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FRAZIER

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December 21, 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 70<sup>th</sup> Street  
New York, NY  
74-07-BZ

Dear Chairperson Srinivasan:

At the Board of Standards and Appeals Public Hearing of November 26, 2007 for the above referenced Zoning Variance Application, the BSA asked for a revised consolidated statement to respond to questions raised by the Board. In response, we provide the following:

Development Alternatives

A) As of Right Scheme A – Revised As of Right Community Facility/Residential Development

This “As of Right Residential/Community Facility” alternative was originally submitted in the March 28, 2007 Economic Analysis Report, and revised based on Notice of Objection of June 15, 2007, Objection #35. Additional analysis was performed in the October 24, 2007 submission in response to the Second Notice of Objections of September 6, 2007.

The details of this alternative are discussed in Exhibit A.

B) As of Right Scheme B – Lesser Variance Alternative As of Right Community Facility/Residential Development

This “As of Right Scheme B – Lesser Variance” alternative was submitted at the request of the Board based on Notice of Objections of June 15, 2007, Objection #30. A revised analysis at the request of the Board was performed in the October 24, 2007 submission in response to the second Notice of Objections dated September 6, 2007.

The details of this alternative are discussed in Exhibit B.

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C) As of Right with Tower Development

The As of Right with Tower Development would occupy the full zoning envelope, and would consist of a new synagogue lobby on the ground floor, and community facility space on floors two through four. Floors five through sixteen would be for sale condominium units. There would be a total of thirteen residential units.

The gross built area of this alternative would be 37,888 sq.ft., not including the cellar. The zoning floor area for this alternative would be 37,888 sq.ft. The total gross residential area, which includes residential lobby and core but does not include the cellar, would be 19,755 sq.ft. The residential sellable area is 10,795 sq.ft.

D) Proposed Development

The Proposed Development alternative would consist of new construction of an eight-story plus penthouse. 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.

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

E) As of Right Residential F.A.R. 4.0 – Scheme C

The "As of Right Residential F.A.R. 4.0" alternative was submitted at the request of the Board based on Notice of Objections of June 15, 2007, Objection #37. A revised analysis at the request of the Board was performed in the October 24, 2007 submission.

The specifics of this alternative are discussed in Exhibit C.

Value of the Property

Estimating the acquisition cost is part of every Economic Analysis Report submitted as part of the BSA procedure. For this mixed institutional and residential development, property valuation was estimated assuming complying development after review and analysis of comparable land sales, based on an average \$/square foot of buildable floor area.

In our March 28, 2007 submission, based on an average \$/square foot of buildable floor area including the total adjusted maximum developable floor area to be utilized for both residential and community facility use (as had been the case for previously analyzed mixed institutional and residential BSA projects), we estimated the value of the property to be \$18,944,000. Then at the request of the Board, we revised our valuation of the property downward, and in our October 24, 2007 submission, based on an average \$/square foot of buildable floor area including the floor area to be utilized for community facility use, we estimated the value of the property to be \$17,050,000.

The Board has now requested that the economic feasibility analysis only consider the value of the residential portion of the site. To determine the economic feasibility of the residential portion of a development on the site, a revised valuation of the portion of the site being used has to be estimated using the total adjusted maximum developable square footage in the As of Right with Tower Development.

The floor area being used for the residential portion of a development would occur at and above the fifth floor of a complying building. In effect, and for purposes of determining an appropriate estimated value, this residential area benefits from two significant premiums. All of this area occurs on the more valuable upper floors and a significant portion of this floor area, approximately 13,192 sq.ft., has direct, unobstructed views of Central Park, similar to Central Park West building frontage. Since a developer purchasing the development rights would obtain the benefits of increased potential income from both of these premiums, the value added would be reflected in the estimated acquisition cost of residential floor area.

To determine the revised value of the property not including the community facility, we have considered and utilized three methods to determine the estimated acquisition cost, as described below:

a) Sales Comparison

The majority of the residential area in a full build out scenario would consist of a tower rising up on the R-10 portion of the site to sixteen stories in the As of Right with Tower Development. To estimate the value of the portion of the property under consideration, recent sales prices for comparable vacant and under utilized properties in R-10 zones or the commercial equivalent were reviewed. Five appropriate sales were identified. A site visit to each property was made and location, condition and sales price data were compared. A schedule of the comparable sales is attached as Schedule C.

Vacant land sale prices, adjusted for comparability ranged from \$714.30/sq.ft. of F.A.R. development area to \$1,028.73/sq.ft. with an average of \$823.32/sq.ft. For purposes of this comparative analysis, a value of \$825/sq.ft., or slightly above average, was used.

b) Proportional/Tax Assessed Value

Not including the community facility portion of the site, the remaining majority of the site would have direct or oblique views of Central Park, and are more valuable than the remaining community facility area without any view at all. In this method the remaining residential floor area is valued at a premium. To determine the premium of a building with Central Park views, we utilized the New York City's Department of Finance Tax Assessments for 2007.

To estimate the value of the portion of the property under consideration, recent tax assessments for comparable cooperative apartment buildings with Central Park views and non-Central Park views were reviewed. Five appropriate assessments were identified for buildings without views, and a schedule of the comparable assessments is attached as Schedule D. Five assessments for building with park views were identified, and a schedule of the comparable assessments is attached as Schedule E.

Assessment of taxes owed per square foot for Non-Central Park views, adjusted for comparability, ranged from \$197.87/sq.ft. to \$206.93/sq.ft. with an average of \$223.93/sq.ft. Assessment of taxes owed per square foot for cooperative apartment buildings with Central Park views, adjusted for comparability, ranged from \$298.47/sq.ft. to \$362.68/sq.ft. with an average of \$331.20/sq.ft. From this we can conclude buildings with a view of Central Park have a 48% assessed value premium over the buildings that do not.

Taking our previous analysis of comparable market sale, all of which were mid block buildings without central park views, the comparable value for such properties was identified as \$450/sq.ft. Utilizing an adjustment factor of 148%, as identified above, to account for the premium for central park views, the value of the building would be \$666/sq.ft

c) Land Residual Value for the Community Facility

The residual value of land is determined by subtracting the cost to develop the property, not including land cost, from the property value after development. The value remaining, the residual value is the amount available to pay for the land.

$$\text{Project Value (After Development)} \quad - \quad \text{Cost to Develop (NIC Land)} \quad = \quad \text{Residual Land Value}$$

The value of the community facility portion of the property is determined with the capitalization of income approach used in the October 24<sup>th</sup> submission, in which the Net Operating Income was divided by the capitalization rate.

As shown on the table below, the capitalized market rate community facility rents are significantly less than the project cost. Therefore, there is no residual value available to pay for land.

