

## SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") entered into as of the 6th day of April, 2009, by and among the following parties: Vittorio Antonini, who resides at 218 Thompson Street, New York, NY 10012 ("Antonini"), Robert Caraballo, a/k/a Roberto Caraballo, who resides at 133-45 121<sup>st</sup> Street, Ozone Park, New York 11420 ("Caraballo"), Victor Efremenko, who resides at 302 Humboldt Street, Brooklyn, New York 11211 ("Efremenko"), Daniel Greaves, who resides at 15 Sprague Court, Staten Island, New York 10307 ("Greaves"), Orazio Petito, who resides at 1960 83<sup>rd</sup> Street, Brooklyn, New York 11214 ("Orazio"), Rocco Petito, who resides at 1960 83<sup>rd</sup> Street, Brooklyn, New York 11214 ("Rocco"), Alexander Zhitnik, who resides at 19 Carroll Street, Brooklyn, New York 11238 ("Zhitnik"), Bridgeview at Broadway, LLC, a limited liability company duly organized under the laws of State of New York, with offices located at 1960 83<sup>rd</sup> Street, Brooklyn, New York 11214 ("Bridgeview"), Dean Street Apts, LLC, a limited liability company duly organized under the laws of the State of New York, with offices located at 1960 83<sup>rd</sup> Street, Brooklyn, New York 11214 ("Dean Street"), N. 9<sup>th</sup> LLC, a limited liability company duly organized under the laws of the State of New York, with offices located at 1960 83<sup>rd</sup> Street, Brooklyn, New York 11214 ("N. 9<sup>th</sup>"), Starko Contracting LLC, a limited liability company duly organized under the laws of the State of New York, with offices located at 129 MacDougal Street, New York, New York 10012 ("Starko"), 129 MacDougal Street Associates, Inc., a corporation duly organized under the laws of the State of New York, with offices located at 129 MacDougal Street, New York, New York 10012 ("129 MacDougal").

WHEREAS, Bridgeview is a limited liability company duly organized under the laws of the State of New York and is the owner of real property located at 146-150 Broadway, Brooklyn, New York (the "Bridgeview Property");

WHEREAS, Dean Street is a limited liability company duly organized under the laws of the State of New York and is the owner of real property located at 340 Dean Street, Brooklyn, New York (the "Dean Street Property");

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WHEREAS, N. 9<sup>th</sup> is a limited liability company duly organized under the laws of the State of New York and is the owner of real property located at 260 N. 9<sup>th</sup> Street, Brooklyn, New York and 262 N. 9<sup>th</sup> Street, Brooklyn, New York (collectively, the "N. 9<sup>th</sup> Property");

WHEREAS, Starko is a limited liability company duly organized under the laws of the State of New York;

WHEREAS, 129 MacDougal is a corporation duly organized under the laws of the State of New York and is the sole owner of real property located at

129 MacDougal Street, New York, New York 10012 (the "MacDougal Street Property");

**WHEREAS**, Antonini is the owner of an unencumbered 30.9140 percent interest in Bridgeview, an unencumbered 28.36 percent interest in Dean Street, an unencumbered 26.1510 percent interest in N. 9<sup>th</sup> and an unencumbered 25.0 percent interest in Starko, and is the sole shareholder and director of 129 MacDougal; **WHEREAS**, Caraballo is the owner of an unencumbered 13.91 percent interest in Dean Street, an unencumbered 4.0690 percent interest in N. 9<sup>th</sup> and an unencumbered 25.0 percent interest in Starko;

**WHEREAS**, Efremkov is the owner of an unencumbered 26.9735 percent interest in N. 9<sup>th</sup>;

**WHEREAS**, Greaves is the owner of an unencumbered 10.43 percent interest in Dean Street and an unencumbered 5.0863 percent interest in N. 9<sup>th</sup>;

**WHEREAS**, Orazio is the owner of an unencumbered 34.543 percent interest in Bridgeview, an unencumbered 23.64 percent interest in Dean Street, an unencumbered 10.3760 percent interest in N. 9<sup>th</sup> and an unencumbered 25.0 percent interest in Starko

**WHEREAS**, Rocco is the owner of an unencumbered 34.543 percent interest in Bridgeview, an unencumbered 23.64 percent interest in Dean Street, an unencumbered 10.3760 percent interest in N. 9<sup>th</sup> and an unencumbered 25.0 percent interest in Starko;

