



The following is the annual financial statement received from the owner of the 137-02 Northern Blvd (referred to by the owner as CIAMPA 72 LLC) and 32-08 Union St (referred to by the owner as CIAMPA US LLC) Developments.

CIAMPA ORGANIZATION
COMBINING FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2012 AND 2011

GIBGOT, WILLENBACHER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

GIBGOT, WILLENBACHER & CO.

CERTIFIED PUBLIC ACCOUNTANTS

CIAMPA ORGANIZATION

COMBINING FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2012 AND 2011

CIAMPA ORGANIZATION
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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Members
Ciampa Organization

We have audited the accompanying combining financial statements of Ciampa Organization which comprise the combining balance sheets as of December 31, 2012 and 2011, and the related combining statements of shareholders' deficit and members' deficit, operations and comprehensive income, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the combining financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combining financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

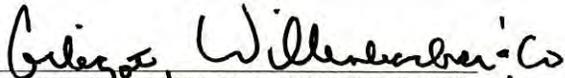
Our responsibility is to express an opinion on these combining financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combining financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combining financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combining financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the financial position of Ciampa Organization as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


CERTIFIED PUBLIC ACCOUNTANTS

Great Neck, New York
May 30, 2013

CIAMPA ORGANIZATION
COMBINING BALANCE SHEETS

	December 31, 2012				December 31, 2011
	Noncorporate Entities	Corporate Entity	Eliminations	Combined	Combined
<u>ASSETS</u>					
Property and equipment - at cost (Notes 1, 5 and 6):					
Land	\$ 55,461,064	\$ -	\$ -	\$ 55,461,064	\$ 55,461,064
Building	174,292,747	-	(991,905)	173,300,842	166,577,679
Equipment and autos	7,990,193	546,116	-	8,536,309	8,278,626
Total Property and Equipment	237,744,004	546,116	(991,905)	237,298,215	230,317,369
Less accumulated depreciation and amortization	71,176,874	395,694	-	71,572,568	66,105,660
Net Property and Equipment	166,567,130	150,422	(991,905)	165,725,647	164,211,709
Cash and cash equivalents (includes \$2,575,223 restricted cash) (Notes 1 and 2) (Page 5)	13,100,458	160,645	-	13,261,103	7,259,764
Receivables:					
Rent	1,593,121	-	-	1,593,121	2,088,877
Other receivables (Note 3)	126,588	-	(29,281)	97,307	57,759
Loan receivable (Note 6)	7,650,753	-	(7,650,753)	-	-
Due from affiliated companies	1,137,436	-	(942,644)	194,792	538,929
Total Receivables	10,507,898	-	(8,622,678)	1,885,220	2,685,565
Other Assets:					
Construction period interest and taxes (net of amortization) (Note 1)	995,300	-	-	995,300	1,055,037
Deferred lease and mortgage costs (net of amortization) (Note 1)	4,176,939	-	-	4,176,939	3,059,238
Deposits, prepaid expenses and other assets	4,980,890	88,388	-	5,069,278	5,152,782
Investments (Note 1)	2,767,220	-	-	2,767,220	4,106,227
Certificate of deposits	794,799	-	-	794,799	786,260
Due from Belshire Manor Property Owners' Association, Inc. (Note 4)	56,939	-	-	56,939	98,177
Total Other Assets	13,772,087	88,388	-	13,860,475	14,257,721
TOTAL ASSETS	\$ 203,947,573	\$ 399,455	\$ (9,614,583)	\$ 194,732,445	\$ 188,414,759

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING BALANCE SHEETS

LIABILITIES, MEMBERS' DEFICIT AND
SHAREHOLDERS' DEFICIT

	December 31, 2012			December 31,	
	Noncorporate Entities	Corporate Entity	Eliminations	2011 (Restated) Combined	
Liabilities:					
Mortgage notes payable (Note 5)	\$ 237,926,974	\$ -	\$ -	\$ 237,926,974	\$ 225,678,668
Loans payable (Note 6)	7,650,753	19,551	(7,650,753)	19,551	37,454
Interest rate swap liability (Notes 1 and 9)	2,372,909	-	-	2,372,909	1,791,603
Accounts payable, accrued expenses, and other liabilities	2,039,103	129,230	(29,281)	2,139,052	2,307,579
Tenants' security deposits (Note 2)	3,958,794	-	-	3,958,794	3,792,133
Due to affiliated companies	1,427,085	167,313	(942,644)	651,754	1,292,166
Advanced rental income	619,555	-	-	619,555	771,731
Loans from shareholders (Note 7)	-	430,000	-	430,000	430,000
Other taxes payable	8,536	-	-	8,536	7,931
Total Liabilities	<u>256,003,709</u>	<u>746,094</u>	<u>(8,622,678)</u>	<u>248,127,125</u>	<u>236,109,265</u>
Members' Deficit and Shareholders' Deficit:					
Common stock; no par value; 200 shares authorized; 40 shares issued and outstanding	-	400	-	400	400
Accumulated other comprehensive loss (Note 8)	(2,351,302)	-	-	(2,351,302)	(1,653,343)
Shareholders' deficit (Page 3)	-	(347,039)	-	(347,039)	(378,112)
Members' deficit (Page 3)	(49,704,834)	-	(991,905)	(50,696,739)	(45,663,451)
Total Members' Deficit and Shareholders' Deficit	<u>(52,056,136)</u>	<u>(346,639)</u>	<u>(991,905)</u>	<u>(53,394,680)</u>	<u>(47,694,506)</u>
TOTAL LIABILITIES, MEMBERS' DEFICIT AND SHAREHOLDERS' DEFICIT	<u>\$ 203,947,573</u>	<u>\$ 399,455</u>	<u>\$ (9,614,583)</u>	<u>\$ 194,732,445</u>	<u>\$ 188,414,759</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
 COMBINING STATEMENTS OF CHANGES IN
 MEMBERS' DEFICIT AND SHAREHOLDERS' DEFICIT

	Year Ended December 31, 2012			Year Ended December 31, 2011	
	Noncorporate Entities	Corporate Entity	Eliminations	Combined	
Deficit - beginning	\$ (44,671,546)	\$ (378,112)	\$ (991,905)	\$ (46,041,563)	\$ (42,713,615)
Net income (Page 4)	4,486,711	31,073	-	4,517,784	1,958,931
Contributions	15,011,723	-	-	15,011,723	10,169,422
Withdrawals	<u>(24,531,722)</u>	<u>-</u>	<u>-</u>	<u>(24,531,722)</u>	<u>(15,456,301)</u>
DEFICIT - ENDING (Page 2)	<u>\$ (49,704,834)</u>	<u>\$ (347,039)</u>	<u>\$ (991,905)</u>	<u>\$ (51,043,778)</u>	<u>\$ (46,041,563)</u>

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Year Ended December 31, 2012				Year Ended December 31, 2011
	Noncorporate Entities	Corporate Entity	Eliminations	Combined	(Restated) Combined
REVENUE FROM OPERATIONS:					
Rental Revenue:					
Apartment rents	\$ 30,407,741	\$ -	\$ -	\$ 30,407,741	\$ 28,008,576
Commercial rents	9,470,103	-	(6,680)	9,463,423	9,194,641
Garage rents	958,885	-	-	958,885	946,289
Laundry income	207,670	-	-	207,670	214,156
Other	193,374	-	-	193,374	187,853
Total Rental Revenue	41,237,773	-	(6,680)	41,231,093	38,551,515
Management fee income	-	1,939,726	(1,852,709)	87,017	121,343
Total Revenue From Operations	41,237,773	1,939,726	(1,859,389)	41,318,110	38,672,858
OPERATING EXPENSES:					
Rental Expenses (Page 28):					
Operating expenses	10,982,123	-	-	10,982,123	10,258,817
Building repairs and maintenance	1,878,388	-	-	1,878,388	1,971,802
General and administrative expenses allocated to properties	1,290,144	-	-	1,290,144	1,204,220
Mortgage interest - net (Notes 5 and 9)	12,775,903	-	(373,897)	12,402,006	12,654,829
Interest - other than mortgages	4,485	-	-	4,485	17,850
General and administrative expenses (Page 36)	-	1,834,547	-	1,834,547	2,495,066
Management fee expense	1,852,709	-	(1,852,709)	-	-
Total Operating Expenses	28,783,752	1,834,547	(2,226,606)	28,391,693	28,602,584
Income from operations before non-cash items	12,454,021	105,179	367,217	12,926,417	10,070,274
Non-Cash Items (Note 1) (Page 5):					
Depreciation	5,515,227	60,878	-	5,576,105	5,257,423
Amortization	922,215	-	-	922,215	625,921
Total Non-Cash Items	6,437,442	60,878	-	6,498,320	5,883,344
Income from operations	6,016,579	44,301	367,217	6,428,097	4,186,930
Other Income (Expenses):					
Interest and dividends	407,705	(2,228)	(373,897)	31,580	24,400
Gain (loss) on securities	297,904	-	-	297,904	(10,536)
Gain on sale of property	-	-	-	-	29,423
Guaranteed payments to members	(2,167,600)	-	-	(2,167,600)	(2,206,000)
General expenses	(67,877)	-	6,680	(61,197)	(52,286)
Total Other Expenses	(1,529,868)	(2,228)	(367,217)	(1,899,313)	(2,214,999)
Income before provision for income taxes	4,486,711	42,073	-	4,528,784	1,971,931
Provision for Income Taxes (Note 1):					
New York State	-	1,000	-	1,000	1,000
New York City	-	10,000	-	10,000	12,000
Total Provision for Income Taxes	-	11,000	-	11,000	13,000
NET INCOME (Pages 3 and 5)	4,486,711	31,073	-	4,517,784	1,958,931
OTHER COMPREHENSIVE INCOME (LOSS) (Note 1) (Page 28)					
Unrealized gains arising during the period on securities	21,607	-	-	21,607	132,637
Unrealized loss on interest rate swap	(581,306)	-	-	(581,306)	(95,295)
Change in fair value of hedging activities	-	-	-	-	(34,501)
Reclassification adjustments	(138,259)	-	-	(138,259)	(28,183)
Total Other Comprehensive Loss	(697,958)	-	-	(697,958)	(25,342)
TOTAL COMPREHENSIVE INCOME (Note 1)	\$ 3,788,753	\$ 31,073	\$ -	\$ 3,819,826	\$ 1,933,589

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2012				Year Ended December 31, 2011
	Noncorporate Entities	Corporate Entity	Eliminations	Combined	(Restated) Combined
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income (Page 4)	\$ 4,486,711	\$ 31,073	\$ -	\$ 4,517,784	\$ 1,958,931
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization (Page 4)	6,437,442	60,878	-	6,498,320	5,883,344
Loss on sale of property	-	-	-	-	8,123
(Increase) Decrease in Assets:					
Receivables	2,112,122	-	-	2,112,122	1,288,605
Due from affiliated companies	614,888	744,161	(1,014,912)	344,137	188,187
Deposits, prepaid expenses and other assets	73,161	10,343	-	83,504	(289,726)
Due from Belshire Manor Property Owners' Association, Inc.	41,238	-	-	41,238	18,149
Increase (Decrease) in Liabilities:					
Accounts payable, accrued expenses and other liabilities	(205,758)	31,317	-	(174,441)	(355,875)
Tenants' security deposits	166,661	-	-	166,661	453,045
Due to affiliated companies	(825,718)	(829,606)	1,014,912	(640,412)	(36,551)
Advanced rental income	(152,176)	-	-	(152,176)	595,298
Other taxes payable	605	-	-	605	(62,825)
Total Adjustments	8,262,465	17,093	-	8,279,558	7,689,774
Net Cash Provided By Operating Activities	12,749,176	48,166	-	12,797,342	9,648,705
CASH FLOWS FROM INVESTING ACTIVITIES:					
Net increase to deferred lease and mortgage costs	(1,980,179)	-	-	(1,980,179)	(636,330)
Increase in certificate of deposits	(8,539)	-	-	(8,539)	(9,253)
Investment in marketable securities	1,222,354	-	-	1,222,354	495,105
Payments for additions to property and equipment	(7,033,504)	(56,539)	-	(7,090,043)	(9,406,691)
Net Cash Used For Investing Activities	(7,799,868)	(56,539)	-	(7,856,407)	(9,557,169)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds of mortgages and loans	45,833,023	-	-	45,833,023	5,288,938
Members' capital contributions	15,011,723	-	-	15,011,723	8,969,422
Payments of mortgages and loans payable	(35,234,717)	(17,903)	-	(35,252,620)	(4,276,475)
Members' capital withdrawals	(24,531,722)	-	-	(24,531,722)	(15,456,301)
Net Cash Provided By (Used For) Financing Activities	1,078,307	(17,903)	-	1,060,404	(5,474,416)
Net increase (decrease) in cash and cash equivalents	6,027,615	(26,276)	-	6,001,339	(5,382,880)
Cash and cash equivalents - at beginning	7,072,843	186,921	-	7,259,764	12,642,644
CASH AND CASH EQUIVALENTS - AT END (Page 1)	\$ 13,100,458	\$ 160,645	\$ -	\$ 13,261,103	\$ 7,259,764
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Interest paid	\$ 12,908,152	\$ 2,228	\$ -	\$ 12,910,380	\$ 13,455,403
Taxes paid	\$ -	\$ 16,786	\$ -	\$ 16,786	\$ 36,000

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

The Organization is primarily a developer and lessor of residential and commercial real estate in the borough of Queens, New York.

Principles of Combination

The financial statements include the accounts of the following limited liability companies:

<u>Entity</u>	<u>Date Formed</u>	<u>Entity</u>	<u>Date Formed</u>
Ciampa North LLC	2/10/84	Ciampa Jamaica LLC	1/18/02
Ciampa Bell LLC	11/01/73	Ciampa 162 LLC	10/9/03
Ciampa Metropolitan LLC	7/01/78	Ciampa Estates LLC	4/1/05
Ciampa Realty LLC	9/23/81	Ciampa M4 LLC	8/24/05
Ciampa Douglaston LLC	10/01/75	Ciampa Capital LLC	1/17/06
Ciampa Enterprises LLC	7/26/95	Ciampa Crescent LLC	6/8/06
Ciampa M3 LLC	3/01/99	Ciampa 24 LLC	2/2/07
Ciampa 72 LLC	6/15/99	Ciampa Steinway LLC	1/17/07
Ciampa US LLC	6/15/99	Ciampa Tower Square LLC	1/10/08
Ciampa 14 LLC	4/27/00	Ciampa Whitepoint LLC	1/10/08
Ciampa 21 LLC	1/02/01	Ciampa S2 LLC	10/9/09
		Ciampa S3 LLC	10/9/09

Ciampa Capital LLC was formed under the laws of the State of Delaware. All other Companies were formed under the laws of the State of New York.

Ciampa Management Corp. was formed June 10, 1981 under the laws of the State of New York.

Basis of Presentation

These combining financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Ciampa Organization maintains cash balances in high quality financial institutions in excess of the federally insured amount of \$250,000. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk. For purposes of the combining financial statements of cash flows, the Organization considers all demand deposits, money market funds and securities with original maturities of three months or less to be cash equivalents.

CIAMPA ORGANIZATION
NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property & Equipment

The Ciampa Organization provides for depreciation of property and equipment on the straight-line and declining balance methods over the shorter of their estimated useful lives or lease terms. The estimated useful lives are as follows:

	<u>Years</u>
Building	30-50
Equipment and autos	3-10

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Construction Period Interest and Taxes

For financial reporting purposes, construction period interest and taxes are amortized over the estimated useful life of the asset for which the cost was incurred. For income tax purposes, construction period interest and taxes are amortized over a nine or ten year period pursuant to Internal Revenue Code Section 189. For costs incurred subsequent to 1986, the uniform capitalization rules pursuant to the Tax Reform Act of 1986 apply, which require the capitalization of interest and taxes and the amortization of them over the useful life of the asset.

Deferred Lease and Mortgage Costs

Lease costs represent costs incurred in obtaining and executing leases, mortgage costs were incurred in connection with placement of mortgages. All such expenses are being amortized over the terms of the leases and the mortgages, respectively, on a straight-line basis.

Income Taxes

The limited liability companies file their income tax returns as partnerships for Federal, State and city income tax purposes, and thus no income tax expense has been recorded in the financial statements. Any income or loss is reported on the members' individual income tax returns.

CIAMPA ORGANIZATION
NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

Effective with the tax period beginning December 1, 2005, the shareholders of Ciampa Management Corp. elected Subchapter "S" status for Federal and New York State income tax purposes. The profits or losses of the Corporation are reported on the shareholders' individual tax returns. New York Subchapter "S" Corporations are subject to a corporate-level tax which has been provided for in the financial statements. New York City does not recognize "S" Corporation status. Accordingly, New York City General Corporation tax has been provided for in the financial statements.

The Organization complies with the provisions of *Accounting for Uncertainty in Income Taxes* (FASB ASC 740-10). Under FASB ASC 740-10, the Organization is required to recognize, measure, classify, and disclose in the financial statements uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions taken on the returns that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization or its members and shareholders will not be subject to additional tax, penalties, and interest as a result of such challenge. The Organization's Federal, State and City tax returns remain open for examination for the years 2009 through 2012, generally three years from the date of filing.

The Organization's policy is to record interest expense and penalties assessed by taxing authorities in operating expenses. For the years ended December 31, 2012 and 2011, there were no interest or penalties recorded or accrued for uncertain tax positions.

Fair Value Measurements

In accordance with *Fair Value Measurements and Disclosures* (FASB ASC 820) fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value should be determined based on the assumptions that market participants would use in pricing the asset or liability. FASB ASC 820 establishes a three level fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

CIAMPA ORGANIZATION
NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (continued)

Level 3: Unobservable inputs that are supported by little or no market activity (Company data) and that are significant to the fair value of the assets or liabilities.

Ciampa Capital LLC has investments that consist entirely of publicly traded securities and are reported at fair value based on quoted prices in active markets for identical assets. These values are considered to be Level 1 inputs.

Interest rate swap arrangements can generally be verified by market data and are therefore classified as Level 2. The fair value of the interest rate swap is determined based upon valuation models used by the Bank and it represents the Bank's good faith estimates of mid-market values of the referenced transactions. This is an estimate of the loss that would be incurred if the Company terminates the transaction prior to the early termination option date as disclosed in Note 9.

Comprehensive Income

The Organization complies with provisions of *Comprehensive Income* (FASB ASC 220), which require companies to report all changes in equity during a period, except those resulting from investment by owners and distributions to owners, for the period in which they are recognized. Comprehensive income is the total of net income (loss) and all other non-owner changes in equity, which are referred to as items of other comprehensive income (loss). The Organization has presented the components of other comprehensive income within the statements of operations and comprehensive income (loss). Unrealized gains and losses are ultimately credited or charged to members' equity (deficit), whereas realized gains and losses flow through the Company's annual operations. An analysis of changes in the components of accumulated other comprehensive income (loss) is presented in Note 8.

Date of Management Review

Management has evaluated subsequent events through May 30, 2013, the date that the financial statements were available for issue, and determined that the following events have occurred subsequent to December 31, 2012 that do not require adjustment but do require disclosure in the financial statements.

On January 30, 2013, Ciampa S3 LLC obtained a \$16,000,000 building loan from a bank. The proceeds of this loan will be used to assist Ciampa S3 LLC with the construction of a new building.

CIAMPA ORGANIZATION
NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Date of Management Review (Continued)

On March 22, 2013, Ciampa North LLC refinanced their existing mortgage at 140-16 34th Avenue with a new mortgage of \$15,000,000 with an interest rate swap agreement.

Commencing April 2013 Ciampa North LLC is distributing all of its assets and liabilities to its members.

As of May 30, 2013, there have been no other subsequent events requiring recording or disclosure in the financial statements for the year ended December 31, 2012.

Restatement

In connection with the interest rate swap liability as of December 31, 2011, the Organization has restated the 2011 financial statements to record the value of the interest rate swap liability in the amount of \$1,791,603 which resulted in a corresponding increase in members' deficit as a component of other comprehensive income.

Reclassification

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. There was no effect on members' deficit.

NOTE 2 - TENANTS' SECURITY DEPOSITS

The Organization has received security deposits from residential and commercial tenants as follows:

Restricted Deposits

Residential	\$2,446,326
Commercial	<u>128,897</u>
	2,575,223

Unrestricted Deposits

Residential	344,413
Commercial	<u>1,039,158</u>
TOTAL	<u>\$3,958,794</u>

The restricted residential and commercial security deposits are held in interest bearing savings accounts at different banks.

CIAMPA ORGANIZATION
NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 3 - OTHER RECEIVABLES

Other receivables as of December 31, 2012 in the amount of \$126,588 consist primarily of real estate tax remissions, landlord fees receivable and miscellaneous receivables.

NOTE 4 - DUE FROM BELSHIRE MANOR PROPERTY OWNERS' ASSOCIATION, INC.

The Ciampa Organization built a swimming pool for the not-for-profit organization, which maintains the common areas of Belshire Manor. The original loan of \$214,161 made in June 1974 at 7.5% per annum, is payable over thirty years. Payments are made only when a surplus from pool operations exists. At December 31, 2012, the amount due is \$56,939.