**Exhibit 1**

Scenario	Project Cost	Project Value @ 7%	Project Value (Loss)	Return as a % of Cost
Market Rate CF Rent \$40/sq.ft.)	\$14,429,000	\$5,986,000	(\$8,443,000)	-58.51%

The estimated cost per square foot for the overall building in the October 24, 2007 submission was estimated at an average of \$450/sq.ft. for the whole building including the community facility space (37,889 sq.ft.). Therefore, the value necessary to support the land must be obtained from the residential portion of the building.

If the value at an average of \$450/sq.ft. for all of the building is \$17,050,000, with an as of right residential floor area of 19,755 sq.ft., the average dollar per sq.ft. for the remaining portion would be \$863/sq.ft. Since, the community facility portion of the site has zero value, the acquisition cost can be described using \$863/sq.ft. times the residential floor area.

#### Reconciliation of Land Values

The estimated land value determined in the sales comparison approach is \$825/sq.ft. The estimated land value determined in the proportional/Tax Assessed Value approach is \$666/sq.ft.. The estimated land value in the residual land value approach is \$863/sq.ft. The majority of the residential floor area exists in the R-10 zone, and a small portion of the residential floor area is within the R8B zone.

The reconciliation of these different values would not be at the higher levels of \$825 - \$863/sq.ft., since a portion of the building is in the mid block R8-B zone, without central park views. However, the lower value of \$666/sq.ft. does not reflect the premium values of the upper floors with Central Park views. Therefore, an appropriate reconciliation, for purposes of this analysis it is assumed to be \$750/sq.ft, which is slightly below the midpoint between the average of \$825 plus \$863 and \$666.

Method	Est. Value \$/Sq.Ft.
Value A - Sales Comparison	\$825
Value B - Proportional/Tax AV	\$666
Value C - Land Residual Value	\$863
Reconciled Value	\$750

Using the assumed value of \$750/sq.ft, based on the reconciliation described above, for purposes of this new analysis the assumed value of the residential portion of the property is 19,755 sq.ft. x \$750/sq.ft., the amount of \$14,816,000.

#### Development Costs

Development Costs consist of Acquisition Costs, as described above; Holding and Preparation Costs; Hard Construction Costs for specific improvements; and Soft Costs including construction loan interest, professional and other fees, property and other taxes and miscellaneous development related expenses incurred during the construction period.

Development related soft costs for the alternatives were estimated based on typical expenses incurred for similar types of development.

The architectural firms of Platt Byard Dovell White Architects LLP have provided plans. For each development alternative, a construction cost estimate has been provided by McQuilkin and Associates. Each estimate can be found in Exhibit D to this Report.

The estimated hard construction cost for the total development of the As of Right Scheme A Development is \$3,722,000. The work includes residential core and shell, electrical, mechanical and elevator systems. Apartment interiors include kitchen appliances, bathrooms and high end finishes. No construction costs related to development of the community facilities have been included.

The estimated hard construction cost for the total development of the As of Right Scheme B Development is \$4,339,000. The work includes residential core and shell, electrical, mechanical and elevator systems. Apartment interiors include kitchen appliances, bathrooms and high end finishes. No construction costs related to development of the community facilities have been included.

The estimated hard construction cost for the total development of the As of Right Scheme with Tower Development is \$8,056,000. The work includes residential core and shell, electrical, mechanical and elevator systems. Apartment interiors include kitchen appliances, bathrooms and high end finishes. No construction costs related to development of the community facility have been included.

The estimated hard construction cost for the total development of Proposed Development is \$7,488,000. This work includes residential core and shell, electrical, mechanical and elevator systems. Apartment interiors include kitchen appliances, bathrooms and high-end finishes. No construction costs related to development of the community facility have been included.

The estimated hard construction cost for the total development of the As of Right Scheme C Development is \$11,808,000. The work includes residential core and shell, electrical, mechanical and elevator systems. Apartment interiors include kitchen appliances, bathrooms and high end finishes. No construction costs related to development of the community facilities have been included.

#### Financing Assumptions

All financing assumptions are the same as those described in the Economic Analysis Report, dated March 28, 2007. The specific economic assumptions are attached as Exhibit E.

The As of Right and Proposed Development alternatives will be developed as for-sale Condominiums. Therefore, any long term financing will be the responsibility of individual Condominium Unit purchasers and no assumptions were made for this analysis.

#### Unique Site Conditions

The unique character of the site has a significant impact on the economic feasibility of complying development for several reasons. The zoning regulations for the split lot restrict the ability to develop an economically viable building within the complying zoning envelope. The required setbacks for the R10-A portion of the site, for a complying Tower scenario creates a costly and inefficient design, with the top five floors approximately the same size as a hotel room. The extremely small size of the units does not generate as much income, as a more typically sized apartment.

The resulting small floor plate generates an economically inefficient relationship between the size of the core (elevator and stairs) and sellable residential area, as a core of the same size could serve a floor plate of more than ten times the size.

Additionally, to accommodate the synagogue, the residential portion would begin at the fifth floor, approximately fifty feet above grade. This results in additional hardships. There is a direct construction cost premium associated with a separate lobby, and running infrastructure five stories, which includes elevator, stairs, mechanical, electrical, plumbing and other services. Under more typical conditions, the infrastructure would be servicing the lower floors, where in this case they are being bypassed.

The height restrictions on the R8-B portion of the zoning lot prevent distribution of the inefficient R10-A floor area over a larger, full lot footprint.

### Economic Analysis

A summary comparison chart of development alternatives with results from October 24, 2007 submission are available in Exhibit F.

a) As of Right Scheme A – Revised Alternative As of Right Community Facility/Residential Development

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.

The Feasibility Analysis estimated the net project value to be \$11,866,000. This amount is the sum of residential condominium unit sales, less sales commissions. 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 \$23,345,000. As shown in Schedule A1, the development of the Revised Alternative As of Right Development would result in an annualized **capital loss of \$6,109,000.**

b) Lesser Variance Scheme B – Lesser Variance Community Facility/Residential Development

The Feasibility Analysis estimated the net project value to be \$18,980,000. This amount is the sum of residential condominium unit sales, less sales commissions.



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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 \$24,173,000. As shown in Schedule A, the development of the Lesser Variance CF/Residential Alternative would result in an annualized **capital loss of \$2,901,000.**

c) As of Right with Tower Residential Development

The Feasibility Analysis estimated the net project value to be \$23,119,000. This amount is the sum of residential condominium unit sales, less sales commissions.

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 \$29,746,000. As shown in Schedule A, the development of the As of Right with Tower Residential Development would result in an annualized **capital loss of \$2,654,000.**

d) Revised Proposed Development

The Feasibility Analysis estimated the net project value to be \$38,510,000. This amount is the sum of residential condominium unit sales, less sales commissions. 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 \$29,402,000.

