

COMMERCIAL PROPERTY MANAGEMENT



LEE &
ASSOCIATES





MANAGING ASSETS
MAXIMIZING VALUE



WHO WE ARE

In 2019, Lee & Associates NYC completed a long-anticipated effort to rebrand its property management business. Now known as Lee & Associates Management (formerly known as Sierra Real Estate since 1953), we bring our mission, vision, and values into alignment to provide

a comprehensive range of property management, project management and leasing services to office buildings for entrepreneurial owners and institutional clientele under one highly visible and recognizable brand – Lee & Associates NYC.

OUR DIFFERENTIATORS

As owners, operators, and developers of our own assets, we have the foundation, insight, and practical experience to protect our clients' economic interests. Our approach is to manage client assets as if they were our own. In our history of doing business, there are few property management issues we have not seen and resolved, such as maintenance and renovation issues, a roster of underpaying tenants, poor rent collections, incomplete reporting, and/or inadequate marketing.

We are local; providing all of our services from our office in Manhattan. This

insures a high degree of responsiveness to our clients, as well as an ability to provide a hands-on approach of a small management company with the experience and capability of a larger management firm. In addition, having our property management operations under the same roof as our project management division (Lee & Associates Development) and our commercial brokerage company (Lee & Associates NYC), we have created a unique synergy that promotes fluid communications, greater cost control and deeper insight into how an asset is performing.

OUR METHODOLOGY

Our approach to property management can be summed up as follows:



LISTEN

Our goal is to help property owners achieve their goals. We begin by listening. We help our owner-clients find their long-term goals, whether they include maximizing long-term income, preserving capital, or positioning a property for sale or recapitalization. Together, our team and the property owner representatives establish property and financial objectives. We then develop a strategy to achieve them.



PLAN

We are problem solvers and strategic thinkers. We first identify property and market opportunities. From there, we develop a detailed strategic plan to achieve our client's objectives with a timeline for completion.



EXECUTE

We deliver on our promise. With a strategic plan in place, we commence implementation, with unwavering commitment, focus, and dedication of resources. Our in-house property management resources include legal counsel, financial analysts, accounting and reporting personnel, senior property management executives, senior project management executives, commercial leasing brokers, and marketing experts. We also enjoy long-term relationships with a full range of vendors and other real estate professionals to assist in execution of the strategic plan.



CAPABILITIES/SERVICES

PROPERTY MANAGEMENT SERVICES

LEE MANAGEMENT

EXPERTISE

Our in-house team of property management experts oversees all aspects of building operations to ensure that properties under our management are operated to the highest standards of professionalism, responsiveness and efficiency.

REPORTING

Our reporting systems are thorough and state-of-the-art. We deliver full and complete reports of current physical and financial conditions on established deadlines.

CALL CENTER

We have a 24-hour call center and a rent hotline for the tenants in all properties under our management.

COLLECTIONS

We are tough on tenant delinquencies and have stringent procedures for issuing late notices and engaging landlord/tenant counsel to commence non-payment actions.

INSURANCE

We have a managed insurance program. Many clients have saved money in insurance premiums by signing onto our package policies.

LEGAL SERVICES

Our in-house law firm with experienced lease transactional lawyers have represented many of our clients in connection with lease negotiations.

TAX CERTIORARI

We work closely with our clients' real estate tax certiorari counsel in connection with annual real estate tax assessment challenges.

FILINGS

We keep an open line of communication at all times between our property accountants and our clients' accountants, tax advisors and auditors in order to meet time-sensitive filing deadlines.

MORTGAGES

Our experience with managing assets with mortgages and strong understanding loan structures enable us to manage loans and work with services to ensure strict loan compliance.

PROJECT/CONSTRUCTION MANAGEMENT

LEE DEVELOPMENT

OVERSIGHT

We coordinate and supervise all phases of construction, tenant build-out, and renovation, from inception through completion and from bidding to budgeting to monitoring post-construction punch list work.

BUDGETS AND SCHEDULES

We create sound budgets and schedules, assemble the best possible project team, provide value-engineering recommendations, negotiate vendor terms, and thoroughly coordinate the project, ensuring expectations are met.

COMPLETION

Whether it is a property under our management or a third-party project management assignment, we strive to complete projects on-time and on budget.