NOTE 5 - MORTGAGE NOTES PAYABLE

Mortgage notes payable at December 31, consists of the following:

Description		Current Monthly Payment	Current Interest Rate	Due Date	Principal Balance	
					December 31 2012	December 31 2011
Ciampa North LLC 140-16 34 th Avenue Flushing, NY	(A)	\$66,482	4.875%	09/01/18	\$12,241,432	\$12,437,224
139-81 35 th Avenue Flushing, NY	(B)	\$61,154	6.000%	02/01/16	9,673,094	9,824,697
19-10 Parsons Blvd. Whitestone, NY	(C)	\$31,110	4.250%	01/01/18	6,115,605	6,226,447
144-20 38 th Avenue Flushing, NY	(C)	\$40,302	4.250%	01/01/18	<u>7,922,488</u>	<u>8,066,079</u>
				Sub-total	<u>\$35,952,619</u>	<u>\$36,554,447</u>

(A) This mortgage was modified and extended on March 24, 2011. Effective May 1, 2011, the interest rate is 4.875% and the mortgage is due September 1, 2018. See Note 1 for subsequent event.

(B) This mortgage has an option to renew for five years.

(C) Beginning January 1, 2011, the interest rate was reduced to 4.25% for a period of five years. Thereafter, the rate will be 2.75% above Prime. At no time will the interest rate fall below 4.25% or exceed 16% per annum.

CIAMPA ORGANIZATION
 NOTES TO COMBINING FINANCIAL STATEMENTS
 DECEMBER 31, 2012

NOTE 5 - MORTGAGE NOTES PAYABLE (continued)

Mortgage notes payable at December 31, consists of the following:

Description		Current Monthly Payment	Current Interest Rate	Due Date	Principal December 31 2012	Balance December 31 2011
				Balance Forward	\$35,952,619	\$36,554,447
<u>Ciampa North LLC</u> 56-01/47 56 th Drive Maspeth, NY	(D)	\$27,142	4.250%	01/01/20	5,455,695	5,545,781
37-15 Parsons Blvd. Flushing, NY		\$ 7,968	4.875%	10/01/18	1,467,124	1,490,589
<u>Ciampa Bell LLC</u> 16-70 Bell Blvd. Bayside, NY	(E)	\$72,209	4.875%	09/01/18	13,295,937	13,508,595
16-66 Bell Blvd. Bayside, NY		\$97,516	5.625%	09/01/15	15,000,215	15,316,887
<u>Ciampa Metropolitan LLC</u> 83-33 118 th Street Kew Gardens, NY	(F)	\$38,016	4.250%	01/01/18	7,473,083	7,608,529
63-36 98 th Place Rego Park, NY	(F)	\$31,110	4.250%	01/01/18	<u>6,115,605</u>	<u>6,226,447</u>
				Sub-total	<u>\$84,760,278</u>	<u>\$86,251,275</u>

(D) Effective April 1, 2012, the interest rate was reduced to fixed rate of 4.25% for five years. After April 1, 2017, the rate will be 2.75% over the Prime Rate. At no time will the interest rate fall below 4.25% or exceed 16% per annum.

(E) This mortgage was modified and extended on March 24, 2011. Effective May 1, 2011, the interest rate is 4.875% and the mortgage is due September 1, 2018.

(F) Beginning January 1, 2011, the interest rate was reduced to 4.25% for a period of five years. Thereafter, the rate will be 2.75% above Prime. At no time will the interest rate fall below 4.25% or exceed 16% per annum.

CIAMPA ORGANIZATION
NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 5 - MORTGAGE NOTES PAYABLE (continued)

Mortgage notes payable at December 31, consists of the following:

Description		Current Monthly Payment	Current Interest Rate	Due Date	Principal Balance	
					December 31 2012	December 31 2011
				Balance Forward	\$ 84,760,278	\$ 86,251,275
<u>Ciampa Realty LLC</u> 136-43 37 th Avenue Flushing, NY	(G)	\$50,805	3.500%	10/01/18	11,170,134	11,374,017
136-26 37 th Avenue Flushing, NY	(H)	\$22,367	6.500%	02/01/13	-	2,137,955
<u>Ciampa Douglaston LLC</u> 44-30 Douglaston Pkwy. Douglaston, NY	(I)	\$54,559	6.000%	01/14/17	8,632,783	8,765,170
<u>Ciampa 72 LLC</u> 137-02 Northern Blvd. Flushing, NY		\$52,831 \$ 2,443	8.000% 1.000%	03/31/31 03/31/31	6,075,326 ✓ 1,630,812 ✓	6,217,056 1,643,753
<u>Ciampa US LLC</u> 32-08 Union Street Flushing, NY		\$20,325 \$ 884	8.000% 1.000%	07/31/30 07/31/30	2,298,470 587,155	2,355,974 591,871
<u>Ciampa 14 LLC</u> 136-14 Northern Blvd. Flushing, NY	(J)	\$56,324	9.000%	10/31/31	-	6,241,267
	(J)	\$ 2,516	1.000%	10/31/31	-	1,835,643
	(J)	\$39,257	3.400%	01/01/20	<u>8,800,000</u>	<u>-</u>
				Sub-total	<u>\$123,954,958</u>	<u>\$127,413,981</u>

(G) Beginning April 1, 2012, the interest rate will be fixed at 3.50% until March 31, 2017. Thereafter, the rate will be 2.75% above Prime. At no time will the interest rate fall below 3.50% or exceed 16% per annum.

(H) This mortgage was paid off on November 1, 2012.

(I) This mortgage has an option to renew for five years.

(J) The first and second mortgages were paid off with the proceeds from a new \$8,800,000 mortgage dated December 21, 2012. It has an option to extend for an additional five years at the greater of LIBOR plus 2.75% or 3.40%. Beginning January 1, 2013, this mortgage has an interest rate swap agreement that effectively converts the interest rate on the mortgage from LIBOR plus 2.00% to a fixed rate of 3.40%. The swap agreement expires January 1, 2020. See Note 9.

CIAMPA ORGANIZATION
NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 5 - MORTGAGE NOTES PAYABLE (continued)

Mortgage notes payable at December 31, consists of the following:

Description		Current Monthly Payment	Current Interest Rate	Due Date	Principal Balance	
					December 31 2012	December 31 2011
				Balance Forward	\$123,954,958	\$127,413,981
<u>Ciampa 21 LLC</u>						
21 st St. & 31 st Drive	(K)	\$53,015	7.750%	09/01/32	-	6,545,609
Astoria, NY	(K)	\$ 2,347	1.000%	09/01/32	-	1,316,357
	(K)	\$49,081	3.400%	01/01/20	11,000,000	-
<u>Ciampa Jamaica LLC</u>						
90-05 161 st Street		\$63,629	7.500%	10/30/34	8,215,322	8,356,898
Jamaica, NY		\$ 3,109	1.000%	10/30/34	2,857,916	2,866,598
<u>Ciampa 162 LLC</u>						
89-44 162 nd Street		\$65,281	6.750%	12/31/35	9,137,759	9,298,403
Jamaica, NY		Interest Only	1.000%	12/31/35	3,375,000	3,375,000
<u>Ciampa Crescent LLC</u>						
41-32, 34 Crescent Street						
Long Island City, NY	(L)	\$194,344	5.750%	06/01/14	31,427,301	31,906,888
<u>Ciampa Steinway LLC</u>						
35-21 Steinway Street	(M)	\$15,141	6.000%	07/01/12	-	830,994
Long Island City, NY	(M)	\$13,118	4.500%	07/01/19	2,324,104	-
				Sub-total	\$192,292,360	\$191,910,728

- (K) The first and second mortgages were paid off with the proceeds from a new \$11,000,000 mortgage dated December 21, 2012. It has an option to extend for an additional five years at the greater of 275 basis points or 3.40%. Beginning January 1, 2013, this mortgage has an interest rate swap agreement that effectively converts the interest rate on the mortgage from LIBOR plus 2.00% to a fixed rate of 3.40%. The swap agreement expires January 1, 2020. See Note 9.
- (L) This mortgage has an interest swap agreement that effectively converts the interest rate on the mortgage from LIBOR plus 2.82% to a fixed rate of 5.75%. See Note 9.
- (M) The first mortgage was paid off with the proceeds from a new \$2,345,000 mortgage dated June 13, 2012. This mortgage has an interest rate swap agreement that effectively converts the interest rate on the mortgage from LIBOR plus 2.85% to a fixed rate of 4.50%. The swap agreement expires July 1, 2019. See Note 9.

CIAMPA ORGANIZATION
NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 5 - MORTGAGE NOTES PAYABLE (continued)

Mortgage notes payable at December 31, consists of the following:

Description		Current Monthly Payment	Current Interest Rate	Due Date	Principal Balance	
					December 31 2012	December 31 2011
				Balance Forward	\$192,292,360	\$191,910,728
<u>Ciampa Tower</u>						
<u>Square LLC</u>						
5100 Northern Blvd.						
Woodside, NY	(N)	\$53,981	4.250%	01/01/20	10,850,668	11,029,837
<u>Ciampa Whitepoint LLC</u>						
14 th Avenue						
College Point, NY	(N)	\$67,854	4.250%	01/01/20	13,639,238	13,864,453
132-31, 37 & 43						
14 th Avenue						
College Point, NY		\$4,428	7.000%	05/01/12	-	21,757
		\$3,416	7.000%	05/01/12	-	16,785
13-33, 26 133 rd Place						
College Point, NY	(O)	\$6,708	6.000%	07/01/12	-	368,131
	(O)	\$6,461	4.500%	07/01/19	1,144,708	-
<u>Ciampa S2 LLC</u>						
41-18 Crescent Street	(P)	Interest	6.000%	07/23/12	-	8,466,977
Long Island City, NY	(P)	Only	3.750%	04/01/19	20,000,000	-
TOTAL MORTGAGE NOTES PAYABLE					<u>\$237,926,974</u>	<u>\$225,678,668</u>

(N) Effective April 1, 2012, the interest rate was reduced to 4.25% for a period of five years. After April 1, 2017, the rate will be 2.75% above Prime. At no time will the interest rate fall below 4.25% or exceed 16% per annum.

(O) The first mortgage was paid off with the proceeds from a new \$1,155,000 mortgage dated June 13, 2012. This mortgage has an interest rate swap agreement that effectively converts the interest rate on the mortgage from LIBOR plus 2.85% to a fixed rate of 4.50%. The swap agreement expires July 1, 2019. See Note 9.

(P) On March 2, 2012, the \$11,000,000 construction loan was paid off with a \$20,000,000 permanent mortgage. It requires payments of interest only at LIBOR plus 2.00% for the first year. Thereafter, it requires principal and interest at a fixed rate of 3.75% under an interest swap agreement which expires April 1, 2019. See Note 9.

CIAMPA ORGANIZATION
NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 6 - LOANS RECEIVABLE/PAYABLE

Ciampa 24 LLC has a loan payable of \$7,650,753 which is due to Ciampa Capital LLC, bearing interest at Prime plus 1% (4.25% at December 31, 2012), due on demand and subordinate to all mortgages.

It also includes a non-interest bearing equipment loan of \$19,551 with monthly installment payments of \$1,492.

NOTE 7 - LOANS FROM SHAREHOLDERS

These amounts are non-interest bearing and due on demand. The shareholders do not intend to request repayment prior to January 1, 2014.

NOTE 8 - ACCUMULATED OTHER COMPREHENSIVE LOSS

The following schedule presents the changes in the components of accumulated other comprehensive loss for the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Beginning Balance	\$(1,653,343)	\$(1,628,001)
Unrealized holding gains arising during the period on securities	(111,030)	104,454
Unrealized loss on interest rate swap	(581,306)	(95,295)
Unrealized gains on derivatives	<u>(5,623)</u>	<u>(34,501)</u>
Ending Balance	<u>\$(2,351,302)</u>	<u>\$(1,653,343)</u>

NOTE 9 - INTEREST RATE SWAP AGREEMENTS

As discussed in Note 5, the Organization entered into variable-to-fixed interest rate swap agreements with a bank to manage the exposure of changes in variable interest rates related to its debt obligations (\$74,696,113 as of December 31, 2012). The terms of the interest rate swap agreements coincide with the balance and terms of the underlying debt. As such, the interest rate swap agreements qualify as a cash flow hedge in accordance with *Accounting for Derivative Instruments and Hedging Activities* (FASB ASC 815).

As of December 31, 2012 and 2011, the fair value of the interest rate swaps was \$2,372,909 and \$1,791,603, respectively, in favor of the counterparty ("the Bank"). This amount has been reflected as a liability in the combining balance sheets. Changes in the fair value of the swap are recorded in other comprehensive income. Any realized gain or loss will be reclassified from accumulated other comprehensive loss on the combining balance sheets to interest expense/income in the combining statements of operations and comprehensive income (loss) when the interest rate swap expires or at the time the Organization chooses to terminate the swap.

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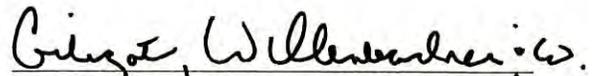
CERTIFIED PUBLIC ACCOUNTANTS

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION

To the Shareholders and Members
Ciampa Organization

We have audited the combining financial statements of Ciampa Organization as of and for the years ended December 31, 2012 and 2011, and our report thereon dated May 30, 2013, which expressed an unmodified opinion on those combining financial statements, appears on the page preceding them. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 17-44 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


CERTIFIED PUBLIC ACCOUNTANTS

Great Neck, New York
May 30, 2013

CIAMPA ORGANIZATION
COMBINING BALANCE SHEETS
NONCORPORATE ENTITIES
DECEMBER 31, 2012 AND 2011

#001628
R/E = \$ 20,075.68
INSUR = 1,502.47
21,578.15

RFR = \$ 77,846.33
INTR = 62.72
77,909.05

-12 = \$ 5,625.00
(\$ 468.75)12

	Ciampa North LLC	Ciampa Bell LLC	Ciampa Metropolitan LLC	Ciampa Realty LLC	Ciampa Douglaston LLC	Ciampa Enterprises LLC	Ciampa M3 LLC	137-02 NORTH CIAMPA BLVD. 72 LLC #001630	32-08 UNION ST. CIAMPA US LLC #001628	Ciampa 14 LLC	Subtotal
ASSETS											
Property and equipment - at cost (Notes 1 and 5):											
Land	\$ 3,918,884	\$ 635,669	\$ 533,036	\$ 1,602,669	\$ 233,500	\$ 174,597	\$ 661,500	\$ 1,861,595	\$ 786,638	\$ 1,870,800	\$ 12,278,888
Building	18,099,753	8,951,038	4,843,683	8,668,008	1,929,644	1,088,675	640,250	7,297,977	3,170,502	7,882,231	62,571,761
Equipment and autos	1,624,426	610,231	241,876	929,037	429,928	31,322	29,514	340,608	35,119	533,730	4,805,791
Total Property and Equipment	23,643,063	10,196,938	5,618,595	11,199,714	2,593,072	1,294,594	1,331,264	9,500,180	3,992,259	10,286,761	79,656,440
Less accumulated depreciation and amortization	13,603,376	6,892,137	3,732,090	5,458,094	1,686,020	310,714	249,099	3,542,993	1,560,224	3,746,665	40,781,412
Net Property and Equipment	10,039,687	3,304,801	1,886,505	5,741,620	907,052	983,880	1,082,165	5,957,187	2,432,035	6,540,096	38,875,028
Cash and cash equivalents (includes \$2,575,223 restricted cash) (Notes 1 and 2) (Pages 29 to 31)	1,175,506	916,913	459,475	299,034	270,159	9,627	51,716	333,481	132,936	868,107	4,516,954
Receivables:											
Rent	309,437	163,721	72,822	69,809	31,312	48,229	-	15,291	13,173	26,838	750,632
Other receivables (Note 3)	28,563	11,172	1,922	6,844	1,071	20,000	-	1,998	28	1,123	72,721
Loan receivable - affiliated company (Note 6)	-	-	-	-	-	-	-	-	-	-	-
Due from affiliated companies	32,165	-	63,904	-	27,964	-	7,241	148,320	15,536	24,895	320,025
Total Receivables	370,165	174,893	138,648	76,653	60,347	68,229	7,241	165,609	28,737	52,856	1,143,378
Other Assets:											
Construction period interest and taxes (net of amortization) (Note 1)	22,716	-	-	6,278	-	-	-	-	-	-	28,994
Deferred lease and mortgage costs (net of amortization) (Note 1)	846,575	93,119	350,686	385,145	58,300	78,775	36,489	1,504	43,834	281,752	2,176,179
Deposits, prepaid expenses and other assets	1,252,589	987,141	363,286	254,130	203,990	29,257	48,485	276,125	107,460	43,292	3,565,755
Investments (Note 1)	-	-	-	-	-	-	-	-	-	-	-
Certificate of deposits	-	-	-	-	-	-	-	-	-	-	-
Due from Belshire Manor Property Owners' Association, Inc. (Note 4)	-	56,939	-	-	-	-	-	-	-	-	56,939
Total Other Assets	2,121,880	1,137,199	713,972	645,553	262,290	108,032	84,974	277,629	151,294	325,044	5,827,867
TOTAL ASSETS	\$ 13,707,238	\$ 5,533,806	\$ 3,198,600	\$ 6,762,860	\$ 1,499,848	\$ 1,169,768	\$ 1,226,096	\$ 6,733,906 ✓	\$ 2,745,002 ✓	\$ 7,786,103	\$ 50,363,227

The accompanying notes are an integral part of the combining financial statements.

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CERTIFIED PUBLIC ACCOUNTANTS

#001947
 R/E = \$15,666.25
 W/S = 27,859.38
 INSUR. = 5,610.29
\$49,135.92

RFR = \$171,847.26
 INTR. = 237.82
\$172,267.08
 1/2 = \$20,250.00
 (\$4,687.50)12

#001985
 MTGE. ESC. = RE = \$ 2,621.05
 W/S = 13,712.31
 INSUR. = 6,110.22
\$ 22,443.58

CIAMPA ORGANIZATION
 COMBINING BALANCE SHEETS
 NONCORPORATE ENTITIES
 DECEMBER 31, 2012 AND 2011

RFR = \$164,418.34
 INTR. = 130.39
\$ 164,548.73

1/2 = \$22,500.00
 (\$1,845.00)12

	Subtotal (Page 17)	Ciampa 21 LLC	Ciampa Jamaica LLC #001947	YORKSIDE II Ciampa 162 LLC #001985	Ciampa Estates LLC	Ciampa M4 LLC	Ciampa Crescent LLC	Ciampa 24 LLC	Ciampa Steinway LLC	Subtotal
ASSETS										
Property and equipment - at cost (Notes 1 and 5):										
Land	\$ 12,278,888	\$ 1,512,167	\$ 585,199	\$ 175,355	\$ -	\$ 514,610	\$ 12,456,892	\$ 7,850,094	\$ 351,948	\$ 35,725,153
Building	62,571,761	7,658,301	11,423,817	11,738,835	-	2,247,981	25,644,971	5,088,142	716,063	127,089,871
Equipment and autos	4,805,791	311,043	506,784	375,807	-	-	1,041,020	-	-	7,040,445
Total Property and Equipment	79,656,440	9,481,511	12,515,800	12,289,997	-	2,762,591	39,142,883	12,938,236	1,068,011	169,855,469
Less accumulated depreciation and amortization	40,781,412	3,285,160	4,191,507	3,679,415	-	415,990	4,941,807	707,077	494,489	58,496,857
Net Property and Equipment	38,875,028	6,196,351	8,324,293	8,610,582	-	2,346,601	34,201,076	12,231,159	573,522	111,358,612
Cash and cash equivalents (includes \$2,575,223 INCL. MTGE ESC. & RFR, restricted cash) (Notes 1 and 2) (Pages 29 to 31)	4,516,954	3,264,230	294,977	305,776	239,244	87,859	499,926	16,194	167,782	9,392,942
Receivables:										
Rent	750,632	29,794	81,973	106,782	-	-	45,146	31,273	196,898	1,242,498
Other receivables (Note 3)	72,721	4,020	3,971	375	-	-	5,177	-	-	86,264
Loan receivable - affiliated company (Note 6)	-	-	-	-	-	-	-	-	-	-
Due from affiliated companies	320,025	29,692	41,688	49,086	-	4,422	-	-	29,883	474,796
Total Receivables	1,143,378	63,506	127,632	156,243	-	4,422	50,323	31,273	226,781	1,803,558
Other Assets:										
Construction period interest and taxes (net of amortization) (Note 1)	28,994	-	-	-	-	-	-	-	-	28,994
Deferred lease and mortgage costs (net of amortization) (Note 1)	2,176,179	335,112	-	520,195	-	11,033	33,649	-	86,920	3,163,088
Deposits, prepaid expenses and other assets	3,565,755	17,112	245,734	214,390	-	30,252	64,084	27,448	81,894	4,246,669
Investments (Note 1)	-	-	-	-	-	-	-	-	-	-
Certificate of deposits	-	-	-	-	-	-	-	-	-	-
Due from Belshire Manor Property Owners' Association, Inc. (Note 4)	56,939	-	-	-	-	-	-	-	-	56,939
Total Other Assets	5,827,867	352,224	245,734	734,585	-	41,285	97,733	27,448	168,814	7,495,690
TOTAL ASSETS	\$ 50,363,227	\$ 9,876,311	\$ 8,992,636	\$ 9,807,186	\$ 239,244	\$ 2,480,167	\$ 34,849,058	\$ 12,306,074	\$ 1,136,899	\$ 130,050,802

