

OPERATING AGREEMENT
OF

290 13th St. LLC, NEW YORK STATE LIMITED LIABILITY COMPANY

This Operating Agreement effective as of this 9th day of February, 2008, between and among the undersigned confirms our understanding as to the matters contained herein.

The parties hereto agree as follows:

ARTICLE I

Definitions

The following terms and phrases shall have the meanings indicated:

- A. "Act" shall mean the New York Limited Liability Company Act, as amended.
- B. "Capital Account" shall mean, with respect to each Member, the account established for each Member pursuant to Article VI, which will initially equal the Capital Contributions of such Member and will be (a) increased by the amount of Net Profits allocated to such Member and (b) reduced by the amount of Net Losses allocated to such Member and the amount of Cash Flow distributed to such Member. Members' Capital Accounts shall be determined and maintained in accordance with the rules of paragraph (b) (2) (iv) of Regulation Section 1.704-1 of the Code.
- C. "Capital Contributions" shall mean the fair market value of the amounts contributed by the Members pursuant to Article V.
- D. "Cash Flow" shall have the meaning provided in Article V.
- E. "Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent revenue laws.
- F. "Members" shall mean the persons designated as such in this Agreement, any successor(s) to their interests as such in the Company; and any other person who pursuant to this Agreement shall become a Member, and any reference to a "Member" shall be to anyone of the then Members.
- G. "Net Profits" and "Net Losses" shall mean the net profit or net loss; respectively, of the Company determined in accordance with Article V.

- H. The words "membership interest" shall mean a Member's interest in the Company which shall be in proportion to his share of the current profits of the Company determined in accordance with Section 503 of the Act which states that profits and losses shall be allocated on the basis of the value of the contributions of each Member as stated in the Operating Agreement. A "majority in interest of the Members" and "two-thirds in interest of the Members" shall mean Members whose aggregate share of the current profits of the Company constitute more than one-half or two-thirds, respectively, of the aggregate shares of all of the Members.
- I. "Company" shall mean this Limited Liability Company.
- J. "Person" shall mean any natural person, corporation, partnership, joint venture, association, limited liability company or other business or legal entity.

ARTICLE II

Organization of the Company

- A. The purpose of the Company is to conduct any lawful business for which limited liability companies may be organized and to do all things necessary or useful in connection with the foregoing.
- B. The Company name shall be 290 13th St. LLC. The Members: Eugene Khavinson, Mikhail Kremerman, Michael Khavinson, Vyacheslav Faybyshev, Artyom Kirzhner, Vitaliy Kochnev, Mykola Volynskyy, David Aronov ; shall be Members in the Company and shall continue to do business under the name until the other name is selected by consensus of all members.
- C. The principal address of the Company shall be 1122 Coney Island Avenue, Suite 220, Brooklyn, New York, 11230 or such other place or places as selected by consensus of all members.
- D. The Company shall be an unlimited duration unless terminated as provided in the article VII of this Agreement.

ARTICLE III

Status of Members

- A. No Member shall be bound by, or be personally liable for the expenses, liabilities or obligations of the Company.
- B. No Member shall be entitled to withdraw any part of his Capital Account or to receive any distributions from the Company except as expressly provided in this Agreement.

C. No Member shall have the right to require partition of the Property or to compel any sale or appraisal of the Company's assets except as expressly provide in this Agreement.

ARTICLE IV

Management

A. Management of the Company shall be vested in Eugene Khavinson and Mikhail Kremerman who shall serve as Operating Managers of the Company. No Member will take part in or interfere in any manner with the conduct or control of the business of the Company or have any right or authority to act for or bind the Company except as provided in this Agreement.

B. The Company shall be managed by the Operating Managers and the conduct of the Company's business shall be controlled and conducted solely and exclusively by the Operating Managers in accordance with this Agreement. In addition to and not in limitation of any rights and powers conferred by law or other provisions of this Agreement, Eugene Khavinson and Mikhail Kremerman shall have rights to exercise financial transactions on behalf of the Company with all powers and rights necessary, proper, convenient or advisable to effectuate and carry out the purposes and business objectives of the Company, and to maximize Company profits. Such powers shall include, without limitation, the following:

- a. To open accounts, deposit and withdraw funds in the name of the Company in banks or savings and loan associations;
- b. In case of a transaction amount do not exceed \$100,000.00 the signature of one of the Operation Managers is sufficient, if transaction amount is equal or exceeds \$100,000.00 signatures of both Operating Managers are required;
- c. To determine the appropriate accounting method or methods to be used by the Company;
- d. To commence lawsuits and other proceedings;
- e. To retain accountants, attorneys or other agents to act on behalf of the Company;
- f. To execute, acknowledge and deliver any and all instruments to effectuate the foregoing, and to take all such action in connection therewith as the Operating
- g. Managers deem necessary or appropriate.