COMMERCIAL LEASING & INVESTMENT SALES SERVICES

LEE & ASSOCIATES NYC LLC

NATIONAL PLATFORM

We have the depth, breadth, and backing of a national platform. We are the New York office of Lee & Associates, a national member-owned commercial real estate company with over 1,000 commercial real estate professionals in 61 offices in 18 states.

SUPPORT AND RESOURCES

Our robust retail, office and investment sales brokerage service business is supported by our in-house research, marketing, financial analysis and corporate communications teams.

OUR PROPERTY MANAGEMENT ASSIGNMENTS

PROPERTY	BUILDING TYPE
12-14 East 46th Street, NYC	Office
875 Sixth Avenue, NYC	Office
648 Broadway, NYC	Office
1615-17 Second Avenue, NYC	Office
782 Lexington Avenue (138 East 61st Street), NYC	Office/Retail
126 East 126th Street (2082 Lexington Avenue), NYC	Multi-level Retail/Office
135 East 125th Street (2080 Lexington Avenue), NYC	Multi-level Retail/Office
169 Mercer Street, NYC	Commercial Coop
424 Broome Street, NYC	Commercial Coop
Highway 84 @ Westgate, Alabama	Box Retail
38-46 West Main Street, MA	Box Retail
862 Broadway, NYC	Retail
1006 Madison Avenue, NYC	Retail
3801 Broadway, NYC	Retail
1307-1309 Madison Avenue, NYC	Retail
158 Franklin Street, NYC	Retail
452 West Broadway, NYC	Retail
204-206 East 58th Street, NYC	Residential
1305 Madison Avenue, NYC	Residential
1180 Raymond Boulevard, Newark, NJ	Residential

PROPERTY	BUILDING TYPE
1125 Lexington Avenue, NYC	Residential
64 West 21st Street, NYC	Residential
780 Lexington Avenue, NYC	Residential
956 Madison Avenue, NYC	Residential
43-45 West 55th Street, NYC	Residential
371 First Avenue, NYC	Residential
1566 Third Avenue (a/k/a 184 East 88th Street)	Residential
1611 Second Avenue, NYC	Residential
1613 Second Avenue, NYC	Residential
136 East 61st Street, NYC	Residential
783-85 Lexington Avenue, NYC	Residential
794 Lexington Avenue, NYC	Residential
971 First Avenue, NYC	Residential
1643 Second Avenue, NYC	Residential
342 East 81st Street, NYC	Residential
344 East 81st Street, NYC	Residential
346 East 81st Street, NYC	Residential
348 East 81st Street, NYC	Residential
1836 Ocean Parkway, Brooklyn	Residential
129 East 10th Street	Residential

CONTACT INFORMATION

More information about our companies can be found on our website at:

www.leeassociatesnyc.com

If you have questions regarding our full range of commercial property services, please contact:

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BIOGRAPHIES

JAMES WACHT **PRINCIPAL**

James Wacht, a native New Yorker, has been active in the real estate industry since 1981. He currently serves as President of Lee & Associates NYC (Lee NYC). He began His career as a real estate attorney with Bachner, Tally, Misher, Brinberg & Polevoy, where he honed his professional skills representing institutional real estate companies and entrepreneurs from every facet of the real estate industry. In 1989, he was invited to join his client, Sierra Realty Corp. (the predecessor to Sierra Real Estate), as its general counsel and became president and principal owner in 2000. During his tenure, Mr. Wacht engineered the growth of the Company from a small real estate management firm to a full-service real estate company. His achievements were recognized in 2010 when he was named by Real Estate Weekly as one of its “Industry Leaders.” The Commercial Observer named him one of New York City’s 40 most active landlords in 2012 and 2013.

Mr. Wacht’s commitment to industry, philanthropic, and civic causes is as strong as his professional accomplishments. He serves on the Real Estate Board of New York Board of Governors. He also serves on numerous other boards, including: the Executive Committee of The Community Housing Improvement Program, an advocacy organization of owners of multifamily housing; the Board of Directors of Housing New York PAC, a political action committee formed to support local elected officials who favor sensible housing legislation; and the Board of Directors of the New York Council for The Appleseed Foundation, a not-for-profit organization comprising 16 justice centers in the United States and Mexico. He has served on The Board of Directors of the Afro Latin Jazz Alliance, where he spearheaded efforts to establish music programs in public schools throughout the South Bronx and in other under-served New York City communities. Mr. Wacht is a highly-published commentator on the real estate industry, and on numerous other relevant topics of the day. He holds the Bachelor of Arts from the University of Wisconsin- Madison and the Juris Doctorate from the Boston University School of Law.

