

GALLET DREYER & BERKEY, LLP
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May 6, 2015

Darryl C. Towns, Commissioner
New York State Homes and Community Renewal
and Chairperson Roosevelt Island Corporation
25 Beaver Street, 6th Floor
New York, New York 10004

Re: Westview 595-625 Main Street, Roosevelt Island, New York 10044 (“Westview”)
North Town Phase III Houses, Inc. (the “Housing Company”) and
Withdrawal from Mitchell-Lama Program (“ML”)
Our File No. 10100.001

Dear Commissioner Towns:

We are counsel to the Westview Task Force, Inc. (“WTI”), a tenant organization which represents the 361 families residing at Westview on Roosevelt Island. We refer to the Notice of Intent to Dissolve Housing Company (the “Notice of Intent”) submitted by David B. Hirschhorn, President of North Town Phase III Houses, Inc. and cover letter by David B. Hirschhorn in connection therewith, our letter dated July 30, 2012 (“2012 Letter”) to Deputy Commissioner Michael Skrebutenas in connection therewith. Several deficiencies and inaccuracies in connection with the Notice of Intent were described in the 2012 Letter, in particular, pages 4-8, a copy of which pages are enclosed as Exhibit A hereto.

We write to you now, in particular, in response to the Housing Company’s latest version of an “Affordability Plan” dated March 4, 2015 (the “Housing Company Plan”) and submission to the New York State Department of Law and distribution of a “red herring” offering plan (the “Red Herring”).

It is our understanding that Mr. Hirschhorn has indicated to your office that the Housing Company reached an agreement with WTI with respect to the Housing Company Plan. In addition, although we have just received a copy of the Red Herring and have not had an opportunity to review it, the sponsor therein states that the Housing Company Plan will involve the participation of WTI. Such statements are misleading. While there was tentative understanding regarding some matters relating to the Housing Company Plan, there are still outstanding concerns and issues affecting most importantly, both the affordability of the apartments (particularly for tenants wishing to purchase or continue to rent) and the sustainability of the cooperative. These are described in my letter of May 1, 2015, a copy of which is also enclosed as Exhibit B.

GALLET DREYER & BERKEY, LLP

Darryl C. Towns

May 6, 2015

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We have attempted to follow up with Mr. Hirschhorn as representative of the Housing Company with respect to such letter but have not yet received a response.

Throughout the years of discussions with Mr. Hirschhorn and Richmond McCurnin of your office, Mr. McCurnin has assured WTI on several occasions that he would inform WTI if the Housing Company attempted to proceed to withdraw from ML unilaterally without the consent and cooperation of the Westview tenants. We note that no such information has been provided, and repeat that WTI has not agreed to the Housing Company Plan.

The present Housing Company proposal as reflected by the Housing Company Plan is significantly less affordable than Island House for tenants at the same family income level. For those tenants desiring to purchase their apartments this is so by virtue of a higher cash price per square foot, larger apartment space, and higher underlying mortgage for Westview. With such less affordability one can only expect lower participation which will result in inadequate funding for building operations, maintenance, and in particular needed repairs and rehabilitation.

For those tenants desiring to continue to rent their apartments, the proposed initial rent increases are significantly higher and less affordable than those at Island House.

The Building Condition Report (the "Braxton Report"), dated July 2, 2007, prepared by Braxton Engineering P.C., a copy of which is enclosed as Exhibit C, described approximately \$21,000,000 of needed repairs. In this regard, I have enclosed as Exhibit D a copy of a supplement letter, dated July 24, 2012, by Braxton which (i) compared the Braxton Report to the Physical Survey by Lawless and Mangione, dated May 7, 2012 submitted by the Housing Company with the Notice of Intent and (ii) described deficiencies in such Lawless and Mangione survey. With the exception of certain elevator refurbishment and/or upgrade(s), nothing has been done. Therefore, the amount of funds presently needed for building repairs is expected to be even higher. In addition, the recent local 11 Inspection, a copy of which is enclosed as Exhibit E, identified in Section G.6. therein several "SWARMP and unsafe conditions".

The Housing Company's notice of intent to withdraw from ML is outdated and, as noted in the 2012 Letter, deficient and such deficiencies were not rectified.

