered the opportunity to participate in the purchase to the operating sublessee, which declined.

---cut---

Summer 2002

Real Estate Investor

A publication of Wein and Malkin Securities Corp

Vol IV Number 3

-----cut-----
.....says Peter Malkin

-----cut-----

... We were able to place that opportunity in the hands of the investors in the master lease, thereby adding the value of full ownership to one of the groups Mr. Wien and I organized in 1961."

-----cut-----

<http://sec.gov/Archives/edgar/data/32776/000003277607000016/filename1.htm>

August 17 2007

Ms. Cicely L. LaMothe

Branch Chief

Securities and Exchange Commission

Washington, D.C. 20549

Re: Empire State Building Associates L.L.C. ("Empire")

-----cut-----

Empire is not a member of Sublessee and its relationship with the Sublessee is through the contractual obligations set forth in the lease.

-----cut-----

Very truly yours,

/s/ Mark Labell

Mark Labell

Senior Vice President, Finance

<http://sec.gov/Archives/edgar/data/32776/000003277601500018/esbam14a.txt>

September 14, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Empire State Building Associates
(Name of Registrant as Specified In Its Charter)

page 5

--cut--

D. The Operating Sublease

The Operating Sublessee is a New York general partnership now composed of **Leona M. Helmsley (63.75%)**, three entities controlled by **Peter L. Malkin (23.75%)**, Joan Konner (5%), Bluestein Family Partnership L.P. (5%), Bluestein Family Foundation Inc. (1.25%), and M. & T. Weiner Foundation (1.25%).

---cut---

\$1.2 billion sublessee appropriation:

Malkin (Supervisor) 23.75% = \$290,000,000

Helmsley 63.75% = \$800,000,000

From: richard edelman [mailto:richardedelman@hotmail.com]
Sent: Thursday, February 09, 2012 5:41 PM
To: (b)(6),(b)(7)(C)
Subject: RE: Empire State Building Associates

From: (b)(6),(b)(7)(C)@SEC.GOV
To: richardedelman@hotmail.com
Subject: RE: Empire State Building Associates
Date: Thu, 9 Feb 2012 20:41:28 +0000

(1) Why do you believe it understated rental revenues?

This is a Manhattan Office Building with over 2.8 million square feet of rental space that had no mortgage from 1994-2001,

and an interest only \$60 million mortgage from 2002-2008.

Using methodology developed by the NY Times commercial real estate writer and one of their financial correspondents, we identified the revenue and expenses specific to the observatory and antenna for each year.

That gave us each year's net operating profit for the observatory and antenna.

We subtracted that net operating profit for the observatory and antenna from the SEC reported net operating profit for the rental space, observatory and antenna.

We found large losses in many years. These losses came from the rental space.

The occupancy rate for the rental space was relatively high in many of those years.

So how is this possible? Understated rental space revenue, inflated expenses, or both.

The WSJ's reality check was when another Manhattan building owner told them the Empire State Building's operating expenses were far higher per square foot than for his similar large office buildings.

BTW, I heard from the WSJ reporter yesterday. They found a real estate insider with decades long knowledge of the Empire State Building's finances. He has told them the financial reports are inaccurate and has agreed to be a source for their story. The reporter also wrote "...there is strong interest at the paper in this story and we are working carefully to make sure we get everything right."

I realize this won't influence your own analysis, but you asked before about when the story might come out, so I'll try and keep up updated as best as I can.

(2) I previously asked you the following: On the table you provided showing the occupancy rates, rental rates, etc, the website where you obtained the information got cut-off. Please provide the website address for each column.

You gave me this link-

https://docs.google.com/spreadsheet/ccc?key=0ApVuEBWB_biVdENic2Q2QIFyTUVHYU1tOUJaU3BzSUE&hl=en_US#gid=0

However, unless I am not seeing something, these are the links for the other spreadsheet.

On the left side of that spreadsheet, lines 42-51, there are links for each column and year to the source material. Almost all are to the SEC filings

which is the source of the data. There were some years they didn't file full financials with the SEC, we've provided copies of financials sent to the investors

in Empire State Building Associates L.L.C. for those years

You do this for a living, so may have caught it on your own, but there is something missing in every Empire State Building Associates L.L.C. 10K. In fact, it has never appeared in any SEC filing for the company as far back as you can go online.

They give you occupancy and rental rates. So it should be simple to do a rough calculation of rental space revenue, right?

Not with this building.

They don't tell you the size of the building. Never have.

We've dubbed it the hiding in plain sight gambit.

The first, and only time, the size has ever appeared in an SEC document was the current the S-4 for Empire Realty Trust, Inc. REIT

which the managers just sent to the investors in Empire State Building Associates, L.L.C.

<https://docs.google.com/viewer?a=v&pid=explorer&chrome=true&srcid=0B6P73bLn-R1LOGZiMTk1YTAtdNDI2MC00ZmI0LTlmZjQtdMDk0ZTc3Y2MzN2M4>

When I saw the 2.8 million square foot rental space mention in that document a light went off and went back through every 10K going back to 1994. Sure enough, nothing about the square footage of the building.

To double check, we contacted the Manhattan Assessment Office and sure enough the Notice of Property Values for the Empire State Building list it as 2.8 million square feet of rental space. Their records go back as far as 2005.

So it would have been impossible for anyone reading their SEC filed financial statements to have understood what is going on.

We checked on other SEC filing companies that own Manhattan Office Buildings, turns out they show the square footage of each building. Here's one of them SL Green:

<http://sec.gov/Archives/edgar/data/1040971/000110465903005012/j859710k.htm>

My prediction is when these guys finally get caught, one of their defenses will be the building was actually smaller. You heard it first here!

Richie

From: richard edelman [mailto:richardedelman@hotmail.com]
Sent: Wednesday, February 08, 2012 7:10 PM
To: (b)(5)
Subject: FW: Empire State Building Associates

We finally got a copy of the sublease today. An SEC FOIA request found nothing, even though Empire State Building Associates has been referring to the exhibit in their SEC financial filings for over 15 years.

Now that we have it, it's pretty clear why it was MIA.

This is very timely, unlike the alleged under reporting of income for years, especially 1995-2005, when Leona Helmsley controlled the sublessee.

The same management is in the process of filing an S-4 for a new REIT that will acquire the Empire State Building.

In our mind, the supervisor is now using his position to try and take over \$1.2 billion from the beneficial owners, who, like my Dad, are mostly widows and widowers in there 80's.

Take five minutes to read this, I think you'll see there is a compelling set of facts to back the allegation.

<https://docs.google.com/document/d/1uijN-qEEktroxLreWe3hIEnXsaIQiNVdpyRhUZiEing/edit?pli=1>

From: (b)(5)@SEC.GOV
To: richardedelman@hotmail.com
Subject: RE: Empire State Building Associates
Date: Fri, 3 Feb 2012 21:34:04 +0000

I will look at this- I will be in touch if I have any additional questions

From: richard edelman [mailto:richardedelman@hotmail.com]
Sent: Friday, February 03, 2012 3:48 PM
To: (b)(5)
Subject: RE: Empire State Building Associates

Answers below.

From: (b)(5)@SEC.GOV
To: richardedelman@hotmail.com

Subject: RE: Empire State Building Associates
Date: Fri, 3 Feb 2012 19:26:14 +0000

A few questions:

(1) Please send me a copy of the article dated 12/25.

http://www.nytimes.com/2011/12/25/nyregion/empire-state-building-observation-decks-generate-startling-profits.html?_r=1&ref=empirestatebuilding

The reporter's insight was that almost all the profit in 2010 for the whole building came from the observatory alone. Which is hugely

profitable. His article suggests it was due to a relatively low occupancy rate (68%), because of the building re-positioning from

smaller tenants to larger ones.

That may have been true for 2010.

But when the same methodology he used was applied going back till 1994, even years with high occupancy (96%) indicated

the rental space lost money.

(2) Supposedly, when are the WSJ and Reuters articles coming out?

I heard from the WSJ reporter a couple days ago. He said that morning he called Empire State Building Associates PR agency

to inquire of management why the rental space showed losses thirteen of the last sixteen years. My last contact with the Reuters reporter was about a week and half ago.

If my experience with the NY Times reporter is any indication, I won't know before if/when they publish the story. I read the

Times story online for the first time the night of 12/24/11 like everyone else.

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

From: (b)(6),(b)(7)(C)
Sent: Wednesday, February 13, 2013 12:48 PM
To: (b)(6),(b)(7)(C)
Subject: RE: Bullet points for Empire call

(b)(6),(b)(7)(C)

Thanks.

(b)(5)

From: (b)(6),(b)(7)(C)
Sent: Wednesday, February 13, 2013 11:12 AM
To: (b)(6),(b)(7)(C)
Subject: Bullet points for Empire call

(b)(6),
(b)(7)(C)

Here's what I was planning to cover:

(b)(5)

(b)(5)

Thanks,

Empire State Building Realty Trust

Pending Rollup Transaction

S-4

Position Papers

Work Product

(b)(6),(b)(7)(C)

April, 2012

Voting Procedure

The description of the voting procedure at page 210 *et seq.* of the S-4 is intimidating, coercive, confusing and misleading and the procedure itself is both unnecessary and exceedingly unfair to the investors. It should be changed.

Contextual Facts

The proposed consolidation and the alternative third-party transaction cannot proceed without the approval of the investors in registrant Empire State Building Associates L.L.C.

For the other two public entities, 60 East 42nd St. Associates L.L.C. and 250 West 5th Street Associates L.L.C., to be included in the project their respective investors must grant approval to each of the proposals.

The three registered entities require that within the stipulated solicitation period a designated percentage in interest of its investors signify their approval by affirmatively casting written consents marked "For" each of the two proposals.

In Empire State Building Associates the interests of the investors are divided among three participating groups, each such group having an agent who is a member of the supervisory entity, Malkin Holdings. For the two proposals to be approved 80% in interest in *each* participating group must vote "For" each proposal, and *all three* participating groups must approve.

In 60 East 42nd St. Associates the interests of the investors are divided among seven participating groups, each having a Malkin Holdings agent. There, 90% in interest in each participating group, and *all seven* participating groups must vote "For" each proposal.

In 250 West 57th Street Associates the investor interests are divided among ten participating groups and approval requires interests greater than 75% in eight of the ten groups to vote in favor.

Nature of the Objection - The Buyout Provision

The objection arises from the existence, description, and focus of attention on a provision in the cases of Empire State Building Associates and 60 East 42nd St. Associates that enables the agent to buyout the interests of investors who vote "Against" or "Abstain" or who do not return their consent, and to do so for a minimal amount that bears no relation to the actual value of the interest. Before the agent can exercise the buyout the investor will be given 10 days' written notice within which to re-cast a vote "For" the proposals; failure timely to respond will trigger the buyout.

The S-4 states at page 211 as follows:

“If holders of 80% of the participation interests in *any* of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in *any* of the seven participating groups in 60 East 42nd St. Associates L.L.C. **approve the consolidation**, the agent of any such participating group *will* purchase, pursuant to each subject LLC’s organizational documents, on behalf of the subject LLC the participation interest of any participant in such participating group that voted ‘**AGAINST**’ or ‘**ABSTAIN**’ with respect to the consolidation *or that did not submit a consent form*, at a price that would be substantially lower than the exchange value.

“If holders of 80% of the participation interests in *any* of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in *any* of the seven participating groups in 60 East 42nd St. Associates L.L.C. **approve the third-party portfolio proposal**, the agent of any such participating group *will* purchase on behalf of the subject LLC the participation interest of any participant in such participating group that voted ‘**AGAINST**’ or ‘**ABSTAIN**’ with respect to the third-party portfolio proposal *or that did not submit a consent form*, at a price that would be substantially lower than the exchange value *regardless of whether there is a third-party portfolio offer and even if the consolidation is consummated and the participant voted in favor of the consolidation.*” (emphasis added).

First, the inequity of these provisions is undeniable. The buyout threat serves only one purpose: to deter investors from freely exercising a choice to reject these proposals *or from abstaining, whether deliberately, by emergent circumstances, by absence from ones mailing address, by some incapacity to act, or inadvertently.* It confronts each investor with a game of Russian Roulette that no investor had invited. It is palpably wrong to sanction the possibility that an investment might be lost because an investor, in the exercise of choice, voted in the minority in his/her participating group, *or failed, refused, or was unable to return a consent form*, where (i) sufficient affirmative votes might not have been obtained in one or more of the other groups and the proposals thus failed to pass, (ii) the investor voted in favor of consolidation but against the third-party proposal, even though the consolidation and the IPO were consummated and the third-party proposal was thus rendered moot, or (iii) the dissenting investor is in 60 East 42nd St. Associates and the proposals were rejected and the entire project thus interred by the investors in Empire State Building Associates. The 10 days’ notice requirement provides no weight to tip the balance on the scale of equity. An investor may not have returned a consent form and may not have responded to a 10 day notice for any number of reasons including an extended absence from the address to which these materials were mailed, an illness or incapacity during the period in question, a preoccupation with more pressing concerns, procrastination, a reliance on a consultant or another who belatedly digests and advises in regard to the solicitation, and the list goes on.

Second, the presentation in the S-4 is confusing and misleading. Moreover, it adds another layer of complexity to an otherwise impenetrable and complex solicitation. The proposals, to be approved, require that the requisite percentage be obtained in *all three* (not any one or two) of the agency groups in Empire and in *all seven* (not less than all seven) of the agency groups in 60 East 42nd Street, and in eight of the ten agency groups in 250 West 57th Street. Not only should investors be clearly informed that these proposals will fail and cannot be consummated without

such requirement being met, they should be emphatically so informed. But this information is obscured and buried under the overbearing, lengthy recitation of the intimidating and coercive buyout procedure.

Third, the buyout rests on an arcane and antiquated legal fiction. One that is completely unnecessary in the instant situation. The basis for the buyout is found in two of the three governing agreements. It has an historical antecedent. At the time the registrants were created in the 1950s - '60s all major decisions in partnerships and joint-ventures had to be approved by the unanimous consent of the partners or joint-venturers. But as the case law evolved – to meet the objection that one or a very few obstructionists were blocking the effective functioning of such entities – a partnership or joint venture was permitted to provide at its inception in its governing agreement that such decisions be made by a super-majority in interest – and such agreements would be sustained. To satisfy statutory codification of the unanimous consent requirement, some such agreements were drawn to require unanimity and then in the next succeeding paragraph provide that if a stipulated super-majority voted in favor of a proposal the managing partner or agent could buy out the recalcitrant(s) so as to vote his/her interest(s), thus preserving the statutory unanimity prescription; unanimity thus could be circumvented if the initial governing agreement so provided, but in some agreements – Empire and 60 East being examples – the legal fiction of unanimity was observed with the inclusion of a super-majority vote that would trigger a buyout. There is no need to preserve this legal fiction in 2012, particularly where, as here, the provision is no longer necessary and where it has an *in terrorem* effect on investors who are neither familiar with its origin nor willing to risk even the slightest prospect that their interest may be forfeit if they vote “Against” or “Abstain” or if they fail to return their consent form when others, who are complete strangers to them, with whom they have no contact, and whose disposition on these matters is unknown to them, vote in favor.

Fourth, an added element of intimidation is the table at page 121. It shows that investments having an original purchase price of \$5,000 were recently acquired for amounts as low as \$100. They were the obvious victims of the buyout provision. The buyout threat is not an abstraction but a grim reality.

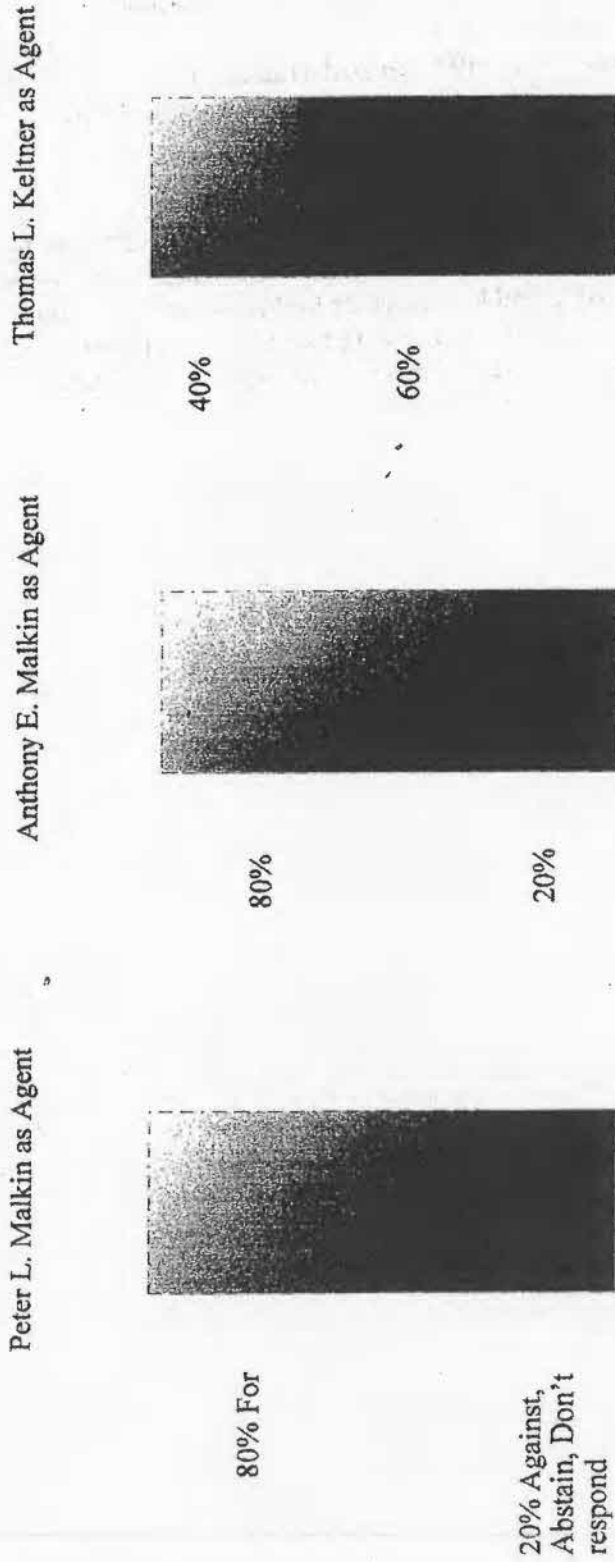
Fifth, even the Limited Liability Corporations law affords the dissident the right of appraisal and a buyout at true value. Under the NY LLC Law, Sec. 1002(c)-(f), if an LLC is consolidated with another entity the consolidation must be approved by such percentage as is required by the operating agreement; a member may dissent from the proposed consolidation in writing (e.g., a vote “Against” or “Abstain”) and upon the effectiveness of the consolidation such dissenting member is entitled to receive in cash from the consolidation company the “fair value” of his/her interest. The timing and mechanics for determining and paying the “fair value” include resort to the judicial appraisal procedure provided in the NY BCL. Here, the dissident is denied any such right to a fair value appraisal (S-4 at page 54).

Recommendations:

- The buyout provision be eliminated entirely or be suspended and inoperative for the purpose of this solicitation, and no mention of it appear in the prospectus. This would be of incalculable benefit to the investors and would not visit any disadvantage on those soliciting consents. The only relevant consideration is the percentage needed in each case to approve each proposal. If the overall percentages approve - e.g., 80% in each of the three agency groups in Empire - each of the two proposal so approved will have passed. Those who voted against or abstained or did not vote at all will retain their interests and *then be deemed to have voted in favor* and will be treated as such. This would eliminate an archaic and inequitable procedure while achieving the aim of the solicitation, whatever the result may be.
- The consents should be received, secured and tabulated, and the result then certified, by an entirely independent firm that has been selected in some manner other than solely by the solicitor. No one, including the solicitor, should have access to the independent tabulator or be informed in any manner of the consents as they are being received until the established solicitation period has closed whereupon the results will be certified by the tabulator to all concerned.

Empire State Building Associates LLC

Participating Groups



This hypothetical example assumes that all of the interests in Empire State Building Associates LLC are equally divided among the three participating groups. This may or may not be the case. No information in this regard is provided in the S-4. In this example, the proposals in the S-4 are rejected by Empire State Building Associates as they were not approved by 80% in interest in the Keltner group. Accordingly, the solicitation fails in its entirety. Nevertheless, all of the interests in the red zones in the Peter Malkin and the Anthony Malkin groups are subject to the Draconian buyout provision. This graphically illustrates the fundamental unfairness of approving the retention of that provision in the solicitation of investors.

Certain Consideration To Be Received By The Sponsor

A. Context

The Sponsor proposes to convert contingent compensation it now receives as well as fees for services yet to be performed (or no longer to be performed by it) into equity interests in the roll-up transaction. This creates statutory conflicts¹ and conflicts within the scope of the SEC's authority and its regulations².

The Sponsor receives contingent compensation – referred to in the S-4 as “overrides” – in 13 of the 26 entities involved in the roll-up. In the case of the Registrant, the override is 6% of the overage rent (as more fully described below) that is distributed to its investors. The fees in question are dollar-defined supervisory fees paid to the Sponsor for a package of services the Sponsor is required to perform. In the case of the Registrant, the supervisory fee set forth in the governing agreements, \$100,000 per year, has been adjusted by the Sponsor (presenting a separate set of issues) as more fully discussed below.

Former Senator Christopher Dodd, chairman of the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs of the 103rd Congress, delivered the following opening remarks in the first session of hearings to amend the SEC Act with respect to limited partnership roll-ups³:

“[S]mall investors in our States, have documented a long record of abuses in limited partnership rollups, that they've been ripped off and hurt and they've asked for our help. Investors have received misleading and confusing, to put it mildly, disclosure documents. ****General partners have structured deals to award themselves abusively high fees in the rolled-up entities* and to pay high fees to affiliates. Investors who have voted against a roll-up have been forced to accept shares in a new corporation, often with substantial reductions in their voting rights, but the voting rights of managements have increased. And last, *investors have been forced to accept shares in a new entity they didn't want, with a management fee structure that ensured that management would be paid first and investors last.*”

“No one has disputed that in far too many cases, the rights of investors have diminished as a result of a rollup and the rights of management, voting rights, equity interest, management fees, and the ability to engage in affiliate transactions have increased. This has happened in one deal after another across the country. In many of these transactions, the price of securities issued in the rollup have lost 20, 30, or 40 percent or more, in some cases, on the first day of trading. In some cases, the securities are now trading at a loss of up to 80 or 90 percent.” (emphasis added)

Prominent among the abuses examined and decried by Congress were the conversions of contingent to non-contingent compensation. The result was the Limited Partnership Rollup Reform Act of 1993 and amendments to the SEC disclosure regulations.

Despite these reforms all of the pre-reform ills and abuses are exhibited, firmly embraced by the Sponsor of the Empire State Building Realty Trust, in the S-4 under consideration.

B. Discussion

By legerdemain the Sponsor appropriates to itself for its overrides and supervisory fees equity interests representing 8.6% of the aggregate value of the roll-up assets; an unconscionable self-aggrandizement which, in the S-4, is valued at \$344,469,726. (The override position of persons other than members of the Sponsor also has been converted, resulting in a combined 10.3% of the portfolio assets and having an exchange value of \$403,067,779.) In regard to the Registrant, the Sponsor's override conversion alone dilutes the interests of the investors in the registered entity by 9.7%.⁴

B-1. The Statute

The Limited Partnership Rollup Reform Act of 1993 seeks to prescribe these abuses through regulation of the listing of securities on the national securities exchanges, and regulation of broker/dealer members of registered securities associations.

With regard to national security exchanges it provides that an exchange shall not be registered as such unless, as determined by the SEC, its rules prohibit the listing of any security issued in a limited partnership roll-up transaction that do not accord with procedures designed to protect the rights of limited partners, including "restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided."⁵

Similarly an association of brokers and dealers shall not be registered as a national securities association unless its rules prevent members from participating in any limited partnership roll-up transaction that does not include these same restrictions.⁶

B-2. The Overrides

Fundamental to the Sponsor's proposal is the transformation of its "overrides." This alone accounts for slightly more than half of the equity benefit the Sponsor intends to derive.⁷

The governing agreements in thirteen of the twenty-six roll-up entities provide for the payment of overrides to the supervisor/Sponsor. The original prospectus for the Registrant provides that the operating sublessee of the Empire State Building shall pay to the Registrant as additional rent 50% of the amount of the net operating profit of the building in any year in excess of \$1 million; that such additional rent "will be distributed pro-rata to the participants [i.e., the investors], and 6% [the override] will be paid to Wien, Lane & Klein [the original supervisor of the investment]."⁸

Such payments, similarly, are contingencies in all of the other entities. The operative governing agreements prescribe a fixed percentage (which percentages vary from property to property) of actual distributions to the investors over and above a stipulated return on their investment. The overrides are not nor were they ever grants of equity interests in the properties. They were designed as performance rewards to the supervisor for achievements that enhanced the returns to the investors in each separate entity in each year.

The proposed transformation of the overrides sets up a "material conflict of interest" between the investor and the Sponsor as defined by the SEC regulations. These asset-based benefits will, in addition to all other benefits and consideration exclusive to the Sponsor and members of the sponsoring group – e.g., management fees (terms undisclosed), fees for performing unspecified services, individual compensation packages (the details of which are undisclosed), singular tax benefits, indemnification for tax liabilities upon sale of certain of the roll-up properties designated "protected properties" – materially dilute the values of the investor interests; they carry a censure as "abusive" by federal legislation; their equity values relative to the aggregate portfolio have been determined by an undisclosed method; their provenance has been distorted in a cunning misrepresentation; and the requirements of disclosure and discussion as required by SEC regulations have been ignored.⁹

More specifically:

First, the immediate dilution of the investors' interests has been mentioned above. Dilution, however, continues and is compounded by the fact that the newly created equity interests draw distributions in pari passu with the other investors' interests. Dilution has an even greater impact on the interests of the investors in the thirteen entities that have no override provision.

Second, the Sponsor's presentation of its entitlement to these interests as non-contingent equity interests

rests on a patent misrepresentation.

The first iteration of the Sponsor's consideration reads as follows:

"The Malkin Holdings group will receive 64,220,800 shares of Class A common stock, Class B common stock and operating partnership units, *which they are entitled to receive* and will be allocated to them *in accordance with* the subject LLCs' and private entities' *organizational documents*, and their interests in the management companies which will be allocated to them in accordance with the valuations of the management companies by the independent valuer, based on the hypothetical \$10 per share exchange value arbitrarily assigned by the supervisor for illustrative purposes. The shares of common stock and operating partnership units that the Malkin Holdings group will receive have an *aggregate value of \$642,208,000*, based on the hypothetical \$10 per share exchange value that the supervisor arbitrarily assigned for illustrative purposes;"¹⁰ (emphasis added)

There is no reference to overrides. Not until 154 pages later, a reprise of this earlier theme with a few added notes glissando -- probably they are meant to go virtually unnoticed -- and override interests make their only appearance in context:

"The supervisor and the Malkin Holdings group will receive shares of Class A common stock, Class B common stock and operating partnership units. If the consolidation is consummated, the Malkin Holdings group will receive 64,220,800 shares of Class A common stock, Class B common stock and operating partnership units in exchange for their interests in the subject LLCs and the private entities, *including their override interests*, and the management companies, *having an aggregate value of \$642,208,000, which they are entitled to receive*, and will be allocated to them *in accordance with* the subject LLCs' and private entities' *organizational documents*, and, with respect to their interests in the management companies, in accordance with the valuations of the management companies by the independent valuer, based on the hypothetical \$10 per share exchange value that the supervisor arbitrarily assigned for illustrative purposes. This is in addition to any share of Class A common stock issuable in respect of the voluntary pro rata reimbursement program consented to by participants in the subject LLCs in connection with the solicitation with respect to the consolidation and its share of distributions of any cash available for distribution from the subject LLCs prior to the consolidation."¹¹ (emphasis added)

The number of shares has not changed, the provenance in the organizational documents has not changed, only "their override interests" has slithered in to take its place with other asset-based interests that existed as such from inception. The Sponsor has misrepresented the override interests as having been equity interests at birth. The transformation of contingencies into equity interests has been artfully concealed.

Third, there is no discussion or disclosure of how a value was assigned to the overrides. It does not appear to have been done by the "independent valuer," Duff & Phelps. If values had been determined by Duff & Phelps the regulations require that the such assets be described.¹² Neither the valuation information nor the draft fairness report mention "overrides" or "supervisory fees."

Fourth, very specific disclosures required by the regulations have not been made.

1. The nature of the transformation of the override interests and the conflict with the investor interests that thus result are not described at all, and certainly not in the following detail.

- There is no "comparison of such amounts [in material conflict with the investor interests] to the amounts to which the sponsor ... would be entitled without the roll-up transaction."
- There is no comparison of "such compensation to the compensation currently payable to the [Sponsor]."
- The S-4 does not "describe the effects of the change(s) in compensation arrangements." All as required by the Regulations.¹³

2. There is no "table demonstrating the changes in such compensation ... setting forth ... the actual amounts of compensation ... paid by the partnerships on a combined basis to the [Sponsor] ... for the partnerships' last three fiscal years and most recently ended interim periods."¹⁴

3. As previously mentioned there is no description at all as to "the method used to allocate interests [for overrides] in [the roll-up entity] ... and the reason such method(s) was used," as required by the Regulations.¹⁵ Although the pervasive impression the S-4 creates is that all of the values reflected in the text and tables were derived by the so-called "independent valuer," Duff & Phelps, no statement supports that impression in regard to the overrides or the supervisory fees. The Regulations provide that the S-4 must "describe which assets are covered by the appraisals."¹⁶ Yet a close examination of the "Draft Fairness Report" and the "valuation information" at Appendices A & B fails to find any mention of either form of consideration to the Sponsor. It thus appears that the Sponsor has been solely responsible for affixing values and selecting the methodology that has been employed. Having failed to describe the method used, the Sponsor also fails to "describe in reasonable detail ... the reasons such method(s) was used."

4. As previously noted the allocation of stock/OPUs to the Sponsor for overrides results in a dilution of the interests of all of the investors in the investor pool. And it has greater impact on those investors in the thirteen roll-up entities that do not have overrides. There is no discussion, disclosure or comparative description of the impact that affects them in particular. Accordingly, there has been a failure to comply with the requirements under the Regulations pertaining to the "Fairness of the Transaction" which require such individuation that the Sponsor address the fairness of the transaction "to investors in each of the partnerships and as a whole."¹⁷ This requires "reasonable detail [of] the material factors upon which the belief ... is based and, to the extent practicable, the weight assigned to each such factor."¹⁸

B-3. The Supervisory Fees

The supervisory fees are fixed dollar amounts set forth in the governing documents to compensate the supervisor of the investments for providing a package of services on an annual basis.

These fees also have been converted by the Sponsor into equity consideration to be received by it in the roll-up, though services previously performed will no longer be performed by it, or have yet to be performed by it or anyone else.

Supervisory fees together with the valuations placed on its subsidiary service providers total \$15,921,278.12.¹⁹

The supervisory fee for the Registrant was fixed at \$100,000 per year in the governing documents.²⁰

It was increased, in accord with the original governing instruments by the amount of \$14,400 resulting from debt service savings for the repayment of the first mortgage in 1984, and \$45,017 in savings resulting from the decrease in ground rent and sublease rent in 1992 - a total of \$59,417.

Accordingly, as reported in SEC filings, until the most recent:

"Registrant pays Supervisor for supervisory services and disbursements. The basic supervisory fees are \$159,417 per annum (the "Basic Payment").

"The basic supervisory services provided to Registrant by Supervisor include, but are not limited to, maintaining all of its entity and Participant records, performing physical inspections of the Building, providing or coordinating certain counsel services to Registrant, reviewing insurance coverage, conducting annual supervisory review meetings, receipt of monthly rent from Sublessee, payment of monthly and additional distributions to the Participants, payment of all other disbursements, confirmation

of the payment of real estate taxes, and active review of financial statements submitted to Registrant by Sublessee and financial statements audited by and tax information prepared by Registrant's independent registered public accounting firm, and distribution of related materials to the Participants. Supervisor also prepares quarterly, annual and other periodic filings with the SEC and applicable state authorities.”²¹

However, in 2011, the Sponsor, which serves as fiduciary to the investors, unilaterally increased its fee almost five-fold without notification to or approval of the investors. This statement appears in the Registrant's filing in that year:²²

“Note E Supervisory Services

Supervisory and other services are provided to Registrant by its supervisor, Malkin Holdings LLC (“Malkin Holdings” or “Supervisor”) (formerly Wien & Malkin LLC), a related party. Beneficial interests in Registrant are held directly or indirectly by one or more persons at Malkin Holdings and/or their family members.

“Registrant pays Supervisor for supervisory services and disbursements. **The basic fee (the “Basic Payment”) had been payable at the rate of \$100,000 per annum, payable \$8,333 per month, since inception in 1961. The Basic Payment was increased, with the approval of the Agents, by an amount equal to the increase in the Consumer Price Index since such date, resulting in an increase in the Basic Payment to \$725,000 per annum effective July 1, 2010.** The Basic Payment will be subject to further increase in accordance with any future increase in the Consumer Price Index. Based on such increase, the fee is \$751,306. The fee is payable (i) not less than \$8,333 per month and (ii) the balance out of available reserves from Additional Rent. If Additional Rent is insufficient to pay such balance, any deficiency shall be payable in the next year in which Additional Rent is sufficient. The Agents also approved payment by Registrant, effective July 1, 2010, of the expenses in connection with regular accounting services related to maintenance of Registrant's books and records. Such expenses were previously paid by Supervisor.” (emphasis added)

Indeed, the basic supervisory fee was not increased with the “approval” of the Agents, it was increased “by” the Agents without any other approval. Appearing in the SEC file is an instrument executed solely by members of the Sponsor – the three Agents for and fiduciaries to the investors – dated June 1, 2010, pursuant to which this self-serving change was made.²³

Investors were not notified of this change until eighteen months later when, in a letter to participants dated December 9, 2011, it was disclosed as follows:

“The basic supervisory fee payable to Malkin Holdings LLC had remained at the rate of \$100,000 a year since inception of this investment in 1961. Effective July 1, 2010, Associates' Agents approved the increase in such fee in an amount equal to the increase in the consumer price index since such date. The fee will increase with future increases in the consumer price index. This resulted in an increase of the basic fee to \$725,000 p.a. effective July 1, 2010, payable monthly at the rate of \$100,000 p.a. with the balance payable out of available reserves from receipt of additional rent from the Lessee. Any deficiency will be paid in the next year in which reserves are sufficient. The Agents also approved payment by Associates, effective July 1, 2010, of expenses in connection with regular accounting services relating to the maintenance of Associates' books and records - prior to the payment of the balance of the fee to Malkin Holdings. Such expenses were previously paid by Malkin Holdings.”

It does not appear that this letter was filed with the SEC.

Letters bearing the same date were sent to investors in other entities in the roll-up portfolio – these include 60 E. 42nd St. Associates, 250 W. 57th St. Associates, Empire State Building Company, and may include others – advising that the basic supervisory fee payable by their partnership unilaterally had been increased by their Agent/fiduciaries effective as of July 1, 2010.

It should be noted that the participating agreements of the Registrant provide for the approval of the investors with respect to matters such as this. In broad language the participating agreements in each of the three participating groups prohibits a disposition of partnership assets without the consent of the

participants.²⁴

What is manifest (and disturbing) is that during a period of declining revenues and increased capital costs resulting in the substantial reduction and then temporary elimination of overage rent payments to the Registrant upon which the Sponsor's 6% override was based, the Sponsor clandestinely increased its basic supervisory fee to compensate itself for the diminution and then temporary elimination of its overrides. This, all at the expense of the investors. Clearly, this unilateral increase in the basic supervisory fee collected from the Registrant, and fees collected from the other entities, was also designed to increase the valuation which it has affixed to its supervisory fees in the roll-up proposal.

While the above state of events warrant particular attention by the SEC, the disclosure issues described in relation to the overrides are also applicable to the supervisory fees.

C. The Sponsor's Subsidiaries

The organizational documents do not recognize the existence of the Sponsor's subsidiaries, nor do they authorize any payments to such companies. Accordingly, any allocation of values to such enterprises is unwarranted. Additionally, those subsidiaries will continue to exist and function in the consolidation as service entities, and so long as they do they will charge fees for services. They are not and cannot be considered assets of the portfolio. Again, the inadequacies of disclosure described above apply equally to the treatment of the subsidiaries.

D. Recommendations

1. We urge the SEC to exercise its authority to make a determination that this roll-up transaction contravenes the purpose and spirit of the Reform Act of 1993 and, accordingly, instruct the national securities exchanges that its REIT shares are not approved to be listed by its constituent members, and so instruct the registered national securities associations that their member brokers and dealers shall not participate in any activity relating to this roll-up. As this determination will have a severe negative impact on the marketability of REIT shares, it should be disclosed in the S-4 to inform investors who must consider how to vote on the solicitation.

2. In conjunction with compliance with the disclosure requirements enumerated above we respectfully submit that the forefront of the S-4 include a table in prominent typeface showing for each entity in the portfolio its exchange value followed by columns showing (a) the immediate dilution of this value effected by the conversion of contingent fees to non-contingent fees plus the conversion of fees for services yet to be performed to asset-based interests; (b) the tax impact on such exchange value for investors (other than members of the Sponsor and related family members who have been protected against such tax consequences); and (c) the combined effect of "(a)" and "(b)" on each entity's exchange value.

End Notes

1. 15 USC 78

2. 17 CFR 229.900 *et seq*

3. See http://archive.org/stream/limitedpartnersh00unit/limitedpartnersh00unit_djvu.txt

4. S-4, p. 50
5. 78(f)(b)(9)(A)(iv)
6. 78o-3(B)(12)(D)
7. 32,854,845 of the total 64,220,800 shares
8. See 1961 prospectus, p. 10
9. 17 CFR 229.904(ii)
S-4, p. 31
11. Ibid., p. 185
12. 17 CFR 229.911(c)(2)
13. 17 CFR 229.904(ii) and 905(b)(1)
14. Ibid., 905(b)(3)(I)
15. Ibid., 906(c)(1)
16. Ibid., 911(c)(2)
17. Ibid., 910
18. Ibid., 910(b); subsection (b)(2) requires a description of "material differences among the partnerships ... relating to the fairness of the transaction."
19. See S-4, p. 50
20. The original prospectus filed with the SEC in 1961 provided as follows: "Wien, Lane & Klein will supervise the operation of Associates' partnership agreements, and will act as general counsel. Such services will include the maintenance of all partnership records, preparation of all tax information for each participant, the making of monthly distributions to participants, supervision of preparation of partnership income tax returns, preparation and filing of reports with various governmental authorities, and the registration and transfers of Participations. It will receive payments of \$100,000 a year a portion of which will be used to defray all of Associates' regular expenses and accounting costs. The balance will represent compensation for such services."
21. See 10-Q Quarterly Period Ended 9/30/2009
22. See 10-Q Quarterly Period Ended 9/30/2011
23. See 10-K, Exhibit 10-F, filed 10/5/2010
24. Paragraph 4 in each of the three Participating Agreements dated January 1, 1962, provides "The Agent shall not agree to ... dispose of any partnership asset in any manner without the consent of all of the Participants." Paragraph 5 reads: "The Agreement may be modified or amended with the consent of all of the Participants." Paragraph 7 reduces the unanimous consent requirement in each of Paragraphs 4 and 5 to a super-majority of 80% by introducing the buyout of the dissenting minority.

The Third Party Portfolio Transaction

The presentation of the third-party portfolio transaction is the very antitheses of disclosure of material facts required of a solicitation.

Overview

Shapeless, ambiguous and illusory, totally devoid of substance, it negates the essence of what is required for an informed consent. Posited as a remote alternative it flits through the dense tangle of text like an afterthought, a prospect too remote to be consequential, too illusory to invite examination or arouse concern; and because the prospect should it materialize is so evanescent, it must immediately be seized by the agent unencumbered by the investors' rights of review and consent, lest it vanish. The demand imposed on the investors is that they surrender completely their every right, and that they consent to empower their agent with absolute and irrevocable discretion to take such action as the agent sees fit.

This proposal is of immense consequence. It requires no less level of disclosure and precision, no less attention and scrutiny, than the consolidation proposal.

It should not be linked as a subordinate companion of secondary importance in this solicitation but should be severed to be presented as a self-standing matter in a separate solicitation if, as and when an actual third-party transaction materializes. It must satisfy the same rigor of examination by the standard of full and accurate disclosure of material fact by which every consent solicitation is measured.

In the discussion that follows it will be manifest that

- disclosure in regard to this proposal is patently inadequate;
- such disclosure as has been made, textually and in the manner in which it is presented in the S-4, is inconsistent, misleading and deceptive; and
- the proposal is intrinsically one-sided and veritably destroys the rights and interests of the investors.

Discussion

The presentation of this proposal is a carefully contrived deception. In its early discussion the impression created and then reiterated again and again is that it is an option no less desirable than the consolidation proposal, indeed perhaps even more advantageous to the investors. Tracing its discussion as the S-4 unfolds unmask this deception and how completely self-serving it is of the interests of the agent at the expense of the investors.

The proposal first appears on the cover of the S-4 as follows:

*“Proposal to authorize the supervisor to sell or contribute the property interests in a third-party portfolio transaction. As a potential alternative to the consolidation, the supervisor requests that the participants consent to the sale or contribution of the subject LLCs’ property interests as part of a sale or contribution of the properties owned by the subject LLCs and the private entities as a portfolio to a third party. The third-party portfolio transaction would be undertaken **only** if the supervisor determines that the offer price includes what the supervisor believes is an adequate premium above the value that is expected to be realized over time from the consolidation and certain other conditions are met. For the reasons the supervisor believes this proposal is fair and reasonable” (bold-cap emphasis added)*

Here the operative concept is that the agent/supervisor will approve *only* a transaction that bears a premium above the consolidation value. At first blush this appears most advantageous to the interests of the investors. There is no specificity as to the size or nature of the premium, but a premium by definition is an improvement upon the consolidation project. Closer examination exposes other questions, left unanswered. What is the value “*expected to be realized over time from the consolidation*”? Whose expectation and where is it set forth in the solicitation? And what is the time period and why is there a time period?

The immediate next reference reiterates and reinforces this formulation. It further appears to make explicit that the transaction will be at arms-length:

*“As a potential alternative to the consolidation, the supervisor also requests that the participants consent to the sale or contribution of the subject LLCs’ property interests as part of a sale or contribution of the properties owned by the subject LLCs and the private entities as a portfolio to an unaffiliated third party. While the supervisor believes the consolidation represents the best opportunity for participants’ to achieve liquidity and to maximize the value of their investment, the supervisor believes it also is in the best interest of all participants for the supervisor to have the flexibility and discretion, subject to certain conditions, to accept an offer for the portfolio of properties from *an unaffiliated third party* if the supervisor determines that the offer price includes what the supervisor believes is an adequate premium above the value that is expected to be realized over time from the consolidation.”(emphasis added) [page unnumbered]*

This iteration of the proposal appears for the third time at page 1 in the “Questions and Answers: What am I being asked to consent to” and the agent’s intention to cast the nature of the proposal as benign is being imbedded:

“As a potential alternative to the consolidation, the sale or contribution of the subject LLCs’ property interests as part of a sale or contribution of the properties owned by the subject LLCs and the private entities as a portfolio to a third party if the supervisor determines that the offer price includes what the supervisor believes is an adequate premium above the value that is expected to be realized over time from the consolidation and certain other conditions are met.”

And then, for a fourth time in the early pages of this recondite, impenetrable document, the proposal is presented in this misleading form and the investors are asked to relinquish their rights and give carte blanche authority to the agent/supervisor:

“

Q: Why am I being asked to consent to a third-party portfolio proposal?

“A: As a potential alternative to the consolidation, you also are being asked to consent to the sale or contribution of the subject LLC’s property interest as part of a sale or contribution of the properties owned by the subject LLCs and the private entities as a portfolio to a third party. Through solicitation of consents, for the first time the properties owned by the subject LLCs and the private entities can be joined as a single portfolio. While the supervisor believes the consolidation and IPO represent the best opportunity for participants in the subject LLCs and the private entities to achieve liquidity and to maximize the value of their respective investments, the supervisor also believes it is in the best interest of all participants for the supervisor to be able to approve offers from unaffiliated third parties for the portfolio as a whole.

“Market forces are dynamic, unpredictable, and subject to volatility. Should the public awareness of the proposed consolidation and IPO produce potential compelling offers from unaffiliated third parties to purchase the consolidated portfolio, it will be costly and time consuming to solicit consents to allow a sale or contribution of the portfolio to a third party, and there is considerable risk that any opportunity which might appear would be lost without the requested consent in place. Therefore, the supervisor believes that it is advisable to have the flexibility and discretion, *subject to certain conditions*, to accept an offer for the entire portfolio of properties from an unaffiliated third party, rather than pursue the consolidation and IPO, if the supervisor determines the offer price includes what the supervisor believes is an adequate premium above the value that is expected to be realized over time from the consolidation. The supervisor has agreed that it will not accept a third-party offer unless it is unanimously approved by a committee which will include representatives of the supervisor and a representative of the Helmsley estate. Any third-party interested in making a portfolio proposal will be instructed to make its offer for all cash. *It is possible that participants or the supervisor and its affiliates may be offered an option to receive securities in lieu of all or a portion of the cash.* The supervisor will be authorized to approve offers only if definitive agreements are entered into prior to December 31, 2015 or such earlier date as the supervisor may set with or without notice or public announcement.”(emphasis added) [page 6]

Apart from the bogus argument that dynamic, volatile market forces make it imperative that the agent proceed with a third-party transaction without further consultation with or consent of the investors, three new concepts are introduced. Consummation of a transaction is “subject to certain conditions,” there is reference to the Pricing Committee that can scuttle an IPO and approve a third-party sale, and the consideration for the sale may be in securities rather than cash. “Conditions” are not described. The Pricing Committee -- composed of the Malkins and Helmsley interests but notably excluding any representation of the investors -- described elsewhere in greater detail, was one of several side-deals with the Helmsley interests to secure their agreement to this one-sided REIT project. The terms of the arrangements with the Helmsley interests have not been disclosed despite the inquiries of several investors. The prospect of

receiving securities instead of cash as consideration for the sale is not elaborated until much later in the S-4 – and then with an exposition and unmasking of the agent’s self-enrichment at the expense of the investors and a hint without elaboration of the negative tax consequences to the investors. But all that comes much later and will be discussed below.

As the S-4 progresses the third-party proposal is described for fifth time, and this time the portfolio is expanded. It is not just the properties that will be sold; it may include the Malkin management companies:

“The third-party portfolio transaction would be undertaken *only* if the supervisor determines that the offer price includes what the supervisor believes is an adequate premium above the value that is expected to be realized over time from the consolidation, subject to the committee approval described below, and would apply only to an offer from an unaffiliated third-party for the entire portfolio of properties owned by all of the subject LLCs and all of the private entities, subject to exclusions described under the section entitled ‘Third-Party Portfolio Proposal’. *A third-party portfolio transaction also could include the management companies.*” (emphasis added) [page 26]

The investors’ benefit in the proposal begins to unravel further in the next reference. The solidity of the statements regarding the premium above the value of the consolidation seems less certain. The plethora of conflicts of the agent’s interests with those of the investors that are the hallmark of this S-4 have also infected the third-party proposal:

“At the time you vote on the third-party portfolio proposal, there will be significant uncertainties as to the terms of any third-party portfolio transaction, which may not be received until after the consent solicitation has been completed, including the amount of consideration you would receive if a third-party portfolio transaction is consummated. **These uncertainties affect your ability to evaluate the third-party portfolio proposal.** *The supervisor may approve a third-party portfolio transaction which you may view as less favorable than the consolidation*

“*The supervisor, the agents and their affiliates serve in their respective capacities with respect to each subject LLC and each private entity, and, as such, have conflicts of interest in connection with decisions concerning the terms of a third-party portfolio transaction.*”(emphasis added) [page 29]

At page 78 it becomes apparent that “only if” means “but maybe not;” all certainty with respect to this transaction begins to unravel and there are no assurances that any preceding representation can be relied upon:

“*The supervisor does not know currently what structure a third-party portfolio transaction would take and may approve a third-party portfolio transaction which you may view as less favorable than the consolidation.*

“At the time you vote on the proposals, you may not have information concerning (a) the purchase price or terms of an offer, (b) the extent that the offer provides an option to receive securities instead of cash, and, if so, information concerning the business, prospects or risks

associated with an investment in the third party or the market for the securities of the third party, or (c) to the extent participants have been provided with such information, whether or not the

supervisor will accept an offer. Accordingly, participants will rely on the supervisor, which will determine whether to accept or reject the offer in its sole discretion and, if the supervisor approves a third-party portfolio transaction, subject to the unanimous approval of a committee which includes representatives of the supervisor and a representative of the Helmsley estate. *While the supervisor intends to accept an offer for a third-party portfolio transaction only if the consideration represents what the supervisor believes is an adequate premium above the value expected to be realized over time from the consolidation*, the supervisor has not established any specific criteria as to how much of a premium it would consider adequate. "In addition, if the third-party portfolio proposal is approved, *the supervisor will have the authority to approve an offer for a third-party portfolio transaction, subject to unanimous approval by a committee which will include representatives of the supervisor and the Helmsley estate, even if the consideration does not represent what the supervisor believes is an adequate premium above the value expected to be realized over time from the consolidation*. It is possible that the supervisor may approve a third-party portfolio transaction which you may view as less favorable than the consolidation.

"The supervisor and the Malkin Holdings group may have a conflict of interest in determining whether to accept a third-party portfolio transaction offer and in establishing the terms of a third-party portfolio transaction.

"The supervisor and the Malkin Holdings group may receive different benefits in connection with the consolidation, as compared with a third-party portfolio transaction. Accordingly, the supervisor and the Malkin Holdings group may have a conflict of interest in determining whether to accept a third-party portfolio transaction offer and in making decisions as to the amount and form of the consideration to be received in the transaction, the terms of the agreements, and other matters." (emphasis added) [page 78]

For investors who have begun to lose confidence in their agents' representations and are considering rejecting the proposal or abstaining, the sobering threat of forfeiting their interests for \$100 via the buyout mechanism is driven forcefully on the next page:

"Participants who do not approve the third-party portfolio proposal, including participants that do not timely submit their consent forms, after notice that the required percentage of participants have so approved may have their participation interests purchased at a lower price.

"If consent is received for the third party portfolio proposal from holders of 80% of the participation interests in any of the three participating groups in Empire State Building Associates L.L.C. or holders of 90% of the participation interests in any of the seven participating groups in 60 East 42nd St. Associates L.L.C., the agent of any such participating group has the right to purchase on behalf of the subject LLC the participation interest of any participant in such

participating group that failed to vote 'FOR' the proposal, including participants that 'ABSTAIN' or did not properly or timely submit a consent form, unless within 10 days after the agent gives such participant notice of such consent, such participant does vote 'FOR' the proposal. The buyout amount will be substantially lower than the consideration received in a third-party portfolio transaction. These buyout amounts are \$100 for the interest held by a participant in Empire State Building Associates L.L.C. and \$100 for the interest held by a participant in 60 East 42nd St. Associates L.L.C." (page 79)

As we describe in our commentary on "Voting Procedure" a participant who has voted "For" the consolidation proposal but "Against" or "Abstain" on this, the third-party proposal, is in jeopardy of losing his/her interest even if the overall solicitation is rejected by the investors. This unconscionable result has an excessively coercive effect, and that is particularly egregious in the instant situation where absolutely no parameters or limitations are set forth to govern the kind of third-party transaction that may eventuate.

The full magnitude of the deceptive, unprincipled and unscrupulous conception of this proposal does not become clear unless and until one reaches pages 147 and 187-8 of the S-4. It is then certain that the nature of the transaction serves primarily the interests of the agent; that the agent's self-interest is paramount and the investors stand to be "frozen out"; and, that the notion of an arms-length transaction is a fiction as the agent's interests actually lie on both sides of the deal and its primary objective will be to maximize its position in and future benefits from the acquiring entity.

The structure of this transaction can be pieced together from the following:

"In connection with a third party portfolio transaction, one or more of the supervisor and the Malkin Family may receive (a) securities for their interests (*i.e.* , stock or partnership interests of the acquiror) *even if other participants* receive cash or securities *with different rights*, (b) may retain interests in the subject LLCs and the private entities even if other participants receive cash or other securities, and (c) other interests through a management incentive program, such as shares or *overrides* in the acquiring entity. Also, the principals and employees of the supervisor could become officers, directors, and/or employees of the acquiring entity after a third-party portfolio transaction." (emphasis added) [page 147]

"The supervisor and its affiliates may have a conflict of interest in deciding whether to approve a third-party portfolio proposal due to the benefits that the supervisor and the Malkin Holdings group could receive in that transaction. The supervisor or the Malkin Holdings group may receive an interest in the acquiror or its subsidiaries in connection with a third-party portfolio transaction. This interest could be of greater value or could provide greater benefits to the supervisor or the Malkin Holdings group than those they would receive in the consolidation. In addition, affiliates of the supervisor could receive other benefits from a third-party portfolio transaction, such as employment agreements or benefits under compensation or incentive plans. On the other hand, the benefits to the supervisor and the Malkin Holdings group from the consolidation could exceed the benefits from a third-party portfolio transaction, particularly since senior executives of the supervisor will be senior executive officers and a director of the company, and the supervisor will receive other benefits from the consolidation described under "Conflicts of Interest—Substantial Benefits to the Supervisor and its Affiliates." Accordingly, the supervisor may have a conflict of interests in determining whether to approve a third-party offer." (emphasis added) [pages 187-8]

Compounding the devastating impact on the interests of the investors are the tax consequences. There are two to be considered, neither of which are disclosed in the presentation.

