

September 6, 2007

Hon. Meenakshi Srinivasan, Chairperson
New York City Board of Standards and Appeals
40 Rector Street
New York, New York 10007

Re : 6-10 West 70th Street
New York, NY
74-07-BZ

Dear Chairperson Srinivasan:

The Notice of Objections of June 15, 2007 for the above referenced Zoning Variance Application requested response to several specific questions regarding the Feasibility Study, dated March 28, 2007, which was submitted as part of the application for a variance for the above referenced property.

We provide the following response to these questions:

Notice of Objections #30: Please provide a full plan set of lesser-variance drawings that show compliant height and setback (objections for ZR 23-633 are removed) that seeks to accommodate CSI's programmatic needs and excludes the proposed tenant school space; the remaining floor area shall be used for residential use.

This Alternative Community Facility/Residential scheme (Plans set titled: AOR Scheme B Synagogue use & residential scheme, dated 8-27-2007) would consist of a new synagogue lobby on the ground floor, and community facilities on the second, third and a portion of the fourth floors, with a gross floor area of 14,123 sq.ft. The fourth, fifth and sixth floors would be three condominium units for sale with a gross residential area on the fourth and fifth floors of 8,854 sq.ft., and the sixth floor penthouse would have a gross residential area of 3,082 sq.ft. The total gross residential area, not including the cellar would be 13,648 sq.ft., which includes residential lobby and core.

The gross built area of this alternative would be 27,772 sq.ft., not including the cellar. The zoning floor area for this alternative would be 27,772. The residential sellable area is 8,593 sq.ft.

As described in Objection #35 below, the BSA has request that, for purposes of this study, market rate rents be assumed for community facility spaces. The analysis of this alternative, therefore, assumes market-rate rents for community facility space based on comparable rents in the vicinity of the subject property. Market rate community facility rents in the northern edge of Midtown, Upper West Side and Central Park West area were reviewed. Community Facilities that function as shared space, and individual units were used. As identified in Exhibit B, adjusted rents are in the \$29.93 to \$49.48/sq.ft. range for comparable community facilities, with an average of \$39.61/sq.ft.

For purposes of this analysis \$40/sq.ft. has been used for market rate community facility rentals.

This development program is referred to as the "Alternative As of Right Community Facility/Residential Development".

Notice of Objections #35: *Although it is recognized that Congregation Shearith Israel has not-for-profit status, for the purpose of this study, please ascribe standard market-rate rents for community facility space based on comparable rents in the vicinity of the subject site for both the as-of-right and proposed scenarios.*

Notice of Objection #35 requires analysis of a revised as of right development alternative, as well as, analysis of a revised proposed development alternative.

a) Revised As of Right Community Facility/Residential Development

As requested by the Board, we have provided an analysis of the Revised As of Right Development (Plans set titled: AOR - Scheme A (Original), dated 8-28-2007), which would consist of a new synagogue lobby on the ground floor, and community facilities on the second through fourth floors, with a gross floor area of 18,134 sq.ft. On the fifth and sixth floors there would be two condominium units for sale with a gross residential area on the fifth and sixth floors of 7,594 sq.ft. The total gross residential area, not including the cellar would be 9,638 sq.ft., and includes the lobby and core areas of the residential portion of the development.

The gross built area of this alternative would be 27,772 sq.ft. not including the cellar. The zoning floor area for this alternative would be 27,772. The residential sellable area is 5,316 sq.ft.

Market rate community facilities rentals, as was described above, were assumed for this development. For purposes of this analysis \$40/sq.ft. has been used for market rate community facility rentals.

This development program is referred to as the "Revised As of Right Community Facility/Residential Development".

b) Revised Proposed Development

The Revised Proposed Development alternative (Plans set titled Proposed Scheme, dated 8-28-2007) would consist of new construction of an eight-story plus penthouse mixed use building on lot 37 with the synagogue remaining untouched on the ground floor. The new development consists of a new synagogue lobby on the ground floor, and community facility space on floors two through four. Floors five through eight and the penthouse would be for sale condominium units. There would be a total of five residential units.

The gross built area of this alternative would be 42,962 sq.ft., not including the cellar. The zoning floor area for this alternative would be 42,962 sq.ft. The total gross residential area, which includes residential lobby and core but does not include the cellar, would be 22,907 sq.ft. The residential sellable area is 14,980 sq.ft.

Market rate community facilities rentals, as was described above, were assumed for this development. For purposes of this analysis \$40/sq.ft. has been used for market rate community facility rentals.

This development program is referred to as the "Revised Proposed Development".

Notice of Objections #37: *Provided that the alleged hardship claim for the development site (Lot 36) is an inability to accommodate CSI's programmatic needs on Lot 37 please analyze a complying, fully residential development on Lot 36 as requested with Objection #31. This analysis is requested for the purposes of gauging what the economic potential of the development site would be without the alleged hardship.*

The As of Right Residential F.A.R. 4.0 Development alternative (Plans set titled: AOR – Scheme C Residential Scheme, dated 8-28-2007) consists of new construction of a six-story residential building on lot 37 with the synagogue remaining untouched. The new development consists of a ground floor residential and synagogue lobby and core, and floors 2-6 would be for sale condominium units. There will be a total of five residential units. The total gross residential area, not including the cellar would be 25,642 sq.ft., which includes residential lobby and core.