We respectfully request that the Division of Housing and Community Renewal address these issues and specifically require the Housing Company to correct and otherwise address and resolve all of the inaccuracies and deficiencies before any further action is taken, and not approve or otherwise issue any orders in connection with or otherwise facilitating the Housing Company Plan at this time.

GALLET DREYER & BERKEY, LLP

Darryl C. Towns

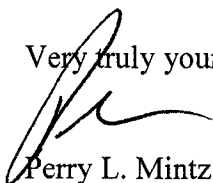
May 6, 2015

Page 3

These issues will have a profound impact upon the 361 families at Westview and require careful review and consideration by your office and appropriate participation of the tenants of Westview.

We look forward to hearing from you and working with you in this matter.

Very truly yours,



Perry L. Mintz

PLM/pms

Encls.

cc: Rebecca Seawright, New York State Assembly Member
Mark Colon, Deputy General Counsel, HCR
Sheldon Melnitsky, Managing Attorney, HCR
Richmond McCurnin, Assistant Commissioner, New York State Homes and Community
Renewal, Division of Housing & Community Renewal
Erica F. Buckley, Bureau Chief, Office of the NYS Attorney General
David B. Hirschhorn, President North Town Phase III Houses, Inc.
Westview Task Force

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EXHIBIT A

Pages 4-8 of Gallet Dreyer & Berkey letter dated July 30, 2012
to Deputy Commissioner Michael Skrebutenas

GALLET DREYER & BERKEY, LLP

Hon. Michael Skrebutenas

July 30, 2012

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Below are specific inaccuracies and deficiencies of the Notice of Intent and accompanying exhibits.

We note, in particular, (a) the Housing Company's failure to properly disclose the condition of the project and required repairs and the resulting failure to fund required repairs as discussed further in paragraph 1 below, and (b) the Housing Company's acknowledged failure to rent apartments as required under the Regulations as discussed further in paragraph 2 below.

The other items below generally follow the order in which they appear in the Notice of Intent.

1. Section 1750.3(b) (15) of the Regulations requires the Housing Company to (a) submit a physical condition survey in accordance with section 1750.10 of the Regulations to determine the physical condition of the building and the property and all equipment appurtenant thereto, and (b) "specify its plans to remedy any defects and to replace any and all items and equipment that are obsolete or which have exceeded their useful lives or are projected to exceed their useful lives within five years, and the amounts to be expended therefor, which plan shall be approved by the division". [emphasis added]

Furthermore, Section 1750.10 of the Regulations provides that DHCR:

"shall determine if the survey is sufficient and properly addresses the needs of the property which must be resolved prior to the dissolution, and if the plans submitted by the housing company are sufficient to meet the needs of the housing project. Upon the approval by the division of the corrective work plan and costs thereof, appropriate funds shall be released upon dissolution from the operating and replacement reserve escrow accounts and deposited into a special escrow account under the exclusive jurisdiction of a fiduciary agent, to be used exclusively to effectuate the corrective work plan."

First, the physical condition survey submitted by the Housing Company as Exhibit F to the Notice of Intent is inadequate and fails to properly determine the physical condition of the property as required by the Regulations.

We submit herewith as Exhibit 4 a copy of a physical condition survey, dated July 2, 2007, prepared by Braxton Engineering ("Braxton"). At a glance, the estimated repair costs of approximately \$3,800,000 shown in the Housing Company's report is grossly inadequate (even after consideration of the recent elevator upgrade) when compared to the \$21,000,000 of required repairs shown in the by Braxton report.

GALLET DREYER & BERKEY, LLP

Hon. Michael Skrebutenas
July 30, 2012
Page 5

The Housing Company has failed to accurately and adequately determine the condition of the project and the survey does not meet the requirements of the Regulations. DHCR should not accept this report.

Furthermore, the Housing Company failed in the Notice of Intent to specify a plan to remedy defects and make replacements as required by the Regulations. The HC Plan (by adoption of the same report as attached to the Notice of Intent) similarly failed to adequately address this matter.

This is a grave deficiency with respect to the Notice of Intent as well as the HC Plan. Unfunded repairs will likely result in Major Capital Improvement surcharges in addition to rent increases and other surcharges, and, in the event of cooperative conversion, assessments to the shareholders.