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING BALANCE SHEETS
NONCORPORATE ENTITIES
DECEMBER 31, 2012 AND 2011

<u>ASSETS</u>	<u>Subtotal (Page 18)</u>	<u>Ciampa Tower Square LLC</u>	<u>Ciampa Whitepoint LLC</u>	<u>Ciampa S2 LLC</u>	<u>Ciampa S3 LLC</u>	<u>Ciampa Capital LLC</u>	<u>2012 Total</u>	<u>2011 Total</u>
Property and equipment - at cost (Notes 1 and 5):								
Land	\$ 35,725,153	\$ 4,944,552	\$ 5,063,260	\$ 6,444,890	\$ 3,283,209	\$ -	\$ 55,461,064	\$ 55,461,064
Building	127,089,871	6,041,925	13,752,697	17,191,840	10,216,414	-	174,292,747	167,569,584
Equipment and autos	<u>7,040,445</u>	<u>138,601</u>	<u>426,821</u>	<u>384,326</u>	<u>-</u>	<u>-</u>	<u>7,990,193</u>	<u>7,772,177</u>
Total Property and Equipment	169,855,469	11,125,078	19,242,778	24,021,056	13,499,623	-	237,744,004	230,802,825
Less accumulated depreciation and amortization	<u>58,496,857</u>	<u>3,930,728</u>	<u>8,022,999</u>	<u>726,290</u>	<u>-</u>	<u>-</u>	<u>71,176,874</u>	<u>65,753,972</u>
Net Property and Equipment	<u>111,358,612</u>	<u>7,194,350</u>	<u>11,219,779</u>	<u>23,294,766</u>	<u>13,499,623</u>	<u>-</u>	<u>166,567,130</u>	<u>165,048,853</u>
Cash and cash equivalents (includes \$2,575,223 restricted cash) (Notes 1 and 2) (Pages 29 to 31)	<u>9,392,942</u>	<u>204,359</u>	<u>291,747</u>	<u>690,890</u>	<u>561,016</u>	<u>1,959,504</u>	<u>13,100,458</u>	<u>7,072,843</u>
Receivables:								
Rent	1,242,498	103,063	207,505	40,055	-	-	1,593,121	2,088,877
Other receivables (Note 3)	86,264	2,160	7,190	1,693	-	29,281	126,588	92,954
Loan receivable - affiliated company (Note 6)	-	-	-	-	-	7,650,753	7,650,753	9,300,753
Due from affiliated companies	<u>474,796</u>	<u>-</u>	<u>25,054</u>	<u>195,942</u>	<u>-</u>	<u>441,644</u>	<u>1,137,436</u>	<u>1,752,324</u>
Total Receivables	<u>1,803,558</u>	<u>105,223</u>	<u>239,749</u>	<u>237,690</u>	<u>-</u>	<u>8,121,678</u>	<u>10,507,898</u>	<u>13,234,908</u>
Other Assets:								
Construction period interest and taxes (net of amortization) (Note 1)	28,994	263,157	319,472	-	383,677	-	995,300	1,055,037
Deferred lease and mortgage costs (net of amortization) (Note 1)	3,163,088	235,365	459,043	294,443	25,000	-	4,176,939	3,059,238
Deposits, prepaid expenses and other assets	4,246,669	247,391	351,555	126,976	8,299	-	4,980,890	5,054,051
Investments (Note 1)	-	-	-	-	-	2,767,220	2,767,220	4,106,227
Certificate of deposits	-	-	-	-	-	794,799	794,799	786,260
Due from Belshire Manor Property Owners' Association, Inc. (Note 4)	<u>56,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,939</u>	<u>98,177</u>
Total Other Assets	<u>7,495,690</u>	<u>745,913</u>	<u>1,130,070</u>	<u>421,419</u>	<u>416,976</u>	<u>3,562,019</u>	<u>13,772,087</u>	<u>14,158,990</u>
TOTAL ASSETS	<u>\$ 130,050,802</u>	<u>\$ 8,249,845</u>	<u>\$ 12,881,345</u>	<u>\$ 24,644,765</u>	<u>\$ 14,477,615</u>	<u>\$ 13,643,201</u>	<u>\$ 203,947,573</u>	<u>\$ 199,515,594</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING BALANCE SHEETS
NONCORPORATE ENTITIES
DECEMBER 31, 2012 AND 2011

	Ciampa North LLC	Ciampa Bell LLC	Ciampa Metropolitan LLC	Ciampa Realty LLC	Ciampa Douglaston LLC	Ciampa Enterprises LLC	Ciampa M3 LLC	137-02 NORTHERN BLVD. Ciampa 72 LLC #001630	32-08 UNION STREET Ciampa US LLC #001628	Ciampa 14 LLC	Subtotal
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)											
Liabilities:											
Mortgage notes payable (Note 5)	\$ 42,875,438	\$ 28,296,152	\$ 13,588,688	\$ 11,170,134	\$ 8,632,783	\$ -	\$ -	\$ 7,706,138	\$ 2,885,625 ✓	\$ 8,800,000	\$ 123,954,958
Loan payable - affiliated company (Note 6)	-	-	-	-	-	-	-	-	-	-	-
Interest rate swap liability (Notes 1 and 9)	-	-	-	-	-	-	-	-	-	128,567	128,567
Accounts payable, accrued expenses, and other liabilities	408,885	252,468	85,283	111,683	65,324	95,744	18,495	68,720	32,164	24,259	1,163,025
Tenants' security deposits (Note 2)	1,008,131	539,226	224,722	298,506	110,336	54,272	33,623	131,431	42,431	129,687	2,572,365
Due to affiliated companies	-	22,072	-	26,388	-	79	-	-	-	-	48,539
Advanced rental income	89,260	96,626	29,862	26,603	9,321	-	-	19,606	7,974	20,989	300,241
Other taxes payable	2,397	3,114	546	697	650	-	-	505	58	157	8,124
Total Liabilities	44,384,111	29,209,658	13,929,101	11,634,011	8,818,414	150,095	52,118	7,926,400	2,968,252	9,103,659	128,175,819
Members' Equity (Deficit):											
Accumulated Other Comprehensive Income (Loss) (Note 8)	-	-	-	-	-	-	-	-	-	(128,567)	(128,567)
Members' Equity (Deficit) (Pages 23 to 25)	(30,676,873)	(23,675,852)	(10,730,501)	(4,871,151)	(7,318,566)	1,019,673	1,173,978	(1,192,494)	(223,250)	(1,188,989)	(77,684,025)
Total Members' Equity (Deficit)	(30,676,873)	(23,675,852)	(10,730,501)	(4,871,151)	(7,318,566)	1,019,673	1,173,978	(1,192,494)	(223,250)	(1,317,556)	(77,812,592)
TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	\$ 13,707,238	\$ 5,533,806	\$ 3,198,600	\$ 6,762,860	\$ 1,499,848	\$ 1,169,768	\$ 1,226,096	\$ 6,733,906 ✓	\$ 2,745,002 ✓	\$ 7,786,103	\$ 50,363,227

#001630 PROG. 0141 1040100 \$6,075,325.69 1999 B\2 MFHRB
 PROG. 0376 1040102 1,630,812.08 2008 SERIES E HRB

#001628 PROG. 0141 1040100 \$ 2,298,469.79 1999 B\2 MFHRB
 PROG. 0376 1040102 587,155.16 2008 SERIES E HRB
 \$ 2,885,624.95

#001985
PRG. 0236 1040100 #9,137,759.05 2004 HRB C-2
PRG. 0393 1040102 3,375,000.00 2008 SERIES K HRB
#12,512,759.05

#001947
PRG. 0185 1040100 #8,215,321.65 2002 CMFHRB
PRG. 0393 1040102 2,857,916.34 2008 SERIES K HRB
#11,073,237.99

CIAMPA ORGANIZATION
COMBINING BALANCE SHEETS
NONCORPORATE ENTITIES
DECEMBER 31, 2012 AND 2011

	Subtotal (Page 20)	Ciampa 21 LLC	YORKSIDE I Ciampa Jamaica LLC #001947	YORKSIDE II CIAMPA USA Ciampa 162 LLC #001985	Ciampa Estates LLC	Ciampa M4 LLC	Ciampa Crescent LLC	Ciampa 24 LLC	Ciampa Steinway LLC	Subtotal
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)										
Liabilities:										
Mortgage notes payable (Note 5)	\$ 123,954,958	\$ 11,000,000	\$ 11,073,238 ✓	\$ 12,512,759 ✓	\$ -	\$ -	\$ 31,427,301	\$ -	\$ 2,324,104	\$ 192,292,360
Loan payable - affiliated company (Note 6)	-	-	-	-	-	-	-	7,650,753	-	7,650,753
Interest rate swap liability (Notes 1 and 9)	128,567	160,708	-	-	-	-	1,190,124	-	75,043	1,554,442
Accounts payable, accrued expenses, and other liabilities	1,163,025	36,495	125,799	93,199	674	13,367	189,823	30,102	9,506	1,661,990
Tenants' security deposits (Note 2)	2,572,365	101,736	128,385	141,590	-	35,000	355,305	3,011	142,448	3,479,840
Due to affiliated companies	48,539	-	-	-	-	3,883	469,304	51,082	-	572,808
Advanced rental income	300,241	10,861	16,177	4,707	-	4,924	62,666	-	-	399,576
Other taxes payable	8,124	137	-	-	-	-	18	-	-	8,279
Total Liabilities	128,175,819	11,309,937	11,343,599	12,752,255	674	57,174	33,694,541	7,734,948	2,551,101	207,620,048
Members' Equity (Deficit):										
Accumulated Other Comprehensive Income (Loss) (Note 8)	(128,567)	(160,708)	-	-	-	-	(1,190,124)	-	(75,043)	(1,554,442)
Members' Equity (Deficit) (Pages 23 to 25)	(77,684,025)	(1,272,918)	(2,350,963)	(2,945,069)	238,570	2,422,993	2,344,641	4,571,126	(1,339,159)	(76,014,804)
Total Members' Equity (Deficit)	(77,812,592)	(1,433,626)	(2,350,963)	(2,945,069)	238,570	2,422,993	1,154,517	4,571,126	(1,414,202)	(77,569,246)
TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	\$ 50,363,227	\$ 9,876,311	\$ 8,992,636	\$ 9,807,186	\$ 239,244	\$ 2,480,167	\$ 34,849,058	\$ 12,306,074	\$ 1,136,899	\$ 130,050,802

CIAMPA ORGANIZATION
COMBINING BALANCE SHEETS
NONCORPORATE ENTITIES
DECEMBER 31, 2012 AND 2011

	Subtotal (Page 21)	Ciampa Tower Square LLC	Ciampa Whitepoint LLC	Ciampa S2 LLC	Ciampa S3 LLC	Ciampa Capital LLC	2012 Total	2011 Total (Restated)
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)								
Liabilities:								
Mortgage notes payable (Note 5)	\$ 192,292,360	\$ 10,850,668	\$ 14,783,946	\$ 20,000,000	\$ -	\$ -	\$ 237,926,974	\$ 225,678,668
Loan payable - affiliated company (Note 6)	7,650,753	-	-	-	-	-	7,650,753	9,300,753
Interest rate swap liability (Notes 1 and 9)	1,554,442	-	36,962	781,505	-	-	2,372,909	1,791,603
Accounts payable, accrued expenses, and other liabilities	1,661,990	93,774	152,534	128,617	2,188	-	2,039,103	2,244,861
Tenants' security deposits (Note 2)	3,479,840	10,609	307,202	161,143	-	-	3,958,794	3,785,093
Due to affiliated companies	572,808	56,302	-	-	797,975	-	1,427,085	2,252,803
Advanced rental income	399,576	29,519	30,535	159,925	-	-	619,555	778,771
Other taxes payable	8,279	-	257	-	-	-	8,536	7,931
Total Liabilities	207,620,048	11,040,872	15,311,436	21,231,190	800,163	-	256,003,709	245,840,483
Members' Equity (Deficit):								
Accumulated Other Comprehensive Income (Loss) (Note 8)	(1,554,442)	-	(36,962)	(781,505)	-	21,607	(2,351,302)	(1,653,343)
Members' Equity (Deficit) (Pages 23 to 25)	(76,014,804)	(2,791,027)	(2,393,129)	4,195,080	13,677,452	13,621,594	(49,704,834)	(44,671,546)
Total Members' Equity (Deficit)	(77,569,246)	(2,791,027)	(2,430,091)	3,413,575	13,677,452	13,643,201	(52,056,136)	(46,324,889)
TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	\$ 130,050,802	\$ 8,249,845	\$ 12,881,345	\$ 24,644,765	\$ 14,477,615	\$ 13,643,201	\$ 203,947,573	\$ 199,515,594

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF CHANGES IN MEMBERS' EQUITY (DEFICIT)
NONCORPORATE ENTITIES
DECEMBER 31, 2012 AND 2011

	Ciampa North LLC	Ciampa Bell LLC	Ciampa Metropolitan LLC	Ciampa Realty LLC	Ciampa Douglaston LLC	Ciampa Enterprises LLC	Ciampa M3 LLC	Ciampa 72 LLC	#D01628 Ciampa US LLC	Ciampa 14 LLC	Subtotal
BALANCE - AT BEGINNING	\$ (30,919,651)	\$ (24,386,266)	\$ (11,045,081)	\$ (7,127,336)	\$ (7,473,066)	\$ 793,013	\$ 1,151,253	\$ (1,113,248)	\$ (223,572)	\$ (850,469)	\$ (81,194,423)
Net income (loss) (Pages 26 to 28)	1,457,778	1,010,414	264,580	756,185	104,500	6,658	122,725	170,754	322	(338,520)	3,555,396
Contributions	-	-	50,000	1,850,000	50,000	220,002	-	-	-	-	2,170,002
Withdrawals	(1,215,000)	(300,000)	-	(350,000)	-	-	(100,000)	(250,000)	-	-	(2,215,000)
BALANCE - AT END (Pages 20 to 22)	<u>\$ (30,676,873)</u>	<u>\$ (23,675,852)</u>	<u>\$ (10,730,501)</u>	<u>\$ (4,871,151)</u>	<u>\$ (7,318,566)</u>	<u>\$ 1,019,673</u>	<u>\$ 1,173,978</u>	<u>\$ (1,192,494)</u>	<u>\$ (223,250)</u>	<u>\$ (1,188,989)</u>	<u>\$ (77,684,025)</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF CHANGES IN MEMBERS' EQUITY (DEFICIT)
NONCORPORATE ENTITIES
DECEMBER 31, 2012 AND 2011

	Subtotal (Page 23)	Ciampa 21 LLC	Ciampa Jamaica LLC	Ciampa 162 LLC	Ciampa Estates LLC	Ciampa M4 LLC	Ciampa Crescent LLC	Ciampa 24 LLC	Ciampa Steinway LLC	Subtotal
BALANCE - AT BEGINNING	\$ (81,194,423)	\$ (1,004,271)	\$ (2,166,315)	\$ (2,638,938)	\$ 267,116	\$ 2,449,696	\$ 2,893,654	\$ 4,775,283	\$ (213,026)	\$ (76,831,224)
Net income (loss) (Pages 26 to 28)	3,555,396	81,353	(134,648)	(166,131)	(28,546)	23,298	(274,013)	(404,157)	373,867	3,026,419
Contributions	2,170,002	-	-	-	-	-	-	200,000	-	2,370,002
Withdrawals	(2,215,000)	(350,000)	(50,000)	(140,000)	-	(50,001)	(275,000)	-	(1,500,000)	(4,580,001)
BALANCE - AT END (Pages 20 to 22)	<u>\$ (77,684,025)</u>	<u>\$ (1,272,918)</u>	<u>\$ (2,350,963)</u>	<u>\$ (2,945,069)</u>	<u>\$ 238,570</u>	<u>\$ 2,422,993</u>	<u>\$ 2,344,641</u>	<u>\$ 4,571,126</u>	<u>\$ (1,339,159)</u>	<u>\$ (76,014,804)</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF CHANGES IN MEMBERS' EQUITY (DEFICIT)
NONCORPORATE ENTITIES
DECEMBER 31, 2012 AND 2011

	Subtotal (Page 24)	Ciampa Tower Square LLC	Ciampa Whitepoint LLC	Ciampa S2 LLC	Ciampa S3 LLC	Ciampa Capital LLC	2012 Total	2011 Total
BALANCE - AT BEGINNING	\$ (76,831,224)	\$ (2,816,860)	\$ (3,266,056)	\$ 14,492,427	\$ 8,527,477	\$ 15,222,690	\$ (44,671,546)	\$ (41,359,875)
Net income (loss) (Pages 26 to 28)	3,026,419	375,833	72,927	352,653	(25)	658,904	4,486,711	1,975,208
Contributions	2,370,002	150,000	850,000	-	11,391,721	250,000	15,011,723	10,169,422
Withdrawals	<u>(4,580,001)</u>	<u>(500,000)</u>	<u>(50,000)</u>	<u>(10,650,000)</u>	<u>(6,241,721)</u>	<u>(2,510,000)</u>	<u>(24,531,722)</u>	<u>(15,456,301)</u>
BALANCE - AT END (Pages 20 to 22)	<u>\$ (76,014,804)</u>	<u>\$ (2,791,027)</u>	<u>\$ (2,393,129)</u>	<u>\$ 4,195,080</u>	<u>\$ 13,677,452</u>	<u>\$ 13,621,594</u>	<u>\$ (49,704,834)</u>	<u>\$ (44,671,546)</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	Ciampa North LLC	Ciampa Bell LLC	Ciampa Metropolitan LLC	Ciampa Realty LLC	Ciampa Douglaston LLC	Ciampa Enterprises LLC	Ciampa M3 LLC	Ciampa 72 LLC	#001628 Ciampa US LLC	Ciampa 14 LLC	Subtotal
REVENUE FROM OPERATIONS:											
Rental Revenue:											
Apartment rents	\$ 6,783,123	\$ 5,545,226	\$ 2,505,456	\$ 1,160,647	\$ 1,421,697	\$ -	\$ -	\$ 1,333,644	\$ 456,677	\$ 1,043,068	\$ 20,249,538
Commercial rents	2,020,606	-	-	1,554,644	-	216,636	292,058	30,480	-	44,040	4,158,464
Garage rents	261,295	355,714	67,008	52,700	76,675	-	-	60,488	8,524	19,513	901,917
Laundry income	27,391	24,540	7,856	4,267	4,807	-	-	4,472	3,285	4,555	81,173
Other	17,052	11,991	2,676	522	1,350	214	-	2,085	93	1,063	37,046
Total Rental Revenue	9,109,467	5,937,471	2,582,996	2,772,780	1,504,529	216,850	292,058	1,431,169	468,579	1,112,239	25,428,138
OPERATING EXPENSES:											
Rental Expenses (Pages 4 and 41 to 44):											
Operating expenses	3,013,023	2,080,238	870,178	557,307	500,328	134,397	102,939	260,995	73,875	207,377	7,800,657
Building repairs and maintenance	534,112	330,620	153,802	128,115	128,893	11,490	9,557	46,950	23,724	37,597	1,404,860
General and administrative expenses allocated to properties	261,774	153,391	70,590	93,281	31,718	18,824	16,442	38,911	12,426	38,365	735,722
Mortgage interest - net (Notes 5 and 9)	2,117,686	1,505,025	582,353	571,087	521,660	-	-	507,665	191,910	616,658	6,614,044
Interest - other than mortgages	11	-	284	1,789	42	207	2	-	-	-	2,335
Management fee expense	409,159	266,650	116,114	125,510	67,643	9,749	13,143	64,310	21,082	50,003	1,143,363
Total Operating Expenses	6,335,765	4,335,924	1,793,321	1,477,089	1,250,284	174,667	142,083	918,831	323,017	950,000	17,700,981
Income (loss) from rental operations before non-cash items	2,773,702	1,601,547	789,675	1,295,691	254,245	42,183	149,975	512,338	145,562	162,239	7,727,157
Non-Cash Items (Note 1) (Pages 29 to 31):											
Depreciation	609,336	214,306	81,387	301,251	49,312	25,999	17,196	266,333	120,426	305,360	1,990,906
Amortization	179,666	60,761	97,782	77,663	19,433	3,425	4,054	83	2,777	137,728	583,372
Total Non-Cash Items	789,002	275,067	179,169	378,914	68,745	29,424	21,250	266,416	123,203	443,088	2,574,278
Income (loss) from rental operations	1,984,700	1,326,480	610,506	916,777	185,500	12,759	128,725	245,922	22,359	(280,849)	5,152,879
Other Income (Expenses):											
Interest and dividends	-	20,226	-	-	-	-	-	432	163	304	21,125
Gain (loss) on securities	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of property	-	-	-	-	-	-	-	-	-	-	-
Guaranteed payments to members	(522,000)	(333,000)	(345,000)	(159,000)	(81,000)	(6,000)	(6,000)	(75,600)	(22,200)	(57,600)	(1,607,400)
General expenses	(4,922)	(3,292)	(926)	(1,592)	-	(101)	-	-	-	(375)	(11,208)
Total Other Income (Expenses)	(526,922)	(316,066)	(345,926)	(160,592)	(81,000)	(6,101)	(6,000)	(75,163)	(22,037)	(57,671)	(1,597,483)
NET INCOME (LOSS) (Pages 23 to 25 and 29 to 31)	1,457,778	1,010,414	264,580	756,185	104,500	6,658	122,725	170,754	322	(338,520)	3,555,396
OTHER COMPREHENSIVE INCOME (LOSS) (Note 1) (Page 4)											
Unrealized gains arising during the period on securities	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain (loss) on interest rate swap	-	-	-	-	-	-	-	-	-	(128,567)	(128,567)
Change in fair value of hedging activities	-	-	-	-	-	-	-	-	-	-	-
Reclassification adjustments	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income (Loss)	-	-	-	-	-	-	-	-	-	(128,567)	(128,567)
TOTAL COMPREHENSIVE INCOME (LOSS) (Note 1)	\$ 1,457,778	\$ 1,010,414	\$ 264,580	\$ 756,185	\$ 104,500	\$ 6,658	\$ 122,725	\$ 170,754	\$ 322	\$ (467,087)	\$ 3,426,829