As shown in Schedule A, the development of the Revised Proposed Development would provide an Annualized Return on Total Investment of 12.19%.

e) As of Right Scheme C – Revised As of Right All Residential F.A.R. 4.0

The Feasibility Analysis estimated the net project value to be \$37,787,000. 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 \$34,159,000.

As shown in Schedule A, the development of the All Residential Development would provide an Annualized Return on Total Investment of 3.63%. This is below the level necessary to justify an investment.

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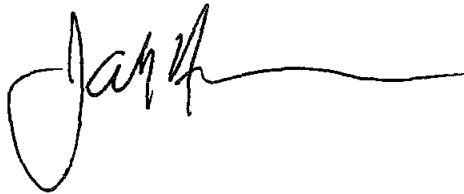
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**Response to Opposition**

There are a number of concerns raised by the opposition that are not part of our analysis. The items that are not part of our analysis are valuing the potential income from non-residential space, such as the synagogue, school, below grade space, and parsonage. Since these items are not part of the analysis, community facility development costs including basic construction and soft costs related to these items are not included as part of the analysis.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jack", followed by a long horizontal flourish.

Jack Freeman

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Exhibit A: As of Right Scheme A – Revised As of Right Community Facility/Residential Development

Exhibit B: As of Right Scheme B – Lesser Variance Alternative As of Right Community Facility/Residential Development

Exhibit C: As of Right Residential F.A.R. 4.0 – Scheme C

Exhibit D: Construction Cost Estimates

- As of Right Scheme A

- As of Right Scheme B

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- As of Right Residential F.A.R. 4.0

Exhibit E: Economic Assumptions

Exhibit F: Summary Comparison of Development Alternatives

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**SCHEDULE A1: ANALYSIS SUMMARY - CONDOMINIUM USE**

	REVISED AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	LESSER VARIANCE CF/RESIDENTIAL DEVELOPMENT	AS OF RIGHT WITH TOWER DEVELOPMENT (Residential Only)	REVISED PROPOSED DEVELOPMENT (Residential Only)	ALL RESIDENTIAL F.A.R. 4.0
<b>BUILDING AREA (SQ.FT.)</b>					
BUILT RESIDENTIAL AREA	7,594	12,575	20,019	20,863	28,724
SELLABLE AREA	70% 5,316	68% 8,593	76% 10,346	52% 15,799	62% 17,780
<b>CAPITAL INVESTMENT SUMMARY</b>					
ACQUISITION COST	\$14,816,000	\$14,816,000	\$14,816,000	\$14,816,000	\$14,816,000
HOLDING & PREP. COSTS	\$0	\$0	0	\$0	\$0
BASE CONSTRUCTION COSTS	\$3,722,000	\$4,339,000	\$8,056,000	\$7,488,000	\$11,808,000
SOFT CONSTRUCTION COSTS	\$4,337,000	\$4,525,000	\$6,274,000	\$6,434,000	\$6,847,000
	\$22,875,000	\$23,680,000	\$29,146,000	\$28,738,000	\$33,471,000
<b>PROJECT VALUE</b>					
SALE OF UNITS	\$12,623,000	\$20,191,000	\$24,595,000	\$40,968,000	\$40,199,000
(less) SALES COMMISSIONS	6% (\$757,000)	(\$1,211,000)	(\$1,476,000)	(\$2,458,000)	(\$2,412,000)
EST. NET PROJECT VALUE	\$11,866,000	\$18,980,000	\$23,119,000	\$38,510,000	\$37,787,000
<b>PROJECT INVESTMENT</b>					
ACQUISITION COST	\$14,816,000	\$14,816,000	\$14,816,000	\$14,816,000	\$14,816,000
HOLDING & PREP. COSTS	\$0	\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS	\$3,722,000	\$4,339,000	\$8,056,000	\$7,488,000	\$11,808,000
SOFT CONSTRUCTION COSTS	\$4,337,000	\$4,525,000	\$6,274,000	\$6,434,000	\$6,847,000
CARRYING COSTS DURING SALES PERIOD	\$470,000	\$493,000	\$600,000	\$664,000	\$688,000
EST. TOTAL INVESTMENT	\$23,345,000	\$24,173,000	\$29,746,000	\$29,402,000	\$34,159,000
<b>RETURN ON INVESTMENT</b>					
ESTIMATED PROJECT VALUE	\$11,866,000	\$18,980,000	\$23,119,000	\$38,510,000	\$37,787,000
(less) EST. TOTAL INVESTMENT	(\$23,345,000)	(\$24,173,000)	(\$29,746,000)	(\$29,402,000)	(\$34,159,000)
(less) EST. TRANSACTION TAXES	(\$230,000)	(\$368,000)	(\$449,000)	(\$748,000)	(\$734,000)
EST. PROFIT (loss)	(\$11,709,000)	(\$5,561,000)	(\$7,076,000)	\$8,360,000	\$2,894,000
DEVELOPMENT/SALES PERIOD (MONTHS)	23	23	32	28	28
ANNUALIZED PROFIT (loss)	(\$6,109,000)	(\$2,901,000)	(\$2,654,000)	\$3,583,000	\$1,240,000
RETURN ON TOTAL INVESTMENT	0.00%	0.00%	0.00%	28.43%	8.47%
ANNUALIZED RETURN ON TOTAL INVESTMENT	0.00%	0.00%	0.00%	12.19%	3.63%

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**SCHEDULE B : DEVELOPMENT COSTS**