The gross built area of this alternative would be 25,642 sq.ft., not including the cellar. The zoning floor area for this alternative would be 25,642 sq.ft. The residential sellable area is 15,883 sq.ft. This development program is referred to as the "As of Right Residential F.A.R. 4.0".

Economic Analysis

In order to analyze and compare the economic characteristics of the four alternatives in response to objection #30, #35, and #37, as described above, we have prepared the attached Schedule A1: Analysis Summary; Schedule A2: Analysis Summary – Capitalized Value of Market Rate Classroom Space; Schedule B: Projected Development Costs; and Schedule C1-C4: Pricing Schedules.

The analyses incorporate the revised construction cost estimates provided by McQuilkin and Associates. The estimates are attached as Exhibit A to this letter. No construction costs related to development of the community facilities have been included.

All other assumptions are the same as those described in the Economic Analysis Report, dated March 28, 2007.

a) **Alternative As of Right Community Facility/Residential Development**
(*Objection #30*)

The Feasibility Analysis estimated the net project value to be \$20,624,000. This amount is the sum of residential condominium unit sales, less sales commissions, plus the capitalized value of the market rate community facility space, which as shown in the attached Schedule A2, is \$2,133,000. The total required investment, including estimated Property Value, base construction costs, soft costs and carrying costs during the sales period for the Alternative As of Right Residential is estimated to be \$28,847,000. As shown in Schedule A, the development of the Alternative As of Right Residential Alternative would result in an annualized **capital loss of \$4,478,000.**

b) **Revised As of Right Community Facility/Residential Development** (*Objection #35*)

As shown in the attached Schedule A, the Feasibility Analysis estimated the project value to be the sum of residential condominium unit sales, less sales commissions. Consideration of the economic feasibility of condominium projects is typically based on the potential profit generated from the sale of apartment units and other sources, on an annualized basis. Profit is the amount available for distribution to investors after all project expenses incurred in the development and sale of units are deducted from gross revenues. “Annualized Return on Total Investment” is measured by dividing the estimated annualized project profit by the total investment in the project.

Schedule A2 identifies the projected income and expenses for the market rate community facility space. A capitalization rate of 9%, which would be required to provide a minimum reasonable return on and return of capital was assumed. The Capitalized Value determined by the analysis for community facility space in the Revised As of Right Alternative is \$3,433,000.

The Feasibility Analysis estimated the net project value to be \$14,820,000. This amount is the sum of residential condominium unit sales, less sales commissions, plus the capitalized value of the community facility space. The total investment required, including estimated Property Value, base construction costs, soft costs and carrying costs during the sales period for the Revised As of Right Development is estimated to be \$28,139,000. As shown in Schedule A, the development of the Revised As of Right Development would result in an annualized **capital loss of \$7,064,000.**

c) Revised Proposed Development (*Objection #35*)

The Feasibility Analysis estimated the net project value to be \$39,556,000. This amount is the sum of residential condominium unit sales, less sales commissions, plus the capitalized value of the community facility space, which as shown in the attached Schedule A2, space is \$4,056,000. The total investment, including estimated Property Value, base construction costs, soft costs and carrying costs during the sales period for the Revised Proposed Development is estimated to be \$33,689,000.

As shown in Schedule A, the development of the Revised Proposed Development would provide an Annualized Return on Total Investment of 6.59%. We note that this return is not significantly higher than the previous return of 6.55%. This results from the assumption that the community facility areas will be rented at market rate. In fact, were the project to be undertaken today, as the proforma analysis assumes, the value of the project would be constrained by the fact that the community facility would produce no income and the lower return of 6.55% would be a more accurate reflection of the actual conditions.

d) As of Right Residential F.A.R. 4.0 Development (*Objection #37*)

The Feasibility Analysis estimated the net project value to be \$33,018,000. This amount is the sum of total estimated gross sales proceeds, less sales commissions. The total investment, including estimated Property Value, base construction costs, soft costs and carrying costs during the sales period for the As of Right Residential F.A.R 4.0 Development is estimated to be \$37,388,000. As shown in Schedule A, the development of the As of Right Residential F.A.R 4.0 Development would result in an annualized **capital loss of \$2,313,000.**

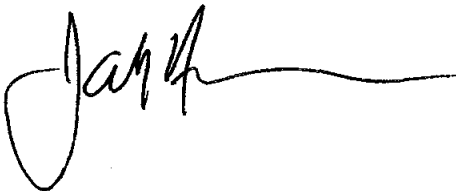
The Revised As of Right Residential Development, Alternative As of Right Residential Development and As of Right Residential F.A.R. 4.0 Development would each result in an annualized loss. The return provided by the Revised Proposed Development would provide 6.59% return on investment. The return provided by the Revised Proposed Development, in this case, therefore, would be considered acceptable.

Notice of Objection #36: It is noted that all comparable properties analyzed to determine the subject site's value (Schedule C, Page10-12) are all downward adjusted for "inferior zoning" (the subject site has split zoning – R8B and R10A – and the comparable are all located in R8 or R8 equivalent districts). Please note that for developments in contextual districts, each portion of the zoning lot shall be regulated by the height and setback applicable to the district in which such portion of the zoning lot is located. Further, it is noted that the subject site is located within a historic district which applies further regulation on the height of any development of this site. Given this information regarding height and setback controls, it does not appear that additional floor area above 4.0 FAR could be utilized on this site (please note that the as-of-right plans show an FAR of 3.23 or 5,513.60 sq.ft. on the R10A zoned portion of Lot 36). Therefore, it does not appear that the subject site's partial location within a 10.0 FAR district (R10A) should warrant any downward adjustment for comparable properties zoned R8, R8B, or C6-2A. Please revise this analysis.