**WHEREAS**, Zhitnik is the owner of an unencumbered 16.9684 percent interest in N. 9<sup>th</sup>; **WHEREAS**, on or about October 23<sup>rd</sup>, 2007, Antonini commenced a lawsuit in the Supreme Court of the State of New York, County of New York, bearing Index No. 603513/07, entitled "Vittorio Antonini v. Orazio Petito, Rocco Petito, and Bridgeview at Broadway, LLC" (the "Bridgeview Action");

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**WHEREAS**, on or about December 20<sup>th</sup>, 2007, the defendants in the Bridgeview Action moved to dismiss the complaint in said action;

**WHEREAS**, on or about February 21<sup>st</sup>, 2008, following oral argument on the defendants' motion to dismiss the complaint in the Bridgeview Action, the court stated that it would dismiss the cause of action seeking the dissolution of Bridgeview and would not dismiss the causes of action seeking an accounting and for breach of fiduciary duty;

**WHEREAS**, a final written order deciding the motion to dismiss the Bridgeview Action has not yet been rendered;

**WHEREAS**, on or about April 16, 2008, Antonini and Caraballo commenced an action in the Supreme Court of the State of New York, County of New York, bearing Index No. 601141/08, entitled "Vittorio Antonini and Robert Caraballo, individually and as members of Dean Street Apts, LLC, each on behalf of Himself and all other members of Dean Street Apts, LLC similarly situated, and in the right of Dean Street Apts, LLC, v. Orazio Petito and Dean Street Apts, LLC" (the "Dean Street Action");

**WHEREAS**, the summons and complaint in the Dean Street Action has not yet been served on the defendants in said action and, therefore, the defendants have not answered or moved with respect to the complaint;

**WHEREAS**, on or about March 6<sup>th</sup>, 2008, Orazio, Rocco, and Greaves commenced an action in the Supreme Court of the State of New York, County of Kings, bearing Index No. 7421/08, entitled "Orazio J. Petito, Rocco J. Petito, and Daniel Greaves, individually and as members of N. 9<sup>th</sup> LLC, each on behalf of himself and all other members of N. 9<sup>th</sup> LLC similarly situated, and in the right of N. 9<sup>th</sup> LLC v. Vittorio Antonini, Alexander Zhitnik, Victor Efremenkov, Robert Caraballo and N. 9<sup>th</sup> LLC ("N. 9<sup>th</sup> action");

**WHEREAS**, on or about April 29, 2008, prior to the date upon which the defendants in the N. 9<sup>th</sup> Action were required to answer or move with respect to the complaint, the plaintiffs in said N. 9<sup>th</sup> Action served their first amended verified complaint;

**WHEREAS**, on or about May 22, 2008, defendants Efremenkov and Zhitnik served their answer to the first amended verified complaint and their counterclaims in said N. 9<sup>th</sup> Action;

**WHEREAS**, the time for defendants Antonini, Caraballo and N. 9<sup>th</sup> to answer or move with respect to the first amended verified complaint in said N. 9<sup>th</sup> Action has been extended;

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**WHEREAS**, the time for plaintiffs Orazio, Rocco and Greaves to reply to the counterclaims in said N. 9<sup>th</sup> Action has been extended;

**WHEREAS**, by entering into this Agreement, the parties do not waive any of the allegations set forth in the pending lawsuits until such time as the Closing takes place and, pursuant to the terms of this Agreement, the lawsuits are discontinued and releases exchanged;

**WHEREAS**, on or about September 13, 2006, to finance the purchase of the Bridgeview Property, Bridgeview obtained a mortgage loan from BRT Realty Trust ("BRT") in the sum of \$2,500,000.00 (the "Bridgeview Loan");

**WHEREAS**, in consideration for said Bridgeview Loan, Bridgeview executed and delivered to BRT a mortgage, promissory note, a number of other closing documents, and the personal guarantees of Antonini, Orazio and Rocco, guaranteeing all of the obligations of Bridgeview under the said Bridgeview Loan;

**WHEREAS**, in further consideration for said Bridgeview Loan, Orazio pledged additional collateral, to-wit: real property located at 730 Sackett Street, Brooklyn, New York ("Orazio's Additional Collateral") as security for the repayment of said Bridgeview Loan;

**WHEREAS**, on or about October 5, 2006, to finance the purchase of certain of the N. 9<sup>th</sup> Property, N. 9<sup>th</sup> obtained a mortgage loan from The Community Preservation Corporation ("CPC") in the sum of \$1,070,000 (the "N. 9<sup>th</sup> Loan");