First, it is recognized that the third-party transaction is more likely than not to have an immediate tax consequence for the investors (if not for the agent). If the consideration received by the investors is not cash but securities (and the nature of such, as described above, may be of a different character than the securities received by the agent) the investors may have substantial taxes to pay while receiving no cash with which to pay them.

The tax discussion regarding this proposal is as follows:

"Although the structure that will be used in a third-party portfolio transaction will depend on the circumstances of the transaction, the supervisor expects that it may not be possible to structure a third-party portfolio transaction as a tax-deferred transaction. To the extent that a third-party

portfolio transaction is treated as a sale by your subject LLC of its underlying property for cash consideration, your subject LLC would likely recognize gain or loss equal to the difference between the amount of cash received, plus any liabilities that are assumed in the sale, and your subject LLC's adjusted basis in the property. Any such gain or loss would be allocated between you and the other holders of participation interests in your subject LLC pursuant to the terms of your subject LLC's partnership agreement. In addition, you may recognize additional gain or loss when your subject LLC distributes the cash consideration in liquidation of your participation interest. Any gain or loss that you recognize in connection with the liquidating distribution would generally have the character described above under "—Character of Gain Recognized." However, notwithstanding the foregoing, a third-party portfolio transaction could have a different structure than described above, which could affect the U.S. federal income tax consequences of the transaction to you. Alternatively, to the extent that, in connection with a third-party portfolio transaction, you are treated as selling all or a portion of your participation interest, the U.S. federal income tax consequences to you will generally be described in '— Receipt of Class A Common Stock and/or Cash' and '—Character of Gain Recognized.' "(emphasis added) [page 396]

The second tax consequence to the investors is the impact of the tax protection agreement pursuant to which the Malkin/Morse families will be indemnified in the event of the sale of the "protected assets." Since the protected assets will be included in any third-party portfolio transaction there will be an immediate trigger of the indemnification obligation. The S-4 reports that the amount thereof would approximate a staggering \$82.6 million.

"The operating partnership estimates that if all of its assets subject to the tax protection agreement were sold in a taxable transaction immediately after the IPO, the amount of the operating partnership's indemnification obligations (including additional payments to compensate the

indemnified partners for additional tax liabilities resulting from the indemnification payments) would be approximately \$82.6 million.”(page 143)

There is no disclosure at all as to how this amount, which far exceeds the total annual net income of the consolidated company, will or can be paid.

In conclusion, we believe that the foregoing analysis of the S-4 text demonstrates that the agent/supervisor not only has failed in its obligations to make full and fair disclosure of the material facts, to present them in a manner that can reasonably be reviewed and understood by the average investor, and to demonstrate that the breadth of the authority and discretion it seeks is warranted in the instant circumstances, but that its own words and the callousness of its proposals evidence a lack of sensitivity to the basic obligations of a fiduciary of such magnitude that the entire S-4 should be evaluated in that light.

Recommendations

- We urge that the third-party portfolio transaction and its related consent requirement be removed from this solicitation;
- that the agent/supervisor be required to submit for review and approval by the SEC a stand-alone solicitation as, if and when the terms of an acceptable transaction that is deemed superior to the consolidated enterprise, and objectively fair to the existing investors, materializes; and
- that a representative or a committee on behalf of the investors (other than the Malkin and Helmsley interests) be appointed to the Pricing Committee with the power to veto any transaction that is not reasonably and objectively fair to the other investors.

Third-Party Portfolio Transaction

If this proposal is to appear in the S-4 (and we believe it should not) at very least it should be set forth in plain English in one place. Not as it presently appears in circumlocutions and confusion in different and much separated parts of the text. The following accurately sets forth what this proposal entails:

You are being asked to consent to the 3rd-Party Portfolio Transaction.

No prospective transaction is pending and no offer has been received to purchase the portfolio at this time.

The consent of the public LLC will grant complete discretion to Malkin Holdings to do the following:

- terminate the REIT/IPO project at any time, subject only to the approval of the Helmsley interests;
- entertain, and accept or negotiate, an offer made by a third-party to acquire the entire portfolio of properties in this consolidation; and
- conclude a transaction on such terms and with such third-party as it alone deems desirable.

No representation is made nor should any be implied as to

- the terms of a transaction Malkin Holdings may agree to;
- the consideration, in amount or form, participants will receive in such transaction, it being expressly noted that the consideration received by the Malkin and the Wien groups may differ (including in amount and form per allocable interest) from the consideration received by participants, and it being further noted that the tax consequence of such transaction which is likely to be immediate in the case of participants may not be the same for the Malkin and Wien groups.

The consideration received in any transaction may be entirely or partly in cash or entirely or partly in securities. The proportions of cash to securities may not be the same for participants as for members of the Malkin and Wien groups. The nature of any securities received by participants may differ from securities received by the Malkin and Wien groups and such securities may or may not be capable of being readily liquidated.

Members of Malkin Holdings may by the terms of the transaction be granted equity interests in the acquiring entity, and may become officers, directors and/or employees of such entity upon conclusion of the transaction.

Participants will not be asked for consent to approve a transaction deemed acceptable by Malkin Holdings.

The consent of the LLC to this proposal will be binding on all participants and will constitute a relinquishment of the right of participants to contest a decision made by Malkin Holdings to terminate the REIT/IPO project, to negotiate a transaction for the entire portfolio, and to conclude such transaction with any third-party and on such terms as it alone deems acceptable.

From: (b)(6),(b)(7)(C)
To: (b)(6),(b)(7)(C)
Cc: (b)(6),(b)(7)(C)
Subject: FW: empire state building

Date: Tuesday, November 27, 2012 2:10:36 PM

Fyi

From: (b)(6),(b)(7)(C)
Sent: Tuesday, November 27, 2012 2:08 PM
To: (b)(6),(b)(7)(C)
Subject: empire state building

(b)(6),
(b)(7)(C)
I own (b)(6),(b)(7)(C) of the Empire State Building Associates, LLC. This summer, in response to a Malkin Holdings, LLC letter, (b)(6),(b)(7)(C) called them to ask about options, and what would happen if we voted no to the REIT. As (b)(6),(b)(7)(C) explained it, if I vote no to the REIT and 80% of my partners vote yes, then my investment value will become worthless (from the approximate present value of (b)(6),(b)(7)(C)). Why would the SEC allow such a thing? Is my vote forced to go one way in favor of the REIT even though I am against it? Please tell me this is not true.

Thank you
(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

October 5, 2012

(b)(6),(b)(7)(C)

100 F Street NE
Washington, D.C. 20549-3010

Re: Empire State Realty Trust, Inc. CIK#: 0001541401
SIC: 6798 – Real Estate Investment Trusts
State location: NY | State of Inc.: MD | Fiscal Year End: 1231
Assistant Director Office: 8

Dear (b)(6),(b)(7)(C)

I am writing to you on behalf of (b)(6),(b)(7)(C) myself, in hopes that you will be able to help us. In (b)(6),(b)(7)(C) and left us (b)(6),(b)(7)(C) in Empire State Building Associates (ESBA). She was (b)(6),(b)(7)(C) and always proud to be connected to the Empire State Building; she wanted us to keep that heritage in the family. At the present time, the Empire State Building is owned by ESBA. We have recently received a series of letters from the Empire State Building Company (ESBC), which has been managing the building, and they are making us very concerned that we are at risk of losing this inheritance from (b)(6),(b)(7)(C). Our (b)(6),(b)(7)(C) has spent considerable time with contracts and data and has written an explanation for us, which we are including with this letter; we are also including the letters we have written to Malkin (formerly Wien & Malkin), telling them to cease in their attempt to create a REIT as currently defined. We are both worried that they are trying to do something illegal or unethical: if so, we would like to prevent it.

Thank you very much for taking the time to review this material. Please help us keep the ESBC from taking away the value of our gift from our (b)(6),(b)(7)(C)

Sincerely yours,

(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

September 13, 2012

Peter Malkin
Empire State Building Associates L.L.C.
One Grand Central Place
60 East 42nd Street
New York City, NY 10165

As an investor in Empire State Building Associates L.L.C., I have reviewed your efforts to create a REIT incorporating the properties of Empire State Building Associates and they appear strongly in breach of your fiduciary responsibilities as management of the partnership. This letter is an instruction to cease and desist from these efforts to change in any way the structure of Empire State Building Associates. The Attorney General of New York, the Attorney General of Massachusetts, and the SEC will also be receiving copies of this letter.

I thank you in advance for your time and attention to this matter and await your written response.

Sincerely,

(b)(6),(b)(7)(C)

- 2) **UNNECESSARILY COMPLEX STRUCTURE TO AVOID CAPITAL GAINS TAX AT THE IPO:** In an earlier proposal by MALKIN, the owners of ESBA would be subject to a significant capital gains tax (approximately 15% of \$330,850 = \$49 thousand dollars per share of ESBA) at the IPO due to the manner in which the assets of ESBA are placed into the REIT. I say unnecessarily since the IRS (the tax man) currently has a well defined legal mechanism, the UPREIT as permitted by Section 721 of the Internal Revenue Code, that allows property to be exchanged for shares in a REIT in a manner that defers capital gains tax until one sells their new shares in the REIT. After there was sustained objection by the investors of ESBA to this initial proposal and the immediate capital gains event it would create, a new proposal was proffered by MALKIN, and again it was not via a straightforward UPREIT, but instead by a "never used before" and "unique" manner (words of Peter and Anthony Malkin) conceived by MALKIN that has all the risks of an untested tax scheme and which places unnecessary complications on the investors of ESBA.
- 3) **LOSS OF ESSENTIALLY ALL VOTING RIGHTS AND CONTROL:** Currently all the investors in ESBA must be consulted concerning any major or legal changes concerning ESBA and at least 80% must approve if the change is to proceed. With the consolidation of ESBA into REIT this power will be significantly diluted due to the large number of new shares being issued. Furthermore, two classes of stock have been created specifically to remove any real voting power from the investors of ESBA as well as anybody who purchases shares at the IPO. This is achieved by REIT having two classes of stock: Class A shares having 1 vote and Class B shares having 50 votes. The investors of ESBA will have their voting rights effectively eliminated with: 1) MALKIN indicating in the S-4 that they will take Class B shares as opposed to Class A whenever they can, and 2) a barrier that has been created by MALKIN that makes the investors in ESBA unlikely to take Class B shares over Class A, this barrier being that, as currently specified in the S-4, for investors in ESBA to elect to take Class B shares automatically triggers a massively expensive and immediate capital gains tax event, whereas owning Class A shares defers any capital gains events until one chooses to sell their shares in REIT.
- 4) **THIRD PARTY-PORTFOLIO PROPOSAL IS ECONOMICALLY DANGEROUS:** The investors of ESBA are being asked to relinquish ALL THEIR VOTING RIGHTS with respect to MALKIN selling all assets of ESBA to any third party. Specifically, MALKIN is requesting the authority to sell the Empire State Building and land at any time between approval of this proposal and December 31, 2015, to any third-party at any price so long as MALKIN (or their representative) and a representative of the Helmsley Estate wish to do so. Furthermore, if this proposal is approved, the sale of the assets of ESBA can be made without any prior notice being given to the investors of ESBA or needing additional approval from the investors of ESBA.
- 5) **PERFORMANCE:** The Return-On-Investment of ESBA is far below that of other commercial buildings in the northeastern area of the United States (which during the last 10 years has enjoyed a pretax ROI over 10%). Considering the recent \$2.52 billion evaluation for the Empire State Building, the payments received from ESBC are a fraction of what they should be. When MALKIN gives performance metrics: for example, 30% or even 50% return-on-investment, they are comparing current returns to the 1961 investment. Remember that since 1961 the basic inflation rate has been over 770 percent; thus making comparisons back to the 1961 investment amount of \$10,000 per share makes no sense. Commercial rents in the New York City area have gone up considerably since 1961 and it would be reasonable to expect that the payments from

MALKIN would have at least scaled-up with the average rent increases in New York City as well. This topic is addressed further later in this missive.

- 6) **VOLUNTARY PRO RATA REIMBURSEMENT PROGRAM IS UNSPECIFIED AND UNBOUNDED:** The request to be reimbursed for the prior advances of all costs, plus interest, incurred in connection with the legal proceedings required to remove and replace the former property manager and leasing agent does not specify the amount being asked nor specify an upper bound on what the amount may be --- even though these expenses were incurred sufficiently long ago to have been already negotiated with the Helmsley estate for MALKIN to receive \$5,021,048.

For those who are interested, I have made a simple accounting estimate, using historical data using the last 21 years of financial data provided by MALKIN, yields a starting "ballpark" for what ESBC should receive in the REIT. This was done by looking at how much money was made by ESBA, the original investors, and how much was made by ESBC, the management vehicle operated by MALKIN. While I strongly believe that the 50% being assumed by MALKIN is highly unreasonable, I do think that ESBC does have exchange value that will be realized by MALKIN (and the Helmsley) if-and-when the REIT goes through --- what is important to the owners of ESBA is to make the respective evaluations for ESBA and ESBC fair and defensible. This and other matters will be discussed further.

With introductions and warnings now given, I hope you find the following comments I made to (b) (b)(6),(b)(7)(C) useful.

To (b)(6),(b)(7)(C)

Given what is happening with the investment that (b)(6),(b)(7)(C) left you, in particular, the letters from Malkin advising you both on the upcoming IPO for EMPIRE STATE REALTY TRUST, INC. and the request that will soon arrive that seeks your approval, I thought it would be useful if I provided you with some background and a framework on how you might approach the matter. So, history first and food-for-framework second. But let me get your immediate attention as well as the longterm attention that this matter deserves. Consider the company you two own shares in:

The EMPIRE STATE BUILDING ASSOCIATES (ESBA)

- (1) Of which the number of outstanding investment units (shares) is 3,900.
- (2) ESBA owns the Empire State Building, the land beneath it, its fee title, and master lease that together was recently valued at \$2.52 Billion in the SEC filing made Feb. 13, 2012 by MALKIN in their S-4 filing for REIT (the proposed IPO, see page 168 of the S-4)
- (3) So please note that \$2,520,000,000 divided by 3,300 = \$763,636 per share!

From the lead article in:

Wien & Malkin' newsletter *Real ESTATE INVESTOR*, Summer 2002 VOL. IV NO 3. titled:

***Wien & Malkin Investors Acquire Empire State Building
Fee Title After Four Decades of Owning Master Lease***

On April 17th, Empire State Building Associates L.L.C., an investment entity created by Lawrence A. Wien and his son-in-law, Peter L. Malkin, and now led by Mr. Malkin, closed on the acquisition of the fee title to the Empire State Building. The event marked another momentous milestone for what is quite arguably the most significant real estate syndication of all time.

In 1961, the company acquired a 114-year master lease of the property, subject to an operating sublease with another entity in which Mr. Malkin is a member, and paid a fixed annual rent to the land owners. This is how the 102-story landmark has operated for the past 40 years

The story goes on leading to a highly relevant and legally significant few words:
--- the words of Peter Malkin (my bold).

"It is remarkable that, the \$57.5 million paid by the investment partnership this spring is only \$16.5 million more than the cost of developing the world-famous tower 71 years ago. Now, however, because the fee and master lease ownership are in the same hands, the combined value has quickly risen by a multiple of the price paid to purchase the fee title.

Acquiring the land under the Empire State Building presented a one-of-a-kind opportunity," he continues. "**We offered the opportunity to participate in the purchase to the operating sublessee, which declined.**"

Please note, that the sublessee is ESBC and not ESBA! Thus, in MALKIN's words and deeds you two along with the other investors in ESBA are the owners. How Cool is That?

Before I get into the questions about the proposed creation of the EMPIRE STATE REALTY TRUST, INC., the REIT, it seems like a good place to read the announcement that appeared in the Security and Exchange Commission's "News Digest" of August 24, 1961 giving notice of the upcoming offering by Empire State Building Associates to raise \$39,000,000 by selling \$10K units and which starts the public's, *and ultimately your, involvement in this* (as shown on the following page).

SECURITIES AND EXCHANGE COMMISSION
NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE August 24, 1961

EMPIRE STATE BLDG. ASSOCIATES FILES FOR OFFERING.

Empire State Building Associates, 60 East 42nd St., New York, today filed a registration statement (File 2-18741) seeking registration of \$39,000,000 Participations in General Partnership Interests in Associates, a partnership consisting of Lawrence A. Wien, Henry W. Klein and Peter L. Malkin. The Participations will be offered for public sale in \$10,000 units. Associates has contracted to purchase the Empire State Building in New York and the ground lease of the land underlying the building. The contract price is \$65,000,000, and a \$4,000,000 deposit has been made thereunder. The contract is scheduled for closing on December 27, 1961. Various other expenses and disbursements, including legal and realty brokerage fees and the expenses of this offering, will increase the acquisition cost to \$68,000,000. Associates proposes to obtain the \$68,000,000 as follows: \$29,000,000, by causing the building to be conveyed to The Prudential Life Insurance Company of America (Prudential already owns the land and is the lessor under the existing ground lease, having purchased the land in 1951 for \$17,000,000. Upon acquiring the building, Prudential will execute a Master Lease of the land and building to Associates) ~ \$13,000,000 by a Leasehold Mortgage; and (\$26,000,000 through the sale to the public of that amount of participations being offered. However, the mortgage may be a smaller amount or there may be no mortgage at all. In the latter event, the maximum amount of \$39,000,000 of Participations will be sold hereunder. Each partner in Associates will sell Participations in his partnership interest equal to one-third of the amount required.

When the above transactions are closed, Associates will own the Master Lease on the property. Its contribution to the total cost of acquisition (including disbursements) will be \$39,000,000, which will be derived either from the proceeds of the sale of Participations and a Leasehold Mortgage, or from the sale of participations alone. The Master Lease will be a net lease of the entire premises which, with renewal privileges, will run for 114 years to 2075. It will provide for the payment by Associates of an annual rent.

Associates will not operate the property. Simultaneously with the purchase, it will execute a net sub lease of the entire premises to Empire State Building Company, with the same term and renewal privileges as the Master Lease. Empire State Building Company is a joint venture composed of Wien, Harry B. Helmsley, and two corporations owned by others. Associates proposes to obtain the Leasehold Mortgage from Real Estate Investing Associates, Inc., 56% of whose stock is owned by Wien and Helmsley.

Note that the highest percentage of the "take" that ESBC received during these last 21 years was 43.64%, usually much lower, and for some years ESBC even lost money. More relevant is the long term average split between ESBA and ESBC. From the records we see that the average percentage that ESBC retained was only 35.74%. Clearly a profit split of 64.26/35.74 percent between ESBA and ESBC is hardly the 50/50 split that "equal" partners would have. I need to mention two things: one, the analysis shown has been a generous evaluation, because for the two years that ESBC lost money, I did not carry this loss forward as I should have. The reason was that the 10-K reports filed with the SEC did not provide sufficient information about the inner workings of ESBC to do this. And two, the above analysis does in no way support the contention that ESBC should deserve even 35.74% of ESBA in a consolidation for a very simple reason --- ESBC is a wasting asset. When its sublease expires 2076 it will have no value, unlike ESBA which owns the physical building and the associated land; therefore, ESBA will have value into perpetuity. Simply put ESBA is an appreciating asset and ESBC is a wasting asset and therefore, they do not have equivalent value EVEN IF THEY WERE EQUALLY SPLITTING THE PROFITS. Furthermore, from now until 2076 ESBC must keep to the terms of the sublease, otherwise it may lose the sublease by default further increasing the value of ESBA. Clearly, the value of ESBC expressed as a percentage of ESBA is far less than 35% and any demand by ESBC for more is obviously unjustified. **The Empire State Building is one of the greatest and most famous buildings in the world and ESBA should not give it away because of some specious argument.**

(B) The taking of ESBA voting rights is unacceptable. Currently ESBA has significant voting power --- today ESBC cannot make any major changes without at least getting 80% of the investors in ESBA agreeing-in-writing and by-and-large this has worked well for both parties over the decades. However, with the dual stock class structure being proposed for REIT (Class A having 1 vote and Class B having 50 votes) and with MALKIN having a large ownership of it, MALKIN will have overwhelming, if not absolute, voting control. To even consider going down this path, you would need many guarantees from MALKIN to make up for the loss of voting rights; however, these guarantees are missing. **Instead, throughout the S-4 are numerous statements highlighting the severe conflict of interest present and the absence of any mechanism to ameliorate or remove it.** To the contrary, there are far too many items that should give you real pause, if not flight. For example, we read in the S-4 that ESBA investors (you two) may elect to take a small portion of Class B shares (and get a tiny modicum of your voting rights back) however, they have built into REIT a powerful incentive for you not to do this. Why? Because of how the Class B stock is being offered: if you do take any Class B stock, then a capital gains tax event is triggered the day you do resulting in a large tax bill that will need to be paid by you that tax year. The attributes of this dual-stock structure appear to be contrived to take away from all but the *insiders* of the REIT their voting rights; the way the S-4 is written the investors of ESBA are *outsiders* with the *insiders* having the voting power and board-of-directors representation. **It would be all-around-better for REIT to have just one class of stock --- 1 share having 1 vote --- and for the investors of ESBA to have a board seat --- what a notion: democratic and fair.**

(C) The tax treatment was morally indefensible and now it is just dangerous. In the earlier proposal (see the original S-4 filing) the investors of ESBA *on the day of the IPO* would find themselves owing the IRS about \$50 thousand for each share of ESBA they owned. This was particularly troubling since this is unnecessary because the IRS already has a mechanism for property to be placed into a Real Estate Investment Trust without tax consequences. It is called an UPREIT and in the S-4 we learn that UPREITs will be used. One of the applicable rules is Section 721 of the

Internal Revenue Code and that I quote a portion that is below:

Section 721 — Nonrecognition of Gain or Loss on Contribution to a Partnership

(a) General rule --

No gain or loss shall be recognized to a partnership or to any of its partners in the case of a contribution of property to the partnership in exchange for an interest in the partnership.

For those with more interest a good starting place is:

Section 721

Title 26 Internal Revenue Code

Sub Title A... Income Taxes

Chapter 1..... Normal Taxes and Surtaxes

Subchapter O: Gain or Loss on Disposition of Property

Part III..... Common Non-Taxable Exchanges

Additionally, lookup "UPREIT" or "tax treatment REIT formation" on the Internet or simply look at:

Real estate investment trust

http://en.wikipedia.org/wiki/REIT#United_States

and/or

UPREIT Transactions: Understanding the Benefits and Features

<http://corporate.findlaw.com/corporate-governance/upreit-transactions-understanding-the-benefits-and-features.html>

(D) The THIRD-PARTY-PORTFOLIO proposal is economic suicide: I was particularly troubled by the request by MALKIN in the SEC S-4 submission that investors of ESBA are being asked to do something that nobody in business would ever do and I doubt that MALKIN has ever done anything like it! And this is to relinquish ALL THEIR VOTING RIGHTS with respect to selling all of the assets of ESBA to any third party. Specifically, very soon MALKIN will be asking you for the authority to:

- D1) sell the Empire State Building and land at any time between the approval of this proposal and December 31, 2015,
- D2) to any third-party at any price so long as MALKIN (or their representative) and a representative of the Helmsley Estate wish to do so, and
- D3) sell the assets of ESBA without any notice being given to the investors of ESBA or needing any additional approval from the investors of ESBA.

I apologize for this being so long and tedious. I cannot say that I have enjoyed going through all these report, filings, and financials; however, I do owe it to (b)(6),(b)(7)(C) to look out for (b)(6),(b)(7)(C) investment. By the way, consider signing up on the www.empirestatebuildinginvestors.com website to stay current on the three class-action law suits (consolidated into one on 6/27/2012) that have been filed against MALKIN and other related parties. I would prefer to end this missive on a happier note and I believe that I have found it. Below is a letter from (b)(6),(b)(7)(C) to your (b)(6),(b)(7)(C) dated March 29, 1962, which exemplifies the tone of the relationship that existed for many years.

WIEN, LANE & KLEIN

COUNSELLORS AT LAW

LAWRENCE A. WIEN
HENRY W. KLEIN
ALVIN E. LAKE
ALVIN SILVERMAN
FRED LINDER
IVAN SHAPIRO
HAROLD L. STRUDLER
ROBERT I. WEISSMANN
RALPH W. FELSTEN
PETER L. MALKIN
WILLIAM F. CAVANAGH, JR.
EDWARD D. HOLDOVER
MARTIN M. MOLOT
ROBERT W. BELFMAN
STANLEY KATZMAN
JOHN H. STEEL
MORRIS JACOBSON

LINCOLN BUILDING
60 EAST 42ND STREET, NEW YORK 17, N. Y.
MURRAY HILL 7-8700

March 29, 1962

(b)(6),(b)(7)(C)

Dear Mrs. (b)(6),(b)(7)(C)

Three months have now passed since Empire State Building Associates acquired the Empire State Building. My personal involvement in the operation of the Empire State Building during the last three months has convinced me that it is unquestionably the greatest building in the world, with a substantial potential for improved operation.

I hope to report development at the Empire State Building to the participants in Empire State Building Associates, from time to time. In the meantime, you may be interested in the enclosed reprint of an article which appeared in the March 18th American Weekly Sunday Supplement to the Hearst newspapers across the nation. Apparently, we are not alone in feeling that the Empire State Building is "The Champion".

Cordially yours,

(b)(6),(b)(7)(C)

LAW:MR
Enclosure

Let me know what you wish to do?

(b)(6),(b)(7)(C)

DEWEY PEGNO & KRAMARSKY LLP

777 THIRD AVENUE
NEW YORK, NEW YORK 10017

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DANIEL SHTERNFELD
MAUREN A. FITZGERALD
ANGELA L. HARRIS

October 15, 2012

VIA EMAIL, FEDERAL EXPRESS & CERTIFIED MAIL

(b)(6),(b)(7)(C)

Empire State Building Associates L.L.C.

Dear (b)(6),(b)(7)(C)

We represent Malkin Holdings LLC and it has come to our attention that you are participating in telephone calls being made on behalf of the Edelmans or others in connection with the above-referenced investment. We have received reports that inaccurate statements are being made on those telephone calls.

We recognize investors' rights to express their views, but not—through carelessness or worse—to make false statements as to any material fact.

We therefore call on you to preserve all documents (as defined in Exhibit A, attached) concerning your communications to, with, or on behalf of the Edelmans. It is critically important that you not destroy any documents that may relate to this matter. Any failure to comply with this obligation may result in serious sanctions against you. Even inadvertent destruction or loss of relevant documents can have very serious consequences.

If you have any questions or would like to verify an item of information you have been asked to convey in the course of your communications, we are available to assist you.

Andover Equities

62 West 45th Street, New York, NY 10036
Tel (212) 997-7878 Fax (212) 997-8770

(b)(6),(b)(7)(C)@sec.gov

September 18, 2012

(b)(6),(b)(7)(C)

Division of Corporation Finance
U. S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

RE: Proposed Empire State Building REIT

Dear (b)(6),(b)(7)(C)

It was a pleasure speaking to you and your associate last week in regard to my questions in regard to exactly what is being offered to the participants in Empire State Building Associates, in regard to their acceptance of the exchange for the proposed REIT shares?

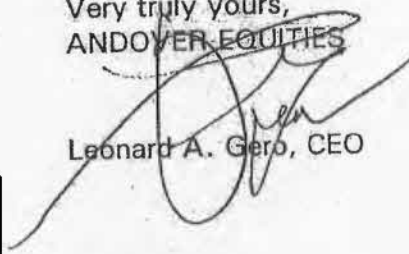
As discussed, it is most difficult to understand exactly what is being offered for the participation. However, it is most clear that if you don't agree you get \$100 per \$1,000 share of the 1962 participation.

Exactly what is the alternative being offered by Malkin in **absolute dollar value**, how else can we be forced to make a decision in this matter?

I have been unable to locate where in the SEC document this information is clearly available.

I would appreciate it if you could forward to me a portion of the document that you referred to that explains this matter.

Very truly yours,
ANDOVER EQUITIES


Leonard A. Gero, CEO

cc:

(b)(6),(b)(7)(C)

P.S. I believe this is a most reasonable question that the SEC should immediately address.

Statutory And Regulatory Noncompliance Regarding Private Entities In The Roll-up

A. Context

(1) The Nature of the Concern

This roll-up transaction comprises 12 office properties, six stand-alone retail properties and one undeveloped parcel. Most of the properties are located in New York City; a few are in Westchester County and Connecticut.

Many of the properties have multi-tier investment groups such as a fee ownership group and an operating lessee group. In all, there are 26 entities in the roll-up.

The majority of investors have an interest in only one or a few entities, rarely in more. Consequently they have knowledge of but one or a few properties and no knowledge whatever of the others proposed in this transaction.

In the two tier entities the investors in the fee group have limited financial and operational information regarding their own property; they neither receive full financial statements of operations nor are they afforded periodic meetings at which operational, financial and other considerations are reviewed – and this is true of investors in the Registrant. Conversely, the investors in the operating lessee are more fully informed as to such matters. But in both cases, their information about other properties is virtually nil.

Most every investor in this roll-up – and that includes the investors in the Registrant – who placed money in an investment of choice, in a property with which there was reasonable familiarity on the basis of an offering memorandum, or in the case of the registered partnerships a prospectus vetted and approved by the SEC, is about to be solicited (or already has been solicited - see discussion below) to merge such interest in a conglomerate of properties about which there is complete ignorance.

This conundrum was discussed in a Stanford Law Review note:

“[W]hile a rollup ‘diversifies’ the assets in which each investor holds an interest, the new assets are usually similar to those formerly in the limited partnership’s portfolio. The result may actually be a more concentrated and hence riskier portfolio. Limited partners in failing limited partnerships might benefit from the infusion of more promising assets through a rollup, but this ‘benefit’ is essentially a subsidy paid by the healthy partnerships. Conversely, the investors in the healthy limited partnerships watch the value of their investments diminish from consolidation with failing partnerships. Simply put, consolidation alone cannot dramatically improve poorly performing investments. Indeed, given the likelihood of significantly increased fees and the danger of poor management performance, diversification in the rollup context likely more often harms than helps investors.” (emphasis added)¹

Addressing this concern among others, Congress enacted the Limited Partnership Rollup Reform Act of 1993 to afford investors adequate information to make informed decisions to approve or oppose a roll-up transaction involving their constituent partnerships.

(2) The Statutory/Regulatory Scheme

The Limited Partnership Rollup Reform Act of 1993 supplemented and amended the Securities Exchange Act of 1934. Relevant to this discussion are the provisions of 15 USC §78n which provide for the solicitation of investors’ consent to a roll-up transaction, the nature of the disclosures to be provided, and the duration of the solicitation period.

It makes it “unlawful for any person to solicit any ... consent, or authorization concerning a limited partnership rollup transaction ... unless such transaction is conducted in accordance with rules prescribed by the [SEC];”² enumerates in detail and particularity information required to be disclosed, and invests authority in the SEC to fashion “such other provisions as [it] determines to be necessary or appropriate for the protection of investors in limited partnership rollup transactions”³; and establishes that the solicitation period shall remain open for 60 calendar days (subject to applicable state law limiting such period).⁴

Germane to this Empire State Building Realty Trust proposal are the SEC’s regulations encompassed by 17 CFR 229.902 - (Item 902) “Individual partnership supplements,” and 229.910 - (Item 910) “Fairness of the transaction.”

Item 902 requires that individual partnership supplements⁵ must be filed with the SEC as part of the registration statement. Each supplement must be delivered with the prospectus (the "principle disclosure document") to the investors in each respective entity.⁶ There must be a statement in the forepart of the supplement advising that supplements exist for each partnership in the roll-up; that the effects of the transaction may be different for investors in the various partnerships; and, that each investor promptly will receive upon request at no charge any supplement in any other entity.⁷

As discussed below, such requirements have been violated in their entirety.

Item 910 requires the Sponsor to state whether the roll-up transaction is fair or unfair to the investors, discussing the material factors for such belief in reasonable detail,⁸ indicating the weight assigned to each factor,⁹ and, most significantly, addressing "the fairness of the roll-up transaction to investors in each of the partnerships and as a whole."¹⁰ (emphasis added) This conceptual bifurcation of the fairness discussion requires individualized treatment of each entity as well as a discussion of the overall fairness of the consolidation.

Again, the Sponsor has failed to comply with this requirement.

The Regulations are designed to enforce the SEC's fundamental mandate: to protect the interests of investors by insuring that there is full disclosure of material facts necessary for a reasonable investor to make an informed decision, and, in this case, to insure that each investor is given comprehensive and comparative information about the unrelated properties proposed to be merged in the transaction.¹¹

(3) Summary of the Issues

As will be shown below:

- the Sponsor deliberately circumvented the SEC review and approval process in its pre-registration solicitation of investors in the "private LLCs;"
- reversed the proper order of events by mounting an elaborate and extremely costly (at the investors' expense) consent solicitation of each private entity in isolation of the others, prior to submission of the pending S-4;
- used a grotesque parody of a prospectus individualized for each partnership, inadequate for a reasonable person to make an informed decision, together with a "draft S-4" that had neither been filed with nor vetted by the SEC, to solicit each investor in his/her entity. Such documents were impenetrable, deficient, misleading, crowded with falsehoods, fraught with confusion, studded with logical inconsistencies and above and beyond all that ... completely illusory – a literary shell game, vaporous and insubstantial with every statement subject to being significantly revised, or to vanish entirely, after the consents had been received;
- imposed a solicitation time-period so inadequate and scheduled at a time of year so inconsiderate as to warrant condemnation as "malevolent;"
- designed a patently false and coercive scheme to secure consents;
- denied investors the right to obtain the solicitation books for investments other than their own; and
- included the consents of certain investors granted special benefits in the roll-up – benefits not countenanced in the underlying governing agreements and denied the body of other investors – in order to secure the requisite percentages for approval, thus raising legal questions as to the validity of the vote.

Having done this the Sponsor now submits that "All required consents of the private entities ... have been obtained prior to the date of this prospectus/consent solicitation."¹²

This negates the statutory requirements and the regulatory scheme of the SEC. It short-circuits the investors' right to meaningful information and the SEC's authority to insure proper disclosure. It deprives the investors of the right to evaluate the comparative strengths and weaknesses of the proposed composition of the roll-up portfolio. It deprives

all of the investors in the private entities the right fairly to consider the terms upon which the SEC will declare the S-4 effective.

To accept this Sponsor's procedure and the purported results would eviscerate the Regulations and encourage the employment of alternative routes that avoid oversight by the regulatory agency. It would allow the roll-up process to invite practices of deception unparalleled since the inception of the Exchange Act of 1934.

The questions are:

- (i) whether the consents obtained by the Sponsor in the private LLCs should be deemed invalid; and
- (ii) whether the Sponsor now will be made to comply with Items 902 and 910 of the Regulations by filing supplements for the private entities to be reviewed and approved, and when declared effective, delivered together with the S-4 to all of the investors in the roll-up for their votes in their respective entities.

B. The Facts

A Notice of Consent Solicitation to Participants dated November 28, 2011 enclosing an Offering Memorandum (sometimes referred to by the Sponsor as the private entity "wrapper") together with a Draft Prospectus/Consent Solicitation Statement (referred to by the Sponsor as the "draft-S-4"), and color-coded Consent Form(s) were dispatched via UPS to each investor in the non-registered LLPs. Each investor received a draft-S-4 and the individual wrapper(s) with consent form(s) for the particular entities in which he/she owned an interest.

The packages were received by investors on or about Friday December 2nd or Saturday December 3rd.

Each wrapper is between 300-400 pages in length. The draft-S-4 is the length of the S-4 filed with the SEC on February 13, 2012, now pending review and approval.

Submitted herewith as Exhibit A is the wrapper for 1333 Broadway Associates L.L.C., a single-tier entity. The 1333 wrapper is submitted for facility of reference and to serve as a case-in-point.

(A) The wrapper (and the draft-S-4) have the appearance, format and structure of a formal prospectus, the type investors would regard as having been vetted and declared effective by the SEC; however, it carries the disclaimer that "Neither the Securities and Exchange Commission nor any state securities commission has ... passed upon the accuracy or adequacy of this Offering Memorandum/Consent Solicitation Statement."¹³

(B) This prolix, dense, impenetrable document, cross-referenced to numerous charts and tables in the draft-S-4, presents an imposing, immutable appearance. But it is all appearance. It is in fact a will-o'-the-wisp; no more than a sand castle on the water's edge subject to alteration and erosion by successions of waves, and obliteration by the next tide. Several places in the text, and set forth on the consent form itself, are warning signals that everything may change after this solicitation has been concluded. And despite the significance of such changes an entity that has been bound by the requisite consents continues to be bound notwithstanding. For example:

"There is likely to be an extended period of time before the consolidation is completed and *the terms of the consolidation* as described in this Offering Memorandum/Consent Solicitation and the draft prospectus/consent solicitation for the public LLCs, including the exchange values, *may be significantly different than described herein* and in the prospectus/consent solicitation for the public LLCs. *Your approval* of the consolidation and the private entity's participation in the consolidation *will not be affected* by such differences, *no matter how significant.*" (emphasis added)¹⁴

Again, "[T]he draft prospectus /consent solicitation for the public LLCs may be *modified substantially* and the terms of the consolidation may *change significantly* prior to the consummation of the consolidation, including changes that *could have a significant effect on a participant's investment decision*. These changes ... could result in a significant reduction in the private entity's relative share of the aggregate exchange value, the value of the operating partnership units, shares of common stock or cash that you will receive or your relative share of the common stock, on a fully-diluted basis, of the company. Your consent and your private equity's [sic - "entity's" intended] participation in the consolidation will not be affected by such changes, no matter how significant." (emphasis added)¹⁵

A single sentence 23 lines of type long, provides an enumeration of contractual agreements on which the project depends, representations, tax considerations, all of which may change. This may include "the information presented in this offering memorandum/consent solicitation and the draft prospectus/consent solicitation for the public LLCs." The sentence concludes that such changes "which could be significant" and "may be deemed material" will not release the entity after it has consented.¹⁶

Comment: The wrapper's every representation, commitment and concept is subject to change, change by its own admission so significant as to negate the participant's investment decision. It shatters the illusion that it is a prospectus and exposes it as a fiction - a mockery of a disclosure document required by law. It tarnishes the efficacy of securities regulation intended to protect the interests of investors. Item 902 is designed to prevent the dissemination of just such documents: documents that purport to solicit informed consent but by their nature deny the recipient any ability to render a consent that by any stretch of imagination can be considered "informed." Item 902 requires that supplements be filed with the SEC with the registration statement and delivered to the investors in the roll-up entities simultaneously with the S-4. This Sponsor's wrappers fail in every respect to comply with those requirements.

(C) Residing within wrapper and draft-S-4, two imposing but vaporous towers, another illusion ... the third-party portfolio transaction. Formless, amorphous, devoid of material fact, the third-party transaction is an ever shape-shifting concept in both documents. In its earliest presentation it is an "alternative" proposal that "would be undertaken *only if*" the Sponsor determines that the offer price includes an adequate premium above" the consolidation value.¹⁷ It would apply "only to an offer from an unaffiliated third party."¹⁸ But this proposal and the representations become less definitive. By page 53 the Sponsor "may approve a third-party portfolio transaction even if it does not provide such a premium."¹⁹ And, in the draft-S-4 three inconsistent, incomprehensible and irreconcilable statements appear on the same page in succession:

"[T]he [Sponsor] may approve a third-party portfolio transaction even if it does not provide such a premium. *** The third-party portfolio transaction would be undertaken only if the [Sponsor] determines that the offer price includes what the [Sponsor] believes is an adequate premium above *** The supervisor may consider third-party offers with no limit on amount of consideration or any other limitation."²⁰

Finally, any pretense of an arms-length transaction with an unaffiliated third party evaporates. The wrapper advises that members of the Sponsor may receive securities in the purchaser, may retain interests in the portfolio properties while the other investors may not, and may become "officers, directors, and/or employees of the acquiring entity after a third-party portfolio transaction."²¹ Thus, the Sponsor is sitting on both sides of the negotiating table in this transaction, fashioning a deal most suitable to its own self-interest to the detriment of the investors.

Comment: Success in presenting the third-party transaction depended on the concealment of its true nature. With the ponderous weight of the more imminent consolidation surrounding it, the third-party proposal had refuge in its shadow and in the elusive representations made in the initial presentation in the documents. Thus could it avert the attention of any but the most cursory examination. Calculated ambiguity obscured the Sponsor's self-dealing objective that did not begin to emerge until deep into the texts. This proposal, exacting complete surrender of every vestige of the investors' rights with no discernable representation as to how the investors would benefit, could not satisfy even the most minimal standards of disclosure imposed by the securities laws.

(D) Investors were denied access to solicitation wrappers for entities other than those in which they held an interest. On February 10, 2012 one of the investors in 1333 Broadway Associates (and in Empire State Building Associates,

the Registrant), requested in writing, by email, copies of the solicitation documents dated November 28, 2011, for other entities in the roll-up. Sponsor's attorneys wrote on February 15th in response: "Since you are not an investor in the other private entities you reference, we respectfully decline your request for solicitation documents concerning those entities." A copy of counsel's letter is submitted herewith as Exhibit B.

Comment: The purpose of Item 902 is to enable investors to obtain pertinent information as to not only their own entity but the other entities in the transaction. The Regulation is crystal clear: "Upon receipt of a written request by an investor ... a copy of any supplement will be transmitted promptly, without charge, by the general partner or sponsor."²² No elaboration is necessary. The Sponsor ignored and violated the Regulation.

(E) The consent solicitation period was limited to less than 30 days from the date investors received the solicitation package. It fell between Thanksgiving and New Year's Eve.²³ The Sponsor reserved the right in its discretion to extend the time subject to any limitations it desired to impose. Specifically, its description reads as follows:

"Your consent form must be received by MacKenzie Partners, Inc. by 5:00 p.m. Eastern time on December 31, 2011, unless the [Sponsor] extends the solicitation period for one or more proposals. The supervisor may extend on one or more occasions the solicitation period for one or more proposals for a particular private entity or for one or more of the private entities without extending for other proposals or private entities, whether or not it has received approval for the consolidation proposal or the third-party portfolio proposal."²⁴

Investors were further advised that: "You can change your vote on the consolidation proposal, the third-party proposal, or both, at any time before the expiration of the solicitation period for the proposal, as may be extended by the [Sponsor]."²⁵

An intense telephone campaign to influence the decision of every investor in the private entities was mounted by members of the Sponsor and its proxy solicitor. With the 2011 calendar rapidly drawing to an end the Sponsor mailed a notice dated on Tuesday December 27th that approvals to both proposals had been received from 14 of the 20 entities; and, that "After consultation with advisers, including the proxy solicitor MacKenzie Partners, we have determined *we can accept the remaining outstanding consents* up until January 10, 2012." (emphasis added) Accordingly, in the exercise of the prerogative it had retained for itself, the solicitation period was extended only to those who had not returned their consents. A copy of that letter is submitted herewith as Exhibit C.

As for the identity of those entities that had and those that had not approved the proposals, the Sponsor's proxy solicitor responded: "I did a double check: 12 have consented but the client hasn't told us which ones have not consented. The approvals in the voting are being kept confidential and are not being disclosed to the investorship and that would be in any of the subject properties."²⁶

Following an increase in intensity in the telephone campaign the Sponsor announced in January 2012, that it had received the approval of the 20 private entities in the roll-up.

Comment: The Sponsor's timing of the solicitation was deliberate. Not only was it unduly short – less than 30 days from receipt of the package till termination of the solicitation (a precisely timed – 5:00 p.m. – final curtain) – it was focused precisely during the period when more people travel away from home, or are preparing their own homes for visits with relatives and friends, or are taking day trips or vacations with children who are out of school – and this would affect not just the investors but their financial advisors, accountants, attorneys and other consultants. For investors in a single private entity it meant reviewing two documents, the private entity wrapper and the draft-S-4, possibly 1,000 pages (more than half of each book is unpaginated, making it impossible to relocate passages once read) of dense prose, daunting tables of complex calculations, frequent cross-references from one document to another, and a complex structure of a Delaware operating partnership, a Maryland corporation (the consolidation company), lock-up periods, tax considerations, and the list goes on. For investors in more than one private entity, an additional wrapper for each entity was received ... the burden was increased. For every investor, this event was completely unexpected.²⁷

The federal statute is perfectly clear:

"It shall be unlawful for any person to solicit any ... consent ... in furtherance of a limited partnership rollup transaction, unless such transaction is conducted in accordance with rules prescribed by the Commission ... Such rules shall— * * * provide that any solicitation ... period with respect to an ... information statement in a limited partnership rollup transaction shall be for not less than the lesser of 60 calendar days or the maximum number of days permitted under applicable State law"²⁸

There is nothing in New York law that abbreviates this time-period.

The Regulations of the SEC parrot the federal statute.²⁹

It is instructive that the S-4 filed by the Sponsor states the following in respect of the submission of consents:

"You also may revoke your consent to the consolidation, the third-party portfolio proposal, or both, at any time in writing before the later of the date that consents from participants equal to the percentage required to approve the consolidation and the third-party portfolio proposal, as applicable, as set forth later in the attached Prospectus/Consent Solicitation Statement are received by your subject LLC and the 60th day after the date of the attached Prospectus/Consent Solicitation Statement."³⁰

In short, the solicitation period stays open for 60 days even if consents already have been received sufficient to approve the proposals; this, to give investors the opportunity to withdraw their consents up until the 60th day should they decide to change the way they have voted.

In the case of the private entities no accommodation was made for investors to have time sufficient to absorb the complexities of these unanticipated proposals. Precisely the opposite. The solicitation was scheduled to coincide with the single least efficacious time of year when any person could devote attention to matters so consequential, weighty and difficult to grasp.

In sum, the Sponsor flagrantly violated the statutory and regulatory mandate. The solicitation of the private entities must be declared a nullity if for no reason other than the inadequacy of the time for deliberation. But there are, yet, other reasons.

(F) Of critical importance to this analysis is the consent procedure and the voting requirement by which 1333 Broadway Associates would be bound to the consolidation and third-party proposals. The entity, formed as a general partnership in 1979, converted to a limited partnership in 2003. There are two participating groups in the entity; the agent/fiduciary for each group is a member of Malkin Holdings. The governing agreement provides that 70% in interest, of investors in the agent's participating group, would have to vote "For," in writing, to approve each proposal.³¹

On page 23 of the wrapper is a full page chart graphically illustrating the structure of the entity. At the top of the chart the "Malkin group, as participants" has 80.9035% in aggregate of the interests of the participants being solicited, and "other participants" hold the remaining 19.0965% in interest. Accordingly, the Sponsor as architect and proponent of the roll-up project will vote its interests in favor of the proposals³² and has substantially more than the 70% necessary to bind the entity. Any investor opposed to the project would be engaging in an act of utter futility by voting "Against."

The last paragraph on page 9 of the wrapper and the carryover discussion at page 10 are confusing and apparently in conflict. First, the announcement that an investor who votes against the consolidation proposal or abstains will receive the consideration that would have been received if the vote had been in favor, although the consideration will be a cash payment if the investor has not submitted an accredited investor questionnaire. Then follows a statement that the investor's interest will be purchased unless his/her vote is changed and a vote "For" is received within 10 days after the giving of notice. Thus, apparently threatening a buyout. The only point that clearly can be discerned from these mind-bending statements is that it behooves the investor neither to vote against the proposals nor abstain.

Page 65 of the wrapper resolves the confusion. It reads: "If you vote "Against" the consolidation or you "Abstain" from voting, and the private entity approves the consolidation and consolidates with the company, your participation interests will be bought out by the agent for the benefit of the private entity *at a price substantially lower than the current value.*" (emphasis added) This is the buyout threat that exists in many of the investments including the investment in the Registrant.

Comment: Seemingly, the purposes of the solicitation were to inform the investors that their interests were about to change fundamentally – subject only to the approval of the investors in the Empire State Building who were yet to be solicited; to describe what that change would look like; to secure their choice and allocation of stock and OPUs, provided they were accredited investors; to further advise them that they would suffer a buyout of their interests at substantially less than fair value if they opposed or abstained – as the Sponsor already had the requisite interests to bind the entity; and to inform them that the Sponsor would proceed with such buyout even if the Empire State Building investors ultimately rejected the project.

Thus it appeared that the deck was stacked against anyone who objected to the roll-up. Investors were impelled to return favorable consents without evaluating the contents of the solicitation documents as the expenditure of time in that endeavor would be without purpose. They had no choice. A buyout threat faced any who voted "Against" or abstained from voting.

However, events bearing on the preceding state of facts transpired near to the end of the solicitation period and changed this picture completely – but too late.

Prior to December 19, 2011, it was brought to the Sponsor's attention that the governing agreements in 1333 Broadway did not provide for the buyout of a non-consenting investor where 70% in interest approved a course of action that required such super-majority. (A copy of Paragraph 4, the relevant provision of the underlying agreements, is submitted herewith as Exhibit D.) The buyout threat at page 65 of the wrapper, having no support in the agreement, was an intimidating invention that was inapplicable to this entity. It turned out to be one of a trio of patent falsehoods in the wrapper.

By notice dated December 19th, and mailed on the 20th, investors were advised to disregard that provision. They were informed that they were not subject to a buyout. (A copy of the 12/19/2011 supplement to the wrapper is submitted herewith as Exhibit E.) The notice was received on December 22nd. There were 9 days left to the solicitation. But knowledge that there would be no buyout offered little comfort. The Sponsor with its 80.9035% interest still controlled the outcome. And there was no reason to recall a "For" vote that had earlier been submitted under duress.

In mid-afternoon on Thursday December 22nd an investor was called by Thomas Keltner and Mark Labell, the Sponsor's general counsel and senior vice-president finance, respectively - their purpose: to urge consent to the solicitation proposals. The investor informed them that although he had just received the notice removing the false statement at page 65 there were false and misleading statements, still, that infected the consent document. He advised that the chart at page 23 could not possibly be correct by his reckoning, and that the statements at pages 9-10 were intimidating, inconsistent, and in any event ... false. Messrs. Keltner and Labell acknowledged that in both respects the wrapper was not correct.

It was not until 6 days later, on Tuesday December 27, 2011 – now with only 4 days of the solicitation remaining – that the Sponsor mailed the letter referred to in (E) above (Exhibit C) extending the solicitation period, but only to "accept the remaining outstanding consents." Investors in 1333 Broadway received with that letter a supplement that (a) revised the page 23 chart, and (b) expunged the remaining, confusing false buyout threat. The revised chart discloses that the Malkin group interests are only 40.45% in the aggregate. Far short of the requisite 70%. Submitted herewith are copies of the mailing envelope, the supplement, and a calendar showing the solicitation time-line, Exhibits F, G and H, respectively.

Most of the investors would not have received the mailing before the solicitation lapsed on New Year's Eve.³³ And, as the extension to January 10th was expressly limited to those who had not submitted a consent form, investors were foreclosed from changing a previously submitted vote: votes that were coerced by the utterly false impression that a negative vote not only would have been ineffectual but could have produced severe consequences.

The voting process was corrupted by a triad of false statements. Statements that placed the investors under duress to subordinate their own judgement and surrender their interests to a fiduciary who had deceived them. Such coercive devices, apart from other infirmities in the solicitation, should impel the SEC to invalidate the result in this and the other private entities. The Supreme Court has held that a solicitation made pursuant 15 USC 78(n) that is materially misleading establishes as a matter of law that the defect might have been considered important by a reasonable recipient who was deciding how to vote.³⁴

(G) Finally, there is an open legal question as to whether votes of the Malkin and Morse families can be counted toward the 70% super-majority. The Malkins, proponents and sponsors of the roll-up and 3rd-party portfolio transactions, have a multitude of conflicts of interest and have awarded themselves innumerable special benefits.

The Morse family, who have participating interests in 1333 Broadway and other entities in the portfolio, are related to the Malkins. No member of the Morse family is a member of the Sponsor, is an agent in any of the supervisory groups, holds any position, performs any function, or provides any service in regard to the entities. The operative governing agreements of the entities grant no rights, benefits or status to the Morses that are preferred, superior or different than those enjoyed by all other participants in the entities.

This notwithstanding, tax benefits exclusive to the Malkin and Morse families have been carved out in the solicitation documents. Specifically, the "tax protection agreement" that is described in the S-4 at pages 142-3. It designates four

properties as "protected assets" and provides that in the event any or all of those properties are sold or disposed of within a specified period of time the roll-up entity will indemnify the Malkin and Morse families for tax liabilities. Those liabilities will be grossed up so that the indemnified families will receive an amount sufficient to pay the taxes on their receipt of the indemnification funds. In other words, the company (i.e., the other investors) will pay whatever it takes to insure that the Malkins and the Morses pay no taxes at all. The estimate is that this would amount to approximately \$82.6 million if all four properties were disposed of in one year. And that is likely to be the unavoidable result in the 3rd-party portfolio transaction.