2. Section 1750.3(b)(17) of the Regulations requires the following:

“certification to the division by an officer or principal of the housing company that the housing company is in full compliance with all applicable laws, regulations, and orders of the division or other governmental agency. In the event that the housing company has not complied with such law, regulation, or order then the officer or principal shall submit a detailed affidavit explaining the reasons therefor.”

The Notice of Intent and, in particular Exhibit H – Certification to the Division, fails to certify that the Housing Company is in full compliance with all applicable regulations and orders of the New York State Division of Housing and Community Renewal in compliance with Section 1750.3(b)(17) of the Regulations. In fact, the Housing Company is not in full compliance. Such Certification notes that

“questions have been raised as to whether the housing company has been renting vacant apartments in a sufficiently timely manner, however, in light of the pendency of a plan for preservation of affordable housing and withdrawal from the Mitchell-Lama Program, the unique circumstances of this property do not render the housing company in violation of the division’s regulations.”

It is our understanding that there are currently approximately twenty (20) vacant apartments at Westview, many of which apartments have been vacant for extended periods (i.e., 6 months or longer). WTF has advised the managing agent (RY Management) and DHCR that families on the waiting list including families with an immediate need for larger apartments due to family expansion were denied apartments despite the existing vacancies.

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Hon. Michael Skrebutenas
July 30, 2012
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It appears that the Housing Company is taking the position that it is not required to comply with section 1727-1.5 of the Regulations, which requires it to promptly re-rent vacant apartments, simply because it intends to withdraw from MLP. The Regulations do not provide any such exception or excuse for non-compliance and, to the contrary, require the Housing Company to certify that it is in full compliance with the Regulations. The Housing Company should be required to comply fully with all Regulations.

3. Sections 1750.3(b)(1) and 1750.3(b)(7), respectively, of the Regulations require identification of the block and lot number and certificate of occupancy for the project.

Paragraph 1 of the Notice of Intent identifies the project as part of Block 1373 Lot 1. However, this is not consistent with the three certificates of occupancy attached as Exhibit C to the Notice of Intent, two of which are dated September 15, 1977, one of which is dated January 3, 1976, refers to "Blocks 373, Lot No. 3 (the first two) and "Block 1373, Lot No. None", respectively. The discrepancy regarding the certificates of occupancy and block/lot numbers is further discussed in paragraph 5 below.

4. Sections 1750.3(b)(2) and 1750.3(b)(12) of the Regulations require identification of the beneficial owner and the legal owner of record. Paragraphs 2 and 12 of the Notice of Intent identify the following parties:

Beneficial owner of the project - North Town Phase III Associates LP;
Managing general partner of the beneficial owner – Westview Houses, Inc.;
Other general partners of beneficial owner – AD North Town houses, LLC and
North Town Phase II Houses, Inc.; and
Sole stockholder of housing company – Westview Houses, Inc.

It is our understanding that a majority or, at least, a significant portion of the beneficial interest in the project is owned by The Irene Diamond Fund and the Irene Diamond Estate.

The Notice of Intent should disclose the true beneficial owners of the Westview as required by the clear language of the Regulations.

5. Section 1750(b)(4) of the Regulations requires the Housing Company to include the specified rental data.

In fact, the Notice of Intent claims that a rent roll is attached as Exhibit A, but no such attachment was included with the Notice of Intent. A rent roll complying with the applicable requirements should be provided (excluding information protected by a right of privacy which is not required to be provided).

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Hon. Michael Skrebutenas
July 30, 2012
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6. Paragraph 7 of the Notice of Intent indicates that “The Certificate of Occupancy for the Project dated September 15, 1977 is attached as Exhibit C.”

(a) Exhibit C includes two certificates of occupancy, each dated September 15, 1977, as well as a temporary certificate of occupancy, dated January 23, 1976. The two certificates dated September 15, 1977 reflect Block 1373, Lot 3, although paragraph 1 of the Notice of Intent identifies the project as part of Block 1373, Lot 1. In addition, the Certificate dated January 23, 1976 indicates Block 1373, Lot “None”.

(b) The Certificate of Occupancy search included as part of the title report attached as Exhibit D states the following:

“595/625 Main Street
STATE: NY COUNTY: NEW YORK Block: 1373 Lot: 1

A search of the Building Department records in reference to the above mentioned Premises has revealed the following information:

No Certificate of Occupancy has been issued according to the Building Department’s indexed records. The following additional information has been found:

No Building Department records were found, as per City personnel.