Consideration of the comparable vacant properties submitted in Schedule C of the original report adjusted the properties upward, not downward for zoning as stated in the Notice of Objections. These adjustments were made in order to provide an equal comparison of the properties to the subject. In the valuation of the subject property, we examined the entire lot, which includes the synagogue. Since the application is based on the merging of two lots, and the majority of the merged lot is in the R10A zoning district, in order to provide the most accurate acquisition cost, it is necessary to assign value to the full potential developable area of the subject property. Therefore, the acquisition based on \$500 per sq.ft. is appropriate.

Please feel free to call me if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Freeman", with a long horizontal flourish extending to the right.

Jack Freeman

SCHEDULE A: ANALYSIS SUMMARY - CONDOMINIUM USE

	ALTERNATIVE AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	REVISED AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	REVISED PROPOSED DEVELOPMENT	ALL RESIDENTIAL F.A.R. 4.0
BUILDING AREA (SQ.FT.)				
BUILT RESIDENTIAL AREA	11,936	7,594	20,863	25,642
SELLABLE AREA	8,593	5,316	14,980	15,883
CAPITAL INVESTMENT SUMMARY				
ACQUISITION COST	\$18,944,000	\$18,944,000	\$18,944,000	\$18,944,000
HOLDING & PREP. COSTS	\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS	\$4,249,000	\$3,722,000	\$7,488,000	\$10,831,000
SOFT CONSTRUCTION COSTS	\$5,080,000	\$4,919,000	\$6,594,000	\$6,873,000
	<u>\$28,273,000</u>	<u>\$27,585,000</u>	<u>\$33,026,000</u>	<u>\$36,648,000</u>
PROJECT VALUE				
SALE OF UNITS	\$19,671,000	\$12,114,000	\$37,766,000	\$35,126,000
(less) SALES COMMISSIONS	6% (\$1,180,000)	(\$727,000)	(\$2,266,000)	(\$2,108,000)
CAPITALIZED VALUE OF COMMUNITY FACILITIES	\$2,133,000	\$3,433,000	\$4,056,000	NA
EST. NET PROJECT VALUE	<u>\$20,624,000</u>	<u>\$14,820,000</u>	<u>\$39,556,000</u>	<u>\$33,018,000</u>
PROJECT INVESTMENT				
ACQUISITION COST	\$18,944,000	\$18,944,000	\$18,944,000	\$18,944,000
HOLDING & PREP. COSTS	\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS	\$4,249,000	\$3,722,000	\$7,488,000	\$10,831,000
SOFT CONSTRUCTION COSTS	\$5,080,000	\$4,919,000	\$6,594,000	\$6,873,000
CARRYING COSTS DURING SALES PERIOD	\$574,000	\$554,000	\$663,000	\$740,000
EST. TOTAL INVESTMENT	<u>\$28,847,000</u>	<u>\$28,139,000</u>	<u>\$33,689,000</u>	<u>\$37,388,000</u>
RETURN ON INVESTMENT				
ESTIMATED PROJECT VALUE	\$20,624,000	\$14,820,000	\$39,556,000	\$33,018,000
(less) EST. TOTAL INVESTMENT	(\$28,847,000)	(\$28,139,000)	(\$33,689,000)	(\$37,388,000)
(less) EST. TRANSACTION TAXES	(\$359,000)	(\$221,000)	(\$689,000)	(\$641,000)
EST. PROFIT (loss)	<u>(\$8,582,000)</u>	<u>(\$13,540,000)</u>	<u>\$5,178,000</u>	<u>(\$5,011,000)</u>
DEVELOPMENT/SALES PERIOD (MONTHS)	23	23	28	26
ANNUALIZED PROFIT (loss)	<u>(\$4,478,000)</u>	<u>(\$7,064,000)</u>	<u>\$2,219,000</u>	<u>(\$2,313,000)</u>
RETURN ON TOTAL INVESTMENT	0.00%	0.00%	15.37%	0.00%
ANNUALIZED RETURN ON TOTAL INVESTMENT	<u>0.00%</u>	<u>0.00%</u>	<u>6.59%</u>	<u>0.00%</u>

