



August 15, 2008

Solow Building Company, LLC
9 West 57th Street
New York, New York 10019

Gentlemen:

Reference is made to our auditors' report dated March 17, 2008 in respect of our audit of the financial statements of Solow Building Company, LLC (the "Company") for fiscal years ending December 31, 2007, December 31, 2006 and December 31, 2005 for (the "Audited Financial Statements"). You are advised that we are aware of no information that would cause us to amend our opinion stated therein. Nor are we aware of any change in the financial condition of the Company which has had or is likely to have a material adverse effect on the Company.

Reference is also made to the enclosed unaudited financial statements of the Company for the six month period ending June 30, 2008 (the "Interim Financial Statements"), with respect to which we have carried out the following procedures:

- (i) Performed the procedures specified by the American Institute of Certified Public Accountants for a review of interim financial information; and
- (ii) Inquired of certain officials of the Company who have responsibility for financial and accounting matters regarding whether the Interim Financial Statements are stated on a basis substantially consistent with the Audited Financial Statements.

Nothing came to our attention as a result of the foregoing procedures that caused us to believe that any material modifications should be made to the Interim Financial Statements for them to be in conformity with generally accepted accounting principles or that the Interim Financial Statements are not stated on a basis substantially consistent with the Audited Financial Statements.

Very truly yours,

BERDON LLP

By: Stuart Kotler
Stuart Kotler

Berdon LLP
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SOLOW BUILDING COMPANY

CONSOLIDATED BALANCE SHEETS

	For the Years Ended December 31,		
	2007	2006	Unaudited June 30, 2008
	(Dollars in Thousands)		
<i>Assets:</i>			
Investment in real estate.....			
Land (developed)			
Commercial buildings and improvements	\$ 1,005,716	\$ 995,305	\$1,005,716
Residential buildings and improvements	2,676,310	2,550,773	2,698,445
Developments in process.....	936,415	884,320	975,505
Land available for commercial development	997,453	963,222	1,103,490
Land available for residential development	60,260	143,738	54,225
Accumulated depreciation.....	63,452	129,668	52,779
Investment in Real Estate, Net of Accumulated Depreciation.....	(348,751)	(328,407)	(368,491)
Cash and cash equivalents.....	5,390,855	5,338,619	5,521,669
Tenant and other receivables (net of allowance for doubtful accounts).....	72,634	46,260	34,204
Deferred rent receivable.....	48,629	48,017	49,553
Restricted cash.....	52,160	51,770	47,315
Investment in unconsolidated joint ventures.....	52,805	52,805	52,805
Deferred financing costs.....	-0-	-0-	-0-
Deferred leasing costs.....	22,728	22,918	22,015
Prepaid expenses and other assets.....	40,093	39,195	42,090
TOTAL ASSETS	<u>\$ 5,725,018</u>	<u>\$ 5,641,688</u>	<u>\$ 5,821,312</u>

SOLOW BUILDING COMPANY

	<i>For the Years Ended December 31,</i>		
	<i>2007</i>	<i>2006</i>	<i>Unaudited June 30, 2008</i>
	<i>(Dollars in Thousands)</i>		
<i>Liabilities, Minority Interests:</i>			
<i>Mortgage debt.....</i>	<i>\$1,194,637</i>	<i>\$ 1,201,738</i>	<i>\$ 1,101,429</i>
<i>Unsecured commercial notes.....</i>	<i>190,710</i>	<i>190,710</i>	<i>180,710</i>
<i>Line of credit.....</i>	<i>39,731</i>	<i>37,609</i>	<i>41,662</i>
<i>Accounts payable and accrued expenses.....</i>	<i>126,862</i>	<i>125,009</i>	<i>130,330</i>
<i>Distribution payable.....</i>	<i>200,000</i>	<i>200,000</i>	<i>200,000</i>
<i>Security deposits.....</i>	<i>18,915</i>	<i>18,713</i>	<i>18,905</i>
<i>Capitalized lease obligations.....</i>	<i>9,214</i>	<i>9,144</i>	<i>9,236</i>
<i>Other debt and liabilities.....</i>	<i>212,718</i>	<i>206,773</i>	<i>219,998</i>
<i>TOTAL LIABILITIES.....</i>	<i>\$ 1,992,787</i>	<i>\$ 1,989,696</i>	<i>\$ 1,902,270</i>
<i>Minority Interests.....</i>	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>
<i>Shareholders' Equity.....</i>	<i>\$ 3,732,231</i>	<i>\$ 3,651,992</i>	<i>\$ 3,919,042</i>
<i>TOTAL LIABILITIES AND SHARE- HOLDERS' EQUITY</i>	<i>\$ 5,725,018</i>	<i>\$ 5,641,688</i>	<i>\$ 5,821,312</i>