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	Subtotal (Page 26)	Ciampa 21 LLC	Ciampa Jamaica LLC <i>#001947</i>	Ciampa 162 LLC <i>#001985</i>	Ciampa Estates LLC	Ciampa M4 LLC	Ciampa Crescent LLC	Ciampa 24 LLC	Ciampa Steinway LLC	Subtotal
REVENUE FROM OPERATIONS:										
Rental Revenue:										
Apartment rents	\$ 20,249,538	\$ 1,153,694	\$ 1,451,955	\$ 1,492,371	\$ -	\$ -	\$ 3,640,938	\$ -	\$ -	\$ 27,988,496
Commercial rents	4,158,464	150,943	54,200	12,572	-	183,350	40,665	157,223	612,448	5,369,865
Garage rents	901,917	21,532	-	-	-	-	28,236	-	-	951,685
Laundry income	81,173	29,820	32,466	4,720	-	-	52,463	-	-	200,642
Other	37,046	17,289	2,235	2,196	-	-	-	397	-	59,163
Total Rental Revenue	<u>25,428,138</u>	<u>1,373,278</u>	<u>1,540,856</u>	<u>1,511,859</u>	<u>-</u>	<u>183,350</u>	<u>3,762,302</u>	<u>157,620</u>	<u>612,448</u>	<u>34,569,851</u>
OPERATING EXPENSES:										
Rental Expenses (Pages 4 and 41 to 44):										
Operating expenses	7,800,657	168,594	320,846	271,405	997	62,783	584,420	55,050	81,292	9,346,044
Building repairs and maintenance	1,404,860	56,172	62,682	57,764	6,337	630	97,406	571	5,826	1,692,248
General and administrative expenses allocated to properties	735,722	30,187	60,022	69,740	21,212	12,405	69,773	18,501	15,667	1,033,229
Mortgage interest - net (Notes 5 and 9)	6,614,044	619,289	649,701	655,579	-	-	1,855,326	345,699	79,122	10,818,760
Interest - other than mortgages	2,335	-	-	-	-	-	2	4	207	2,548
Management fee expense	1,143,363	61,020	69,238	67,935	-	8,251	169,304	6,703	27,560	1,553,374
Total Operating Expenses	<u>17,700,981</u>	<u>935,262</u>	<u>1,162,489</u>	<u>1,122,423</u>	<u>28,546</u>	<u>84,069</u>	<u>2,776,231</u>	<u>426,528</u>	<u>209,674</u>	<u>24,446,203</u>
Income (loss) from rental operations before non-cash items	<u>7,727,157</u>	<u>438,016</u>	<u>378,367</u>	<u>389,436</u>	<u>(28,546)</u>	<u>99,281</u>	<u>986,071</u>	<u>(268,908)</u>	<u>402,774</u>	<u>10,123,648</u>
Non-Cash Items (Note 1) (Pages 29 to 31):										
Depreciation	1,990,906	280,577	430,434	438,870	-	58,217	1,025,110	127,899	19,976	4,371,989
Amortization	583,372	2,343	-	22,699	-	3,395	25,053	-	8,931	645,793
Total Non-Cash Items	<u>2,574,278</u>	<u>282,920</u>	<u>430,434</u>	<u>461,569</u>	<u>-</u>	<u>61,612</u>	<u>1,050,163</u>	<u>127,899</u>	<u>28,907</u>	<u>5,017,782</u>
Income (loss) from rental operations	<u>5,152,879</u>	<u>155,096</u>	<u>(52,067)</u>	<u>(72,133)</u>	<u>(28,546)</u>	<u>37,669</u>	<u>(64,092)</u>	<u>(396,807)</u>	<u>373,867</u>	<u>5,105,866</u>
Other Income (Expenses):										
Interest and dividends	21,125	311	346	326	-	29	-	-	-	22,137
Gain (loss) on securities	-	-	-	-	-	-	-	-	-	-
Gain on sale of property	-	-	-	-	-	-	-	-	-	-
Guaranteed payments to members	(1,607,400)	(73,200)	(82,800)	(85,800)	-	(14,400)	(201,000)	(6,000)	-	(2,070,600)
General expenses	(11,208)	(854)	(127)	(8,524)	-	-	(8,921)	(1,350)	-	(30,984)
Total Other Income (Expenses)	<u>(1,597,483)</u>	<u>(73,743)</u>	<u>(82,581)</u>	<u>(93,998)</u>	<u>-</u>	<u>(14,371)</u>	<u>(209,921)</u>	<u>(7,350)</u>	<u>-</u>	<u>(2,079,447)</u>
NET INCOME (LOSS) (Pages 23 to 25 and 29 to 31)	<u>3,555,396</u>	<u>81,353</u>	<u>(134,648)</u>	<u>(166,131)</u>	<u>(28,546)</u>	<u>23,298</u>	<u>(274,013)</u>	<u>(404,157)</u>	<u>373,867</u>	<u>3,026,419</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 1) (Page 4)										
Unrealized gains arising during the period on securities	-	-	-	-	-	-	-	-	-	-
Unrealized gain (loss) on interest rate swap	(128,567)	(160,708)	-	-	-	-	601,479	-	(75,043)	237,161
Change in fair value of hedging activities	-	-	-	-	-	-	-	-	-	-
Reclassification adjustments	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income (Loss)	<u>(128,567)</u>	<u>(160,708)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>601,479</u>	<u>-</u>	<u>(75,043)</u>	<u>237,161</u>
TOTAL COMPREHENSIVE INCOME (LOSS) (Note 1)	<u>\$ 3,426,829</u>	<u>\$ (79,355)</u>	<u>\$ (134,648)</u>	<u>\$ (166,131)</u>	<u>\$ (28,546)</u>	<u>\$ 23,298</u>	<u>\$ 327,466</u>	<u>\$ (404,157)</u>	<u>\$ 298,824</u>	<u>\$ 3,263,580</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	Subtotal (Page 27)	Ciampa Tower Square LLC	Ciampa Whitepoint LLC	Ciampa S2 LLC	Ciampa S3 LLC	Ciampa Capital LLC	2012 Total	2011 Total (Restated)
REVENUE FROM OPERATIONS:								
Rental Revenue:								
Apartment rents	\$ 27,988,496	\$ -	\$ 26,064	\$ 2,393,181	\$ -	\$ -	\$ 30,407,741	\$ 28,008,576
Commercial rents	5,369,865	1,533,574	2,554,574	12,090	-	-	9,470,103	9,204,661
Garage rents	951,685	-	7,200	-	-	-	958,885	946,289
Laundry income	200,642	-	-	7,028	-	-	207,670	214,156
Other	59,163	43,511	89,401	1,299	-	-	193,374	187,853
Total Rental Revenue	<u>34,569,851</u>	<u>1,577,085</u>	<u>2,677,239</u>	<u>2,413,598</u>	<u>-</u>	<u>-</u>	<u>41,237,773</u>	<u>38,561,535</u>
OPERATING EXPENSES:								
Rental Expenses (Pages 4 and 41 to 44):								
Operating expenses	9,346,044	241,277	936,357	458,445	-	-	10,982,123	10,258,817
Building repairs and maintenance	1,692,248	23,441	116,461	46,238	-	-	1,878,388	1,971,802
General and administrative expenses allocated to properties	1,033,229	43,356	127,935	85,624	-	-	1,290,144	1,204,220
Mortgage interest - net (Notes 5 and 9)	10,818,760	519,725	711,602	725,816	-	-	12,775,903	13,128,591
Interest - other than mortgages	2,548	-	8	1,929	-	-	4,485	17,850
Management fee expense	1,553,374	70,307	120,476	108,552	-	-	1,852,709	2,502,899
Total Operating Expenses	<u>24,446,203</u>	<u>898,106</u>	<u>2,012,839</u>	<u>1,426,604</u>	<u>-</u>	<u>-</u>	<u>28,783,752</u>	<u>29,084,179</u>
Income (loss) from rental operations before non-cash items	<u>10,123,648</u>	<u>678,979</u>	<u>664,400</u>	<u>986,994</u>	<u>-</u>	<u>-</u>	<u>12,454,021</u>	<u>9,477,356</u>
Non-Cash Items (Note 1) (Pages 29 to 31):								
Depreciation	4,371,989	188,171	442,765	512,302	-	-	5,515,227	5,183,690
Amortization	645,793	108,775	127,858	39,789	-	-	922,215	625,921
Total Non-Cash Items	<u>5,017,782</u>	<u>296,946</u>	<u>570,623</u>	<u>552,091</u>	<u>-</u>	<u>-</u>	<u>6,437,442</u>	<u>5,809,611</u>
Income (loss) from rental operations	<u>5,105,866</u>	<u>382,033</u>	<u>93,777</u>	<u>434,903</u>	<u>-</u>	<u>-</u>	<u>6,016,579</u>	<u>3,667,745</u>
Other Income (Expenses):								
Interest and dividends	22,137	-	-	-	-	385,568	407,705	548,759
Gain (loss) on securities	-	-	-	-	-	297,904	297,904	(10,536)
Gain on sale of property	-	-	-	-	-	-	-	37,546
Guaranteed payments to members	(2,070,600)	(6,000)	(9,000)	(82,000)	-	-	(2,167,600)	(2,206,000)
General expenses	(30,984)	(200)	(11,850)	(250)	(25)	(24,568)	(67,877)	(62,306)
Total Other Income (Expenses)	<u>(2,079,447)</u>	<u>(6,200)</u>	<u>(20,850)</u>	<u>(82,250)</u>	<u>(25)</u>	<u>658,904</u>	<u>(1,529,868)</u>	<u>(1,692,537)</u>
NET INCOME (LOSS) (Pages 23 to 25 and 29 to 31)	<u>3,026,419</u>	<u>375,833</u>	<u>72,927</u>	<u>352,653</u>	<u>(25)</u>	<u>658,904</u>	<u>4,486,711</u>	<u>1,975,208</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 1) (Page 4)								
Unrealized gains arising during the period on securities	-	-	-	-	-	21,607	21,607	132,637
Unrealized gain (loss) on interest rate swap	237,161	-	(36,962)	(781,505)	-	-	(581,306)	(95,295)
Change in fair value of hedging activities	-	-	-	-	-	-	-	(34,501)
Reclassification adjustments	-	-	-	-	-	(138,259)	(138,259)	(28,183)
Total Other Comprehensive Income (Loss)	<u>237,161</u>	<u>-</u>	<u>(36,962)</u>	<u>(781,505)</u>	<u>-</u>	<u>(116,652)</u>	<u>(697,958)</u>	<u>(25,342)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) (Note 1)	<u>\$ 3,263,580</u>	<u>\$ 375,833</u>	<u>\$ 35,965</u>	<u>\$ (428,852)</u>	<u>\$ (25)</u>	<u>\$ 542,252</u>	<u>\$ 3,788,753</u>	<u>\$ 1,949,866</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF CASH FLOWS
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	Ciampa North LLC	Ciampa Bell LLC	Ciampa Metropolitan LLC	Ciampa Realty LLC	Ciampa Douglaston LLC	Ciampa Enterprises LLC	Ciampa M3 LLC	Ciampa 72 LLC	^{#00 1b 29} Ciampa US LLC	Ciampa 14 LLC	Subtotal
CASH FLOWS FROM OPERATING ACTIVITIES:											
Net income (loss) (Pages 26 to 28)	\$ 1,457,778	\$ 1,010,414	\$ 264,580	\$ 756,185	\$ 104,500	\$ 6,658	\$ 122,725	\$ 170,754	\$ 322	\$ (338,520)	\$ 3,555,396
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:											
Depreciation and amortization (Pages 26 to 28)	789,002	275,067	179,169	378,914	68,745	29,424	21,250	266,416	123,203	443,088	2,574,278
(Increase) Decrease in Assets:											
Receivables	187,401	81,944	21,807	53,078	16,521	(20,081)	30	19,129	18,601	27,547	405,977
Due from affiliated companies	(32,165)	-	83,744	-	25,105	609	(961)	31,973	(11,652)	(32)	96,621
Deposits, prepaid expenses and other assets	46,995	(11,672)	(35,757)	(10,052)	(17,802)	(4,509)	(6,121)	(19,358)	(2,696)	143,964	82,992
Due from Belshire Manor Property Owners' Association, Inc.	-	41,238	-	-	-	-	-	-	-	-	41,238
Increase (Decrease) in Liabilities:											
Accounts payable, accrued expenses and other liabilities	(22,498)	4,578	(202)	(25,111)	(14,149)	(28,296)	10,145	10,028	(2,646)	(46,375)	(114,526)
Tenants' security deposits	49,885	19,004	2,939	3,495	(12,949)	30,835	22,511	(2,382)	3,597	20,675	137,610
Due to affiliated companies	(96,845)	(240,771)	(126,448)	(55,150)	-	79	-	-	-	-	(519,135)
Advanced rental income	(64,166)	24,310	6,502	6,744	(9,386)	-	(500)	3,090	(1,967)	(6,340)	(41,713)
Other taxes payable	500	191	(44)	479	(9)	-	-	(51)	(84)	(26)	956
Total Adjustments	858,109	193,889	131,710	352,397	56,076	8,061	46,354	308,845	126,356	582,501	2,664,298
Net Cash Provided By (Used For) Operating Activities	2,315,887	1,204,303	396,290	1,108,582	160,576	14,719	169,079	475,599	126,678	243,981	6,219,694
CASH FLOWS FROM INVESTING ACTIVITIES:											
Net increase to deferred lease and mortgage costs	(184,740)	-	-	(118,442)	-	(82,200)	(40,543)	-	-	(283,724)	(709,649)
Increase in certificate of deposits	-	-	-	-	-	-	-	-	-	-	-
Net proceeds from investment in marketable securities	-	-	-	-	-	-	-	-	-	-	-
Payments for additions to property and equipment	(244,875)	(230,722)	(27,355)	(51,318)	(3,580)	(170,777)	-	-	(10,459)	-	(739,086)
Net Cash Provided By (Used For) Investing Activities	(429,615)	(230,722)	(27,355)	(169,760)	(3,580)	(252,977)	(40,543)	-	(10,459)	(283,724)	(1,448,735)
CASH FLOWS FROM FINANCING ACTIVITIES:											
Proceeds of mortgages and loans	-	-	-	-	-	-	-	-	-	8,800,000	8,800,000
Members' capital contributions	-	-	50,000	1,850,000	50,000	220,002	-	-	-	-	2,170,002
Payments of mortgages and loans payable	(715,379)	(529,330)	(246,288)	(2,341,838)	(132,387)	-	-	(154,671)	(62,220)	(8,076,910)	(12,259,023)
Members' capital withdrawals	(1,215,000)	(300,000)	-	(350,000)	-	-	(100,000)	(250,000)	-	-	(2,215,000)
Net Cash Provided By (Used For) Financing Activities	(1,930,379)	(829,330)	(196,288)	(841,838)	(82,387)	220,002	(100,000)	(404,671)	(62,220)	723,090	(3,504,021)
Net increase (decrease) in cash and cash equivalents	(44,107)	144,251	172,647	96,984	74,609	(18,256)	28,536	74,928	53,999	683,347	1,266,938
Cash and cash equivalents - at beginning	1,219,613	772,662	286,828	202,050	195,550	27,883	23,180	258,553	78,937	184,760	3,250,016
CASH AND CASH EQUIVALENTS - AT END (Pages 17 to 19)	\$ 1,175,506	\$ 916,913	\$ 459,475	\$ 299,034	\$ 270,159	\$ 9,627	\$ 51,716	\$ 333,481	\$ 132,936	\$ 868,107	\$ 4,516,954
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:											
Interest paid	\$ 2,129,793	\$ 1,507,373	\$ 583,510	\$ 606,378	\$ 522,364	\$ 207	\$ 2	\$ 508,621	\$ 192,297	\$ 664,997	\$ 6,715,542

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF CASH FLOWS
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	Subtotal (Page 29)	Ciampa 21 LLC	Ciampa Jamaica LLC <i>#001947</i>	Ciampa 162 LLC <i>#001945</i>	Ciampa Estates LLC	Ciampa M4 LLC	Ciampa Crescent LLC	Ciampa 24 LLC	Ciampa Steinway LLC	Subtotal
CASH FLOWS FROM OPERATING ACTIVITIES:										
Net income (loss) (Pages 26 to 28)	\$ 3,555,396	\$ 81,353	\$ (134,648)	\$ (166,131)	\$ (28,546)	\$ 23,298	\$ (274,013)	\$ (404,157)	\$ 373,867	\$ 3,026,419
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:										
Depreciation and amortization (Pages 26 to 28)	2,574,278	282,920	430,434	461,569	-	61,612	1,050,163	127,899	28,907	5,017,782
(Increase) Decrease in Assets:										
Receivables	405,977	13,251	27,493	117,406	-	15,977	58,614	(13,552)	(147,539)	477,627
Due from affiliated companies	96,621	13,053	(16,552)	(27,486)	-	549	3,965	32,370	17,016	119,536
Deposits, prepaid expenses and other assets	82,992	138,356	(34,353)	(30,977)	-	(4,076)	(2,045)	(1,122)	(11,717)	137,058
Due from Belshire Manor Property Owners' Association, Inc.	41,238	-	-	-	-	-	-	-	-	41,238
Increase (Decrease) in Liabilities:										
Accounts payable, accrued expenses and other liabilities	(114,526)	(33,011)	7,758	(3,779)	(1,252)	877	(24,668)	(14,543)	(26,133)	(209,277)
Tenants' security deposits	137,610	2,924	(4,042)	(2,044)	-	-	43,674	(28,189)	2,403	152,336
Due to affiliated companies	(519,135)	-	-	-	-	3,883	23,978	23,467	-	(467,807)
Advanced rental income	(41,713)	896	3,931	(3,750)	-	4,924	(36,100)	-	(9,255)	(81,067)
Other taxes payable	956	(94)	-	-	-	-	(291)	-	-	571
Total Adjustments	2,664,298	418,295	414,669	510,939	(1,252)	83,746	1,117,290	126,330	(146,318)	5,187,997
Net Cash Provided By (Used For) Operating Activities	6,219,694	499,648	280,021	344,808	(29,798)	107,044	843,277	(277,827)	227,549	8,214,416
CASH FLOWS FROM INVESTING ACTIVITIES:										
Net increase to deferred lease and mortgage costs	(709,649)	(337,455)	-	-	-	-	-	-	(94,210)	(1,141,314)
Increase in certificate of deposits	-	-	-	-	-	-	-	-	-	-
Net proceeds from investment in marketable securities	-	-	-	-	-	-	-	-	-	-
Payments for additions to property and equipment	(739,086)	-	(4,786)	-	-	-	(76,072)	(65,050)	(8,867)	(893,861)
Net Cash Provided By (Used For) Investing Activities	(1,448,735)	(337,455)	(4,786)	-	-	-	(76,072)	(65,050)	(103,077)	(2,035,175)
CASH FLOWS FROM FINANCING ACTIVITIES:										
Proceeds of mortgages and loans	8,800,000	11,000,000	-	-	-	-	-	-	2,345,000	22,145,000
Members' capital contributions	2,170,002	-	-	-	-	-	-	200,000	-	2,370,002
Payments of mortgages and loans payable	(12,259,023)	(7,861,966)	(150,258)	(160,644)	-	-	(479,587)	-	(851,890)	(21,763,368)
Members' capital withdrawals	(2,215,000)	(350,000)	(50,000)	(140,000)	-	(50,001)	(275,000)	-	(1,500,000)	(4,580,001)
Net Cash Provided By (Used For) Financing Activities	(3,504,021)	2,788,034	(200,258)	(300,644)	-	(50,001)	(754,587)	200,000	(6,890)	(1,828,367)
Net increase (decrease) in cash and cash equivalents	1,266,938	2,950,227	74,977	44,164	(29,798)	57,043	12,618	(142,877)	117,582	4,350,874
Cash and cash equivalents - at beginning	3,250,016	314,003	220,000	261,612	269,042	30,816	487,308	159,071	50,200	5,042,068
CASH AND CASH EQUIVALENTS - AT END (Pages 17 to 19)	\$ 4,516,954	\$ 3,264,230	\$ 294,977	\$ 305,776	\$ 239,244	\$ 87,859	\$ 499,926	\$ 16,194	\$ 167,782	\$ 9,392,942
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:										
Interest paid	\$ 6,715,542	\$ 662,658	\$ 650,593	\$ 656,483	\$ -	\$ -	\$ 1,852,540	\$ 345,703	\$ 70,937	\$ 10,954,456