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

SCHEDULE A2 : CAPITALIZED VALUE OF MARKET RATE COMMUNITY FACILITY

	ALTERNATIVE AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	REVISED AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	REVISED PROPOSED DEVELOPMENT
BUILDING AREA (SQ.FT.)			
RENTABLE COMMUNITY FACILITY AREA	8,500	12,510	14,430
CAPITAL INVESTMENT SUMMARY			
ACQUISITION COST	\$18,944,000	\$18,944,000	\$18,944,300
HOLDING & PREP. COSTS	\$0	\$0	\$0
BASE CONSTRUCTION COSTS	\$4,249,000	\$3,722,000	\$7,488,000
SOFT CONSTRUCTION COSTS	\$5,080,000	\$4,919,000	\$6,594,000
	<u>\$28,273,000</u>	<u>\$27,585,000</u>	<u>\$33,026,300</u>
INCOME AND EXPENSES			
CLASSROOM AREA INCOME	\$340,000	\$500,000	\$577,000
GROSS INCOME	<u>\$340,000</u>	<u>\$500,000</u>	<u>\$577,000</u>
(less)VACANCY (@ 10%)	(\$34,000)	(\$50,000)	(\$58,000)
EFFECTIVE INCOME	<u>\$306,000</u>	<u>\$450,000</u>	<u>\$519,000</u>
(less)M&O EXPENSES	(\$58,000)	(\$85,000)	(\$98,000)
(less)WATER & SEWER	\$0	\$0	\$0
(less)R.E. TAXES	(\$56,000)	(\$56,000)	(\$56,000)
NET OPERATING INCOME	<u>\$192,000</u>	<u>\$309,000</u>	<u>\$365,000</u>
CAPITALIZED VALUE OF NOI @ 9%	\$2,133,000	\$3,433,000	\$4,056,000

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

SCHEDULE B : DEVELOPMENT COSTS

	ALTERNATIVE AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	REVISED AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	REVISED PROPOSED DEVELOPMENT	ALL RESIDENTIAL F.A.R. 4.0
DEVELOPMENT COST SUMMARY				
ACQUISITION COSTS	\$18,944,000	\$18,944,000	\$18,944,000	\$18,944,000
HOLDING & PREP. COSTS:	\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS	\$4,249,000	\$3,722,000	\$7,488,000	\$10,831,000
TENANT FIT-OUT COSTS	\$0	\$0	0	\$0
EST.SOFT COSTS	\$5,080,000	\$4,919,000	\$6,594,000	\$6,873,000
EST. TOTAL DEV.COSTS	\$28,273,000	\$27,585,000	\$33,026,000	\$36,648,000
ACQUISITION COSTS :				
Land Purchase Price	\$18,944,000	\$18,944,000	\$18,944,000	\$18,944,000
TOTAL LAND VALUE	\$18,944,000	\$18,944,000	\$18,944,000	\$18,944,000
HOLDING & PREP. COSTS:	\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS :	\$4,249,000	\$3,722,000	\$7,488,000	\$10,831,000
EST.CONST.LOAN AMOUNT :	\$21,205,000	\$20,689,000	\$24,770,000	\$27,486,000
EST.CONST.PERIOD(MOS) :	20	20	24	18
EST. SOFT COSTS :				
Builder's Fee/Developer's Profit	3.00%	\$848,000	\$828,000	\$991,000
Archit. & Engin. Fees	8.00%	\$340,000	\$298,000	\$599,000
Bank Inspect.Engin.		\$12,000	\$12,000	\$34,000
Construction Management	5.00%	\$212,000	\$186,000	\$300,000
Inspections, Borings & Surveys				
Laboratory Fees	LS	\$5,000	\$5,000	\$5,000
Soil Investigation	LS	\$10,000	\$10,000	\$10,000
Preliminary Surveys	LS	\$5,000	\$5,000	\$5,000
Ongoing Surveys	LS	\$10,000	\$10,000	\$10,000
Environmental Surveys/Reports	LS	\$2,000	\$2,000	\$2,000
Controlled Inspection Fees	LS	\$45,000	\$45,000	\$45,000
Legal Fees				
Dev.Legal Fees		\$150,000	\$150,000	\$150,000
Con.Lender Legal		\$64,000	\$62,000	\$82,000
End Loan Legal		\$0	\$0	\$0
Permits & Approvals				
D.O.B. Fees	25.53%	\$126,000	\$125,000	\$147,000
Cond/Co-op Offering Plan		\$30,000	\$30,000	\$30,000
Other		\$40,000	\$40,000	\$40,000
Accounting Fees		\$5,000	\$5,000	\$5,000
Consultant Fees		\$0	\$0	\$0
Appraisal Fees		\$8,000	\$8,000	\$8,000
Marketing/Pre-Opening Expenses				
Rental Commissions	25.00%	\$0	\$0	\$0
Sales Expenses & Advertising		\$198,000	\$198,000	\$198,000
Financing and Other Charges				
Con.Loan Int. @ Loan Rate =	9.50%	\$1,679,000	\$1,638,000	\$2,353,000
Rent-up Loan Int. @ Loan Rate =	7.00%	\$0	\$0	\$0
Con.Lender Fees	1.00%	\$212,000	\$207,000	\$248,000
End Loan Fee	1.00%	\$0	\$0	\$0
Construction Real Estate Tax		\$334,000	\$334,000	\$445,000
Rent-up Real Estate Tax		\$0	\$0	\$0
Title Insurance	0.33%	\$93,000	\$91,000	\$109,000
Mtge.Rec. Tax	2.75%	\$583,000	\$569,000	\$681,000
Construction Insurance	1.00%	\$64,000	\$56,000	\$112,000
Water and Sewer		\$5,000	\$5,000	\$5,000
Other		\$0	\$0	\$0
TOTAL EST.SOFT COSTS	\$5,080,000	\$4,919,000	\$6,594,000	\$6,873,000

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND

Freeman/Frazier & Associates, Inc.
 Date : September 6, 2007
 Property : 10 West 70th Street
 Block, Lot : Blk 1122, Lot 37
 Total Land Area : 6,472 sq.ft.
 Zone : R8B & R10A
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Schedule C1: Alternative As of Right - Residential Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Four	3,277	\$7,291,325	\$2,225	0
Five	3,277	\$7,537,100	\$2,300	0
Six	2,039	\$4,842,625	\$2,375	0
Total	8,593	\$19,671,050	\$2,289	