C. Notwithstanding the foregoing, Eugene Khavinson and Mikhail Kremerman may not make any of the following management decisions without obtaining the unanimous consent of all Members:

- h. To acquire, sell, assign, or otherwise transfer any interest in any property;
- i. To create any indebtedness for borrowed money whether or not secured;
1. To make, execute or deliver on behalf of the Company any assignment for the benefit of creditors or any guarantee, indemnity bond, or surety bond;
2. To obligate the Company or any Member as a surety, guarantor or accommodation party to any obligation;
3. To confess any judgment on behalf of the Company;

4. To do any act that makes it impossible to carry on the ordinary business of the Company;
5. To make any decisions regarding any employee;

D. Any person made or threatened to be made a party to an action or proceeding, whether civil or criminal, by reason of the fact that he, his testator or intestate, then, is, or was a manager, Member, employee or agent of the Company, or then serves or has served on behalf of the company in any capacity at the request of the Company, shall be indemnified by the Company against reasonable expenses, judgments, fines and amounts actually and necessarily incurred in connection with the defense of such action or proceeding or in connection with an appeal therein, to the fullest extent permissible by the Act. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled.

ARTICLE V

Capital

- A. The Members have contributed to the Company in exchange for their membership interests, their cash interest and other property as set forth on Schedule A, annexed hereto.
- B. The fair market value and the adjusted basis of the contributing Member of any property other than cash contributed to the Company by a Member shall be set forth on Schedule A, annexed hereto.
- C. Except as expressly provided in this Agreement, no Member shall be required to make any additional contributions to the capital of the Company.
 - a) Members, Eugene Khavinson and Michael Khavinson, shall be required to make additional contributions in the amount of \$100,000.00 to the Company to cover soft costs (soft costs consist of: architectural fee, condominium offering plan costs, tax abatement costs). They also shall be required to make mortgage payments, real estate taxes and insurance for the period of twelve (12) months, after which time all Members of the Company shall become responsible for those payments in accordance with their share in the Company.
- D. No interest shall be paid on the Capital Account of any Member.
- E. A Capital Account shall be established for each Member on the books and records of the Company in accordance with Article I (B). If any assets of the Company are distributed to the Members in kind, the Capital Accounts of the Members shall be adjusted to reflect the difference between the fair market value of such assets on the date of distribution and the basis of the Company in such assets.
- F. The Company shall distribute to the Members from time to time all cash (regardless of the source thereof) of the Company, which is not required for the operation, or the reasonable working capital requirements of the Company, (such cash is sometimes referred to herein

- as "Cash Flow"). For purposes of this Agreement all Cash Flow allocated to the Members shall be allocated among them according to their interest in the Company.
- G. Distributions of Cash Flow shall be made from time to time in such manner as determined by consensus of all Members.
- H. The Net Profits and Net Losses of the Company shall be the net profits and net losses of the Company as determined for Federal income tax purposes.
- I. The Net Profits and Net Losses of the Company and each item of income, gain, loss, deduction or credit entering into the computation thereof, shall be allocated to the Members in the same proportions that they share in distributions of Cash Flow pursuant to Article V (F), or if there is no Cash Flow, that they would have shared if there had been Cash Flow.
- J. Any Company gain or loss realized with respect to property, other than money, contributed to the Company by a Member shall be shared among the Members pursuant to Code section 704(c) and regulations to be promulgated there under so as to take account of the difference between the Company basis and the fair market value of the property at the time of the contribution ("built-in gain or loss"). Such built-in gain or loss shall be allocated to the contributing Member upon the disposition of the property.

ARTICLE VI

Withdrawal of a Member

- A. If a Member dies or desires to sell, transfer or otherwise dispose of all or any part of his interest in the Company, such Member or his/her heirs (selling Member) must offer to sell and convey such interest to the Company at a fair market value (FMV). For the purpose of this agreement, FMV shall be determined by the parties or by certified independent appraiser unanimously selected by the parties. If the parties cannot agree on an appraiser within 15 days from the Selling Member's offer, any Member may petition the American Arbitration Association to appoint an appraiser whose determination of FMV shall be binding on all parties. Within thirty (30) days after FMV determination the Company shall deliver to the Selling Member a written notice either accepting or rejecting the offer.
- B. If the Members do not accept the offer of the Selling Member the Company shall continue to function until the termination according to the article VII (A) of this agreement.
- C. The Members agree to sign such additional documents as may be required in order to sell and admit additional Members to the Company (in pursuance of article VI A. or VI B.), as well as, among other things, to provide for the division of profits, losses and Cash Flow among the Members.