PETER BRAUS **PRINCIPAL**

Peter Braus is Managing Principal of Lee & Associates NYC (Lee NYC). He has been involved in the ownership and brokerage of real estate for over 20 years. Mr. Braus joined Lee NYC in 2011 as an owner/investor when it was organized as a sister company to Sierra Real Estate, a full-service real estate firm which Mr. Braus joined in 2001. Prior to his tenures at Sierra Real Estate and Lee NYC, he was a retail leasing broker with Newmark Real Estate. He has been involved in a wide variety of brokerage transactions and currently represents numerous tenants including M&T Bank (Manhattan retail locations), Sprinkles Cupcakes of Beverly Hills, and Marc Restaurant Group of London. He has represented numerous landlords, including Blackstone, The Durst Organization, Silverstein Properties, RedSky Capital, and Waterbridge Capital.

Notable transactions Mr. Braus has completed include Apple’s first Brooklyn location (Williamsburg), represented Blackstone in a deal with Target (21,000 sf - Kips Bay Court Complex), the sale of 202 Fifth Avenue (\$40 million for a 15,000 sf building), the lease of 140 William Street (50,000 SF to Pace University), a Manhattan flagship at 11 West 42nd Street for M&T Bank, more than a dozen lease transactions in the NoLita neighborhood of Downtown Manhattan, and several major restaurant transactions including multiple leases for Sprinkles and a 30,000-sq. ft. commissary for Union Square Hospitality Group.

Mr. Braus has completed in excess of 1,000 commercial leasing transactions with an aggregate value of over \$500 million over the course of his career. He is professional memberships include: Member, Real Estate Board of New York (REBNY) Retail Committee; board member, Commercial Board of Directors (REBNY); member, International Council of Shopping Centers (ICSC); and board member, Friends of Hudson River Park. Mr. Braus currently serves on the Board of Directors of Lee & Associates (national). Additionally, he served on Manhattan Community Board One for ten years, including five years as Chair of the Tribeca Committee; and served on the board of Association for Downtown NY (ADNY) for 6 years. Mr. Braus holds the Bachelor of Business Administration from Emory University and the Master of Business Administration from Columbia University.

BIOGRAPHIES

ERIC J. SARNER

CHIEF OPERATING OFFICER & GENERAL COUNSEL - LEE & ASSOCIATES MANAGEMENT

Mr. Sarner is a Principal and serves as Chief Operating Officer of Lee & Associates Management and General Counsel to all Lee & Associates NYC companies.

As Chief Operating Officer, Eric oversees the day-to-day operations of Lee & Associates Management. As General Counsel, he ensures compliance with all of contractual, partnership and loan obligations, as well as coordinates and oversees all outside counsel in a wide variety of transactional and litigation matters. With his years of active involvement in the acquisition, ownership, and management of real estate, Eric contributes to all aspects of the companies' operations

With his vast commercial leasing experience, Mr. Sarner also attends to a majority of the commercial leasing transactions for the portfolio of properties owned or managed by the company. He has closed lease transactions amounting to several million square feet during his career, including the lease for the Harlem office of the former President of the United States, William J. Clinton.

Eric holds the Bachelor of Business Administration from Hofstra University and the degree of Juris Doctor from Hofstra University.

DARREN SCHUMER

PRINCIPAL | LEE & ASSOCIATES DEVELOPMENT

Darren Schumer serves as Principal/Senior Vice President of Lee & Associates Development - Lee & Associates NYC's real estate's project/construction management affiliate. Mr. Schumer has over 30 years of construction management, project management, and owner's representation experience. Mr. Schumer manages all capital improvement and tenant construction, renovation, and relocation projects, including project management of contractors, consultants, and design, engineering, technology, security, furniture, and move-in services to ensure projects are delivered within scope, on time and on budget.