Schedule C2: Revised As of Right - Residential Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Five	3,277	\$7,373,250	\$2,250	0
Six	2,039	\$4,740,675	\$2,325	0
Total	5,316	\$12,113,925	\$2,279	

Freeman/Frazier & Associates, Inc.
 Date : September 6, 2007
 Property : 10 West 70th Street
 Block, Lot : Blk 1122, Lot 37
 Total Land Area : 6,472 sq.ft.
 Zone : R8B & R10A
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Schedule C3: Proposed Residential Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Five	3,277	\$7,537,100	\$2,300	0
Six	3,277	\$7,782,875	\$2,375	0
Seven	3,277	\$8,110,575	\$2,475	0
Eight	3,277	\$8,765,975	\$2,675	0
PH	1,872	\$5,569,200	\$2,975	0
Total	14,980	\$37,765,725	\$2,521	

Schedule C4: As of Right - Residential F.A.R 4.0 Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Two	3,461	\$7,181,575	\$2,075	0
Three	3,461	\$7,441,150	\$2,150	0
Four	3,461	\$7,700,725	\$2,225	0
Five	3,461	\$7,960,300	\$2,300	0
Six	2,039	\$4,842,625	\$2,375	0
Total	15,883	\$35,126,375	\$2,212	

Exhibit A

CONGREGATION SHEARITH ISRAEL

NEW YORK, N.Y.

AS OF RIGHT CONSTRUCTION COST ESTIMATE

SCHEME A

August 6, 2007

McQuilkin Associates, Inc.
Construction Consultants

500 Morris Avenue
Springfield, NJ 07081
Tel 973-218-1600
Fax 973-218-1700

MC QUILKIN ASSOCIATES INC.				DATE:	8/6/07
PROJECT: CONGREGATION SHEARITH ISRAEL				REV:	
LOCATION: NEW YORK, NY					
CSI #	TRADE SUMMARY	SCHOOL	RESIDENTIAL	TOTAL AMOUNT	
AS OF RIGHT - SCHEME A					
02050	BUILDING DEMOLITION	103,500	-	103,500	
02060	SELECTIVE DEMOLITION	25,000		25,000	
02080	ASBESTOS ABATEMENT	NIC	NIC	NIC	
02500	PAVING & SURFACING	24,786	-	24,786	
02900	EXCAVATION/FOUNDATION	1,967,652	24,000	1,991,652	
03010	CONCRETE AND CEMENT WORK	2,325,900	1,075,600	3,401,500	
04200	MASONRY	193,140	-	193,140	
05500	MISCELLANEOUS METALS	95,950	36,500	132,450	
06100	ROUGH CARPENTRY	43,500	16,200	59,700	
06400	FINISH CARPENTRY	21,720	21,812	43,532	
07530	ROOFING & FLASHING	-	152,625	152,625	
07900	JOINT SEALERS	15,000	5,000	20,000	
08100	HOLLOW METAL DOORS	19,930	5,890	25,820	
08200	WOOD DOORS	13,500	7,250	20,750	
08700	HARDWARE	32,800	5,700	38,500	
08900	EXTERIOR FAÇADE	636,176	293,004	929,180	
09250	GYPSUM WALLBOARD	295,356	139,228	434,584	
09300	TILEWORK	136,946	12,492	149,438	
09500	ACOUSTIC CEILING	120,876	1,316	122,192	
09600	WOOD FLOORING	8,376	37,992	46,368	
09680	CARPET & RESILIENT	38,392	764	39,156	
09700	TERRAZZO	181,840	22,920	204,760	
09900	PAINTING	81,224	21,260	102,483	
10100	VISUAL DISPLAY BOARDS	9,750	-	9,750	
10150	COMPARTMENTS & CUBICLES	21,200	-	21,200	
10520	FIRE PROTECTION SPECIALTIES	7,200	-	7,200	
10800	TOILET ACCCESSORIES	21,800	2,600	24,400	
11130	PROJECTION SCREENS	18,000	-	18,000	
11400	APPLIANCES	5,000	10,000	15,000	
14000	CONVEYING SYSTEM	150,000	260,000	410,000	
15300	FIRE PROTECTION	175,164	71,198	246,362	
15400	PLUMBING	365,940	167,238	533,177	
15500	HVAC	1,592,400	453,075	2,045,475	
16050	ELECTRICAL WORK	926,092	382,905	1,308,997	
	SUBTOTAL	9,674,109	3,226,568	12,900,677	
	GENERAL CONDITIONS	12%	1,160,893	387,188	1,548,081
	SUBTOTAL	10,835,002	3,613,756	14,448,758	
	LIABILITY INSURANCE	3%	325,050	108,413	433,463
	TOTAL	11,160,052	3,722,169	14,882,221	

CONGREGATION SHEARITH ISRAEL

NEW YORK, N.Y.