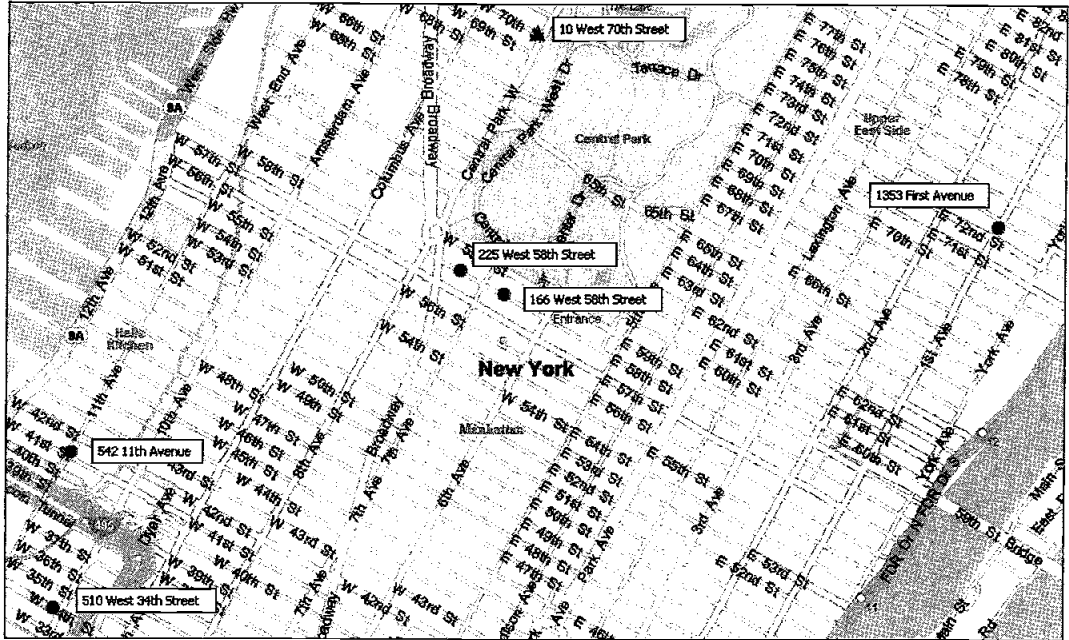
		REVISED AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	ALTERNATIVE AS OF RIGHT CF/RESIDENTIAL DEVELOPMENT	AS OF RIGHT WITH TOWER DEVELOPMENT	REVISED PROPOSED DEVELOPMENT	ALL RESIDENTIAL F.A.R. 4.0
<b>DEVELOPMENT COST SUMMARY</b>						
ACQUISITION COSTS		\$14,816,000	\$14,816,000	\$14,816,000	\$14,816,000	\$14,816,000
HOLDING & PREP. COSTS:		\$0	\$0	\$0	\$0	\$0
BASE CONSTRUCTION COSTS		\$3,722,000	\$4,339,000	\$8,056,000	\$7,488,000	\$11,808,000
TENANT FIT-OUT COSTS		\$0	\$0	\$0	0	\$0
EST.SOFT COSTS		\$4,337,000	\$4,525,000	\$6,274,000	\$6,434,000	\$6,847,000
<b>EST. TOTAL DEV.COSTS</b>		<b>\$22,875,000</b>	<b>\$23,680,000</b>	<b>\$29,146,000</b>	<b>\$28,738,000</b>	<b>\$33,471,000</b>
<b>ACQUISITION COSTS :</b>						
Land Purchase Price		\$14,816,000	\$14,816,000	\$14,816,000	\$14,816,000	\$14,816,000
<b>TOTAL LAND VALUE</b>		<b>\$14,816,000</b>	<b>\$14,816,000</b>	<b>\$14,816,000</b>	<b>\$14,816,000</b>	<b>\$14,816,000</b>
<b>HOLDING &amp; PREP. COSTS:</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>BASE CONSTRUCTION COSTS :</b>		<b>\$3,722,000</b>	<b>\$4,339,000</b>	<b>\$8,056,000</b>	<b>\$7,488,000</b>	<b>\$11,808,000</b>
EST.CONST.LOAN AMOUNT :		\$17,156,000	\$17,760,000	\$21,860,000	\$24,770,000	\$25,103,000
EST.CONST.PERIOD(MOS) :		20	20	26	24	20
<b>EST. SOFT COSTS :</b>						
Builder's Fee/Developer's Profit	3.00%	\$686,000	\$710,000	\$874,000	\$862,000	\$1,004,000
Archit.& Engin. Fees	8.00%	\$298,000	\$347,000	\$644,000	\$599,000	\$945,000
Bank Inspect.Engin.		\$30,000	\$30,000	\$36,000	\$34,000	\$30,000
Construction Management	5.00%	\$186,000	\$217,000	\$403,000	\$300,000	\$590,000
Inspections, Borings & Surveys						
Laboratory Fees	LS	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Soil Investigation	LS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Preliminary Surveys	LS	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Ongoing Surveys	LS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Environmental Surveys/Reports	LS	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Controlled Inspection Fees	LS	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Legal Fees						
Dev.Legal Fees		\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Con.Lender Legal		\$51,000	\$53,000	\$66,000	\$62,000	\$75,000
End Loan Legal		\$0	\$0	\$0	\$0	\$0
Permits & Approvals						
D.O.B. Fees	25.53%	\$106,000	\$106,000	\$117,000	\$130,000	\$141,000
Cond/Co-op Offering Plan		\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Other		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Accounting Fees		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Consultant Fees		\$0	\$0	\$0	\$0	\$0
Appraisal Fees		\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Marketing/Pre-Opening Expenses						
Rental Commissions	25.00%	\$0	\$0	\$0	\$0	\$0
Sales Expenses & Advertising		\$198,000	\$198,000	\$198,000	\$198,000	\$198,000
Financing and Other Charges						
Con.Loan Int. @ Loan Rate =	9.50%	\$1,358,000	\$1,406,000	\$2,250,000	\$2,353,000	\$1,987,000
Rent-up Loan Int. @ Loan Rate =	7.00%	\$0	\$0	\$0	\$0	\$0
Con.Lender Fees	1.00%	\$172,000	\$178,000	\$219,000	\$248,000	\$251,000
End Loan Fee	1.00%	\$0	\$0	\$0	\$0	\$0
Construction Real Estate Tax		\$334,000	\$334,000	\$334,000	\$445,000	\$334,000
Rent-up Real Estate Tax		\$0	\$0	\$0	\$0	\$0
Title Insurance	0.33%	\$75,000	\$78,000	\$96,000	\$95,000	\$110,000
Mtge.Rec.Tax	2.75%	\$472,000	\$488,000	\$601,000	\$681,000	\$690,000
Construction Insurance	1.00%	\$56,000	\$65,000	\$121,000	\$112,000	\$177,000
Water and Sewer		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Other		\$0	\$0	\$0	\$0	\$0
<b>TOTAL EST.SOFT COSTS</b>		<b>\$4,337,000</b>	<b>\$4,525,000</b>	<b>\$6,274,000</b>	<b>\$6,434,000</b>	<b>\$6,847,000</b>

NOTE : ALL \$ FIGURES ROUNDED TO NEAREST THOUSAND



BSA Hearing Response  
6-10 West 70<sup>th</sup> Street  
New York, NY  
December 21, 2007  
Page 14

Schedule C: Comparable Vacant Land Property



BSA Hearing Response  
6-10 West 70<sup>th</sup> Street  
New York, New York  
December 21, 2007  
Page 15

Schedule C: Comparable Vacant Properties

1. 510 West 34<sup>th</sup> Street

This is a 5,925 sq.ft. under utilized lot with a miscellaneous loft in a C6-4 zoning district. It is approximately 2.5 miles south of the subject property, and is located on west 34<sup>th</sup> Street near 10<sup>th</sup> Avenue. A +20% adjustment was made for time, and a +25% adjustment was made for inferior location. A -5% adjustment was made for the zoning's commercial potential. An additional +20% adjustment was made for no views of Central Park. No adjustment was made for size.