**WHEREAS**, in consideration for said N. 9<sup>th</sup> Loan, N. 9<sup>th</sup> executed and delivered to CPC a mortgage, promissory note, a number of other closing documents, and the personal guarantees of Antonini, Caraballo, Greaves, Orazio, Rocco, and Zhitnik, jointly and severally guaranteeing all of the obligations of N. 9<sup>th</sup> to CPC under the said N. 9<sup>th</sup> Loan;

**WHEREAS**, N. 9<sup>th</sup>, Antonini, Caraballo, Efremenko and Zhitnik are seeking to refinance the N. 9<sup>th</sup> Loan with United Commercial Bank ("UCB") (the "N. 9<sup>th</sup> Refinancing");

**WHEREAS**, Starko had been used for certain construction projects;

**WHEREAS**, Antonini, Caraballo, Orazio and Rocco wish to dissolve Starko;

**WHEREAS**, the parties wish to amicably resolve the disputes between them in accordance with the terms of this Agreement, and without admission of liability by any party;

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**NOW, THEREFORE**, in consideration of mutual promises, covenants and agreements set forth in this Agreement and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. Representation and Warranties.**

1.1 Antonini represents that as of the date hereof, he is the owner of an unencumbered 30.914 percent interest in Bridgeview, an unencumbered 28.36 percent interest in Dean Street, an unencumbered 26.1510 percent interest in N. 9<sup>th</sup>, and an unencumbered 25.0% percent interest in Starko, and all of the issued and outstanding shares of 129 MacDougal, which shares

are not subject to any liens, charges or other encumbrances of any kind. Antonini further represents that he is the president and sole shareholder of 129 MacDougal and has the full authority to act on behalf of and bind 129 MacDougal and to enter into this Agreement and execute the documents that will be created pursuant to the terms of this Agreement on behalf of 129 MacDougal.

1.2 Caraballo represents that as of the date hereof, he is the owner of an unencumbered 13.91 percent interest in Dean Street, an unencumbered 4.0690 percent interest in N. 9<sup>th</sup> and an unencumbered 25.0 percent interest in Starko.

1.3 Efremenkov represents that as of the date hereof, he is the owner of an unencumbered 26.9735 percent interest in N. 9<sup>th</sup>.

1.4 Greaves represents that as of the date hereof, he is the owner of an unencumbered 10.43 percent interest in Dean Street and an unencumbered 5.0863 percent interest in N. 9<sup>th</sup>.

1.5 Orazio represents that as of the date hereof, he is the owner of an unencumbered 34.543 percent interest in Bridgeview, an unencumbered 23.64 percent interest in Dean Street, an unencumbered 10.3760 percent interest in N. 9<sup>th</sup> and an unencumbered 25.0 percent interest in Starko.

1.6 Rocco represents that as of the date hereof, he is the owner of an unencumbered 34.543 percent interest in Bridgeview, an unencumbered 23.64 percent interest in Dean Street, an unencumbered 10.3760 percent interest in N. 9<sup>th</sup> and an unencumbered 25.0 percent interest in Starko.

1.7 Zhitnik represents that as of the date hereof, he is the owner of an unencumbered 16.9684 percent interest in N. 9<sup>th</sup>.

1.8 Antonini, Caraballo, Efremenkov, Greaves, Orazio, Rocco and Zhitnik each represent and warrant to one another and to Bridgeview, Dean Street and N. 9<sup>th</sup>, that; (a) the percentage membership interests owned by each individual as set forth above constitutes the full and total membership interests that he owns in each entity; (b) he is the sole record and beneficial owner of the membership interests set forth above with regard to each entity; (c) there are no liens, charges or encumbrances of any kind or nature with regards to the membership interests set forth above with regard to each entity; (d) no other person or entity has any rights, interests, calls, commitments, subscriptions, options, demands, arrangements, proxies or agreements of any nature in the membership interests set forth above with regard to each entity; (e) he has the full and requisite right and authority to enter into this Agreement and to transfer and to sell his membership interests as set forth below and that upon his delivery of his membership interests certificates and powers representing the interests that he is selling, assigning and transferring to the purchasers hereunder, the

purchasers will, respectively, own all such membership interests free and clear of any liens, charges or other encumbrances.

1.9 Antonini, Orazio, and Rocco represent that after the return of capital contributions described in Section 2 below, Bridgeview shall have sufficient assets to meet its current obligations; provided, however, that the Bridgeview members shall each be required to make monthly contributions to Bridgeview in order for Bridgeview to keep current with its obligations under the Bridgeview Loan and any future loan(s) obtained by Bridgeview to complete the renovations of Bridgeview ("Additional Contribution(s)").