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMBINING STATEMENTS OF CASH FLOWS
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	Subtotal (Page 30)	Ciampa Tower Square LLC	Ciampa Whitepoint LLC	Ciampa S2 LLC	Ciampa S3 LLC	Ciampa Capital LLC	2012 Total	2011 Total (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:								
Net income (loss) (Pages 26 to 28)	\$ 3,026,419	\$ 375,833	\$ 72,927	\$ 352,653	\$ (25)	\$ 658,904	\$ 4,486,711	\$ 1,975,208
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:								
Depreciation and amortization (Pages 26 to 28)	5,017,782	296,946	570,623	552,091	-	-	6,437,442	5,809,611
(Increase) Decrease in Assets:								
Receivables	477,627	13,253	(174)	(34,498)	-	1,655,914	2,112,122	4,812,409
Due from affiliated companies	119,536	57,758	69,919	(181,207)	548,882	-	614,888	(304,252)
Deposits, prepaid expenses and other assets	137,058	2,115	(46,150)	(15,059)	(4,803)	-	73,161	122,317
Due from Belshire Manor Property Owners' Association, Inc.	41,238	-	-	-	-	-	41,238	18,149
Increase (Decrease) in Liabilities:								
Accounts payable, accrued expenses and other liabilities	(209,277)	(22,119)	(20,491)	61,531	(15,402)	-	(205,758)	(200,487)
Tenants' security deposits	152,336	-	57,512	(43,187)	-	-	166,661	453,045
Due to affiliated companies	(467,807)	24,960	(420,205)	(760,591)	797,925	-	(825,718)	293,771
Advanced rental income	(81,067)	27,975	30,035	(129,119)	-	-	(152,176)	595,298
Other taxes payable	571	-	34	-	-	-	605	(62,825)
Total Adjustments	5,187,997	400,888	241,103	(550,039)	1,326,602	1,655,914	8,262,465	11,537,036
Net Cash Provided By (Used For) Operating Activities	8,214,416	776,721	314,030	(197,386)	1,326,577	2,314,818	12,749,176	13,512,244
CASH FLOWS FROM INVESTING ACTIVITIES:								
Net increase to deferred lease and mortgage costs	(1,141,314)	(170,025)	(309,608)	(334,232)	(25,000)	-	(1,980,179)	(737,153)
Increase in certificate of deposits	-	-	-	-	-	(8,539)	(8,539)	(9,253)
Net proceeds from investment in marketable securities	-	-	-	-	-	1,222,354	1,222,354	495,105
Payments for additions to property and equipment	(893,861)	(48,675)	(54,035)	(111,461)	(5,925,472)	-	(7,033,504)	(9,610,881)
Net Cash Provided By (Used For) Investing Activities	(2,035,175)	(218,700)	(363,643)	(445,693)	(5,950,472)	1,213,815	(7,799,868)	(9,862,182)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds of mortgages and loans	22,145,000	-	1,155,000	22,533,023	-	-	45,833,023	7,185,004
Members' capital contributions	2,370,002	150,000	850,000	-	11,391,721	250,000	15,011,723	8,969,422
Payments of mortgages and loans payable	(21,763,368)	(179,169)	(1,792,180)	(11,500,000)	-	-	(35,234,717)	(9,768,995)
Members' capital withdrawals	(4,580,001)	(500,000)	(50,000)	(10,650,000)	(6,241,721)	(2,510,000)	(24,531,722)	(15,456,301)
Net Cash Provided By (Used For) Financing Activities	(1,828,367)	(529,169)	162,820	383,023	5,150,000	(2,260,000)	1,078,307	(9,070,870)
Net increase (decrease) in cash and cash equivalents	4,350,874	28,852	113,207	(260,056)	526,105	1,268,633	6,027,615	(5,420,808)
Cash and cash equivalents - at beginning	5,042,068	175,507	178,540	950,946	34,911	690,871	7,072,843	12,493,651
CASH AND CASH EQUIVALENTS - AT END (Pages 17 to 19)	\$ 9,392,942	\$ 204,359	\$ 291,747	\$ 690,890	\$ 561,016	\$ 1,959,504	\$ 13,100,458	\$ 7,072,843
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:								
Interest paid	\$ 10,954,456	\$ 538,742	\$ 735,506	\$ 679,448	\$ -	\$ -	\$ 12,908,152	\$ 13,452,778

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
BALANCE SHEETS
CORPORATE ENTITY

CIAMPA MANAGEMENT CORP.

	DECEMBER	
	2012	2011
<u>ASSETS</u>		
Equipment - at cost (Notes 1 and 6)	\$ 546,116	\$ 506,449
Less: Accumulated depreciation	395,694	351,688
Net Equipment	150,422	154,761
Cash (Page 35)	160,645	186,921
Receivables:		
Due from affiliated companies	-	744,161
Deposits, prepaid expenses and other assets	88,388	98,731
TOTAL ASSETS	\$ 399,455	\$ 1,184,574
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 129,230	\$ 97,913
Due to affiliated companies	167,313	996,919
Loans from shareholders (Note 7)	430,000	430,000
Loan payable (Note 6)	19,551	37,454
Total Liabilities	746,094	1,562,286
Shareholders' Deficit:		
Common stock; no par value; 200 shares authorized; 40 shares issued and outstanding	400	400
Deficit (Page 33)	(347,039)	(378,112)
Total Shareholders' Deficit	(346,639)	(377,712)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$ 399,455	\$ 1,184,574

CIAMPA ORGANIZATION
STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
CORPORATE ENTITY

CIAMPA MANAGEMENT CORP.

	YEAR ENDED	
	DECEMBER	
	<u>2012</u>	<u>2011</u>
Deficit - beginning	\$ (378,112)	\$ (409,807)
Net Income (Page 34)	<u>31,073</u>	<u>31,695</u>
DEFICIT - ENDING (Page 32)	<u>\$ (347,039)</u>	<u>\$ (378,112)</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
STATEMENTS OF OPERATIONS
CORPORATE ENTITY

CIAMPA MANAGEMENT CORP.

	YEAR ENDED	
	DECEMBER	
	<u>2012</u>	<u>2011</u>
Revenue From Operations:		
Management fee and other income	\$ 1,939,726	\$ 2,624,242
Operating Expenses:		
General and administrative expenses (Page 36)	<u>1,834,547</u>	<u>2,495,066</u>
Income from operations before non-cash item	105,179	129,176
Non-Cash Item (Note 1) (Page 35):		
Depreciation	<u>60,878</u>	<u>73,733</u>
Income from operations	<u>44,301</u>	<u>55,443</u>
Other Expenses:		
Interest expense	(2,228)	(2,625)
Loss on sale of property	<u>-</u>	<u>(8,123)</u>
Total Other Expenses	<u>(2,228)</u>	<u>(10,748)</u>
Income before provision for taxes	42,073	44,695
Provision For Taxes:		
New York State	1,000	1,000
New York City	<u>10,000</u>	<u>12,000</u>
Total Provision For Taxes	<u>11,000</u>	<u>13,000</u>
NET INCOME (Pages 33 and 35)	<u>\$ 31,073</u>	<u>\$ 31,695</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
STATEMENTS OF CASH FLOWS
CORPORATE ENTITY

CIAMPA MANAGEMENT CORP.

	YEAR ENDED	
	DECEMBER	
	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Page 34)	\$ 31,073	\$ 31,695
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation (Page 34)	60,878	73,733
Loss on sale of property	-	8,123
(Increase) Decrease in Assets:		
Due from affiliated companies	744,161	(118,642)
Deposits, prepaid expenses and other assets	10,343	(28,366)
Increase (Decrease) in Liabilities:		
Accounts payable and accrued expenses	31,317	(168,535)
Due to affiliated companies	(829,606)	329,104
Total Adjustments	<u>17,093</u>	<u>95,417</u>
Net Cash Provided By Operating Activities	<u>48,166</u>	<u>127,112</u>
CASH FLOWS FROM INVESTING ACTIVITY:		
Payments for additions to equipment	<u>(56,539)</u>	<u>(126,638)</u>
CASH FLOWS FROM FINANCING ACTIVITY:		
Payments of loan payable	(17,903)	(16,480)
Proceeds of loan payable	<u>-</u>	<u>53,934</u>
Net Cash Provided By (Used For) Financing Activity	<u>(17,903)</u>	<u>37,454</u>
Net Increase (Decrease) In Cash	(26,276)	37,928
Cash - at beginning	<u>186,921</u>	<u>148,993</u>
CASH - AT END (Page 32)	<u>\$ 160,645</u>	<u>\$ 186,921</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	<u>\$ 2,228</u>	<u>\$ 2,625</u>
Taxes paid	<u>\$ 16,786</u>	<u>\$ 36,000</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
CORPORATE ENTITY

CIAMPA MANAGEMENT CORP.

	YEAR ENDED DECEMBER	
	2012	2011
Payroll	\$ 537,204	\$ 1,078,703
Insurance	444,746	531,920
Rent	180,000	180,000
Travel and entertainment	140,771	118,417
Accounting	128,040	112,730
Office expenses	73,702	58,325
Legal and consulting fees	62,530	68,298
Computer	58,350	50,480
Telephone	51,514	51,701
Payroll taxes	50,474	93,466
Contributions	25,000	27,949
Dues and subscriptions	19,200	25,300
Supplies	19,123	28,360
Payroll processing fees	15,274	31,586
Miscellaneous	14,533	16,943
Advertising	13,131	16,158
Seminars and conventions	955	4,730
TOTAL (Pages 4 and 34)	<u>\$ 1,834,547</u>	<u>\$ 2,495,066</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMPARATIVE STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31

	CIAMPA NORTH LLC		CIAMPA BELL LLC		CIAMPA METROPOLITAN LLC		CIAMPA REALTY LLC		CIAMPA DOUGLSTON LLC		CIAMPA ENTERPRISES LLC	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
REVENUE FROM OPERATIONS:												
Rental Revenue:												
Apartment rents	\$ 6,783,123	\$ 6,697,375	\$ 5,545,226	\$ 5,331,347	\$ 2,505,456	\$ 2,406,672	\$ 1,160,647	\$ 1,147,145	\$ 1,421,697	\$ 1,429,101	\$ -	\$ -
Commercial rents	2,020,606	1,887,059	-	-	-	-	1,554,644	1,666,960	-	-	216,636	278,171
Garage rents	261,295	239,240	355,714	341,412	67,008	66,318	52,700	50,735	76,675	85,076	-	-
Laundry income	27,391	29,251	24,540	26,134	7,856	8,750	4,267	4,545	4,807	5,399	-	-
Other	17,052	10,538	11,991	12,493	2,676	5,160	522	822	1,350	4,074	214	11,782
Total Rental Revenue	<u>9,109,467</u>	<u>8,863,463</u>	<u>5,937,471</u>	<u>5,711,386</u>	<u>2,582,996</u>	<u>2,486,900</u>	<u>2,772,780</u>	<u>2,870,207</u>	<u>1,504,529</u>	<u>1,523,650</u>	<u>216,850</u>	<u>289,953</u>
OPERATING EXPENSES:												
Rental Expenses (Pages 41 to 44):												
Operating expenses	3,013,023	2,947,379	2,080,238	2,174,969	870,178	890,920	557,307	477,091	500,328	460,267	134,397	49,136
Building repairs and maintenance	534,112	591,742	330,620	316,170	153,802	105,684	128,115	104,166	128,893	84,560	11,490	41,206
General and administrative expenses allocated to properties	261,774	209,532	153,391	132,955	70,590	56,916	93,281	63,453	31,718	28,521	18,824	10,598
Mortgage interest - net	2,117,686	2,300,487	1,505,025	1,583,812	582,353	592,620	571,087	801,419	521,660	529,377	-	-
Interest - other than mortgages	11	100	-	-	284	297	1,789	8	42	-	207	77
Management fee expense	409,159	575,440	266,650	370,430	116,114	161,312	125,510	186,509	67,643	98,772	9,749	18,081
Total Operating Expenses	<u>6,335,765</u>	<u>6,624,680</u>	<u>4,335,924</u>	<u>4,578,336</u>	<u>1,793,321</u>	<u>1,807,749</u>	<u>1,477,089</u>	<u>1,632,646</u>	<u>1,250,284</u>	<u>1,201,497</u>	<u>174,667</u>	<u>119,098</u>
Income (loss) from rental operations before non-cash items	<u>2,773,702</u>	<u>2,238,783</u>	<u>1,601,547</u>	<u>1,133,050</u>	<u>789,675</u>	<u>679,151</u>	<u>1,295,691</u>	<u>1,237,561</u>	<u>254,245</u>	<u>322,153</u>	<u>42,183</u>	<u>170,855</u>
Non-Cash Items:												
Depreciation	609,336	567,926	214,306	200,879	81,387	82,743	301,251	314,606	49,312	50,580	25,999	20,327
Amortization	179,666	152,155	60,761	60,531	97,782	97,722	77,663	66,550	19,433	19,433	3,425	-
Total Non-Cash Items	<u>789,002</u>	<u>720,081</u>	<u>275,067</u>	<u>261,410</u>	<u>179,169</u>	<u>180,465</u>	<u>378,914</u>	<u>381,156</u>	<u>68,745</u>	<u>70,013</u>	<u>29,424</u>	<u>20,327</u>
Income (loss) from rental operations	<u>1,984,700</u>	<u>1,518,702</u>	<u>1,326,480</u>	<u>871,640</u>	<u>610,506</u>	<u>498,686</u>	<u>916,777</u>	<u>856,405</u>	<u>185,500</u>	<u>252,140</u>	<u>12,759</u>	<u>150,528</u>
Other Income (Expenses):												
Interest and dividends	-	-	20,226	14,832	-	-	-	-	-	-	-	-
Gain (loss) on securities	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of property	-	37,546	-	-	-	-	-	-	-	-	-	-
Guaranteed payments to members	(522,000)	(474,000)	(333,000)	(336,000)	(345,000)	(285,000)	(159,000)	(168,000)	(81,000)	(90,000)	(6,000)	(10,000)
General expenses	(4,922)	(2,613)	(3,292)	(1,062)	(926)	(983)	(1,592)	(2,593)	-	-	(101)	-
Total Other Income (Expenses)	<u>(526,922)</u>	<u>(439,067)</u>	<u>(316,066)</u>	<u>(322,230)</u>	<u>(345,926)</u>	<u>(285,983)</u>	<u>(160,592)</u>	<u>(170,593)</u>	<u>(81,000)</u>	<u>(90,000)</u>	<u>(6,101)</u>	<u>(10,000)</u>
NET INCOME (LOSS)	<u>1,457,778</u>	<u>1,079,635</u>	<u>1,010,414</u>	<u>549,410</u>	<u>264,580</u>	<u>212,703</u>	<u>756,185</u>	<u>685,812</u>	<u>104,500</u>	<u>162,140</u>	<u>6,658</u>	<u>140,528</u>
OTHER COMPREHENSIVE INCOME (LOSS):												
Unrealized gains arising during the period on securities	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain (loss) on interest rate swap	-	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of hedging activities	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 1,457,778</u>	<u>\$ 1,079,635</u>	<u>\$ 1,010,414</u>	<u>\$ 549,410</u>	<u>\$ 264,580</u>	<u>\$ 212,703</u>	<u>\$ 756,185</u>	<u>\$ 685,812</u>	<u>\$ 104,500</u>	<u>\$ 162,140</u>	<u>\$ 6,658</u>	<u>\$ 140,528</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMPARATIVE STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31

	CIAMPA M3 LLC		<i>#001630</i> CIAMPA 72 LLC <i>137-02 NORTHERN BLVD.</i>		<i>#001628</i> CIAMPA US LLC		CIAMPA 14 LLC		CIAMPA 21 LLC		<i>#001947</i> CIAMPA JAMAICA LLC	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
REVENUE FROM OPERATIONS:												
Rental Revenue:												
Apartment rents	\$ -	\$ -	\$1,333,644	\$1,293,390	\$ 456,677	\$ 477,031	\$1,043,068	\$1,055,207	\$1,153,694	\$1,149,718	\$1,451,955	\$1,449,793
Commercial rents	292,058	292,130	30,480	52,050	-	-	44,040	62,053	150,943	194,209	54,200	56,921
Garage rents	-	-	60,488	52,290	8,524	13,334	19,513	21,997	21,532	26,765	-	-
Laundry income	-	-	4,472	4,681	3,285	3,607	4,555	4,900	29,820	31,131	32,466	36,148
Other	-	-	2,085	2,212	93	222	1,063	1,594	17,289	2,480	2,235	3,557
Total Rental Revenue	292,058	292,130	1,431,169	1,404,623	468,579	494,194	1,112,239	1,145,751	1,373,278	1,404,303	1,540,856	1,546,419
OPERATING EXPENSES:												
Rental Expenses (Pages 41 to 44):												
Operating expenses	102,939	95,020	260,995	262,461	73,875	83,220	207,377	201,137	168,594	181,582	320,846	336,063
Building repairs and maintenance	9,557	65,955	46,950	43,502	23,724	19,168	37,597	33,276	56,172	45,079	62,682	73,303
General and administrative expenses allocated to properties	16,442	6,371	38,911	30,833	12,426	10,888	38,365	31,214	30,187	30,463	60,022	61,382
Mortgage interest - net	-	-	507,665	518,728	191,910	196,393	616,658	584,685	619,289	524,970	649,701	660,050
Interest - other than mortgages	2	-	-	-	-	-	-	-	-	-	-	-
Management fee expense	13,143	18,988	64,310	91,160	21,082	32,108	50,003	74,370	61,020	91,118	69,238	100,286
Total Operating Expenses	142,083	186,334	918,831	946,684	323,017	341,777	950,000	924,682	935,262	873,212	1,162,489	1,231,084
Income (loss) from rental operations before non-cash items	149,975	105,796	512,338	457,939	145,562	152,417	162,239	221,069	438,016	531,091	378,367	315,335
Non-Cash Items:												
Depreciation	17,196	17,196	266,333	266,226	120,426	114,883	305,360	305,360	280,577	280,355	430,434	428,877
Amortization	4,054	3,887	83	83	2,777	2,777	137,728	6,852	2,343	-	-	-
Total Non-Cash Items	21,250	21,083	266,416	266,309	123,203	117,660	443,088	312,212	282,920	280,355	430,434	428,877
Income (loss) from rental operations	128,725	84,713	245,922	191,630	22,359	34,757	(280,849)	(91,143)	155,096	250,736	(52,067)	(113,542)
Other Income (Expenses):												
Interest and dividends	-	-	432	469	163	403	304	328	311	333	346	359
Gain (loss) on securities	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of property	-	-	-	-	-	-	-	-	-	-	-	-
Guaranteed payments to members	(6,000)	(18,000)	(75,600)	(81,600)	(22,200)	(28,200)	(57,600)	(60,600)	(73,200)	(82,200)	(82,800)	(82,800)
General expenses	-	-	-	(242)	-	20	(375)	(114)	(834)	(165)	(127)	(1,981)
Total Other Income (Expenses)	(6,000)	(18,000)	(75,168)	(81,373)	(22,037)	(27,777)	(57,671)	(60,386)	(73,743)	(82,032)	(82,581)	(84,422)
NET INCOME (LOSS)	122,725	66,713	170,754	110,257	322	6,980	(338,520)	(151,529)	81,353	168,704	(134,648)	(197,964)
OTHER COMPREHENSIVE INCOME (LOSS):												
Unrealized gains arising during the period on securities	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain (loss) on interest rate swap	-	-	-	-	-	-	(128,567)	-	(160,708)	-	-	-
Change in fair value of hedging activities	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income (Loss)	-	-	-	-	-	-	(128,567)	-	(160,708)	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ 122,725	\$ 66,713	\$ 170,754 ✓	\$ 110,257	\$ 322 ✓	\$ 6,980	\$ (467,087)	\$ (151,529)	\$ (79,355)	\$ 168,704	\$ (134,648)	\$ (197,964)

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMPARATIVE STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31