A relevant decision of the Ninth Circuit Court of Appeals, holds that a partner conflicted in a proposed transaction requiring approval of a majority under the partnership agreement should not have its interests counted toward the vote. *Perretta v. Prometheus Development Co.*, 520 F.3d 1039 (C.A. 9, Mar. 27, 2008). The court noted that "The fact that a majority vote is required to approve certain potentially conflicted actions of the general partner makes clear that the majority vote is intended to be the principal way for limited partners to protect themselves against adverse actions of the general partner." Drawing a parallel to the California corporate code, the court held that it would be "manifestly unreasonable" to permit an interested partner to count its votes toward ratification of a conflicted, self-interested transaction. "We therefore construe the Partnership Agreement," the court concluded, "as requiring a vote of the majority of the outstanding limited partner units owned by unaffiliated partners." It should be noted that New York's corporate statute includes provisions that shareholders or directors having a conflict of interest in transactions requiring shareholder or board approval, as the case may be, shall not have their votes counted.³⁵

Clearly, the rationale of the Perretta court applies in this instance. Both the Malkin and the Morse families have a conflict of interest with their fellow investors; and the tax protection agreement presents a conflict of substantial magnitude. The interests of the Malkins and the Morses should not be counted in determining the votes of the private or the public LLCs.

C. Conclusions and Recommendations

The process by which the Sponsor solicited the consents of investors in the private entities to be united in this roll-up transaction were so tainted, for all of the above reasons, as to be beyond rehabilitation.

It is respectfully submitted that-

- the votes heretofore taken in the private entities be deemed invalid,
- the private entity wrappers be rejected as not in compliance with the most elemental requirements of full and truthful disclosure of material information not subject to change, all as required for a reasonable investor to make an informed decision,
- the Sponsor be required to file for review and approval by the SEC a supplemental prospectus in compliance with Items 902 and 910 of regulation 17 CFR 229 for each private entity,
- the approved supplements be distributed to investors for their consents as, if and when the S-4 is declared effective,
- the solicitation of the investors in the private entities be coterminous with the S-4 solicitation of investors in Empire State Building Associates L.L.C.,
- upon written request investors promptly shall be provided, at no cost, the supplements for entities other than their own; and
- the percentage interests of members of the Malkin family and the Morse family (unless in the case of the Morse family its' separate and special benefits now contemplated, are dropped) be removed from the tabulation of interests in the various entities to establish approval of the proposals for which consents are being solicited

Endnotes

1. 47 Stan. L. Rev. 85, 94 Regulating Rollups: General Partner's Fiduciary Obligations in Light of the Limited Partnership Rollup Reform Act of 1993.
2. 78n-(h)(1)
3. 78n-(h)(1)(K)
4. 78n-(h)(1)(J)(J) provides that "any solicitation or offering period with respect to any proxy solicitation, tender offer, or information statement in a limited partnership rollup transaction shall be for not less than the lesser of 60 calendar days or the maximum number of days permitted under applicable State law."
5. 17 CFR 229.902(a) "If two or more entities are proposed to be included in the roll-up transaction, provide the information specified in this Item (§ 229.902) in a separate supplement to the disclosure document for each entity."
6. 902(b) "The separate supplement required by paragraph (a) of this Item (§ 229.902) shall be filed as part of the registration statement, shall be delivered with the prospectus to investors in the partnership covered thereby"
7. 902(b)(1)(I), (ii) and (iii)
8. N.B. "Conclusory statements ... will not be considered sufficient disclosure" 910(e)(4)
9. 910(a) and (b)
10. 910(a)
11. And, see, TSC Industries Inc., et. al. v. Northway Inc., 426 U.S. 438, 96 S.Ct. 2126, 48 L.Ed.2d 757
12. S-4, page 3; and see Malkin Holdings letter to Participants in Empire State Building Associates L.L.C. dated April 4, 2012
13. 1333 wrapper, page iii
14. wrapper, page 1
15. Id., page 25
16. Id., pages 52-3
17. Id., front cover
18. Id., page 9
19. and, see also, draft-S-4, page 6
20. draft-S-4, page 138
21. wrapper, pages 53-4; draft-S-4, page 139]

22. 229.902(b)(iii)

23. Not surprisingly, according to RITA, the Research and Innovative Technology Administration of the U.S. Department of Transportation:

The Thanksgiving and Christmas/New Year's holiday periods are among the busiest long-distance travel periods of the year. During the 6-day Thanksgiving travel period, the number of long-distance trips (to and from a -destination 50 miles or more away) increases by 54 percent, and during the Christmas/New Year's Holiday period the number rises by 23 percent, compared to the average number for the remainder of the year

24. wrapper, page ii

25. Id., page 24]

26. Telephone voicemail message left by Chris Carney of Mackenzie Partners at 5:08 p.m. on 1/5/2012 in response to an investor's inquiry. Note that the proxy solicitor had been advised by the Sponsor that 12 entities had approved (only slightly more than half), though its letter dated 12/27/2012 said that 14 had approved. And note that MacKenzie, which self-described itself as "the tabulator," apparently was not in possession of voting tallies but had to inquire of the Sponsor how many entities had consented, suggesting that the Sponsor was in complete control of the tabulation of the consents.

27. The Sponsor, despite inquiries from investors who had noticed in financial statements regular payments of fees to the Sponsor and to "outside service providers," in ever increasing amounts, averted such questions with a standard reply: "We are unable to tell you anything more than is reported in the financial statement." The Sponsor refused even to confirm reports that began to appear in the press that a REIT involving the Empire State Building and unidentified other properties was being contemplated for a public offering.

28. 15 USC 78n-(h)(1)(J)

29. 17 CFR 14(h)(1)(x)]

30. S-4, page 9

31. wrapper, pages 9, 64

32. Id., page 64

33.

In regard to the investors' receipt of this mailing:

The U.S. Postal Service displays its "Domestic Classes of Mail Estimated Delivery Times.

Priority Mail Service - Typically 2-3 days

1st Class Mail - Estimated delivery time is 2-3 days"

(The postage on this envelope, \$1.08, would exclude Express Mail [guaranteed next day or 2nd day delivery] which has a flat rate of \$18.30.)

Additionally, the zip code under the postage, 07606, indicates that the mailing was not from Mid-town New York, the location of the Sponsor's office, but from a location in South Hackensack, New Jersey, which would have caused further delay.

These estimated delivery times reflect normal service during the year and are not necessarily applicable during the period in question when the Postal Service was closed on Monday December 26, 2011 in observance of Christmas Day.

See:

[http://faq.usps.com/eCustomer/iq/usps/request.do?create=kb:USPSFAQ&view\(\)=c%7B12adaeb0-57e2-11dc-51b6-000000000000%7D](http://faq.usps.com/eCustomer/iq/usps/request.do?create=kb:USPSFAQ&view()=c%7B12adaeb0-57e2-11dc-51b6-000000000000%7D)

34. Mills v. Electric Auto-Lite, 396 U.S. 375

"Where the misstatement or omission in a proxy statement has been shown to be "material" ... that determination itself indubitably embodies a conclusion that the defect was of such a character that it might have been considered important by a reasonable shareholder who was in the process of deciding how to vote. *** There is no need to supplement this requirement ... with a requirement of proof of whether the defect actually had a decisive effect on the voting. *** This objective test will avoid the impracticalities of determining how many votes were affected, and, by resolving doubts in favor of those the statute is designed to protect, will effectuate the congressional policy of ensuring that the shareholders are able to make an informed choice when they are consulted on corporate transactions." 396 U.S. 375, 385

35. see, NY BCL §§ 713(a)(1), 714(a)(1), 912(17)(c)(2)

Exhibit A

is the

Notice of Consent Solicitation

dated November 28, 2011

to Participants in

1333 Broadway Associates L.L.C.

(Separately submitted)

Exhibit A

DEWEY PEGNO & KRAMARSKY LLP

777 THIRD AVENUE
NEW YORK, NEW YORK 10017
(212) 943-9000
FACSIMILE (212) 943-4228
WWW.DPKLAW.COM

THOMAS E. L. DEWEY
DAVID S. PEGNO
STEPHEN W. KRAMARSKY
KEARA A. BERSIN
JENIFER L. SALTBERG
ARIEL P. CANNON

TANARA L. BOCK
KARA SHESEL
CHI-RU JOU
DAVID C. HARDEN
ADAM M. SMITH
DANIEL SHTERNFELD

February 15, 2012

VIA FEDERAL EXPRESS & FAX (212-747-3249)

Dear Mr. :

I write in response to your February 10, 2012 emails to Malkin Holdings.

As an investor in 1333 Broadway Associates, you received copies of the solicitation documents for that entity, including the draft Form S-4 sent to participants in 1333 Broadway Associates. We would be pleased to provide you, at our expense, with duplicate copies of those documents—please let me know. Since you are not an investor in the other private entities you reference, we respectfully decline your request for solicitation documents concerning those entities.

With respect to the Form S-4 which has now been filed for Empire State Realty Trust, Inc., which relates to the solicitation of participants in Empire State Building Associates, we refer you to the publicly-filed materials, which can be accessed at www.esrt.ny.gov.

Sincerely,


Thomas E. L. Dewey

TD/eh

MALKIN
HOLDINGS

December 27, 2011

Dear Investor:

As an update to our November 28 solicitation, we are pleased to advise you that investors have joined the descendants of Lawrence A. Wien and the Estate of Leona M. Helmsley in consents sufficient to authorize the consolidation and sale proposals in 14 entities governing the vast economic value of all the private entities in the proposed consolidation and IPO, and completed forms for smaller entities with many individual investors are arriving in volume.

We appreciate the efforts by investors to respond on a timely basis during this holiday season, and recognize that there have been many questions raised and answered during the consent solicitation process which have caused some respondents delay. After consultation with advisers, including the proxy solicitor MacKenzie Partners, we have determined we can accept the remaining outstanding consents up until January 10, 2012.

Because of time constraints on use of audited financial statements and the time required for our pending filings with the Securities and Exchange Commission, January 10, 2012 is now planned as the absolute last date we will be able to accept any vote, election, accredited investor form, and W-9 form.

For your vote and preference to be accepted, it is critical for us to receive your response by that date. While we are making proactive calls to non-responders, you can also call MacKenzie (888-410-7850) or Malkin Holdings (212-687-8700) with any question or request for assistance you require to complete your documents.

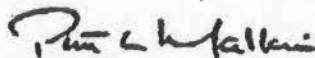
For each entity in which you are invested, a supplement is enclosed to set this new response date. (For certain entities, such supplement also contains additional information.)

Again, should you have a question or need assistance, please call MacKenzie (888-410-7850) or Malkin Holdings (212-687-8700) to answer your inquiries. Thank you for your prompt attention to this matter.

Best wishes for a healthy and happy New Year.

Sincerely,

MALKIN HOLDINGS LLC



Peter L. Malkin
Chairman



Anthony E. Malkin
President

MALKIN
HOLDINGS

Please see the attached supplement to Offering Memorandum/ Consent Solicitation Statement for 1333 Broadway Associates L.L.C.

1333 BROADWAY ASSOCIATES L.L.C.

December 19, 2011 supplement to the Offering Memorandum/Consent Solicitation Statement of 1333 Broadway Associates L.L.C. dated November 28, 2011 (terms used herein as defined therein):

Please disregard the second paragraph on page 65 of such Statement. The participation interests are not subject to being bought out by the agent as described in such paragraph.

ALKIN
CORPORATION

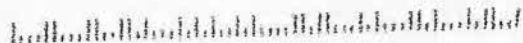
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New York, NY 10001
Tel: 212 475-4015

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1333 BROADWAY ASSOCIATES L.L.C.

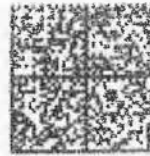
December 19, 2011 supplement to the Offering Memorandum/Consent Solicitation Statement of 1333 Broadway Associates L.L.C. dated November 28, 2011 (terms used herein as defined therein):

Please disregard the second paragraph on page 65 of such Statement. The participation interests are not subject to being bought out by the agent as described in such paragraph.

ALKIN
CORPORATION

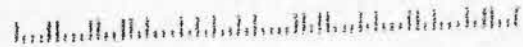
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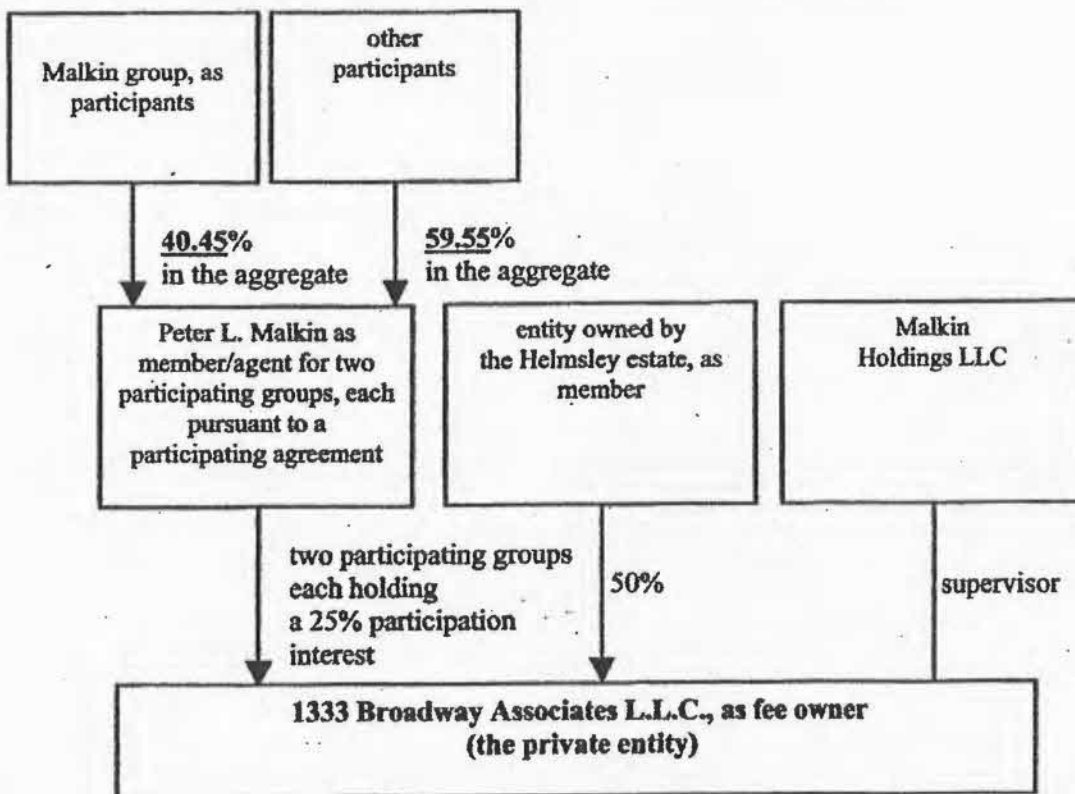
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1333 BROADWAY ASSOCIATES L.L.C.

December 27, 2011 Supplement to the Offering Memorandum/Consent Solicitation Statement dated November 28, 2011 (terms herein have the meanings defined therein):

1. The date by which consent and election forms must be received is extended until 5:00 p.m. Eastern time on January 10, 2012.
2. The following chart of your private entity is the same as previously included, except it now contains the corrected percentages shown in underscored bold text:



3. For this private entity, please disregard any reference to the agent's buyout of a participant who maintains a non-consenting vote after 10-day notice. Such buyout and notice provisions apply only to certain other entities requiring 100% approval and do not apply to this private entity which requires a lesser percentage approval.

Malkin Holdings (MH) consent solicitation

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27 November 2011	28 Date of MH Consent Solicitation	29	30	1 December	2 Arrival of Consent Solicitation Materials delivered by UPS	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19 MH mailing ¹	20	21 Hanukkah begins	22 MH informed there are other false voting representations ²	23	24 Christmas Eve
25 Christmas Day	26	27 MH mails supplement ³	28	29	30 New Years Eve Deadline for consent	31

¹Notice to 1333 investors mailed. Second Para. at P. 65 to be disregarded. (Statement that those who vote "Against" or "Abstain" will be bought out at "a price substantially lower than the current value" is false/coercive.)

²Full page chart at P. 23 falsely represents that Malkin Group owns 80.9035% in interest: thus already has the 70% to bind the entity. PP. 9-10 falsely states those voting "Against" or "Abstain" will be bought out upon "completion of the solicitation period [i.e., 12/31/2011]".

³Says 14 entities [out of 23] have consented. (Entities not identified. MacKenzie Partners refuses to provide such information.) Says, "we have determined that we can accept the **remaining outstanding consents**" and accredited investor forms, up until January 10, 2012. Finally acknowledges in writing the 2 deceptive/coercive representations regarding 1333 brought to MH's attention 6 days prior [Malkin only has 40.45% interest in the entity.] but leaves standing the 12/31/2011 deadline for those who previously voted "For" to change their votes. after receipt of false/coercive information in the book.

May 8, 2012

VIA EDGAR AND OVERNIGHT COURIER

Mr. Tom Kluck
United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

**Re: Empire State Realty Trust, Inc.
Registration Statement on Form S-4
Filed February 13, 2012
File No. 333-179486
Registration Statement on Form S-11
Filed February 13, 2012
File No. 333-179485**

Dear Mr. Kluck:

On behalf of Empire State Realty Trust, Inc., a Maryland corporation (the "Company"), we are transmitting for filing pursuant to the Securities Act of 1933, as amended (the "Securities Act"), Amendment No. 1 ("Form S-4 Amendment No. 1") to the Company's Registration Statement on Form S-4 (File No. 333-179486) (the "Form S-4 Registration Statement"), Amendment No. 1 ("Form S-11 Amendment No. 1") to the Company's Registration Statement on Form S-11 (File No. 333-179485) (the "Form S-11 Registration Statement") and the Company's responses to the comments of the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") contained in your letter dated March 14, 2012.

For convenience of reference, each Staff comment contained in your March 14, 2012 comment letter is reprinted below in italics, numbered to correspond with the paragraph numbers assigned in your letter, and is followed by the corresponding response of the Company.

We have provided to you five courtesy copies of each of the Form S-4 Amendment No. 1 and the Form S-11 Amendment No. 1, filed by the Company on the date hereof, two copies of which have been marked to reflect changes made to the Form S-4 Registration Statement or Form S-11 Registration Statement, as applicable, filed with the Commission on February 13, 2012 (the "Marked Copies"). The changes reflected in the Form S-4 Amendment No. 1 and the Form S-11 Amendment No. 1 have been made in response to the Staff's comments and for the purpose of updating and revising certain information in the Form S-4 Registration Statement or the Form S-11 Registration Statement, as applicable. All page references in our responses are to the pages of the Marked Copies. Capitalized terms used and not otherwise defined in this response letter that are defined in the Form S-4 Registration Statement or the Form S-11 Registration Statement shall have the meanings set forth in the Form S-4 Registration Statement or the Form S-11 Registration Statement, as applicable. Please note that references to "we," "our" and "us" refer to the Company or the supervisor, as applicable.

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Page 2

General

1. **The comments and page references below refer to the Form S-4 as filed on February 13, 2012. To the extent the comments are also applicable to disclosure in the Form S-11, please revise the Form S-11 accordingly. We may have further comments on the Form S-11.**

We acknowledge the above comment.

2. **Please provide us with copies of any reports, opinions, or appraisals provided to management of the supervisor in connection with the proposed transaction. Such materials should include all presentations made by the independent valuer.**

We are providing to the Staff supplementally pursuant to a confidentiality request the Project Legacy Fairness Analysis dated November 2011, which was submitted to the supervisor in connection with its consideration of the consolidation and was not intended for public disclosure, and which was the only report, opinion, or appraisal provided by Duff & Phelps, LLC to the management of the supervisor, other

than the form of fairness opinion attached as Appendix A to the Form S-4 prospectus and the Appraisal attached as Appendix B to the Form S-4 prospectus.

3. Please include updated financial statements in your next amendment.

Amendment No. 1 to each of the Form S-4 and Form S-11 includes updated financial statements.

4. With respect to the third-party portfolio proposal, please explain how you intend to comply with Section 14(a) of the Securities Exchange Act of 1934. We may have further comments.

We supplementally advise the Staff that we believe the proposal concerning the third-party portfolio proposal is in compliance with Section 14(a). Such proposal asks participants in the subject LLCs to authorize the supervisor to approve a disposition of the assets of each of the subject LLCs as part of a future, currently unidentified portfolio transaction by the subject LLCs and the private entities that would be part of the consolidation on terms to be approved by the supervisor. The proposal does not seek approval of a specific sales transaction which would require us to provide the disclosure in Items 14 and 15 of Schedule 14A. The supervisor has not received a specific sales proposal.

May 8, 2012

Page 3

We believe that the need to submit to investors this proposal for approval in advance of receiving a specific third-party offer to acquire the portfolio is unique to the current situation.

In the current situation, the Company and the subject LLCs are pursuing both a public solicitation seeking consent to the consolidation of multiple entities pursuant to the Form S-4 and an IPO. If the company were unable to solicit the consent to the authorization of the supervisor to approve a third party proposal at the same time as the solicitation of the consolidation, as discussed below, it could significantly impact the ability to consent to a third party proposal that could be beneficial to investors.

We believe that it is possible that the filing of the Form S-4 and Form S-11 might attract a third-party offer for the entire portfolio and that it is necessary to obtain authorization from participants in advance of a specific proposal in order for it to be considered as a possible alternative to the consolidation and the IPO. If a proposal authorizing the supervisor to approve a third party portfolio transaction cannot be submitted to participants in advance of a third-party offer to acquire the portfolio, we believe that the delay resulting from the need to file a proxy statement on Schedule 14A and commence solicitation of participants at such time would make it impractical to consider such a proposal as an alternative to the consolidation and the IPO and could therefore result in material economic loss to the participants. Solicitation of consents from multiple entities would involve considerable time and expense to prepare necessary documentation and undergo SEC review and complete the solicitation process. It would be difficult to consider a proposal for a third-party portfolio transaction without interfering with the IPO, unless the supervisor can submit the proposal to the participants in advance as currently proposed.

Thus, we believe that the practical consequences of not being able now to solicit investor consents for the third-party portfolio transaction would be that the supervisor might well decide not to pursue a third-party portfolio transaction if it received an offer to do so, since the participant approval of such a third-party portfolio transaction would take many months and the outcome of the solicitation would be uncertain given the super-majority 90% and 80% required vote.

We respectfully submit that the disclosure in the Form S-4 prospectus satisfies the requirements of Schedule 14A. We believe that Item 20 of Schedule 14A provides the applicable disclosure requirement for the third-party portfolio proposal. We believe that the disclosures contained in the Form S-4 prospectus satisfy the requirements of Item 20. The material terms of the authorization of the supervisor to approve a third-party portfolio transaction are set forth on page 184 of the Form S-4 prospectus under the heading "Third-Party Portfolio Proposal." The risks relating to the transaction, including

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the fact that participants do not have information concerning any transaction at the time they vote, and the conflicts of interest and benefits to the Malkin Holdings group in connection with a third-party portfolio transaction, are disclosed.

Items 14 and 15 of Schedule 14A provide the disclosure requirements for a sale of assets. Because the portfolio sale proposal is a proposal to grant authority to the supervisor, rather than to approve a specific sales proposal, we do not believe that these sections apply. However, we note that the disclosures in the Form S-4 provide the information required under Item 14 of Schedule 14A (*i.e.*, the information concerning the acquired company), other than the information concerning the specific sales transaction which is not currently available. Both Rule 409 under the Securities Act and Rule 12b-21 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (which applies to reports filed under the Exchange Act, but should be equally applicable to proxy statements) specifically state that information required in a filing need be given only insofar as it is known or reasonably available to a registrant. Since there is not yet a specific proposal for a portfolio transaction and that information is disclosed in the Form S-4 prospectus, information as to the terms of the proposal can be omitted, consistent with these rules. The disclosures on page 95 of the Form S-4 prospectus under "Risk Factors – Risks Related to a Third-Party Portfolio Transaction" make it clear that investors will not know of the terms of a third-party portfolio transaction at the time they give their consent. If action is to be taken with respect to an acquisition or disposition of a property, Item 15 would require disclosure relating to such property and the material features of the transaction. The disclosures concerning the properties included in the Form S-4 address the description of the property. Because there is no specific sales transaction being approved, there are no specific terms for any transaction, and the remaining requirements of Item 15 are not applicable to the proposal.

5. **We note that you may purchase shares from investors who make the cash election for 12 – 15% of the Class A common stock issuable to them, and that you may be selling shares to the public at the same time. Please provide an analysis as to how the transaction complies with Regulation M.**

In response to the Staff's comment, the Company has revised the disclosure under the Q&A section and the sections "Summary – The Consolidation – Principal Components of the Consolidation," "Summary – The Consolidation – What You Will Receive if Your Subject LLC is Included in the Consolidation" and "Background of and Reasons for the Consolidation – The Supervisor's Reasons for Proposing the Consolidation" on pages 5, 40, 54 and 140, respectively, of the Form S-4 prospectus and under the sections "Prospectus Summary – The Company – Structure and Formation of Our Company," "Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview – Formation Transactions" and "Structure and Formation of Our Company – Formation Transactions" on pages 12, 82 and 223 of the Form S-11 prospectus to clarify that the Company will not purchase the Class A common stock from the investors who make the cash election but rather will pay cash consideration to such investors in the consolidation equal to the value of the Class A common stock (less the underwriting discount per share paid by the Company in the IPO) such investor would otherwise receive.

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Page 5

In further response to the Staff's comment, the Company supplementally advises the Staff that Rule 102 of Regulation M prohibits an issuer from bidding for or purchasing a covered security during the applicable restricted period. Under Rule 101 of Regulation M, a covered security means "any security that is the subject of a distribution, or any reference security." Since the Company will not be purchasing Class A common stock from the investors who make the cash election but rather will pay such investors cash in exchange for the participation interests such investors own in the subject LLCs, Regulation M is not applicable to the transaction.

6. **Please confirm that you will distribute the prospectus to security holders no later than the lesser of 60 calendar days prior to the date on which action is to be taken or the maximum number of days permitted for giving notice under applicable state law. Please see Instruction I.2. to Form S-4.**

We confirm that the prospectus/consent solicitation will be distributed to security holders no later than 60 days prior to the date on which action is to be taken. The Form S-4 provides for a solicitation period of not less than 60 days.

7. **Please clearly disclose how you will determine the enterprise value of the company. We note the methodology set forth on Schedule 1.8 to the Contribution Agreement.**

The disclosure has been revised on page viii of the Form S-4 prospectus to clarify how the enterprise value of the Company will be determined consistent with Schedule 1.8 of the Contribution Agreement.

8. **Please describe any arrangements to compensate persons for soliciting consents. See Item 18(a)(4) of Form S-4 and Item 4 of Schedule 14A. Ensure that such arrangements are in compliance with Rule 14a-15 of Regulation 14A.**

The disclosure has been revised on page 255 of the Form S-4 prospectus under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" to provide information as to the services provided by MacKenzie Partners, Inc. in connection with the solicitation of consents.

9. **Please provide your analysis as to the applicability of Sections 6(b)(9) and 15A(b)(12) of the Exchange Act.**

In response to the Staff's comment, Section 6(b)(9) provides that "An exchange shall not be registered as a national securities exchange unless the Commission determines that The rules of the exchange prohibit the listing of any security issued in a limited partnership rollup transaction (as such term is defined in paragraphs (4) and (5) of section 14(h) of the Exchange Act), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners."

May 8, 2012
Page 6

Section 15A(b)(12) provides that "An association of brokers and dealers shall not be registered as a national securities association unless the Commission determines that ... The rules of the association to promote just and equitable principles of trade, as required by paragraph (6), include rules to prevent members of the association from participating in any limited partnership rollup transaction (as such term is defined in paragraphs (4) and (5) of section 14(h) of the Exchange Act) unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners."

With respect to the requirement in Section 6(b)(9) that the "rules of the exchange prohibit the listing of any security issued in a limited partnership rollup transaction," the New York Stock Exchange (the "NYSE") has adopted rules that prohibit the listing of a security issued in a limited partnership rollup transaction, unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners as described below. Rule 105 of the NYSE Listed Company Manual provides that "The Exchange will not list a security issued in a limited partnership rollup transaction, as that term is defined in paragraphs (4) and (5) of section 14(h) of the Securities Exchange Act of 1934, unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners. The Exchange will consider a rollup transaction to have been conducted in accordance with such procedures only if: (a) a broker-dealer registered with the Securities and Exchange Commission participates in the transaction; and (b) the Exchange receives a written opinion of outside counsel stating that such broker-dealer's participation in the rollup transaction was conducted in compliance with rules of a national securities association designed to protect the rights of limited partners, as specified in the Limited Partnership Rollup Reform Act of 1993."

The NYSE requirements, accordingly, is met if a limited partnership roll-up transaction complies with the FINRA rules. The "national securities association" referred to in both Section 15A(b)(12) and Rule 105 of the NYSE Listed Company Manual is FINRA. In accordance with Section 15A(b)(12), FINRA has established rules to prevent members of the association from participating in any limited partnership rollup transaction. In particular, FINRA Rule 2310(b)(6) provides that no FINRA member may participate in a limited partnership rollup transaction unless the transaction complies with requirements of such rule.

In accordance with Section 15A(b)(12), FINRA has established rules designed to protect the rights of limited partners in rollup transactions and, in particular, FINRA Rule 2310 is applicable to limited partnership rollup transactions (the "FINRA Rollup Rules").

The Company believes that, for the reasons stated below, the proposed consolidation of the subject LLCs is not subject to the provisions of the FINRA Rollup Rules. Each of the subject LLCs that will participate in the consolidation is a limited liability company. A "limited partnership rollup transaction," as defined in FINRA Rule 2310(a)(10), is "a transaction involving the combination or reorganization of one or more limited partnerships . . ." FINRA Rule 2310(a)(10) defines a limited partnership as "an unincorporated association that is a direct participation program organized as a limited

(b)(5)

partnership whose partners are one or more general partners and one or more limited partners, which conforms to the provisions of the Revised Uniform Limited Partnership Act or the applicable statute that regulates the organization of such partnership.” Thus, the FINRA Rollup Rules do not apply to limited liability companies or other entities other than limited partnerships.

Furthermore, the proposed consolidation of the subject LLCs does not involve the type of abuses that the limited partnership rollup rules were designed to address. The FINRA Rollup Rules were adopted to carry out the requirements of the Limited Partnership Rollup Reform Act of 1993. This statute was adopted following complaints and serious concerns raised in Congressional hearings relating to a substantial number of limited partnership rollup transactions involving two or more public entities. Investors in limited partnerships had been promised that they would realize a return on their investment within a finite period of time. Additionally, in many of these transactions, FINRA members were paid differential compensation, so that they received greater compensation if investors that they solicited voted to approve the limited partnership rollup transaction. Each of the subject LLCs, while holding an interest in a single property, was formed to hold its property interest for an indefinite period and has been in existence for 50-60 years.

The Company advises the Staff that the Company previously submitted a detailed letter to FINRA outlining the Company’s analysis, including the analysis above, that the proposed consolidation of the subject LLCs is not a limited partnership rollup transaction within the meaning of FINRA Rule 2310 and is not subject to the FINRA Rollup Rules. FINRA concurred with this analysis. Accordingly, Sections 6(b)(9) and 15A(b)(12) of the Exchange Act are inapplicable to the proposed consolidation of the subject LLCs.

The FINRA definition of a limited partnership roll-up transaction follows the definition of a limited partnership roll-up transaction in Section 14(h) of the Exchange Act, which is limited to roll-up transactions that involve limited partnerships and does not apply to roll-up transactions involving other entities (See, for example Securities Act release No. 33-7113, which stated: “For purposes of disclosure provided to investors in connection with roll-up transactions, the S-K Definition, as amended today, differs from the legislative definition of “limited partnership rollup transaction” in two principal respects, as discussed in more detail below. First, the Exchange Act applies only to transactions involving limited partnership entities, while the Amended S-K Definition of a “roll-up transaction” will continue to cover transactions involving finite-life entities, however organized.”)

10. Please provide your analysis as to the applicability of Rule 13e-3 of the Exchange Act to your transaction.

The Company believes that its proposed transaction is exempt from the application of Rule 13e-3 by virtue of the exemption set forth in Rule 13e-3(g)(2), and, accordingly, is not subject to the filing and disclosure requirements of Rule 13e-3. Rule 13e-3(g)(2) exempts:

“Any Rule 13e-3 transaction in which the security holders are offered or receive only an equity security provided, that:

(i) such equity security has substantially the same rights as the equity security which is the subject of the Rule 13e-3 transaction including, but not limited to, voting, dividends, redemption and liquidation rights *except that this requirement shall be deemed to be satisfied if unaffiliated security holders are offered common stock* (emphasis added);

(ii) such equity security is registered pursuant to Section 12 of the Act or reports are required to be filed by the issuer thereof pursuant to Section 15(d) of the Act; and

(iii) if the security which is the subject of the Rule 13e-3 transaction was either listed on a national securities exchange or authorized to be quoted in an inter-dealer quotation system of a registered national securities association, such equity security is either listed on a national securities exchange or authorized to be quoted in an inter-dealer quotation system of a registered national securities association.”

The transaction meets these conditions.

The condition with respect to subparagraph (g)(2)(i) is deemed satisfied since shares of the Company's Class A common stock will be offered in the IPO and in the consolidation to unaffiliated security holders.

The condition with respect to subparagraph (g)(2)(ii) will also be satisfied as the shares of the Company's Class A common stock are intended to be registered pursuant to Section 12 of the Exchange Act in connection with the IPO.

Finally, the condition with respect to subparagraph (g)(2)(iii) is not required to be satisfied since the securities of the subject LLCs are not listed on a national securities exchange or authorized to be quoted in an inter-dealer quotation system of a registered national securities association.

Therefore, it is the Company's belief that the transaction satisfies the requirements of Rule 13e-3(g)(2), thereby exempting the transaction from the requirements of Rule 13e-3.

- 11. Please revise to describe the role of the operating lessees of each subject LLC, as well as their legal relationship with the subject LLCs. Please explain in your discussion how the role of the operating lessees differs from the role of the supervisor.**

The disclosure under "Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies," on page 22 of the Form S-4 prospectus and the disclosure under "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 126 of the Form S-4 prospectus has been revised as requested.

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- 12. Please revise to describe the legal relationship between the supervisor and the subject LLCs. If any contracts govern this relationship, please direct us to where they can be found in filings with the Commission, or provide your analysis as to why they are not required to be filed. Describe the fiduciary duties of the supervisor to each subject LLC. See Item 909(a) of Regulation S-K.**

The disclosure under "Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies" on page 22 of the Form S-4 prospectus and the disclosure under "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 126 of the Form S-4 prospectus has been revised as requested. We supplementally advise the Staff that the limited liability company agreement of each of the subject LLCs was filed as an exhibit to the SEC filings of each of the subject LLCs. As addressed in response to comment 134, such exhibits are being re-filed, to the extent such exhibits did not comply with Item 10(d) of Regulation S-K. The fiduciary duties of the supervisor to each subject LLC are also described under "Fiduciary Responsibility – Supervisor of the Subject LLC and Agent for Participants" on page 434 of the Form S-4 prospectus, "Comparison of Ownership of Participation Interests and Shares of Common Stock – Fiduciary Duties" on page 238 of the Form S-4 prospectus and "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 127 of the Form S-4 prospectus.

- 13. Please identify the beneficial owners of the operating lessees and all other private entities contributing to the consolidation. Please also disclose any affiliation between the Malkin Holdings group and the Helmsley estate.**

The disclosure under "Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies" on page 24 of the Form S-4 prospectus and the disclosure under "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 128 of the Form S-4 prospectus has been revised to identify the interests of the Malkin Holdings group and the Helmsley estate in each of the operating lessees. We supplementally advise the Staff that the private entities are held by numerous holders and it would be impractical to list all of the holders and such information would not be material to an investor. The Malkin Holdings group does not own any interest in the Helmsley estate and the Helmsley estate does not own any interest in the Malkin Holdings group, nor does either control the other.

- 14. Please clarify the ownership structure of the subject LLCs, including stating whether the agents are the actual members of the subject LLCs and describing the legal structure of this agency arrangement. If there are intermediate entities between the subject LLCs and the persons from whom you seek consents, these should be depicted on your organizational charts.**

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The disclosure under "Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies" on page 23 of the Form S-4 prospectus reflects the requested disclosure, and the disclosure under "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 127 of the Form S-4 prospectus has been revised to clarify the ownership structure of the subject LLCs, including that the agents are actual members of the subject LLCs and that they are principals of the supervisor. Please note there are no intermediate entities.

15. **Please tell us how the buyout provisions are consistent with the organizational documents of the subject LLCs and the laws of the jurisdiction in which they were formed.** //

We supplementally advise the Staff that the buyout provisions were provided for as part of the inception of the subject LLC's in the original participation agreements under which the participation interests were issued. The buyout provisions were included because, under tax laws at the time of the structuring of the transactions, there was a view that the participants needed to act unanimously to permit the entities to obtain partnership status for flow-through tax treatment. The buyout provisions allow for the buyout of non-consenting holders in the case of a supermajority vote (from 80%-90% depending upon the subject LLC) in favor of a recommendation of the supervisor after a 10-day notice to permit a non-consenting holder to change its vote. Accordingly, the buyout provisions preserved the unanimity for tax purposes, but allowed for supermajority consent, rather than unanimous consent, to a recommendation of the supervisor, to avoid having a minority preventing a supermajority from taking action on any issue requiring a vote. Disclosure describing the background of the buyout has been included under the heading "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal" on page 69 of the Form S-4 prospectus and under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on page 253 of the Form S-4 prospectus. Because the buyout provisions are a part of the contractual participation arrangement, there are no legal restrictions on the right to include such a buyout. Further, to the extent that the participating groups may be considered general partnerships under state law, the New York partnership law does not impose any limitations on the governance structures that may be agreed to by partners. It should be noted that there have rarely been any buyouts effected in the greater than 50 year lives of each of the subject LLCs. We note that there were no buyouts of any participants in the private entities that were solicited in connection with the consolidation, which had similar buyout provisions.

16. **Please clarify the statement appearing throughout the document that the Malkin Holdings group is "entitled" to receive consideration having an aggregate value of \$642 million.**

(b)(5)

The disclosure under "Summary – Background of and Reasons for the Consolidation – Risk Factors" on page 34 of the Form S-4 prospectus, "Summary – Conflicts of Interest and Benefits to the Supervisor and its Affiliates" on page 37 of the Form S-4 prospectus, "Conflicts of Interest – Substantial Benefits to the Supervisor and its Affiliates" on page 226 of the Form S-4 prospectus and "Related Party Transactions – Transactions Relating to the Consolidation" on page 427 of the Form S-4 prospectus has been revised to eliminate the word "entitled" and to clarify the explanation of the receipt of consideration by the Malkin Holdings group as requested.

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17. **Please describe all compensation to be received by members of the Malkin Holdings group post-consolidation.**

We supplementally advise the Staff that the table under the heading "Comparison of Ownership of Participation Interests and Shares of Common Stock – Compensation and Fees" on page 248 of the Form S-4 prospectus describes the compensation payable to the members of the Malkin Holdings group and additional details of the compensation will be described under "Management – Executive Compensation" on page 419 of the Form S-4 prospectus in a subsequent amendment. A table showing the compensation to the supervisor and its affiliates on a pro forma basis is included in each of the supplements under the heading "Distributions and Compensation Paid to the Supervisor and its Affiliates – Compensation, Reimbursements and Distributions to the Supervisor and its Affiliates."

18. **Please ensure that you have provided all disclosure required by Item 905 of Regulation S-K. For**

example, it does not appear that you have included most of the disclosure required by Item 905(b).

The disclosure under the heading "Comparison of Ownership of Participation Interests and Shares of Common Stock – Length and Type of Investment" on page 234 of the Form S-4 prospectus has been revised to include the disclosure required under Item 905(d)(3).

We believe that the other disclosures required by Item 905 are included in the Form S-4 prospectus. The disclosures required under Item 905(a)(1) and (2) and Item 905(b)(1) and (2) are included under the section "Comparison of Ownership of Participation Interests and Shares of Common Stock – Compensation and Fees," beginning on page 248 of the Form S-4 prospectus. With respect to Item 905(b)(3), the table in each of the supplements under "Distributions and Compensation Paid to the Supervisor and its Affiliates – Compensation, Reimbursements and Distributions to the Supervisor and its Affiliates" on pages S1-35, S2-35 and S3-35, respectively, shows the actual amounts of compensation and distributions paid to the supervisor and its affiliates in the last three fiscal years as well as the amounts of compensation and distributions that would have been paid if the compensation and distribution structure to be in effect after the consolidation had been in effect during such period. With respect to Item 905(b)(4), we supplementally advise the Staff that the plans of the Company are as described under "The Company Business and Properties – Business and Growth Strategies" beginning on page 336 of the Form S-4 prospectus, and that there are no known plans that are likely to materially affect the compensation and distribution arrangements, except to the extent described in such

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section (e.g., plans for growth may increase distributions), such changes for which it is not possible to determine the effects, if any. With respect to Item 905(b)(5), we supplementally advise the Staff that the section "Conflicts of Interest – Substantial Benefits to the Supervisor and its Affiliates" beginning on page 226 of the Form S-4 prospectus includes disclosure relating to the conflicts of executives of the supervisor in respect of their employment and benefits arrangements with the Company, which arrangements the Company believes are customary for public companies. We do not believe any further disclosure is necessary with respect to Item 905(b)(5). The disclosure relating to the comparison of distribution policies required by Item 905(c) is provided under "Comparison of Ownership of Participation Interests and Shares of Common Stock – Expected Distributions and Payments" on page 246 of the Form S-4 prospectus, and the effects of changes in such policies are described in the "Risk Factors" section under the heading "There will be a fundamental change in the nature of your investment if the consolidation is consummated" on page 78 of the Form S-4 prospectus. The disclosures required by Item 905(d)(1) are provided under the headings "Comparison of Ownership of Participation Interests and Shares of Common Stock – Length and Type of Investment," "– Borrowing Policies," "– Other Investment Restrictions," "Policies with Respect to Certain Activities – Investment Policies," "– Dispositions" and "– Financing Policies" and "Business of the Subject LLCs – Investment Policies" on pages 234, 235, 236, 379, 380, 380 and 397, respectively of the Form S-4 prospectus. With respect to Item 905(d)(2), we supplementally advise the Staff that no additional disclosure is required as there are currently no plans with respect to a sale or purchase of any material assets or borrowings.

19. Please add disclosure required by Item 906(c)(2) of Regulation S-K or tell us how you have complied.

11 The disclosure under "Summary – The Consolidation – Principal Components of the Consolidation" on page 40 of the Form S-4 prospectus has been revised to state that the supervisor and its affiliates did not pay any consideration for their override interests. The consideration that will be received by the Malkin Holdings group on account of its interests in the subject LLCs consists of consideration for its participation interests issued, which were issued for the same consideration as other participation interests or purchased in negotiated transactions from individual participants at prices equal to or in excess of the consideration at which such participation interests were originally issued, and consideration on account of distributions on its override interests.

(b)(5)

20. Please add disclosure required by Item 902(b)(4)(iii) and (x), as well as 902(b)(5), or tell us how you have complied.

We supplementally advise the Staff that no disclosure is required with respect to Item 902(b)(4)(iii) because, as disclosed under "Exchange Value and Allocation of Common Stock – Derivation of Exchange Value" on page 207 of the Form S-4 prospectus, cash will be distributed to participants and is not included in calculating exchange value. With respect to Item 902(b)(4)(x), we supplementally advise the Staff that the table in each of the supplements under "Exchange Value and Allocation of Common

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interests held by the supervisor and the Malkin Holdings group, which are the only value relating to the Malkin Holdings group’s interest in the subject LLCs (other than its interest as a participant which is being valued on the same basis as other participation interests), and that the table in each of the supplements under “Exchange Value and Allocation of Common Stock – Allocation of Common Stock on a Fully-Diluted Basis among the Participants and the Supervisor and the Malkin Holdings Group” on pages S1-25, S2-25 and S3-25, respectively, of the supplements, includes the participation interests and the override interests held by the Malkin Holdings group (which includes the supervisor) in each subject LLC (such interests being valued on the same basis as other participation interests). We supplementally advise the Staff that the table in each of the supplements under the heading “Distributions and Compensation Paid to the Supervisor and its Affiliates – Compensation, Reimbursements and Distributions to the Supervisor and its Affiliates” addresses the disclosure required under Item 902(b)(5) and will be finalized in a future amendment, and that there is no identifiable change in the compensation and distributions that would have been paid by the Company as a result of any proposed change in the business of the operations of the Company after the consolidation, other than the change in structure itself.

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21. For each of the three public LLCs, please include the disclosure required by Item 6 of Schedule 14A or advise.

We supplementally advise the Staff that the requested disclosure is included under “Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions” on page 254 of the Form S-4 prospectus. We supplementally advise the Staff that the organizational documents of the subject LLCs do not provide for a record date referred to in Item 6(b) and that the disclosure under such section of the Form S-4 prospectus refers to which participants may vote. The participation interests held by the Malkin Holdings group were provided in the charts under “Summary – The Consolidation” beginning on page 45 of the Form S-4 prospectus and “The Consolidation – Principal Components of the Consolidation – Pre- and Post- Closing Structure,” beginning on page 160 of the Form S-4 prospectus. An additional table has been added under both sections setting forth the ownership of participation interests by members of the Malkin Holdings group.

22. Please include disclosure pursuant to Items 401 and 402 of Regulation S-K. Refer to Item 18(a)(7) of Form S-4.

We supplementally advise the Staff that the requested disclosure is included under the section entitled “Management” beginning on page 414 of the Form S-4 prospectus. Please note that information relating to director nominees and the compensation disclosure will be finalized and included in a future amendment.

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Cover Page

23. Please revise to provide pricing information pursuant to Item 501 of Regulation S-K. Please refer specifically to Instruction 2 to paragraph 501(b)(3).

We supplementally advise the Staff that we do not believe that there is pricing information to be provided under Item 501 on the cover, as Item 501(b)(3) states that it applies when securities are offered for cash. The number of shares of Class A common stock presented in the Form S-4 prospectus is based on the hypothetical \$10 per share exchange value arbitrarily assigned by the supervisor to illustrate the number of shares of Class A common stock that a participant would receive. The actual number of shares of common stock, on a fully-diluted basis, issued in the consolidation will equal the enterprise value (the determination of which is described in our response to comment 7 above) divided by the actual IPO price upon pricing of the IPO, and the actual value per share will equal the IPO price. The enterprise value and the IPO price will be determined by the market conditions and the performance of the portfolio at the time of the IPO.

24. Please include disclosure pursuant to 501(b)(4) or advise.

The following disclosure has been added to the cover: "The company intends to apply to have its Class A common stock listed on the New York Stock Exchange under the symbol "ESB.""

Questions and Answers about the Consolidation, page 1

25. Please include a question and answer that explains why the company is entering into the IPO. Please include a detailed discussion of the use of proceeds that will be raised in the IPO and identify the persons that may receive payments from the use of proceeds.

The disclosure on page 2 of the Form S-4 prospectus under the heading "Questions and Answers about the Consolidation" has been revised to include a question and answer about the Company's reasons for entering into the IPO.

Q: What are the conditions for the consolidation to close?, page 4

26. Refer to subpart (iv). Please revise to disclose the "private entity which owns an interest in the Empire State Building."

The disclosure in this section on page 4 of the Form S-4 prospectus and throughout the Form S-4 prospectus has been revised to refer to Empire State Building Company L.L.C. ("ESBC") as the private entity which owns an interest in the Empire State Building.

Q: Can I change my vote on the consolidation..., page 9

27. Your disclosure states that you can change your vote at any time before the later of the date the required consent percentage is received by your subject LLC and the 60th day after the date of this prospectus. We note, however, your disclosure on page 4, which states that participants will have ten days to change their vote after notice that the required consent has been received by the subject LLC. Please reconcile.

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The disclosure has been revised to include a statement that participants who have voted against the proposals during the solicitation period may change their vote after the expiration of the solicitation period during a period of 10 days after notice that the required vote has been received.

Summary, page 12

28. Please revise to include a summary of the background of the roll-up transaction in the summary section. Refer to Item 903(b)(5) of Regulation S-K. Please also provide disclosure pursuant to Item 903(b)(1)(i) and (b)(7) of Regulation S-K or advise.

A summary of the background of the consolidation pursuant to Item 903(b)(5) has been added to pages 22 to 23 of the Form S-4 prospectus under the new section entitled "Summary – Background of and Reasons for the Consolidation." The disclosure required by Item 903(b)(1)(i) has been added to this section under "– Risk Factors – The Consolidation or a Third-Party Portfolio Transaction" on page 32 of the Form S-4 prospectus, and the disclosure required by Item 903(b)(7) is included in the charts under "Summary – The Consolidation" and "The Consolidation – Principal Components of the Consolidation – Pre- and Post-Consolidation Structure" beginning on pages 45 and 160, respectively, of the Form S-4 prospectus.

29. Please include a brief description of the role of the supervisor, including the duties owed to the participants in the LLCs, as well as those who hold interests in the operating lessees. Please also describe briefly the role of the agents and any duties owed to the participants. Lastly, please include a brief description of the participants and the interests they hold.

The disclosure under the new section entitled "Summary – Background of and Reasons for the Consolidation" on page 22 of the Form S-4 prospectus includes the requested disclosure, and the disclosure under "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 126 of the Form S-4 prospectus has been revised as requested.

30. Please include in the summary section a brief description of the override interests, as well as a brief

discussion of how they were valued as part of the consolidation transaction.

The disclosure under "Summary – The Consolidation – Principal Components of the Consolidation" beginning on page 40 of the Form S-4 prospectus has been revised to include a brief description of the override interests.

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Overview, page 13

31. We note in your discussion of your renovation and repositioning strategy in the last paragraph on page 1 that you have invested approximately \$296 million, from 2002 through September 30, 2011, in your Manhattan office properties, and that you intend to invest between \$175 million and \$215 million of additional capital through the end of 2013, in addition to another \$55 million to \$65 million to be invested in the Empire State Building through 2016. Please reconcile these disclosures to the disclosure in Footnote 6 to the 2010 financial statements of Empire State Building Company on page F-108, which states that it estimates that the total cost of all projects to upgrade and improve the Empire State Building will be \$626 million.

In response to the Staff's comment, the Company supplementally advises the Staff that the disclosure included in footnote 6 to the 2010 financial statements of ESBC regarding the \$626 million of total costs of all program-related projects refers to the original amounts that were approved in 2008 by the participants of Empire State Building Associates L.L.C. ("ESBA"). We do not believe that it is necessary to amend the previously filed Form 10-Ks of ESBA to reflect these changes, but these changes will be reflected in future filings of the Form 10-K of ESBA. The disclosure under the heading "Prospectus Summary—The Company—Overview" on page 1 of the Form S-11 prospectus (\$296 million from 2002 through September 30, 2011) represents the aggregate expenditures, made from the time we began to gain day-to-day management of our Manhattan office properties (2002 – 2006). We have updated the disclosure in the 2011 financial statements of ESBC to indicate that the revised estimate of total costs of all program-related projects as of December 31, 2011 are anticipated to be approximately \$550 million to \$590 million. Also, we have revised the disclosure on page 285 of the Form S-4 prospectus under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations of Empire State Realty Trust – Liquidity and Capital Resources" and on page 105 of the Form S-11 prospectus under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" to reflect our current estimate of capital needs through the end of 2013 for all of our Manhattan office properties (and beyond 2013 through completion for the Empire State Building).

Description of the Company and the Subject LLCs, page 13

32. We note the following disclosure on page 14: "From 2002 through 2006, the supervisor gradually gained day-to-day management of the company's Manhattan office properties." Please describe in greater detail the changes that occurred from 2002 to 2006 and describe what impact this had, if any, on the existing agreements between the LLCs, the operating lessees, and the supervisor. Please also reconcile this statement with your disclosure on page 4 of Empire State Building Associates LLC's Form 10-K for the fiscal year ended December 31, 2010, which states that the sub-lessee is now self-managing the property.

We supplementally advise the Staff that we do not believe that any change in the disclosure is required, because the changes from 2002-2006 involved the private entities that operated the properties terminating the former property manager/leasing agent as manager. As a result of these changes, the supervisor, in its capacity as the supervisor of the private entities assumed day-to-day operating control of the properties, subject to any required consents of members of the private entities, and appointed third-party property

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managers for the properties, other than for the Empire State Building, which manages the property without a third-party property manager, under the oversight of the supervisor. The statement that ESBC is a self-managing entity is not inconsistent. It means that the property is managed by ESBC under the oversight of the supervisor and not by a third-party property manager. This has been clarified on page 7 of

The Subject LLCs, the Private Entities and the Management Companies, page 21

33. Refer to footnote (1) on page 23. We note that the appraisal value of these entities is approximately \$715 million. We also note disclosure in later charts, including the chart on pages 48-51, where you assign an exchange value to these entities. Please explain why these three private properties are excluded from these charts if they have an assigned exchange value.

We supplementally advise the Staff that the three private entities referred to in footnote (1) are excluded from these charts because the properties they own will be acquired only if the litigation relating to such option properties is resolved, and the option to purchase the properties is exercised. The exchange values were assigned in the event that the litigation is resolved and the option is exercised prior to the IPO and the disclosure in footnote (1) to the chart under "Summary – Allocation of Consideration in the Consolidation" and the comparable footnote to the charts under "Exchange Value and Allocation of Common Stock – Appraised Value of the Management Companies," " – Allocation of Common Stock and Operating Partnership Units among the Subject LLCs, the Private Entities and the Management Companies" " – Allocation of Common Stock and Operating Partnership Units among the Participants and the Supervisor and the Malkin Holdings Group" and " – Estimated Exchange Value of Common Stock", on pages 67, 212, 215, 219 and 224, respectively, of the Form S-4 prospectus has been revised to state that the exchange values shown are those the option properties would have had, calculated in accordance with the methodology used to derive the exchange values for the subject LLCs and the private entities. Accordingly, we believe that exclusion of the option properties from the table is appropriate.