## **2. Bridgeview.**

2.1 Antonini, Orazio, and Rocco consent to the amendment of Bridgeview's Operating Agreement, as follows:

2.1.1 Article III, §§1,7, only to the extent of providing that, upon delivery of all of the documents referred to in this Agreement at Closing, only Antonini and Orazio shall be the managing members of Bridgeview; their unanimous consent is required with respect to any decision required to be made, under the Operating Agreement or applicable law, by the managing members of Bridgeview; and that in the event of a dispute between Antonini and Orazio concerning any said decision required to be made by the managing members ("Disagreement"), the said Disagreement shall be submitted to Alessandro Marra, Esq., or to any successor individual consented to by Antonini and Orazio, who shall attempt to mediate a resolution of the Disagreement agreeable to both Antonini and Orazio. If Antonini and Orazio are unable to reach an agreement at said mediation, the parties agree that Gary Sunden, Esq. is hereby appointed to arbitrate the Disagreement and that Antonini, Orazio and Bridgeview shall be bound by the arbitrator's decision. Bridgeview shall pay the costs of the mediation/arbitration.

### **2.1.2 Article III, §§8-9, only to the extent of:**

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2.1.2.1 permitting Orazio and Rocco, unconditionally, the right to give, sell, assign, pledge, hypothecate, exchange or otherwise transfer to the other all or any part of his Membership Interest (a "Petito Interest") in the Company, without the required consent of any other member; and

2.1.2.2 other than with respect to the sale, assignment, pledge, hypothecation, exchange or other transfer of a Petito Interest as provided in Section 2.1.2.1 above and subject to the provisions of Section 2.1.2.5 below, permitting a member to give, sell, assign, pledge, hypothecate, exchange or otherwise transfer his interest ("Transfer") in Bridgeview by giving written notice to Bridgeview and the other members of his

intention to Transfer at a purchase price established pursuant to Section 2.1.2.3 below. Such notice shall contain an offer to sell all of such member's interest. Within thirty (30) days after receipt of such notice, the non-selling members shall advise the selling member in writing of their intention to purchase the selling member's interest. If the non-selling members elect not to purchase the selling member's interest, then the selling member shall be entitled to sell all of his interest to a third party provided such third party agrees to be bound by all the terms and conditions of the Operating Agreement. The selling member must provide the non-selling members with written notice of the identity of the proposed purchaser and the terms of the proposed Transfer. If the selling member does not close on the Transfer as provided in Section 2.1.2.4 below, the selling member may not Transfer his share to any third party without, again, first offering to Transfer his interest to the non-selling members as provided in this Section 2.1.2.2.

2.1.2.3 The purchase price would be determined by the appraised value of Bridgeview at the time of the proposed Transfer. The appraised value would be determined by the selling member, and the non-selling members collectively, selecting a licensed appraiser (each of the selling and non-selling members would be responsible for paying the appraiser each selects), and the members would be bound to accept any amount agreed-upon by the appraisers, or the midpoint of two amounts so long as they are not greater than 10% apart. If they are greater than 10% apart, then the two appraisers would select a third licensed appraiser, the cost of which would be split by the selling member, on the one hand, and the non-selling members collectively, on the other hand, and the members would be bound by the amount determined by the third appraiser. The purchase price would be the appraised value of the selling member's interest at the time of the appraisal. The interest would be determined by the selling member's capital account contributions at the time of the appraisal viz-a-viz the total capital contributions of all members.

2.1.2.4 In the event of a Transfer as provided herein, the time, place and date of closing of such Transfer shall take place within one hundred eighty (180) days of the date of such written advice of (a) the exercise of the right of first refusal, or (b) the non-exercise of the right of first refusal, as the case may be.

2.1.2.5 Notwithstanding anything to the contrary set forth herein, Antonini may not Transfer his membership interest without the unanimous written consent of the non-selling members, which consent may be given or withheld in the absolute discretion of the non-selling members, until such time as the Notes given by Antonini in payment of the Purchase Price, as defined and provided in Section 2.3 below, are paid in full; provided, however, that such unanimous written consent of the non-selling members shall not be required if the Notes given by Antonini in payment of the Purchase Price, as defined and provided in Section 2.3 below, are paid in full at the closing of said Transfer.