- D. All costs and expenses incurred by the Company in connection with the transfer of a Member's interest, including any filing fees and publishing costs and the fees and disbursements of counsel, shall be paid by the Selling Member.
- E. Each person who becomes a Member in the Company, by becoming a Member, shall and does hereby ratify and agree to be bound by the terms and conditions of this Agreement.

ARTICLE VII

Termination or Dissolution of Company

- A. The Company shall not be terminated unless there is a unanimous consent of the members or in the event that all condominium units are built, sold and closings completed.
- B. If the Company is dissolved, the owners of a majority in interest of the remaining Members may elect to reconstitute and continue the Company as a successor Company upon the same conditions as is set forth in this Agreement. Any such election to continue the Company will not result in the creation of a new Company among the remaining Members, nor will such election require the amendment of this Agreement or the execution of an amended Agreement.
- C. Upon the termination and dissolution of the Company, unanimously selected Member/Members (or any person elected for this purpose by Members) shall be responsible for overseeing the winding up and liquidation of the Company, and shall take full account of the Company's liabilities and property. No Member shall take any action that is inconsistent with, or not necessary to or appropriate for, winding up the Company's business and affairs. The Company shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom, to the extent sufficient therefore, shall be applied and distributed in the following order:
 - a. First, to the payment and discharge of all of the Company's debts and liabilities to creditors other than Members.
 - b. Second, to the payment and discharge of all of the Company's debts and liabilities to Members; and
 - c. The balance, if any, to the Members in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

ARTICLE VIII

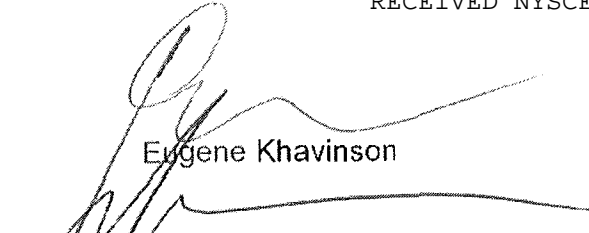
Miscellaneous

- A. This Agreement contains a complete statement of all of the arrangements among the parties with respect to the Company and cannot be changed or terminated orally or in any manner other than by a written agreement executed by all of the Members. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement, which are not fully expressed in this Agreement.
- B. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.
- C. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations of the jurisdiction in which the Company does business. If any provision of this Agreement, or the application thereof to any person or circumstance, shall for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected, but rather shall be enforced to the extent permitted by law.
- D. Anything hereinbefore in this Agreement to the contrary notwithstanding, all references to the Property of the Company are deemed to include the profits, losses and Cash Flow of the Property.
- E. Irrespective of the place of execution or performance, this Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in the State of New York.
- F. The captions, headings and table of contents in this Agreement are solely for convenience of reference and shall not affect its interpretation.
- G. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall be deemed to constitute a single document.
- H. Whenever the context so requires, the male gender when used herein shall be deemed to include the female gender, the female gender shall be deemed to include the male gender, the singular shall be deemed to include the plural and the plural shall be deemed to include the singular.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above written:

Signed:


Witness


Eugene Khavinson


Witness


Mikhail Kremerman


Witness


Michael Khavinson


Witness


Vyacheslav Faybyshev


Witness


Artyom Kirzhner

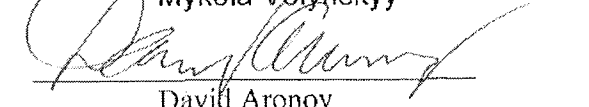
Witness


Vitaliy Kochnev

Witness


Mykola Volynskyy

Witness


David Aronov

SCHEDULE A

Name	Capital Contribution	Membership Interest
Eugene A. Khavinson	\$ 603,686.00	13 1/3 %
Mikhail Kremerman	\$ 0	30%
Michael Khavinson	\$ 603,686.00	131/3%
Vyacheslav Faybyshev	\$ 0	30%
Artyom Kirzhner	\$ 150,000.00	3.5%
Vitaliy Kochnev	\$ 0	3.0%
Mykola Volynskyy	\$ 150,000.00	3.5%
David Aronov	\$ 150,000.00	31/3%