2. 166 West 58<sup>th</sup> Street

This is a 7,839 sq.ft. under utilized lot in a C5-1 zoning district. It is located approximately 1.4 miles south east of the subject property, and is located between 6<sup>th</sup> and 7<sup>th</sup> Avenues. A +15% adjustment was made for time, and a +20% adjustment was made for inferior location. A -10% adjustment was made for zoning's commercial potential. A +20% adjustment was made for no Central Park views. No adjustment was made for size.

3. 452 11<sup>th</sup> Avenue

This is a 9,875 sq.ft. under utilized lot in a C6-4 zoning district. It is located approximately 2.2 miles south of the subject property, and is located between west 36<sup>th</sup> and west 37<sup>th</sup> Streets. A +10% adjustment was made for time, and a +25% adjustment was made for inferior location. A -5% adjustment was made for the zoning's commercial potential. A +20% adjustment was made for no Central Park views. No adjustment was made for size.

4. 1353 First Avenue

This is a 5,100 sq.ft. under utilized lot in a C1-9 zoning district on the upper east side. Located approximately 2.5 miles east of the subject property it is located between east 72<sup>nd</sup> and east 73<sup>rd</sup> Streets. A +10% adjustment was made for time, and a +20% adjustment was made for inferior location. A -10% adjustment was made for the commercial potential, and a -20% adjustment was made for no Central Park views. No adjustment was made for size.

5. 225 West 58<sup>th</sup> Street

This is a 5,020 sq.ft. under utilized lot in a C5-1 zoning district. Located approximately 1.5 miles southeast of the subject property, it is located on West 58th Street between Broadway and 7th Avenue. A +15% adjustment was made for time, and a +20% adjustment was made for inferior location. A -10% adjustment was made for commercial potential, and a +20% adjustment was made for no views of Central Park. No adjustment was made for size.



Freeman/Frazier & Associates, Inc.  
 Date : December 21, 2007  
 Property : 10 West 70th Street  
 Block, Lot : Blk 1122, Lots 36 & 37  
 Total Land Area : 6,472 sq.ft.  
 Zone : R8B & R10A  
 Page 16

Schedule D: Non-Central Park Views

<u>LOCATION</u>	<u>TAX CLASS</u>	<u>LAND</u>	<u>TOTAL</u>	<u>LOT AREA</u>	<u>AV PER SO.FT.</u>	<u>LOCATION</u>	<u>SIZE</u>	<u>COMPOS FACTOR</u>	<u>ADJUSTED PRICE/S.F.</u>
1. 51 West 81st st Blk 1117 Lot 16	2	\$1,930,500	\$5,940,000	10,216	\$ 188.97	1.10	1.00	1.10	\$ 207.87
2. 10 West 66th Street Block 1118 Lot 22	2	\$7,695,000	\$28,755,000	28,125	\$ 273.60	1.00	0.90	0.90	\$ 246.24
3. 44 West 77th Street Block 1129 Lot 55	2	\$2,727,000	\$9,405,000	10,216	\$ 266.93	1.00	1.00	1.00	\$ 266.93
4. 27 West 67th Street Block 1120 Lot 14	2	\$1,512,000	\$3,991,500	7,532	\$ 200.74	1.00	1.00	1.00	\$ 200.74
5. 60 West 68th St Bk 1120 Lot 57	2	\$1,557,000	\$7,560,000	7,869	\$ 197.87	1.00	1.00	1.00	\$ 197.87

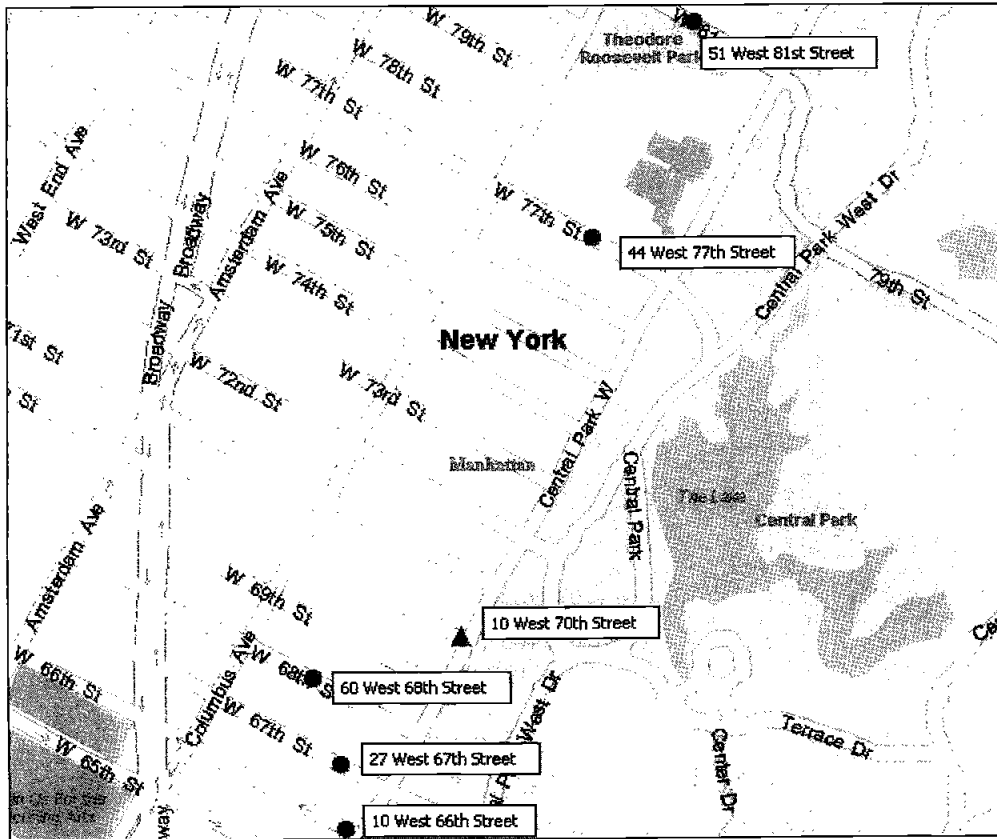
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Subject  
 10 West 70th Street  
 New York, NY

Average \$ 223.93

BSA Hearing Response  
6-10 West 70<sup>th</sup> Street  
New York, NY  
December 21, 2007  
Page 17

Schedule D: Comparable Properties – No Views of Central Park



Freeman/Frazier & Associates, Inc.

Date : December 21, 2007

Property : 10 West 70th Street

Block, Lot : Blk 1122, Lots 36 & 37

Total Land Area : 6,472 sq.ft.