AS OF RIGHT CONSTRUCTION COST ESTIMATE

SCHEME B

August 6, 2007

McQuilkin Associates, Inc.
Construction Consultants

500 Morris Avenue
Springfield, NJ 07081
Tel 973-218-1800
Fax 973-218-1700

MC QUILKIN ASSOCIATES INC.				DATE:	8/6/07
PROJECT: CONGREGATION SHEARITH ISRAEL				REV:	
LOCATION: NEW YORK, NY					
CSI #	TRADE SUMMARY	SCHOOL	RESIDENTIAL	TOTAL AMOUNT	
AS OF RIGHT - SCHEME B					
02050	BUILDING DEMOLITION	103,500	-	103,500	
02060	SELECTIVE DEMOLITION	25,000		25,000	
02080	ASBESTOS ABATEMENT	NIC	NIC	NIC	
02500	PAVING & SURFACING	24,786	-	24,786	
02900	EXCAVATION/FOUNDATION	1,967,652	24,000	1,991,652	
03010	CONCRETE AND CEMENT WORK	2,342,300	1,059,200	3,401,500	
04200	MASONRY	193,140	-	193,140	
05500	MISCELLANEOUS METALS	89,350	43,100	132,450	
06100	ROUGH CARPENTRY	38,900	18,700	57,600	
06400	FINISH CARPENTRY	18,570	30,052	48,622	
07530	ROOFING & FLASHING	-	152,625	152,625	
07900	JOINT SEALERS	15,000	5,000	20,000	
08100	HOLLOW METAL DOORS	16,280	8,760	25,040	
08200	WOOD DOORS	8,750	10,750	19,500	
08700	HARDWARE	28,150	8,300	36,450	
08900	EXTERIOR FAÇADE	636,176	293,004	929,180	
09250	GYPSUM WALLBOARD	234,373	176,722	411,095	
09300	TILEWORK	108,022	18,728	126,750	
09500	ACOUSTIC CEILING	107,821	2,212	110,033	
09600	WOOD FLOORING	-	51,296	51,296	
09680	CARPET & RESILIENT	34,558	1,210	35,768	
09700	TERRAZZO	181,840	22,920	204,760	
09900	PAINTING	72,347	27,864	100,210	
10100	VISUAL DISPLAY BOARDS	5,850	-	5,850	
10150	COMPARTMENTS & CUBICLES	16,400	-	16,400	
10520	FIRE PROTECTION SPECIALTIES	6,000	-	6,000	
10800	TOILET ACCESSORIES	16,200	3,900	20,100	
11130	PROJECTION SCREENS	10,800	-	10,800	
11400	APPLIANCES	5,000	15,000	20,000	
14000	CONVEYING SYSTEM	150,000	280,000	430,000	
15300	FIRE PROTECTION	150,645	95,717	246,362	
15400	PLUMBING	319,352	213,226	532,577	
15500	HVAC	1,369,500	609,105	1,978,605	
16050	ELECTRICAL WORK	796,810	512,187	1,308,997	
	SUBTOTAL	9,093,071	3,683,577	12,776,648	
	GENERAL CONDITIONS	12%	1,091,169	442,029	1,533,198
	SUBTOTAL		10,184,240	4,125,606	14,309,846
	LIABILITY INSURANCE	3%	305,527	123,768	429,295
	TOTAL		10,489,767	4,249,374	14,739,141

CONGREGATION SHEARITH ISRAEL

NEW YORK, N.Y.

PROPOSED CONSTRUCTION COST ESTIMATE

August 6, 2007

McQuilkin Associates, Inc.
Construction Consultants

500 Morris Avenue
Springfield, NJ 07081
Tel 973-218-1600
Fax 973-218-1700

MC QUILKIN ASSOCIATES INC.				DATE:	8/6/07
PROJECT: CONGREGATION SHEARITH ISRAEL				REV:	
LOCATION: NEW YORK, NY					
CSI #	TRADE SUMMARY	SCHOOL	RESIDENTIAL	TOTAL AMOUNT	
	PROPOSED				
02050	BUILDING DEMOLITION	103,500	-	103,500	
02060	SELECTIVE DEMOLITION	25,000		25,000	
02080	ASBESTOS ABATEMENT	NIC	NIC	NIC	
02500	PAVING & SURFACING	24,786	-	24,786	
02900	EXCAVATION/FOUNDATION	1,967,652	56,000	2,023,652	
03010	CONCRETE AND CEMENT WORK	2,458,700	2,184,560	4,643,260	
04200	MASONRY	193,140	-	193,140	
05500	MISCELLANEOUS METALS	95,950	61,300	157,250	
06100	ROUGH CARPENTRY	43,500	47,200	90,700	
06400	FINISH CARPENTRY	21,720	33,400	55,120	
07530	ROOFING & FLASHING	-	166,680	166,680	
07900	JOINT SEALERS	15,000	10,000	25,000	
08100	HOLLOW METAL DOORS	19,930	17,680	37,610	
08200	WOOD DOORS	13,500	26,000	39,500	
08700	HARDWARE	32,800	17,600	50,400	
08900	EXTERIOR FAÇADE	654,326	737,084	1,391,410	
09250	GYPSUM WALLBOARD	303,236	359,208	662,444	
09300	TILEWORK	136,946	30,960	167,906	
09500	ACOUSTIC CEILING	134,316	4,004	138,320	
09600	WOOD FLOORING	8,376	97,258	105,634	
09680	CARPET & RESILIENT	42,352	2,102	44,454	
09700	TERRAZZO	181,840	22,920	204,760	
09900	PAINTING	82,169	56,934	139,103	
10100	VISUAL DISPLAY BOARDS	9,750	-	9,750	
10150	COMPARTMENTS & CUBICLES	21,200	-	21,200	
10520	FIRE PROTECTION SPECIALTIES	7,200	-	7,200	
10800	TOILET ACCESSORIES	21,800	6,500	28,300	
11130	PROJECTION SCREENS	18,000	-	18,000	
11400	APPLIANCES	5,000	25,000	30,000	
14000	CONVEYING SYSTEM	150,000	360,000	510,000	
15300	FIRE PROTECTION	185,724	144,551	330,275	
15400	PLUMBING	365,940	331,657	697,597	
15500	HVAC	1,688,400	919,870	2,608,270	
16050	ELECTRICAL WORK	981,772	772,178	1,753,950	
	SUBTOTAL	10,013,525	6,490,645	16,504,170	
	GENERAL CONDITIONS	12%	1,201,623	778,877	1,980,500
	SUBTOTAL		11,215,147	7,269,523	18,484,670
	LIABILITY INSURANCE	3%	336,454	218,086	554,540
	TOTAL		11,551,602	7,487,608	19,039,210