	CIAMPA 162 LLC		CIAMPA ESTATES LLC		CIAMPA M4 LLC		CIAMPA CRESCENT LLC		CIAMPA 24 LLC		CIAMPA STEINWAY LLC	
	2012	2011	2012	2011	2012	2011	2012	2011 (Restated)	2012	2011	2012	2011
REVENUE FROM OPERATIONS:												
Rental Revenue:												
Apartment rents	\$1,492,371	\$1,521,982	\$ -	\$ -	\$ -	\$ -	\$3,640,938	\$ 3,520,458	\$ -	\$ -	\$ -	\$ -
Commercial rents	12,572	134,380	-	-	183,350	125,000	40,665	65,457	157,223	176,165	612,448	576,594
Garage rents	-	-	-	-	-	-	28,236	41,922	-	-	-	-
Laundry income	4,720	5,099	-	-	-	-	52,463	53,546	-	-	-	-
Other	2,196	3,377	-	1,900	-	-	-	4,308	397	1,027	-	500
Total Rental Revenue	1,511,859	1,664,838	-	1,900	183,350	125,000	3,762,302	3,685,691	157,620	177,192	612,448	577,094
OPERATING EXPENSES:												
Rental Expenses (Pages 41 to 44):												
Operating expenses	271,405	290,156	997	2,451	62,783	68,974	584,420	512,347	55,050	55,116	81,292	70,002
Building repairs and maintenance	57,764	82,287	6,337	35,294	630	9,385	97,406	97,228	571	222	5,826	857
General and administrative expenses allocated to properties	69,740	68,672	21,212	17,709	12,405	2,091	69,773	68,441	18,501	2,534	15,667	6,055
Mortgage interest - net	655,579	666,095	-	-	-	-	1,855,326	1,867,447	345,699	443,776	79,122	53,996
Interest - other than mortgages	-	2	-	-	-	-	2	-	4	-	207	-
Management fee expense	67,935	107,995	-	-	8,251	9,425	169,304	239,290	6,703	11,451	27,560	37,479
Total Operating Expenses	1,122,423	1,215,207	28,546	55,454	84,069	89,875	2,776,231	2,784,753	426,528	513,099	209,674	168,389
Income (loss) from rental operations before non-cash items	389,436	449,631	(28,546)	(53,554)	99,281	35,125	986,071	900,938	(268,908)	(335,907)	402,774	408,705
Non-Cash Items:												
Depreciation	438,870	445,533	-	-	58,217	58,217	1,025,110	1,075,381	127,899	127,899	19,976	19,265
Amortization	22,699	22,699	-	-	3,395	2,546	25,053	25,053	-	-	8,931	3,286
Total Non-Cash Items	461,569	468,232	-	-	61,612	60,763	1,050,163	1,100,434	127,899	127,899	28,907	22,551
Income (loss) from rental operations	(72,133)	(18,601)	(28,546)	(53,554)	37,669	(25,638)	(64,092)	(199,496)	(396,807)	(463,806)	373,867	386,154
Other Income (Expenses):												
Interest and dividends	326	331	-	-	29	-	-	-	-	-	-	-
Gain (loss) on securities	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of property	-	-	-	-	-	-	-	-	-	-	-	-
Guaranteed payments to members	(85,800)	(91,200)	-	-	(14,400)	(14,400)	(201,000)	(216,000)	(6,000)	(9,000)	-	-
General expenses	(8,524)	(601)	-	-	-	-	(8,921)	(15,629)	(1,350)	58	-	-
Total Other Income (Expenses)	(93,998)	(91,470)	-	-	(14,371)	(14,400)	(209,921)	(231,629)	(7,350)	(8,942)	-	-
NET INCOME (LOSS)	(166,131)	(110,071)	(28,546)	(53,554)	23,298	(40,038)	(274,013)	(431,125)	(404,157)	(472,748)	373,867	386,154
OTHER COMPREHENSIVE INCOME (LOSS):												
Unrealized gains arising during the period on securities	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain (loss) on interest rate swap	-	-	-	-	-	-	601,479	(95,295)	-	-	(75,043)	-
Change in fair value of hedging activities	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income (Loss)	-	-	-	-	-	-	601,479	(95,295)	-	-	(75,043)	-
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ (166,131)	\$ (110,071)	\$ (28,546)	\$ (53,554)	\$ 23,298	\$ (40,038)	\$ 327,466	\$ (526,420)	\$ (404,157)	\$ (472,748)	\$ 298,824	\$ 386,154

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
COMPARATIVE STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31

	CIAMPA TOWER SQUARE LLC		CIAMPA WHITEPOINT LLC		CIAMPA S2 LLC		CIAMPA S3 LLC		CIAMPA CAPITAL LLC	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
REVENUE FROM OPERATIONS:										
Rental Revenue:										
Apartment rents	\$ -	\$ -	\$ 26,064	\$ 25,105	\$2,393,181	\$ 504,252	\$ -	\$ -	\$ -	\$ -
Commercial rents	1,533,574	1,405,928	2,554,574	2,231,584	12,090	-	-	-	-	-
Garage rents	-	-	7,200	7,200	-	-	-	-	-	-
Laundry income	-	-	-	-	7,028	965	-	-	-	-
Other	43,511	32,074	89,401	89,733	1,299	-	-	-	-	-
Total Rental Revenue	<u>1,577,085</u>	<u>1,438,002</u>	<u>2,677,239</u>	<u>2,353,622</u>	<u>2,413,598</u>	<u>505,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES:										
Rental Expenses (Pages 41 to 44):										
Operating expenses	241,277	134,540	936,357	602,722	458,445	363,264	-	-	-	-
Building repairs and maintenance	23,441	35,374	116,461	147,740	46,238	39,604	-	-	-	-
General and administrative expenses allocated to properties	43,356	47,856	127,935	98,734	85,624	219,002	-	-	-	-
Mortgage interest - net	519,725	694,094	711,602	905,384	725,816	205,258	-	-	-	-
Interest - other than mortgages	-	-	8	17,366	1,929	-	-	-	-	-
Management fee expense	70,307	93,470	120,476	152,986	108,552	32,229	-	-	-	-
Total Operating Expenses	<u>898,106</u>	<u>1,005,334</u>	<u>2,012,839</u>	<u>1,924,932</u>	<u>1,426,604</u>	<u>859,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) from rental operations before non-cash items	<u>678,979</u>	<u>432,668</u>	<u>664,400</u>	<u>428,690</u>	<u>986,994</u>	<u>(354,140)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-Cash Items:										
Depreciation	188,171	183,749	442,765	409,700	512,302	213,988	-	-	-	-
Amortization	108,775	92,835	127,858	69,512	39,789	-	-	-	-	-
Total Non-Cash Items	<u>296,946</u>	<u>276,584</u>	<u>570,623</u>	<u>479,212</u>	<u>552,091</u>	<u>213,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) from rental operations	<u>382,033</u>	<u>156,084</u>	<u>93,777</u>	<u>(50,522)</u>	<u>434,903</u>	<u>(568,128)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Income (Expenses):										
Interest and dividends	-	-	-	-	-	-	-	-	385,568	531,704
Gain (loss) on securities	-	-	-	-	-	-	-	-	297,904	(10,536)
Gain on sale of property	-	-	-	-	-	-	-	-	-	-
Guaranteed payments to members	(6,000)	(60,000)	(9,000)	(99,000)	(82,000)	-	-	-	-	-
General expenses	(200)	-	(11,850)	(12,251)	(250)	(127)	(25)	(34)	(24,568)	(23,989)
Total Other Income (Expenses)	<u>(6,200)</u>	<u>(60,000)</u>	<u>(20,850)</u>	<u>(111,251)</u>	<u>(82,250)</u>	<u>(127)</u>	<u>(25)</u>	<u>(34)</u>	<u>658,904</u>	<u>497,179</u>
NET INCOME (LOSS)	<u>375,833</u>	<u>96,084</u>	<u>72,927</u>	<u>(161,773)</u>	<u>352,653</u>	<u>(568,255)</u>	<u>(25)</u>	<u>(34)</u>	<u>658,904</u>	<u>497,179</u>
OTHER COMPREHENSIVE INCOME (LOSS):										
Unrealized gains arising during the period on securities	-	-	-	-	-	-	-	-	21,607	132,637
Unrealized gain (loss) on interest rate swap	-	-	(36,962)	-	(781,505)	-	-	-	-	-
Change in fair value of hedging activities	-	-	-	-	-	-	-	-	-	(34,501)
Reclassification adjustments	-	-	-	-	-	-	-	-	(138,259)	(28,183)
Total Other Comprehensive Income (Loss)	<u>-</u>	<u>-</u>	<u>(36,962)</u>	<u>-</u>	<u>(781,505)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(116,652)</u>	<u>69,953</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 375,833</u>	<u>\$ 96,084</u>	<u>\$ 35,965</u>	<u>\$ (161,773)</u>	<u>\$ (428,852)</u>	<u>\$ (568,255)</u>	<u>\$ (25)</u>	<u>\$ (34)</u>	<u>\$ 542,252</u>	<u>\$ 567,132</u>

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
SCHEDULES OF EXPENSES
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31

	CIAMPA NORTH LLC		CIAMPA BELL LLC		CIAMPA METROPOLITAN LLC		CIAMPA REALTY LLC		CIAMPA DOUGLSTON LLC		CIAMPA ENTERPRISES LLC	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
OPERATING EXPENSES:												
Real estate tax	\$ 1,641,002	\$ 1,522,621	\$ 1,273,027	\$ 1,261,712	\$ 512,029	\$ 513,004	\$ 183,451	\$ 202,736	\$ 345,535	\$ 323,490	\$ 48,085	\$ 40,657
Wages and payroll taxes	456,432	343,349	396,874	441,559	78,412	69,037	126,399	84,405	65,603	31,712	73,995	5,239
Insurance	141,222	129,462	99,026	102,615	42,142	44,702	34,727	15,864	19,998	17,028	128	917
Heating	268,540	440,442	86,770	167,056	83,806	104,647	58,245	68,776	24,247	51,530	5,236	2,032
Electric and gas	133,595	132,626	62,739	71,379	38,785	42,462	76,474	85,253	16,044	17,739	6,953	291
Water and sewer tax	371,649	376,739	155,291	122,604	115,004	116,688	59,710	15,009	26,327	16,341	-	-
Security guards	-	-	-	1,425	-	-	15,512	4,768	-	-	-	-
Commissions	583	2,140	6,511	6,619	-	380	2,789	280	2,574	2,427	-	-
Common area maintenance	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES (Pages 26 to 28 and 37 to 40)	\$ 3,013,023	\$ 2,947,379	\$ 2,080,238	\$ 2,174,969	\$ 870,178	\$ 890,920	\$ 557,307	\$ 477,091	\$ 500,328	\$ 460,267	\$ 134,397	\$ 49,136
BUILDING REPAIRS AND MAINTENANCE:												
Repairs	\$ 161,075	\$ 243,768	\$ 71,696	\$ 56,722	\$ 48,481	\$ 28,970	\$ 24,960	\$ 31,963	\$ 17,901	\$ 48,152	\$ 534	\$ 24,815
Supplies	277,538	268,015	170,870	176,672	72,604	50,720	63,623	41,996	92,934	25,637	10,412	16,391
Painting	-	-	-	-	-	-	-	-	-	-	-	-
Elevator service	64,154	51,142	63,567	48,524	23,327	6,725	23,249	17,657	12,275	9,073	-	-
Exterminator	23,869	19,584	8,917	13,076	9,390	18,507	2,755	1,717	2,753	1,698	-	-
Refuse removal	7,476	9,233	15,570	21,176	-	762	13,528	10,833	3,030	-	544	-
TOTAL BUILDING REPAIRS AND MAINTENANCE (Pages 26 to 28 and 37 to 40)	\$ 534,112	\$ 591,742	\$ 330,620	\$ 316,170	\$ 153,802	\$ 105,684	\$ 128,115	\$ 104,166	\$ 128,893	\$ 84,560	\$ 11,490	\$ 41,206
GENERAL AND ADMINISTRATIVE EXPENSES ALLOCATED TO PROPERTIES:												
Professional fees	\$ 201,044	\$ 145,466	\$ 118,442	\$ 83,002	\$ 54,610	\$ 30,795	\$ 69,836	\$ 44,812	\$ 24,918	\$ 18,385	\$ 14,795	\$ 7,320
Office and sundry	10,413	4,764	1,201	1,801	4,436	219	3,078	5,176	1,303	414	180	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Advertising	2,319	3,786	3,729	5,313	3,685	9,441	544	-	335	1,531	995	3,094
Auto expense	32,316	38,213	11,412	27,528	5,139	13,764	15,438	5,433	3,046	6,067	2,279	-
Dues	6,217	6,018	10,640	7,473	90	100	600	600	80	100	-	-
Telephone	5,015	4,993	3,467	3,929	980	938	475	448	461	440	-	-
Credit reports	-	-	-	-	-	-	-	-	-	-	-	-
Travel and entertainment	1,450	3,283	1,500	900	150	150	1,810	5,475	75	75	400	-
Other taxes	3,000	3,009	3,000	3,009	1,500	1,509	1,500	1,509	1,500	1,509	175	184
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES ALLOCATED TO PROPERTIES (Pages 26 to 28 and 37 to 40)	\$ 261,774	\$ 209,532	\$ 153,391	\$ 132,955	\$ 70,590	\$ 56,916	\$ 93,281	\$ 63,453	\$ 31,718	\$ 28,521	\$ 18,824	\$ 10,598

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
SCHEDULES OF EXPENSES
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31

	CIAMPA M3 LLC		CIAMPA 72 LLC <i>#001630</i>		CIAMPA US LLC <i>#001628</i>		CIAMPA 14 LLC		CIAMPA 21 LLC		CIAMPA JAMAICA LLC <i>#001947</i>	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
OPERATING EXPENSES:												
Real estate tax	\$ 73,464	\$ 73,960	\$ 91,590	\$ 91,155	\$ 4,633	\$ 4,611	\$ 58,797	\$ 59,194	\$ -	\$ 4,524	\$ 19,950	\$ 20,918
Wages and payroll taxes	12,560	6,658	45,773	41,072	7,318	14,736	47,461	34,149	58,628	49,446	47,562	53,175
Insurance	3,826	4,718	15,117	14,779	6,565	6,366	15,983	16,280	14,107	15,035	21,023	19,227
Heating	1,635	3,089	35,580	54,752	18,148	21,522	30,176	41,385	34,853	38,540	66,772	88,237
Electric and gas	4,897	758	51,427	46,179	20,639	20,724	43,081	35,644	42,881	47,594	54,808	59,851
Water and sewer tax	6,557	5,837	21,028	14,044	16,572	15,261	11,359	13,905	17,845	26,223	105,818	86,941
Security guards	-	-	-	-	-	-	-	-	-	-	4,473	7,334
Commissions	-	-	480	480	-	-	520	580	280	220	440	380
Common area maintenance	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES (Pages 26 to 28 and 37 to 40)	\$ 102,939	\$ 95,020	\$ 260,995	\$ 262,461	\$ 73,875	\$ 83,220	\$ 207,377	\$ 201,137	\$ 168,594	\$ 181,582	\$ 320,846	\$ 336,063
BUILDING REPAIRS AND MAINTENANCE:												
Repairs	\$ 3,063	\$ 31,960	\$ 17,849	\$ 8,345	\$ 10,789	\$ 4,063	\$ 14,779	\$ 5,192	\$ 22,699	\$ 23,743	\$ 14,713	\$ 16,626
Supplies	6,494	31,709	17,314	24,065	2,903	7,326	16,142	19,279	22,906	13,512	24,600	27,527
Painting	-	-	-	-	-	-	-	-	-	-	-	-
Elevator service	-	-	10,655	7,666	9,183	6,930	5,544	7,529	9,326	6,066	15,225	16,310
Exterminator	-	-	1,132	2,909	849	849	1,132	1,276	1,241	1,241	7,382	12,840
Refuse removal	-	2,286	-	517	-	-	-	-	-	517	762	-
TOTAL BUILDING REPAIRS AND MAINTENANCE (Pages 26 to 28 and 37 to 40)	\$ 9,557	\$ 65,955	\$ 46,950	\$ 43,502	\$ 23,724	\$ 19,168	\$ 37,597	\$ 33,276	\$ 56,172	\$ 45,079	\$ 62,682	\$ 73,303
GENERAL AND ADMINISTRATIVE EXPENSES ALLOCATED TO PROPERTIES:												
Professional fees	\$ 11,710	\$ 2,640	\$ 29,039	\$ 18,115	\$ 10,460	\$ 7,454	\$ 24,361	\$ 17,086	\$ 21,626	\$ 18,068	\$ 40,527	\$ 33,345
Office and sundry	-	-	606	978	13	13	1,608	238	774	938	783	3,902
Contributions	-	-	-	-	-	-	-	-	-	-	9,350	9,500
Advertising	995	3,247	3,769	2,510	-	-	7,486	6,459	787	1,531	1,865	2,034
Auto expense	3,462	-	2,760	6,520	978	2,264	2,276	5,433	2,775	5,433	3,010	8,150
Dues	-	-	710	710	250	250	600	-	600	600	900	900
Telephone	-	-	477	441	475	448	475	448	2,050	2,318	2,028	2,001
Credit reports	-	-	-	-	-	-	-	-	-	-	-	-
Travel and entertainment	100	300	50	50	75	275	50	50	75	75	50	50
Other taxes	175	184	1,500	1,509	175	184	1,509	1,500	1,500	1,500	1,509	1,500
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES ALLOCATED TO PROPERTIES (Pages 26 to 28 and 37 to 40)	\$ 16,442	\$ 6,371	\$ 38,911	\$ 30,833	\$ 12,426	\$ 10,888	\$ 38,365	\$ 31,214	\$ 30,187	\$ 30,463	\$ 60,022	\$ 61,382

CIAMPA ORGANIZATION
SCHEDULES OF EXPENSES
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31

	#001985 CIAMPA 162 LLC		CIAMPA ESTATES LLC		CIAMPA M4 LLC		CIAMPA CRESCENT LLC		CIAMPA 24 LLC	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
OPERATING EXPENSES:										
Real estate tax	\$ 22,008	\$ 22,166	\$ -	\$ -	\$ 44,082	\$ 45,174	\$ 54,258	\$ 54,000	\$ 46,339	\$ 46,524
Wages and payroll taxes	46,616	42,798	-	-	6,453	1,011	200,372	159,360	4,501	1,458
Insurance	24,200	19,350	-	2,451	3,303	3,812	33,388	27,323	3,543	4,049
Heating	58,889	67,833	-	-	3,227	6,237	31,177	48,388	-	-
Electric and gas	46,441	57,127	-	-	3,685	10,753	127,937	143,663	-	-
Water and sewer tax	68,746	70,264	-	-	2,033	1,987	59,625	3,983	667	3,085
Security guards	4,265	10,358	997	-	-	-	463	2,882	-	-
Commissions	240	260	-	-	-	-	77,200	72,748	-	-
Common area maintenance	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES (Pages 26 to 28 and 37 to 40)	\$ 271,405	\$ 290,156	\$ 997	\$ 2,451	\$ 62,783	\$ 68,974	\$ 584,420	\$ 512,347	\$ 55,050	\$ 55,116
BUILDING REPAIRS AND MAINTENANCE:										
Repairs	\$ 11,731	\$ 32,409	\$ 6,308	\$ 32,220	\$ 528	\$ 3,115	\$ 15,954	\$ 12,514	\$ 536	\$ -
Supplies	20,997	25,044	29	3,074	102	6,270	59,613	67,995	35	222
Painting	-	-	-	-	-	-	-	-	-	-
Elevator service	17,371	13,751	-	-	-	-	12,911	13,077	-	-
Exterminator	6,903	11,083	-	-	-	-	8,928	3,642	-	-
Refuse removal	762	-	-	-	-	-	-	-	-	-
TOTAL BUILDING REPAIRS AND MAINTENANCE (Pages 26 to 28 and 37 to 40)	\$ 57,764	\$ 82,287	\$ 6,337	\$ 35,294	\$ 630	\$ 9,385	\$ 97,406	\$ 97,228	\$ 571	\$ 222
GENERAL AND ADMINISTRATIVE EXPENSES ALLOCATED TO PROPERTIES:										
Professional fees	\$ 49,513	\$ 40,737	\$ 21,187	\$ 16,200	\$ 10,420	\$ 1,860	\$ 50,090	\$ 38,682	\$ 15,851	\$ 2,475
Office and sundry	1,871	4,364	-	-	-	181	357	1,306	1,330	-
Contributions	-	4,500	-	-	-	-	-	-	-	-
Advertising	11,215	7,034	-	-	-	-	1,415	2,288	-	-
Auto expense	3,159	8,150	-	-	1,935	-	7,357	12,677	1,270	-
Dues	900	900	-	-	-	-	1,410	1,410	-	-
Telephone	1,532	1,428	-	-	-	-	7,560	7,003	-	-
Credit reports	-	-	-	-	-	-	-	-	-	-
Travel and entertainment	50	50	-	-	-	-	75	3,575	-	-
Other taxes	1,500	1,509	25	1,509	50	50	1,509	1,500	50	59
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES ALLOCATED TO PROPERTIES (Pages 26 to 28 and 37 to 40)	\$ 69,740	\$ 68,672	\$ 21,212	\$ 17,709	\$ 12,405	\$ 2,091	\$ 69,773	\$ 68,441	\$ 18,501	\$ 2,534

The accompanying notes are an integral part of the combining financial statements.