Benefits of Participation in the Consolidation, page 24

34. Refer to the fourth bullet on page 25. Please expand to describe the current "conflicts of inherent interest" and provide a basis for the supervisor's belief that a consolidated structure would "eliminate" such conflicts.

The disclosure under the heading "Summary – Background of and Reasons for the Consolidation – Benefits of Participation in the Consolidation" on page 29 of the Form S-4 prospectus has been revised as requested.

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Risk Factors, page 26

35. Please revise to add disclosure required by Items 904(c) or tell us how you have complied. Please refer to the Instruction (i) and (ii) to Item 904 of Regulation S-K.

The disclosure on page 31 of the Form S-4 prospectus has been revised as requested to include the requirements of Item 904(c) and states that the supervisor believes the risks have substantially the same effect on participants in the subject LLCs .

Please note that certain differences between the subject LLCs, including with respect to debt to asset value ratios and age of properties, are addressed in each supplement under the heading "Overview – Differences among the subject LLCs" beginning on pages S1-4, S2-4, and S3-4, respectively, of the supplements. With respect to Instruction i to Item 904, we supplementally advise the Staff that cost savings are not identified as a potential benefit. With respect to Instruction ii to Item 904, the "Conflicts of Interest" section, under "Substantial Benefits to the Supervisor and its Affiliates" on page 226 of the Form S-4 prospectus identifies the benefits to the Malkin Holdings group from the consolidation transaction. This is addressed additionally in the Risk Factors section under the heading "There are conflicts of interest inherent in the structure of the consolidation, and the supervisor and the Malkin Holdings group will receive substantial benefits if it is consummated." on page 79 of the Form S-4 prospectus.

36. Please revise the sub-bullets under the third bullet on page 27 to more specifically describe the risk(s) arising from each fundamental change.

(b)(5)

The disclosure under "Summary – Background of and Reasons for the Consolidation – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction" on page 32 of the Form S-4 prospectus has been revised as requested.

37. **We note your disclosure on page 27 that no independent representative was retained to negotiate on behalf of the participants and your related disclosure on page 66. Please describe the reasons for not retaining such a representative. Refer to Item 909(b)(1) of Regulation S-K. Please provide similar disclosure on pages 123 and 188.**

The disclosure under "Summary – Background of and Reasons for the Consolidation – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction" on page 33 of the Form S-4 prospectus and under "Recommendation and Fairness Determination – General" and "Conflicts of Interest – Lack of Independent Representation of Participants" on pages 150 and 230, respectively, of the Form S-4 prospectus has been revised as requested. We supplementally advise the Staff that the Form S-4 prospectus includes a risk factor under the heading "The terms of the consolidation may have been more favorable to you and the other participants if an independent representative had been retained on behalf of you and the other participants in structuring and negotiating the consolidation" discussing the lack of an independent representative and that the terms of the consolidation may have been different, and possibly more favorable to the participants had independent representatives been involved.

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38. **With respect to bullet points three and four on page 28, please describe briefly the conflicts of interest that you reference at the end of each paragraph.**

The disclosure under "Summary – Background of and Reasons for the Consolidation – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction" on page 34 of the Form S-4 prospectus has been revised to include a brief description of the conflicts of interests inherent in the current structure of the subject LLCs, and a cross-reference to the "Conflicts of Interest and Benefits to the Supervisor and its Affiliates" discussion included in the Summary section. We do not believe it is necessary to repeat the description of these conflicts and benefits since they are already described in more detail elsewhere in the Summary section.

Conflicts of Interest and Benefits to the Supervisor and its Affiliates, page 31

39. **Please disclose the reasons for and purposes of indemnifying the Malkin Family from liabilities arising under their "bad boy" guarantees and quantify these potential liabilities.**

In response to the Staff's comment, we have revised the disclosures under "Summary – Conflicts of Interest and Benefits to the Supervisor and its Affiliates" and "Conflicts of Interest – Substantial Benefits to the Supervisor and its Affiliates" on pages 38 and 227 of the Form S-4 prospectus and under "Prospectus Summary – The Company – Benefits to Related Parties," "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" and "Certain Relationships and Related Transactions – Releases of Guarantees" and "– Benefits of this Offering and the Formation Transactions to Certain Parties" on pages 17-18, 104, 219 and 228 of the Form S-11 prospectus to address the reasons for and purposes of the indemnification. In response to the Staff's comment to quantify the potential liabilities under the guarantees, we respectfully advise the Staff that the potential liabilities under the guarantees are not possible to ascertain with certainty, and the disclosure of the amount of potential liabilities under the guarantees would be subject to a high degree of speculation and may be misleading to investors. By their nature and consistent with market practice, there are various permutations by which the guarantees may be triggered. Most of the guarantees provide that if certain specified "trigger" events were to occur under the guarantees, the guarantors would be obligated to pay to the applicable lender amounts equal to any loss, damage, costs, expense, liability, claim or other obligation incurred by such lender arising out of or in connection with such specified events. In addition, for some, but not all of the loans, the occurrence of certain of such events or certain other "trigger" events would result in full recourse to the guarantors under the loans. As the trigger events (and the consequences thereof for the guarantors) vary with respect to each of the guarantees for each mortgage loan, and as the potential liabilities under the guarantees are dependent on the nature of the event leading to such liabilities and the extent of the loss or damage suffered by the applicable lender, we do not believe

that it is possible to calculate potential liabilities and we therefore have not added the requested disclosure.

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40. **Elsewhere in the prospectus, please disclose in greater detail how each of the listed actions impacted the supervisor's fairness determination.**

We supplementally advise the Staff that while the supervisor has conflicts of interest, the supervisor does not believe that the listed actions impacted the fairness determination. The conflicts disclosure throughout the Form S-4 prospectus was included so that participants in the subject LLCs could consider the potential impact of these actions on the supervisor's recommendation. We have revised the disclosure under "Recommendation and Fairness Determination – General" on page 150 of the Form S-4 prospectus to clarify that the supervisor does not believe that these conflicts of interest affected its recommendation.

41. **To the extent practicable, please quantify the value of the tax protection agreement referenced in the last bullet point on page 31. Please make this same change to the related disclosure on page 186.**

In response to the Staff's comment, the Company has revised the disclosures under "Summary – Conflicts of Interest and Benefits to the Supervisor and its Affiliates" on page 38, "Summary – The Consolidation" on page 43, the risk factor on page 111 beginning "The company's tax protection agreement could limit its ability either to sell certain properties ..." the risk factor on page 117 beginning "Tax consequences to holders of operating partnership units upon a sale or refinancing of the company's properties ..." and "Conflicts of Interest – Substantial Benefits to the Supervisor and its Affiliates" on page 228 of the Form S-4 prospectus.

In further response to the Staff's comment, the Company respectfully directs the Staff to the disclosures on page 215 of the Form S-11 prospectus under the heading "Certain Relationships and Related Parties — Tax Protection Agreement," where the Company estimates that if all of its assets subject to the tax protection agreement were sold in a taxable transaction immediately after the IPO, the amount of the Company's operating partnership's indemnification obligations (including additional payments to compensate the indemnified partners for additional tax liabilities resulting from the indemnification payments) would be approximately \$84.7 million.

The Consolidation, page 33

42. **Please revise to include a chart depicting ownership in the combined entity, assuming the consolidation is approved by all three LLCs. Please include ownership percentages attributable to each LLC, each LLC operating lessee, the private entities as a whole, and the management companies. Please also include disclosure, by footnote or otherwise, to indicate the percentage ownership of the supervisor and its affiliates, as well as the ownership percentage that would have been attributed to the Helmsley estate, had stock been granted in lieu of cash. Please also include three separate charts—one for each building associated with each of the three LLCs—that depicts the relative exchange value attributable to each LLC, override interests associated with the LLC, the operating lessee, override interests associated with the operating lessee, and the voluntary capital transaction override interest, if applicable.**

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The charts have been included as requested under "Summary – The Consolidation – Principal Components of the Consolidation" and "The Consolidation – Principal Components of the Consolidation – Pre- and Post- Closing Structure" beginning on pages 48 and 163 of the Form S-4 prospectus.

43. **Please include another chart depicting all the different types and amounts of interest that will be received by the Malkin Holdings group and the Helmsley estate in this transaction.**

The charts under "Summary – The Consolidation– Principal Components of the Consolidation" and "The Consolidation – Principal Components of the Consolidation – Pre- and Post-Consolidation Structure" beginning on pages 52 and 167 of the Form S-4 prospectus (showing the organization of the Company after the transaction) have been revised to show the ownership after completion of the consolidation and prior to the IPO. We supplementally advise the Staff that the chart does not show the ownership after the

IPO because it will not be possible to estimate the ownership of the investors that will purchase shares in the IPO at the time the prospectus/consent solicitation is mailed in order to show such information.

44. **In the second bullet on page 34, we note that accredited investors in the private entities and the management companies have the option to elect OPUs or Class B common stock. Please explain in more detail why stakeholders in the consolidation are eligible to receive different types of consideration. Also discuss whether the Wien group had the option to elect Class B common stock or OPUs.**

We supplementally advise the Staff that accredited investors in the private entities and the Wien group could be offered the option to elect operating partnership units and Class B common stock because their interests are being issued pursuant to Regulation D. Please note that these investors were offered Class B common shares only to the extent they received operating partnership units, so that they could have voting rights that are equivalent to their economic interest in the Company (taking into account their ownership of operating partnership units as described on page 158 of the Form S-4 prospectus). The issuance of operating partnership units and Class B common stock pursuant to Regulation D would not require registration under state blue sky laws, which registration in the Company's judgment, based on prior experience of the Company's and supervisor's counsel, would have entailed additional complexity, time and costs and created a risk that the transaction could not be completed timely and on a basis which did not impose undue expense on the overall transaction.

45. **In the second bullet on page 34, please explain what you mean by the following statement: "No accredited investor receiving shares of Class B common stock will hold shares of common stock with an aggregate voting power that exceeds such accredited investor's economic interest in the company." Clarify how this is**

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possible when the Class B shares have 50x the voting power of Class A shares, and Class A and B shares are assumed to be equal in economic value. Please also clarify this point in the related disclosure on page 130.

In response to the Staff's comment, the Company has revised the disclosure under "Summary – The Consolidation" and "The Consolidation – Principal Components of the Consolidation" beginning on pages 41 and 158 of the Form S-4 prospectus and under "Class A and Class B Common Stock and Operating Partnership Units," "Risk Factors – Risks Related to Our Properties and Our Business – Holders of operating partnership units that acquire shares of our Class B common stock will have a significant vote in matters submitted to a vote of our stockholders," and "Description of Securities – Shares of Common Stock" on pages v, 47 and 242 of the Form S-11 prospectus.

46. **Refer to the fourth and fifth bullets on page 34. We note that the company agreed to (1) grant cash option to the Helmsley estate and (2) allocate to the Helmsley estate all additional proceeds from the sale of Class A common stock issued by the company in an offering upside or in connection with the underwriters' overallocation option. Please discuss how these decisions impacted the supervisor's fairness determination regarding the participation interests.**

We supplementally advise the Staff that the supervisor does not believe that these decisions impacted the supervisor's fairness determination and does not believe that it is necessary to revise the disclosure. First, the Helmsley estate's election to receive cash does not affect the amount of cash available to participants in the subject LLCs. The Helmsley estate is entitled to receive cash only after cash is paid to participants in the public entities that make a cash election. The amount of the cash election for participants in the subject LLCs is limited because the supervisor believes the payment of a greater amount of cash to participants in the subject LLCs would affect the Company's ability to obtain the reduced New York City and New York State transfer tax rate applicable to REITs. The supervisor believes the transfer tax savings will benefit all shareholders of the Company. The Helmsley estate could be granted a cash option because such payment to a charitable organization is not expected to affect the Company's ability to obtain this reduced New York City and New York State transfer tax rate.

Second, the Company believes that allowing the Helmsley estate to obtain as much cash as possible through the cash election will benefit the Company and its stockholders, because the reduction of the Helmsley estate's overhang through receipt of cash pursuant to its cash election would be viewed

favorably by the market and would provide for a better trading market in the Company's Class A common stock following the IPO.

Empire State Building Associates L.L.C., page 37

47. Please include a description of the voluntary capital transaction override by footnote or otherwise in this chart and in the chart on page 39 for 250 West 57th St. Associates L.L.C. Please explain the right, when and how it was granted, and any differences between the rights with respect to each of the LLCs. To this end, we note that the chart for 60 East 42nd St. Associates, LLC does not include a reference to a capital transaction override. Please confirm that no program exists (voluntary or mandatory) for this entity.

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The disclosure under "Summary – The Consolidation – Principal Components of the Consolidation" and "The Consolidation – Principal Components of the Consolidation – Pre- and Post- Closing Structure" on pages 45, 47, 160 and 162 of the Form S-4 prospectus has been revised to describe the background of the voluntary capital transaction override for both ESBA and 250 West 57th St. Associates L.L.C.

Organizational Chart on page 40

48. Please revise to disclose each entity or group's percentage ownership in the new company and in the operating partnership. Also disclose the amount of limited partnership interests that the new company will receive. Please also clarify who are the "public shareholders" and the "other participants." In addition, please quantify the percentage of Class A versus Class B interests. Please make these same changes to the charts on pages 132-135.

The charts under "Summary – The Consolidation – Principal Components of the Consolidation" and "The Consolidation – Principal Components of the Consolidation – Pre- and Post- Closing Structure" on pages 48 and 163 of the Form S-4 prospectus have been revised as set forth in response to comment 42. The reference to "public shareholders" referred to purchasers in the IPO, but, as set forth in response to comment 42, that reference has been eliminated from the charts because it will not be possible to estimate the ownership of the investors purchasing shares in the IPO. The percentage of Class A versus Class B interests cannot yet be quantified, as the IPO price is not known. The footnote has been revised to address the exclusion of issuances in the IPO and the use of proceeds therefrom.

Why the Supervisor Believes the Consolidation is Fair to You..., page 42

49. We note that, although much of your disclosure contemplates consolidation of all the entities, this transaction may be completed with a combination of entities consisting of less than all entities. For example, we note that participation of Empire State Building Associates LLC is a condition for the consolidation to close, but participation of the other two subject LLCs are not required for closing. Please revise your disclosure regarding the sponsor's belief as to the fairness of the transaction to address each possible combination. Refer to Item 910(a) of Regulation S-K. Please also provide disclosure pursuant to Items 910(b) and (e), as well as Instruction 3(iii) to Item 910, or tell us how you have complied. Please make similar changes to your related disclosure beginning on page 123. Lastly, please expand your disclosure to add a discussion of the fact that there was no representative acting on behalf of the investors for purposes of negotiating the transaction, and discuss the supervisor's fairness determination, in light of this fact.

The disclosures under "Summary – The Consolidation – Why the Supervisor Believes the Consolidation is Fair to You" on page 56 and "Recommendation and Fairness Determination – General" on page 149 of the Form S-4 prospectus have been revised in response to your comment on not all entities participating in the consolidation. The disclosure now states that the supervisor believes that the consolidation is fair to participants, regardless of which particular combination of entities participate in the consolidation, among any such combination.

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With respect to Item 910(b), we have revised the descriptions of the liquidation analysis under “Background of and Reasons for the Consolidation – Alternatives to the Consolidation – Comparison of Alternatives” on page 145 of the Form S-4 prospectus in response to comment 77 to provide additional detail. We believe that the descriptions in this section as to the analysis of the going concern values and the liquidation value is sufficient to comply with the requirements of Section 910(b).

We supplementally advise the Staff that with respect to your comment on Item 910(e), the first bullet under “Summary – The Consolidation – Why the Supervisor Believes the Consolidation is Fair to You” on page 55 of the Form S-4 prospectus states that the exchange values are based on the appraisal by the independent valuer. Accordingly, we do not believe that a change is needed. There is no known material uncertainty relating to the conclusions in such appraisal. We have also added disclosure under “Summary – Background of and Reasons for the Consolidation – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction,” “–Why the Supervisor Believes the Consolidation is Fair to You” “Risk Factors – Risk Factors Related to the Company and Risks Resulting from the Consolidation – The terms of the consolidation may have been more favorable to you and the other participants if an independent representative had been retained on behalf of you and the other participants in structuring and negotiating the consolidation,” “Recommendation and Fairness Opinion – General,” and “Conflicts of Interest – Lack of Independent Representation of Participants,” on pages 33, 56, 82, 150 and 230 of the Form S-4 prospectus, relating to the fact that there was no independent representative negotiating the consolidation on behalf of the participants, the supervisor’s belief that such participation of an independent representative was not necessary and that the transaction was fair notwithstanding the fact that there was no independent representative.

With respect to your comment on Instruction 3(iii) of Item 910, the disclosure on page 79 of the S-4 prospectus under “Risk Factors – Risk Factors Related to the Company and Risks Resulting from the Consolidation – There are conflicts of interest inherent in the structure of the consolidation, and the supervisor and the Malkin Holdings group will receive substantial benefits if it is consummated” has been expanded to address the compensation payable to the Malkin Holdings group after consummation of the consolidation, which is based on recommendations of a compensation consultant and which the supervisor believes is on a market terms.

Fairness Opinion, page 43

50. **Please revise to disclose that the fairness opinion does not address the fairness of all possible combinations in the consolidation. Refer to Item 903(b)(4) of Regulation S-K. Please also add risk factor disclosure to this effect.**

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The disclosure on page 152 of the Form S-4 prospectus has been revised to state that the fairness opinion does not address the fairness of all possible combinations of entities in the consolidation. The risk factor on page 81 of the Form S-4 prospectus beginning “There are limitations on the independent valuer’s fairness opinion ...” has been expanded to disclose that the fairness opinion does not address the fairness of all possible combinations in the consolidation.

Alternatives to the Consolidation, page 44

51. **We note that this discussion summarizes the two *principal* alternatives. Please revise to disclose any other alternatives that were considered.**

The disclosure under “Summary – The Consolidation – Alternatives to the Consolidation” on page 58 of the Form S-4 prospectus has been expanded to include other alternatives that were considered, including the conversion of each subject LLC into a separate REIT, listing of the participation interests on a national securities exchange, and other means of producing liquidity for the participants in the subject LLCs.

Comparison of Distributions, page 45

52. **Please provide us an analysis as to why you have a reasonable basis for the projected dividend as discussed on page 122.**

In response to the Staff's comment, the Company supplementally advises the Staff that it reviewed the historic dividend yields (on a one-, three-, five- and ten-year period) of four public REITs whose shares are traded on the New York Stock Exchange: (i) Brookfield Office Properties Inc. (BPO); (ii) Boston Properties, Inc. (BXP); (iii) SL Green Realty Corp. (SLG); and (iv) Vornado Realty Trust (VNO) (collectively, the "Peer Group"). The Company selected these companies because they invest in similar types of properties in similar geographic areas to the Company; particularly, a significant portion of their portfolios include properties in the New York City metropolitan area. Based on publicly available information, the Peer Group has historically paid an average dividend yield per annum in the range of 2.0% to 4.0% of their market price (the current average dividend yield per annum is approximately 2.5%). The Company anticipates that it will pay a quarterly dividend on its IPO price within or close to the 2.0% to 4.0% range of dividend yields associated with the Peer Group. While the actual dividend yield of the Company's shares will be dependent upon a number of factors, the Company believes that its estimated range of dividend yields is reasonable based on its estimated levels of operating cash flows upon completion of the consolidation and the IPO and by comparison to the Peer Group which the Company expects the investor community will look to when evaluating the Company's financial performance, including its dividend coverage.

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Allocation of consideration in the Consolidation, page 47

53. **Please advise as to why the remainder of the chart (3 columns related to "Per \$1,000 Original Investment" for the private entities) is not filled in.**

We supplementally advise the Staff that information relating to value per \$1,000 original investment is provided to enable investors in the subject LLCs to determine the value of their interests based on the exchange value. While the supervisor believes that information as to the exchange value of each private entity is relevant to participants in the subject LLCs, the supervisor does not believe information as to value per \$1,000 original investment is relevant for the entities whose consents have already been solicited and that providing the breakout would not provide any material information to participants in the subject LLCs, particularly because the investments were made at different times and the original investment amounts are not in a comparable basis. Accordingly, as set forth in the introduction to the table, such information is only provided for the subject LLCs and their operating lessees.

Voting Procedures for the consolidation Proposal and the Third-Party Portfolio Proposal, page 52

54. **Please revise the fifth and sixth paragraphs on page 52 to clarify that participants in only one entity will receive full consideration, to the extent they vote against the proposals and they are approved, and that participants in Empire State Building Associates LLC and 60 East 42nd St. LLC will receive only \$100.**

The disclosure under "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal" on pages 68 and 69 of the Form S-4 prospectus has been revised as requested to state that participants in only 250 West 57th St. Associates L.L.C. will receive full consideration and that participants in ESBA and 60 East 42nd St. Associates L.L.C. will receive only \$100 if they do not vote in favor of the consolidation unless they change their vote within 10 days after receiving written notice that the required vote has been received, in which case they would receive full consideration.

55. **Refer to the third paragraph on page 53. We note that, to the extent participants vote against the third-party portfolio proposal, participants in Empire State Building Associates LLC and 60 East 42nd St. LLC will receive substantially lower than the exchange value, even if there is no third-party offer and even if the consolidation is consummated and the participant voted in favor of the consolidation. Please disclose this risk on the cover page of the prospectus and confirm that "substantially lower than exchange value" means \$100. Please also clarify this point in the related Q&A on page 4.**

The disclosure under "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal" on page 68 of the Form S-4 prospectus has been revised to state that participants in such case will receive substantially lower than the exchange value, *i.e.*, \$100, unless they vote in favor of the proposal within 10 days after receiving notice that the required consent has been received. This point has also been clarified in the Q&A section and a risk factor has been added to the cover.

69. **To the extent participants' interests are bought out for \$100 because they did not vote in favor of the consolidation and/or the third-party portfolio proposal, please explain what happens to the remainder of the consideration that the participant would have received had the participant voted in favor of either/both proposals.**

We supplementally advise the Staff that as disclosed under "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal" on page 68 of the Form S-4 prospectus, such participant's interests will be bought out by the applicable subject LLC, and accordingly, the remainder of the consideration would get reallocated among participants in such entity. We do not believe that any further disclosure is required to address this comment.

70. **Please describe in greater detail the recently created membership interests, referenced in the fourth paragraph on page 53. Please disclose when the series was created and why. Also, we note from your disclosure in the paragraph below that the Wien group collectively owns participation interests in the subject LLCs in excess of the thresholds discussed in this paragraph, but they intend to approve the transaction. Please confirm that the Wien group is carved out from the voting limitation.**

We supplementally advise the Staff that we do not believe that any additional detail concerning this class is required. This class has a similar effect as a poison pill for a corporation, and it was adopted to prevent a person from disrupting the consolidation by acquiring an interest that would allow them to block the participation of a subject LLC in the consolidation and therefore frustrate the vote of the participants. As a result, this class would not have any impact on either voting or distributions of participants unless a person acquires an interest that would trigger the class, in which case only such acquirer's vote or distribution would be adversely affected. Additional disclosure would be provided in such event. Members of the Wien group who would be considered to beneficially own participation interests for purposes of the new class have been carved out of the voting limitation.

Conditions to the Consolidation, page 54

56. **In the sixth bullet, please revise to disclose the "other customary conditions" or provide a cross-reference. Please make a similar revision to your related disclosure on page 136.**

The disclosures under "Summary – Conditions to the Consolidation" and "The Consolidation – Conditions to the Consolidation" on pages 70 and 171, respectively, of the Form S-4 prospectus have been revised to include a cross-reference.

Risk Factors, page 60

There are conflicts of interest inherent in the structure of the consolidation..., page 63

57. **Please expand this disclosure to also discuss the supervisor's role in structuring and negotiating the consolidation and the conflicts this presents, since the supervisor will benefit from the transaction.**

The disclosure under "Risk Factors – Risk Factors Related to the Company and Risks Resulting from the Consolidation – There are conflicts of interest inherent in the structure of the consolidation, and the supervisor and the Malkin Holdings group will receive substantial benefits if it is consummated" on page 79 of the Form S-4 prospectus has been revised as requested.

The method of calculation of the value of your participation interests..., page 65

58. **To the extent practicable, please quantify this risk by providing any known changes to the relative values since July 1, 2011.**

We supplementally advise the Staff that the exchange values will be updated to a date closer to the date of mailing of the prospectus/consent solicitation. To the extent that there are any known changes after the date of such updated exchange values, they will be disclosed in the Form S-4 prospectus.

There is the potential for litigation.... page 67

59. Please update this risk factor.

The risk factor on page 84 of the Form S-4 prospectus beginning "There is currently litigation pending, and the potential for additional litigation, associated with the consolidation . . ." has been updated to address the pending litigations.

Some of the company's financing agreements involve balloon payment obligations... page 92

60. Please quantify this risk by disclosing the amounts of any balloon payments, along with the relevant maturity dates.

In response to the Staff's comment, the Company has revised the risk factor beginning "Some of the company's financing arrangements involve balloon payment obligations ..." on page 110 of the Form S-4 prospectus and page 39 of the Form S-11 prospectus.

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Background and Reasons for the Consolidation, page 108

61. Please provide disclosure pursuant to Items 907(b) and (c) of Regulation S-K.

We supplementally advise the Staff that the background of each subject LLC, including a discussion of the amount of capital raised from investors and its investment objectives, is included under "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 129 of the Form S-4 prospectus and "Background of and Reasons for the Consolidation – Investment Objectives of the Subject LLCs" on page 130 of the Form S-4 prospectus. Neither the supervisor nor any affiliated person or any subject LLC has experienced since the beginning of 2011, and the supervisor does not believe that it or such affiliated persons or subject LLCs are likely to experience, any material adverse financial developments required to be disclosed under Item 907(c) of Regulation S-K. Accordingly, we do not believe that additional disclosure is required.

62. We note your disclosure on page 109 that discusses the removal of the property manager and leasing agent by the supervisor. Please describe the relationship and any affiliation between the former property manager/leasing agent, the operating lessee and the supervisor.

We supplementally advise the Staff that there was no relationship or affiliation between the former property manager/leasing agent, the operating lessee and the supervisor, and therefore no additional disclosure is required. The former property manager/leasing agent had been owned by Harry Helmsley, a predecessor of the Helmsley estate, but the predecessors to the Helmsley estate did not own an interest in the former property manager following the death of Harry Helmsley in 1997 and the sale by the estate of Harry Helmsley of its interest in the former property manager that same year. Neither the supervisor nor the operating lessees had a relationship with the former property manager/leasing agent, except for the prior ownership by Harry Helmsley and Leona Helmsley of such entity.

Investment Objectives of LLCs, page 109

63. We note your disclosure in the third sentence of this section. Please expand to provide the supervisor's basis for not believing that a transfer of the subject LLC's property interest in an individual sale would be in the best interest of the subject LLC. Please confirm whether the supervisor considered an individual sale of any of the LLCs as an alternative to consolidation.

The disclosure under "Background of and Reasons for the Consolidation – Investment Objectives of the Subject LLCs" on page 130 of the Form S-4 prospectus has been revised to describe the basis for supervisor's belief that an individual sale of a property likely would not be able to result in full value realization, as such property would be sold subject to an operating lease that would be in effect for decades. As disclosed under "Background of and Reasons for the Consolidation – Alternatives to the Consolidation" on page 141 of the Form S-4 prospectus, the supervisor did consider an individual sale of the LLCs.

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64. **Refer to the second sentence of the second paragraph, where you state that, in keeping with prior practice, the supervisor believes that to maximize the return on a sale, the operating lessee would be required to join in such sale. Please explain the relevance of "prior practice" in this context. For example, has relevant analysis been done on similar properties in the past? Also, please tell us whether the operating lease or any other relevant agreements contemplate terms of a sale or require the operating lessee to join the sale. We may have further comments.**

Reference is made to the disclosure included in response to comment 63 with respect to the comment concerning the terms of the operating lease as it relates to the sale of the property. The disclosure under "Background of and Reasons for the Consolidation – Investment Objectives of the Subject LLCs" on page 130 of the Form S-4 prospectus has been revised as requested to include a discussion of the supervisor's prior practice.

65. **In the second paragraph, third sentence, please explain your use of the word "[g]enerally." Please disclose any instances in which the proceeds to a subject LLC from a disposition may not be distributed according to the terms of the subject LLC's operating agreement.**

The word "generally" has been deleted.

66. **We note your disclosure in the second full paragraph on page 110. Please briefly describe the terms of the operating agreements for each of the subject LLCs related to distribution of net sale proceeds.**

We supplementally advise the Staff that the operating agreements of the subject LLCs state that the subject LLCs will continue until all of their assets are disposed of, but do not specifically require that net proceeds from a sale be distributed. A summary of the waterfall for distributions is set forth in each of the supplements under "Exchange Value and Allocation of Common Stock – Allocation of Common Stock on a Fully-Diluted Basis among the Participants and the Supervisor and the Malkin Holdings Group" on pages S1-25, S2-25 and S3-25, respectively.

Chronology of the Consolidation, page 110

67. **Please significantly enhance your description of the background of the transaction over the last two years, identifying each party, all individuals involved, and the substance and date of each discussion, including those involving the Helmsley estate and the private entities. See Item 907 of Regulation S-K.**

The descriptions in the chronology under "Background of and Reasons for the Consolidation – Chronology of the Consolidation" beginning on page 131 of the Form S-4 prospectus have been revised in accordance with your comment.

68. **We note the statement on page 113 that supervisor believes that individual sales would not maximize the value of the subject LLCs' interests in the properties. Please disclose the basis for this belief, and provide an analysis as to whether**

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Empire State Building Associates L.L.C., if sold separately, would provide different benefits to Empire State Building Company L.L.C. and the Malkin Holdings group. Please also clarify the legal ability of Empire State Building Associates L.L.C. to sell its interest separate from the operating lease.

Reference is made to the disclosure added in response to comment 63. We supplementally advise the Staff that because the supervisor believes that a separate sale of ESBA's interest in the property (or any other subject LLC's interest in the applicable other properties) subject to the operating lease would substantially impact the proceeds to ESBA (or such other fee owner), a separate sale would reduce the Malkin Holdings group's benefits in a manner similar to the reduction in benefits to other participants in the subject LLC. The disclosure added in response to comment 63 also addresses the fact that while a subject LLC has the legal ability to sell its interest in the property separate from the operating lessee, such sale would be subject to the operating lease and the supervisor believes it would have a substantial negative impact on the consideration from such sale. We do not believe that a separate sale would affect the benefits to ESBC because it would retain its interest as operating lessee without any change.

69. **Please discuss what involvement, if any, the member/agents for the participating groups had in the**

discussions and negotiations of the consolidation and alternatives.

The disclosure under "Background of and Reasons for the Consolidation – Chronology of the Consolidation" on page 135 of the Form S-4 prospectus has been revised to state that the agents are also principals of the supervisor, and in their capacity as principals of the supervisor, were actively involved in the discussions and negotiations relating to the consolidation and approved the consolidation.

70. **Throughout this discussion, there are numerous references to "alternatives" that were considered. Please revise to identify each strategic alternative that was considered at each point and disclose when each alternative stopped being considered and why.**

Reference is made to the disclosure included in response to comment 51. The disclosure under "Background of and Reasons for the Consolidation – Chronology of the Consolidation" on page 135 of the Form S-4 prospectus has been revised to state that each of the alternatives to the consolidation were reviewed at meetings at which the alternatives were discussed and that none of such alternatives was considered to be preferable to the consolidation and the IPO. Accordingly, there is no separate time when specific alternatives were discussed.

71. **Please disclose in this section and elsewhere as applicable, the names of the executive officers of the operating lessee and discuss their involvement, if any, in the negotiations and structuring of the consolidation.**

The disclosure under "Background of and Reasons for the Consolidation – Chronology of the Consolidation" on page 135 of the Form S-4 prospectus has been revised to state that there are no executive officers of the operating lessee, and that Malkin Holdings, LLC acts as supervisor to such entities.

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72. **Refer to the last two sentences in the third paragraph on page 110. Please disclose whether there was an interested purchaser and, if so, who initiated discussions. Similarly, in the first paragraph on page 111, please disclose who initiated the joint venture discussions, describe the status of the negotiations (i.e., how far along were they), and explain briefly why the transaction was never concluded.**

The disclosures under "Background of and Reasons for the Consolidation – Chronology of the Consolidation" on page 131 of the Form S-4 prospectus has been revised to reflect the requested disclosure. We supplementally advise the Staff that we have not named the institutional partner referred to in connection with the reference to the joint venture discussions because we have confidentiality concerns and we do not believe that disclosure of the identity of the potential purchaser is material.

73. **Refer to your disclosure in the second paragraph on page 112 regarding the investment banks selected to act as lead book runners. Please disclose when the banks were selected.**

The disclosure under "Background of and Reasons for the Consolidation – Chronology of the Consolidation" on page 133 of the Form S-4 prospectus has been revised to disclose when the lead book runners were selected.

74. **We note your disclosure in the second full paragraph on page 113 that "[t]he supervisor believes that the subject LLCs could sell their interests in the properties only in a separate sale that is not joined in by the operating lessee and that such sale . . . would not maximize the value of the subject LLCs' interest in the properties." Please explain the supervisor's basis for this statement.**

The supervisor has reviewed such statement and believes that the disclosure was addressed in earlier sections (see, for example, "Summary – Background of and Reasons for the Consolidation – The Supervisor's Reasons for Proposing the Consolidation" on page 26 of the Form S-4 prospectus) and that it is unnecessary in this section; we have deleted the sentence.

75. **Please disclose the agreements referenced in the first full paragraph on page 114 in which financing and sales requires the agreement of the corresponding operating lessee and consent of its participants.**

The disclosure under "Background of and Reasons for the Consolidation – The Supervisor's Reasons for Proposing the Consolidation" on page 136 of the Form S-4 prospectus has been revised to reflect that the reference to agreements is not referring to particular agreements that are in place, but instead is the result of the nature of the relationship between the subject LLCs and the operating lessees. The disclosure under

such section on page 138 of the Form S-4 prospectus has been revised to additionally state that, as described under "Background of and Reasons for the Consolidation – The Supervisor's Reasons for Proposing the Consolidation," the supervisor believes that realization of full value from the sale of individual properties would be impractical unless both the subject LLC and the operating lessee join in the sale.

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76. **We note your statement in the fourth bullet point in the first full paragraph on page 117 that "[t]he supervisor has never recommended a sale of the related operating lessee." Please provide more context to this statement for it does not appear that the supervisor would have this authority in relation to the operating lessee.**

The supervisor also acts as supervisor to the operating lessee. While it cannot consent to a sale, as supervisor, it would have had the authority to solicit the required consents in connection with any sale of an operating lessee. The disclosure under "Background of and Reasons for the Consolidation – Alternatives to the Consolidation" on page 141 of the Form S-4 prospectus has been revised accordingly. Reference is also made to the disclosures added in response to comments 63, 64 and 68.

Comparison of Alternatives, page 119

77. **We note your statement in the first paragraph that the supervisor believes the going concern and liquidation values may be in the same range as or lower than the exchange values. Although your subsequent disclosure addresses the same range analysis, please revise to explain why the supervisor believes the values may be lower than the exchange values.**

We supplementally advise the Staff that our disclosure concerning the going concern analysis stated that the going concern analysis was in the same range as the exchange values, but did not say that the going concern analysis was lower than the exchange values. With respect to the liquidation value, the disclosure under "Background of and Reasons for the Consolidation – Alternatives to the Consolidation – Comparison of Alternatives" on page 144 of the Form S-4 prospectus states that it was in the same range as or lower than the exchange values. The disclosure under this section on page 145 of the Form S-4 prospectus has been revised to clarify that the liquidation value is estimated to be lower than the exchange values, because the methodology used in the appraisals is the same as the methodology that would be used to estimate the sales price in a liquidation analysis and that the liquidation value would be calculated by deducting costs of sale from the appraised value.

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Sales transactions for participation interests have been limited and sporadic, page 120

78. **Please clarify the methodology used by the supervisor in determining the price to be offered to participants in prior purchases of their participation interests.**

The disclosure under "Background of and Reasons for the Consolidation – Alternatives to the Consolidation – Comparison of Alternatives" on page 144 of the Form S-4 prospectus has been revised to describe the methodology used by the supervisor in determining the purchase price for participation interests in prior purchases.

Distribution Comparison, page 122

79. **Please revise the chart appearing in this section so that it provides the information described in the accompanying text.**

In response to the Staff's comment and further to a telephone conversation between our counsel and the Staff, we do not believe that the accompanying text should be included in the table. Instead, the introductory paragraph to this chart under "Background of and Reasons for the Consolidation – Comparison of Distributions by the Subject LLCs and the Company" on page 147 of the Form S-4 prospectus has been revised to refer to the information described in the accompanying text.

Recommendation and Fairness Determination, page 123

80. **Please provide a clear statement as to whether the supervisor believes that the transaction is substantively and procedurally fair to unaffiliated security holders. Please ensure that you specifically and individually address procedural fairness, taking into account such terms as the buyout provision.**

We believe that the disclosure under "Recommendation and Fairness Determination – General" on page 149 of the Form S-4 prospectus clearly states the supervisor's belief as to participants in the subject LLCs as required under Item 910 of Regulation S-K. In addition, in "Recommendation and Fairness Determination – General," on page 149 of the Form S-4 prospectus we state that the supervisor believes the consolidation is also procedurally fair. The disclosure under this section on page 150 of the Form S-4 prospectus has been revised to discuss the buyout provision and state that the supervisor does not believe such provision affects the procedural fairness because, among other things, such buyout was provided for in the original participation agreements, requires a supermajority vote to trigger the buyout and participants who have voted against the consolidation (or abstained), have the right to change their vote during a period of 10 days after receiving notice of the supermajority vote in order to avoid a buyout.

Material Factors Underlying Belief as to Fairness, page 124

Summary of Valuations, page 126

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81. **Refer to footnote (2) in the chart. We note that exchange values shown in the table assume that all participants have consented to the voluntary capital transaction override program when the actual overrides based on actual consents received are \$111.19 million (for ESBA) and \$10.56 million (for 250 West 57th) less than the assumed amount. Please provide your basis for your assumption that all participants have consented.**

The disclosure under "Recommendation and Fairness Determination – Summary of Valuations" on page 153 of the Form S-4 prospectus has been revised to show separately exchange values for participants that have consented to voluntary capital override and exchange values for participants that have not consented to the voluntary override and to show the actual voluntary capital override amounts in the table. In addition, the tables beginning on pages 63, 215 and 221 have been revised to show separately exchange values for participants that have consented to voluntary capital override and exchange values for participants that have not consented to the voluntary override.

The Consolidation, page 129

82. **We note your disclosure at the top of page 129 in which you combine the consideration to be received by the participants in the private entities and the participants in the management companies. In each relevant subsection, please discuss separately the consideration to be received by the participants in the private entities and those in the management companies. Also in the subsection regarding the private entities, please name the participants in the private entities.**

The disclosure under "The Consolidation – Principal Components of the Consolidation" on page 157 of the Form S-4 prospectus has been revised to discuss separately the consideration to be received by the participants in the private entities and those in the management entities. Please note that the participants in the private entities are too numerous to name individually, and disclosure has been added under "Summary – Background of and Reasons for the Consolidation" on page 24 and "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 128 of the Form S-4 prospectus to describe information being provided as to the interests of the Malkin Holdings group and the Helmsley estate in the private entities. We do not believe that the ownership of any other participants is material.

83. **Please explain your disclosure on page 130 that "Class B common stock provides the holders thereof voting rights that generally correspond to their economic interests in the company." (emphasis added).**

Reference is made to the disclosure included in response to comment 45. In response to the Staff's comment, the Company has revised the disclosure under "Questions and Answers about the

Consolidation” on page 6 and “The Consolidation – Principal Components of the Consolidation” on page 158 of the Form S-4 prospectus, as well as under “Class A and Class B Common Stock and Operating Partnership Units” and “Description of Securities – Shares of Common Stock” on pages v and 242 of the Form S-11 prospectus.

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Contribution Agreements, page 137

- 84. Please discuss the principal terms of the contribution agreements that Empire State Realty Trust has entered into with the private entities and certain entities affiliated with the Helmsley estate.**

The disclosure under “The Consolidation – Contribution Agreements” beginning on page 172 of the Form S-4 prospectus has been revised to describe the principal terms of the contribution agreements entered into with the private entities and the entities affiliated with the Helmsley estate.

Option to Acquire Two Additional Properties, page 140

- 85. We note your disclosure that the operating partnership has entered into option agreements with three private entities to acquire property interests and other assets. Please discuss whether the private entities are affiliated with any of the entities that are participating in the consolidation.**

The disclosures under “Summary – Description of the Company and the Subject LLCs – Overview” on page 14, the risk factor beginning “The company’s option properties are subject to various risks ...” on page 104 and “The Consolidation – Option to Acquire Two Additional Properties” on page 177 of the Form S-4 prospectus have been revised to include a statement, consistent with the disclosures elsewhere in the Form S-4 prospectus, that such private entities are supervised by the supervisor, and also state that the Malkin Holdings group and the Helmsley estate own interests in such private entities. The disclosure has also been revised to state that the Malkin Holdings group would receive consideration having a value of \$69,512,182 on account of participation interests and overrides and that the Helmsley estate would receive consideration having a value of \$143,808,863 on account of participation interests in these three private entities, in each case, based on the exchange values they would have had in accordance with the appraisals of the independent valuer.

Other Consolidation Transaction Agreements, page 141

- 86. We note your disclosure that the company has entered into a contribution agreement with the Wien Group in regards to its participation interests and override interests in the subject LLCs. In the charts on pages 37-39 and 132-134, please identify the Wien Group’s override interests.**

All of the override interests of the members of the Wien group in the subject LLCs are owned by the Malkin Holdings group (which is part of the Wien group) and are already shown in those charts. Notes have been added to the charts under “Summary – The Consolidation” and “The Consolidation – Principal Components of the Consolidation – Pre- and Post-Closing Structure” on pages 45-47 and 160-162, respectively, of the Form S-4 prospectus stating that the overrides are payable to the supervisor, which is part of the Wien group.

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Consolidation Expenses, page 145

- 87. Please disclose an estimate of each subject LLC’s “proportionate share” of consolidation expenses. Also provide total actual expenses to date, as well as each subject LLC’s proportionate share of actual expenses to date. Refer to Item 912 of Regulation S-K.**

We supplementally advise the Staff that the proportionate share of each subject LLC’s consolidation expenses is disclosed in the table under “Exchange Value and Allocation of Common Stock – Derivation of Consolidation Expenses” on page 220 of the Form S-4 prospectus. An estimate of total expenses and each subject LLC’s proportionate share has also been added to such section.

Subsequent Modifications to Offering Terms, page 145

88. **We note your statement in the first sentence that the company may make changes that may be deemed material to the information described in the prospectus/consent solicitation and the supplements. Please confirm to us your understanding that the registrant has a duty to update the prospectus to address any material misstatements or omissions during the pendency of the offering.**

We confirm our understanding that we have a duty to update the prospectus/consent solicitation to address any material misstatements or omissions during the pendency of the offering.

Initial Public Offering, page 146

89. **We note your disclosure that part of the proceeds will be used to provide cash to accredited participants in the private entities that are charitable organizations. In the use of proceeds table in the Form S-11, please disclose the existing entities that will receive a large percentage of the use of proceeds.**

In response to the Staff's comment, the Company has revised the disclosure on page 66 of the Form S-11 prospectus under the section "Use of Proceeds," to disclose the amount of cash that the Helmsley estate will receive in connection with the IPO.

In further response to the Staff's comment, the Company supplementally advises the Staff that, after the Helmsley estate, the next largest charitable organization which is an accredited investor is Brandeis University, which is expected to receive a maximum of approximately 1% of the gross proceeds from the IPO (depending on the amount of proceeds available for this purpose). The Company respectfully advises the Staff that it does not believe that the gross proceeds from the IPO which are expected to be received by any charitable organization other than the Helmsley estate constitute a large percentage of the use of proceeds.

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Voluntary Pro Rata Reimbursement Program for Expenses of Legal Proceedings with Former Property Manager and Leasing Agent, page 149

90. **We note that the supervisor is seeking reimbursement of costs associated with the legal proceedings required to remove and replace the former property manager and leasing agent. Please disclose whether the participants initially authorized the legal proceedings. Also, please confirm that there is no contractual duty to reimburse the supervisor and Peter L. Malkin.**

The disclosure under "Voluntary Pro Rata Reimbursement Program for Expenses of Legal Proceedings with Former Property Manager and Leasing Agent" on page 186 of the Form S-4 prospectus has been revised to address your comment.

91. **Please explain any consequences of voting against this proposal or, alternatively, confirm that there are none.**

We supplementally confirm to the Staff that there are no consequences of voting against this proposal.

92. **Please confirm, if accurate, that each participant who consents to this reimbursement program will be liable only to the extent of the participant's pro-rata share, regardless of whether or not other participants consent to this program.**

We supplementally confirm to the Staff that each participant who consents to this reimbursement program will be liable only to the extent of the participant's pro-rata share, regardless of whether or not other participants consent to this program.

93. **We note your disclosure on page 28 regarding the operating partnership units that may be granted in connection with this program. Please revise to explain under what circumstances the units would be granted.**

Please note that no operating partnership units will be issued in connection with this program and the disclosures under "Summary – Background of and Reasons for the Consolidation – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction" and the risk factor beginning "There are conflicts of interest inherent in the structure of the consolidation, and the supervisor and the Malkin Holdings group will receive substantial benefits if it is consummated" on pages 31 and 79, respectively, of the Form S-4 prospectus have been revised to remove references to operating partnership units.

Reports, Opinions and Appraisals, page 152

94. **Please file each appraisal as an exhibit to your Form S-4 and state how a copy can be obtained by investors. See Item 911(a)(3)-(4).**

We supplementally advise the Staff that the only appraisal received by the subject LLCs is the appraisal which will be delivered prior to mailing the Form S-4 prospectus (the "Appraisal"), a form of which is already included in the Form S-4 as Appendix B to the prospectus/consent solicitation. The supervisor supplementally advises the Staff that the independent valuer will deliver to

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it the Appraisal, dated as of a date proximate to the effective date of the S-4 Registration Statement, which will be attached in its entirety to the Form S-4 prospectus as Appendix B. Accordingly, the final form of the Appraisal will be included as part of the Form S-4 prospectus and we have added the Appraisal to the exhibit index, referring to the Appraisal being included as Appendix B. Because the Appraisal will be attached in its entirety to the Form S-4 prospectus that will be delivered to each participant, we respectfully submit that the disclosure required by Regulation S-K Item 911(a)(3) would be confusing to participants and should not be required.

Ground Lease and Operating Lease Methodology, page 154

95. **Please disclose the discount rate used by the independent valuer in appraising the value of the subject LLCs.**

We supplementally advise the Staff that such discount rates are disclosed under "Discount Rate" on page B-6 of the Appraisal attached as Appendix B to the Form S-4 prospectus, and a statement of the range has been added to the section under "Reports, Opinions and Appraisals – Application of Discounted Cash Flow" on page 195 of the Form S-4 prospectus.

96. **Refer to the first sentence of the fourth full paragraph in this section regarding the allocated exchange value. We note that you did not use discounted cash flow to determine the allocation of exchange value for the property owner and operating lessee. Please advise us whether a discounted cash flow analysis was performed.**

The new disclosure describing the reasons for the representation made by the supervisor under "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 192 of the Form S-4 prospectus clarifies that a discounted cash flow analysis was performed.

97. **Also in the fourth paragraph, please provide support for the supervisor's assertion that it was the "original intent" to treat the entities as equivalent to a joint venture. Please also explain in much greater detail the historical agreements that support this intent.**

Disclosure has been added describing the reasons for the representation made by the supervisor under "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 192 of the Form S-4 prospectus.

98. **We note your disclosure that historically agreements have been entered into between the property owner and operating lessee to share capital expenditures and financing costs. Please disclose the agreements and the terms which reflect this understanding, specifically those agreements between Empire State Building Associates and the operating lessee. Also discuss to what extent these expenditures and costs were shared. Please also discuss whether the independent valuer examined these agreements.**

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The response to this item is included as part of the disclosure describing the reasons for the representation made by the supervisor under "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 192 of the Form S-4 prospectus. We supplementally advise the Staff that the agreements in which the financing costs and capital expenditures were shared were amendments to the operating leases under which it was agreed that the basic rent would be increased by the amount of the debt service on the financing. These amendments were made available by the

supervisor to the independent valuer. Additionally, the sharing of financing costs under these amendments was discussed by the supervisor with the independent valuer.

Compensation and Material Relationships, page 155

- 99. We note your statement that the independent valuer previously performed a “financial reporting appraisal” in connection with the consolidation. Please tell us to what this refers. We may have further comment.**

We supplementally advise the Staff that the “financial reporting appraisals” refers to the allocation of the appraised value, as determined in the appraisal by the independent appraiser, among the assets of the non-controlled entities to allow for the reporting of those non-controlled entities on the balance sheet in accordance with GAAP. These services were not “previously provided.” They were separate services provided after the appraisal process, because the derivation of the information was based on the appraisals by the independent valuer.

- 100. Please disclose the amount of any compensation paid to the independent valuer with respect to transactions within the past two years. See Item 911(a)(2)(iv) of Regulation S-K.**

We supplementally advise the Staff that no compensation other than the fees in connection with the consolidation as disclosed under “Reports, Opinions and Appraisals – General” on page 189 of the Form S-4 prospectus and the fees for the financial reporting appraisals as discussed in our response to comment 99 above, have been paid to the independent valuer within the past two years. The disclosure under this section on page 189 of the Form S-4 prospectus has been revised to state the amount paid for the financial reporting appraisals.

Fairness Opinion page 158

- 101. Please include disclosure pursuant to Items 911(a)(2)(vi), 911(a)(3), and 911(b), and 911(c)(2), or tell us how you have complied.**

We supplementally advise the Staff that the disclosures under “Reports, Opinions and Appraisals – Fairness Opinion” on page 199 of the Form S-4 prospectus include the requirements of Item 911(a)(2)(vi). The supervisor supplementally advises the Staff that

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the independent valuer is expected to deliver to it the fairness opinion, dated as of a date proximate to the effective date of the S-4 Registration Statement, which will be attached in its entirety to the Form S-4 prospectus as Appendix A. Accordingly, the final form of the fairness opinion will be included as part of the Form S-4 prospectus and we have added the fairness opinion to the exhibit index, referring to the fairness opinion being included as Appendix A. Because the fairness opinion will be attached in its entirety to the Form S-4 prospectus that will be delivered to each participant, we respectfully submit that the disclosure required by Regulation S-K Item 911(a)(3) would be confusing to participants and should not be required. The disclosure in this section has been revised to include the requirements of Items 911(b). With respect to Item 911(b)(2), the disclosure under “Reports, Opinions and Appraisals – Fairness Opinion” on page 199 of the Form S-4 prospectus has been revised to include a cross reference to the discussions under “Recommendation and Fairness Determination – Material Factors Underlying Belief as to Fairness” of the reasons why the supervisor does not believe that an opinion covering all possible combinations is not necessary. For Item 911(c)(2), the required disclosure can be found under “Reports, Opinions and Appraisals – Appraisal” and “– Properties Proposed for Inclusion in the Consolidation” on pages 190 and 197, respectively, of the Form S-4 prospectus.

- 102. We note your disclosure on pages 158 and 159 that the supervisor provided unaudited segment and pro forma financial information, as well as financial projections, for the subject LLCs and private entities. We note that this information has not been disclosed in the registration statement. Please disclose this information. We may have further comments.**

The projections concerning the private entities, the subject LLCs and the management companies and pro forma financial information concerning the management companies were provided by the supervisor to the independent valuer from November to January, 2010. Please note that the disclosure has been revised under “Reports, Opinions and Appraisals – Fairness Opinion – Summary of Materials Covered and

Analysis Performed” on page 200 of the Form S-4 prospectus to indicate that there was no other pro forma financial information provided and unaudited segment information was not provided. The projections and pro forma financial information were provided to the independent valuer in connection with the preparation of its preliminary appraisal and fairness opinion. The projections used by the independent valuer in connection with its discounted cash flow analysis were (i) presented by the independent valuer based on information provided by management of the supervisor and analysis performed by the independent valuer and (ii) reviewed and approved by management of the supervisor. The subject LLCs and the private entities do not publish projections and believe that projections as to individual property performance would provide details as to their properties that could affect their competitive position. Further, the projections provided consisted of Argus computer models, which included confidential information concerning each individual lease with a lessee. The material assumptions as to the Appraisal are disclosed in the description of the Appraisal attached as Appendix B to the Form S-4 prospectus and we do not believe that the disclosure of the projections provided to the independent valuer is material to investors. Further, even if projections are required to be disclosed, the projections to be included in the Form S-4 prospectus would be the projections furnished in connection with the final valuation by the independent valuer and not the projections previously furnished.