CONGREGATION SHEARITH ISRAEL

NEW YORK, N.Y.

AS OF RIGHT CONSTRUCTION COST ESTIMATE

SCHEME C

August 6, 2007

McQuilkin Associates, Inc.
Construction Consultants

500 Morris Avenue
Springfield, NJ 07081
Tel 973-218-1600
Fax 973-218-1700

MC QUILKIN ASSOCIATES INC.			DATE:	8/6/07
PROJECT: CONGREGATION SHEARITH ISRAEL			REV:	
LOCATION: NEW YORK, NY				
CSI #	TRADE SUMMARY			TOTAL
	AS OF RIGHT - SCHEME C			
02050	BUILDING DEMOLITION			103,500
02080	ASBESTOS ABATEMENT			NIC
02500	PAVING & SURFACING			24,786
02900	EXCAVATION/FOUNDATION			1,277,005
03010	CONCRETE AND CEMENT WORK			2,850,680
04200	MASONRY			83,358
05500	MISCELLANEOUS METALS			66,200
06100	ROUGH CARPENTRY			38,500
06400	FINISH CARPENTRY			62,128
07530	ROOFING & FLASHING			180,060
07900	JOINT SEALERS			5,000
08100	HOLLOW METAL DOORS			31,120
08200	WOOD DOORS			24,000
08700	HARDWARE			27,200
08900	EXTERIOR FAÇADE			889,180
09250	GYPSUM WALLBOARD			329,067
09300	TILEWORK			36,956
09500	ACOUSTIC CEILING			9,513
09600	WOOD FLOORING			106,976
09680	CARPET & RESILIENT			4,604
09700	TERRAZZO			22,920
09900	PAINTING			69,569
10800	TOILET ACCESSORIES			6,600
11400	APPLIANCES			30,000
14000	CONVEYING SYSTEM			365,000
15300	FIRE PROTECTION			188,903
15400	PLUMBING			350,161
15500	HVAC			1,202,110
16050	ELECTRICAL WORK			1,003,534
				9,388,630
				1,126,636
				10,515,265
				315,458
				10,830,723

Exhibit B

Freeman/Frazier & Associates, Inc.
 Date : September 6, 2007
 Property : 10 West 70th Street
 Block, Lot : Blk 1122, Lots 36 & 37
 Total Land Area : 6,472 sq.ft.
 Zone : R8B & R10A

Exhibit B: Comparable Market Rate Community Facility Rents

<u>RENTAL LOCATION</u>	<u>DATE</u>	<u>ANNUAL RENT</u>	<u>AREA</u>	<u>PRICE/SQ.FT.</u>	<u>TIME</u>	<u>LOCATION</u>	<u>SIZE</u>	<u>ZONING</u>	<u>OTHER</u>	<u>COMPOS FACTOR</u>	<u>ADJUSTED PRICE/S.F.</u>
1. 161 West 86th Street New York, NY Blk 1217 Lot 6	Asking	\$22,440	500	\$44.88	1.00	0.95	1.00	1.00	0.90	0.86	\$38.37
2. 125 West 72nd Street New York, NY Blk 1144 Lot 23	Asking	\$33,600	550	\$61.09	1.00	0.90	1.00	1.00	0.90	0.81	\$49.48
3. 1700 Broadway New York, NY Blk 1025 Lot 25	Asking	\$165,000	3,000	\$55.00	1.00	0.90	0.90	1.00	0.95	0.77	\$42.32
4. 175 West 79th Street New York, NY Blk 1210 Lot 1	Asking	\$48,000	1,000	\$48.00	1.00	0.95	0.95	1.00	0.90	0.81	\$38.99
5. 163 West 74th Street New York, NY Blk 1146 Lot 104	Asking	\$54,000	1,200	\$45.00	1.00	0.95	0.95	1.00	0.95	0.86	\$38.58
6. 27 West 96th Street New York, NY Blk 1832 Lot 16	Asking	\$13,500	450	\$30.00	1.00	1.05	1.00	1.00	0.95	1.00	\$29.93
Average											\$39.61
Subject Property											\$40.00
10 West 70th Street											1.00
New York, NY											1.00
Average											\$40.00