This lot appears to be waterfront property and may be under the jurisdiction of the Department of Ports, International Trade & Commerce (formerly Ports & Terminals, and Martine & Aviation). No records found for premises at said department.

Please note that current Housing Department records show the building occupied as FOURTEEN APARTMENTS. [emphasis added]

(c) Schedule B-30 of the title report attached as Exhibit D to the Notice of Intent states the following:

“Third Amendment to Ground Lease recorded on October 24, 1997 in Reel 2509 page 2202 shows the tax lots of the subject premises as being not only Lot 1 but also Lots 20 and 50.

This must be further reviewed upon receipt of a certified survey. Tax searches for Lots 20 and 50 will need to be ordered if survey does show that any portion of the

GALLET DREYER & BERKEY, LLP

Hon. Michael Skrebutenas
July 30, 2012
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premises described in Schedule A herein lies within the bounds of Lot 20 and/or Lot 50.”

The correct Certificate of Occupancy and the block and lot should be provided with evidence of that the occupancy of the project conforms with such certificate.

7. Section 1750.3(b) (9) of the Regulations requires a “municipal inspection report which contains a list of any current outstanding municipal violations and citations; and proof of satisfaction thereof.” [emphasis added]

The Notice of Intent failed to indicate or provide evidence of satisfaction of such violations as required. To the contrary, the Notice of Intent indicates that the Housing Company is “in the process of responding to known violations and seeking removal of the same.” [emphasis added]

Proof of satisfaction of violations should be provided by the Housing Company.

8. Section 1750.3(b)11 of the Regulations requires the Housing Company to submit with the Notice of Intent the most recently available financial statements. However, the Notice of Intent provides only such statement dated for the 2010 calendar year. Annual financial statements are required by Section 1728-2.2 of the Regulations to be submitted by the Housing Company.

DHCR should insist that the Housing Company submit the 2011 financial statements in accordance with the Dissolution Regulations.

9. Section 1750.12 of the Regulations provides that: “The housing company must submit evidence of specific arrangements that have been made with the appropriate municipal agencies and compliance with all filing procedures with respect to senior citizens' rent increase exemptions or similar programs.”

Such evidence and compliance, as applicable, should be provided.

The Housing Company has requested (in the May 10th letter and/or the Notice of Intent) DHCR to waive time periods required by the Regulations and has taken the position that it need not make an election as to the manner in which the project will be operating if Dissolution is approved.

Although DHCR has authority under the Regulations to waive requirements in case of undue hardship or other specified situations, no such waivers should be permitted in this case without the agreement of Westview tenants.

EXHIBIT B

Gallet Dreyer & Berkey letter dated May 1, 2015

GALLET DREYER & BERKEY, LLP

ATTORNEYS AT LAW

845 Third Avenue - 8th Floor
New York, NY 10022 - 6601
Telephone 212 - 935 - 3131
Facsimile 212 - 935 - 4514

May 1, 2015

North Town Phase III Associates, LP
c/o RY Management Co., Inc.
1619 Third Avenue
New York, New York 10128

Attention: David B. Hirschhorn

Re: Westview 595-625 Main Street, Roosevelt Island, New York 10044 (“Westview”)
North Town Phase III Houses, Inc. (the “Housing Company”)
Withdrawal from Mitchell-Lama Program
Our File No. 10100.002

Dear David:

We received the revised Westview “Affordability Plan”, dated March 4, 2015 (the “Revised Plan”) which reflected several improvements to the prior version of such plan. As a result of years of discussions, we believe that we are finally close to a plan that Westview Task Force Inc. (“WTF”) can support, however, as you are aware WTF still has outstanding concerns and comments.

Nevertheless, we understand that the “red herring” offering plan for Westview was recently submitted to the New York State Department of Law and you intend to distribute or are in the process of distributing to tenants such plan (a copy of which we have not yet received). Although we appreciate the sense of urgency on the part of the Housing Company with respect to the Westview conversion, we had anticipated a more cooperative effort prior to the submission of the red herring including disclosure of information to, and voting by. Westview tenants as occurred at Island House (which conversion we are pleased to see proceeding). WTF still looks forward to such an opportunity.