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Limitations and Qualifications of Fairness Opinion, page 163

103. **We note your statement that the fairness opinion should not be relied on in certain circumstances. While it may be acceptable to include qualifying language concerning subjective analyses based on clearly defined assumptions, it is inappropriate to disclaim responsibility for statements made in the document. Please revise.**

The supervisor respectfully submits that the language in question does not disclaim responsibility for statements made in the document. Rather, the sentence in question, which appears verbatim in the text of the opinion letter and is standard language for opinion letters from Duff & Phelps, indicates that if the assumptions set forth in the opinion are not correct, the opinion should not be relied upon. In this regard, the supervisor respectfully notes that the sentence in question differs from the disclaimer statements that were the subject of concern identified in the Staff's Current Issues and Rulemaking Projects Outline (November 14, 2000), which focused on disclaimers by or on behalf of financial advisors regarding the rights of shareholders to rely on a fairness opinion. The sentence in question here does not disclaim or purport to limit the rights of shareholders to rely on the fairness opinion, but instead points out to participants that the opinion should not be relied upon if the stated assumptions in the opinion or any of the facts on which the fairness opinion is based prove to be untrue in any material respect.

Derivation of Exchange Values, page 166

104. **In the table on page 170, we note that a debt obligation of \$60,500,000 has been subtracted from ESBA's total allocable value. Please explain how this unshared debt factored into the determination that financing costs were shared between the property owner and operating lessee.**

We supplementally advise the Staff that all financing costs for improvements were considered shared financing costs because the operating leases were modified to provide for sharing of debt service. This debt obligation of \$60,500,000, however, relates to financing costs incurred by ESBA in connection with the acquisition of a fee interest, which benefited only ESBA as it was relieved of the obligation to pay the ground rent. We believe this is consistent with the disclosure concerning sharing of financing costs between the fee owner and operating lessee.

Allocation of Common Stock and Operating Partnership Units..., page 174

105. **Please revise the table to indicate that the exchange value of the override interests is being allocated to Malkin Holdings LLC.**

Please note that not all of the override interests are held by Malkin Holdings, LLC. The table under "Exchange Value and Allocation of Common Stock – Allocation of Common

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Stock and Operating Partnership Units among the Participants and the Supervisor and the Malkin Holdings Group” beginning on page 215 of the Form S-4 prospectus has been revised to show the respective allocation of the exchange value of the override interests to Malkin Holdings, LLC and others.

Conflicts of Interest, page 185

106. Please provide more details about the “[c]ertain loans [that] will be repaid” in the third full paragraph on page 186. Please identify the private entity, the property not included in the consolidation, and explain the reason for allocating money to this property.

The disclosure has been revised to provide the additional detail.

107. In the third full paragraph on page 187, please expand your disclosure about the “decision to exercise the option.” Please explain to what option you are referring, and describe the benefits from the exercise of the option that may not be shared by other holders.

We supplementally advise the Staff that the disclosure concerning the “exercise of the option” refers to the option to purchase the option properties, and such disclosure has been moved to the end of the next paragraph on page 229 of the Form S-4 prospectus, beginning with “*There may be conflicts regarding the option properties and other excluded properties and excluded businesses.*” In that context, we believe that it is clear what this option means and no revision is necessary.

Substantial Benefits to the Supervisor and its Affiliates, page 186

108. Please clarify whether the bad boy guarantees the operating partnership intends to assume or to indemnify the current guarantors for, would preclude you from allowing an underperforming building to enter into foreclosure without financial penalty from the lender. To the extent this is the case, please disclose this within your discussion of liquidity and capital resources. Also, expand your disclosure to discuss the value of these guarantees, the probability of performance, and the potential financial statement impact.

Reference is made to the disclosure included in response to comment 39. In response to the Staff’s comment, the Company supplementally advises the Staff that the Company does not believe that the guarantees that the operating partnership intends to assume or to indemnify the current guarantors for, would preclude the Company or the Company’s operating partnership from allowing an underperforming building to enter into foreclosure without financial penalty from the lender. The Company has expanded the disclosure under “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Empire State Realty Trust – Liquidity and Capital Resources” on page 283 of the Form S-4 prospectus and under “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources” on page 104 of the Form S-11 prospectus.

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Revocability of Consent, page 212

109. We note that revocations are only allowed until the later of the date on which you receive the requisite consents or the 60th day after the date of the consent solicitation statement. Please advise us as to when the consents will become effective under applicable law. Please also tell us your analysis as to how this revocation provision is consistent with Rule 14a-6(l), which contemplates that 60 days must elapse before the taking of the corporate action.

We supplementally advise the Staff that local law does not specifically address when the consents are effective and we believe that the provisions of the prospectus/consent solicitation as to revocability are consistent with local law. Because the proposal will be open for at least 60 days under any circumstance, such a revocation provision is consistent with Rule 14a-6(l).

Consent Procedures for Voluntary Pro Rata Reimbursement Proposal, page 213

110. Please include a section describing tabulation and revocation procedures for this proposal.

A section describing the tabulation and revocation procedures has been included under “Consent Procedures for Voluntary Pro Rata Reimbursement Proposal” on page 256 of the Form S-4 prospectus.

Management's Discussion and Analysis of Financial Condition and Results of Operations of Empire State Realty Trust, page 214

111. Please discuss whether occupancy or rents are driving changes in property revenues.

In response to the Staff's comment, the Company has revised the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations of Empire State Realty Trust – Factors That May Influence Future Results of Operations—Leasing" on page 262 of the Form S-4 prospectus and on page 83 of the Form S-11 prospectus.

Third-Party Management and Other Fees, page 235

112. We note that you recognized substantially higher fees from third-party management and other fees during the nine months ended September 30, 2011. Please tell us the reason for this significant increase in these fees. Additionally, please tell us if these fee increases were also imposed on entities which are part of the predecessor. To the extent that these fee increases would have impacted the appraised value of the management companies, please include additional disclosure within the section Exchange Value and Allocation of Common Stock, beginning on page 165.

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In response to the Staff's comment, the Company supplementally advises the Staff that the increase in supervisory fees and property management fees during the nine months ended September 30, 2011 was primarily a result of fee increases at certain of the properties that are not part of the predecessor that were applied retroactively to management and other fees for the nine months ended September 30, 2010, a portion of which were accounted for in the nine months ended September 30, 2011. The increase in these fees was based on changes in the consumer price index since the previous fee increase at each of the affected properties, many of which had not been subject to fee increases for a number of years. In response to the Staff's comment in the last sentence, the Company has revised the disclosure under "Exchange Value and Allocation of Common Stock – Appraised Value of the Management Companies" on page 208 of the Form S-4 prospectus.

Construction Expenses, page 236

113. Please describe the new construction projects that were commenced in 2010.

In response to the Staff's comment, the Company has revised the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations of Empire State Realty Trust – Results of Operations – Construction Revenue" on page 278 of the Form S-4 prospectus and under "Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Construction Revenue" on page 102 of the Form S-11 prospectus to describe the new construction projects that were commenced in 2010.

Liquidity and Capital Resources, page 241

114. We note your disclosure in the first paragraph on page 242 regarding the company's expectation that it will meet short-term liquidity requirements from cash flows from operations, IPO proceeds, and available borrowing capacity. We also note your disclosure on page 14 relating to expected expenditures of \$175—\$215 million through the end of 2013 for the renovation and repositioning program associated with the Empire State building. Please clarify whether you consider this capital expenditure to be part of "short-term liquidity requirements." If not, please specifically disclose how you intend to meet those capital needs.

In response to the Staff's comment, the Company has revised the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations of Empire State Realty Trust — Liquidity and Capital Resources" on page 283 of the Form S-4 prospectus and under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" on pages 105-106 of the Form S-11 prospectus to clarify that the additional capital investments in the Company's Manhattan office properties pursuant to the Company's renovation and repositioning program which the

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Company expects to be between \$170.0 million and \$210.0 million through the end of 2013 are considered part of both the Company's short-term and long-term liquidity requirements. In addition, the Company has added additional disclosure to provide that the Company intends to fund the estimated \$60.0 million to \$70.0 million of capital that is needed beyond 2013 to complete the renovation program at the Empire State Building, through a combination of operating cash flow and borrowings.

Empire State Building Secured Term Loan, page 247

115. Please confirm that \$159.0 million (the initial advance) is the only amount outstanding under this loan.

In response to the Staff's comment, the Company supplementally confirms to the Staff that, as of each of September 30, 2011 and December 31, 2011, the outstanding amount under the mortgage loan on the Empire State Building was \$159.0 million.

The Company's Portfolio Summary, page 300

116. Please provide occupancy rates and average effective rent per square foot for each of the last five years. Please break out separately office and retail segments.

In response to the Staff's comment, with respect to the Empire State Building and One Grand Central Place, the Company has included occupancy rates and average effective rent per square foot for each of the last five years under "The Company Business and Properties – Description of the Company's Properties – The Empire State Building, New York, New York – Empire State Building Percent Leased and Base Rent" on page 356 and "One Grand Central Place, New York, New York – One Grand Central Place Percent Leased and Base Rent State Building Percent Leased and Base Rent" on page 359 of the Form S-4 prospectus, and under "Business and Properties – Description of Our Properties – The Empire State Building, New York, New York – Empire State Building Percent Leased and Base Rent" and "Business and Properties – Description of Our Properties – One Grand Central Place, New York, New York – One Grand Central Place Percent Leased and Base Rent" on pages 176 and 180 of the Form S-11 prospectus, respectively.

In addition, the Company respectfully notes that, since the remaining properties are not significant properties as defined by Item 14 of Form S-11, and the Company believes that information regarding occupancy rates and average effective rent per square foot for each of the last five years with respect to such properties is not essential to an investor's understanding of the securities being registered, such disclosure is not required pursuant to Item 15 of Form S-11.

In further response to the Staff's comment, the Company respectfully notes that separating the disclosure of office and retail segments with respect to the Empire State Building and One Grand Central Place is complicated to extract from the Company's record methodology, and would involve significant time and expense to compile the necessary data. Accordingly, since the Company believes that this information is not essential to an investor's understanding of the securities being registered, such disclosure should not be required.

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117. Please disclose historical average market rent trends.

In response to the Staff's comment and further to a telephone conversation between the Company's counsel and the Staff, the Company believes no additional disclosure is required.

Lease Expirations, page 305

118. We note that over 6% of your leases are expiring at the end of 2012. Please include a discussion of the relationship between market rents and expiring rents. Also, please compare new rents on renewed leases to prior rent.

In response to the Staff's comment, the Company has revised the disclosure under "The Company Business and Properties – Lease Expirations" on page 347 of the Form S-4 prospectus and under

“Business and Properties – Lease Expirations” on page 166 of the Form S-11 prospectus to include the requested disclosure.

With regard to the comparison of new rents on renewed leases to prior rent, the Company has revised the disclosure under “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Empire State Realty Trust” on page 347 of the Form S-4 prospectus and page 166 of the Form S-11 prospectus under the section “Business and Properties—Lease Expirations” to include a discussion of the impact of lease turnover on revenue changes.

Description of Option Properties, page 329

119. Please tell us how you have accounted for the options to purchase the option properties, and tell us whether any consideration was exchanged in the purchase of the option, and if so, how much.

In response to the Staff’s comment, the Company supplementally advises the Staff that the option agreements were entered into on November 28, 2011 between Empire State Realty OP, L.P. (formerly known as Empire Realty Trust, L.P.) (a controlled subsidiary of Empire State Realty Trust, Inc.) and the property owning entities. No consideration was exchanged between the parties in the establishment of the option. In determining how to account for these options, the Company considered the guidance in ASC 815-10-15-13 which states that certain types of contracts did not have to be accounted for under ASC 815. This exclusion included non exchange-traded contracts with underlyings based upon the price or value of a nonfinancial asset or liability that is not readily convertible to cash or does not require delivery of an asset that is readily convertible to cash, such as real estate. Accordingly, the Company concluded that the option agreements were not derivative contracts that were to be accounted for in accordance with ASC 815.

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Since the options do not meet the definition of a derivative, the Company will record the option at its cost basis (zero) until such time the option is exercised or we obtain control of the property. At that time, the acquired properties will be recorded in accordance with ASC 805 with values assigned to all of the tangible and intangible assets and liabilities acquired.

Legal Proceedings, page 334

120. Please update this section.

This section has been revised to reflect recent litigations.

Business of the Subject LLCs, page 358

Related Party Transactions, page 384

121. Rather than provide a cross-reference to the Conflicts of Interest section, please revise to include in this section all disclosure required by Item 404 of Regulation S-K.

The disclosure has been revised to include the disclosures required under Item 404.

I. Adjustments to the Pro Forma Condensed Consolidated Balance Sheet (in thousands except per share amounts):, page 451

Adjustment (C), page 451

122. We note that you have allocated value to certain intangible assets. We also note throughout the filing references to broadcasting licenses and an observatory license. Please advise us how these were considered in identifying intangible assets when allocating the purchase price of Empire State Building Company. Please tell us if Empire State Building Company is a party to these licenses and the material terms of the licenses.

In response to the Staff’s comment, the Company supplementally advises the Staff that the broadcast tower is itself a component of the property which is leased by ESBC. Accordingly, ESBC as subtenant is the responsible party and beneficiary for the broadcast licenses and associated revenues. The broadcast licenses are structured similar to an operating lease in a real estate property. In essence, each contract allows the user the right to a designated space on our broadcast tower and related space in the property

where broadcast equipment is located for a specified rental rate and period of time. At the time the Company acquires ESBC, the broadcast licenses will individually be compared to the current market for similar arrangements. To the extent that each of these arrangements is either above-or below-market, the Company will record intangible assets and liabilities to effectively record these contracts at fair value. In the Company's initial Form S-4 filing, it did not include such contracts in its evaluation. For purposes of the pro forma financial statements, this amount was less than \$10.0 million which the Company believes to be immaterial.

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Observatory license fees represent the rents that the Company receives from a tenant that entered into an operating lease for a retail location that primarily sells souvenirs to visitors to the observatory. On the pro forma financial statements, this lease was included, along with all of the other property leases, as part of our evaluation of the fair value of the existing in-place leases. Accordingly, this lease was considered in the Company's assessment of the above- and below-market leases recorded as a preliminary value on the pro forma financial statements.

- 123. We note that you allocated \$1,129,549 to goodwill. Please tell us what consideration you gave to allocating any of this value to a reacquired right intangible asset. It appears that the right to sublease certain buildings, including the Empire State Building, will be reacquired from the acquirees in this transaction; please explain and advise. For reference, see ASC 805-20-25-14.**

In response to the Staff's comment, the Company supplementally advises the Staff that the Company considered the guidance in ASC 805, including ASC 805 20-25-14 as part of the evaluation of the appropriate allocation of its purchase price to acquire ESBC and 501 Seventh Avenue Associates L.L.C. ("501 Seventh"). As part of this evaluation, the Company concluded that the acquisition of ESBC and 501 Seventh constituted the acquisition of businesses, which included the termination of the existing sublease contracts between the Company and ESBC and 501 Seventh (the sublessees) to operate the respective buildings during the respective lease terms. The Company does not believe that either of the sublease contracts granted an intangible asset or any other right to ESBC or 501 Seventh, other than the typical right that a tenant has to use a leased asset under an operating lease. That is, these leases, like all leases, conveyed the right to use the underlying asset(s) and these leases allowed the lessees to convey that right to use to other parties via subleases. The Company views the termination of the arrangements to be a termination of operating leases as opposed to the acquisition of the right to use the underlying asset (or the right to convey the right to use). The Company would note that this view is consistent with the accounting for lease terminations over a broad section of leasing transactions accounted for in accordance with ASC 840. Accordingly, as the Company did not transfer any rights to intangible property to ESBC or 501 Seventh, the Company concluded that the termination of the subleases as part of the acquisition of ESBC and 501 Seventh did not result in a reacquisition of a previously granted right.

- 124. Please expand your disclosure in footnote (9) to explain how you determined the fair value of the Predecessor's existing ownership interest.**

In response to the Staff's comment, the Company has revised the disclosure in footnote (9) on page F-17 of the Form S-4 prospectus and page F-13 of the Form S-11 prospectus as requested.

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Page 50

- 125. We note that you intend to record a settlement gain on the termination of the operating lease with the Empire State Building Company. Please provide us with a detailed analysis regarding how you determined that the current market rate rent would be less than the pre-existing contractual rent under the operating lease. Please quantify the rates used in your calculation and the basis for each of the rates. Please address all of the relevant lease terms when discussing your determination of the pre-existing contractual rent rate.**

In response to the Staff's comment, the Company supplementally advises the Staff that it determined the amount of the settlement gain on the termination of the operating lease with ESBC by estimating the current fair value of the aggregate annual difference between the existing contractual rent and an applicable market rent.

In order to determine an estimate for the current market rent, the Company obtained market information for office properties in Manhattan. In general, the initial year rent for similar arrangements is derived by applying a capitalization rate to the land value. After considering the range of recent transactions and other market indicators, the Company utilized a 4.5% capitalization rate. The land value was estimated by the sales comparison approach, based upon recent market transactions.

The Company made additional adjustments to the estimated market rent to account for the positive impact that the observatory operations have on the value of the lease position. This was estimated at a percentage rent of 5% of observatory net income. With the observatory being a somewhat unique operation, the Company determined that the most appropriate market percentage rent contribution comparison would be for other high customer driven rental operations such as casinos. For these types of operations, the percentage market rent ranges between 3% and 10% of net operating income in addition to base ground rent.

After determining the initial year market rent for this process, a market rent growth rate of 3.0% was applied to this amount throughout the ground lease period.

The contractual rent consisted of fixed annual base rent of \$6,018,750 reducing to \$5,895,625 commencing January 4, 2013 and overage rent, computed in accordance with the existing lease and our projections of the operations of the property over the remaining term of the lease.

Finally, the difference between the contractual rent and market rent over the remaining non-cancellable term of the lease (through 2076) was discounted using the Company's estimate of the market discount rate of 8.75%.

Empire State Realty Trust Predecessor Combined Statements of Cash Flows, page F-40

126. Please tell us, and in your next amendment, disclose what Portfolio planning costs are, and how those costs arose. It appears, based on your disclosure on page F-52, that you believe these costs are offering costs. Please provide us with a more detailed discussion of these costs and how you determined that none of these costs are acquisition-related costs, rather than offering costs.

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Page 51

In response to the Staff's comment, the Company has added the disclosure as requested.

We supplementally advise the Staff that the costs for work done by employees of the supervisor have been included as a component of marketing, general, and administrative expenses on the Predecessor's financial statements and as professional fees in the non-controlled entities' financial statements.

Empire State Building Company L.L.C. and Affiliates Consolidated Statements of Income, page F-118

127. Please tell us why accrued overage rent for the nine months ended September 30, 2011 is significantly higher than accrued overage rent for the prior year period. We note the revenues and operating expenses were relatively similar in both periods.

In response to the Staff's comment, the Company supplementally advises the Staff that, historically, costs of improvements have been funded by ESBA out of proceeds from mortgage loans and by ESBC out of cash flow from its operations.

Based on the updated \$159 million borrowing in 2011, the new credit availability, and the undrawn amount authorized by ESBC under the building improvements program, it is now intended that ESBC will requisition generally all capital improvement and tenanting costs from ESBA commencing for improvements incurred January 1, 2011 and thereafter.

ESBC reported accrued overage rent of \$20,821,275 and \$6,369,191 for the nine months ended September 30, 2011 and 2010, respectively. The significant increase in overage rent in 2011 is mainly attributable to capitalized improvements and tenanting costs funded in 2011 from proceeds of the \$159 million mortgage. During the first nine months of 2010, approximately \$36.9 million of improvements and tenanting costs were funded out of ESBC's cash flow and deducted in computing overage rent, resulting in a reduction in overage rent equal to 50% of such costs, or \$17.4 million.

128. **It appears that you have included changes in the amount of payables due to Lessee as Cash flows from investing activities in these statements as well as the Statements of Cash Flows on page F-260. Please tell us how you determined it was appropriate to include changes in payables as investing activities. If this balance represents an accrual for capital expenditures to be reimbursed to the Lessee, please tell us what cash impact that has.**
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May 8, 2012
Page 52

In response to the Staff's comment, the Company supplementally advises the Staff that under the building improvements program (the "Program"), 60 East 42nd St Associates L.L.C. (the "Lessor") and Lincoln Building Associates L.L.C. (the "Lessee") have agreed that the Lessor will finance the Program with proceeds from mortgages payable. Since the Program grants the ownership of the improvements to the Lessor, capital expenditures paid for by the Lessee are recorded as a payable in the Lessor's financial statements with a corresponding receivable in the Lessee's financial statements. In the Lessor's September 30, 2011 Form 10-Q, the non-cash changes to the payable were recorded within investing activities to offset non-cash changes to building improvements and equipment and tenant improvements. In the Lessor's Annual Report on Form 10-K for the year ended December 31, 2011, only the cash additions to building improvements and equipment and tenant improvements are presented.

Supplements

129. **Please disclose the voting procedures for the voluntary pro rata reimbursement proposal.**

The supplements have been revised to include a new section entitled "Consent Procedures for Voluntary Pro Rata Reimbursement Proposal" on pages S1-38, S2-38 and S3-38, respectively.

Form of Consent

130. **Please mark the consent form "Preliminary." See Rule 14a-6(e)(1) of Regulation 14A.**

The consent form has been marked "Preliminary."

131. **Please advise how holders may agree to the lock-up, including any changes from the form attached to the prospectus, by signing the consent form.**

We supplementally advise the Staff that the lockup is a part of the transaction that will apply to all participants if the consolidation is consummated. We believe that as a contractual matter, holders can agree to be bound by the lockup, including any permitted changes to the lockup.

Part II

Exhibits, page II-3

132. **Please submit all exhibits as promptly as possible. We will review the exhibits prior to granting effectiveness of the registration statement and may have further comments after our review. If you are not in a position to file the legal and tax opinions with the next amendment, please provide draft copies for us to review.**
-

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The Company supplementally advises the Staff that it will file all exhibits as promptly as practicable. The Company will provide drafts of the Exhibit 5.1 and Exhibit 8.1 opinions for the Staff's supplemental review as soon as they are available.

133. **Please advise us why the Duff & Phelps consent is not filed under Item 601(b)(23).**

The supervisor respectfully submits that, consistent with long-standing practice and other Form S-4 filings, the supervisor believes that filing such consent as an Exhibit 99 is customary and appropriate, and the supervisor is unaware of any policy or interpretative positions of the Staff to the contrary.

134. **We note that several exhibits listed in the most recent Form 10-Ks of the subject LLCs are incorporated by reference from filings made several years ago. Please advise us how these filings comply with Item 10(d) of Regulation S-K or, in the alternative, for each subject LLC, please file the**

documents listed below as applicable. In addition, other material agreements not listed in the Form 10-Ks should be filed under Item 601 of Regulation S-K for each subject LLC, as applicable. Here are the relevant documents that should be filed accordingly:

- Sublease agreement;
- Original lease agreement;
- Participation agreement;
- Partnership agreement;
- Joint venture agreement; and
- Supervisor agreement, if applicable.

Please note that with the exception of the partnership agreement of 60 East 42nd St. Associates L.L.C., the above referenced documents were (i) filed as an exhibit to a registration statements of the subject LLCs and incorporated by reference; (ii) filed as an exhibit to a filing of the subject LLCs made less than five years ago and incorporated by reference; (iii) filed as an exhibit to a filing of the subject LLCs made more than five years ago, available on EDGAR and identified by SEC file number reference and incorporated by reference; or (iv) to the extent that such documents did not comply with Item 10(d) of Regulation S-K, filed as an exhibit to the subject LLCs' Annual Reports on Form 10-K, each filed on April 11, 2012. The partnership agreement of 60 East 42nd St. Associates L.L.C. will be filed as an amendment to its Form 10-K. There are no other material agreements that have not been filed.

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135. Please disclose in the prospectus the terms of the employment agreement with Mr. Anthony E. Malkin (Exhibit 10.13) and the management agreement (Exhibit 10.17).

We supplementally advise the Staff that the terms of the employment agreement and the management agreement will be disclosed in the Form S-4 prospectus once such agreements have been finalized.

Undertakings, page II-5

136. Please include the undertakings required by Item 512(a) of Regulation S-K or advise us why such revision is not necessary.

The undertakings required by Item 512(a) have been included.

We thank you for your prompt attention to this letter responding to the comment letter and look forward to hearing from you at your earliest convenience. Please direct any questions concerning this response to Larry Medvinsky at (212) 878-8149 or Steven Fishman at (212) 969-3025.

Yours truly,

/s/ Larry Medvinsky

Larry Medvinsky
Clifford Chance US LLP

/s/ Steven A Fishman

Steven A. Fishman,
Proskauer Rose LLP

cc: Anthony E. Malkin
Eric McPhee
Jessica Barberich
Angela McHale
David L. Orlic

July 3, 2012

VIA EDGAR AND OVERNIGHT COURIER

Mr. Tom Kluck
United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

Re: Empire State Realty Trust, Inc.

Amendment No. 1 to Registration Statement on Form S-4

Filed May 8, 2012

File No. 333-179486

Amendment No. 1 to Registration Statement on Form S-11

Filed May 8, 2012

File No. 333-179485

Dear Mr. Kluck:

On behalf of Empire State Realty Trust, Inc., a Maryland corporation (the "Company"), we are transmitting for filing pursuant to the Securities Act of 1933, as amended (the "Securities Act"), Amendment No. 2 ("Form S-4 Amendment No. 2") to the Company's Registration Statement on Form S-4 (File No. 333-179486) (the "Form S-4 Registration Statement"), Amendment No. 2 ("Form S-11 Amendment No. 2") to the Company's Registration Statement on Form S-11 (File No. 333-179485) (the "Form S-11 Registration Statement") and the Company's responses to the comments of the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") contained in your letter dated June 8, 2012.

For convenience of reference, each Staff comment contained in your June 8, 2012 comment letter is reprinted below in italics, numbered to correspond with the paragraph numbers assigned in your letter, and is followed by the corresponding response of the Company.

We have provided to you five courtesy copies of each of the Form S-4 Amendment No. 2 and the Form S-11 Amendment No. 2, filed by the Company on the date hereof, and five copies of the Form S-4 Amendment No. 2 which are marked to reflect changes made to the Form S-4 Registration Statement or Form S-11 Registration Statement, as applicable, filed with the Commission on May 8, 2012 (the "Marked Copies"). The changes reflected in the Form S-4 Amendment No. 2 and the Form S-11 Amendment No. 2 have been made in response to the Staff's comments and for the purpose of updating and revising certain information in the Form S-4 Registration Statement or the Form S-11 Registration Statement, as applicable. All page references in our responses are to the pages of the Marked Copies. Capitalized terms used and

not otherwise defined in this response letter that are defined in the Form S-4 Registration Statement or the Form S-11 Registration Statement shall have the meanings set forth in the Form S-4 Registration Statement or the Form S-11 Registration Statement, as applicable. Please note that references to "we," "our" and "us" refer to the Company or the supervisor, as applicable.

General

1. **The comments and page references below refer to the Form S-4 as filed on May 8, 2012. To the extent the comments are also applicable to disclosure in the Form S-11, please revise the Form S-11 accordingly. We may have further comments on the Form S-11.**

We acknowledge the above comment.

2. **We note your response to comment 2 of our letter dated March 14, 2012. Each presentation, discussion, report, opinion or appraisal of or with an outside party, whether oral or written, is a separate report that requires a reasonably detailed description meeting the requirements of Item 911 of Regulation S-K. This requirement applies to both preliminary and final reports. Please revise your proxy statement to summarize any and all presentations, discussions, reports, opinions or appraisals made by any such outside party, including the Project Legacy Fairness Analysis, the preliminary draft thereof, and the appraisals relating to the private entities, and file any written materials as exhibits to the registration statement pursuant to Item 911. Please also include, as requested in prior comment 94, the statement required by Item 911(a)(3) of Regulation S-K.**

We advise the Staff that we are filing as an exhibit to the Form S-4 Registration Statement the "Fairness Analysis" prepared by the independent valuer. The Fairness Analysis is a report prepared by the independent valuer which incorporates all of the independent valuer's analysis relating to the valuation of the subject LLCs, the private entities and the management companies that was provided to the supervisor. This report represents the final work product of the independent valuer and incorporates and subsumes the schedules and work papers previously provided by the independent valuer and sent to the supervisor for review on October 5, 2011 (the "October 2011 Schedules and Work Papers"). This final report is the only version of the valuation on which the supervisor relied in connection with the preliminary valuation of the subject LLCs, the private entities and the management companies in connection with the solicitation of the private entities. For the reasons set forth below, we do not believe that the October 2011 Schedules and Work Papers, which were provided to the supervisor for the purpose of obtaining feedback and verifying the facts and inputs, is a report within the meaning of Item 911 of Regulation S-K. Furthermore, these schedules and work papers were neither relied on by the supervisor nor material to the transaction.

The October 2011 Schedules and Work Papers were submitted in periodic increments (as opposed to the complete report) to the supervisor in the form of spreadsheets for its review and were not presented as a work product to be considered or relied on by the supervisor in connection with its review of the proposed consolidation. Instead, they were presented by the independent valuer and treated by the supervisor as work papers to be reviewed for purposes of determining their accuracy. A primary purpose of these submissions was to allow the supervisor to fact-check

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and confirm the underlying assumptions relating to the portfolio and provide appropriate information and input to the independent valuer. The October 2011 Schedules and Work Papers were reviewed and factual changes were discussed, resulting in revisions to the spreadsheets presented by the independent valuer. Except with respect to the change from the discounted cash flow analysis discussed below, we believe that these changes were not material changes to the independent valuer's analysis.

The analysis by the independent valuer in the October 2011 Schedules and Work Papers used a discounted cash flow method of valuing the residual interest in the properties owned by the subject LLCs. As described under the heading "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 207 of the Form S-4 prospectus, this analysis was changed based on representations by the supervisor to the independent valuer. The last version of the independent valuer's analysis that used the discounted cash flow approach for valuing the residual was provided by the independent valuer to the supervisor in the October 2011 Schedules and Work Papers. The October 2011 Schedules and Work Papers was based upon preliminary information and changes were made subsequent to the date of such materials in the information included in the projections before the final preliminary valuation that is incorporated in the Fairness Analysis was delivered to the supervisor. For example, the October 2011 Schedules and Work Papers did not reflect cash on reserve for future capital improvements of the Empire State Building reflected in the Fairness Analysis, the effect of which was to decrease the difference between the values in the October 2011 Schedules and Work Papers and the values shown in the Form S-4 prospectus). Accordingly, we believe that filing the October 2011 Schedules and Work Papers would not provide a useful comparison to participants because it was only a working draft and was not prepared on the basis of the most updated information and inputs from the supervisor.

In June 2012, the supervisor requested the independent valuer provide an analysis for illustrative purposes of what the exchange value would have been if the valuation using the discounted cash flow methodology were prepared using the same updated projections that were used to prepare the Fairness Analysis to show participants the effect of the application of the discounted cash flow method for valuing the residual interest in the properties owned by the subject LLCs. A summary of the comparison is included under the heading "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 210 of the Form S-4 prospectus, and the report of the independent valuer as to this analysis will be filed as an exhibit to the Form S-4 Registration Statement. We respectfully submit that since this analysis is included in the S-4 as noted above and is being submitted, no purpose would be served by filing the October 2011 Schedules and Work Papers. We advise the Staff that the difference between the exchange values of Empire State Building Associates L.L.C. and Empire State Building Company calculated using this analysis as shown under "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 207 of the Form S-4 prospectus

is approximately \$98 million, which is greater than the difference between their preliminary exchange values included in the Form S-4 prospectus and their exchange values based on October 2011 Schedules and Work Papers.

We also advise the Staff that we have included in the Form S-4 prospectus under "Reports, Opinions and Appraisals," on page 222, the statement required by Item 911(a)(3) of Regulation S-K.

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We do not believe that the preliminary draft valuation, which was provided to the supervisor as spreadsheets for the purpose of obtaining feedback and verifying the facts and inputs, should be considered a report within the meaning of this rule. The spreadsheets were provided not as a means of reporting information but rather as a data collection tool, were not relied on by the supervisor or material to the transaction. For the foregoing reasons, we do not believe any of the draft valuations provided by the independent valuer are separate reports required to be filed as exhibits to the Form S-4 Registration Statement under Item 911 of Regulation S-K.

3. **We note your response to comment 4 of our letter dated March 14, 2012. Please note that we are reviewing your response in regards to the third-party portfolio proposal complying with Section 14(a) of the Exchange Act, including any potential implications of the proposal under Rule 13e-3, and may have further comments.**

We acknowledge the above comment and the advice of the Staff in the telephone call concerning this comment. We are reviewing the position expressed by the Staff and will contact the Staff to request a meeting to discuss the comment. Pending resolution of this comment, we have left the disclosure as to the third-party portfolio transaction unchanged.

4. **We note your response to comment 7 of our letter dated March 14, 2012 and the disclosure you have included in the notice section of the disclosure document. Please prominently disclose, where you discuss the calculation of the exchange value, that the participants' ownership interests in the company will be calculated with reference to the company's enterprise value subsequent to the consolidation but prior to the IPO.**

The disclosure under the heading "Questions and Answers about the Consolidation – How was the value of my participation interest determined?" on page 6 of the Form S-4 prospectus and the disclosures in footnote (5) to the chart under "Summary – Allocation of Consideration in the Consolidation," under the heading "Exchange Value and Allocation of Operating Partnership Units and Common Stock – Allocation of Common Stock and Operating Partnership Units" and footnote (5) to the chart under the heading "Exchange Value and Allocation of Operating Partnership Units and Common Stock – Estimated Exchange Value of Common Stock" on pages 73, 229 and 244, respectively, of the Form S-4 prospectus, have been revised to clarify that the number of shares of Class A common stock, shares of Class B common stock and operating partnership units issued in the consolidation will be determined based on the Company's enterprise value (which is determined based on the IPO price) without giving effect to the shares issued in the IPO. We believe that such disclosure is a clearer way of describing that the enterprise value is based on the IPO price immediately subsequent to the consolidation but prior to the IPO.

5. **We note your response to comment 8 of our letter dated March 14, 2012. Please clearly state who is making the solicitation, including all participants under**

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Instruction 3 to Item 4 of Schedule 14A, the methods to be employed in soliciting consents, and the anticipated cost thereof. See Item 18(a)(4) of Form S-4 and Item 4 of Schedule 14A.

The disclosure under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on page 282 of the Form S-4 prospectus has been revised to include the requested disclosure.

6. **We note your response to comment 10 of our letter dated March 14, 2012. Your analysis does not address the differing consideration being received by affiliates who may be deemed to be engaged in a Rule 13e-3 transaction. Refer to Question 9 of SEC Release No. 34-17719 (April 13, 1981) for guidance. Please provide this analysis, making sure to consider affiliations with the Helmsley estate, or file a Schedule 13E-3 with respect to each subject LLC.**

Please note that the terms of the consolidation have now been modified so that participants will have the option to receive operating partnership units or Class A common stock, both of which will be listed on a national securities exchange, or, to a limited extent, Class B common stock (which will not be listed on a national securities exchange).

Under Rule 13e-3(g)(2), Rule 13e-3 does not apply to any Rule 13e-3 transaction in which the security holders are offered or receive only an equity security provided, that:

(i) such equity security has substantially the same rights as the equity security which is the subject of the Rule 13e-3 transaction including, but not limited to, voting, dividends, redemption and liquidation rights *except that this requirement shall be deemed to be satisfied if unaffiliated security holders are offered common stock* (emphasis added);

(ii) such equity security is registered pursuant to Section 12 of the Act or reports are required to be filed by the issuer thereof pursuant to Section 15(d) of the Act; and

(iii) if the security which is the subject of the Rule 13e-3 transaction was either listed on a national securities exchange or authorized to be quoted in an inter-dealer quotation system of a registered national securities association, such equity security is either listed on a national securities exchange or authorized to be quoted in an inter-dealer quotation system of a registered national securities association.”

We believe that the conditions of Rule 13e-3(g)(2) are met in connection with the current transaction. Each participant still has the right to receive Class A common stock, and, additionally, if a participant elects to receive operating partnership units, the participant has the option to elect to receive Class B common stock in lieu of up to 2% of his or her operating partnership units, which would provide a participant with substantially the same economic and voting rights as if such participant received Class A common stock.

This analysis is not affected by consideration received by affiliates who may be deemed to be engaged in a Rule 13e-3 transaction, as discussed in Question 9 of SEC Release No. 34-17719 (April 13, 1981). All participants in the subject LLCs, including the Helmsley estate, are receiving the same consideration for their participation interests in the subject LLCs. Accordingly, no affiliate is receiving different consideration for its interest in the subject LLCs. The cash that the Helmsley estate is receiving is in respect of its interests in the private entities, not the subject LLCs. Further, the Helmsley estate owns a very small interest in each of the subject LLCs (less than 1%) and is not an affiliate of any of the subject LLCs.

7. **We note the response to comment 12 of our letter dated March 14, 2012. Please advise how the agents determined that the subject LLCs could be converted from partnerships to limited liability companies without the consent of the participants. We note in particular Section 4 of the participating agreements. Similarly, please address how the agents were able to adopt the first amendment to the LLC agreement.**

We supplementally advise the Staff that the supervisor and the agents determined at the time of the conversion of each of the three subject LLCs to limited liability companies that no consent of the participants was necessary for the action. For each of 60 East 42nd Street Associates L.L.C. and 250 West 57th Street Associates L.L.C., there was no contractual requirement under the participating agreements for consent of participants to any action of the agents that was even potentially applicable, and, therefore, the agents had the authority to act without participant consent. With respect to Empire State Building Associates L.L.C., the participating agreements require consent of the participants for converting the partnership into a REIT, corporation or any other form of ownership. The supervisor and agents determined at the time that consent of the participants was not required under this provision because (i) Section 1007(a) of the New York Limited Liability Company Law provides that the post-conversion limited liability company is deemed to be the same entity as the pre-conversion partnership and (ii) unlike the specific examples in the participation agreement (i.e. conversion to a REIT or a corporation), the conversion was to a limited liability company, which was a form not available at the time of formation of the entities, and which does not affect the tax treatment or rights of the participants. The conversion to a limited liability company was disclosed to the participants at the time it was effected more than ten years ago. We do not believe that such conversion is material in any way to the consolidation.

Amendment No. 1 was adopted by the agents under their authority as members of the subject LLCs. The agents, as members of the limited liability company, have the authority to amend the limited liability

company agreement without the consent of the participants (and would have had the same authority if the LLC were a general partnership). The agents have the authority to take all actions as members, except to the extent of specified actions for which they are required to obtain the consent of the participants under the participating agreements. The participating agreements did not, and do not, other than as described above, require that the agents receive consent from the participants to amend the limited liability agreement.

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8. **Please disclose whether or not the supervisor has discretion to not consummate either transaction (i.e., the consolidation or the third-party portfolio transaction) even after super-majority approval has been obtained for either or both transactions and dissenting participants may have been bought out.**

The disclosure under the heading "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal" on page 75 of the Form S-4 prospectus and under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on page 283 of the Form S-4 prospectus have been revised to disclose that the supervisor and the agents have the discretion to determine not to consummate either the consolidation or the third-party portfolio transaction even after supermajority approval has been obtained and dissenting participants have been bought out.

9. **Please disclose whether there are any restrictions under state law with respect to counting votes of the Malkin family toward the super-majority, since they are interested parties.**

We supplementally advise the Staff that there are no restrictions under either the New York Limited Liability Company Law or the New York Partnership Law with respect to counting votes of the Malkin Family, as interested parties, toward the supermajority. Accordingly, we do not believe any additional disclosure is required.

10. **Please revise the Q & A and/or the summary to include a discussion of the combined effect on the net value of a participant's investment of the immediate dilution caused by the override interests and the individual tax implications.**

We respectfully advise the Staff that we do not believe that the requested Q & A is necessary. As described in the response to comment 6, the Form S-4 prospectus has been revised to reflect a change to the consideration being offered, which is that participants in the subject LLCs will now have the option to receive operating partnership units in the Company's operating partnership in a tax-deferred transaction. Regardless of whether the payment of taxes would be considered to dilute a participant's net value, we believe that such disclosure is not necessary because all participants in the subject LLCs may receive consideration without paying taxes at the time the transaction is closed.

We do not believe that disclosure that the override interests dilute participants in the subject LLCs is necessary in the Q & A. The override interests represent contractual rights for the supervisor to receive a percentage of capital proceeds and apply to all distributions of capital proceeds, not just the consolidation. Distributions on account of the override interests also reduce annual distributions (in percentages of 6%, 10% and 10%, respectively, for Empire State Building Associates L.L.C., 60 East 42nd St. Associates,

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L.L.C. and 250 West 57th St. Associates L.L.C., as described in the footnotes to the charts under the headings "Summary – The Consolidation" on pages 51, 52 and 53 and "The Consolidation – Principal Components of the Consolidation – Pre- and Post-Consolidation Structure," on pages 177, 178 and 179 of the Form S-4 prospectus). Accordingly, the override interests do not "dilute" the participants' distributive interest in the Company since the override interests are taken into account in determining a participant's distribution interest. Furthermore, in the tables showing the consideration participants will receive in the consolidation (including the table under the heading "Summary – Allocation of Consideration in the Consolidation" on page 69 of the Form S-4 prospectus), the impact of the override interests is addressed.

11. **We note your disclosure throughout the prospectus that participants in the subject LLCs may elect to receive cash in lieu of a portion of the Class A common stock. We also note that the price per share will equal the IPO price and be reduced by the underwriting discount per share paid in the IPO. Where appropriate, please disclose the range of the underwriting discount.**

As discussed with the Staff, there is no need to disclose the range of underwriting discounts, because, as part of the change in the consideration being offered to permit participants to receive operating partnership units described in response to comment 6, the cash election has been eliminated.

12. Please include updated financial statements in your next amendment.

Updated financial statements have been included in each of the Form S-4 Amendment No. 2 and the Form S-11 Amendment No. 2.

Cover Page

13. We note your response to comment 55 of our letter dated March 14, 2012, as well as your added cover page disclosure. Please revise to include that an investor's interest may, in some cases, be subject to the buyout provision if the investor votes "no." Also provide a cross reference to the more detailed disclosure on this point. In addition, please prominently disclose to the effect that an investor will not lose his or her interest merely by voting "no."

The added cover page disclosure has been further revised as requested.

Questions and Answers about the Consolidation, page 1

14. Please revise to include a Q & A following the first Q & A (about what participants are being asked to approve) that provides simple, summary disclosure of the benefits to be received by the Malkins versus other investors with respect to securities, cash, taxes, and any other consideration.

Because of the change in the consideration being offered to participants described in response to comment 10, participants in the subject LLCs will have the option to receive

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the same forms of securities with the same tax treatment as the Malkin Family. As a result, we believe a Q & A showing the different forms of consideration is no longer needed.

15. Please revise to include a Q & A to discuss the process by which participants may change their vote. Please include disclosure about how and when notice will be given to each participant if and when the requisite supermajority consent has been obtained. Please also provide clear instructions as to how a participant may change his or her vote and disclose whether the participant will receive confirmation that a vote has been successfully changed. Please include an example that clearly illustrates the timeline for this entire process.

A Q & A has been included under the heading "Questions and Answers about the Consolidation – What is the process by which I may change my vote on the consolidation proposal or the third-party portfolio proposal?" on page 13 of the Form S-4 prospectus as requested.

Why is the company entering into the IPO? page 2

16. We note your response to comment 25 of our letter dated March 14, 2012, as well as your related revised disclosure beginning on page 2. To the extent practicable, please quantify the net proceeds to be used for the disclosed purposes, particularly with respect to part (v).

The disclosure under the heading "Questions and Answers about the Consolidation – Why is the company entering into the IPO?" on page 3 of the Form S-4 prospectus has been revised to include the estimated amounts for the purposes listed in (i) to (v), with blanks for information that cannot be determined at this time but will be included in a subsequent amendment. Please note that such information is based on assumptions as to the size of the IPO and will be included in a subsequent amendment based on the assumed size of the IPO and net proceeds which will be included in the pro forma financial statements.

What are the conditions for the consolidation to close? page 4

17. We note your disclosure that to consummate the consolidation, there must be the participation of Empire State Building Associates L.L.C. and Empire State Building Company L.L.C., the private entity which owns an interest in the Empire State Building. Please explain in greater detail their "participation." Also it is unclear of the interest owned in the Empire State Building by ESBC. Please revise.

The disclosures under the heading "Questions and Answers about the Consolidation – What are the conditions for the consolidation to close?" on page 5 of the Form S-4 prospectus, as well as under the headings "Summary – Risk Factors – The Consolidation or a Third-

Party Portfolio Transaction," " – The Consolidation – Principal Components of the Consolidation," the risk factor under the heading beginning "At the time participants vote on the consolidation proposal, there will be uncertainties as to the size, makeup and leverage of the company ...," "The Consolidation – Principal Components of the Consolidation," and " – Conditions to the Consolidation," on pages 38, 47, 92, 172, and 187, respectively, of the Form S-4 prospectus have been revised as requested, and we have clarified the reference to the interest of Empire State Building Company L.L.C. ("ESBC") in the Empire State Building to state that it is its interest as operating lessee.

What will I be entitled to receive if I vote "FOR" the consolidation and either proposal is approved by my subject LLC? page 4

18. **Please revise to disclose the percentage of the total exchange value and the percentage of total shares allocated to each of the subject LLCs. Also include a cross reference to the Allocation of Consideration in the Consolidation section and related table on page 63.**

The disclosure under the heading "Questions and Answers about the Consolidation – What will I be entitled to receive if I vote "FOR" the consolidation and the consolidation is approved by my subject LLC?" on page 5 of the Form S-4 prospectus has been revised as requested.

What will I be entitled to receive if I don't vote "FOR" the third-party portfolio proposal... page 7

19. **Please revise the disclosure to better illustrate the potential outcomes, based on a participant's individual vote, versus the overall vote. For example, please clearly illustrate when the buyout provision is triggered if a person votes "yes" to one proposal (e.g., the consolidation) but "no" to the other (e.g., the third party portfolio proposal). Also, please begin this added disclosure with a statement to the effect that the buyout provisions are triggered only if a supermajority consent is received with respect to either or both transactions (whichever is accurate). Lastly, please disclose that 250 West 57th St. Associates is not subject to a buyout provisions.**

The disclosure under the heading "Questions and Answers about the Consolidation – When will the buyout provisions be triggered?" on page 10 of the Form S-4 prospectus has been revised as requested.

20. **Please revise the added disclosure in the carryover paragraph at the top of page 8 to clarify that a participant may be subject to a buyout only if the proposal(s) are approved by a supermajority consent. Disclose that, to the extent the required supermajority consent is not received by a subject LLC, participants cannot and will not be subject to a buyout.**

In response to the Staff's comment, the following question has been added under the heading "Questions and Answers about the Consolidation" on page 10 of the Form S-4 prospectus: "When will the buyout proposals be triggered?"

Can I change my vote on the consolidation proposal...? page 10

21. **We note your response to comment 21 of our letter dated March 14, 2012. Please include in this section the number of participation interests outstanding for each subject LLC and each participating group. Also, as requested, please provide a chart for each subject LLC showing complete information required by Item 403 of Regulation S-K, which would include information concerning security ownership of beneficial owners of more than five percent of the subject securities, as well as all holdings of management.**

The disclosure under the heading "Questions and Answers about the Consolidation – Can I change my vote on the consolidation proposal or the third-party portfolio proposal after I mail my consent form?" on page 12 of the Form S-4 prospectus has been revised as requested. Additionally, the disclosure in the introductory paragraph to the ownership tables under the headings "The Consolidation – Principal Components of the Consolidation – Pre- and Post-Consolidation Structure," beginning on page 184 of the

Form S-4 prospectus, has been revised to make it clear that at March 31, 2012, no person owned of record or was known by the subject LLCs, as applicable, to own beneficially more than five percent of the participation interests in any of the subject LLCs.

Are there any tax consequences as a result of the consolidation? page 10

22. Please include a brief discussion of any applicable New York state and New York City taxes.

The disclosures under the heading “Questions and Answers about the Consolidation – Are there any tax consequences as a result of the consolidation?” on page 14 of the Form S-4 prospectus, as well as under the headings “Summary – U.S. Federal Income Tax Considerations of the Consolidation Proposal” on page 77 of the Form S-4 prospectus, “Risk Factors – Risks Related to the Tax Consequences of the Consolidation – A participant that receives common stock in the consolidation may recognize gain or loss for U.S. federal income tax purposes” on page 126 of the Form S-4 prospectus and “U.S. Federal Income Tax Considerations – U.S. Federal Income Tax Consequences of the Consolidation” on page 482 of the Form S-4 prospectus have been revised as requested.

When do you expect the consolidation to be completed? page 11

23. We note your disclosure that consents must be received by a certain date in 2012 and that the consolidation is required to be completed by December 31, 2014. We also note that during this period, there could be a significant change in the amount of value between the exchange value at the time of the vote and the enterprise value at time of the IPO. Please discuss in an appropriate section of the prospectus, the effect that a significant change in value would have, if any, on the company pursuing the consolidation and the IPO if it has previously received the requisite consents.

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The disclosures under the heading “Questions and Answers about the Consolidation – When do you expect the consolidation to be completed?” and under the heading “Summary – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction” on pages 16 and 38, respectively, of the Form S-4 prospectus have been revised as requested, and the disclosure in the “Risk Factors” section under the heading beginning “The method of calculation of the value of your participation interests in the subject LLC (and consequently, the consideration payable to you in the consolidation) will “lock in” the relative value of all of the subject LLCs, the private entities and the management companies ...” on page 89 of the Form S-4 prospectus has been expanded to discuss the effect that a significant change in value would have.

Description of the Company and the Subject LLCs, page 14

24. We have reviewed your response to comment 31 of our letter dated March 14, 2012 and your revised disclosure, which indicates a range of total costs of all program-related projects of approximately \$537 million to \$587 million. We also note your disclosure in Note 6 to the Consolidated Financial Statements of Empire State Building Company L.L.C. on page F-87, which indicates that the total costs of all projects to maintain and enhance the Empire State Building will be approximately \$550 million to \$590 million. Please revise your disclosure to reconcile this discrepancy.

The disclosure has been revised under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Empire State Realty Trust – Overview” on page 288 of the Form S-4 prospectus and under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources” on page 364 of the Form S-11 prospectus. In addition, appropriate modification to future filings of the Form 10-Q of Empire State Building Associates L.L.C. will be made to reflect these changes.

25. Please disclose who owns the fee interest in the Empire State Building, as well as the underlying land.

The disclosures under the heading “Summary – Description of the Company and the Subject LLCs – Overview” on page 19 of the Form S-4 prospectus and under the heading “The Company Business and Properties – Overview” on page 365 of the Form S-4 prospectus have been revised as requested to clarify that Empire State Building Associates L.L.C. owns the fee interest in the Empire State Building and the underlying land. Additionally, the disclosures under the heading “Questions and Answers about the Consolidation – What are the conditions for the consolidation to close?” on page 5 of the Form S-4 prospectus, as well as under the headings “Summary – Risk Factors – The Consolidation or a Third-Party

Portfolio Transaction,” “ – The Consolidation – Principal Components of the Consolidation,” “ – Conditions to the Consolidation,” the risk factor under the heading beginning “At the time participants vote on the consolidation proposal, there will be uncertainties as to the size, makeup and leverage of the company ... ,” “The Consolidation – Principal Components of the Consolidation,” and “ – Conditions to the Consolidation,” “ – Contribution Agreements” on pages 38, 47, 76, 92, 172, 187 and 189, respectively, of the Form S-4 prospectus have been revised as requested.

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The Properties, page 20

26. **We note your revised disclosure in response to comment 113 of our letter dated March 14, 2012, as well as your related added disclosure on page 430. Please revise this section to disclose any properties owned by the predecessor companies that are not being contributed or advise us why such disclosure is not necessary. In addition, please explain in this section and on page 430 the reasons for their exclusion.**

The Company supplementally advises the Staff that the predecessor does not own any properties that are not being contributed in the consolidation, except for a development parcel that is zoned for residential use that is owned by a private entity wholly owned by the Malkin Family. As currently disclosed under the heading “The Consolidation – Principal Components of the Consolidation – Excluded Properties and Businesses” on page 174 of the Form S-4 prospectus, this development parcel is not being contributed because it is not consistent with the Company’s portfolio geographic or property type composition, management or strategic direction.

Background of and Reasons for the Consolidation, page 22

27. **In the second paragraph, please quantify in percentage terms based on the original investment and disclose the recipient of the “small specified threshold.” Also clarify whether this is the same as the “basic rent” referred to later in the paragraph. Please also revise accordingly the similar disclosure under Expected Distributions and Payments on page 246.**

The disclosure under the heading “Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies” on page 27 of the Form S-4 prospectus and the disclosure under the heading “Background of and Reasons for the Consolidation – Background of the Subject LLCs” on page 138 of the Form S-4 prospectus has been revised to specify the amount over which the subject LLC receives 50% of its operating lessee’s net operating profit. We have also included the percentage that this amount represents of the original purchase price of the property. Please note that this is not the same as the “basic rent” referred to later in the paragraph, but an amount to be retained by the operating lessee before calculating net operating profit, in the case of Empire State Building Associates L.L.C., and to be paid by the operating lessee as additional rent in the case of the other subject LLCs. The disclosure under the heading “Comparison of Ownership of Participation Interests, Operating Partnership Units and Shares of Common Stock – Expected Distributions and Payments” on 274 of the Form S-4 prospectus has been revised as requested.

28. **Please revise the second paragraph to disclose that the participants have the right to approve a sale. In light of this, please also revise the “absolute control” language in the last sentence of this paragraph.**

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The disclosure under “Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies” on page 27 of the Form S-4 prospectus and the disclosure under the heading “Background of and Reasons for the Consolidation – Background of the Subject LLCs” on page 138 of the Form S-4 prospectus has been revised as requested. Please note that in our revised disclosures we referred to the approval of the subject LLCs rather than the participants, because that is what this section is addressing. The need for the subject LLCs to obtain the participants’ consent is addressed under the heading “Summary – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction” on page 42 of the Form S-4 prospectus and under the heading “Comparison of Ownership of Participation Interests, Operating Partnership Units and Shares of Common Stock – Voting Rights” on page 271 of the Form S-4 prospectus.