Zone : R8B & R10A

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Schedule E: Central Park Views

LOCATION	TAX CLASS	LAND	TOTAL	LOT AREA	AV PER SQ.FT.	LOCATION	SIZE	COMPOS FACTOR	ADJUSTED PRICE/S.F.
1. 101 Central Park West Blk 1123 Lot 29	2	\$9,675,000	\$29,340,000	27,615	\$ 350.35	1.00	0.90	0.90	\$ 315.32
2. 141 Central Park West Blk 1127 Lot 29	2	\$13,545,000	\$35,100,000	33,612	\$ 402.98	1.00	0.90	0.90	\$ 362.68
3. 151 Central Park West Blk 1128 Lot 29	2	\$4,446,000	\$10,665,000	12,643	\$ 351.66	1.00	1.00	1.00	\$ 351.66
4. 41 Central Park West Block 1117 Lot 29	2	\$4,995,000	\$8,820,000	15,062	\$331.63	0.90	1.00	0.90	\$ 298.47
5. 46 Central Park West Blk 1117 Lot 36	2	\$4,351,500	\$9,231,525	12,552	\$ 346.68	0.90	1.00	0.90	\$ 312.01

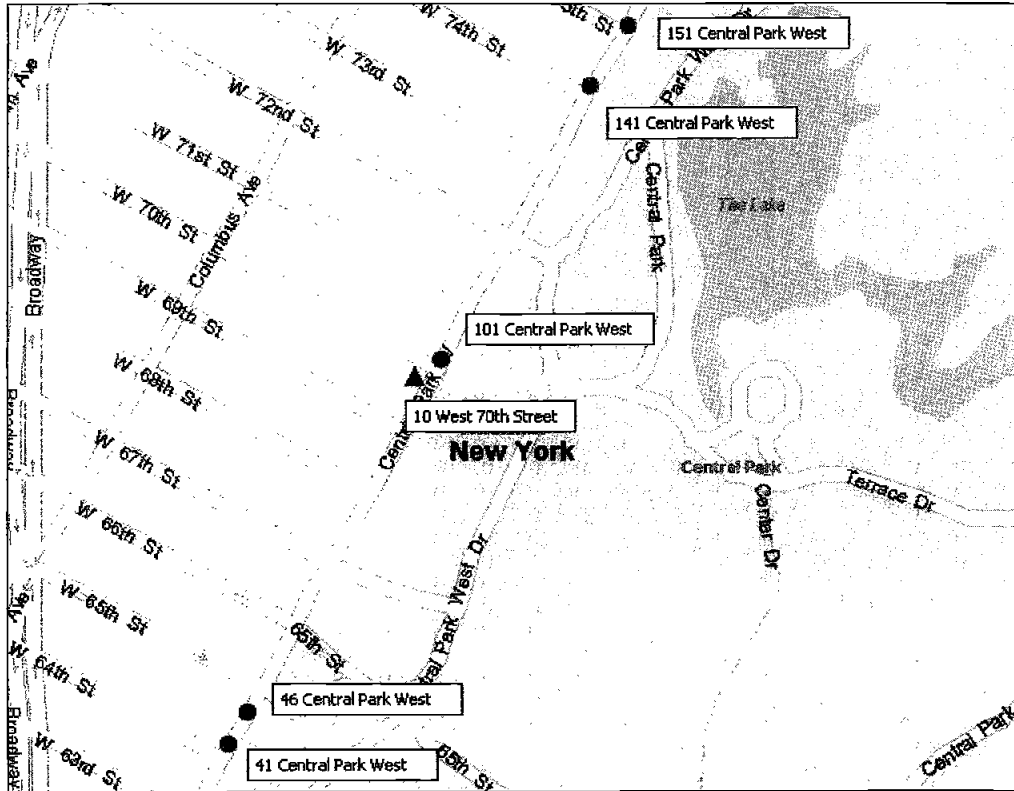
Subject

10 West 70th Street  
New York, NY

Average \$ 331.20

BSA Hearing Response  
6-10 West 70<sup>th</sup> Street  
New York, NY  
December 21, 2007  
Page 19

Schedule E: Comparable Properties – Views of Central Park



Freeman/Frazier & Associates, Inc.  
 Date : December 21, 2007  
 Property : 10 West 70th Street  
 Block, Lot : Blk 1122, Lot 37  
 Total Land Area : 6,472 sq.ft.  
 Zone : R8B & R10A  
 Page 20

Schedule F1: 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	\$5,249,501	\$2,325	1,459
Total	5,316	\$12,622,751	\$2,374	

Schedule F2: Lesser Variance - 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	\$5,362,394	\$2,375	1,459
Total	8,593	\$20,190,819	\$2,350	

Freeman/Frazier & Associates, Inc.

Date : December 21, 2007

Property : 10 West 70th Street

Block, Lot : Blk 1122, Lot 37

Total Land Area : 6,472 sq.ft.

Zone : R8B & R10A

Page 21

Schedule F3: As of Right with Tower - Residential Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Five	3277	\$7,537,100	\$2,300	
Six - A	939.5	\$2,184,338	\$2,325	
Six - B	939.5	\$2,184,338	\$2,325	
Seven	665	\$1,562,750	\$2,350	
Eight	665	\$1,579,375	\$2,375	
Nine	665	\$1,596,000	\$2,400	
Ten	665	\$1,612,625	\$2,425	
Eleven	665	\$1,629,250	\$2,450	
Twelve	373	\$923,175	\$2,475	
Thirteen	373	\$932,500	\$2,500	
Fourteen	373	\$941,825	\$2,525	
Fifteen	373	\$951,150	\$2,550	
PH	373	\$960,475	\$2,575	
<b>Total</b>	<b>10,346</b>	<b>\$24,594,900</b>	<b>\$2,377</b>	

Freeman/Frazier & Associates, Inc.  
 Date : December 21, 2007  
 Property : 10 West 70th Street  
 Block, Lot : Blk 1122, Lot 37  
 Total Land Area : 6,472 sq.ft.  
 Zone : R8B & R10A  
 Page 22

Schedule F4: Proposed Residential Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Five	3,337	\$7,675,100	\$2,300	0
Six	3,457	\$8,210,375	\$2,375	0
Seven	3,583	\$8,867,925	\$2,475	0
Eight	3,573	\$9,557,775	\$2,675	0
PH	1,849	\$6,657,306	\$2,975	1,555
<b>Total</b>	<b>15,799</b>	<b>\$40,968,481</b>	<b>\$2,593</b>	

Schedule F5: As of Right - Residential F.A.R 4.0 Condominium Pricing

Floor	Area	Price	Price/SF	Outdoor Space
Two	3,495	\$7,252,125	\$2,075	0
Three	3,465	\$7,449,750	\$2,150	0
Four	3,465	\$7,709,625	\$2,225	0
Five	3,277	\$7,537,100	\$2,300	0
Six	2,039	\$4,842,625	\$2,375	0
Seven	2,039	\$5,407,628	\$2,475	1,459
<b>Total</b>	<b>17,780</b>	<b>\$40,198,853</b>	<b>\$2,261</b>	

## EXHIBIT A

### As of Right Scheme 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: As of Right - Scheme A (Original), dated 10-22-2007), 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.