Recognizing that Westview apartments are larger than Island House apartments and the Revised Plan provides a higher price per square foot and larger mortgage amount than Island House, and having the benefit of insight from both Island House conversion and Eastwood transition, we have some final comments to complete and further improve for all parties concerned the Revised Plan to, among other things, increase tenant participation and enhance sustainability of the apartment corporation and thereby upgrade the value of all apartments including those retained in the Housing Company portfolio.

These modifications generally do not directly cost the Housing Company money but rather affect the timing and allocations of funds and payments by third parties. The section numbers in the parentheses below correspond to those in the Revised Plan. With these changes WTF is prepared to move forward with the conversion of Westview.

ALLET DREYER & BERKEY, LLP

North Town Phase III Associates, LP
Attn: David B. Hirschhorn
May 1, 2015
Page 2

1. Flip Tax/Transaction Fee. (Sections 10 and 11)

(a) Under the Revised Plan, not only is the sponsor exempt from the Flip Tax on initial of sponsor-owned apartments but also 127 market designated apartments (representing 34% of the building) forever exempt as well, whereas all other sales (including those by tenant-purchasers and their successors), with certain exceptions, will be subject to the Flip Tax. Although, we acknowledge that it is common for sponsors to exempt their sales from a flip tax there is no reasonable rationale for excluding forever the owners of 127 apartments from paying their fair share of the apartment corporation's costs and expenses to maintain, repair and operate the building of which they are a part. A standard transfer fee of 4% (of sales price) should be imposed upon all future sales (except for the exempted family transfers). In connection with second generation flip taxes, maintaining the gross profit calculation might minimize future income as appreciation could be insignificant or even non-existent. So, instead, we propose a flat transaction fee of 4% of sales price.

(b) In addition, no Flip Tax proceeds should be distributed to the sponsor unless and until the amount of the apartment corporation's reserve fund is equal to the sum of three (3) months of total maintenance charges then in effect plus the estimated cost of immediate repairs for the apartment corporation's property. This to ensure that the apartment corporation's reserves are adequate before repayment of sponsor loans begins to deplete this critical resource. Ultimately, both sponsor and tenant purchasers will benefit from a financially viable cooperative. (Section 7 (iii))

2. Electric Sub-metering. (Section 7)

We agree that electric sub-metering is appropriate and reasonable. However, as seen in Eastwood, there are three physical components that have a direct impact on the ultimate success of achieving the desired efficiencies through sub-metering. These are: (1) energy-efficient windows (2) energy-efficient baseboard heaters, apartment sealing, and thermostats, and (3) energy-efficient appliances.

Windows are addressed in the Revised Plan and appliances will be the responsibility of apartment owners, but in connection with a building wide initiative to replace the 40-year-old heaters and installing thermostats, we propose that tenants and sponsor work together to apply for available New York State grants before electric sub-metering is implemented. A similar initiative has proven successful in Eastwood. This measure will ultimately increase the value of all apartments including, of course, those retained in the Housing Company portfolio.

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North Town Phase III Associates, LP

Attn: David B. Hirschhorn

May 1, 2015

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Additionally, to ensure a successful, efficient and reasonable transition to electric sub-metering for the benefit of all involved, the following need to be employed in any plan for sub-metered electricity:

(a) Implementation of the sub-metered electric billing with respect to all apartments should not commence until replacement of all windows is completed, both in apartments and common areas, as well as the proposed replacement of inefficient heaters above.

(b) Implementation of the sub-metered electric billing with respect to all apartments should not commence until after an operational and billing trial or grace period of six months. This should facilitate more accurate and efficient billing of the new charge and permit occupants to become acclimated to the new billing system.

(c) The corresponding rent reduction should be calculated based on actual costs and expenses incurred at Westview as approved in DHCR 2009 budget rather than standard New York State figures. This is fair and reasonable as we understand that electric costs on Roosevelt Island exceed such applicable standard.

(d) Sub-metered electricity should be billed at the actual cost charged by utility provider (without markup) except as a majority of the non-sponsor designated directors of the apartment corporation may otherwise approve.

All of these must be properly addressed prior to any implementation or conversion to electric sub-metering. If these issues are not properly addressed, the Housing Company and the Westview community are likely to face difficult problems and challenges.