29. **We note the sentence in the third paragraph that “a subject LLC, as lessor, cannot decide whether to sell the entire property as any property sale not agreed to by the operating lessee necessarily will be subject to the operating lease.” Please revise to clarify whether the operating lessee has a contractual right to approve the sale of the property owned by the subject LLCs.**

The disclosure under the heading “Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies” beginning on page 27 of the Form S-4 prospectus and the disclosure under the heading “Background of and Reasons for the Consolidation – Background of the Subject LLCs” on page 138 of the Form S-4 prospectus has been revised as requested.

30. **We note that under the sublease agreement between Empire State Building Associates and Empire State Building Company, it appears that any transfer of ESBC’s interest would require the consent of ESBA. If correct, please revise the disclosure to include this right. Also revise accordingly the disclosure on pages 192-195.**

We supplementally advise the Staff that Empire State Building Associates L.L.C.’s consent is required for an assignment of the operating lease unless the assignment is to (i) a corporation authorized to do business in New York; (ii) a partnership which has been formed pursuant to the New York Partnership Law with a principal place of business located and maintained in the County of New York; or (iii) a trustee of a REIT. In view of the breadth of the exceptions, we do not believe any disclosure of the consent right is material.

31. **In the carryover paragraph at the top of page 23, please revise to clarify which services are provided by the supervisor, as opposed to overseeing other entities that actually provide such services. Also, disclose the fee the supervisor receives in exchange for these services.**

The disclosure under the heading “Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies” on page 28 of

the Form S-4 prospectus and the disclosure under the heading “Background of and Reasons for the Consolidation – Background of the Subject LLCs” on page 139 of the Form S-4 prospectus has been revised as requested.

32. **In the penultimate paragraph on page 23, please revise to disclose the significant actions that require consent of the participants as required by the participating agreements.**

The disclosure under the heading “Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies” on pages 28-29 of the Form S-4 prospectus and the disclosure under the heading “Background of and Reasons for the Consolidation – Background of the Subject LLCs” on page 139 of the Form S-4 prospectus have been revised to include a reference to the next paragraph where the principal items on which a participant has consent rights is addressed, and such next paragraph has been revised to include a cross-reference to the section “Comparison of Ownership of Participation Interests, Operating Partnership Units and Shares of Common Stock – Voting Rights,” of the Form S-4 prospectus which contains a detailed list of such significant actions.

33. **We note your response to comment 33 of our letter dated March 14, 2012. Please revise to disclose the impact on the other exchange values if the option properties are included.**

The disclosure in footnote (1) to the chart under the heading “Summary – Allocation of Consideration in the Consolidation” and the comparable footnote to the charts under the headings “Exchange Value and Allocation of Operating Partnership Units and Common Stock – Derivation of Exchange Value,” “ – Allocation of Common Stock and Operating Partnership Units among the Subject LLCs, the Private Entities and the Management Companies” “ – Allocation of Common Stock and Operating Partnership Units among the Participants and the Supervisor and the Malkin Holdings Group” and “ – Estimated Exchange Value of Common Stock,” on pages 72, 229, 232, 237 and 243, respectively, of the Form S-4 prospectus have been revised to clarify that if the option properties are included in the consolidation, there would be no impact on the individual exchange values of all the other properties and to include a statement that if the option properties are included, the percentage of the aggregate exchange value of each subject LLC would be calculated based on the aggregate exchange value including the private entities that own the option properties.

34. **We note your disclosure in footnote (1) of the chart on page 24 regarding the participation interests**

in which Malkin Holdings group controls the vote but does not have an economic interest. In the footnote, please explain these interests in greater detail and advise us of the percentage this represents. Please make this same change to the disclosure on page 128.

We supplementally advise the Staff that such footnote should have been included for only those entities in which the Malkin Holdings group can vote with no economic interests and the charts under "Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies," on page 29 of

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the Form S-4 prospectus and the disclosure under "Background of and Reasons for the Consolidation – Background of the Subject LLCs" on page 140 of the Form S-4 prospectus have been revised to include footnote (1) for only such entities. The disclosure in footnotes (1), (3), (4), (5) and (6) on pages 29-30 and 140 of the Form S-4 prospectus has been revised to clarify that in certain entities, a member of the Malkin Holdings group either holds an interest as agent for the benefit of participants and may vote such interest without the consent of the participants or holds a general partnership interest with the right to vote such interest without the consent of the partners or holds an interest as trustee of a trust.

Risk Factors, page 31

35. We note your revised disclosure in response to comment 36 of our letter dated March 14, 2012. In the first bullet point on page 33, please revise to disclose the "certain executives" who will become officers of the REIT.

The disclosure under the heading "Summary – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction" on page 39 of the Form S-4 prospectus has been revised as requested.

The Consolidation or a Third-Party Portfolio Transaction, page 31

36. On page 33 you state that the supervisor has served the same role in the past for sales of other properties as its current role. Please clarify the transactions to which you are referring. If you are referring to other elements of the current consolidation, please revise your statement to reflect that. Similar language appears on the top of page 131 and in subparagraph (b) on page 194.

The disclosure under the heading "Summary – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction" on page 40 of the Form S-4 prospectus has been revised as requested. Similar language appearing under the heading "Background of and Reasons for the Consolidation – Investment Objectives of the Subject LLCs" on page 143 of the Form S-4 prospectus and under the heading "Reports, Opinions and Appraisals – Appraisal – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 211 of the Form S-4 prospectus has been revised accordingly.

Conflicts of Interest and Benefits to the Supervisor and its Affiliates, page 37

37. We note your response to comment 40 of our letter dated March 14, 2012. Please further clarify in your disclosure how the supervisor determined that the transaction was substantively fair, taking into account the potential impact on the company's financial position of the tax protection agreement, the option agreements and the indemnification of principals of the supervisor for fraud, misappropriation of funds, intentional breach, etc. See Instruction 3(iii) to Item 910.

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The disclosures under the heading "Summary – The Consolidation – Why the Supervisor Believes the Consolidation is Fair to You" and "Recommendation and Fairness Determination – General" on pages 62 and 165-166, respectively, of the Form S-4 prospectus have been revised as requested.

The Consolidation, page 40

38. We note your added charts beginning on page 48, in response to comments 42 and 105 of our letter dated March 14, 2012. We note your disclosure in footnote (2) on pages 49 and 51 related to the amount of overrides paid to persons other than Malkin Holdings group. Please further clarify who receives the additional override interests and explain why they were granted. Please make similar

changes to your chart that begins on page 215.

The disclosures in footnotes (1) and (2), respectively, to the charts under "Summary – The Consolidation" on pages 52 and 53 of the Form S-4 prospectus and under the heading "The Consolidation – Principal Components of the Consolidation – Pre- and Post- Consolidation Structure," on pages 178 and 179 of the Form S-4 prospectus have been revised as requested. Additionally, similar changes have been made to the table under the heading "Exchange Value and Allocation of Common Stock – Allocation of Common Stock and Operating Partnership Units among the Participants and the Supervisor and the Malkin Holdings Group" beginning on page 237 of the Form S-4 prospectus.

39. **We note your response to comment 44 of our letter dated March 14, 2012, and we reissue our comment. We note that you were able to offer the OPUs and Class B shares to certain investors pursuant to Regulation D. However, please explain why these investors received different securities than participants would in this offering.**

As discussed in the response to comment 6, the consideration being offered in the consolidation has been restructured to permit participants in the subject LLCs to receive the same forms of consideration as participants in the private entities.

What You Will Receive if Your Subject LLC is Included in the Consolidation, page 53

40. **We note your added disclosure on page 55. Please discuss the impact on the company if it does not receive the reduced New York City and New York State transfer rate due to the Helmsley estate status as a charitable organization. Please also include a tax opinion pursuant to Item 601(b)(8) of Regulation S-K or advise why such opinion is not required to be filed.**

As a result of the issuance of operating partnership units, we do not believe that the Company will be able to qualify for the reduced New York City and New York State transfer rate. The effect of the increased transfer tax will be reflected in the disclosure under the heading "Use of Proceeds" on page 67 of the Form S-11 prospectus and in the pro forma financial statements.

Comparison of Distributions, page 60

41. **We note your response to comment 52 of our letter dated March 14, 2012. The disclosure purports to compare the distributions budgeted to be paid by the public LLCs to the public LLC holders in 2012 (ranging from 1.5% to 6.4%) to the distributions to be paid by the REIT to REIT investors after the IPO (ranging from 2.0% to 4.0%). However, we are concerned that this comparison may be confusing for an LLC investor voting on the transaction as the post-IPO yields disclosed are not the yields that will be paid to the LLC investor based on their original investment, but are yields that will be earned by a post-IPO investor assuming their purchase price is the same as the market price at the time of the future distribution. If you wish to provide a comparison of distributions to LLC investors in the Form S-4, please revise to reflect the yield an LLC investor should expect to receive post-IPO based on their original investment. Please disclose the basis for any such distribution estimate. With respect to both the Form S-4 and Form S-11, if you wish to disclose that you intend to pay a 2-4% estimated dividend, please provide quantitative support for your belief that the REIT will have cash available for distribution for the year following the IPO sufficient to fund the distribution.**

In response to the Staff's comment, the disclosure under the heading "Background of and Reasons for the Consolidation – Comparison of Distributions by the Subject LLCs and the Company" on page 160 of the Form S-4 prospectus has been revised to reflect the Company's estimated initial cash available for distribution to a hypothetical investor with a \$1,000 original investment for each of the subject LLCs, and the outline of the tabular format by which the Company's quantitative support for this estimated cash available for distribution will be disclosed. With respect to the data to be included in the table, such information is based on assumptions as to the size of the IPO and will be included in a subsequent amendment, based on the assumed size of the IPO and net proceeds, which will be included in the pro forma financial statements.

42. **Your heading indicates that you will provide a comparison of current distributions to participants in the LLCs, versus projected distributions to shareholders of the new company. We note that the dividend yields in the charts on pages 60 and 147 represent budgeted distributions to participants in**

the subject LLCs. We also note your disclosure in the prospectus supplements regarding historical dividends. Please revise this section to disclose the historical distributions to participants in the LLCs or provide a cross-reference to the relevant disclosure in the supplements.

The table under the heading "Background of and Reasons for the Consolidation – Comparison of Distributions by the Subject LLCs and the Company" on page 160 of the Form S-4 prospectus has been revised to disclose the historic five-year distributions, which was included under the heading "Fairness of the Consolidation – Comparison of Distributions" in the supplement for each subject LLC.

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- 43. Please explain in greater detail how you arrived at the budgeted distribution amounts in the chart on page 60 and what these amounts represent.**

We have deleted budgeted distributions from the tables under the heading "Summary – The Consolidation – Comparison of Distributions" on page 66 of the Form S-4 prospectus and under the heading "Background of and Reasons for the Consolidation – Comparison of Distributions by the Subject LLCs and the Company" on page 160 of the Form S-4 prospectus. Instead, we have included the five-year average distributions. We determined that the five-year average, together with the more detailed table showing historic five-year distributions under the heading "Background of and Reasons for the Consolidation – Comparison of Distributions by the Subject LLCs and the Company" on page 160 of the Form S-4 prospectus, provides a better basis for comparison of distributions than the budgeted distribution.

Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal, page 68

- 44. We note your added disclosure in response to comment 55 of our letter dated March 14, 2012. Please disclose your authority for buying out a participant who does not vote in favor of either the consolidation or third-party portfolio transaction proposal if either or neither transaction is consummated.**

The disclosure has been revised under the heading "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal" on page 75 of the Form S-4 prospectus and under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on page 283 of the Form S-4 prospectus to state that the buyouts are contractual provisions included in the original participating agreements and to address their applicability even if either or neither transaction is consummated. We supplementally advise the Staff that because the buyouts are contractual provisions included in the participating agreements of Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C., and because there are no restrictions under the New York Partnership Law with respect to such a buyout, each participant in such subject LLCs is subject to the buyout provision.

No Right to Independent Appraisal, page 70

- 45. Please clarify your disclosure as to why participants who do not consent to the transaction will not have appraisal rights under the New York Limited Liability Company Law. Section 1002(e) of that act appears to provide for a right of appraisal in circumstances such as the consolidation, and the agents appear to be holding their membership interests in the subject LLCs as fiduciaries on behalf of the participants. Disclose any relevant case law that supports the position you are taking. If state law is unclear on this issue, please so state. See Item 18(a)(3) of Form S-4 and Item 3 of Schedule 14A.**

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We supplementally advise the Staff that the appraisal right under Section 1002(e) of the New York Limited Liability Company Law is not applicable to the proposed transaction. While the proposed transaction is described as a consolidation in the Form S-4 prospectus, this is a general description of the transaction and not a statement as to its legal form. The transaction is, in fact, an asset transfer to the operating partnership and not a statutory consolidation. Under Section 1001 of the New York Limited Liability Company Law, a consolidation means a procedure in which two or more limited liability companies or other business entities consolidate into a single limited liability company or other business entity that shall be a new limited liability company or other business entity to be formed pursuant to the consolidation, and Sections 1002-1004 set forth the procedures and effects of statutory mergers and

consolidations. These procedures include filing a certificate to combine the entities legally, none of which apply to the current transaction. The proposed transaction is not being effected under these sections and therefore the appraisal right and other provisions of Article X are not applicable.

Furthermore, the participants are not members who can assert an appraisal right. Under Section 1002, if it were applicable, the appraisal right would not apply if a member voted in favor of the consolidation. However, for the consolidation to be acted on, the agents as members must vote in favor of the consolidation, which automatically withdraws any notice of dissent under Section 1002. While the agents owe fiduciary duties to the participants, we do not believe that any fiduciary obligation would affect the actions of the agents with respect to appraisal rights. For the foregoing reasons, we do not believe that any additional disclosure is required.

Recommendation and Fairness Determination, page 149

46. **We note your added disclosure on page 149 where you state that, “[i]n considering fairness, the supervisor also took into account the proposed terms of the compensation payable to persons in the Malkin Holdings group by the company after the closing of the consolidation.” We also note your response to comment 22, in which you indicate that the compensation has not yet been finalized. Please disclose generally the proposed terms of compensation that the supervisor took into account when making its fairness determination.**

The disclosures under the headings “Summary – The Consolidation – Why the Supervisor Believes the Consolidation is Fair to You” and “Recommendation and Fairness Determination – General” on pages 62 and 166, respectively, of the Form S-4 prospectus have been revised to refer to compensation described under the heading “Management – Executive Compensation” on page 452 of the Form S-4 prospectus. We supplementally advise the Staff that the statement is based on the procedures currently being established to determine the compensation that are designed to provide market-rate compensation and will be revised as necessary to address the compensation established, which will be reflected in a subsequent amendment.

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Reports, Opinions, and Appraisals, page 189

47. **Please revise to discuss how the overrides were valued and why. Please also include related discussion in the summary. Please also explain how the valuation method and/or amount was determined to be fair. In addition, please disclose whether the fairness opinion covers the valuation of the override interests.**

The disclosures under the heading “Summary – Fairness Opinion” and “Reports, Opinions and Appraisals – Fairness Opinion” on pages 63 and 216, respectively, of the Form S-4 prospectus have been revised as requested.

Operating Leases, page 191

48. **We note your response to comment 96 of our letter dated March 14, 2012. Please further revise your disclosure at the top of page 192 to disclose the allocated exchange value that was attributed to Empire State Building Associates using discounted cash flow analysis. We note the reasons that the supervisor recommended a different method of valuation, but please disclose the “significantly higher” valuation amount that would have resulted under the other analysis. Lastly, please disclose why the discounted cash flow analysis would have resulted in a significantly higher allocation to ESBA and not the other public entities.**

We have revised the disclosure under the heading “Reports, Opinions and Appraisals – Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 210 of the Form S-4 prospectus to include a table showing the discounted cash flow analysis and a comparison to the calculation of the exchange value under the analysis used in the consent solicitation/prospectus. This shows how the discounted cash flow analysis resulted in a higher allocation to Empire State Building Associates L.L.C. (“ESBA”) and a lower allocation to the other two-tier entities as a result of the impact of the debt deduction.

Supervisor’s Reasons for Representation as to a 50/50 Allocation, page 192

49. **We note your response to comment 97 of our letter dated March 14, 2012 and reissue in part our**

prior comment. We note your disclosure in the fourth bulleted paragraph on page 192 that investors in Empire State Building Associates first receive a priority distribution before any income is shared 50/50 between investors in ESBA and investors in Empire State Building Company. In addition, we note your disclosure in the last bullet point on page 195 regarding the original offering documents or operating lease stating to the effect that the operating lease is not a joint venture along with the disclosure in section 2.05, of the sublease between ESBA and ESBC that provides: "The receipt by Sublessor of overage rent shall not be deemed to create any partnership or joint venture between Sublessor and Sublessee." In light of these disclosures, please clarify here and elsewhere that it is the supervisor's opinion that that the initial intent was to achieve the economic attributes of a 50/50 joint venture.

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The disclosures under the heading "Reports, Opinions and Appraisals – Supervisor's Reasons for Representation as to 50/50 Allocation" on pages 207 and 211 of the Form S-4 prospectus have been revised to state that the original intent to achieve the economic attributes of a 50/50 joint venture was the intent of the persons who structured and drafted the agreements relating to the two-tier structure. The statement in the Form S-4 prospectus is based on the knowledge of the persons involved in drafting the original agreements and therefore, it is not necessary to state that it is the supervisor's opinion. We also believe that the disclosures noted in the Staff's comment are consistent with the statement as to original intent. A priority return to investors who have invested capital is commonly included in arrangements that are economically a 50/50 joint venture. Finally, it should be clear that the language used specifically was to avoid liability exposure for the investors in ESBA, not to prevent the economic equivalent to a joint venture. Statements designed to protect one of the entities from the liability associated with a legal joint venture are not inconsistent with the transaction being structured as economically equivalent to a joint venture.

50. **In the fourth bulleted paragraph, please quantify the annual priority distributions to the passive investors.**

The disclosure under the heading "Reports, Opinions and Appraisals – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 208 of the Form S-4 prospectus has been revised as requested.

51. **We note your added disclosure on page 192 relating to how the two-tier structure was intended to synthesize a joint venture. We also note that, in 2001 when ESBA purchased the fee interest, ESBC declined to participate. Thus, it is not clear to us how this is consistent with your disclosure about the original intent to achieve economic attributes of a 50/50 joint venture. Please revise or advise.**

We supplementally advise the Staff that the structure of the ownership arrangements between Empire State Building Associates L.L.C. and Empire State Building Company L.L.C., and the ownership of the Empire State Building, both before and after the purchase of the fee interest by Empire State Building Associates L.L.C., is consistent with the original intent as to the economic attributes of a 50/50 joint venture. When we refer to a 50/50 joint venture, we are referring to a 50/50 sharing after certain fixed priority payments are satisfied – a typical arrangement in a joint venture distribution waterfall. Percentage sharing after such priority payments is also customary in joint venture arrangements. The value of these fixed priority payments is taken into account in determining the exchange values. Prior to the purchase of the fee interest, Empire State Building Associates L.L.C. received basic rent from the operating lessee, from which it paid the ground rent to the owner of the fee interest. By purchasing the fee interest, Empire State Building Associates L.L.C. was able to retain the full basic rent instead of paying a portion of the basic rent as ground rent to the fee owner.

Please note also that, although Empire State Building Associates L.L.C. purchased the fee interest without the participation of the operating lessee, it did offer the operating lessee the opportunity to participate in such purchase – an offer consistent with conduct which is typical (and sometimes required) among members of a joint venture and would generally not be typical in a landlord-tenant relationship.

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52. **Please revise the added disclosure in the bulleted paragraph at the top of page 193 regarding the residual interest to state that ESBA is entitled to 100% of the value of the reversionary interest upon termination of the lease. We also note your disclosure about the residual interest not having any**

material additional value. However, the disclosure made in the proxy statement, dated September 14, 2001, when the supervisor solicited the consent of investors in the Empire State Building Associates to purchase the fee title position seems inconsistent with this disclosure. The proxy enumerated advantages to ESBA if it were to purchase fee title, one of which was that it would “substantially increase the value of [the participants’] investment.” The proxy also stated that the “ownership of the fee title [would] convert Associates’ wasting leasehold into a permanent asset.” Please revise this disclosure accordingly or advise.

We have revised the bulleted paragraph under the heading “Reports, Opinions and Appraisals – Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 208 of the Form S-4 prospectus to state that each subject LLC (not only ESBA) is entitled to 100% of the value of the residual interest on termination of the operating lease. We supplementally advise the Staff that the disclosures in the proxy statement that are referred to in the comment are not inconsistent with our statements in the Form S-4 prospectus. In making the purchase, Empire State Building Associates L.L.C. received the benefit described in response to Comment 51 by eliminating the ground rent payments and increasing the portion of the basic rent that it retained. Empire State Building Associates L.L.C. also received other benefits. Prior to purchasing the fee interest, all that it owned was a lease position without either ownership of the fee interest or ability to operate the property. The fee owner, because it owned only a leased-fee position which entitled it to fixed rent for over 75 years, did not have an incentive to extend any investment or cooperation (in financing or improvements or other matters) because it would not participate in any resulting profits. By acquiring the fee interest, Empire State Building Associates L.L.C. consolidated its position to have the power to agree with the operating lessee to effect financing and improvements to improve property performance and profit to the direct benefit of Empire State Building Associates L.L.C. In addition, its purchase eliminated the ownership of a superior interest by a third-party who had been adversarial in litigation and thereby eliminated the risk of the termination of its estate by a hostile third party and/or the cost of defending and resolving disputes with such third party. While Empire State Building Company L.L.C. may have also benefited from certain of these actions, it does not affect the accuracy of the statements or their consistency with the disclosures in the Form S-4 prospectus.

53. **Please revise the third bullet point on page 193 to clarify that there is no legal impediment to the subject LLCs separately selling their interest in the property without the consent of the operating lessees, if true. Similar language appears in the third paragraph on page 22 and the last full paragraph on page 126.**

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The bullet point under the heading “Reports, Opinions and Appraisals – Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 208 of the Form S-4 prospectus has been revised to clarify that the subject LLC, as lessor, has the right to sell its interests in the property without the operating lessee’s consent, but that such sale would be subject to the operating lease. Additionally, similar language appearing under “Summary – Background of and Reasons for the Consolidation – The Subject LLCs, the Private Entities and the Management Companies” on page 27 of the Form S-4 prospectus and the disclosure under the heading “Background of and Reasons for the Consolidation – Background of the Subject LLCs” on page 138 of the Form S-4 prospectus has been revised.

54. **We note your response to comment 104 regarding the \$60,500,000 debt obligation attributed only to ESBA. Please include a brief discussion of this under this subsection.**

The disclosure under the heading “Reports, Opinions and Appraisals – Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 209 of the Form S-4 prospectus has been revised as requested.

55. **We note your added disclosure on page 194 regarding the supervisor’s reasons for belief that the sharing ratio in the preliminary draft valuation was inappropriate. Please provide appropriate balancing disclosure by making revisions to the following sections:**

- (a) **Qualify that this statement represents the supervisor’s belief.**
- (b) **Clarify the transactions to which you are referring.**
- (c) **Explain in greater detail why the supervisor believes the draft allocation overvalued the residual value.**

Bullet points (b) and (c) under the heading "Reports, Opinions and Appraisals – Supervisor's Reasons for Representation as to 50/50 Allocation" on page 211 of the Form S-4 prospectus have been revised as requested. Bullet point (a) has been revised in accordance with the response to comment 49.

Fairness Opinion, page 199

56. **We note the statement in the second paragraph on page 199 to the effect that the fairness opinion with respect to the individual participation interests is a legal conclusion, rather than an economic conclusion. Please advise us as to the import of this paragraph. If the fairness opinion is a legal conclusion, please describe the qualifications of the independent valuer to make this determination. Furthermore, it does not appear appropriate to characterize this as a fairness opinion of a financial advisor if it is not speaking to fairness from a financial point of view.**

Please note that the disclosure under the heading "Reports, Opinions and Appraisals – Fairness Opinion" in the second paragraph on page 216 of the Form S-4 prospectus was not intended to reflect a legal conclusion, and the disclosure and draft opinion letter have been revised in response to the Staff's comment by deleting the phrase noted by the Staff.

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57. **Please clearly disclose who determined the amount of consideration payable to the participants. See Item 911(a)(2)(v).**

The disclosure under the heading "Reports, Opinions and Appraisals – Fairness Opinion" on page 216 of the Form S-4 prospectus has been revised as requested.

58. **Please include the disclosure required by Item 911(b)(1)(ii)(C).**

The disclosure under the heading "Reports, Opinions and Appraisals – Fairness Opinion" on page 216 of the Form S-4 prospectus has been revised to include such disclosure, which is already included under the heading "Recommendation and Fairness Determination – Material Factors Underlying Belief as to Fairness."

59. **Please discuss whether the independent valuer took into account the effects of the IPO upon the consolidation in connection with its fairness opinion. These effects would include the use of proceeds from the IPO and any dilution to the participants' holdings of common stock in the company. Also revise accordingly the supervisor's recommendation and fairness determination beginning on page 149.**

The disclosure under the heading "Reports, Opinions and Appraisals – Fairness Opinion" on page 216 of the Form S-4 prospectus has been revised as requested.

Our discussion of the reasons for the supervisor's recommendation and fairness determination under "Recommendation and Fairness Determination – General" on page 166 of the Form S-4 prospectus has been revised to address the supervisor's belief as to the benefits from the IPO. The supervisor does not believe that it is necessary to address the dilution from the IPO, because the IPO, while it will reduce the percentage interest of participants, will not dilute their interest because the Company will receive proceeds through the sale of Class A common stock at a market price.

Summary of Materials Considered and Analysis Performed, page 200

60. **We note your response to comment 102 of our letter dated March 14, 2012. Please revise your document to disclose all projections that are materially related to the transaction, whether with respect to the final or preliminary valuations.**

The projections on which the preliminary valuations and draft fairness opinion described in the Form S-4 prospectus have been included in the Form S-4 prospectus as Appendix C.

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Exchange Value and Allocation, page 203

61. **We note that you have deleted the following phrase from this section: "The independent valuer believes that basing such allocations on the value of net assets contributed is fair from a financial point of view." Please tell us why you have deleted this phrase. If the allocation is not based on the**

value of net assets contributed, please disclose this explicitly.

We respectfully advise the Staff that the Company has been informed by the independent valuer that the phrase was deleted not because the allocations were not based on the net assets contributed, but rather because the sentence as drafted might be incorrectly interpreted to imply that a fairness opinion was being rendered with respect to the method of making the allocations rather than on the amounts that were allocated. We do not believe that the language that was deleted is necessary to describe the scope of the fairness opinion.

Substantial Benefits to the Supervisor and its Affiliates, page 226

62. **We note your response to comment 18 of our letter dated March 14, 2012, as well as your disclosure beginning on page 226 relating to the conflicts of executives of the supervisor in respect of their employment and benefits arrangements with the Company. We also note your belief that no further disclosure is necessary with respect to Item 905(b)(5). Please confirm, if accurate, that no steps will be taken to resolve any material conflicts that may arise between the interests of the sponsor or general partner and the interests of investors in the successor as a result of the compensation and distribution arrangements described in this section. Refer to Item 905(b)(5).**

The disclosure under the heading "Conflicts of Interest – Supervisor" on page 245 of the Form S-4 prospectus has been revised to address the steps being taken to resolve material conflicts.

Comparison of Ownership of Participation Interests and Shares of Common Stock, page 234

63. **Please tell us how you determined that the charter, bylaw or similar provisions that will become applicable as a result of the consolidation do not need to be set out as separate proposals in your consent solicitation statement and form of consent. Refer to the Fifth Supplement to the Division of Corporation Finance: Manual of Publicly Available Telephone Interpretations (published September 2004). Please also expand this section to provide more detail with respect to the actual terms of the securities, as set forth in the charter, bylaws and applicable state law. Your current comparison focuses on the nature of the investment and the distributions with respect thereto.**

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In response to the Staff's comment, the Company advises the Staff that it does not believe that there are any charter provisions that are required to be set out separately under Rule 14a-4(3) of the type intended to require a separate vote under Rule 14a-4(a)(3) and The Division of Corporation Finance Manual of Publicly Available Telephone Interpretations (Fifth Supplement, September 2004) (the "Fifth Supplement").

Rule 14a-4(a)(3) requires that the form of proxy "identify clearly and impartially each separate matter *intended to be acted upon*, whether or not related to or conditioned on the approval of other matters." (emphasis added). The rights of stockholders of the Company after the consolidation are not "intended to be acted upon" by the participants since the participants' consent is only required to be obtained to the extent of the specified actions under the participating agreements (which is the transfer of each subject LLC's property to the operating partnership and does not include amendments to the underlying governing instruments of the subject LLC).

The Fifth Supplement states that "examples of affected charter and bylaw provisions that generally would be required to be set out as separate proposals in merger and acquisition transactions include corporate governance-related and control related provisions." Specifically, the Fifth Supplement gives as example of these type actions, "classified or staggered boards, limitations on the removal of directors, supermajority voting provisions, delaying the annual meeting for more than one year, elimination of ability to act by written consent, and/or changes in minimum quorum requirements." All of these are proposals designed to limit the ability of stockholders to participate in corporate governance matters. The charter of the Company does not include any of the provisions of the type given as examples in the Fifth Supplement. The charter is typical of a newly-organized real estate investment trust. The Company advises the Staff that, in many respects, the provisions related to corporate governance and control which the participants will be subject to after the consolidation are more beneficial to participants than the corresponding provisions that are currently applicable to them.

Under the operating agreement and participating agreements for the subject LLCs, the participants are not involved in management of the subject LLCs and do not have typical governance rights of shareholders,

such as the ability to elect directors. The participants are not members of the subject LLCs, but only hold participation interests in the membership interests held by agents. The only rights that participants have is to consent, by a supermajority vote, to certain major decisions relating to the property owned by the applicable subject LLC (*i.e.*, a transaction affecting substantially all of the subject LLC's assets), where the consent of participants is required. The entities participating in the consolidation have a number of different governance structures and the ability to own interests in an entity with a modern corporate governance structure is a central part of the transaction and cannot be viewed as a separate matter from the consolidation.

Further, the Commission noted in SEC Release 34-31326, which adopted the relevant language in Rule 14a-4(a)(3) that the intended purpose of the amendments to Rule 14a-4 was to allow stockholders to communicate to the board of directors their views on each of the matters put to a vote.

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As described under the heading "Comparison of Ownership of Participation Interests, Operating Partnership Units and Shares of Common Stock – Voting Rights" on page 270 of the Form S-4 prospectus, with some exceptions, the participants in the subject LLCs have voting rights only on the sale, mortgage or transfer of the interest in the property, modification of the existing lease on the property held by the subject LLCs or entry into a new lease affecting the same. In particular, the participating agreements do not require that the agents receive the consent of the participants to amend the governing instruments of the subject LLC. The changes which are being proposed expand the rights of participants to participate in corporate governance and could be adopted by the agents with respect to the subject LLC's current organizational documents without the participants' approval. Accordingly, the Company believes that the facts in this situation are within the intent of the Staff as expressed in the Fifth Supplement, and, as described in the Fifth Supplement, unbundling the provisions into different proposals is not required.

In further response to the Staff's comment, the Company advises the Staff that the disclosure under the heading "Comparison of Ownership of Participation Interests, Operating Partnership Units and Shares of Common Stock" beginning on page 252 of the Form S-4 prospectus has been expanded to provide more detail with respect to the actual terms of securities.

Accordingly, the Company believes that unbundling of the provisions in question into different proposals is not required in this situation.

Revocability of Consent, page 255

64. **We note your response to comment 109 of our letter dated March 14, 2012. Please disclose how and when the consents will become effective to take the corporate action under applicable state law.**

The disclosure under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on page 285 of the Form S-4 prospectus has been revised as requested.

65. **Please disclose your authority for declaring the consents irrevocable within the time frame described in the document. We note disclosure that the supervisor can hold consents until all necessary consents have been obtained. In your response, refer to Section 407(b) of the New York Limited Liability Company Law and the fiduciary duties of the agents to the holders of participation interests.**

We respectfully advise the Staff that the Company does not believe that your reference to the disclosure that the supervisor holds consents until all necessary consents are received is correct. As disclosed under the heading "Voting Procedures for the Consolidation Proposal and the

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Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions," on page 285 of the Form S-4 prospectus; the consents may be revoked at any time until the required supermajority consent has been received or the 60th day after the date of the Form S-4 prospectus, if later. This date is not inconsistent with Section 407(b) of the New York Limited Liability Company Law, which requires that that no written consent shall be effective to take the action referred to therein unless, within 60 days of the first consent delivered, written consents

signed by a sufficient number of members to take the action are delivered. Section 407(b) applies only to the members of the subject LLCs. All of the agent/member consents will be provided within 60 days of the first consent from an agent/member. The members are the agents for the participants, not the participants. In other words, participants are not members of the LLCs. The consent of the participants is governed by the participating agreement, which could be deemed to be governed either by contract law or partnership law. In either case, there is no restriction on when a consent is effective under applicable law. While the agents owe fiduciary duties to the participants, we do not believe that any fiduciary obligation would affect treating the consents in this manner.

Results of Operations, Page 277

Year ended December 31, 2011 Compared to Year Ended December 31, 2010, page 277

Other Income and Fees, page 270

66. **You state that the decrease was partially offset by \$5,178 of income received as a voluntary reimbursement of legal expenses previously incurred by the company of which \$5,021 was from the Helmsley estate. Please tell us what consideration you gave to accounting for the reimbursement from the Helmsley estate as a capital contribution. Tell us how you considered the Helmsley estate's relationship with the predecessor, including its voting and economic interests in the combined entities. Also, clarify the accounting guidance that you considered and relied upon.**

We respectively advise the Staff that to be included in the consolidation are seven properties that are supervised by Malkin Holdings that were once managed by Helmsley-Spear. The Helmsley family was the principal owner of Helmsley-Spear until 1997. After the divestiture, the service provided by Helmsley-Spear deteriorated and Malkin Holdings commenced an action to terminate Helmsley-Spear as managing agent of the properties with the intention of replacing it with a competent managing agent. During the period from 1998 through 2006, Malkin Holdings, which is also included in the Predecessor, incurred approximately \$14.7 million in legal fees and other costs (excluding accrued interest) related to arbitration to remove Helmsley-Spear. The legal fees were incurred to benefit each of the properties whose managing agent was Helmsley-Spear. The legal fees were paid by Malkin Holdings (of which the Helmsley estate has no ownership interest), not by the property owning entities that were then managed by Helmsley-Spear. These costs were expensed by Malkin Holdings in the periods in which they were incurred, which were prior to the periods presented in this filing. During 2011, the Helmsley estate (unrelated to Helmsley-Spear after 1997) agreed

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to directly reimburse Malkin Holdings for its allocable share of costs it had previously paid of approximately \$5.0 million that represented the Helmsley estate's aggregate proportional amount of these costs (plus interest) allocated to the ownership interests of the Helmsley estate in the entities that were the subject of litigation involving the removal of Helmsley-Spear as managing agent. This reimbursement was not paid to the actual entities in which the Helmsley estate has an ownership interest. Accordingly, at the date paid, the payment does not represent capital contributions to the partnership for which the Helmsley estate has an interest.

We viewed this reimbursement as a gain contingency in accordance with ASC 450-30-25-1 that in effect, represented a reimbursement of expenses previously incurred by Malkin Holdings related to the previously settled litigation with Helmsley-Spear and, accordingly only recorded the gain upon final settlement and receipt of the funds from the Helmsley estate.

Supplementally, we note for the Staff that on a fully diluted basis, assuming the IPO is completed at the amounts as reflected in our pro forma financial statements, the Helmsley estate will not be the principal stockholder of the Company. Additionally, the Helmsley estate will have no (i) affiliate who will be part of our executive management team, (ii) board representation or (iii) other special voting privileges. As a result, we do not view the Helmsley estate as being a principal stockholder that would warrant their agreement to reimburse us for the costs of the litigation that was entered into to allow us to remove Helmsley-Spear as our managing agent as a capital contribution.

Cash Flows, page 290

Comparison of year Ended December 31, 2011 to Year Ended December 31, 2010, page 290

67. **Please revise your discussion of changes in cash flows from operating activities to address the changes with impacted cash flows from operating activities. It appears the decrease is primarily due to working capital changes, and a reduction in net income, exclusive of accrued overage rent.**

The disclosure has been revised under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows" beginning on page 323 of the Form S-4 prospectus and under the heading "Management's Discussion and Analysis of Financial Condition and Result of Operations – Cash Flows" beginning on page 115 of the Form S-11 prospectus to further expand on the changes in operating cash relating to working capital changes. We respectfully advise the Staff that when comparing the year ended December 31, 2011 to the year ended December 31, 2010, there was not a significant change in net income, exclusive of overage rent and equity in net income of non-controlled entities.

Unaudited Pro Forma Financial Information, page F-4

68. **On page 278, you state that the 2011 projects include revenue of (i) \$16,196 from new construction of residential apartments and a residential parking garage at a development site adjacent to the company's entitled land in Stamford, Connecticut**

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that will not be contributed to the company in the consolidation and (ii) \$22,463 from the construction of two middle schools in Connecticut. Please clarify if you made any adjustments to the pro forma financial statements for the projects that will not be contributed and clarify if there are any other projects or results included in the pro forma statements that will not be contributed.

We respectfully advise the Staff that the pro forma financial income statement has been prepared in accordance with Article 11 and reflects information adjusted "as if" the transaction had occurred at the beginning of the period presented. Accordingly, no adjustments were made to the pro forma financial statements for our construction revenues. Our reference to the assets that will not be contributed to the Company in the consolidation only refers to the assets which will be distributed to the owners prior to the consummation of the formation transactions. We will continue to perform construction services through our taxable REIT subsidiary after completion of the consolidation and IPO, including the remaining work, if any, for the completion of the projects discussed in your comment. We believe the pro forma financial statements reflect all those items with a continuing impact.

69. **Please tell us how you have complied with all of the pro forma requirements in Item 914 (c) of Regulation S-K.**

We respectfully advise the Staff that the pro forma requirements of 914(c) of Regulation S-K require the following:

- (1) Balance Sheet as of the later of the end of the most recent fiscal year or the latest interim period;

We included a pro forma balance sheet as of March 31, 2012.

- (2) Statement of Income (with separate line items to reflect income (loss) excluding and including the roll-up expenses and payments), earnings per share amounts, and ratio of earnings to fixed charges for the most recent fiscal year and the latest interim period;

We included a pro forma statement of income for the year ended December 31, 2011 and three months ended March 31, 2012, which included the pro forma basic and diluted earnings per share (not to be completed until later filings).

When we initially planned the IPO, we were cognizant that the successful completion of the IPO would require a series of steps in order for the individual property owning entities to be either merged into or acquired by the REIT. As the ultimate goal of this process was solely the completion of the IPO, we considered each of the steps, including the consolidation, a necessary and required component to complete the IPO. Accordingly, we have not categorized any of the costs of completing the IPO as specific consolidation expenses. Rather we have allocated the aggregate costs of completing the IPO to each of the participating entities. In this way the costs of the IPO are borne by the entities individually. For those entities that are part of the combined Predecessor, these

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costs (see response to comment 77) have been deferred and will be treated as a reduction of the proceeds raised in the IPO. For the non-controlled entities these costs have been expensed currently on their statements of operations as costs that they incurred which were necessary for them to be acquired. For the non-controlled entities, the Predecessor has recorded through our equity in net income our proportionate share of these acquisition expenses. Upon completion of the IPO, the Company has agreed to reimburse each of the entities that are participating in the IPO the costs that they have been allocated. At that time, the Company will account for the reimbursed costs as an acquisition cost to the Company for acquiring the non-controlled entities. As a result, we have not separately included a line item for the costs of the consolidation as this item does not apply.

As required by Rule 914 (c) – 2 of Regulation S-K, we have now included the ratio of earnings to fixed charges for the year ended December 31, 2011 and three months ended March 31, 2012.

(3) Statement of Cash Flows for the most recent fiscal year and interim period; and

We included a statement of cash flows for the year ended December 31, 2011 and three months ended March 31, 2012.

(4) Book value per share as of the later of the most recent fiscal year or the latest interim period.

As required by Rule 914 (c) – 4 of Regulation S-K, we have now included the pro forma book value per share as of March 31, 2012 (amounts to be computed in later filings).

1. Adjustments to the Pro Forma Condensed Consolidated Balance Sheet (in thousands except per share amounts):, page F-14

Adjustment (C), page F-14

70. **We have reviewed your response to comment 124 of our letter dated March 14, 2012, and we reissue the original comment. Please further clarify and expand your disclosure in footnote (9) to explain how you determined the fair value of the Predecessor's existing ownership interest. Also, cite the accounting guidance you relied upon.**

The disclosure has been revised on page F-19 of the Form S-4 prospectus and on page F-14 of the Form S-11 prospectus to clarify that the Predecessor's existing ownership interest at fair value was determined based on the preliminary aggregate exchange values of the Predecessor's non-controlling interests as determined by the independent valuer.

We respectfully advise the Staff that we applied the provisions of ASC 805-10-25-10 whereby if the acquirer owns a non-controlling interest in the acquiree immediately before obtaining control, the acquirer must re-measure that investment at fair value as of the acquisition date and recognize the resulting gain or loss, if any, in earnings.

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71. **We note your response to comment 122 of our letter dated March 14, 2012. Please clarify if you have now appropriately included the above-or-below market intangibles related to the broadcast license in the pro forma financial statements.**

We respectfully advise the Staff that based on immateriality the pro forma financial statements continue to exclude the above-or-below market intangibles related to the broadcast licenses due to the estimated values being less than 1% of the total fair value allocation. In our final purchase price allocation we will record such intangibles at their final determined amounts. For purposes of the pro forma financial statements, we do not believe it is likely that the judgment of a reasonable person relying upon our financial statements would change or be influenced by the inclusion of adjustments for the additional intangible lease liabilities and related amortization and related property carrying amounts and related depreciation expense.

72. **Please clarify how you consider fixed rate renewal periods, if any, when determining the appropriate amortization period for below-market lease intangibles.**

We respectfully advise the Staff that we performed an analysis on a lease-by-lease basis to determine the likelihood that the tenant under each such lease would exercise its option for the fixed rate renewal periods. To the extent leases have renewal rates that are more than 10 percent below the fair market rent estimate during the renewal period, such leases would be considered by us to be below-market lease intangibles although we would also consider qualitative factors such as (i) the nature of the business of

the tenant and the extent to which this business was compatible with the property it occupied and (ii) the quality of the tenant (including the tenant's long term business prospects). The portion of the values of the leases associated with below-market renewal options that are likely to be exercised are amortized to rental income over the respective renewal periods. As of the date of our preliminary analysis, there were renewal options included in some of our tenant leases; however, the renewal options either required a market rent or if fixed rates the amount of any bargain renewal was below the ten percent threshold and not deemed economically compelling.

73. **In your response to comment 125 of our letter dated March 14, 2012, you describe how you determined the applicable market rent for determination of the amount of settlement gain on the termination of the operating lease with ESBC. It is still unclear to us how you determined the appropriate market rate to use in your calculation. You state in footnote (11) on page F-16 that you used a current market rate for similar arrangements; in light of the unique terms of the lease with ESBC, please clarify how you determined that the market information for office properties in Manhattan that you utilized is comparable. Discuss the general terms of the**

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leasing arrangements that you used and compare to the ESBC lease. For example, you discuss throughout the filing the significant control granted to the operating lessee through the ESBC lease as well as the extended term of the lease.

As noted in our response to comment 75, we respectfully advise the Staff that the settlement gain on termination of the operating lease with ESBC was determined by our independent valuer. The settlement gain was determined by comparing the estimated current market rent to the pre-existing contractual rent under the operating lease between one of the Predecessor entities and ESBC. The independent valuer estimated current market rent for the remaining term of the ground lease as follows:

- the estimated fair value of the land was determined based on the opinion of the independent valuer which performed a comparable sales analysis.
- a survey of three recent net leased property sales in Manhattan which were of a similar class to ESBC indicated market rental rates ranging from 3.71% to 4.60%.
- a broker opinion (i.e., a market participant) indicated that rental rates range from 4% – 7% of land values for both office and multi-family properties that are long-term ground leased.
- based on market research, it has been determined that for travel and tourist business operations that rely heavily on the leased real estate – such as hotels, casinos, ports, and theme parks (other high customer driven rental operations) – ground rent involves a percentage of the operators' revenue and for hotels the rate ranges from 4% to 7%; therefore, an assumption was made that a market participant would require additional rent of 5% from ESBC's projected income attributable to the observatory operations.
- an estimated year one ground rent of 4.5%, plus the 5% of ESBC's projected year one income attributable to the observatory operations, yielded an aggregate market rate of 4.8%, which is slightly above the range of the capitalization comparables without percentage rent and at the low end of the range of the broker opinion.

As noted in our response to comment 75, we believe the terms of the ESBC lease are materially consistent with the terms of any typical Manhattan ground lease or other triple net leased property with a contingent rent feature. Rather what is unique is the fact that by acquiring the equity interest in the non-controlled entities and terminating the operating lease, we are entitled to 100% of the economic benefit of operating the observatory. We believe the high customer volume generated by the observatory, one of the most well-known New York City tourist attractions, warrants assigning a premium to the market rental rate, yielding an all-in rate of 4.8%. See our response to comment 75 for a discussion on why we believe the terms of the ESBC and 501 Seventh Avenue leasing arrangements are materially consistent with the terms of any typical Manhattan ground lease or other triple net leased property with a contingent rent feature.

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74. **Furthermore, you state in response to comment 125 of our letter dated March 14, 2012, that you made additional adjustments to the estimated market rent to account for the positive impact that the observatory operations have on the value of the lease position. Please expand on what is meant by**

“high customer driven rental operations,” and tell us how you determined that using market rate information of operations like casinos is appropriate for your arrangement. It appears there may be significant differences in these industries, for example, due to economic or regulatory factors, among others.

We respectively advise the Staff to please see our response to comment 73.

75. **We note your response to comment 123 of our letter dated March 14, 2012. You state that you do not believe that either of the sublease contracts granted an intangible asset or any other right to ESBC or 501 Seventh, other than the typical right that a tenant has to use a leased asset under an operating lease. We note that this statement is inconsistent with your discussion of these operating leases throughout your filing. For example, you highlight the absolute control granted to the operating lessees which impacts the lessors’ ability to operate, improve, finance, and sell the property. Thus, we continue to question whether this transaction represents a reacquisition of a previously granted right as detailed in ASC 805-20-25-14. Please provide us with a revised analysis.**

We respectfully advise the Staff that we believe the terms of our subleases are materially consistent with the terms of any typical Manhattan ground lease or other triple net leased property with a contingent rent feature. The rights granted by us to the sublessees are not atypical of comparable rights granted to ground lessees in similar ground leases. In fact, we have been granted a similar amount of control pursuant to the leases in which we are the lessee. As an example, we note that the ground lease with 112-1400 Trade Properties, LLC (a third party lessor) provides the operating lessee, 112 West 34th Street Associates, LLC (the entity that owns 112-122 West 34th Street, one of our option properties), with the ability to make all decisions relating to the operations of the property.

References made by us in the Form S-4 and Form S-11 regarding “absolute control” were not meant to convey any legal or accounting concepts. Rather, these disclosures were intended to convey the fact that we, similar to other ground lessors, do not have rights relating to the operations of the properties, and that, due to the contractual provisions of the operating leases and each LLC’s ability to take timely advantage of favorable opportunities, including financings and sales, is limited, unless the operating lessee also agrees to such action.

We further note that in view of the fact that the subject LLCs own the interests in the properties, but the operating lessees operate the properties, the supervisor believes that, unless the operating lessee joins with the corresponding subject LLC in a sale or financing of the property, such a sale or financing would not maximize the value of the such subject LLC’s interests in the property. We respectfully refer the Staff to the section entitled “Summary—Benefits of Participation in the Consolidation” beginning on page 33 of the Form S-4 prospectus where this is further discussed.

We note that the guidance in ASC 840 states that the classification of a lease is determined at lease inception and should not be changed as a result of a business combination and as such, the acquiree’s classification of its leases is not reconsidered in a business combination unless the agreement is modified as part of the acquisition and is deemed a new lease under the guidance in ASC 840-10-35-4.

We supplementally advise the Staff that we do not believe ASC 805-20-25-14 applies to our situation. We believe the subleases should be accounted for in accordance with the recognition principles in ASC 805-20-25-11 through 25-13 and ASC 805-20-30-5 and are subject to the fair value model, thereby requiring an assessment be performed as to whether the underlying lease has an inherent value (e.g., in-place lease value) or provisions that are off-market, favorable or unfavorable, given market conditions that exist on the date of the acquisition and the terms and conditions of the existing lease.

Since we intend to settle the subleases at the time of the formation transaction, we believe ASC 805-10-55-30 illustrates the measurement and recognition concepts of accounting for preexisting executory contract relationships between parties to a business combination. Specifically, the gain or loss on settlement of these executory contracts must be determined based on the lesser of the amounts by which the leases are favorable to us at the time of acquisition or the stated settlement provision. There are no settlement provisions in our subleases. Accordingly, we engaged our independent valuer to provide an estimate of the amounts by which the subleases are either favorable or unfavorable to us at the time of acquisition. For the ESBC sublease, our independent valuer determined that the current market rent would be less than the pre-existing contractual rent under the operating lease between one of the Predecessor entities and ESBC. Accordingly, upon elimination of the leasehold position and the related liability for

the above-market lease, we will be recording an estimated gain reflecting the aggregate fair value of this arrangement of approximately \$140 million upon our acquisition of the equity interests in ESBC. For the 501 Seventh Avenue sublease, our independent valuer determined that the current market rent would be in excess of the pre-existing contractual rent under the operating lease between one of the Predecessor entities and 501 Seventh Avenue. Accordingly, upon elimination of the leasehold position and the related asset for the below-market lease, we will be recording an estimated loss reflecting the aggregate fair value of this arrangement of approximately \$6.4 million upon our acquisition of the equity interests in the 501 Seventh Avenue. The net amount of approximately \$133.9 million has been reflected as an increase in pro forma stockholders' equity on the Pro Forma Balance Sheet as of December 31, 2011.

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Empire State Realty Trust, Inc. Notes to Consolidated Balance Sheet, page F-26

Note 3. Commitments and Contingencies, page F-27

Litigation, page F-28

76. **Please expand your disclosure to comply with the requirements of ASC 450-20-50 including disclosure of an estimate of the reasonably possible range of loss or a statement that such an estimate cannot be made.**

The disclosure has been revised on pages F-70 and F-99 of the Form S-4 prospectus and on pages F-70 and F-86 of the Form S-11 prospectus to clarify that a loss accrual has not been provided for in the historical financial statements because we believe the actions are without merit and any potential for loss cannot be reasonably estimated at this time.

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Empire State Realty Trust Predecessor Combined Statements of Cash Flows, page F-39

77. **We have reviewed your response to comment 126 of letter dated March 14, 2012 and your revised disclosures. Please provide us with a more detailed discussion of these costs, formerly referred to as portfolio planning costs, and tell us how you determined that none of these costs are acquisition-related costs, rather than offering costs. We note that these costs include accounting, legal, and professional fees; explain in more detail the type of services received in exchange for these fees.**

We respectfully advise the Staff that we applied the guidance in SAB Topic 5A, which indicates that "Specific incremental costs directly attributable to a proposed or actual offering of securities may properly be deferred and charged against the gross proceeds of the offering" as a reduction of additional paid-in-capital. Such costs represent expenses that were incurred in order to effectuate the IPO (exclusive of management salaries or other general and administrative expenses which in accordance with Topic 5A may not be allocated as costs of the offering).

Because the costs incurred to complete the IPO, with all of the necessary steps including the consolidation, benefited all of the entities participating in the consolidation, we determined that the most reasonable method of having each entities' owners bear their fair share of such costs was to allocate these costs to the respective entities on a relative basis based upon each entity's preliminary equity values to the overall preliminary exchange value as determined by our independent valuer.

Acquisition-related costs, which differ from offering costs, are costs incurred to effectuate the business combination, which occurs as each non-controlling entity is being acquired as part of the consolidation. The costs allocated to the non-controlling entities have been expensed on their individual financial statements as costs of being acquired. Upon completion of this IPO, the Company has agreed to reimburse each of the entities that are participating in the IPO the costs that they have been allocated. At that time, the Company will account for the reimbursed costs as an acquisition cost to the Company for acquiring the non-controlled entities.

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As we have disclosed under the heading "Exchange Value and Allocation of Operating Partnership Units and Common Stock – Derivation of Consolidation Expenses" on page 238 of the Form S-4 prospectus, as of March 31, 2012 we have incurred approximately \$41.2 million of such costs. Of this amount \$19.8 million has been deferred by the Predecessor as a cost of the offering. The remaining \$21.5 million has been expensed on the statement of operations on the financial statements of the non-controlled entities and the option properties, as costs that they have incurred which were necessary for them to be acquired. For the non-controlled entities, the Predecessor has recorded through our equity in net income the proportionate share of these acquisition expenses.