SOLOW BUILDING COMPANY

CONSOLIDATED STATEMENTS OF INCOME

	For the Years Ended December 31,		
	2007	2006	Unaudited June 30, 2008
	(Dollars in Thousands)		
Revenues:			
Rental income	\$ 384,324	\$ 329,692	\$ 194,326
Escalation and reimbursement revenues	22,958	19,802	26,664
Signage rent	-0-	-0-	-0-
Parking	41,875	26,508	21,560
Investment income	-0-	-0-	-0-
Fee and other income	17,622	11,846	7,858
TOTAL REVENUES	\$ 466,779	\$ 387,848	\$250,428
Expenses:			
<i>Operating Expenses</i>			
Payroll	14,515	14,413	7,281
Payroll taxes	1,240	1,162	634
Employee welfare	3,207	3,188	1,721
Repairs and maintenance	3,889	3,733	1,949
Building supplies	1,717	1,246	767
Electric and water	5,287	5,326	2,982
Rubbish removal	291	252	1,393
Cleaning	4,348	3,660	2,361
Steam	4,480	3,779	2,305
Insurance	10,113	8,222	2,539
Other	13,417	14,027	5,458
Total Operating Expenses	\$ 62,504	\$ 59,008	\$ 29,390
<i>Other Expenses:</i>			
Real estate taxes	\$ 46,886	\$ 44,167	\$ 27,622
Ground rent	28,309	23,967	13,277
Interest expense and loan repayment amortization	157,812	166,098	65,665
Renting expenses	4,733	5,117	1,512
Marketing and administrative expenses	16,982	17,370	8,522
Depreciation and lease amortization	82,007	77,365	46,040
Impairment on securities and other investments	-0-	-0-	-0-
Impairment on assets held for sale	-0-	-0-	-0-
TOTAL EXPENSES	\$ 399,233	\$ 393,092	\$ 192,028

SOLOW BUILDING COMPANY

	<i>For the Years Ended December 31,</i>		
	<i>2007</i>	<i>2006</i>	<i>Unaudited June 30, 2008</i>
	<i>(Dollars in Thousands)</i>		
<i>Income before taxes, allocation to minority interests, income from unconsolidated joint ventures and discontinued operations, extraordinary items and effect of change in accounting principles</i>	<i>\$ 67,546</i>	<i>\$ (5,244)</i>	<i>\$ 58,400</i>
<i>Income taxes</i>	<i>(1,416)</i>	<i>-0-</i>	<i>-0-</i>
<i>Income from investment in unconsolidated joint ventures</i>	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>
<i>Income from discontinued operations</i>	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>
<i>Net gain on sale of real estate</i>	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>
<i>Minority interests</i>	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>
<i>Other distributions</i>	<i>30,730</i>	<i>-0-</i>	<i>-0-</i>
<i>Extraordinary items</i>	<i>(4,525)</i>	<i>(3,175)</i>	<i>(2,029)</i>
<i>Cumulative effect of change in accounting principles</i>	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>
<i>NET INCOME</i>	<i>\$ 92,335</i>	<i>\$ (8,419)</i>	<i>\$ 56,371</i>

SOLOW BUILDING COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	2007	2006	Unaudited June 30, 2008
(Dollars in Thousands)			
Operating Activities:			
Net Income.....	\$ 92,335	\$ (8,419)	\$ 56,371
Adjustments to reconcile net income to net cash provided by operating activities:			
Plus net income allocated to minority interest	-0-	-0-	-0-
Plus adjustments related to income from discontinued operations	-0-	-0-	-0-
Plus depreciation and lease amortization	82,007	77,365	46,040
Plus income taxes	1,416	-0-	-0-
Less income from investment in unconsolidated joint ventures, net of income allocated to minority interest in partially owned properties	-0-	-0-	-0-
Plus income from other joint ventures	-0-	-0-	-0-
Less/plus net (gain)/loss on sales of real estate and extraordinary items	4,525	3,175	2,029
Plus cumulative effect of change in accounting principles	-0-	-0-	-0-
Changes in operating assets and liabilities:			
Restricted cash-operations	-0-	(2,577)	-0-
Tenant and other receivables	(612)	(2,982)	(924)
Deferred leasing costs	(898)	120	(1,997)
Deferred rent receivables	(390)	(2,139)	4,845
Other assets	(3,010)	(928)	(6,547)
Accounts payable and accrued expenses	1,853	5,451	3,468
Other operating liabilities	5,945	3,996	7,280
Net Cash Provided by Operating Activities	\$ 183,171	\$ 73,062	\$ 110,565
Investing Activities:			
Acquisitions of real estate	-0-	-0-	0
Building and additions	(42,113)	(24,079)	(7,478)
Capital improvements	(13,713)	(19,683)	(49,009)

SOLOW BUILDING COMPANY

	For the Years Ended December 31,		
	2007	2006	Unaudited June 30, 2008
	(Dollars in Thousands)		
Investment in unconsolidated joint ventures	-0-	-0-	-0-
Distributions from unconsolidated joint ventures	-0-	-0-	-0-
Net proceeds from disposition of rental Property	-0-	-0-	-0-
Structured investments net of repayments	-0-	-0-	-0-
Other investments	-0-	-0-	-0-
Other distributions	-0-	134,402	-0-
	30,730	43,997	-0-
Net Cash (Used in) Provided by Investing Activities	(25,096)	134,637	(56,487)
<u>Financing Activities:</u>			
Mortgage payments	(137,489)	(202,841)	(93,208)
Payments on commercial paper	(18,773)	(19,804)	(10,000)
Payments on credit facilities	(6,268)	(7,866)	(1,026)
Other payments	(3,891)	(3,015)	(1,889)
Mortgage proceeds	-0-	-0-	-0-
Proceeds from commercial paper	-0-	-0-	-0-
Proceeds from credit facilities	30	277	-0-
Other proceeds	34,690	71,602	13,615
Shareholder distributions paid	-0-	-0-	-0-
Net Cash (Used in) Provided by Financing Activities	(131,701)	(161,647)	(92,508)
Earnings Before Interest, Taxes, Depreciation and Amortization	381,696	280,373	196,332
Net Increase (Decrease) in Cash and Cash Equivalents on Hand	26,374	46,052	(38,430)
Cash and Cash Equivalents at Beginning of Period	46,260	208	72,634
Cash and Cash Equivalents at End of Period	72,634	46,260	34,204