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



## EXHIBIT B

### As of Right Scheme B – Lesser Variance Alternative As of Right Community Facility/Residential Development

This Lesser Variance Community Facility/Residential (Plans set titled: Lesser Variance – BSA Objection #30 Synagogue Use and Residential Scheme, dated 10-10-2007) 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. The fourth, fifth floors and penthouse would be three condominium units for sale with a gross residential area on the fourth and fifth floors and penthouse of 8,593 sq.ft. The total gross residential area, not including the cellar would be 14,288 sq.ft., which includes residential lobby and core.

The gross built area of this alternative would be 29,692 sq.ft., not including the cellar. The zoning floor area for this alternative would be 29,692. The residential sellable area is 8,593 sq.ft.

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

## EXHIBIT C

### As of Right Residential F.A.R. 4.0 – Scheme C

The Revised As of Right Residential F.A.R. 4.0 Development alternative (Plans set titled: As of Right – Scheme C Residential Scheme, dated 10-22-2007) consists of new construction of a seven-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 2-7 would be for sale condominium units. There will be a total of six residential units. The total gross residential area, not including the cellar would be 28,724 sq.ft., which includes residential lobby and core.

The gross built area of this alternative would be 28,724 sq.ft., not including the cellar. The zoning floor area for this alternative would be 28,724 sq.ft. The residential sellable area is 17,780 sq.ft.

## **Exhibit D: Construction Cost Estimates**

# **CONGREGATION SHEARITH ISRAEL**

**NEW YORK, N.Y.**

**AS OF RIGHT CONSTRUCTION COST ESTIMATE**

**SCHEME A**

**August 6, 2007**

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**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	
<b>AS OF RIGHT - SCHEME A</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	2,325,900	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 ACCESSORIES	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  
LESSER VARIANCE  
SCHEME B**

**October 10, 2007**

**McQuilkin Associates, Inc.**  
**Construction Consultants**

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

MC QUILKIN ASSOCIATES INC.				DATE:	10/10/07
PROJECT: CONGREGATION SHEARITH ISRAEL				REV:	
LOCATION: NEW YORK, NY					
CSI #	TRADE SUMMARY	SCHOOL	RESIDENTIAL	TOTAL AMOUNT	
<b>AS OF RIGHT - SCHEME B LESSER VARIANCE</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	30,532	49,102	
07530	ROOFING & FLASHING	-	162,225	162,225	
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	656,786	302,754	959,540	
09250	GYPSUM WALLBOARD	237,573	184,542	422,115	
09300	TILEWORK	108,022	18,728	126,750	
09500	ACOUSTIC CEILING	116,781	2,212	118,993	
09600	WOOD FLOORING	-	56,416	56,416	
09680	CARPET & RESILIENT	37,358	1,210	38,568	
09700	TERRAZZO	181,840	22,920	204,760	
09900	PAINTING	72,947	28,464	101,410	
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	157,685	99,237	256,922	
15400	PLUMBING	319,352	213,226	532,577	
15500	HVAC	1,433,500	631,505	2,065,005	
16050	ELECTRICAL WORK	833,930	530,747	1,364,677	
	SUBTOTAL	9,237,401	3,761,427	12,998,828	
	GENERAL CONDITIONS	12%	1,108,488	451,371	1,559,859
	SUBTOTAL	10,345,889	4,212,798	14,558,687	
	LIABILITY INSURANCE	3%	310,377	126,384	436,761
	TOTAL	10,656,266	4,339,182	14,995,448	

# **CONGREGATION SHEARITH ISRAEL**

**NEW YORK, N.Y.**

**AS OF RIGHT CONSTRUCTION COST ESTIMATE**

**TOWER SCHEME**

**December 14, 2007**

**McQuilkin Associates, Inc.**  
**Construction Consultants**

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



MC QUILKIN ASSOCIATES INC.					DATE:	12/14/07
PROJECT: CONGREGATION SHEARITH ISRAEL					REV:	
LOCATION: NEW YORK, NY						
CSI #	TRADE SUMMARY		SCHOOL	RESIDENTIAL	TOTAL AMOUNT	
<b>AS OF RIGHT - TOWER 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	48,000	2,015,652	
03010	CONCRETE AND CEMENT WORK		2,489,740	1,902,040	4,391,780	
04200	MASONRY		193,140	-	193,140	
05500	MISCELLANEOUS METALS		95,950	105,800	201,750	
06100	ROUGH CARPENTRY		43,500	30,400	73,900	
06400	FINISH CARPENTRY		21,720	111,166	132,886	
07530	ROOFING & FLASHING		-	220,860	220,860	
07900	JOINT SEALERS		15,000	15,000	30,000	
08100	HOLLOW METAL DOORS		19,930	27,260	47,190	
08200	WOOD DOORS		13,500	13,000	26,500	
08700	HARDWARE		32,800	29,200	62,000	
08900	EXTERIOR FAÇADE		636,176	1,316,754	1,952,930	
09250	GYPSUM WALLBOARD		295,356	372,957	668,313	
09300	TILEWORK		136,946	26,410	163,356	
09500	ACOUSTIC CEILING		120,876	1,316	122,192	
09600	WOOD FLOORING		8,376	66,880	75,256	
09680	CARPET & RESILIENT		38,392	764	39,156	
09700	TERRAZZO		181,840	22,920	204,760	
09900	PAINTING		81,224	66,464	147,687	
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	9,500	31,300	
11130	PROJECTION SCREENS		18,000	-	18,000	
11400	APPLIANCES		5,000	95,000	100,000	
14000	CONVEYING SYSTEM		150,000	575,000	725,000	
15300	FIRE PROTECTION		165,429	117,909	283,338	
15400	PLUMBING		365,940	429,443	795,382	
15500	HVAC		1,503,900	750,330	2,254,230	
16050	ELECTRICAL WORK		874,762	629,202	1,503,964	
			<b>SUBTOTAL</b>	<b>6,983,574</b>	<b>16,671,958</b>	
			<b>GENERAL CONDITIONS</b>	<b>12%</b>	<b>2,000,635</b>	
			<b>SUBTOTAL</b>	<b>7,821,603</b>	<b>18,672,593</b>	
			<b>LIABILITY INSURANCE</b>	<b>3%</b>	<b>560,178</b>	
			<b>TOTAL</b>	<b>8,056,251</b>	<b>19,232,771</b>	

# CONGREGATION SHEARITH ISRAEL

**NEW YORK, N.Y.**

**PROPOSED CONSTRUCTION COST ESTIMATE**

**August 6, 2007**

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**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	
	<b>PROPOSED</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	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	
			<b>SUBTOTAL</b>		<b>10,013,525</b>	<b>6,490,645</b>
			<b>GENERAL CONDITIONS</b>	<b>12%</b>	<b>1,201,623</b>	<b>778,877</b>
			<b>SUBTOTAL</b>		<b>11,215,147</b>	<b>7,269,523</b>
			<b>LIABILITY INSURANCE</b>	<b>3%</b>	<b>336,454</b>	<b>218,086</b>
			<b>TOTAL</b>		<b>11,551,602</b>	<b>7,487,608</b>