As discussed under the heading "Chronology of the Consolidation" beginning on page 143 of the Form S-4 prospectus, when we began to investigate the feasibility of such a consolidation and IPO, we retained selected firms as counsel, accountants, investment bankers and valuation firm. The types of services provided in exchange for these fees include the following:

- Accounting fees – Additional accounting fees incurred to prepare and audit the U.S. GAAP financial statements of the Company.
- Legal fees – assistance complying with all applicable federal and state securities laws and regulations, reviewing and revising existing contractual obligations, preparing the prospectus and registration statement, etc.
- Appraisals – determination of the exchange values of the subject LLCs, private entities, and the management companies, and the allocation of such values among the participants and the holders of the override interests in accordance with each subject LLC's organizational documents.
- Solicitation, printing and mailing, pre-formation costs – additional services which are customarily only performed in an IPO.

In the event that the IPO is aborted, the offering costs will be expensed.

Form of Consent

- 78. We note your response to comment 131 of our letter dated March, 14, 2012 and reissue the comment. Please explain how you determined that investors could be subject to lock-up provisions which they have not seen and you have not disclosed.**

We believe that an investor can agree in advance to be bound by the lock-up agreement, as subsequently modified. However, in order to address your comment, the consent will be revised to provide that the investor is agreeing to the lock-up agreement in the form attached as Exhibit G to the contribution agreement, which is attached as Appendix B to the supplement for each subject LLC. Accordingly, the investors will be agreeing to a lock-up agreement in a form seen by them and disclosed.

Exhibits

- 79. We note your response to comment 134 of our letter dated March 14, 2012 and we reissue in part our prior comment. We note that throughout the registration statement, you reference the original transaction documents involving the subject LLCs and the operating lessees. Considering the significance of these documents on participants' understanding of their rights and fairness of the proposed transaction, please file these agreements as part of the registration statement. These agreements would appear to include the original lease agreement and participating agreement.**

The original organizational documents, lease agreements and the participating agreements have been filed as exhibits to the Form S-4 Amendment No. 2. These documents have been incorporated by reference, to the extent that they are available on EDGAR and filed with Amendment No. 2, to the extent that they are not available on EDGAR.

- 80. We note your disclosure throughout the registration statement regarding the agreement between the Helmsley estate and the supervisor. Please file the agreement as an exhibit or tell us why you believe it is not material to investors.**

The agreements between the Helmsley estate and the supervisor relating to the consolidation have been filed as exhibits to the Form S-4 Amendment No. 2.

- 81. Comment communicated orally on June 13, 2012 : Specifically address who the accounting acquirer**

is (the predecessor, the REIT or another entity) and the accounting basis for such determination. If it is the predecessor, we note the predecessor is not a legal entity. Please specify which of the entities that comprise the predecessor is the accounting acquirer and the accounting basis for such determination.

In response to a comment of the Staff communicated orally on June 13, 2012, with respect to the Company's identification of the accounting acquirer and accounting basis for such determination, we supplementally advise the Staff that we have designated Malkin Holdings, which is included in the Predecessor group, as the accounting acquirer for the reasons set forth below. As disclosed in the Form S-4 and Form S-11 Registration Statements, it is through Malkin Holdings as supervisor of the Predecessor entities, that the Sponsors (Anthony E. Malkin and Peter L. Malkin) and/or their affiliates and family members, control the activities over the Controlled Entities. Accordingly, we have revised our disclosure in the Form S-4 and Form S-11 Registration Statements to clarify that one of the Predecessor entities has been identified as the accounting acquirer.

We acknowledge that the accounting guidance in ASC 805 requires the identification of the acquiring entity for all business combinations that are required to be accounted for using the acquisition method of accounting (i.e., fair value). We have concluded that the Formation Transactions, whereby the Controlled Entities will contribute their assets and liabilities to our

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operating partnership or our operating partnership's subsidiaries (collectively, referred to as the "Operating Partnership") in exchange for shares of our common stock, operating partnership units and/or cash, (i) represent transactions between entities under common control since the Sponsors control a majority interest in each of the Controlled Entities comprising our predecessor, and (ii) do not meet the requirements to be accounted for as a business combination. ASC 805 specifies that common control transactions are not accounted for at fair value – rather, they are generally accounted for at the carrying amount (i.e., historical cost) of the net assets or equity interests transferred. We have further concluded that the contribution of the assets of, or acquisition by merger of, the Non-Controlled Entities (including our Predecessor's non-controlling interest in these entities) will be accounted for as an acquisition under the acquisition method of accounting and recognized as the estimated fair value of acquired assets and assumed liabilities on the date of such contribution or acquisition since we will obtain control thereby triggering the application of the acquisition model in ASC 805.

Concurrently with the Formation Transactions, we intend to conduct an underwritten initial public offering of our Class A common stock using a typical real estate structure, *i.e.*, a Maryland corporation which will qualify for U.S. federal income tax purposes as a real estate investment trust, or "REIT". The REIT is a vehicle created and controlled by the Sponsors which will be used to issue equity to public stockholders and will be the continuing entity after the completion of the initial public offering (the "IPO" or "Offering") and Formation Transactions. The REIT, through its general partner interest, will control the Operating Partnership, which in turn will own a controlling interest in the contributed properties.

In a business combination effected by transferring cash or other assets or by incurring liabilities, the acquirer is usually the entity that transfers the cash or other assets or incurs the liabilities (ASC 805-10-55-11). In a business combination effected primarily through an exchange of equity interests, as is the case in our Formation Transactions, determination of the accounting acquirer should include a consideration of, among other things, which of the combining entities initiated the combination, as well as the relative size of the combining entities (ASC 805-10-55-14). Further, if a new entity is formed to issue equity interests to effect a business combination, one of the combining entities that existed before the business combination shall be identified as the acquirer (ASC 805-10-55-15). ASC 805 retains the concept from SFAS 141 that a Newco must be substantive in order to be deemed the accounting acquirer. Although, Empire State Realty Trust, Inc. is the legal acquirer, we do not believe that Empire State Realty Trust, Inc. is substantive to be deemed the accounting acquirer as it does not have substantive pre-combination activities. Accordingly, we then evaluated which of the combining entities should be identified as the accounting acquirer.

We believe ASC 805 applies to the IPO and Formation Transactions, which is a combination by the Sponsors of entities it controls, plus the acquisition of entities that the Sponsors have agreed to acquire concurrently with the consummation of the IPO. For accounting purposes, this, in substance, requires the

contribution of the Predecessor to the REIT to be accounted for at Predecessor basis and the acquisition of the Non-Controlled Entities to be accounted for at fair value as a result of applying purchase business combination accounting.

In performing our analysis to identify the accounting acquirer, we also considered the guidance in ASC Sections 805-10-55-10 through 805-10-55-15 as follows:

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a. *ASC Section 805-10-55-10*

Paragraph 805-10-25-5 provides that the guidance in the General Subsections of Subtopic 810-10 related to determining the existence of a controlling financial interest shall be used to identify the acquirer in a business combination, except when a variable interest entity (VIE) is acquired. If a business combination has occurred but applying that guidance does not clearly indicate which of the combining entities is the acquirer, paragraph 805-10-25-5 requires the factors in paragraphs 805-10-55-11 through 55-15 to be considered in making that determination.

We do not believe the identification of the accounting acquirer is clear by applying the overriding change in control concept since, even though there will be a “loss in control,” there has not been a change in control because no one individual or group controls the REIT subsequent to the IPO and Formation Transactions and it cannot be presumed that the public shareholders would act as a collaborative group. As such, since the accounting acquirer under ASC 805-10-55-10 is not determinative, we have analyzed the accounting acquirer pursuant to the guidance set forth under ASC 805-10-55-11 through 15.

b. *ASC Section 805-10-55-11*

In a business combination effected primarily by transferring cash or other assets or by incurring liabilities, the acquirer usually is the entity that transfers the cash or other assets or incurs the liabilities.

As consideration for contribution of the Predecessor entities to, at the Sponsor’s direction the REIT will issue shares of its Class A common stock and cause the Operating Partnership to issue operating partnership units, as well as assume debt currently encumbering the properties. The REIT will then issue shares of its Class A common stock for cash in the IPO. The cash will be used as set forth under the heading “Use of Proceeds” section on page 67 of the Form S-11 prospectus.

As previously mentioned, we do not believe that the REIT is substantive to be deemed the accounting acquirer as it does not have substantive pre-combination activities.

c. *ASC Section 805-10-55-12*

In a business combination effected primarily by exchanging equity interests, the acquirer usually is the entity that issues its equity interests. However, in some business combinations, commonly called reverse acquisitions, the issuing entity is the acquiree. Subtopic 805-40 provides guidance on accounting for reverse acquisitions. Other pertinent facts and circumstances also shall be considered in identifying the acquirer in a business combination effected by exchanging equity interests, including the following:

a. The relative voting rights in the combined entity after the business combination. The acquirer usually is the combining entity whose owners as a group retain or receive the largest portion of the voting rights in the combined entity. In determining which group of owners retains or receives the largest portion of the voting rights, an entity shall consider the existence of any unusual or special voting arrangements and options, warrants, or convertible securities.

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Holders of operating partnership units that acquire shares of our Class B common stock will have a significant vote in matters submitted to a vote of our stockholders. Each outstanding share of Class B common stock entitles the holder thereof to 50 votes on all matters on which Class A common stockholders are entitled to vote, including the election of directors. It is anticipated that the stockholder group of the Controlled Entities will own an approximate 73% economic interest and the most significant voting interest in the REIT after contribution of the Predecessor entities and acquisition of the Non-Controlled Entities, but before factoring in dilution as a result of the IPO.

The Malkin Family (as defined in the company's charter) will receive the largest portion of the voting rights in the combined entity which is indicative that one of the Predecessor entities is the accounting acquirer.

b. The existence of a large minority voting interest in the combined entity if no other owner or organized group of owners has a significant voting interest. The acquirer usually is the combining entity whose single owner or organized group of owners holds the largest minority voting interest in the combined entity.

As noted above, the Sponsors and the Malkin Family will have the most significant voting interest, on a fully-diluted basis, in the REIT post-closing of the IPO. We believe the large minority interest held by the Malkin group is indicative that one of the Predecessor entities is the accounting acquirer. Further, the REIT's charter contains stock ownership limits prohibiting any person, except for possibly the Malkin Family, from directly or indirectly owning more than a specified percentage in value or number of shares, whichever is more restrictive, of the outstanding shares of the capital stock or more than specified percentage in value or number of shares, whichever is more restrictive, of the outstanding shares of the common stock. As a result, we do not anticipate there will be other large minority interests that come from other stockholder groups following the IPO.

c. The composition of the governing body of the combined entity. The acquirer usually is the combining entity whose owners have the ability to elect or appoint or to remove a majority of the members of the governing body of the combined entity.

Currently, we have one director, Anthony E. Malkin. Upon completion of the IPO and the Formation Transactions, our board of directors will consist of seven members, including the six currently unidentified independent director nominees who will become directors upon completion of the IPO. Our Sponsors will select the initial six independent directors prior to the IPO. Accordingly, we believe our Sponsors involvement in the initial selection of our board of directors is indicative that one of the Predecessor entities is the accounting acquirer.

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d. The composition of the senior management of the combined entity. The acquirer usually is the combining entity whose former management dominates the management of the combined entity.

Each of the Predecessor entities is supervised by Malkin Holdings, LLC and that management team will be the Company's management team upon completion of the Formations Transactions and the IPO. As substantially all of the management team is comprised of the existing management team of the Predecessor, this factor would support one of the Predecessor entities as the accounting acquirer.

e. The terms of the exchange of equity interests. The acquirer usually is the combining entity that pays a premium over the precombination fair value of the equity interests of the other combining entity or entities.

None of the entities will be paying a premium over the pre-combination fair values of the equity interests of the other combining entities as the equity values are based upon preliminary exchange values as determined by the independent valuer.

d. ASC Section 805-10-55-13

The acquirer usually is the combining entity whose relative size (measured in, for example, assets, revenues, or earnings) is significantly larger than that of the other combining entity or entities.

The Predecessor entities account for approximately 73% of the Total Exchange Value, and so we evaluated the Predecessor as a group. Rather than look to relative size or premium we determined it would be more meaningful to consider which entity within the Predecessor group exerts control over the Controlled Entities, which in this case is Malkin Holdings. We believe this analysis supports one of the Predecessor entities as the accounting acquirer.

Other Factors Considered:

ASC Section 805-10-55-14 provides consideration of which of the combining entities initiated the combination. The above factors support our conclusion that one of the entities within the Predecessor group be deemed the accounting acquirer. In evaluating the entities within the Predecessor group, we considered that Anthony E. Malkin is the "promoter" in connection with the IPO and both Anthony E. Malkin and Peter L. Malkin are sponsoring the Formation Transactions and IPO. Messrs. Malkin are principals of Malkin Holdings which, in

turn, is the supervisor of the entities comprising the Predecessor. As the active manager over the Controlled Entities, we believe that Malkin Holdings would be considered the accounting acquirer.

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We thank you for your prompt attention to this letter responding to the comment letter and look forward to hearing from you at your earliest convenience. Please direct any questions concerning this response to Larry Medvinsky at (212) 878-8149 or Steven Fishman at (212) 969-3025.

Yours truly,

/s/ Larry Medvinsky

Larry Medvinsky
Clifford Chance US LLP

/s/ Steven Fishman

Steven Fishman
Proskauer Rose LLP

cc: Anthony E. Malkin
Eric McPhee
Jessica Barberich
Angela McHale
David L. Orlic

August 13, 2012

VIA EDGAR AND OVERNIGHT COURIER

Mr. Tom Kluck
United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

**Re: Empire State Realty Trust, Inc.
Empire State Realty OP, L.P.
Amendment No. 2 to Registration Statement on Form S-4
Filed July 3, 2012
File Nos. 333-179486; 333-179486-01**

Dear Mr. Kluck:

On behalf of Empire State Realty Trust, Inc., a Maryland corporation (the "Company") and Empire State Realty OP, L.P. (the "Operating Partnership"), we are transmitting for filing pursuant to the Securities Act of 1933, as amended (the "Securities Act"), Amendment No. 3 ("Form S-4 Amendment No. 3") to the Registration Statement on Form S-4 (File Nos. 333-179486; 333-179486-01) of the Company and the Operating Partnership (the "Form S-4 Registration Statement") and the Company's responses to the comments of the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") contained in your letter dated July 31, 2012.

For convenience of reference, each Staff comment contained in your July 31, 2012 comment letter is reprinted below in italics, numbered to correspond with the paragraph numbers assigned in your letter, and is followed by the corresponding response of the Company and the Operating Partnership, as applicable.

We have provided to you five courtesy copies of the Form S-4 Amendment No. 3, filed by the Company and the Operating Partnership on the date hereof, and five copies of the Form S-4 Amendment No. 3 which are marked to reflect changes made to the Form S-4 Registration Statement filed with the Commission on July 3, 2012 (the "Marked Copies"). The changes reflected in the Form S-4 Amendment No. 3 have been made in response to the Staff's comments and for the purpose of updating and revising certain information in the Form S-4 Registration Statement. All page references in our responses are to the pages of the Marked Copies. Capitalized terms used and not otherwise defined in this response letter that are defined in the Form S-4 Registration Statement shall have the meanings set forth in the Form S-4 Registration Statement. Please note that references to "we," "our" and "us" refer to the Company, the Operating Partnership or the supervisor, as applicable.

August 13, 2012
Page 2

General

- 1. The comments and page references below refer to the Form S-4 as filed on July 3, 2012. To the extent the comments are also applicable to disclosure in the Form S-11, please revise the Form S-11 accordingly. We may have further comments on the Form S-11.**

We acknowledge the above comment.

- 2. We note your response to comment 3 of our letter dated June 8, 2012. Please note that we are reviewing your response in regards to the third-party portfolio proposal and whether it complies with Section 14(a) of the Exchange Act. We may have further comments.**

We acknowledge the above comment and the views expressed by the Staff in the August 9th telephone call concerning this comment, all of which is currently under review by the Company.

- 3. We note your response to comment 2 of our letter dated June 8, 2012. Item 911(a)(4) of Regulation S-K requires the filing of all reports received from an outside party which are materially related to the transaction, without exception for preliminary or draft reports, or for materials that were not ultimately relied on by the sponsor. Accordingly, please file as exhibits to your registration statement all of the schedules and work papers described in your response, including the June report, the preliminary draft valuation, the actual property appraisals for the subject LLCs, and all similar**

appraisals and materials relating to the private entities. To the extent that these reports present findings or conclusions that are materially different from those appearing in Exhibit 99.47, please summarize those differences in your prospectus. Finally, please modify the legend on page 222 to include all filed reports, appraisals and opinions, not simply Exhibit 99.47.

We have filed the June illustrative report as Exhibit 99.48. We are providing to the Staff supplementally interim preliminary work papers relating to the property valuations prepared by the independent valuer and sent to the supervisor on September 16, 2011, October 4, 2011, October 15, 2011 and November 17, 2011. The September 16, 2011 preliminary work papers relating to property valuations were the first preliminary work papers relating to property valuations that the independent valuer furnished to the supervisor.

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In addition to the interim preliminary work papers relating to property valuations describe above, we are providing to the Staff supplementally interim preliminary work papers relating to allocations prepared by the independent valuer and sent to the supervisor on October 5, 2011 and October 14, 2011. The interim preliminary work papers relating to allocations allocate the values included in the interim preliminary work papers relating to property valuations to each of the subject LLCs and the private entities and calculated preliminary exchange values.

The material differences reflected in these interim preliminary work papers are described below.

As we stated in our response to the Staff dated July 3, 2012, we believe that the interim preliminary work papers relating to property valuations and allocations do not represent separate reports that are required to be filed. Instead, each of these work papers was submitted for the purpose of being reviewed and corrected and it was contemplated that a final preliminary valuation would be delivered after completion of the review process. We believe that the inclusion in the Form S-4 Registration Statement of these interim preliminary work papers is confusing and potentially misleading and does not provide information material to participants; we continue to believe that not every communication between a financial advisor and a registrant should be deemed to be a "report" within the meaning of Item 911(a)(4) and required to be filed as an exhibit to a registration statement. We believe that the word "report," though not defined, should be interpreted to mean only those communications that are intended to convey advice or conclusions rather than communications intended to solicit information from a registrant or to confirm information. To the extent that, notwithstanding the foregoing, the Staff requires filing of these interim preliminary work papers relating to property valuations and allocations as exhibits to the Form S-4 Registration Statement, we will file the forms furnished supplementally and include the following disclosure:

"During the period from September 16, 2011 through the submission of the final preliminary valuation prior to commencement of the solicitation of consents from participants in the private entities in November 2011, the independent valuer provided to the supervisor for its review interim preliminary work papers with respect to property valuations and allocations of consideration. These interim preliminary work papers were submitted for review and verification and were not intended to and did not reflect the final work product or advice or conclusions of the independent valuer. The interim preliminary work papers relating to property valuations and allocations containing material changes are filed as exhibits to the Registration Statement on Form S-4.

The following are the material differences from the final valuation reflected in the interim preliminary work papers relating to property valuations and allocations: revisions to the property allocations to reflect corrections provided by the supervisor for the calculation of the overage rent payable under operating leases to conform to the various governing documents; adjustment in the management fees the independent valuer applied in respect to certain of the non-New York City properties to the actual management fees paid by the private entities that own such properties; changes in the property valuations and allocations to reflect the change in the valuation methodology from valuing the residual interest in a two-tier property on the basis of the discounted cash flow method to valuing it on the basis of the 50/50 joint venture method and, in connection therewith to change the allocation of debt from 100% to the subject LLCs to 50% to the subject LLCs and 50% to the operating lessees, except for \$60,500,000 of debt of Empire State

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Building Associates L.L.C. incurred in connection with the acquisition of the fee interest, which was allocated 100% to Empire State Building Associates L.L.C; changes in the allocations to reflect changes in the property values; and changes in the discount rates and terminal capitalization rates.”

We advise the Staff that, in addition to the interim preliminary work papers that we are furnishing supplementally, other preliminary work papers were furnished by the independent valuer to the supervisor. These work papers either contained immaterial changes from the prior preliminary work papers or were part of a single revision, with changes that were made in stages, which were fully incorporated in subsequent preliminary work papers that are provided supplementally. We do not believe that any of these submissions should be considered to represent separate preliminary work papers. For example:

- Prior to the preliminary work papers relating to property valuations provided on October 4, 2011, there were corrections provided by the supervisor in the calculation of the overage rent payable under operating leases, which were incorporated in part in an interim set of work papers and completed in the October 4, 2011 work papers. The interim work papers also made certain other changes, all of which were included in the October 4, 2011 work papers. We do not believe that these interim preliminary work papers should be required to be filed.
- An interim set of work papers (which did not include back-up details) of the valuation changes relating to the 50/50 joint venture analysis was provided by the independent valuer, which also included changes in the discount rates and terminal capitalization rates for certain of the properties. All of those changes, with backup, were included in the October 13, 2011 work papers relating to property valuations. We do not believe that these interim preliminary work papers should be required to be filed.

In addition, we advise the Staff that we have included a legend under “Reports, Opinions and Appraisals — Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 210 of the Form S-4 prospectus with respect to furnishing the June report and will include similar legends with respect to any of the interim work papers that we are required to file.

4. **We note your response to comment 8 of our letter dated June 8, 2012. Given that the supervisor can implement the buyout regardless of whether a transaction is consummated, please provide your analysis under Rule 13e-3 with respect to a standalone buyout. Please also briefly describe the circumstances under which the supervisor may choose to abandon or postpone the transaction, and the authority for doing so, in both the case where the buyout is implemented and where it is not.**

We supplementally advise the Staff that we do not believe the fact that the supervisor can implement the buyout whether or not a transaction is consummated alters the Rule 13e-3 analysis. Whether or not the buyout is effected is within the control of the participant who can consent to a transaction after notice that the required supermajority consent has been received. Therefore, the buyout under these circumstances does not affect the right of a participant to receive Class A common stock or compliance with the conditions of Rule 13e-3(g)(2).

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By changing his or her consent after the buyout notice is received, each participant has the ability to receive a security meeting the conditions of Rule 13e-3(g)(2), if the transaction is consummated, and to retain his or her current participation interest, if the transaction is not consummated.

The participants, by voting for the proposed transaction, authorize the agents to proceed with the transaction. The agents under the operating agreement have the final decision as to whether to proceed with the transaction, and the agents, all of whom are principals of the supervisor, have the discretion, subject to their fiduciary duties, to determine whether to proceed. The supervisor, acting on behalf of the subject LLCs and the agents, similarly have discretion, subject to its fiduciary duties, as to whether to abandon or postpone the transaction. Because unanimity of the participants is required to provide the authority to proceed with the transaction, the buyout would need to be effected following receipt of consents from the supermajority to provide such authority. As a result, the buyout needs to be effected whether or not the subject LLCs ultimately proceed with the transaction and is not affected by whether or not the transaction closes.

We supplementally advise the Staff that, while the buyouts of any non-consenting participants that do not change their vote after the buyout notice are necessary to obtain the unanimous consent required under the participating agreements, it is not the supervisor's or the agents' intention to effect any buyouts. In past transactions, the supervisor and the agents have sought to avoid the buyout through a series of calls and letters to participants to encourage participants to change their vote after the supermajority consent has been received. As a result of calls and letters from the supervisor and the agents in connection with the solicitation of consents from participants in the private entities, no buyouts were effected in the private entities which were subject to similar buyout provisions. The supervisor and the agents intend to proceed in the same manner in connection with buyouts of participants in the subject LLCs.

Prospectus Cover Page

5. **Please revise the cover page of the prospectus to disclose that holders of the operating partnership units will not have economic or voting interests in the REIT.**

The disclosure on the cover page of the Form S-4 prospectus has been revised as requested.

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Questions and Answers about the Consolidation, page 1

What will I be entitled to receive if I don't vote "FOR" the consolidation and either proposal is approved by my subject LLC? page 5

6. **Please clarify in the subheading the other proposal to which you are referring.**

The subheading on page 5 of the Form S-4 prospectus has been revised to refer only to the consolidation proposal. Please note that the third party portfolio proposal is already separately addressed on page 9 of the Form S-4 prospectus under the heading "Questions and Answers about the Consolidation — What will I be entitled to receive if I don't vote "FOR" the third-party portfolio proposal and it is approved by my subject LLC?"

When can I sell operating partnership units or shares of Class A common stock of the company after the consolidation and the IPO? page 6

7. **Please clarify, as discussed on page 427, that the Class A shares that you refer to in the second sentence are only issuable in exchange for OPUs beginning twelve months after completion of the IPO at the company's election. We note your related disclosure on page 8.**

The disclosure under the headings "Questions and Answers about the Consolidation — When can I sell operating partnership units or shares of Class A common stock of the company after the consolidation and the IPO?," "Summary — What You Will Receive if Your Subject LLC is Included in the Consolidation — Operating Partnership Units," "Risk Factors — Risk Factors Related to the Company and Risks Resulting from the Consolidation — The number of shares and operating partnership units available for future sale could adversely affect the market price of the operating partnership units and the company's Class A common stock," "Recommendation and Fairness Determination — Material Factors Underlying Belief as to Fairness," and "The Consolidation — Lock-Up Agreements" on pages 6, 60, 102, 169, and 191, respectively, of the Form S-4 prospectus has been revised as requested.

What is the process by which I may change my vote on the consolidation proposal or the third-party portfolio proposal? page 13

8. **We note your added disclosure on page 13 in response to comment 15 of our letter dated June 8, 2012. In the example you give on page 14, the buyout notice that supermajority consent has been received is mailed to participants who abstained or voted "against" on day 61, even though the required supermajority was actually received on day 47. Please confirm that the buyout notice will not be mailed out earlier than the end of the 60 day solicitation period. Also, please disclose whether a participant may call MacKenzie Partners, Inc. ("MacKenzie") during the**

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solicitation period to check the status as to whether or not supermajority consent has been received and/or to confirm that MacKenzie has received a participant's changed vote.

We supplementally advise the Staff that, as disclosed under the heading "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal — Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions — Revocability of Consent" on page 285 of the Form S-4 prospectus, the buyout notice will be mailed out following the expiration of the solicitation period, as it may be extended. Accordingly, it cannot be mailed out prior to the end of the solicitation period, which is a minimum of 60 days.

The disclosures under the headings "Questions and Answers About the Consolidation — What is the process by which I may change my vote on the consolidation proposal or the third-party portfolio proposal?," "Summary — Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal," "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal — Distribution of Solicitation Materials," " — Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions," and "Consent Procedures for Voluntary Pro Rata Reimbursement Proposal," on pages 14, 74, 281, 285, and 286 respectively, of the Form S-4 prospectus, have been revised to state that participants may call MacKenzie during the solicitation period to check whether or not the required supermajority consent has been received or confirm that MacKenzie has received a changed vote.

Are there tax consequences as a result of the consolidation? page 14

9. **We note your disclosure in the paragraph on page 15 following subsection (iii) regarding when an investor may be treated as receiving shares of common stock and immediately transferring such shares to the supervisor as a reimbursement payment. Please revise to clarify when this treatment would apply. For example, does it apply to participants who vote "yes" to the voluntary pro rata reimbursement program and/or to participants who voted in favor of the voluntary capital overrides?**

The disclosure under the headings "Questions and Answers About the Consolidation — Are there tax consequences as a result of the consolidation," "Summary — U.S. Federal Income Tax Considerations of the Consolidation Proposal" and "U.S. Federal income Tax Considerations — U.S. Federal Income Tax Consequences of the Consolidation — General" on pages 15, 78 and 475, respectively, of the Form S-4 Prospectus has been revised as requested. We supplementally advise the Staff that the treatment does not apply to participants that consented to the voluntary capital override.

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Summary, page 17

Background of and Reasons for the Consolidation, page 27

10. **We note your response to comment 31 of our letter dated June 8, 2012, as well as your revised disclosure on page 28. We particularly note your additional disclosure about the compensation at an hourly rate for special supervisory services. Please quantify these fees to the extent material and explain what types of services are included in the special supervisory services. Lastly, please clarify whether these fees were included when calculating the exchange value of the management companies.**

The disclosure under the headings "Summary — Background of and Reasons for the Consolidation — The Subject LLCs, the Private Entities and the Management Companies" and "Background of and Reasons for the Consolidation — Background of the Subject LLCs" on pages 28 and 139 of the Form S-4 prospectus has been revised as requested.

11. **In footnote (6) on page 30, please disclose the percentage of participation interests for which the Malkin Holdings group controls the vote but does not have an economic interest.**

Footnote (6) to the tables under the headings "Summary — Background of and Reasons for the Consolidation — The Subject LLCs, the Private Entities and the Management Companies" and "Background of and Reasons for the Consolidation — Background of the Subject LLCs" on pages 30 and 141, respectively, of the Form S-4 prospectus has been revised as requested.

The Subject LLCs, the Private Entities and the Management Companies, page 27

12. **Please revise your chart on page 29 to include the interests to be received by Malkin Holdings group pursuant to the voluntary capital overrides. Please also include related disclosure in the "Allocation of Consideration in the Consolidation" section beginning on page 68.**

We supplementally advise the Staff that the charts under the headings "Summary — Background of and Reasons for the Consolidation — The Subject LLCs, the Private Entities and the Management Companies," "— Allocation of Consideration in the Consolidation," "Background of and Reasons for the Consolidation — Background of the Subject LLCs," "Exchange Value and Allocation of Operating Partnership Units and Common Stock — Estimated Exchange Value of Common Stock" on pages 29, 69, 140 and 239, respectively, of the Form S-4 prospectus already include the interests to

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be received by the Malkin Holdings group pursuant to the voluntary capital overrides. The footnotes to these charts have been revised to clarify that the overrides for Empire State Building Associates L.L.C. and 250 West 57th St. Associates L.L.C. are voluntary capital overrides which were voluntarily agreed to by certain participants.

Selected Financial and Other Data, page 80

13. **Please clearly label the historical combined columns presented in your Selected Financial and Other Data on page 81 as "Predecessor" financial information.**

The Historical Combined columns appearing under the heading "Selected Financial and Other Data" on pages 81 and 82 of the Form S-4 prospectus have been revised as requested.

Background of and Reasons for the Consolidation, page 138

Chronology of the Consolidation, page 143

14. **We note your disclosure at the bottom of page 144 that in 2010 Anthony Malkin and Peter Malkin met with the executors of the Helmsley estate, as a significant investor, to discuss the merits of the consolidation. We note from your disclosure on page 29 that the Helmsley estate is a significant investor in the private entities such as Empire State Building Company. Please discuss whether representatives of the supervisor met with any other significant investors, including those in the private entities, to discuss the merits of the consolidation. For example, did representatives of the supervisor meet with other participants that have a significant economic interest in ESBC to discuss the consolidation? Please revise accordingly.**

The disclosure under the heading "Background of and Reasons for the Consolidation — Chronology of the Consolidation" on page 147 of the Form S-4 prospectus has been revised as requested.

Comparison of Distributions by the Subject LLCs and the Company, page 160

Distributions by the Company, page 161

15. **We note your response to comment 41 of our letter dated June 8, 2012, as well as your added tabular disclosure on pages 163-164. We may have further comments once the table is completed.**

We acknowledge the above comment.

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16. **We note your disclosure on page 8 that holders of operating partnership units will generally have the same rights to distributions as stockholders of the company. In this section, please discuss the similarities and differences between these rights.**

In response to the Staff's comment we have revised the disclosure under the headings "Questions and Answers about the Consolidation — What are the rights of holders of operating partnership units, and when are operating partnership units exchangeable for shares of common stock?" and "— What is the operating partnership?" on page 8 of the Form S-4 prospectus and under the heading "Background of and Reasons for the Consolidation — Comparison of Distributions by the Subject LLCs and the Company —

Distributions by the Company” on page 163 of the Form S-4 prospectus to delete the word “generally” and clarify that holders of operating partnership units and stockholders of the Company will have the same rights to distributions.

Voluntary Pro Rata Reimbursement Program for Expenses of Legal Proceedings with Former Property Manager and Leasing Agent, page 202

17. **We note your disclosure on page 203 that if participants consent to the voluntary pro rata reimbursement program, the supervisor will be reimbursed out of the participants’ share of the “excess cash.” Please revise to explain the excess cash or advise.**

The disclosure under the heading “Voluntary Pro Rata Reimbursement Program for Expenses of Legal Proceedings with Former Property Manager and Leasing Agent” on page 203 of the Form S-4 prospectus has been revised as requested.

Reports, Opinions and Appraisals, page 205

Supervisor’s Reasons for Representation as to 50/50 Allocation, page 207

18. **In the chart on page 210, please disclose that the figures in the chart were derived based on a different set of projections than those used by Duff & Phelps in its original discounted cash flow valuation, and why different projections were used, and complete the last column.**

The disclosure under the heading “Reports, Opinions and Appraisals — Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 210 of the Form S-4 prospectus has been revised as requested. We supplementally advise the Staff that the reason for the noted differences is related to changes in the valuation inputs used by the independent valuer in its interim preliminary work papers and not changes to the projections, and this has been reflected in the revised disclosure.

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We supplementally advise the Staff that the per \$1,000 original investment amounts included in the last column of such page are only relevant to show a comparison of what participants in the three subject LLCs would receive in the consolidation. Accordingly, the column has been revised to add “N/A” for each of the operating lessees of the subject LLCs.

19. **We note your response to comment 52 of our letter dated June 8, 2012, and we reissue the comment, in part. Please specifically address how your statement in the proxy that “ownership of the fee title [would] convert Associates’ wasting leasehold into a permanent asset” is consistent with your disclosure that the residual interest has no material additional value.**

We supplementally advise the Staff that the statement in the proxy that “ownership of the fee title [would] convert Associates’ wasting leasehold into a permanent asset” is not inconsistent with the disclosure that the residual interest has no material additional value.

As stated in our response to comment 52 of your comment letter dated June 8, 2012, by acquiring the fee interest, Empire State Building Associates L.L.C. received a number of benefits. Prior to the purchase of the fee interest, Empire State Building Associates L.L.C. received basic rent from the operating lessee, from which it paid the ground rent to the owner of the fee interest. By purchasing the fee interest, Empire State Building Associates L.L.C. was able to retain the full basic rent instead of paying a portion of the basic rent as ground rent to the fee owner. Additionally, prior to purchasing the fee interest, all that it owned was a lease position without either ownership of the fee interest or the ability to operate the property. By acquiring the fee position and eliminating the third-party fee owner, Empire State Building Associates L.L.C. was able to consolidate the positions of fee owner and net lessor, giving it the power to agree with the operating lessee to effect financing and improvements to improve property performance and profit, to the direct benefit of Empire State Building Associates L.L.C. In addition, such purchase eliminated the ownership of a superior interest by a third party who had been adversarial in litigation, thereby eliminating the risk of termination of its estate by a hostile third party and/or the cost of defending and resolving disputes with such third party. These encumbrances made it difficult, if not impossible for Empire State Building Associates L.L.C. to sell its interest and realize its full value, even through a joint sale with Empire State Building Company L.L.C.

Thus, the purchase of the fee interest created value for Empire State Building Associates L.L.C. and enabled it to realize full value as part of a joint sale with Empire State Building Company L.L.C. and, in this way, eliminated a wasting leasehold asset. We believe that the value of the interests held by Empire State Building Associates L.L.C. is greater due to the purchase of the fee interest, even if the increase in value was shared with Empire State Building Company L.L.C. and such purchase did not increase the value of its residual interest. Additionally, the value of Empire State Building Associates L.L.C.'s interest was increased by the present value of lease payments under the ground

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lease that had been payable by Empire State Building Associates L.L.C. to the fee owner. As disclosed in our response to comment 52 of your letter dated June 8, 2012, Empire State Building Company L.L.C. also benefited from this action, because its interest was also subject to the ground lease.

20. **We note your revised disclosure on page 211 in response to comment 55 of our letter dated June 8, 2012. Please revise part (b) to quantify the “substantially dissimilar” sharing ratio that would have been yielded by the DCF analysis.**

The disclosure under the heading “Reports, Opinions and Appraisals — Supervisor’s Reasons for Representation as to 50/50 Allocation” on page 211 of the Form S-4 prospectus has been revised as requested.

Fairness Opinion, page 216

21. **We note your response to comment 57 of our letter dated June 8, 2012. Your disclosure still does not clearly state whether you determined the amount of consideration or Duff & Phelps recommended the amount of consideration. Please provide this disclosure as required by Item 911(a)(2)(v) of Regulation S-K.**

The disclosure under the heading “Reports, Opinions and Appraisals — Fairness Opinion” on page 216 of the Form S-4 prospectus has been revised as requested.

22. **We note your response to comment 58 of our letter dated June 8, 2012. Please revise your disclosure as requested to specify that if the roll-up transaction is completed with less than all of the subject LLCs participating, no report, opinion or appraisal concerning the fairness of the transaction will have been obtained. See Item 911(b)(1)(ii)(C) of Regulation S-K.**

The disclosure under the heading “Reports, Opinions and Appraisals — Fairness Opinion” on page 216 of the Form S-4 prospectus has been revised as requested.

23. **We note your response to comment 61 of our letter dated June 8, 2012. Please clarify your disclosure regarding the fairness opinion to specify whether it addresses the method of allocation or the amounts allocated, or both. Please also disclose the implications of this distinction. If Duff & Phelps assumed that the method of allocating amounts to a specific subject LLC were fair, please so state.**

The description of the fairness opinion under “Reports, Opinions and Appraisals — Fairness Opinion” on page 221 of the Form S-4 prospectus has been revised to clarify the disclosure regarding what the fairness opinion addresses as to the allocation of consideration and its effects.

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Exchange Value and Allocation of Operating Partnership Units and Common Stock, page 223

24. **We note your response to comment 47 of our letter dated June 8, 2012, as well as your revised disclosure regarding the consideration allocable to the override holders based on the amount they were entitled under the constituent documents. In this section, please revise to explain in greater detail the valuation methodology used to assign value to the override interests.**

The disclosure under the heading “Exchange Value and Allocation of Operating Partnership Units and Common Stock — Allocation of Common Stock and Operating Partnership Units” on page 230 of the Form S-4 prospectus has been revised as requested to include a discussion similar to that included under the headings “Summary — Fairness Opinion” and “Reports, Opinions and Appraisals — Fairness

Opinion" on pages 63 and 216, respectively, of the Form S-4 prospectus, in response to comment 47 of your letter, dated June 8, 2012.

Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal, page 281

Revocability of Consent, page 285

25. We note your response to comment 65 of our letter dated June 8, 2012. Please describe the principle of contract or partnership law which operates to make a revocation by a participant ineffective prior to such time as the LLC consents of the agents become irrevocable. Please also disclose the extent of the agents' legal obligation to deliver LLC consents immediately following receipt of the requisite participation consents.

The participating agreements for each of the subject LLCs require consents from participants to be obtained in connection with certain actions by the agents, and there is no provision in the participating agreements providing that such consent, once received, is subject to revocation. Furthermore, the participating agreements for Empire State Building Associates L.L.C. and 60 East 42nd St. Associates L.L.C. provide that if the consents of participants owning at least a stated percentage is received, which in the case of Empire State Building Associates L.L.C. is 80% and in the case of 60 East 42nd St. Associates L.L.C. is 90%, the agent or his designee has the right to purchase the interest of any participant who has not duly given such consent. These provisions clearly contemplate that at the time when the consent of the stated percentage of participants is received, such consent has to be effective and irrevocable. There is no provision of the New York Partnership Law, and we are not aware of any other provisions of law, that would give a participant a right to revoke its consent under these circumstances.

This would be true whether or not the agent has taken the action to which the consent relates, and whether or not the agents deliver their consent as member. Neither the operating agreements for the subject LLCs nor the participating agreements address or limit when an agent can take an action that has been consented to by the participants.

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Results of Operations, page 307

Year Ended December 31, 2011 Compared To Year Ended December 31, 2010, page 310

Other Income and Fees, page 311

26. We note your response to comment 66 of our letter dated June 8, 2012. Since the Helmsley estate reimbursed Malkin Holdings for the pro rata amounts allocated to the entities in which it is an investor, please further explain why these amounts were not considered to be paid on behalf of those entities. Please identify those entities and confirm if the Helmsley Estate is a principal stockholder in those entities; if so, clarify what consideration was given to recording the amounts as expenses of those entities with corresponding capital contributions from a principal stockholder when it was determined that the Helmsley Estate would reimburse the amounts.

We respectfully advise the Staff that the Helmsley Estate's ownership interest in the entities for which it voluntarily reimbursed Malkin Holdings and the amounts allocated to the entities in which it is an investor are as follows:

	<u>Helmsley Estate %</u>	<u>Principal Stockholder¹</u>	<u>Amounts Allocated to Individual Entities</u>
<u>Controlled Entities:</u>			
60 East 42nd St. Associates L.L.C.	0.43%	Not a principal stockholder	6,707
Lincoln Building Associates L.L.C.	30.00%	Principal Stockholder	469,479
250 West 57th St. Associates L.L.C.	0.28%	Not a principal stockholder	1,929
Fisk Building Associates L.L.C.	35.00%	Principal Stockholder	243,071
Marlboro Building Associates L.L.C.	1.11%	Not a principal stockholder	13,663
Empire State Building Associates L.L.C.	0.09%	Not a principal stockholder	2,864
	Total Controlled Entities		737,713
<u>Non-Controlled Entities:</u>			
501 Seventh Avenue Associates L.L.C.	59.38%	Principal Stockholder	383,589
Empire State Building Company L.L.C.	63.75%	Principal Stockholder	2,008,696
1333 Broadway Associates L.L.C.	50.00%	Principal Stockholder	401,632
1350 Broadway Associates L.L.C.	32.50%	Principal Stockholder	319,220
	Total Non-Controlled Entities		3,113,137

<i>Option Properties:</i>			
112 West 34th Street Associates L.L.C.	10.54%	Principal Stockholder	470,047
112 West 34th Street Company L.L.C.	50.00%	Principal Stockholder	99,113
1400 Broadway Associates L.L.C.	25.00%	Principal Stockholder	601,039
	Total Option Properties		1,170,199
Total revenue from Helmsley estate reflected in other income and fees of the Predecessor's 2011 financial statements			5,021,049

¹ FN 34 The FASB ASC Master Glossary defines principal owners as "owners of record or known beneficial owners of more than 10 percent of the voting interests of the enterprise."

We do not believe that the expenses relating to the legal costs should be treated as an expense on the books of the outside partnership entities and accordingly we believe that treating the Helmsley Estate's payment as a capital contribution would not be appropriate. In each of the abovementioned entities' financial statements, we disclosed that the expenses paid by Malkin Holdings and Mr. Peter Malkin are only recoverable to the extent that (a) a competent tribunal authorizes payment by the Company or (b) an investor voluntarily agrees that his or her proportionate share be paid. Because any related payment by investors to Malkin Holdings has been, or will be, made only by consenting investors, such expense and related liability has not been provided for in the historical financial statements. We also disclosed in the consent solicitations relating to the voluntary reimbursement, including the disclosure in this Form S-4, that, while Malkin Holdings believed that it could have effected reimbursement from the entities, it would not seek reimbursement from participants who did not voluntarily consent.

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We continue to believe that at the time the legal costs were incurred, expense recognition was appropriate only on the financial statements of Malkin Holdings. Therefore, only upon receiving reimbursement as solicited from individual investors to Malkin Holdings and accordingly accounted for outside the partnership entities is revenue recognition appropriate. Furthermore, as Malkin Holdings elected not to effect reimbursement from participants who did not voluntarily consent (including the Helmsley Estate), we believe it would be inappropriate, misleading and confusing to non-consenting or non-solicited investors to reflect as an expense of the partnership entities the amounts that were voluntarily reimbursed by individual investors, including the Helmsley Estate or as a capital contribution by the Helmsley Estate to any partnership entity.

Additionally, we respectfully advise the Staff that of the amount of total other income and fees of \$5.0 million received from the Helmsley Estate during 2011, approximately \$1.65 million, or 0.69% and 3.38% of both historical revenues and net income, respectively, constitutes amounts relating to Controlled Entities and Non-Controlled Entities in which the Predecessor has an interest. We believe that such amounts are immaterial both quantitatively and qualitatively.

The Company Business and Properties, page 363

The Empire State Building, New York, New York, page 385

27. Please disclose any intellectual property related to the Empire State Building that is material to the business, and disclose the owner of the intellectual property rights. In this regard, we note your disclosure on page 387 that "ESBA licenses the trademarked Empire State Building name and image." However, we note that in the application for Trademark registration dated May 13, 1999, which was registered on December 12, 2000, the applicant/owner of record is listed as Empire State Building Company, LLC, Malkin Holdings, LLC. Please clarify.

The intellectual property is owned by Empire State Building Company L.L.C. The disclosures under the headings "The Company Business and Properties — Description of the Company's Properties — The Empire State Building, New York, New York" and "Business of the Subject LLCs — Description of Properties — The Empire State Building, New York, New York" on pages 387 and 434, respectively, of the Form S-4 prospectus have been revised to state that Empire State Building Company L.L.C. (and not Empire State Building Associates L.L.C.) is the entity licensing the trademarked Empire State Building name and image. We supplementally advise the Staff that Empire State Building Company L.L.C. has not received material revenues from licensing the intellectual property and does not believe that any of the intellectual property is material to the Company's business.

Fiduciary Responsibility, page 466

28. **Please clarify whether or not the supervisor has a fiduciary duty to the participants in the LLCs. Your disclosure states that the supervisor has a fiduciary duty to the subject LLCs, but it is not clear whether this duty flows to the participants.**

The disclosures under the headings "Comparison of Ownership of Participation Interests, Operating Partnership Units and Shares of Common Stock — Fiduciary Duties" and "Fiduciary Responsibility — Supervisor of the Subject LLCs and Agent for Participants" on pages 259 and 466, respectively, of the Form S-4 prospectus have been revised as requested to address the fact that the supervisor's fiduciary duty to the subject LLCs flows to the participants.

29. **In the penultimate paragraph in this section, please disclose the source of the fiduciary relationship between the agents and the participants (i.e., is it contractual in nature?).**

We supplementally advise the Staff that under common law, an agent owes a fiduciary duty to the persons for whom the agent acts. See, for example, Restatement (Second) of Agency, Section 13 ("An agent is a fiduciary with respect to matters within the scope of his agency") and *Feiger v. Iral Jewelry, Ltd.*, 52 A.D.2d 524, 382 N.Y.S.2d 221 (App Div, 1st Dept 1976) (referring to a "fiduciary obligation inherent in the principal-agent relationship"). Because this is a generally accepted principle of law, we do not believe that any further disclosure is needed.

Unaudited Pro Forma Financial Information, page F-5

30. **We note your response to comment 69 of our letter dated June 8, 2012. It is unclear to us why you do not believe that the requirement to present pro forma income (loss) including and excluding roll-up expenses and payments does not apply. We note that you presented the expenses incurred and expected to be incurred in connection with the roll-up transaction on page 238 pursuant to Item 912 of Regulation S-K. Please further explain why you believe that the disclosure requirement in Item 914 (c)(2) of Regulation S-K does not apply as it appears that you have already identified the amount of roll-up expenses. Otherwise, revise to comply with all of the requirements of Item 914 of Regulation S-K.**

We respectfully advise the Staff that when we commenced the process of filing our registration statement for our IPO that we understood that there would be several steps that would be undertaken in order for the entities involved to complete the consolidation, registration and eventual IPO. We do not believe that any of the individual steps should be viewed as singular events, but rather as the necessary components, all of which are interrelated and necessary to effectuate the IPO. We reference the Staff to the disclosures throughout the Form S-4 of Empire State Realty Trust, Inc. and Empire State Realty OP, L.P. where we disclose that the consolidation is conditioned upon the closing of the IPO.

We consider incremental costs incurred by the Company to be those costs which would not have been incurred had we not elected to pursue the consolidation and the IPO. We believe that since the consolidation is conditioned upon the closing of the IPO — in other words, absent the IPO, the costs attributable to doing the IPO would not have been incurred by the Company — the incremental costs incurred, exclusive of management salaries or other general and administrative expenses, represent costs of the IPO which we believe are properly deferred in accordance with SAB Topic 5.

The costs incurred as disclosed on page 238 of the Form S-4 prospectus represent costs incurred to date by us to complete all of the steps that will be undertaken in order for the entities involved to complete the consolidation, registration and eventual IPO. The chart also included, in the column labeled Pre-Formation Costs, internal costs which were not considered to be incremental, and therefore, have been included in general and administrative expenses on each of the individual entities' financial statements.

We have reviewed all of the external costs involved with this process and have only deferred those costs which we believe are incremental. Costs which were not considered to be incremental have been included in general and administrative expenses on each of the individual entities' financial statements.

As a result, we do not believe that either the costs recognized as general and administrative expenses or those costs that have been deferred as a cost of the IPO should be treated as roll-up expenses under Item 914.

31. **We note your response to comment 81 of our letter dated June 8, 2012. Please additionally address**

the following:

- **Expand your disclosures regarding your accounting treatment to specifically identify which Predecessor entity you have identified as the accounting acquirer;**

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- **You state that the Sponsors (defined as Anthony E. Malkin and Peter L. Malkin) control a majority interest in each of the Controlled Entities comprising your Predecessor. You also state that the Sponsors and/or their affiliates and family members control the activities of over the Controlled Entities. Please reconcile these statements and revise your disclosures throughout the filing to clearly identify the Control Group of the Controlled Entities. Clarify if the affiliates and family members of Anthony and Peter Malkin have been included in the Control Group, and provide us with the ownership structure of each of the Controlled Entities to support that the entities are under the common control of the Control Group. If you have deemed the Sponsors to control through any trusts; please discuss the significant terms of the trusts and the rights of the parties involved;**
- **Clarify how you determined that your Formation Transactions will be effected primarily through an exchange of equity interests; address the cash options in your response;**
- **You discuss the relative voting rights in the combined entity after the business combinations; please further discuss on an entity basis rather than solely on a "Controlled Entities" combined basis. Also, please address the voting rights of the Sponsors only versus the entire Malkin Family in the combined entity; and**
- **We note that you did not rely on the combining entity whose relative size is significantly larger than that of the other combining entities to determine the accounting acquirer from the Predecessor entities; please specifically discuss the relative size of Empire State Building Associates, LLC and your consideration of this entity as the accounting acquirer.**

We have revised our disclosures to specifically identify Malkin Holdings, LLC as the accounting acquirer. We respectfully advise the Staff that we have determined that the Sponsors do not control the entities through any trusts.

In determining common control, Anthony E. Malkin and Peter L. Malkin are considered to be the Sponsors. For purposes of this analysis, we have considered the collective interests held by Messrs. Malkin as they are immediate family members as discussed in EITF 02-05' Definition of "Common Control" in Relation to FASB Statement No. 141 (not codified) and have a long history of voting their interests in concert.

For purposes of our control determination we believe ASC 810-10-15-8 is authoritative because either the Sponsors control more than 50% of the voting shares of the entity and the other equity holders only have protective rights or the power to control the controlled entities is conveyed through the Malkin Holdings supervisory agreement. The organizational documents do not include a right to remove the supervisor that can be exercised by a single limited partner or a vote of a simple majority. Rather, any rights to remove the supervisor are only exercisable by a supermajority and there is no explicit, reasonable mechanism to exercise those rights.

We respectfully advise the Staff that the Sponsors control the Controlled Entities because:

- (1) They are the general partner/managing member for entities formed under a traditional limited partnership or limited liability corporation structure. As the general partner / managing member, they have control over (i) all significant business decisions and (ii) day-to-day operations of the properties. The terms of the partnership agreements in these structures provide the limited partners only with *protective rights* and do not afford them any *substantive kick-out* rights, as discussed in EITF 04-05— *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights*— which is codified in ASC 810-20-25. Accordingly, the Sponsors exercise control over these entities through their rights as a general partner; or
- (2) the formation of certain properties pre-dates the advent of the typical modern limited partnership or

limited liability structure. In these structures there is no managing general partner and no managing member. Further, under these structures the original individual partners (which now include the Sponsors as successors of the original deceased equity holders) individually sold participations in their partnership interest to family members and unrelated third parties. The sale of the participation interests did not transfer any rights or powers over the partnership or the partners' interests in the partnership. In these structures, the Sponsors exercise control over the partnerships through both:

EITF 02-5 was not codified because the Task Force did not reach a consensus on the issue of how to determine whether common control of separate entities exists. However, the remarks from the SEC Observer stated that SEC registrants should continue to follow the guidance in EITF 02-5 when determining whether common control of separate entities exists.

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- a. their power to act on behalf of the participants, as memorialized in the participation agreements (which provide the participants only with protective rights); and
- b. their control of Malkin Holdings, the supervisor of the group of Controlled Entities. The partnership agreement names Malkin Holdings as the Supervisor of the entities. By virtue of its appointment as Supervisor of these entities, Malkin Holdings exercises control over all significant business decisions, as well as the day-to-day operations of the entities. As Supervisor of the entities, the Supervisor exercises powers that are similar to a managing member in today's modern limited liability company agreement. Neither the direct partnership interests nor the holders of the participation agreements have any substantive kick out rights that could remove Malkin Holdings as the Supervisor. The Sponsors control Malkin Holdings. Pursuant to the Malkin Holdings operating agreement, management of Malkin Holdings is vested solely in the Sponsors, who have complete authority and power to manage Malkin Holding's business and assets and take any lawful action in connection with Malkin Holdings. The supervisor supervises all of the operations of the Controlled Entities and there is no mechanism to remove the supervisor. The Sponsors also are equity holders in all of the deals supervised by Malkin Holdings.