While at Lee & Associates Development, Mr. Schumer has managed multiple tenant installations including the City University of New York (CUNY) School of Public Health's new 60,000 square foot headquarters at 55 West 125th Street, a 55,000 square foot expansion office and studio kitchen space for Zero Point Zero at 875 6th Avenue and turnkey white box spaces at 875 Washington Street. In addition, he has managed numerous building capital projects, including new elevator installations/modernizations, roof and sidewalk/vault replacement at 72-76 Greene Street, and Local Law 11 facade work at 875 6th Avenue and 55 West 125th Street.

Over the course of Mr. Schumer's career he has worked at commercial construction, owner/developer, and project management companies. He was Director of Construction at Swig Equities, a New York development firm, where he oversaw construction and development projects for the firm's commercial tenant installations and lobby upgrades at 44 and 48 Wall Street, 80 and 90 Broad Street, 5 Hanover Square, and 110 William Street.

Mr. Schumer served as Vice President of Project Development Services at Jones Lang LaSalle (JLL) in New York City and managed the firm's Bank of America account. Mr. Schumer's major project experience at JLL included construction of investment banking offices, trading floors, and prime brokerage operations throughout its 1-million square-foot New York City portfolio. Mr. Schumer managed the build out of 180,000 square feet of new office space in a former retail mall after the destruction of 9/11, enabling the timely relocation and ability to resume work of 500 bankers.

Mr. Schumer holds the Bachelor of Science degree from the University of Delaware and a Certificate in Construction Management from the Real Estate School at New York University.

BIOGRAPHIES

LESLIE THOMPSON

VICE PRESIDENT | DIRECTOR OF PROPERTY MANAGEMENT

Leslie Thompson recently joined our team as Vice President – Director of Property Management. Ms. Thompson has over 30 years of hands-on experience in commercial and retail property management and residential condominium construction. Her responsibilities have included the management of New York City properties for owners, third party managers, institutional partners, and REIT's.

Prior to joining Lee & Associates Management, Ms. Thompson's diverse real estate experience has included the project management and specifically the completion and handover of 53 residential units at the ultra-luxury landmark building, 443 Greenwich Street, for the developer MetroLoft. In addition, she held the position of Senior Property Manager for GFR Real Estate's Soho, Noho, NoMad, and Flatiron properties.

Prior to that, Ms. Thompson served as Vice President of Operations for Vornado Realty Trust overseeing seven million square feet of their office and retail portfolio located throughout NYC. Her foundation in commercial real estate commenced with her tenure with The Mendik Company functioning in various roles in accounting, leasing, and property management.

Ms. Thompson oversees a team of property managers who manage day-to-day operations in the company's commercial and residential portfolio. Her responsibilities include staff management, tenant relations, lease administration, local law compliance, repairs and maintenance, building systems, developing policies and procedures, and managing CAPEX expenses.

Leslie Thompson served on the Board of Directors for BOMA, and is a member of the Real Estate Board, the 34th and 42nd Street Partnership, and received the Capuchin Woman of Valor Award. Ms. Thompson attended the NYU School of Real Estate.

ELHADJI NDAO

ACCOUNTING MANAGER

Elhadji Ndao is the firm's senior Accounting Manager. Mr. Ndao joined Lee & Associates NYC in 2017 from WP Carey. He serves as the Senior Property Accountant for some of our most sophisticated institutional management accounts, as well as a leader, manager and mentor for our full team of property accountants.

Mr. Ndao has over 16 years of experience in the property accounting field. He began his career at Cushman and Wakefield, and has worked at such esteemed firms including Rockrose, Lefrak Organization and SL Green Realty. He also worked closely on the integration of Peter Cooper Village and Stuyvesant Town during his tenure at Tishman Speyer Properties.

Mr. Ndao holds a Bachelor of Arts in Accounting from Baruch College in New York, NY.

BIOGRAPHIES

JOEL HERSKOWITZ

CHIEF OPERATING OFFICER - LEE & ASSOCIATES NYC

Joel Herskowitz is Chief Operating Officer of Lee & Associates NYC (Lee NYC). He is an investor in Lee NYC and was instrumental in its organization and the recruitment of its commercial real estate professionals.