3. Sponsor Contribution. (Section 12) Reimbursement of WTF legal fees from the special fund contributed by the sponsor should be increased from \$160,000 to \$250,000 to meet actual costs as WTF has no other resources. In addition, the WTF engineering fees in the amount of \$50,000 should be made available immediately in order to expedite the process of the applicable physical inspection.

4. Threshold to Declare the Offering Plan Effective. In the last paragraph of the section entitled "Affordability Plan Effective Date" (beginning on the first page of the Revised Plan), the 40% threshold of contracts to purchase apartments at which the sponsor must declare effective the offering plan should be reduced to 30%. We believe this is appropriate in view of the fact that the Westview plan has a significantly higher cash price for apartments and higher underlying mortgage.

5. Sponsor Control. We note that there is a "Sponsor Control Period" in the Island House offering plan during which period the sponsor maintains control of the Board of Directors

GALLET DREYER & BERKEY, LLP

North Town Phase III Associates, LP

Attn: David B. Hirschhorn

May 1, 2015

Page 4

of the apartment corporation and which period ends the earlier of such time as sponsor owns less than 50% of the units or 5 years from the first closing. In this regard, we suggest that the 5 year period be reduced to 2 years and the sponsor not be permitted thereafter to control the Board by vote of its shares of the apartment corporation. This obviously expedites control of the Board by those most interested to maintain and operate the premises as their homes and should make the apartments more attractive to tenants and other purchasers.

6. Financing Contingency. We note that the Island House offering plan has been amended to include a limited financing contingency in the purchase agreement. The purchase agreement for the Westview offering should include a standard financing contingency which (a) is not conditioned upon purchaser's application (and does not otherwise require the purchaser to apply) to two, or other limited number of, designated lenders, and (b) provides a period of not less than 45 days to obtain the financing. Of course, such a contract contingency significantly reduces the risk of purchaser's forfeiture of the contract downpayment and will thereby encourage more purchasers, in particular, tenant purchasers, who likely do not have a readily available and committed source to fund the purchase of an apartment.

7. Adverse Amendments. The offering plan for Westview should not be amended by the sponsor in any manner to include a buyout of tenants or otherwise discourage tenants from purchasing apartments during the exclusive period and, thereafter, until a minimum of 50% participation by tenants has been achieved.

8. Mitchell-Lama Tenants. Any claim by the sponsor that a tenant is not a Bona Fide Mitchell-Lama Tenant should be made (in writing to New York State Department of Housing and Community Renewal with a copy to the applicable tenant) no later than 90 days after the Affordability Plan Effective Date (or, if earlier, the date of submission of the "red herring" to the New York State Department of Law) and each and every tenant shall be deemed a Bona Fide Mitchell-Lama Tenant unless such a timely claim is made by the sponsor and such claim is upheld by New York State Department of Housing and Community Renewal not later than 180 days after the Affordability Plan Effective Date (or, if earlier, the date of acceptance of the offering plan by the New York State Department of Law) . (Section 6(iii))

9. Line of Credit. (Section 13) I believe that the amount of the line of credit should be less than \$3,000,000 in order to qualify for the applicable mortgage tax advantage.

10. Building Condition. Please provide information regarding the condition of the façade (including emergency façade work), any supplemental reports of the physical condition of the building, and anticipated response to citation by New York City Department of Buildings requiring repairs and designation of Westview as a "SWARMP" property.

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North Town Phase III Associates, LP

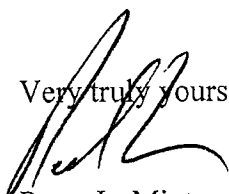
Attn: David B. Hirschhorn

May 1, 2015

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We feel that our final comments are sensible and fair and will further improve the Revised Plan for all parties concerned to, among other things, increase sales of apartments, enhance sustainability of the apartment corporation and thereby increase the value of the apartments retained in the Housing Company portfolio. We hope that you agree that these suggestions can improve upon the Revised Plan, and look forward to completing a suitable affordability plan with these changes. We would be happy to discuss these items with you further at your convenience.