Following is an overview of the ownership structure of each of the Controlled Entities, which supports our conclusions that (1) the Sponsors, either directly through their general partnership interests or through Malkin Holdings, as Supervisor, control the Controlled Entities and (2) the Controlled Entities are under the common control of the Malkin Holdings group, as defined in the Form S-4 Registration Statement.

	Notes	Interest			Total
		Sponsors	Thomas Keltner	Other Investors	
Malkin Holdings, LLC *		94%	6%	0%	100%
One Grand Central Place, New York, New York					
Fee ownership position of One Grand Central Place	(1)	100%	0%	0%	100%
Master operating lease position of Grand Central Place, New York, New York	(1)	7.5%	0%	92.5%	100%
250 West 57th Street, New York, New York					
Fee ownership position of 250 West 57th Street	(1)	100%	0%	0%	100%
Master operating lease position of 250 West 57th Street	(1)	55%	0%	45%	100%
1359 Broadway, New York, New York	(1)	44%	28%(1)	28%	100%
First Stamford Place, Stamford, Connecticut					
Fee Ownership Position - 62.36 %	(1)	50%	50%(1)	0%	100%
Operating Lessee position - 62.36 %	(1)	22.5%	0%	77.5%	100%
Fee and operating lease position - 37.64 %	(2)	1%	0%	99%	100%
Metro Center, Stamford, Connecticut	(2)	1%	0%	99%	100%
383 Main Avenue, Norwalk, Connecticut	(2)	1%	0%	99%	100%
500 Mamaroneck Avenue, Harrison, New York	(2)	1%	0%	99%	100%
10 Bank Street, White Plains, New York	(2)	2%	0%	98%	100%
Fee ownership position of 350 Fifth Avenue (Empire State Building), New York, New York	(1)	67%	33%(1)	0%	100%
Fee ownership position of 501 Seventh Avenue, New York, New York	(1)	50%	50%(1)	0%	100%
10 Union Square, New York, New York	(2)	1%	0%	99%	100%
1010 Third Avenue, New York, New York	(2)	1%	0%	99%	100%
77 West 55th Street, New York, New York	(2)	1%	0%	99%	100%
1542 Third Avenue, New York, New York	(2)	2%	0%	98%	100%

69-97 Main Street, Westport, Connecticut	(2)	1%	0%	99%	100%
103-107 Main Street, Westport, Connecticut	(2)	.01%	0%	99.99%	100%
Land Parcels, Stamford Connecticut	(3)	100%	0%	0%	100%

- (1) These entities are governed by partnership agreements which pre-date the advent of the typical modern limited partnership or limited liability company agreements. Equity holders are afforded protective rights only (e.g., approval of a sale or refinancing), whereas the ability to make day-to-day decisions solely resides with the Sponsors, through Malkin Holdings LLC, the supervisor of each of the partnerships and through their control over the participants. The percentage interest over which the Sponsors serve as agent or direct partner is reflected in the table above. The partnership agreements do not provide a mechanism for the removal of the supervisor. For certain of the entities, a Class B member, Thomas N. Keltner, Jr. of Malkin Holdings, serves as the agent of one or more participating groups, and the percentage interest over which he serves as agent is reflected in the table above.
- (2) The Sponsors' control is exercised through their general partner / managing member interest and the limited partners only have protective rights. As general partner, the Sponsors have power over all significant decisions and day to day activities of the partnership. The limited partners do not have any substantive kick out rights. The Sponsors' interest reflected on the chart above only reflects their general partner / managing member interest; it should be noted that the Sponsors also hold both membership and general partner interests in these entities, which are included in the interest of Other Investors.
- (3) The Sponsors' control is exercised through their majority voting interest in the entity there as there is no managing member or general partner and Malkin Holdings does not serve as supervisor for this entity.
- (*) Thomas N. Keltner, Jr. holds a Class B membership interest in Malkin Holdings and is a member of Malkin Holdings' Executive Committee. Although this interest entitles him to consult and assist in management matters, he does not have deciding vote on any matter regarding the business of Malkin Holdings. Thomas N. Keltner, Jr. has a duty to Malkin Holdings to tend solely to the business of Malkin Holdings and may not provide services to clients

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other than real estate and other business ventures in which Messrs. Malkin have an interest.

We determined that the Formation Transactions will be affected primarily through the exchange of equity interest because when the transaction is completed, each of the individual investors in the entities participating in the consolidation and the IPO will receive in the aggregate a combination of cash, Class A and Class B common stock, and/or operating partnership units. On a relative basis, the cash election accounts for approximately 25% of the aggregate consideration to be exchanged in the transaction. Accordingly, we continue to believe that the Formation Transactions will be effectuated primarily through the exchange of equity interests.

The voting rights of the Sponsors only and the entire Malkin Family in the combined entity are approximately 6% and 20% (assuming a \$1 billion IPO and that all participants in the subject LLCs that receive operating partnership units elect to receive Class B common stock), respectively. We refer you to our discussion above as it relates to control on an entity basis.

Although relative size of each of the Predecessor entities, including Empire State Building Associates, LLC was a consideration in identifying the accounting acquirer, it was not a determinative factor. We believe to merely default to designating the largest entity within the Predecessor group as the accounting acquirer is arbitrary. We believe relative size becomes more important when a determination must be made as to which of the combining entities will ultimately have the most influence in the combined enterprise. Further, because the Sponsors are initiating the Formation Transactions, we believe a more appropriate application of the business combination rules would be to designate the entity within the Predecessor group in which the Sponsors are the principals.

1. Adjustments to the Pro Forma Condensed Consolidated Balance Sheet (in thousands except per share amounts):

Adjustment (C), page F-16

32. We note your response to comment 70 of our letter dated June 8, 2012. You state that you determined the fair value based on the preliminary aggregate exchange values of the Predecessor's non-controlling interests as determined by the independent valuer. Please provide us with more details regarding how you determined the portion of the value to allocate to the acquirer's existing ownership interest. Furthermore, it appears that you based the existing non-controlling interest on ownership by all of the Predecessor entities, rather than just the entity that you identified as the accounting acquirer, Malkin Holdings; please clarify your basis for this and how it complies with ASC 805-10-25-10.

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We respectfully advise the Staff that we reviewed the legal and governing documents to determine how distributable proceeds would be allocated upon a capital transaction and allocated the fair values as determined by our independent valuer. We then multiplied the Predecessor's nominal ownership percentage for each of the Non-controlled entities by the respective entities' aggregate fair values.

Accordingly, we determined the portion of the value attributable to entities who hold the interests which are under the common control of the Sponsor (Predecessor Interest) in the Non-controlled Entities as follows:

Entity	Total Exchange Value (in thousands)	Predecessor Nominal % Ownership	Fair Value of Predecessor's Existing Ownership Interest (in thousands)	Predecessor's existing ownership interest in the non-controlled entities at book value (in thousands)	Gain upon obtaining control of the respective non-controlling entities (in thousands)
Empire State Building Company L.L.C.	1,189,775	23.75%	282,572	63,566	219,006
501 Seventh Avenue Associates L.L.C.					
(1)	52,625	20.47%	14,967	5,991	8,976
1333 Broadway Associates L.L.C.	136,432	50.00%	68,216	1,728	66,488
1350 Broadway Associates L.L.C.	145,058	50.00%	72,529	4,713	67,816

- (1) The fair value of the Predecessor's existing ownership interest in this entity includes approximately \$5,263 of overrides allocable to supervisor from the non-controlled portion of the non-controlled entities.

The aforementioned calculations were done for purposes of the pro forma financial statements. Upon closing, these acquisitions will be reflected at the fair value consideration in the company's financial statements. Since Malkin Holdings, the designated accounting acquirer, is a combined entity within the Predecessor, and the Predecessor and company are under common control, we believe it is appropriate to base the existing non-controlling interest on ownership by all of the Predecessor entities, rather than just one of the combining entity within the Predecessor.

We believe the same accounting would apply if the Predecessor entity were considered the accounting acquirer and that the reorganization of entities within the Predecessor group is considered a non-substantive transaction. For these reasons, since Malkin Holdings was considered the accounting acquirer, we view interests held by other entities within the predecessor group when considering the impact on application of the acquisition method to entities outside the control group.

While we acknowledge the Business Combination rules require the identification of the accounting acquirer, we believe the historical presentation of the Non-Controlled Entities as equity method investments pursuant to ASC 323 in the combined financial statements and the subsequent acquisition of the controlling interest in the Non-Controlled Entities pursuant to ASC 805 should not be viewed as exclusive of each other.

33. We note your response to comment 71 of our letter dated June 8, 2012. Since it appears that you have already determined the amount that should be allocated to these above-or-below market intangibles, please revise your allocation to properly include the related asset, liabilities, and income statement impacts.

We respectfully advise the Staff that by its nature pro forma financial information is not intended to be of the same precision as historical financial information since it is based on the best available information at the time it is prepared. Additionally, the Business Combination rules provide for a measurement period not to exceed one year from the acquisition date. However, we acknowledge the Staff's comment and will reflect the pro forma impact of the broadcast licenses when we update the pro forma financial information in a subsequent amendment to the Form S-4 Registration Statement and Form S-11 Registration Statement that will include June 30, 2012 property and financial information.

34. **We note your response to comment 72 of our letter dated June 8, 2012. Please clarify your basis for only considering leases with renewal rates that are more than 10 percent below the fair market rent estimate during the renewal period to be below-market lease intangibles. Discuss your analysis of historical renewal rates that supports this methodology and quantify the amount of leases that were excluded from the below-market lease intangibles that were below the 10 percent threshold. Furthermore, expand your disclosure to specifically discuss your policy for determining below-market lease intangibles and the amortization period.**

We respectfully advise the Staff that we believe leases which grant tenants with renewal options at 90% or less of fair market rent during the option renewal period could be considered a sufficient fair market differential to act as an economic compulsion to a

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tenant, we believe a lesser differential is not a significant amount of rental reduction from estimated market rates that would make a tenant "economically compelled" to renew a lease. Additionally, there are many non-economic factors that are considered when a tenant decides to renew a lease and the fact of a minimal (in our case less than 10%) rent reduction from market rates is, in our opinion, not a determinative decision point that would ensure renewal and to assume renewal at this level would not represent the way a market participant would view the renewal.

We respectfully advise the Staff that we do not have the historical data on renewals of leases with below-market renewal rate, but believe our policy is consistent with the views of our peers and other market participants.

For the purpose of our pro forma financial statements, we respectfully advise the Staff that for the four entities we are acquiring (i.e., the Non-controlled Entities), we have evaluated all of the in-place leases to be assumed and have determined that none of them have fixed rate renewal rates or variable renewal options that are substantially below expected market rates (i.e., at least 95% of the market rate at the time of renewal). In the event the Company acquires properties in the future that include leases with below-market renewal options (i.e., that are below 90% of the market rent at the time of renewal), the below-market lease amounts will be amortized over the remaining non-cancellable lease terms and bargain renewal periods. We have updated our accounting policy footnote on page 297 and F-54 of the Form S-4 prospectus to discuss our policy for determining below-market lease intangibles and the amortization period.

Acquired in-place lease costs (tenant improvements and leasing commissions) are amortized as amortization expense on a straight-line basis over the remaining life of the underlying leases. Acquired in-place lease assets and assumed above- and below-market leases are amortized on a straight-line basis as an adjustment to rental revenue over the remaining term of the underlying leases, including, for below-market leases, fixed option renewal periods, if any. To date, all such acquired lease intangibles were deemed to be immaterial and have been recorded as part of the cost of the acquired building. For below-market leases with fixed-option renewal periods, we have applied a minimum threshold of a 10% differential between the fixed rate for fixed rate renewals and estimated market rents when evaluating recording a below-market lease intangible.

35. **We note your responses to comments 73 and 75 of our letter dated June 8, 2012. We continue to consider your analyses. Notwithstanding this, please additionally tell us how your identification of Malkin Holdings as the acquirer impacted your analysis regarding the settlement of a pre-existing executory contract relationship since Malkin Holdings is not a party to the leasing arrangement. Also, address how you considered the recognition of an intangible asset (other than goodwill) related**

to acquiring the rights to operate the properties. Furthermore, since Malkin Holdings is the manager/supervisor to the acquired entities, please address how this relationship was considered in your purchase accounting. Cite all of the relevant guidance that you relied upon.

We respectfully advise the Staff that we do not believe our identification of Malkin Holdings as the accounting acquirer has an impact on our analysis regarding the settlement of the lease between ESBC and ESBA nor do we believe it impacts the application of purchase accounting by the Predecessor. While we acknowledge and agree that the Predecessor is not a legal entity, nonetheless it is the reporting entity and it is the reporting entity, or its successor, that must apply purchase accounting. Since the successor to the Predecessor (i.e., current reporting entity) will be the REIT (i.e., the new reporting entity), which we have determined is under common control, we believe this transaction is excluded from the business combination rules. We refer the Staff to ASC 805-50-30-7 in support of our view.

2. Adjustments to the Pro Forma Condensed Consolidated Statements of Income, page F-21

36. Please address the following related to the adjustments you intend to make to your pro forma condensed consolidated statements of income:

- **Tell us how you determined that the adjustment (HH) for additional general and administrative costs for the hiring of new executive officers and estimated additional costs relating to director and officer insurance, director fees, and additional payroll complies with Article 11 of Regulation S-X. Specifically address how you determined that these adjustments are factually supportable; and**

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- **Tell us your basis under Article 11 of Regulation S-X for including the adjustment (JJ) for estimated acquisition costs to be incurred in connection with your acquisition of the non-controlled entities.**
- The general criteria of Rule 11-02(b)(6) of Regulation S-X are that pro forma adjustments should give effect to events that are (i) directly attributable to the transaction, (ii) expected to have a continuing impact on the registrant, and (iii) factually supportable. We respectfully advise the Staff that although adjustment HH has not yet been populated, it is the expectation that this adjustment will include the effect of those amounts which are directly attributable to the transaction, expected to have a continuing impact on the Company and factually supportable. For example, prior to effectiveness of the Form S-4 Registration Statement, we will establish executive and director compensation arrangements in connection with the proposed transaction and such amounts would be considered factually supportable (and directly attributable to the transaction and expected to have a continuing impact on the Company). In addition, with respect to the estimated additional costs relating to director and officer insurance and additional payroll, such amounts will include reasonable estimates that are factually supportable based on oral agreements, quotations, engagements letters, proposals or other estimates received from third parties. Further, such amounts will only be included to the extent they are directly attributable to the transaction and expected to have a continuing impact on the Company.
- We respectfully advise the Staff that upon subsequent filings of the registration statements, in accordance with the Division of Corporate Finance Financial Reporting Manual 3250.1 (c) (iii) adjustment JJ will reflect the elimination of incremental acquisition costs expensed in connection with the acquisition of the non-controlled entities and no longer reflect estimated acquisitions costs to be incurred in connection with the acquisition of the non-controlled entities. We will clearly indicate that such charges were not considered in the pro forma condensed consolidated statement of income.

Empire State Realty Trust Predecessor Combined Statements of Cash Flows, page F-49

37. We have reviewed your response to comment 77 of our letter dated June 8, 2012 and your revised disclosures. Please further tell us how you determined that costs related to the consolidation and formation transactions are specific incremental costs directly attributable to a proposed offering, and tell us what accounting literature you relied upon in making this determination. It is still not clear to us how you determined that, for the controlled entities, all costs incurred (as disclosed on page 238) to consummate the consolidation should be treated as offering costs. Please indicate to us which of

the costs you plan to account for as offering costs relate solely to the consolidation and formation transactions, rather than the actual proposed offering, or tell us why they cannot be separated.

We respectfully advise the Staff to please see our response to comment 30.

Note 2 — Summary of Significant Accounting Policies, page F-52

Real Estate, page F-53

38. Please disclose the amounts of interest expense, salaries and any other soft costs that are capitalized each year. Also in your response, discuss the activities that these costs relate to, the percentage of total capitalized costs that these soft costs represent, and any significant year-to-year changes. See ASC 835-20-50-1 for reference.

We respectfully advise the Staff that we capitalized approximately \$156,000, \$883,000, \$977,000 and \$264,000 of interest expense, salaries and other soft costs for the three months ended March 31, 2012 and the years ended December 31, 2011, 2010 and 2009, respectively. Such amounts relate to the development of entitled land in Stamford CT that will support the development of an approximately 340,000 rentable square foot office building and garage. These capitalized soft costs represent 27%, 29%, and 66% of total development costs capitalized, for each of the years ended December 31, 2011, 2010 and 2009, respectively. The increase in soft costs as a percentage of total capitalized costs relating to this development parcel from 2010 to 2011 relates to a higher proportion of development activities performed during 2010 than in 2011.

Except for this development property, no other properties were under development during the three years ended December 31, 2011.

Note 9 — Commitments and Contingencies, page F-70

Litigation, page F-70

39. We note your response to comment 76 of our letter dated June 8, 2012 and your revised disclosures which state that you cannot reasonably assess the timing or outcome of this litigation or its effect, if any, on your financial statements. As previously requested, please revise your disclosures in all footnotes where this litigation is discussed to comply with ASC 450-20-50 to clearly state that an estimate cannot be made as noted in your response.

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The disclosure under the headings "Risk Factors — Risk Factors Related to the Company and Risks Resulting from the Consolidation — There is currently litigation pending, and the potential for additional litigation, associated with the consolidation. The Company may incur costs from these litigations," and "The Company Business and Properties — Legal Proceedings" on pages 92 and 411, respectively, of the Form S-4 prospectus, and the corresponding disclosures appearing in the financial statements, including on page F-71 of the Form S-4 prospectus, has been revised as requested.

Empire State Building Company LLC and Affiliates Consolidated Balance Sheets, page F-108

40. We note that historically, improvements made to the Empire State Building funded by the operating cash flows of Empire State Building Company LLC are owned by the ESBC and capitalized. We note this appears to contradict the terms of the sublease between ESBA and ESBC that provides: "it is agreed that title to all of the improvements shall be in Lessor." Please tell us how you determined that these capital improvements are property of ESBC rather than ESBA; also, cite the appropriate excerpts from the lease and sublease agreements that support your accounting treatment and the accounting guidance you relied upon to determine how to record these improvements.

We respectfully advise the Staff that improvements made to the Empire State Building which were paid by ESBC out of its operating cash flow are properly capitalized and amortized by ESBC, irrespective of the cited 1961 lease/sublease provision pertaining to title. We believe that provision was specific to identified improvements then being made to the property by the original lessor. This interpretation is confirmed by a subsequent modification to the lease. The sublease language quoted states "Under Section 9.02 it is agreed that title to all of the improvements shall be in Lessor." Section 9.02 of the Modification of the Master Lease states "Lessee having undertaken a program of capital improvements in or about the

Building, title to all of which shall be in Lessor," making it clear that this section refers to that program of improvements that had been undertaken and not all improvements. A separate provision that refers to ownership of "changes and alterations" is ambiguous as to its application to items of capital expense; thus, ESBA and ESBC have made a specific mutual determination of ownership of each item of improvement in each year, which agreement is evidenced by their coordinated and consistent financial statement reporting and tax return filing. Such agreement has resulted in the treatment that improvements paid out of ESBC's operating cash flow are to be capitalized by ESBC, resolving any ambiguity in interpretation of the lease provisions. ESBC originated, planned and supervised the construction of such improvements, paid directly the cost of such improvements and bore the risk of overruns, and has the right to the long term use of the building and such improvements through the expiration of its lease in 2076 (including all exercised renewals), a period which is greater than the useful life of such improvements.

Under FASB ASC 840-10-35-6, funds expended by a lessee for improvements are amortized by the lessee over the shorter of their estimated useful lives or lease term. No reference to legal title is made in this guidance.

As filed in the proxy statement on Schedule 14A on June 6, 2008, the Supervisor solicited consent from the participants of ESBA to participate in a building improvement and financing program (the "Program") allowing for ESBA to fund improvements at the property through the use of mortgage debt incurred by ESBA as borrower. As outlined in the "Statement by the Agents in the Solicitation of Participant Consents" dated June 8, 2008, the Program provided that ESBA will own the improvements which were acquired through the use of debt financing provided under the Program.

The Program provided that such debt-financed improvements are to be capitalized by ESBA. It did not seek to revise the prior practice and agreement that improvements funded from ESBC's operating cash flow are to be capitalized by ESBC. The foregoing accounting policy has been applied consistently by ESBA and ESBC and disclosed in its financial statements and all filings. Since ESBA pays the cost of the improvements up to the maximum available Program loan proceeds, and the terms of the Program grant to ESBA the ownership of improvements and tenancing costs so funded by ESBA, we believe such amounts are appropriately capitalized and amortized under ASC 840.

Appendix C — Certain Projections, page C-1

- 41. Please disclose all financial projections prepared by or on behalf of the sponsor that are materially related to the transaction, not just "certain projections." All financial projections that management has access to in connection with the transaction need to be disclosed to security holders, regardless of whether the projections were provided to your financial advisor. We note, for instance, in your response to prior comment 2, that the valuation for the Empire State Building was materially changed, in part because revised projections were provided to Duff & Phelps.**

The disclosure under the heading "Appendix C- Projections" on page C-1 of the Form S-4 prospectus has been revised to delete the reference to "certain."

We supplementally advise the Staff that the only set of projections that management had access to in connection with the transaction was the financial projections filed as Appendix C to the Form S-4 prospectus. As disclosed under "Reports, Opinions and Appraisals — Fairness Opinion" on page 216 of the Form S-4 prospectus, these projections were jointly developed by the supervisor and the independent valuer. The independent valuer presented these projections based on information provided by the supervisor and the independent valuer's analysis. Since these projections were jointly developed, during the course of their preparation, the supervisor reviewed preliminary work papers to

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confirm that they were consistent with data concerning the operations of the property. These preliminary work papers did not represent financial projections prepared by or on behalf of the sponsor or any other party. We supplementally advise the Staff that the projections being prepared in connection with the final valuations will be included as an appendix to the Form S-4 prospectus.

- 42. You describe financial projections of the supervisor and the other management companies for the period from the year ending December 31, 2011 to the year ending December 31, 2020, but do not**

appear to disclose these. Please make these disclosures, or advise.

Appendix C has been revised as requested.

Exhibit Index

43. We note that you have added exhibit 99.9 to the exhibit list, which incorporates by reference the sublease between ESBC and ESBA. Please also file as an exhibit the original lease agreement, as well as any modifications to the lease.

The original lease agreement and all modifications to the lease have been filed as exhibits to the Form S-4 Amendment No. 3 as requested.

44. Please submit all exhibits as promptly as possible. We will review the exhibits prior to granting effectiveness of the registration statement and may have further comments after our review. If you are not in a position to file the legal and tax opinions with the next amendment, please provide draft copies for us to review.

The Company supplementally advises the Staff that it will file all exhibits as promptly as practicable. The Company further advises the Staff that drafts of the legal and tax opinions to be filed as exhibits to the Form S-4 Registration Statement and the Company's Registration Statement on Form S-11 (File No. 333-179485) are attached as Appendix I to this letter, and the form of the consent of Duff & Phelps, LLC to be filed as an exhibit to the Form S-4 Registration Statement is attached as Appendix II to this letter.

We thank you for your prompt attention to this letter responding to the comment letter and look forward to hearing from you at your earliest convenience. Please direct any questions concerning this response to Larry Medvinsky at (212) 878-8149 or Steven Fishman at (212) 969-3025.

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Yours truly,

/s/ Larry Medvinsky

Larry Medvinsky
Clifford Chance US LLP

/s/ Steven Fishman

Steven Fishman
Proskauer Rose LLP

cc: Anthony E. Malkin
Eric McPhee
Jessica Barberich
Angela McHale
David L. Orlic

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APPENDIX I

DRAFT

[LETTERHEAD OF CLIFFORD CHANCE US LLP]

[•], 2012

Empire State Realty Trust, Inc.
One Grand Central Place
60 East 42nd Street

New York, New York 10165

Empire State Realty OP, L.P.
One Grand Central Place
60 East 42nd Street
New York, New York 10165

Ladies and Gentlemen:

We have acted as counsel to Empire State Realty Trust, Inc., a Maryland corporation (the "Company") and Empire State Realty OP, L.P., a Delaware limited partnership (the "Operating Partnership"), in connection with the preparation of a Registration Statement on Form S-4 (File No. 333-179486) (together with any amendments thereto, the "Registration Statement"), filed by the Company and the Operating Partnership with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the proposed issuance by the Company of shares of its Class A common stock, par value \$0.01 per share (the "Class A Common Stock") and shares of its Class B common stock, par value \$0.01 per share (the "Class B Common Stock" and together with the Class A Common Stock, the "Common Stock") and the proposed issuance by the Operating Partnership of its Series ES units of limited partnership interest, Series 60 units of limited partnership interest and Series 250 units of limited partnership interest (collectively, the "Operating Partnership Units"), in connection with the proposed consolidation (the "Consolidation") of Empire State Building Associates L.L.C., 60 East 42nd St. Associates L.L.C. and 250 West 57th St. Associates L.L.C. (together, the "subject LLCs") into the Company.

In rendering the opinion expressed below, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of such corporate, trust and partnership records, documents, certificates and other instruments as in our judgment are necessary or appropriate. As to factual matters relevant to the opinion set forth below, we have, with your permission, relied upon certificates of officers of the Company and the Operating Partnership and public officials. We have also assumed that the Consolidation will be approved by the participants in the subject LLCs, as described in the Registration Statement.

Based on the foregoing, and such other examination of law as we have deemed necessary, we are of the opinion that (i) the Common Stock has been duly and validly authorized and, when issued pursuant to the terms of the contribution agreements for each subject LLC and in the manner contemplated by the prospectus/consent solicitation statement included in the Registration Statement, the Common Stock will be legally issued, fully paid and non-assessable and (ii) the Operating Partnership Units have been duly and validly authorized by the Operating Partnership and, when issued pursuant to the terms of the contribution agreements for each subject LLC and in the manner contemplated by the prospectus/consent solicitation statement included in the Registration Statement, and assuming that the holders of such Operating Partnership Units as limited partners in the Operating Partnership do not participate in the

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control of the business of the Operating Partnership, the Operating Partnership Units will be legally issued limited partner interests in the Operating Partnership as to which the holders of such Operating Partnership Units, in their capacity as limited partners of the Operating Partnership, will have no liability in excess of their obligations to make contributions to the Operating Partnership, their obligations to make other payments provided for in the partnership agreement of the Operating Partnership and their share of the Operating Partnership's assets and undistributed profits (subject to the obligation of a limited partner of the Operating Partnership to repay any funds wrongfully distributed to it).

The opinion set forth in this letter relates only to the General Corporation Law of the State of Maryland and the Revised Uniform Limited Partnership Act of the State of Delaware, and we express no opinion as to the laws of another jurisdiction and we assume no responsibility for the applicability or effect of the law of any other jurisdiction.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the caption "Legal Matters" in the prospectus/consent solicitation statement, which is a part of the Registration Statement. In giving this consent, we do not concede that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

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DRAFT

[LETTERHEAD OF CLIFFORD CHANCE US LLP]

[], 2012

Empire State Realty Trust, Inc.
One Grand Central Place
60 East 42nd Street
New York, New York 10165

Re: REIT Qualification of Empire State Realty Trust, Inc.

Ladies and Gentlemen:

We have acted as counsel to Empire State Realty Trust, Inc., a Maryland corporation (the "Company"), in connection with the Company's registration statement on Form S-4 (Registration No. 333-179486) filed by the Company with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (together with any amendments thereto, the "Registration Statement"). Except as otherwise indicated, capitalized terms used in this opinion letter have the meanings given to them in the Registration Statement.

The opinion set forth in this letter is based on relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, interpretations of the foregoing as expressed in court decisions, legislative history, and existing administrative rulings and practices of the Internal Revenue Service ("IRS") (including its practices and policies in issuing private letter rulings, which are not binding on the IRS except with respect to a taxpayer that receives such a ruling), all as of the date hereof. These provisions and interpretations are subject to change, which may or may not be retroactive in effect, and which may result in modifications of our opinion. Our opinion does not foreclose the possibility of a contrary determination by the IRS or a court of competent jurisdiction, or of a contrary determination by the IRS or the Treasury Department in regulations or rulings issued in the future. In this regard, an opinion of counsel with respect to an issue represents counsel's best professional judgment with respect to the outcome on the merits with respect to such issue, if such issue were to be litigated, but an opinion is not binding on the IRS or the courts and is not a guarantee that the IRS will not assert a contrary position with respect to such issue or that a court will not sustain such a position asserted by the IRS.

In rendering the opinion expressed herein, we have examined and, with your permission, relied on the following items:

1. the Articles of Amendment and Restatement of the Company;
2. the bylaws of the Company;
3. a Certificate of Representations, (the "Certificate of Representations") dated as of the date hereof, provided to us by the Company and Empire State Realty OP, L.P., a Delaware limited partnership (the "Operating Partnership");
4. the Registration Statement;

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5. the Company's registration statement filed by the Company with the SEC on Form S-11 (Registration No. 333-179485) as of the date hereof (the "S-11");

6. the Amended and Restated Agreement of Limited Partnership of the Operating Partnership;
7. the private letter ruling issued to the Company by the IRS on August 16, 2011; and
8. such other documents, records and instruments as we have deemed necessary in order to enable us to render the opinion referred to in this letter.

In our examination of the foregoing documents, we have assumed, with your consent, that (i) all documents reviewed by us are original documents, or true and accurate copies of original documents and have not been subsequently amended, (ii) the signatures of each original document are genuine, (iii) all representations and statements set forth in such documents are true and correct, (iv) all obligations imposed by any such documents on the parties thereto have been performed or satisfied in accordance with their terms, and (v) the Company and the Operating Partnership at all times will operate in accordance with the methods of operation described in their organizational documents, the Registration Statement, the S-11 and the Certificate of Representations. As of the date hereof, we are not aware of any facts inconsistent with the statements in the organizational documents, the Registration Statement, the S-11 or the Certificate of Representations.

For purposes of rendering the opinion stated below, we have assumed, with your consent, the accuracy of the representations contained in the Certificate of Representations provided to us by the Company and the Operating Partnership, and that each representation contained in such Certificate of Representations to the best of the Company's or the Operating Partnership's knowledge or belief is accurate and complete without regard to such qualification as to the best of such entity's knowledge or belief. These representations generally relate to the organization and method of operation of the Company and the Operating Partnership.

Based upon, subject to, and limited by the assumptions and qualifications set forth herein, we are of the opinion that:

1. Commencing with its taxable year ending December 31, 2012, the Company will be organized in conformity with the requirements for qualification as a real estate investment trust (a "REIT") under the Code, and its proposed method of operation as described in the Registration Statement and the S-11 and as set forth in the Certificate of Representations will enable the Company to meet the requirements for qualification as a REIT under the Code; and
2. The statements in the Registration Statement under the caption "U.S. Federal Income Tax Considerations," to the extent they describe applicable U.S. federal income tax law, are correct in all material respects.

The opinion set forth above represents our conclusions based upon the documents, facts, representations and assumptions referred to above. Any material amendments to such documents, changes in any significant facts or inaccuracy of such representations or assumptions could affect the opinion referred to herein. Moreover, the Company's qualification as a REIT depends upon the ability of the Company to meet for each taxable year, through actual annual operating results, requirements under the Code regarding gross income, assets, distributions and diversity of stock ownership. We have not undertaken to review the Company's compliance with these requirements on a continuing basis. Accordingly, no assurance can be given that the actual results of the Company's operations for any single taxable year have satisfied or will satisfy the tests necessary to qualify as a REIT under the Code. Although we have made such inquiries and performed such investigations as we have deemed necessary to fulfill our professional responsibilities as counsel, we have not undertaken an independent investigation of all of the facts referred to in this letter or the Certificate of Representations.

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The opinion set forth in this letter is: (i) limited to those matters expressly covered and no opinion is expressed in respect of any other matter; (ii) as of the date hereof; and (iii) rendered by us at the request of the Company. We hereby consent to the filing of this opinion with the SEC as an exhibit to the Registration Statement and to the references therein to us. In giving such consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

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DRAFT

[LETTERHEAD OF CLIFFORD CHANCE US LLP]

[•], 2012

Empire State Realty Trust, Inc.
One Grand Central Place
60 East 42nd Street
New York, New York 10165

Ladies and Gentlemen:

We have acted as counsel to Empire State Realty Trust, Inc., a Maryland corporation (the "Company"), in connection with the offer and sale by the Company of shares of its Class A common stock, par value \$0.01 per share (the "Common Stock"). The Common Stock is being sold pursuant to the Company's Registration Statement on Form S-11 (File No. 333-179485) (together with any amendments thereto, the "Registration Statement") filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act").

In rendering the opinion expressed below, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of such corporate records, documents, certificates and other instruments as in our judgment are necessary or appropriate. As to factual matters relevant to the opinion set forth below, we have, with your permission, relied upon certificates of officers of the Company and public officials.

Based on the foregoing, and such other examination of law as we have deemed necessary, we are of the opinion that the Common Stock has been duly and validly authorized and, when issued and sold in the manner contemplated by the prospectus for the offering of shares of Common Stock included in the Registration Statement, the Common Stock will be legally issued, fully paid and non-assessable.

The opinion set forth in this letter relates only to the General Corporation Law of the State of Maryland, and we express no opinion as to the laws of another jurisdiction and we assume no responsibility for the applicability or effect of the law of any other jurisdiction.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the caption "Legal Matters" in the prospectus, which is a part of the Registration Statement. In giving this consent, we do not concede that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

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DRAFT

[LETTERHEAD OF CLIFFORD CHANCE US LLP]

[], 2012

Empire State Realty Trust, Inc.
One Grand Central Place
60 East 42nd Street
New York, New York 10165

Re: REIT Qualification of Empire State Realty Trust, Inc.

Ladies and Gentlemen:

We have acted as counsel to Empire State Realty Trust, Inc., a Maryland corporation (the "Company"), in connection with the Company's registration statement on Form S-11 (Registration No. 333-179485) filed by the Company with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (together with any amendments thereto, the "Registration Statement"). Except as otherwise indicated, capitalized terms used in this opinion letter have the meanings given to them in the Registration Statement.

The opinions set forth in this letter are based on relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, interpretations of the foregoing as expressed in court decisions, legislative history, and existing administrative rulings and practices of the Internal Revenue Service ("IRS") (including its practices and policies in issuing private letter rulings, which are not binding on the IRS except with respect to a taxpayer that receives such a ruling), all as of the date hereof. These provisions and interpretations are subject to change, which may or may not be retroactive in effect, and which may result in modifications of our opinions. Our opinions do not foreclose the possibility of a contrary determination by the IRS or a court of competent jurisdiction, or of a contrary determination by the IRS or the Treasury Department in regulations or rulings issued in the future. In this regard, an opinion of counsel with respect to an issue represents counsel's best professional judgment with respect to the outcome on the merits with respect to such issue, if such issue were to be litigated, but an opinion is not binding on the IRS or the courts and is not a guarantee that the IRS will not assert a contrary position with respect to such issue or that a court will not sustain such a position asserted by the IRS.

In rendering the opinions expressed herein, we have examined and, with your permission, relied on the following items:

1. the Articles of Amendment and Restatement of the Company;
2. the bylaws of the Company;
3. a Certificate of Representations, (the "Certificate of Representations") dated as of the date hereof, provided to us by the Company and Empire State Realty OP, L.P., a Delaware limited partnership (the "Operating Partnership");
4. the Registration Statement;

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5. the Company's registration statement filed by the Company with the SEC on Form S-4 (Registration No. 333-179486) as of the date hereof (the "S-4");
6. the Amended and Restated Agreement of Limited Partnership of the Operating Partnership;
7. the private letter ruling issued to the Company by the IRS on August 16, 2011; and
8. such other documents, records and instruments as we have deemed necessary in order to enable us to render the opinion referred to in this letter.

In our examination of the foregoing documents, we have assumed, with your consent, that (i) all documents reviewed by us are original documents, or true and accurate copies of original documents and have not been subsequently amended, (ii) the signatures of each original document are genuine, (iii) all representations and statements set forth in such documents are true and correct, (iv) all obligations imposed by any such documents on the parties thereto have been performed or satisfied in accordance with their terms, and (v) the Company and the Operating Partnership at all times will operate in accordance with the methods of operation described in their organizational documents, the Registration Statement, the S-4 and the Certificate of Representations. As of the date hereof, we are not aware of any facts inconsistent with the statements in the organizational documents, the Registration Statement, the S-4 or the Certificate of Representations.

For purposes of rendering the opinions stated below, we have assumed, with your consent, the accuracy of the representations contained in the Certificate of Representations provided to us by the Company and the

Operating Partnership, and that each representation contained in such Certificate of Representations to the best of the Company's or the Operating Partnership's knowledge or belief is accurate and complete without regard to such qualification as to the best of such entity's knowledge or belief. These representations generally relate to the organization and method of operation of the Company and the Operating Partnership.

Based upon, subject to, and limited by the assumptions and qualifications set forth herein, we are of the opinion that:

1. Commencing with its taxable year ending December 31, 2012, the Company will be organized in conformity with the requirements for qualification as a real estate investment trust (a "REIT") under the Code, and its proposed method of operation as described in the Registration Statement and the S-4 and as set forth in the Certificate of Representations will enable the Company to meet the requirements for qualification as a REIT under the Code; and,
2. The statements in the Registration Statement under the caption "U.S. Federal Income Tax Considerations," to the extent they describe applicable U.S. federal income tax law, are correct in all material respects.

The opinions set forth above represent our conclusions based upon the documents, facts, representations and assumptions referred to above. Any material amendments to such documents, changes in any significant facts or inaccuracy of such representations or assumptions could affect the opinions referred to herein. Moreover, the Company's qualification as a REIT depends upon the ability of the Company to meet for each taxable year, through actual annual operating results, requirements under the Code regarding gross income, assets, distributions and diversity of stock ownership. We have not undertaken to review the Company's compliance with these requirements on a continuing basis. Accordingly, no assurance can be given that the actual results of the Company's operations for any single taxable year

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have satisfied or will satisfy the tests necessary to qualify as a REIT under the Code. Although we have made such inquiries and performed such investigations as we have deemed necessary to fulfill our professional responsibilities as counsel, we have not undertaken an independent investigation of all of the facts referred to in this letter or the Certificate of Representations.

The opinions set forth in this letter are: (i) limited to those matters expressly covered and no opinion is expressed in respect of any other matter; (ii) as of the date hereof; and (iii) rendered by us at the request of the Company. We hereby consent to the filing of this opinion with the SEC as an exhibit to the Registration Statement and to the references therein to us. In giving such consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

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APPENDIX II

DRAFT

CONSENT OF DUFF & PHELPS, LLC

Malkin Holdings LLC
One Grand Central Place
60 East 42nd Street
New York, NY 10165-3003

Ladies and Gentlemen:

We hereby consent to (i) the inclusion of our opinion letter, dated August __, 2012, to Malkin Holdings LLC and to each of the partnerships referred to therein and our appraisal provided to Malkin Holdings LLC attached as Appendix A and Appendix B, respectively, to the prospectus/consent solicitation statement of Empire State Realty Trust, Inc., which forms a part of the Registration Statement of Empire State Realty Trust, Inc. on Form S-4, and (ii) the description of and references to such opinion and appraisal and the references to our name in such prospectus/consent solicitation statement under the headings "SUMMARY—The Consolidation—Appraisal," "SUMMARY—The Consolidation—Fairness Opinion," "REPORTS, OPINIONS AND APPRAISALS—General," "REPORTS, OPINIONS AND APPRAISALS—Appraisal" (excluding the disclosure under the subheading "Supervisor's Reasons for Representation as to 50/50 Allocation"), and "REPORTS, OPINIONS AND APPRAISALS—Fairness Opinion" (excluding the third sentence of the second paragraph, the first sentence of the third paragraph, and the final paragraph).

By giving such consent, we do not admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended (the "Securities Act"), or the rules and regulations of the Securities and Exchange Commission (the "Commission") promulgated thereunder, nor do we thereby admit that we are experts with respect to any part of the Registration Statement within the meaning of the term "expert" as used in, or that we come within the category of persons whose consent is required under, the Securities Act or the rules and regulations of the Commission promulgated thereunder.

DUFF & PHELPS, LLC

Date: _____, 2012

November 2, 2012

VIA EDGAR AND OVERNIGHT COURIER

Mr. Tom Kluck
United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

**Re: Empire State Realty Trust, Inc.
Empire State Realty OP, L.P.
Amendment No. 3 to Registration Statement on Form S-4
Filed August 13, 2012
Amendment No. 2 to Registration Statement on Form S-11
Filed July 3, 2012
File Nos. 333-179486; 333-179486-01**

Dear Mr. Kluck:

On behalf of Empire State Realty Trust, Inc., a Maryland corporation (the "Company"), and Empire State Realty OP, L.P. (the "Operating Partnership"), we are transmitting for filing pursuant to the Securities Act of 1933, as amended (the "Securities Act"), Amendment No. 4 ("Form S-4 Amendment No. 4") to the Registration Statement on Form S-4 (File Nos. 333-179486; 333-179486-01) of the Company and the Operating Partnership (the "Form S-4 Registration Statement"), Amendment No. 3 ("Form S-11 Amendment No. 3") to the Company's Registration Statement on Form S-11 (File No. 333-179485) (the "Form S-11 Registration Statement") and the Company's responses to the comments of the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") contained in your letters dated August 13, 2012 and August 31, 2012.

For convenience of reference, each Staff comment contained in your August 31, 2012 comment letter issued in connection with the Form S-4 Registration Statement and in your August 13, 2012 comment letter issued in connection with the Form S-11 Registration Statement is reprinted below in italics, numbered to correspond with the paragraph numbers assigned in your letters, and is followed by the corresponding response of the Company and the Operating Partnership, as applicable.

We have provided to you five courtesy copies of the Form S-4 Amendment No. 4 and Form S-11 Amendment No. 3, each filed by the Company and the Operating Partnership, as applicable, on the date hereof, five courtesy copies of the Form S-11 Amendment No. 3, filed by the Company on the date hereof, and five copies of the Form S-4 Amendment No. 4 and the Form S-11 Amendment No. 3 which are marked to reflect changes made to the Form S-4 Registration Statement or Form S-11 Registration Statement, as applicable, filed with the Commission on August 13, 2012 and July 3, 2012, respectively (the "Marked Copies"). The changes reflected in the Form S-4 Amendment No. 4 and the Form S-11

November 2, 2012

Page 2

Amendment No. 3 have been made in response to the Staff's comments and for the purpose of updating and revising certain information in the Form S-4 Registration Statement and the Form S-11 Registration Statement. All page references in our responses are to the pages of the Marked Copies. Capitalized terms used and not otherwise defined in this response letter that are defined in the Form S-4 Registration Statement shall have the meanings set forth in the Form S-4 Registration Statement. Please note that references to "we," "our" and "us" refer to the Company, the Operating Partnership or the supervisor, as applicable.

Responses to the Staff's August 31, 2012 comment letter issued in connection with the Form S-4 Registration Statement

General

1. **We note your response to comment 3 of our letter dated July 31, 2012. As stated in that comment, Item 911(a)(4) of Regulation S-K requires the filing of all reports received from an outside party**

which are materially related to the transaction, without exception for preliminary or draft reports, or for materials that were not ultimately relied on by the sponsor. Accordingly, please file as exhibits to your registration statement all of the schedules and work papers you provided to us as supplemental information, as well as the actual property appraisals for the subject LLCs and all similar appraisals and materials relating to the private entities. To the extent that these reports present findings or conclusions that are materially different from those already appearing in your prospectus, please summarize those differences in your prospectus. Finally, please include the legend required by Item 911(a)(3) of Regulation S-K with respect to all filed reports, appraisals and opinions.

We advise the Staff that we have updated the description of the valuation and fairness analysis by the independent valuer to refer to the final valuation analysis as of June 30, 2012 and a description of the preliminary analysis now is included under the heading "Reports, Opinions and Appraisals – Prior Independent Valuer Work Papers and Analysis" on page 244 of the Form S-4 prospectus. Similarly, the preliminary exchange values have been included as part of Annex C-2 and a more detailed description entitled "Project Legacy Fairness Analysis dated September 2012" has been filed as Exhibit 99.58 to the Form S-4 Registration Statement.

We have filed as Exhibits 99.52, 99.53, 99.54, 99.55, 99.56 and 99.57 to the Form S-4 Registration Statement the reports provided supplementally to the Staff in connection with the filing of Amendment No. 3 to the Form S-4 Registration Statement on August 13, 2012. As noted in our response letter dated August 13, 2012, we do not believe that any of the other work papers contain any material differences from the work papers that are being filed or would be required to be separately filed. Please note that there is no separate appraisal or other report furnished in connection with the Form S-4 Registration Statement or the private solicitation. The documents furnished by the independent valuer in connection with both the solicitation of the private entities and the subject LLCs, in addition to the work papers, were the report included in the Form S-4 prospectus as Appendix B and Exhibit 99.47 (Project Legacy Fairness Analysis dated November 2011).

We have included the disclosure set forth in our response to comment 3 in our response letter dated August 13, 2012, which identifies the material differences reflected in the work papers under the heading "Reports, Opinions and Appraisals – Prior Independent Valuer Work Papers and Analysis" on pages 244 and 245 of the Form S-4 prospectus. We do not

November 2, 2012

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believe that, aside from these differences, there were any findings or conclusions in such reports that were materially different from the findings or conclusions that appear in the Form S-4 prospectus as revised.

In addition, the disclosure under the heading "Reports, Opinions and Appraisals – Prior Independent Valuer Work Papers and Analysis" on page 245 in the Form S-4 prospectus has been revised to include the required legend.

2. **We note your response to comment 4 of our letter dated July 31, 2012 and reissue the comment. Given that the supervisor can implement the buyout even if neither transaction is consummated, please provide your analysis under Rule 13e-3 with respect to a stand-alone buyout. In other words, provide an analysis as to whether a stand-alone buyout has a reasonable likelihood or a purpose of producing any of the effects described in Rule 13e-3(a)(3)(ii). As requested, please also briefly disclose the circumstances under which the supervisor may choose to abandon or postpone the transaction.**

We supplementally advise the Staff that the buyout of the participation interests held by participants in Empire State Building Associates L.L.C. and 60 East 42nd Street Associates L.L.C. on a stand-alone basis (assuming that no consolidation transaction occurs) will not produce any of the effects described in Rule 13e-3(a)(3)(ii). The buyout will not result in any class of equity securities of the issuer which is subject to section 12(g) or section 15(d) of the Securities Exchange Act of 1934, as amended, becoming eligible for termination of registration under Rule 12g-4. Such an effect could occur only if, after the buyout, the participation interests were held of record by less than 300 persons or by less than 500 persons where the total assets of the issuer have been less than \$10 million at the end of the last three fiscal years. At June 30, 2012, the participation interests of Empire State Building Associates L.L.C. and 60 East 42nd Street Associates L.L.C. were held by 2,839 and 850 persons, respectively. The buyout would only be up to 20% of the participation interests for Empire State Building Associates L.L.C. and 10% of the

participation interests in 60 East 42nd Street Associates L.L.C., and we have determined that the maximum number of holders of participation interests from which such purchase could be made would result in the participation interests in Empire State Building Associates L.L.C. and 60 East 42nd Street Associates L.L.C. being held by in excess of 1600 and 600 persons, respectively.

The disclosure under the headings "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal," "Risk Factors – Risk Factors Related to the Company and Risks Resulting from the Consolidation – Participants who do not approve the consolidation, including participants that do not timely submit their consent forms, after notice that the required percentage of participants have so approved, may have their participation interests purchased at a lower price" and "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions" on pages 87, 103, and 309, respectively, of the Form S-4 prospectus has been revised to disclose the circumstances under which the supervisor may choose to abandon or postpone the transaction.

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3. We note your letter to shareholders dated July 2, 2012, filed as soliciting material under Rule 14a-12 and the following disclosure:

Helmsley Estate Sale of its Interests

If the consolidation and IPO do not proceed, it is important for you to understand that the executors of the Estate of Leona Helmsley will be required to sell the Helmsley interests in Associates' operating lessee. The Malkin Holdings group will retain its blocking interest in Associates' operating lease, thereby creating the potential for stalemate in the operating lessee. Thus, the status quo is not an option.

Where appropriate in the S-4, please clarify what you mean by the Malkin Holdings group's blocking interest. Please also clarify in the S-4 what you mean by the "potential for stalemate" and clarify why the "status quo is not an option."

The disclosure under the headings "Summary – Background of and Reasons for the Consolidation – The Supervisor's Reasons for Proposing the Consolidation" and "Background of and Reasons for the Consolidation – The Supervisor's Reasons for Proposing the Consolidation" on pages 37 and 162, respectively, of the Form S-4 prospectus has been revised as requested.

4. We note your letter to shareholders dated August 6, 2012, filed as soliciting material under Rule 14a-12, and the disclosure under the heading: "Why doesn't ESBA buy the Helmsley estate interest? Wouldn't it be easy for ESBA to get a loan and do this itself?" Please revise the S-4 where appropriate to explain why it is not feasible for ESBA to purchase the Helmsley interest. Please discuss in the S-4 the consideration of all the different alternatives mentioned in this letter, including an ESB-only REIT and borrowing money to purchase the Helmsley interest.

The disclosure under the heading "Background of and Reasons for the Consolidation – Alternatives to the Consolidation" on page 173 of the Form S-4 prospectus has been revised as requested.

5. Please provide us with a legal opinion that clearly supports your disclosure that the fiduciary duty owed by the supervisor to the members of the subject LLCs also flows to the participants.

In response to the Staff's comment, we are supplementally providing a legal opinion as Exhibit A to this response letter.

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Questions and Answers about the Consolidation, page 1

How was the value of my participation interest determined? page 6

6. When discussing that the fair market value of the consideration that a participant will receive will not be known until the pricing of the IPO, please clearly disclose that the pricing of the IPO will occur after the participants vote upon the approval of the consolidation. Also revise accordingly the first risk factor in the Risk Factor section on page 83.

The disclosure under the headings "Questions and Answers about the Consolidation – How was the value of my participation interest determined?," "Summary – Risk Factors – The Consolidation or a Third-Party Portfolio Transaction," "Exchange Value and Allocation of Operating Partnership Units and Common Stock – Exchange Value Allocation of Operating Partnership Units and Common Stock," on pages 8, 44 and 246, respectively, of the Form S-4 prospectus has been revised as requested. The first risk factor in the Risk Factors section, on page 95 of the Form S-4 prospectus, has also been revised as requested.

Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal, page 73

7. **Please clarify the procedures for returning the consent form and changing a vote. Please tell us whether investors may submit a consent or change a vote by telephone, email or facsimile to MacKenzie. Also discuss whether confirmation of this may be delivered by telephone, email or facsimile instead of mail. Please revise the second paragraph on page 74 and the disclosure on pages 280-281, if appropriate. Lastly, please tell us whether you have the ability to extend the 10 day period for participants to change their votes after the supermajority consent, and if so, under what circumstances would such an extension be made.**

The disclosure under the headings "Questions and Answers about the Consolidation – Why am I being asked to consent to a voluntary pro rata reimbursement program," "– Can I change my vote on the consolidation proposal or the third-party portfolio proposal after I submit my consent form," "– What is the process by which I may change my vote on the consolidation proposal or the third-party portfolio proposal?," "Summary – Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal," "Voting Procedures for the Consolidation Proposal and the Third-Party Portfolio Proposal – Distribution of Solicitation Materials," "– Required Vote for the Consolidation Proposal and the Third-Party Portfolio Proposal and Other Conditions," and "Consent Procedures for Voluntary Pro Rata Reimbursement Proposal" on pages 15, 17, 17, 85, 307, 311 and 313, respectively, of the Form S-4 prospectus have been revised to clarify that participants may submit the consent form and change their vote by mail or facsimile, and that confirmations may be delivered by MacKenzie by facsimile or, if requested by a participant, mail.

We supplementally advise the Staff that the agent may extend the 10 day period, because although the participating agreements provide that the agent may purchase a participation interest if the participant has not consented within 10 days, they do not require that the purchase be made on expiration of this period. As we advised the Staff supplementally in our response letter dated August 13, 2012, while the buyouts of any non-consenting participants that do not change their vote after the buyout notice are necessary to obtain the unanimous consent required under the participating agreements, it is not the supervisor's or the agents' intention to effect any buyouts. In past transactions, the

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supervisor and the agents have sought to avoid the buyout through a series of calls and letters to participants to encourage participants to change their vote after the supermajority consent has been received. As a result of calls and letters from the supervisor and the agents in connection with the solicitation of consents from participants in the private entities, no buyouts were effected in the private entities which were subject to similar buyout provisions. The supervisor and the agents intend to proceed in the same manner in connection with buyouts of participants in the subject LLCs. The agents have also in the past extended the 10 day period where they could do so without interfering with obtaining the necessary consent and, to the extent practical, expect to do so in this case. Because such extension is discretionary and cannot be relied on by participants, we do not believe any further disclosure is necessary.

8. **In the last full paragraph on page 74, please clarify, if accurate, that a participant's interests are subject to the buyout if their participating group approves the proposals, even if the other participating groups in the same LLC do not approve the proposals. Please make this same revision to the relevant Q&A sections on pages 5 and 9.**

We supplementally advise the Staff that the agents have the authority under the participating agreements to buy out the interest of a participant that does not consent to a transaction if the participant's participating group approves the transaction, even if a sufficient number of other participating groups do not do so. The disclosure under the headings "Questions and Answers about the Consolidation – What will I be entitled to receive if I don't vote "FOR" the consolidation and the consolidation proposal is