Prior to joining Lee NYC, Mr. Herskowitz served as President and Chief Executive Officer of Grubb & Ellis New York, Inc., an international publicly-traded commercial real estate firm. While at Grubb & Ellis, he was recognized as one of the three national executives for his outstanding achievements for EBIT, recruiting, retention, and return on revenues. Mr. Herskowitz came to Grubb & Ellis in 2001 from Newmark Grubb Knight Frank (formerly Newmark & Company), where he was Executive Managing Director in charge of its brokerage divisions nationwide. Over the course of his 29-year real estate career, Mr. Herskowitz has developed and led numerous high- yield sales teams. He also has been personally involved in brokerage transactions with an aggregate value of over \$1 billion.

Before entering the commercial real estate sector, Mr. Herskowitz began his career on Wall Street, where he last served as a vice president and stockbroker at Bear Stearns. He is a member of the Real Estate Board of New York (REBNY) and is a past member of its Board of Governors and its Commercial Board of Directors. Mr. Herskowitz is a recipient of the prestigious New York, New York Lewis Rudin Award for outstanding career performance in the commercial real estate industry. He is licensed to practice real estate brokerage in New York. Mr. Herskowitz lives on the North Shore of Long Island with his wife their two sons.

CASE STUDY | 875 SIXTH AVENUE, NEW YORK, NEW YORK



BACKGROUND

875 Sixth Avenue is a 25 story, 248,000 square-foot office building located on the northwest corner of 31st Street in the Penn Station submarket. Lee & Associates Management LLC (L&A) has managed the property since its acquisition by the then owners in 1977. During the initial period of ownership, ownership invested little money to upgrade

the building. In 2000, the principals of L&A jumped at the opportunity to acquire a 70% interest in the building, recognizing the unrealized potential of this building and understanding the value that could be added by an aggressive repositioning of the property.

DEVELOPMENT

Upon L&A's controlling interest acquisition in the building, L&A embarked on a program to upgrade the building, reinvigorate the leasing program and reduce operating expenses. Capital improvements included replacing over 900 windows, upgrading the entrance lobby, refreshing of all building corridors, elevator lobbies and bathrooms, replacing and modernizing the six passenger elevators, and installing a quality security system. In addition, the building was remeasured and loss factors were increased. Efficiencies were created to enable a staff reduction and the building's heating system was converted to a dual gas/ oil burner - two prime examples of how significant operating expense reductions were achieved. Smaller, noncredit tenants were replaced over time with more credit worthy tenants as a result of a successful leasing program. High-speed, redundant broadband service was also introduced into the building to better serve the tenants' increased needs. Lastly, L&A worked closely with environmental consultants to re-mediate significant environmental conditions that had been caused by a leaking underground oil storage tank.

VALUE CREATED

As a result of the significant value created by L&A, ownership recently refinanced the mortgage and distributed a significant amount of the proceeds to its investors.

CASE STUDY | 648 BROADWAY, NEW YORK, NEW YORK



BACKGROUND

In 2009, Lee & Associates Management LLC (L&A) assumed the third-party management of 648 Broadway, a 10-story, 50,000 square foot commercial loft building. The property had been owner managed for over 25 years and L&A was tasked with utilizing its expertise and implementing its procedures to address significant tenant rent delinquencies, growing vacancy rates, deferred maintenance issues and better budgeting and cash management.