2.1.2.6 Notwithstanding anything to the contrary set forth herein, after the issuance of the third appraisal, (a) the selling member may withdraw his offer to sell, in which event he will be liable for the costs of all three appraisals, or (b) the non-selling member(s) may elect not to purchase, in which event the selling member may Transfer his interest to a third party as provided in, and subject to the provisions of, Sections 2.1.2.2, 2.1.2.4 and 2.1.2.5 above.

2.1.2.7 In the event of the death, permitted withdrawal, or expulsion for cause, or an event of bankruptcy or insolvency, as hereinafter defined, with respect to a member, or the occurrence of any other event which terminates the continued membership of a member in the Limited Liability Company pursuant to the laws of New York (each of the foregoing being hereinafter referred to as a "Withdrawal Event"), the Limited Liability Company shall terminate sixty days after notice to the members of such Withdrawal Event unless the business of the Limited Liability Company is continued as hereinafter provided.

2.1.2.8 Notwithstanding a Withdrawal Event with respect to a member, the Limited Liability Company shall not terminate, irrespective of applicable law, if within aforesaid sixty day period the remaining members, by the unanimous vote or consent of the members (other than the Member who caused the Withdrawal Event), shall elect to continue the business of the Limited Liability Company.

2.1.2.9 In the event of a Withdrawal Event with respect to any member, the remaining Members may purchase the interest of any member or successor in interest to such Member (including without limitation any executor, administrator, heir, committee, guardian, or other representative or successor), or the member or successor in interest to such member may Transfer said membership interest in the same manner as if such member had not withdrawn, as provided in Sections 2.1.2 – 2.1.6, above.

2.1.2.10 An "event of bankruptcy or insolvency" with respect to a member shall occur if such member: applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of his assets; or makes a general assignment for the benefit of creditors; or is adjudicated a bankrupt or an insolvent; or files a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or to take advantage of any bankruptcy, insolvency, readjustment of debt or similar law or statute, or an answer admitting the material allegations of a petition filed against him in any bankruptcy, insolvency, readjustment of debt or similar proceedings; or takes any action for the purpose of effecting any of the foregoing; or an order, judgment or decree shall be entered, with or without the application, approval or consent of such member, by any court of competent jurisdiction, approving a



petition for or appointing a receiver or trustee of all or a substantial part of the assets of such member, and such order, judgment or decree shall continue unstayed and in effect for thirty days.

2.1.3 Article IV, only to the extent of providing:

Actions and decisions requiring the approval of the members pursuant to any provision of this Agreement may be authorized or made either by vote of the required number of members taken at a meeting of the Members or by unanimous written consent without a meeting.

Any member may call a special meeting to consider approval of an action or decision under any provision of this Agreement by delivering to each other member written notice of the time and purpose of such meeting at least five (5) days before the day of such meeting. A member may waive the requirement of notice of a meeting either by attending such meeting or executing a written waiver before or after such meeting. Any such meeting shall be held during the regular business hours at the place designated in said notice provided that such venue is in Brooklyn, Manhattan or some other location within reasonable proximity of the property. Notice of a special meeting may be given by email and regular mail to the members at the addresses provided below for the giving of such notices. Any member may propose that the Company authorize an action or decision pursuant to any provision of this Agreement by unanimous written consent of all members in lieu of a meeting. A member's written consent may be evidenced by such person's signature on a counterpart of the proposal or by a separate writing (including a facsimile or email) that identifies the proposal with reasonable specificity and states that the member consents to such proposal.

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A member may vote (or execute a written consent) by proxy given to any other member. Any such proxy must be in writing and must identify the specific meeting or matter to which the proxy applies or state that it applies to all matters (subject to specified reservations, if any) coming before the members for approval under any provision of this Agreement prior to a specified date (which shall not be later than the first anniversary date on which such proxy is given). Any such proxy shall be revocable at any time and shall not be effective at any meeting at which the member giving such proxy is in attendance.

The Company shall maintain permanent records of all actions taken by the members pursuant to any provision of this Agreement, including minutes of all Company meetings, copies of all actions

taken by consent of the members, and copies of all proxies pursuant to which one member votes or executes a consent on behalf of another.

2.1.4 Article V, §§4,6, only to the extent of permitting Bridgeview to pay, and Orazio and Rocco to receive, portions of their capital contributions as set forth in Sections 2.2 - 2.3 below; provided however, that subsequent to the return of capital contributions as provided herein, Article V, §§4,6 shall remain in full force and effect.