Economic Analysis Report
6-10 West 70th Street
New York, NY
September 6, 2007

Exhibit B: Comparable Market Rate Community Facilities

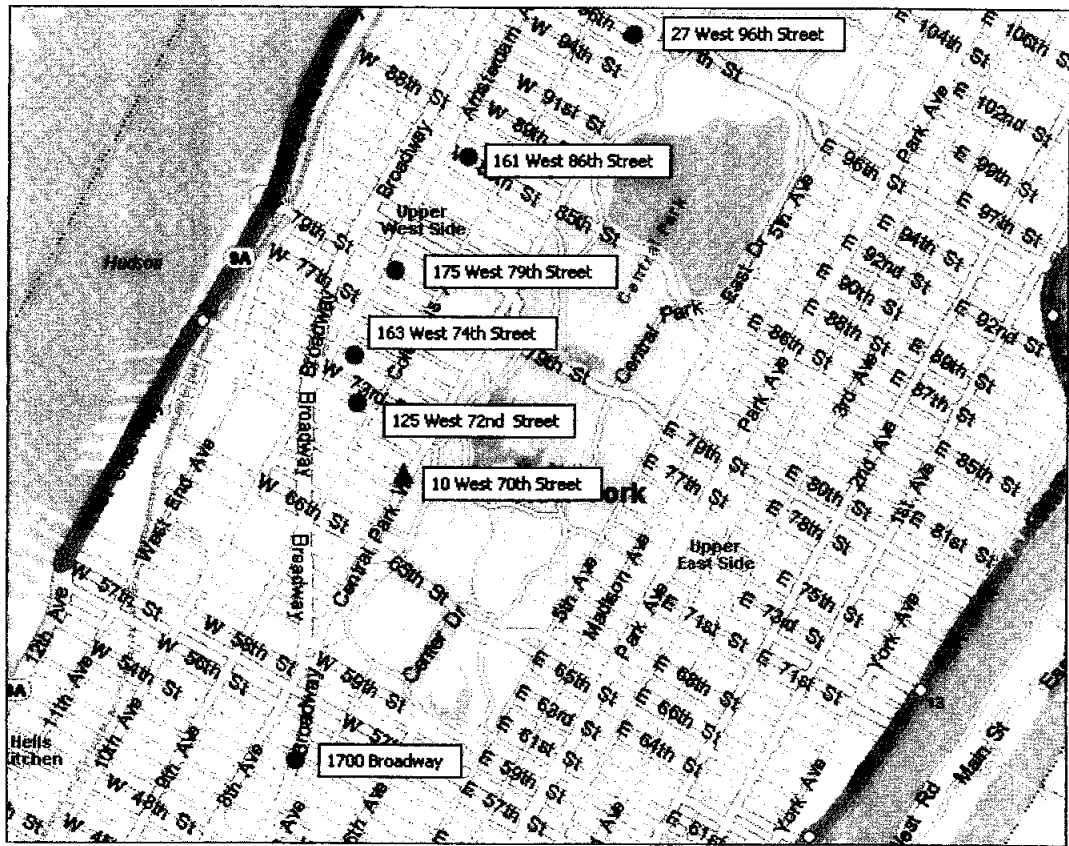


Exhibit B: Comparable Community Facility Rents

1. 161 West 86th Street

This is a 500 sq.ft. shared community facility office for rent. It is located on Manhattan's upper west side between Amsterdam and Columbus Avenues, and is approximately one mile south of the subject property. A -5% adjustment was made for superior location, and a -5% adjustment was made for the current "asking" status, as well as, a -5% adjustment for sharing. No adjustments were made for time, size or zoning.

2. 125 West 72nd Street

This is a 550 sq.ft. recently renovated shared community facility office for rent. It is located on Manhattan's Upper West side between Amsterdam and Columbus Avenues, and is approximately three blocks away from the subject property. A -10% adjustment was made for superior location, and a -5% adjustment was made for the current "asking" status, as well as, a -5% adjustment for sharing. No adjustments were made for time, size or zoning.

3. 1700 Broadway

This is a 3,000 sq.ft. community facility for rent. It is located between West 53rd and West 54th Streets and is approximately one mile south of the subject property. A -10% adjustment was made for the superior location, and a -10% adjustment was made for the large size. An additional -5% adjustment was made for the current "asking" status of this community facility. No adjustments were made for time or zoning.

4. 175 West 79th Street

This is a 1,000 sq.ft. shared community facility office for rent. It is located on Manhattan's Upper West Side between Columbus and Amsterdam Avenues, and is approximately nine blocks north of the subject property. A -5% adjustment was made for superior location, and a -5% adjustment was made for the large size. An additional -5% adjustment was made for the current "asking" status, as well as, a -5% adjustment for sharing. No adjustments were made for time or zoning.

Exhibit B: Comparable Community Facility Rents

5. 163 West 74th Street

This is a 1,200 sq.ft. community facility for rent. It is located on Manhattan's Upper West Side between Columbus and Amsterdam Avenue, and is approximately half a mile north of the subject property. A -5% adjustment was made for superior location, and a -5% adjustment was made for the large size. An additional -5% adjustment was made for the current "asking" status. No adjustments were made for location or zoning.

6. 27 West 96th Street

This is a 450 sq.ft. community facility for rent. It is located on Manhattan's Upper West Side between Amsterdam Avenue and Central Park West, and is approximately 1.7 miles north of the subject property. A +5% adjustment was made for the inferior location relative to the subject property, and a -5% adjustment was made for the current "asking" status of this site. No adjustments were made for time, size or zoning.