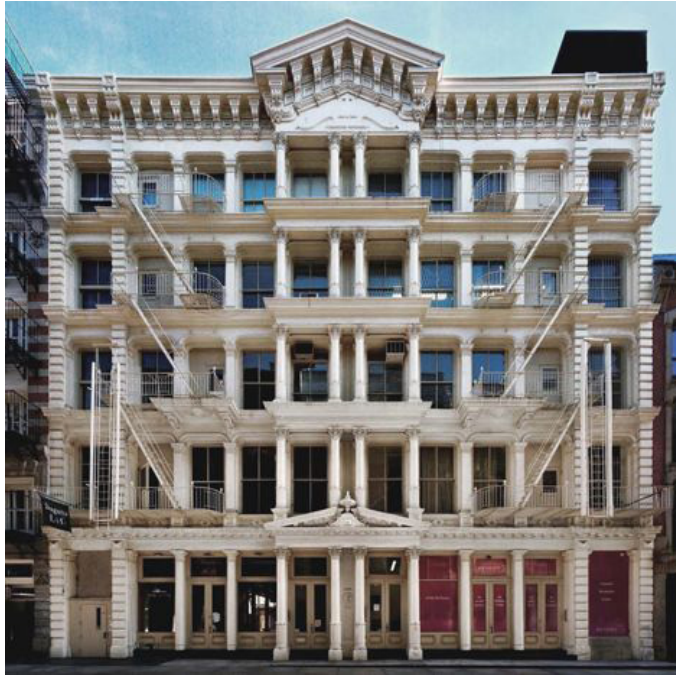
DEVELOPMENT

Immediately upon commencing with the management of this asset L&A instituted a building-wide improvement program; including a full assessment of the staff resulting in replacement of key personnel, a comprehensive lobby renovation – with a digital lobby directory, modern glass and stone design that attracted prospective tenants and brokers to this NoHo location. We also undertook deferred maintenance projects, preventive maintenance measures and majors repairs to the roof, façade and fire escapes; upgraded bathrooms, and designed and managed an electrical distribution upgrade. Currently, we are in the early stages in implementing an extensive three (3) car elevator modernization project.

VALUE CREATED

Within eighteen (18) months of assuming this asset and the implementation of L&A's management and commercial leasing programs, the financial condition of the building vastly improved. Revenue was up as a result of increased rental rates and occupancy, which reached near 100% occupancy and effective rent collection procedures. In addition, operating costs were controlled through renegotiation of service contracts. The family-owned asset now enjoys significant and consistent cash distributions.

CASE STUDY | 72-76 GREENE STREET, NEW YORK, NEW YORK



BACKGROUND

In late 2012, Chicago-based L3 Capital and Washington D.C. - based ASB Real Estate Investments purchased this 5-story, 43,000 mixed-use building in the heart of SoHo. Immediately upon acquisition, Lee & Associates Management LLC (L&A) was engaged to deploy its property, asset and project management teams, as well as our Lee & Associates NYC office leasing team, to help reposition this premier Soho cast iron property.

DEVELOPMENT

One of the initial decisions to be made by ownership was whether to buy out any of the three (3) residential rent-stabilized tenants on the top floor of the building and, if so, how best to monetize the space. Ownership's initial strategy was to convert the residential units to condominium units. After L&A performed an analysis and compared the potential returns for both residential and commercial uses, it was determined that a more efficient strategy would be to take advantage of the commercial market. Pursuant to L&A's new business plan, ownership proceeded to buy out one of the residential tenants for a healthy seven figure amount. L&A then converted the space to office, with the help of L&A's construction management team, and signed a long-term office lease with a credit tenant at over \$80 psf as a result of L&A's leasing team's efforts. In addition to this lease signing, since acquisition, the building has been fully leased to national retailers and other quality fashion and technology office tenants. L&A was also engaged to undertake significant major repairs and building system upgrades, many of which would typically strain tenant relations absent clear communication and a calculated plan to minimize disruption to the building's tenants' operations. For example, the building is divided as such so that there is one elevator servicing the north side of the building and one elevator servicing the south side of the building, with no access between the north side and the south side except on the occupied 2nd floor. The elevator servicing the south side was entirely replaced with a new hydraulic elevator. The other elevator was re-modernized and a new cab installed. Although the projects were not performed simultaneously, each project disrupted the tenants and resulted in no elevator service for several weeks at a time. L&A managed the disruption by directing traffic to the stairs serving the building using a doorman and placing temporary air-conditioning in the stairwell. On the heels of this work, NYC required the sidewalk be removed and the structural members of the vault and the sidewalk be replaced. This required coordination with the NYC Department of Transportation and Department of Buildings, the Landmark Preservation Commission, the tenants to insure the work was phased in a manner that was the least disruptive to their operations and access.

Other base building work included the upgrade to a 1 million BTU boiler which provides heat to the entire building; the installation of a new fresh air intake system, the replacement of all windows and the restoration of the façade, all of which required approvals and coordination with the Landmark Preservation Commission. Other work included the installation of new intercoms and elevator access control; upgrading the main electrical and gas services; and performing strategic and cost-efficient roof repairs to abate major building leaks.

VALUE CREATED

Nearly three years after L&A's teams were retained to manage, reposition, upgrade and tenant the property, the building's value had doubled over initial acquisition.