Very truly yours,



Perry L. Mintz

PLM/pms

cc: Darryl C. Towns, Commissioner/CEO HCR and Chairperson RIOC
Richmond McCurnin, Assistant Commissioner, New York State Homes and Community
Renewal, Division of Housing & Community Renewal
Rebecca Seawright, New York State Assembly Member
Erica F. Buckley, Bureau Chief, Office of the NYS Attorney General
Westview Task Force

595991

EXHIBIT C

Building Condition Report of Braxton Engineering, P.C., dated July 2, 2007



**TENANT'S
BUILDING CONDITION REPORT**

AT

**595 / 625 Main Street
Roosevelt Island, New York 10044**

FOR:

**Westview Task Force, Inc.
625 Main Street, Apt. 1433
Roosevelt Island, New York 10044**

**Mr. Opher Pail
Mr. Johan Marfey
WTI Co-Chairman**

Prepared by:

**BRAXTON ENGINEERING P.C.
149 West 12th Street
New York, N.Y. 10011
(212) 645-2600 FAX: (212) 645-2603**

Charles E. Marino, P.E.

July 02, 2007

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Introduction:

This Report, dated July 2, 2007, presents an analysis of the property and its individual building components, indicating the existing conditions, recommendation(s) for remedial repairs and/or replacements. Anticipated cost(s) to perform any major capital work needed Now and in Five (5) years is provided for planning purposes.

This Report is based on the following parameters:

- A visual inspection of a sufficiently representative sample of spaces and building systems equipment, as deemed necessary, to prepare this Report. Unless stated herein, no tests nor penetrations into walls, ceilings, floors, nor removal of any structural or mechanical elements have been made.
- It is understood that not all aspects of the physical condition of the property can be ascertained from a visual inspection alone.
- A review of available records relating to the property in the files of the agencies, i.e. local Department of Buildings having jurisdiction over the property.
- Information on open violations, if any, provided by local Building Department.
- Information provided by the Owner and/or it's representatives.

This Report fairly describes the condition of the building and the property, as of the date(s) of this inspection. It discusses those facts, which could be ascertained from a visual inspection alone. This Report provides a general description of the property, interior spaces and mechanical equipment plus a reasonable summary of their general condition. However, the report is not intended to be a comprehensive detailed list of every space and every piece of equipment nor of the physical condition of each. Emphasis is on the condition of the property at the time of inspection, including deficiencies probably unknown to occupants, rather than a description of material make-up usually obvious to residents.

The scope of the Report may include estimates of costs of repairs, restorations and/or improvements, which would be required to correct the defects or implement the improvements and changes brought to light by this Report. These costs are usually noted as order-of-magnitude figures to provide the reader with a sense of relative scale rather than exact figures. However, in order to obtain more exact prices, it would be necessary to engage an engineer and/or architect to prepare detailed drawings and performance specifications for each building trade and to secure competitive bids from contractors skilled in that particular discipline.

The contents of this Report are correct to the best of my knowledge and belief. This Report and the conclusions stated herein are, however, limited to actual knowledge based upon visual inspection, undertaken with due diligence, of accessible portions of the property and building components.

This Report is not to be construed as a guarantee or warranty. It is not intended nor prepared for the purpose of fixing a value to the property or as an opinion regarding the advisability to purchase the property.

NOMENCLATURE:

Definitions used in this Report include the following:

- **GOOD**
Item appears to be functioning properly; no work needed at this time.
- **FAIR**
Item appears capable of functioning properly, but some remedial or restoration work is required NOW or within the next FIVE (5) years.
- **POOR**
Item cannot function properly unless remedial, restorative or replacement action is taken NOW.
- **NOW**
Item which should be addressed immediately.
- **5 YEARS**
Item which should be addressed within the next FIVE (5) years.

BUILDING DATA:

Address:	595 & 625 main Street Roosevelt Island, New York 10044
A/K/A:	Westview Task Force
Construction Classification:	Class I, Fireproof
Occupancy Classification:	Class "A" Multiple Dwelling
Block:	1371
Lot:	1
Bin:	1084707
Certificate of Occupancy:	None on Record
Use Group:	Residential/Commercial
Landmarked:	NYC Landmark District Status
Commercial Use:	Yes
Building Height:	Nineteen (19) + Cellar

BUILDING DATA continued:

Year Built:	1978
Total Apartments:	Three Hundred Sixty One (361)
Parking Spaces:	None on Property Street Parking – By NYC Dept. of Transportation Rules & Regulations
Multiple Dwelling #:	139421
Building Classification:	Elevator
Zoning District:	R7-2 General Residence District
Lot Area:	Approximately three (3) Acres
Community Board:	108