2.1.5 Article V, §6, only to the extent of providing:

The cash receipts of the Limited Liability Company shall be applied in the following order of priority: (a) to the payment by the Limited Liability Company of interest or amortization on any mortgages on the Property then due and owing, amounts due on debts and liabilities of the Limited Liability Company other than to any member, costs of the construction of the improvements to the Property, and operating expenses of the Limited Liability Company then due and owing; (b) to the payment of interest and amortization due on any loan made to the Limited Liability Company by any member; (c) to the establishment of cash reserves determined by the managing members to be necessary or appropriate, including without limitation reserves for the operation of the Limited Liability Company's business, construction, repairs, replacements, taxes and contingencies; and (d) to the repayment of any loans made to the Limited Liability Company by any member. Thereafter, the cash receipts of the Limited Liability Company shall be distributed among the members as hereafter provided.

2.1.6 Article VII, §4, only to the extent of providing:

All notices, demands, requests or other communications which any of the parties to this Agreement may desire or be required to give hereunder, except notice of a special meeting of the members, shall be in writing and shall be deemed to have been properly given if sent registered or certified mail, return receipt requested, addressed as follows: (a) if to the Limited Liability Company, to the Limited Liability Company c/o the managing members at 1960 83<sup>rd</sup> Street, Brooklyn, New York 11214, or to such other address or addresses as may be designated by the Limited Liability Company or the managing members by notice to the members pursuant to the provisions hereof; (b) if to the managing members, to the managing members at the following addresses: Vittorio Antonini, 218 Thompson Street, New York, New York 10012, Vittorio@verizon.net, and to Orazio Petito at

1960 83<sup>rd</sup> Street, Brooklyn, New York 11214, [orazioj@peto.com](mailto:orazioj@peto.com) or to such other address or addresses as may be designated by the managing members by notice to the Limited Liability Company and the members pursuant to the provisions hereof; and (c) if to any member, to the addresses set forth above for Antonini and Orazio, and, for Rocco, to Rocco Petito, 1960 83<sup>rd</sup> Street, Brooklyn, New York 11214, [rocco.petito@verizon.net](mailto:rocco.petito@verizon.net) or to such other address as may be designated by said member by notice to the Limited Liability Company and the other members pursuant to the provisions hereof. Each member shall keep the Limited Liability Company and the other members informed of such member's current address.

Copies of any notice shall be sent to the respective counsel of the managing members as follows:

David J. Aronstam, Esq. 192 Lexington Avenue, Suite 1202  
New York, NY 10016  
[dja@aronstamlaw.com](mailto:dja@aronstamlaw.com)

and to

Bart J. Eagle, Esq.  
Law Offices of Bart J. Eagle, PLLC  
250 West 57<sup>th</sup> Street, Suite 1619  
New York, New York 10107

2.2 Simultaneous with the Closing that shall take place on or before April 6, 2009 (the "Closing"), \$50,000.00 shall be withdrawn from Bridgeview's bank account and one-half of said amount (\$25,000.00) shall be paid to each of Orazio and Rocco. These payments shall constitute returns of portions of Orazio's and Rocco's capital contributions and shall result in the adjustment of Antonini's, Orazio's and Rocco's capital accounts, and membership interests, as follows:

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Antonini: \$575,000.00 – 31.768 percent

Orazio: \$617,500.00 – 34.116 percent

Rocco: \$617,500.00 – 34.116 percent

2.3 At the Closing, Orazio and Rocco shall each transfer 9.116 percent of their respective membership interests in Bridgeview to Antonini in consideration for the payment by Antonini of the sum of \$165,000.00 to each of Orazio and Rocco, for a total sum of \$330,000.00 (the "Purchase Price"), payable as follows:

2.3.1 At the Closing, Antonini shall execute and deliver to Orazio and Rocco promissory notes in the forms attached hereto as Exhibit A-1 and A-2, each in the sum of \$165,000.00 (collectively, the "Notes"). The Notes shall be without interest until such time as Bridgeview closes on a new loan subsequent to the existing Bridgeview Loan (the "Bridgeview Refinancing"). The notes would be due and payable at the earlier of (a) a permitted Transfer of Antonini's interest in Bridgeview, (b) the closing of the Bridgeview Refinancing if Antonini's share of the proceeds of such refinancing is sufficient to pay the balances due on the notes; (c) any transfer by Antonini of his interest in N. 9<sup>th</sup>; or (d) the closing of any new loan obtained by N. 9<sup>th</sup> subsequent to the N. 9<sup>th</sup> Refinancing with UCB. In the event that the amount received by Antonini from the Bridgeview Refinancing is not sufficient to pay off the notes, the unpaid balances will incur interest at the rate equal to the interest rate that Bridgeview would be obligated to pay under the Bridgeview Refinancing.