# CONGREGATION SHEARITH ISRAEL

**NEW YORK, N.Y.**

**AS OF RIGHT CONSTRUCTION COST ESTIMATE**

**SCHEME C - 7 STORY**

**October 22, 2007**

**McQuilkin Associates, Inc.**  
**Construction Consultants**

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

<b>MC QUILKIN ASSOCIATES INC.</b>			<b>DATE:</b>	<b>10/22/07</b>
<b>PROJECT: CONGREGATION SHEARITH ISRAEL</b>			<b>REV:</b>	
<b>LOCATION: NEW YORK, NY</b>				
<b>CSI #</b>	<b>TRADE SUMMARY</b>			<b>TOTAL</b>
	<b>AS OF RIGHT - SCHEME C 7 STORY</b>			
02050	BUILDING DEMOLITION			103,500
02080	ASBESTOS ABATEMENT			NIC
02500	PAVING & SURFACING			24,786
02900	EXCAVATION/FOUNDATION			1,283,805
03010	CONCRETE AND CEMENT WORK			3,111,240
04200	MASONRY			83,358
05500	MISCELLANEOUS METALS			72,800
06100	ROUGH CARPENTRY			45,700
06400	FINISH CARPENTRY			72,734
07530	ROOFING & FLASHING			180,060
07900	JOINT SEALERS			5,000
08100	HOLLOW METAL DOORS			37,200
08200	WOOD DOORS			27,500
08700	HARDWARE			31,000
08900	EXTERIOR FAÇADE			1,018,010
09250	GYPSTUM WALLBOARD			399,210
09300	TILEWORK			43,292
09500	ACOUSTIC CEILING			9,513
09600	WOOD FLOORING			121,152
09680	CARPET & RESILIENT			4,654
09700	TERRAZZO			22,920
09900	PAINTING			102,326
10800	TOILET ACCESSORIES			7,900
11400	APPLIANCES			35,000
14000	CONVEYING SYSTEM			385,000
15300	FIRE PROTECTION			205,854
15400	PLUMBING			399,786
15500	HVAC			1,309,910
16050	ELECTRICAL WORK			1,092,854
				<b>SUBTOTAL</b>
				10,236,063
			12%	<b>GENERAL CONDITIONS</b>
				1,228,328
				<b>SUBTOTAL</b>
				11,464,391
			3%	<b>LIABILITY INSURANCE</b>
				343,932
				<b>TOTAL</b>
				11,808,323

## EXHIBIT E

### Economic Assumptions

#### Financing Assumptions

Typically, construction loan interest rates may be assumed to be 1.0-2.0 percentage points above the Prime Rate. As of the Report's date, the Prime Rate was 8.25%, which cannot be reasonably assumed to remain in effect during the development's projected timeframe. Therefore, 9.50% was used as the construction loan rate for the analysis.

#### Real Estate Tax Assumptions

Current taxes were assumed as a base for the construction and rent up periods for the as of right use alternative.

It is assumed that the As of Right and Proposed Developments would not be eligible for the 421-a Real Estate Tax Abatement Programs.

The As of Right and Proposed Developments under consideration will be developed as for-sale Condominiums. Therefore, any real estate taxes will be the responsibility of individual Condominium Unit purchasers and no assumptions were made for this analysis.

#### Expense Assumptions

As a residential condominium it is assumed that the tenant will pay all expenses.

#### Property Acquisition

Based on our market review, the estimated price is within the observed market range, taking into account the special features and conditions regarding the subject property as noted. Economic feasibility issues regarding the project are not, therefore, a result of the estimated value of the property.

## EXHIBIT F

Summary Comparison of Development Alternatives		
	10/24/2007 Submission	12/21/2007 Submission
<u>Revised As of Right</u>		
Net Project Value	\$11,866,000	\$11,866,000
Total Investment	\$25,950,000	\$23,345,000
Annualized Return (Loss)	(\$7,468,000)	(\$6,109,000)
<u>Lesser Variance</u>		
Net Project Value	\$18,980,000	\$18,980,000
Total Investment	\$26,779,000	\$24,173,000
Annualized Return (Loss)	(\$4,261,000)	(\$2,901,000)
<u>As of Right with Tower</u>		
Net Project Value	-	\$23,119,000
Total Investment	-	\$29,746,000
Annualized Return (Loss)	NA	(\$2,654,000)
<u>Proposed</u>		
Net Project Value	\$38,510,000	\$38,510,000
Total Investment	\$31,722,000	\$29,402,000
Annualized Return (Loss)	8.16%	12.19%
<u>All Residential FAR 4.0</u>		
Net Project Value	\$37,437,000	\$37,787,000
Total Investment	\$36,764,000	\$34,159,000
Annualized Return (Loss)	(\$23,000)	3.63%

## RESUMÉ

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### **JACK FREEMAN**

Jack Freeman is principal of Freeman/Frazier & Associates, Inc. Mr. Freeman's professional background combines real estate finance, development planning, project management and public sector experience to provide comprehensive real estate advisory services to the benefits of his clients.

His development financing background includes several years experience as a Mortgage Officer for The New York City Community Preservation Corporation, responsible for construction and permanent loan origination. The Corporation is a consortium of the New York City Commercial Banks and Savings Institutions, established to provide mortgage financing for multifamily housing rehabilitation and economic development.

Public Sector experience includes the position of Director, New York City Department of City Planning, Zoning Study Group and Senior Staff positions in the Mayor's Office of Development, responsible for management of major commercial and residential projects in Lower Manhattan.

As developer, Mr. Freeman has been a principal and General Partner in the development of multifamily market rate and affordable housing projects, with a value in excess of \$17 million.

In 1993 Mr. Freeman was appointed, and served until 1996, as a Commissioner of the New York City Landmarks Preservation Commission. For three years, Mr. Freeman was a member of the New York State Council of Arts Capital Program Review Panel. He has been a recipient of a National Endowment for the Arts Grant for Architecture and a Progressive Architecture Award for Urban Design.

Mr. Freeman is a Licensed Real Estate Broker, a member of the Real Estate Board of New York, the Urban Land Institute and the American Planning Association. He teaches Real Estate Development as a member of Graduate Faculty of the City University of New York and has been a regular lecturer in Real Estate Finance at Princeton University.

Mr. Freeman holds a Masters Degree in City Planning from the City University of New York and a Bachelor of Architecture Degree from Cooper Union.

**F R E E M A N**

**F R A Z I E R**

**& ASSOCIATES, INC.**