CIAMPA ORGANIZATION
SCHEDULES OF EXPENSES
NONCORPORATE ENTITIES
YEARS ENDED DECEMBER 31

	CIAMPA STEINWAY LLC		CIAMPA TOWER SQUARE LLC		CIAMPA WHITEPOINT LLC		CIAMPA S2 LLC	
	2012	2011	2012	2011	2012	2011	2012	2011
OPERATING EXPENSES:								
Real estate tax	\$ 48,974	\$ 51,983	\$ -	\$ 32,026	\$ 327,579	\$ 302,389	\$ 72,085	\$ 5,945
Wages and payroll taxes	21,312	7,026	86,202	30,456	89,432	24,028	181,693	161,695
Insurance	5,626	10,776	91,574	(37,392)	25,347	6,677	19,431	6,873
Heating	-	-	7,621	10,978	28,667	25,195	37,950	4,146
Electric and gas	-	-	11,589	12,722	74,616	37,911	50,392	6,502
Water and sewer tax	5,380	217	1,753	819	46,487	(2,047)	35,080	9,908
Security guards	-	-	896	1,002	1,870	879	8,980	3,284
Commissions	-	-	-	-	-	-	52,834	164,911
Common area maintenance	-	-	41,642	83,929	342,359	207,690	-	-
TOTAL OPERATING EXPENSES (Pages 26 to 28 and 37 to 40)	\$ 81,292	\$ 70,002	\$ 241,277	\$ 134,540	\$ 936,357	\$ 602,722	\$ 458,445	\$ 363,264
BUILDING REPAIRS AND MAINTENANCE:								
Repairs	\$ 369	\$ 340	\$ 14,629	\$ 27,854	\$ 54,029	\$ 31,795	\$ 13,489	\$ 20,101
Supplies	5,457	-	8,812	7,520	60,046	115,341	25,839	16,608
Painting	-	-	-	-	-	-	-	-
Elevator service	-	-	-	-	100	-	3,861	2,215
Exterminator	-	-	-	-	-	87	3,049	680
Refuse removal	-	517	-	-	2,286	517	-	-
TOTAL BUILDING REPAIRS AND MAINTENANCE (Pages 26 to 28 and 37 to 40)	\$ 5,826	\$ 857	\$ 23,441	\$ 35,374	\$ 116,461	\$ 147,740	\$ 46,238	\$ 39,604
GENERAL AND ADMINISTRATIVE EXPENSES ALLOCATED TO PROPERTIES:								
Professional fees	\$ 5,260	\$ 5,030	\$ 19,930	\$ 17,150	\$ 79,181	\$ 51,467	\$ 72,805	\$ 4,640
Office and sundry	6,116	525	5,110	6,215	2,644	7,009	3,590	1,284
Contributions	-	-	-	-	500	200	-	-
Advertising	-	-	-	-	22,189	16,537	-	207,592
Auto expense	3,791	-	13,893	20,232	20,641	20,232	4,977	1,997
Dues	-	-	-	-	-	-	860	-
Telephone	-	-	2,596	2,459	697	764	2,817	312
Credit reports	-	-	-	-	-	-	-	-
Travel and entertainment	-	-	318	300	574	1,025	75	3,143
Other taxes	500	500	1,509	1,500	1,509	1,500	500	34
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES ALLOCATED TO PROPERTIES (Pages 26 to 28 and 37 to 40)	\$ 15,667	\$ 6,055	\$ 43,356	\$ 47,856	\$ 127,935	\$ 98,734	\$ 85,624	\$ 219,002

The accompanying notes are an integral part of the combining financial statements.



The following is the annual financial statement received from the owner of the 140-26 Franklin Ave Development.

001632

NHOP

NHOP

FRANKLIN AVENUE REALTY CO., LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2013

001632



ROSS STRENT
& COMPANY, LLP

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**ROSS STRENT
& COMPANY, LLP**



ROSS STRENT & COMPANY, LLP

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Partners of
Franklin Avenue Realty Co., LLC
193-04 Horace Harding Expressway
Fresh Meadows, New York 11365

We have audited the accompanying financial statement of Franklin Avenue Realty Co., LLC which comprise the balance sheet as of December 31, 2013, and the related statements of changes in partners' capital (deficiency), income, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Franklin Avenue Realty Co., LLC as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

February 6, 2014

Ross Strent & Co LLP

FRANKLIN AVENUE REALTY CO., LLC
BALANCE SHEET
AS AT DECEMBER 31, 2013

ASSETS

Current assets

Tenant accounts receivable \$ 30,070

Deposits held in trust - funded

Security deposits 78,264

Prepaid expenses

Prepaid insurance 7,445

Prepaid taxes 13,768

Total prepaid expenses 21,213

Restricted deposits and funded reserves

Mortgage escrow deposits 11,436

Replacement reserve 130,707

Total restricted deposits and funded reserves 142,143

Property and equipment

Land 1,625,000

Building and improvements 5,481,904

Total property and equipment 7,106,904

Less: accumulated depreciation 2,875,542

Net property and equipment 4,231,362

Other assets

Due from affiliates 64,845

TOTAL ASSETS \$ 4,567,897

See auditors' report and accompanying notes.



FRANKLIN AVENUE REALTY CO., LLC
BALANCE SHEET
AS AT DECEMBER 31, 2013

LIABILITIES AND PARTNERS' CAPITAL (DEFICIENCY)

Current liabilities

Accounts payable	\$ 5,495
Accrued expenses	37,172
Mortgages payable - current portion	123,150
Second mortgage payable - current portion	<u>21,172</u>

Total current liabilities 186,989

Deposits and prepaid revenues

Security deposits payable	100,685
Deferred rent	<u>34,108</u>

Total deposits and prepaid revenues 134,793

Long-term liabilities

Mortgages payable	4,392,972
Second mortgage payable	<u>1,146,281</u>

Total long-term liabilities 5,539,253

Total liabilities 5,861,036

Partners' capital (deficiency) (1,293,138)

TOTAL LIABILITIES AND
PARTNERS' CAPITAL (DEFICIENCY) \$ 4,567,897

See auditors' report and accompanying notes.

FRANKLIN AVENUE REALTY CO., LLC
STATEMENT OF CHANGES IN PARTNERS' CAPITAL (DEFICIENCY)
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>PARTNERS' CAPITAL (DEFICIENCY) - January 1, 2013</u>	\$ (1,271,991)
Net loss for the year	(3,465)
Distributions	<u>(17,682)</u>
<u>PARTNERS' CAPITAL (DEFICIENCY) - December 31, 2013</u>	<u>\$ (1,293,138)</u>

See auditors' report and accompanying notes.

FRANKLIN AVENUE REALTY CO., LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Rental income</u>	\$ 970,996
<u>Expenses</u>	
Operating expenses	194,056
General and administrative expenses	185,927
Operating taxes	31,114
	<hr/>
<u>Total expenses</u>	411,097
<u>Income from rental operations</u>	559,899
Depreciation and amortization	185,497
	<hr/>
<u>Operating income</u>	374,402
<u>Other income and (expenses)</u>	
Mortgage interest	(378,396)
Interest income	529
	<hr/>
<u>Total other income and (expenses)</u>	(377,867)
<u>Net loss for the year</u>	\$ (3,465)

See auditors' report and accompanying notes.



FRANKLIN AVENUE REALTY CO., LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash flows from operating activities:

Rental income received	\$ 989,744
Interest income	529
Cash paid for administrative and operating expenses	(388,366)
Mortgage interest paid	(379,173)
Operating taxes paid	(31,308)

Net cash flows provided by operating activities 191,426

Cash flows from investing activities:

Reserve for replacements deposits made - net of withdrawals	(12,331)
Decrease in mortgage escrow	1,568

Net cash flows used by investing activities (10,763)

Cash flows from financing activities:

Net payments from affiliates	(28,334)
Distributions paid to partners	(17,682)
Payments for mortgage	(134,647)

Net cash flows used by financing activities (180,663)

Net change in cash and cash equivalents -

Cash and cash equivalents - January 1, 2013 -

Cash and cash equivalents - December 31, 2013 \$ -

See auditors' report and accompanying notes.

FRANKLIN AVENUE REALTY CO., LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

**Reconciliation of net loss to net cash flows provided
by operating activities**

<u>Net loss</u>	\$ (3,465)
Adjustments to reconcile net loss to net cash flows provided by operating activities:	
Depreciation and amortization	185,497
Decrease (increase) in:	
Prepaid expenses	(349)
Tenant accounts receivable	(2,670)
Tenant security deposit account	(20,318)
Increase (decrease) in:	
Accrued expenses	(777)
Accounts payable	(8,228)
Tenant security deposit payable	12,365
Rents received in advance	29,371
<u>Total adjustments</u>	<u>194,891</u>
<u>Net cash flows provided by operating activities</u>	<u>\$ 191,426</u>

See auditors' report and accompanying notes.



FRANKLIN AVENUE REALTY CO., LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. Business Activity

Franklin Avenue Realty Co., LLC, a New York limited liability company ("the Company"), was formed to construct, own and operate an apartment complex located in Queens, New York, consisting of 54 residential units.

2. Summary of Significant Accounting Policies

A. Depreciation

Property and equipment are stated at cost. Expenditures for major renewals which extend the useful lives of the assets are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Depreciation on the building is provided using the straight-line method of accounting over a useful life of 27.5 years.

Depreciation on machinery, equipment, furniture, and fixtures is calculated using straight-line methods over 5-15 years.

B. Income Taxes

No income tax provision has been included in the financial statements as the income or loss of the Company is reported by the individual partners on their respective personal income tax returns. The difference between the net income presented on these financial statements and the net loss reported for income tax purposes is summarized below:

<u>Net loss per financial statements</u>	\$ (3,465)
Add: Depreciation recorded on the financial statement, not included on the tax return	<u>1,903</u>
<u>Net loss per tax return</u>	<u>\$ (1,562)</u>

C. Cash Equivalents

For purposes of the statement of cash flows, the Company considers all unrestricted investment instruments purchased with original maturities of three months or less to be cash equivalents. At December 31, 2013 there were no cash equivalents.

FRANKLIN AVENUE REALTY CO., LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. Summary of Significant Accounting Policies – (Continued)

D. Bad Debts

The Company records bad debts using the direct write-off method as the tenant vacates the building. No provision for the tenants in residency is deemed necessary due to the nature of the project. There was no bad debt expense in 2013.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

F. Advertising

Advertising costs are expensed as incurred. There was no advertising expense in 2013.

3. Related Party Transactions

A. Management Fees

Management services are performed by NHE Management Co., ("NHE") an affiliate of the Company. NHE charges the Company for management and bookkeeping services. Management fees for the year ended December 31, 2013 totaled \$58,424.

B. Due to/from Affiliates

All rental income received and expenses paid for Franklin Avenue Realty Co., LLC are processed through NHE's operating account. As at December 31, 2013, \$64,845 is due from NHE. No interest is being charged.

4. Mortgage Notes Payable

On April 4, 2001 the Company converted their construction loans to permanent mortgages consisting of two first mortgages, both held by the New York City Housing Development Corporation. Both mortgages are for thirty (30) year terms, beginning July 1, 2001 and maturing June 1, 2031.

The first mortgage, in the amount of \$5,190,000, is payable in monthly installments of \$38,082 consisting of principal and interest at 8% per annum. In addition, monthly deposits for taxes and property insurance are required.

The additional first mortgage, in the amount of \$261,000, is payable in monthly installments of \$2,007 consisting of principal and interest at 8.5% per annum.



FRANKLIN AVENUE REALTY CO., LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

4. Mortgage Notes Payable – (Continued)

Maturities of the principal portion of the mortgages over the next five years are as follows:

2014	\$ 123,150
2015	133,401
2016	144,507
2017	156,537
2018	169,569
Thereafter	<u>3,788,958</u>
Total	<u>\$ 4,516,122</u>

A thirty (30) year subordinate mortgage, which is also held by the New York City Housing Development Corporation, is payable in monthly payments of \$2,729, which consists of principal and interest at 1% per annum. In addition, monthly deposits for replacement of depreciable assets are required.

Maturities of the subordinate mortgage principal over the next five years are as follows:

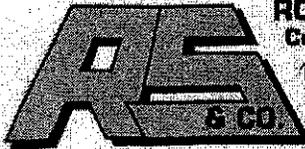
2014	\$ 21,172
2015	21,385
2016	21,600
2017	21,817
2018	22,036
Thereafter	<u>1,059,443</u>
Total	<u>\$ 1,167,453</u>

5. Compensated Absences

Employees of the Company are entitled to paid vacations, paid sick days and personal days off, depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when actually paid to employees.

6. Subsequent Events

The Company has adopted ASC855 "Subsequent Events", and evaluated events and transactions that occurred through February 6, 2014, which is the date of the financial statements, for possible disclosure and recognition in the financial statements.



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INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

To The Partners of
Franklin Avenue Realty Co., LLC
193-04 Horace Harding Expressway
Fresh Meadows, New York 11365

Our report on our audit of the basic financial statements of Franklin Avenue Realty Co., LLC for 2013 appears on page one. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of Franklin Avenue Realty Co., LLC. Such information has been subject to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ross Strent & Co LLP

February 6, 2014

FRANKLIN AVENUE REALTY CO., LLC
SUPPLEMENTARY INFORMATION
SCHEDULES TO STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

Operating expenses

Repairs and maintenance	\$ 62,042
Utilities	50,522
Water and sewer	49,702
Property and liability insurance	18,670
Hardware and supplies	6,824
Elevator maintenance	6,296

Total operating expenses **\$ 194,056**

General and administrative expenses

Administrative expenses	\$ 89,570
Management fees	58,424
Professional fees	20,070
Commissions	15,005
Office and miscellaneous	1,883
Permits and fees	560
Telephone	415

Total general and administrative expenses **\$ 185,927**

Operating taxes

Real estate taxes	\$ 27,418
Payroll taxes	3,696

Total operating taxes **\$ 31,114**

See auditors' report on supplementary information.





The following is the annual financial statement received from the owner of the Frederick Douglass Blvd (Triangle Court I) Development.

NHof

TRIANGLE EQUITIES LLC
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

001635

S. ADELSBERG & CO.
CERTIFIED PUBLIC ACCOUNTANTS
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SAMUELS S. ADELSBERG
(1920-1985)

INDEPENDENT ACCOUNTANTS COMPILATION REPORT

Triangle Equities LLC
316 West 118th Street
New York, NY 10026

We have compiled the accompanying balance sheet of Triangle Equities LLC (a partnership) as of December 31, 2013, and the related statements of income and partners' capital for the years ended December 31, 2013 and 2012. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Partnership's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



S. ADELSBERG & CO.
Certified Public Accountants

February 3, 2014
Great Neck, New York

TRIANGLE EQUITIES LLC

BALANCE SHEETS

DECEMBER 31, 2013

-ASSETS-

CURRENT ASSETS

Cash - Operating	\$	91,166	
Escrow		17,499	
Escrow - Building Reserve		148,706	
Insurance Escrow		17,830	
Rent Receivable		60,453	
Accrued Interest Receivable		587	
Total Current Assets			\$ 336,241

PROPERTY AND EQUIPMENT

Land		12,500	
Building & Improvements		4,608,984	
Equipment		4,804	
Less: Accumulated Depreciation		(2,234,051)	
Total Property & Equipment			2,392,237

INTANGIBLE ASSETS

Mortgage Costs		70,606	
Soft Costs		116,831	
Less: Accumulated Depreciation		(143,170)	
Total Intangible Assets			44,267

OTHER ASSETS

Cash - Tenants Security Account		151,527	
Utility Deposit		750	
Total Other Assets			152,277

TOTAL ASSETS

\$ 2,925,022

-LIABILITIES AND PARTNERS' CAPITAL-

CURRENT LIABILITIES

Accounts Payable	\$	36,400	
Total Current Liabilities			\$ 36,400

LONG-TERM LIABILITIES

Mortgage Payable		4,804,178	
Security Deposits		152,475	
Total Long-Term Liabilities			4,956,653
TOTAL LIABILITIES			4,993,053

PARTNERS' CAPITAL

Partners' Capital			(2,068,031)
-------------------	--	--	-------------

TOTAL LIABILITIES AND PARTNERS' CAPITAL

\$ 2,925,022

"See Accountant's Compilation Report"

TRIANGLE EQUITIES LLC
STATEMENT OF INCOME (LOSS) AND PARTNERS' CAPITAL
FOR THE YEARS ENDING DECEMBER 31, 2013 AND 2012

<u>INCOME</u>	<u>2013</u>	<u>2012</u>
Rental Income	\$ 1,343,593	\$ 1,241,066
Total Income	<u>1,343,593</u>	<u>1,241,066</u>
 <u>OPERATING EXPENSES</u>		
Leased Employees	28,164	24,180
Mortgage Interest	293,122	302,488
Management Fees	115,440	100,320
Office & Miscellaneous	3,583	(46)
Advertising	12,465	11,712
Professional Fees	5,567	4,613
Water & Sewer	33,718	1,290
Insurance	29,203	27,918
Telephone	3,103	2,944
Repairs & Maintenance	101,108	42,684
Licenses & Fees	3,787	2,749
Supplies	18,008	20,610
Commissions	1,100	400
Consulting	171	950
Utilities & Heat	69,396	62,529
Total Operating Expenses	<u>717,935</u>	<u>605,341</u>
Net Income (Loss) from Operations	625,658	635,725
Depreciation & Amortization	(169,952)	(169,952)
Interest/Dividend Income	<u>756</u>	<u>1,007</u>
Income (Loss) Before Franchise Tax	456,462	466,780
Franchise Tax	<u>(1,500)</u>	<u>(500)</u>
Net Income (Loss)	454,962	466,280
Partners' Capital, Beginning	(2,072,993)	(2,039,273)
Less: Partners' Distributions	<u>(450,000)</u>	<u>(500,000)</u>
Partners' Capital, Ending	<u>\$ (2,068,031)</u>	<u>\$ (2,072,993)</u>

"See Accountant's Compilation Report"

TRIANGLE EQUITIES LLC

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Partnership's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Capitalization and Depreciation

Land, building and improvements are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives under the straight-line method. The estimated service lives of the assets for depreciation purposes may be different than their actual economic useful lives.

	<u>Term</u>	<u>Method</u>
Land	---	None
Building & Improvements	27.5 Years	Straight-Line

Rental Income & Prepaid Rents

Rental Income is recognized for apartment rentals as it accrues. Advance receipts of rental income are deferred or classified as liabilities until earned.

Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income passes through to, and is reportable by, the partners individually.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates

NOTE 2 - PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2013, consisted of the following:

	Cost	Accumulated Depreciation	Net
Land	\$ 12,500	\$ -0-	\$ 12,500
Building & Improvements	\$ 4,608,984	\$ 2,229,247	\$ 2,379,737
Equipment	\$ 4,804	\$ 4,804	\$ -
Total	<u>\$ 4,626,288</u>	<u>\$ 2,234,051</u>	<u>\$ 2,392,237</u>

Depreciation expense for the years ending December 31, 2013 and 2012 was \$167,599 and \$167,599, respectively.



The following is the annual financial statement received from the owner of the 9501 Rockaway Beach Blvd Development.

NHOP

95-01 CO., LLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

001951

95-01 CO., LLC

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FOR THE YEAR ENDED DECEMBER 31, 2012

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INDEPENDENT AUDITORS' REPORT

To the Members
Of 95-01 Co., LLC

We have audited the accompanying financial statements of 95-01 Co., LLC, which comprise the Balance Sheet as of December 31, 2012, and the related Statements of Income and Retained Earnings and Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriated in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 95-01 Co., LLC as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule on page 13, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Resnick Druckman & Hill LLP

New York, New York
February 16, 2013

95-01 CO., LLC
BALANCE SHEET
DECEMBER 31, 2012

ASSETS

CURRENT ASSETS:

Cash	\$ 222,696
Escrow accounts	43,709
Prepaid expenses	<u>61,709</u>

Total Current Assets 328,114

REAL PROPERTY AND EQUIPMENT, net 5,701,371

OTHER ASSETS:

Cash - tenants' security account	\$ 78,905
Reserve for replacements	91,922
Security deposit <i>utility deposits</i>	<u>3,200</u>

Total Other Assets 174,027

TOTAL ASSETS \$ 6,203,512

The accompanying notes are an integral part of these financial statements.

#001951

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES:

Mortgages payable	\$ 102,684
Due to affiliate	5,000
Accounts payable and accrued expenses	<u>12,120</u>
Total Current Liabilities	119,804

LONG-TERM LIABILITIES:

Mortgages payable	\$ 7,530,434
Tenants' security payable	<u>78,905</u>
Total Long-Term Liabilities	<u>7,609,339</u>

TOTAL LIABILITIES 7,729,143

MEMBERS' DEFICIT (1,525,631)

TOTAL LIABILITIES AND MEMBERS' EQUITY \$ 6,203,512

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prg 0393 1040102 2724206.28 2008 Series K HRB
as per cpa
HDC 1st Current HT 80945 4829933
HDC 2nd 21739 2700571

The accompanying notes are an integral part of these financial statements.

95-01 CO., LLC

STATEMENT OF INCOME AND MEMBERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2012

RENTAL INCOME	\$ 1,168,867
OPERATING EXPENSES	<u>1,039,496</u>
NET INCOME	129,371 ✓
MEMBERS' DEFICIT - JANUARY 1, 2012	(1,355,002)
DISTRIBUTIONS	<u>(300,000) ✓</u>
MEMBERS' DEFICIT - DECEMBER 31, 2012	<u>\$(1,525,631)</u>

see Page B

The accompanying notes are an integral part of these financial statements.

95-01 CO., LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income		\$ 129,371
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		296,742
(Increase) Decrease in:		
Escrow accounts		(8,491)
Prepaid expenses		(46,391)
Increase (Decrease) in:		
Accounts payable and accrued expenses		<u>12,005</u>
Net Cash Provided By Operating Activities		383,236

CASH FLOWS FROM INVESTING ACTIVITIES:

Addition to reserve for replacements	<u>(21,762)</u>	
Net Cash Used For Investing Activities		(21,762)

CASH FLOWS FROM FINANCING ACTIVITIES:

Loan advanced by affiliate	5,000	
Repayment of mortgages	(106,081)	/
Distributions to members	<u>(300,000)</u>	/
Net Cash Used For Financing Activities		<u>(401,081)</u>

NET DECREASE IN CASH (39,607)

CASH - JANUARY 1, 2012 262,303

CASH - DECEMBER 31, 2012 \$ 222,696 ✓

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash Paid During the Year for:

Interest \$ 374,276

The accompanying notes are an integral part of these financial statements.