2.3.2 One-half of any amounts due Antonini from the proceeds of the Bridgeview Refinancing shall be paid to Orazio and one-half of any amount due Antonini from the proceeds of the Bridgeview Refinancing shall be paid to Rocco, to reduce the outstanding balances due on the respective Notes. Further, if members of Bridgeview are entitled to distributions from the company, one-half of any amount due Antonini shall be paid to Orazio and one-half of any amount due Antonini shall be paid to Rocco, to reduce the outstanding balances due on the respective Notes. In such event, if the distributions are made subsequent to the Bridgeview Refinancing, the distributions shall be applied first to interest then due and payable and, thereafter, to principal.

2.3.3 One half of the purchase price of the sale or other transfer by Antonini of his interest in N. 9<sup>th</sup> (or any portion thereof) shall be paid to Orazio and one-half of the purchase price of the sale or other transfer by Antonini of his interest in N. 9<sup>th</sup> (or any portion thereof) shall be paid to Rocco, at the closing of such sale(s) or other transfers, to reduce the outstanding balances due on the respective Notes. In such event, if the sales or other transfer are made subsequent to the Bridgeview Refinancing, the payments due Orazio and Rocco hereunder shall be applied first to interest then due and payable and, thereafter, to principal. Antonini shall give written notice of any such sale or other transfer to Orazio and Rocco prior to the closing of the said transactions.

2.3.4 At the Closing, 129 MacDougal shall grant to Orazio and Rocco a security interest in the MacDougal Street Property and shall execute and deliver to Orazio and Rocco two (2) mortgages each in the form attached hereto as Exhibit A-3 ("Mortgages"), and shall be held in escrow by the Law Offices of Bart J. Eagle, PLLC (the "Eagle Firm" or "Escrowee") pursuant to the Escrow and Pledge Agreement attached hereto as Exhibit C (the "Escrow Agreement") Except for the purpose of refinancing the existing loan on or

concerning the MacDougal Street Property, or to pledge the MacDougal Street Property as security for the Bridgeview Refinancing, 129 MacDougal Street shall not grant or record any security interest in the said MacDougal Street Property until the conditions that would have permitted the Escrowee to release the Mortgage to Orazio and/or Rocco for filing pursuant to the terms of the Escrow Agreement have abated, or a satisfaction of mortgage is filed by Antonini pursuant to the terms of the said Escrow Agreement.

2.3.5 At the Closing, Orazio and Rocco shall deliver to David J. Aronstam, Esq. ("Aronstam"), attorney for Antonini, Caraballo and 129 MacDougal, a satisfaction of mortgage, in the forms attached hereto as Exhibit T, which shall be held in escrow by Aronstam pursuant to the terms of the Escrow Agreement.

2.4 At the Closing, Orazio and Rocco shall execute and deliver to Antonini assignments in the forms attached hereto as Exhibit B.

2.5 As a result of the contributions to and withdrawals from Bridgeview, and the transfer of interests as described in Sections 2.2, 2.3 and 2.4 the respective capital accounts and membership interests of Antonini, Orazio and Rocco in Bridgeview shall be, after Closing, as follows:

Antonini: \$905,000.00 – 50 percent

Orazio: \$452,500.00 – 25 percent

Rocco: \$452,500.00 – 25 percent

2.6 At the Closing, any membership interest certificates heretofor issued to Antonini, Orazio and/or Rocco in Bridgeview shall be marked "cancelled" and new membership interest certificates shall be issued to each of Antonini, Orazio and Rocco setting forth each member's percentage interest in Bridgeview after the contributions to and from Bridgeview and the transfers as described in Section 2.5.

2.7 At the Closing, Antonini shall deliver to the Eagle Firm all membership interest certificates issued to Antonini representing any and all membership units held by Antonini in Bridgeview, all free and clear of any liens, charges or encumbrances of any kind ("Antonini Bridgeview Shares"). All such membership interests certificates to be delivered by Antonini shall be accompanied by membership unit powers endorsed in blank by Antonini so as to enable the transfer of each said certificate to Orazio and Rocco, or their designees, but the membership interest certificates to be transferred by Antonini shall remain in Antonini's name while they are held in escrow under and pursuant to the Escrow Agreement.