95-01 CO., LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS ACTIVITY:

95-01 Co., LLC (the Company) is a New York limited liability company. The Company owns and operates a seven story residential apartment building (with a commercial tenant occupying the ground floor) located in Rockaway Beach, New York.

REAL PROPERTY AND EQUIPMENT:

Real property and equipment are stated at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Cost and the related accumulated depreciation are deducted from the accounts on retirement or disposal, and any resulting gain or loss is reflected in income. Maintenance and repairs are charged to expense when incurred. Betterments and major renewals or replacements are capitalized.

INCOME TAXES:

The Company files a partnership tax return. The members report their proportionate share of income and deductions on their individual income tax returns. Therefore, no provision for income taxes has been made.

The Company has adopted the provisions of FASB ASC topic 740-10, "Accounting for Uncertainty in Income Taxes." The standard prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and disclosures required. Under this standard, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense.

The Company's federal, state, and city partnership tax returns for 2012, 2011, 2010 and 2009 are subject to examination by the taxing authorities, generally for a period of three years after the due date.

FAIR VALUE OF FINANCIAL INSTRUMENTS:

The Company's financial instruments are cash and cash equivalents, accounts receivable, loans receivable and payable, accounts payable, notes payable and long-term debt. The recorded values of cash and cash equivalents, accounts receivable, loans receivable and payable, accounts payable and current notes payable approximate their fair values based on their short-term nature.

95-01 CO., LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued):

The recorded values of the long-term receivable and debt approximate their fair values, as current interest rates approximate market rates.

ADVERTISING COSTS:

The Company expenses advertising costs as incurred.

USE OF ESTIMATES:

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 2: ESCROW ACCOUNTS

The mortgagee maintains accounts for the future payment of insurance premiums, real estate taxes, and water and sewer charges.

NOTE 3: REAL PROPERTY AND EQUIPMENT

Real property and equipment consists of the following:

<u>Classification</u>		<u>Estimated Useful Life</u>
Building and improvements	\$ 7,824,870	27½ - 39 Years
Land improvements	190,532	15 Years
Equipment	843,578	5 Years
Land	<u>10,000</u>	
Total	8,868,980	
Less: Accumulated depreciation	<u>3,167,609</u>	
Net Real Property and Equipment	<u>\$ 5,701,371</u>	

95-01 CO., LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4: RESERVE FOR REPLACEMENTS

The mortgagee maintains an interest bearing account to fund future replacements to the Company's real property. The Company's monthly deposit to the reserve is \$1,800.

NOTE 5: MORTGAGES PAYABLE

Mortgages, both payable to the New York City Housing Development Corporation and secured by the real property, consist of the following:

A first (senior) mortgage payable in monthly installments of \$35,793 (which include interest at 7%) through February 29, 2036.

\$4,910,878 *≠ HDC BK*

A second (subordinated) mortgage payable in monthly installments of \$4,237 (which include interest at 1%) through February 29, 2036. The remaining balance of approximately \$2,112,000 is payable at maturity.

2,722,240 *≠ HDC BK*

Total

7,633,118

Currently due

102,684

Long-Term Portion

\$ 7,530,434

95-01 CO., LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5: MORTGAGES PAYABLE (Continued):

The following is a schedule of the maturity of the mortgages for the years ending December 31st:

2013	\$ 102,684
2014	118,358
2015	125,424
2016	132,986
2017	141,079
Thereafter	<u>7,012,587</u>
Total	<u>\$7,633,118</u>

NOTE 6: DUE TO AFFILIATE

Represents unsecured, non-interest bearing loan from a related party, which is due on demand.

NOTE 7: MEMBERSHIP STRUCTURE

As stated in the Members Agreement, the Company operates as a limited liability company. Members' liability is limited in accordance with New York State law. Members are not permitted to transfer their interest in the Company without prior written consent of the members.

NOTE 8: RELATED PARTY TRANSACTIONS

Operating Expenses on the Statement of Income and Members' Equity includes management fees paid to a related entity in the amount of \$18,000.

The Company pays insurance premiums to a related party. For the year ended December 31, 2012, related party premiums in the amount of \$18,463 were charged to operations.

NOTE 9: INTEREST EXPENSE

Interest expense for the year ended December 31, 2012 amounted to \$374,276 and is included in Operating Expenses on the Statement of Income and Members' Equity.

95-01 CO., LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10: ADVERTISING EXPENSE

Advertising expense for the year ended December 31, 2012 amounted to \$15,447 and is included in Operating Expenses on the Statement of Income and Members' Equity.

NOTE 11: CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash accounts in financial institutions which generally exceed the Federal depository insurance coverage limit.

NOTE 12: DATE OF MANAGEMENT'S REVIEW

The date to which events occurring after December 31, 2012, the date of the most recent Balance Sheet, have been evaluated for possible adjustments to the financial statements or disclosure is February 16, 2013, which is the date on which the financial statements were available to be issued.

95-01 CO., LLC

SCHEDULE OF OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

Interest expense	= HOOC G/L	\$ 374,276.1
Utilities		98,645.0
Insurance		58,529.0
Management fees		48,870.0
Payroll and related expenses		47,193.0
Repairs and maintenance		43,900.0
Professional fees		19,017.0
6290 Contributions ??		16,160.0
Advertising		15,447.0
6590 Automobile expenses		7,400.0
Telephone		3,462.0
Licenses, fees and permits		3,413.0
Real estate taxes		3,111.0
Office expenses		2,221.0
6590 Sundry		1,110.0
Depreciation		<u>296,742.0</u>
Total Operating Expenses		<u>\$ 1,039,496.0</u>

See Independent Auditors' Report.



The following is the annual financial statement received from the owner of the 138 East 112th St Development.

RFR = \$89,253.65
 INTR = 70.58
\$89,324.23

POO RES-INTR = \$1,927.17

R/E = \$ 448.50
 W/S = 6,562.23
 INSUR = 10,185.74
\$ 17,196.47

-12 = \$12,900.00
 (\$1,075.00)12

132 East 112th Street, LLC
 Balance Sheet
 31-Dec-12

Assets

Cash and cash equivalents	\$	131,645
Restricted cash - NOT ALL AT HDC		176,064 X
Land		1,550,000
Land Improvement		123,795
Furniture & Fixtures		174,034
Building, net of accumulated depreciation		4,599,025
Deferred financing costs, net		162,672
Other assets		15,535
Total assets	\$	<u>6,932,770</u>

Liabilities and Members' Equity

Liabilities:

Mortgage payable	\$	7,169,019 X
Accounts payable and accrued expenses		77,939
Payable to Managing Agent		1,893
Total liabilities		<u>7,248,851</u>

Retained deficit		(882,996)
Members' equity		566,915
Total equity		<u>(316,081)</u>

Total liabilities and members' equity \$ 6,932,770

HDC 1ST MTGEE = \$5,671,684.83
 " 2ND " = 1,497,331.76
\$ 7,169,016.59

1ST INTR. REC. = \$31,903.23

0236-030-001970-1040100 - 2004 HRB C-2 TAXABLE - \$5,671,684.83
 0393-030-001970-1040102 - 2008 SERIES K (FEDERALLY TAXABLE) FY 09

132 East 112th Street, LLC
Statements of Operations
For the Year-to-Date Period Ended
31-Dec-12

Rental revenue	\$	902,028
Other income		3,585
Interest income		<u>252</u>
		905,866
 Expenses:		
Administration	\$	24,324
Miscellaneous		6,717
Commisson exp		3,850
Insurance		37,318
Repairs and maintenance		18,886
Painting		8,359
Payroll		33,304
Interest Expenses		401,488
Utilities Expense		68,820
Water/Sewer		25,206
Management Fee Expenses		46,686
Property Taxes		<u>5,414</u>
		680,371
 Income before depreciation and amortization		
		225,495
 Depreciation and amortization		
		253,974
 Net loss		
	\$	<u><u>(28,480)</u></u>

132 East 112th Street LLC
For the year Ended
December 31, 2012

Utilities

Gas	28,121
Electric	37,200
Water/Sewer	<u>25,206</u>
	<u>\$ 90,527</u>

X



The following is the annual financial statement received from the owner of the 1514 Sedgwick Ave Development.

4/2/13

NHoy

BEECHWOOD SEDGWICK, LLC

Financial Statements
December 31, 2012 and 2011

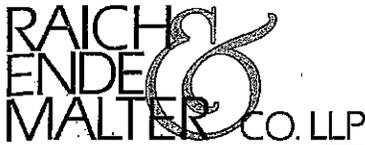
#001971

BEECHWOOD SEDGWICK, LLC

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CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Offices in New York City, Long Island & New Jersey

INDEPENDENT AUDITORS' REPORT

The Members
Beechwood Sedgwick, LLC
Bronx, New York

We have audited the accompanying financial statements of Beechwood Sedgwick, LLC, which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations and members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beechwood Sedgwick, LLC as of December 31, 2012 and 2011, and the results of its operations and its cash flows for years then ended in conformity with accounting principles generally accepted in the United States of America.

RAICH ENDE MALTER & CO. LLP

RAICH ENDE MALTER & CO. LLP
East Meadow, New York
May 22, 2013

RFR = \$142,018.84
 INTR. = 110.98
\$142,129.82

W/S = \$13,178.42
 INSUR. = 11,008.92
\$24,187.34

$\frac{1}{12} = \$24,000.00 = (\$2,000.00) / 12$

BEECHWOOD SEDGWICK, LLC

Balance Sheets

	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
ASSETS		
Real Estate and Equipment		
Land	\$ 916,533	\$ 916,533
Buildings and improvements and equipment	<u>19,067,851</u>	<u>19,048,787</u>
	19,984,384	19,965,320
Less: Accumulated depreciation	<u>5,676,772</u>	<u>5,075,385</u>
	14,307,612	14,889,935
Cash and Cash Equivalents	13,796	5,243
Restricted Cash - tenants' security deposits	123,227	121,185
Escrow Deposits - held by mortgagee p. 6	166,317	150,134
Tenant Receivables - rent - net of allowance for doubtful accounts of \$26,000 for 2012 and 2011	73,963	62,048
Prepaid Expenses and Other Assets	<u>69,146</u>	<u>53,095</u>
	<u>\$ 14,754,061</u>	<u>\$ 15,281,640</u>
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Mortgages Payable	\$ 13,768,222 ✓	\$ 13,917,663
Accounts Payable	138,053	123,784
Accrued Interest and Other Expenses	65,815	66,887
Tenants' Security Deposits Payable	132,897	130,780
Due to Related Party	304,197	353,754
Rents Received in Advance	<u>5,131</u>	<u>10,632</u>
	14,414,315	14,603,500
Members' Equity	<u>339,746</u>	<u>678,140</u>
	<u>\$ 14,754,061</u>	<u>\$ 15,281,640</u>

MDC 1ST MTGE. = \$9,448,221.95
 " 2ND " = 4,320,000.00

1ST INTR. REC. = \$53,146.25
 2ND " " = 3,840.00

See notes to financial statements.

2

0236-030-001971-1040100 2004 HRB C-2 TAXABLE

0393-030-001971-1040102 2008 SERIES R HRB (FED. TAXBL.)

BEECHWOOD SEDGWICK, LLC

Statements of Operations and Members' Equity

	<i>For the Years Ended</i>	
	<i>December 31,</i>	
	<u>2012</u>	<u>2011</u>
<i>Rental Revenues</i>		
Rent	\$ 1,554,161	\$ 1,494,519
Other tenant charges	<u>74,681</u>	<u>81,993</u>
	1,628,842	1,576,512
<i>Operating Expenses</i>	<u>681,326</u>	<u>731,171</u>
<i>Income Before Other Income (Expenses)</i>	<u>947,516</u>	<u>845,341</u>
<i>Other Income (Expenses)</i>		
Mortgage interest expense	(685,635)	(695,417)
Depreciation	(601,387)	(698,754)
Interest income	<u>1,112</u>	<u>262</u>
	<u>(1,285,910)</u>	<u>(1,393,909)</u>
<i>Net (Loss)</i>	<u>(338,394)</u>	<u>(548,568)</u>
<i>Members' Equity - beginning</i>	<u>678,140</u>	<u>1,226,708</u>
<i>Members' Equity - end</i>	<u>\$ 339,746</u>	<u>\$ 678,140</u>

BEECHWOOD SEDGWICK, LLC

Statements of Cash Flows

	For the Years Ended	
	December 31,	
	2012	2011
Cash Flows from Operating Activities		
Net (loss)	\$ (338,394)	\$ (548,568)
Adjustments to reconcile net (loss) to net cash provided by operating activities:		
Depreciation	601,387	698,754
Provision for doubtful accounts	-	19,000
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Restricted cash - tenants' security deposits	(2,042)	(2,132)
Tenant receivables - rent	(11,915)	(14,290)
Prepaid expenses and other assets	(16,051)	(20,273)
Increase (decrease) in:		
Accounts payable	14,269	5,930
Accrued interest and other expenses	(1,072)	(30,942)
Tenants' security deposits payable	2,117	3,312
Rents received in advance	(5,501)	740
	<u>242,798</u>	<u>111,531</u>
Cash Flows from Investing Activities		
Purchase of real estate and equipment	(19,064)	-
Payment of escrow deposits - net of disbursements	(16,183)	(12,840)
	<u>(35,247)</u>	<u>(12,840)</u>
Cash Flows from Financing Activities		
Principal payments of mortgage obligations	(149,441)	(139,714)
Due to related party - net	(49,557)	31,557
	<u>(198,998)</u>	<u>(108,157)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,553	(9,466)
Cash and Cash Equivalents - beginning	5,243	14,709
Cash and Cash Equivalents - end	\$ 13,796	\$ 5,243
Supplemental Disclosures of Cash Flow Information		
Cash paid - interest	<u>\$ 686,476</u>	<u>\$ 696,203</u>

See notes to financial statements.

BEECHWOOD SEDGWICK, LLC

Notes to Financial Statements

December 31, 2012 and 2011

1 - NATURE OF BUSINESS

Beechwood Sedgwick, LLC (the "Company") was organized as a limited liability company under the laws of the State of New York on March 25, 2003. Although limited liability companies are unincorporated associations, their members have limited personal liability for the obligations or debts of the entity, similar to shareholders in a corporation; however, the entity is classified as a partnership for federal income tax purposes.

The Company owns and operates an apartment building located in the Bronx, New York, with 96 rentable units. At December 31, 2012 and 2011, there were 95 and 96 occupied units, respectively, including one occupied by the superintendent, who is not charged for the use of the apartment.

Pursuant to the terms of the operating agreement (the "Agreement"), the Company will terminate on December 31, 2050, unless dissolved earlier under the provisions of the Agreement. The Agreement provides for contributions and distributions and allocations of profits and losses.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. **Real Estate and Equipment** - Real estate and equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which range from five to thirty years. Costs incurred for significant repairs and maintenance that extend the usable life of the asset or have a determinable useful life are capitalized. Ordinary repairs and maintenance are expensed as incurred.

If indicators of impairment are present, the Company reviews its real estate asset to determine whether the carrying amount of the asset will be recovered. Recognition of impairment is required if the undiscounted cash flows estimated to be generated by the asset are less than the asset's carrying amount. Measurement is based on the fair value of the asset. As of December 31, 2012 and 2011, management determined that no impairment indicators exist.

- b. **Income Taxes** - The Company has been classified as a partnership for federal, state, and local income tax purposes. As such, no provision or credit has been made in the accompanying financial statements for federal, state, or local income taxes since the members of the Company are required to include their respective share of profits or losses in their own tax returns.

The Company follows the accounting for uncertainty in income taxes guidance, which clarifies the accounting and disclosures for uncertainty in income taxes recognized in the Company's financial statements and addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position.

The Company files federal and New York State tax returns. The earliest tax year that is subject to examination by these taxing authorities is 2009.

As of December 31, 2012, the Company believes that in the event of an examination by a taxing authority, there would be no material adjustments. The Company will recognize interest and penalties on any unrecognized tax benefits as a component of other expense. As of December 31, 2012, the Company has no accrued interest or penalties related to uncertain tax positions.

- c. **Cash Equivalents** - The Company considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.
- d. **Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.
- e. **Tenant Receivables** - Tenant receivables are expected to be collected within one year. If the Company's estimates of collectability differ from the cash received, then the timing and amount of the Company's reported revenues could be affected. An allowance for doubtful accounts is determined primarily through specific identification and evaluation of significant past due accounts. The Company reviews individual past due amounts periodically and writes off amounts for which all collection efforts are deemed to have been exhausted.
- f. **Revenue Recognition** - Rental income is derived from noncancelable leases of apartment units having lease terms primarily of one or two years. Rental income is recognized on a monthly basis, as earned.
- g. **Fair Value Measurements** - The Company follows the Financial Accounting Standards Board's guidance for *Fair Value Measurements*. The standard establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:
- Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.
 - Level 2** - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
 - Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.
- h. **Reclassifications** - Certain items in the financial statements for the year ended December 31, 2011 have been reclassified to conform with the presentation for the year ended December 31, 2012. The reclassifications had no impact on previously reported net (loss) or members' equity.

3 - ESCROW DEPOSITS

Escrow deposits held by the mortgagee are comprised of the following:

	<u>2012</u>	<u>2011</u>
Water and sewer	\$ 13,178 ✓	\$ 13,263
Insurance	11,009 ✓	19,013
Reserve for replacements	<u>142,130</u> ✓	<u>117,858</u>
	<u>\$ 166,317</u>	<u>\$ 150,134</u>

4 - MORTGAGES PAYABLE

The Company entered into a loan agreement, secured by the real estate, with the New York City Housing Development Corporation ("NYC-HDC") providing financing through two separate loans, secured by a first and a subordinate mortgage, for the construction of an affordable housing apartment building. The \$10,185,000 loan, secured by a first mortgage, is payable in monthly installments of \$66,060, inclusive of principal and interest at 6.75%, through maturity on March 31, 2037. As of December 31, 2012 and 2011, the principal balance is \$9,448,222 and \$9,597,663, respectively. The \$4,320,000, secured by a subordinate mortgage, is payable in monthly installments of \$3,600, interest only at 1%, through maturity on March 31, 2037, at which time a balloon payment of \$4,320,000 is due. As of December 31, 2012 and 2011, the principal balance is \$4,320,000. Mortgage interest expense for the years ended December 31, 2012 and 2011 was \$685,635 and \$695,417, respectively. The mortgages payable are guaranteed by one of the members of the Company.

Future principal payment requirements of the mortgages are as follows:

For the year ending December 31, 2013	\$ 159,847
2014	170,977
2015	182,881
2016	195,615
2017	209,235
Thereafter	<u>12,849,667</u>
	<u>\$13,768,222</u>

5 - LEASE ARRANGEMENTS

Minimum future rental income receivable under noncancelable operating leases, at December 31, 2012, is approximately as follows:

For the year ending December 31, 2013	\$ 970,000
2014	<u>96,000</u>
	<u>\$1,066,000</u>

6 - CONCENTRATION OF CREDIT RISK

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and tenant receivables. The Company places its cash with high quality credit institutions. At times, balances may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limit. Cash in banks is insured by the FDIC up to \$250,000 per institution on interest bearing accounts, and is fully insured on noninterest bearing accounts through December 31, 2012. Beginning January 1, 2013, all accounts at an insured depository institution, including all noninterest bearing accounts, will be insured by the FDIC up to the standard maximum deposit insurance of \$250,000 per institution. The Company routinely assesses the financial strength of its tenants and, as a consequence, believes that its tenant receivables credit risk exposure is limited.

7 - RELATED PARTY TRANSACTIONS

The Company utilizes the services of an affiliate, LAL Property Management Corp. ("LAL"), related by common ownership, to manage the property. Management fees related to these services aggregated 10% of gross rental revenues collected plus an additional fixed fee to cover the superintendent services. For the years ended December 31, 2012 and 2011, LAL charged approximately \$263,000 and \$251,000, respectively, for management fees. As of December 31, 2012 and 2011, the noninterest bearing payable to LAL, reported as *due to related party*, totaled \$304,197 and \$353,754, respectively.

8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 22, 2013, the date the financial statements were available to be issued.



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CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Offices in New York City, Long Island & New Jersey

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

The Members
Beechwood Sedgwick, LLC
Bronx, New York

We have audited the financial statements of Beechwood Sedgwick, LLC as of and for the years ended December 31, 2012 and 2011, and our report thereon dated May 22, 2013, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of operating expenses on page 10 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Raich Ende Malter & Co. LLP

RAICH ENDE MALTER & CO. LLP
East Meadow, New York
May 22, 2013

BEECHWOOD SEDGWICK, LLC



Supplementary Information

	<i>For the Years Ended</i>	
	<i>December 31,</i>	
	<u>2012</u>	<u>2011</u>
<i>Operating Expenses</i>		
Management fees	\$ 263,243	\$ 251,087
Utilities	115,388	131,762
Repairs and maintenance	107,148	120,203
Water and sewer	92,690	120,826
Professional fees	40,538	26,302
Insurance	36,938	40,451
Real estate taxes	13,311	13,560
Telephone	2,837	2,545
Provision for doubtful accounts	-	19,000
Miscellaneous	9,233	5,435
	<u>\$ 681,326</u>	<u>\$ 731,171</u>