2.8 The Escrowee shall hold in escrow and/or dispose of all of the membership interest certificates for Antonini's Bridgeview Shares together with the powers in blank executed by Antonini, pursuant to the terms of the Escrow Agreement.

2.9 At the Closing, Antonini, Orazio and Rocco shall each execute the resolutions attached to as Exhibit D..

2.10 At the Closing, Antonini, Orazio, Rocco and Bridgeview shall execute the stipulation of discontinuance with prejudice, in the form attached hereto as Exhibit E, which stipulation may be filed by the Eagle Firm with the court immediately and without further notice.

2.11 Antonini represents to Orazio, Rocco and Bridgeview that he has not incurred any liability on behalf of Bridgeview and agrees to indemnify and hold Orazio, Rocco and Bridgeview harmless from and against any loss or liability (including reasonable attorneys fees and expenses) that Orazio, Rocco, and/or Bridgeview incur arising out of a breach of the foregoing representation.

*Upon request of BRT or any successor in interest*  
2.12 ~~Prior to the Closing~~, Antonini shall pledge to BRT, or any successor in interest to BRT, as additional security and/or collateral for said Bridgeview Loan (or any successor loan(s) obtained to finance the renovations of the Bridgeview Property) the MacDougal Street Property.

2.13 At the Closing, Antonini shall deliver to the Eagle Firm the stock certificate(s) issued to him for his interest in 129 MacDougal, all free and clear of any liens, charges, or encumbrances of any kind. Such stock certificate shall be accompanied by a power endorsed in blank by Antonini so as to enable the transfer of such certificate to Orazio and Rocco, their designees. The stock certificate to be transferred shall remain in Antonini's name while it is held in escrow under and pursuant to the Escrow Agreement (Exhibit C"). Orazio and Rocco shall be permitted to immediately file a UCC-1 Financing Statement with any and all appropriate state and county officials reflecting their security interest in said pledged stock certificate. Antonini may file a UCC-3 releasing the said security interest upon the later of (a) full payment of the Notes, and (b) BRT's (or any successor lender's) release of Orazio's Additional Collateral.

2.14 The Escrowee shall hold in escrow and/or dispose the said stock certificate, together with the power in blank executed by Antonini pursuant to the terms of the Escrow Agreement.

### 3. Dean Street

3.1 At the Closing, Antonini shall deliver payments, by bank or certified checks, to Orazio in the sum of \$2,432.87, to Rocco in the sum of \$2,432.87 and to Greaves in the sum of \$1,192.58.

3.2 At the Closing, Caraballo shall deliver payments, by bank or certified checks, to Orazio in the sum of \$1,193.35, to Rocco in the sum of \$1,193.35 and to Greaves in the sum of \$584.98.

3.3 At the Closing, Antonini shall transfer to each of Orazio, Rocco and Greaves 11.39 percent, 11.39 percent and 5.58 percent, respectively, of his membership interest in Dean Street ("Antonini's Dean Street Interest").

3.4 At the Closing, Caraballo shall transfer to each of Orazio, Rocco and Greaves 5.59 percent, 5.59 percent and 2.74 percent, respectively, of his membership interest in Dean Street ("Caraballo's Dean Street Interest").

3.5 As a result of the transfer of Antonini's Dean Street Interest and Caraballo's Dean Street Interest, the respective capital accounts and membership interests of Antonini, Caraballo, Orazio, Rocco and Greaves in Dean Street shall be, after Closing, as follows:

Antonini: \$0.00 – 0 percent

Caraballo: \$0.00 – 0 percent

Orazio: \$601,438.78 – 40.62 percent

Rocco: \$601,438.78 – 40.62 percent

Greaves: \$277,722.44 – 18.76 percent

3.6 At the Closing, Antonini and Caraballo shall execute and deliver assignments in the forms attached hereto as Exhibit F.

3.7 At the Closing, any membership interest certificates for Dean Street heretofor issued to Antonini and Caraballo shall be marked "cancelled" and new membership interests certificates shall be issued to each of Orazio, Rocco and Greaves setting forth each member's percentage interest in Dean Street after the transfers described in Section 3.3 – 3.6.

3.8 At the Closing, Antonini, Caraballo, Orazio, Rocco, Greaves and Dean Street shall execute the stipulation of discontinuance with prejudice, in the form attached hereto as Exhibit G, which stipulation may be filed by the Eagle Firm with the court immediately and without further notice.

3.9 Antonini and Caraballo represent to Orazio, Rocco, Greaves and Dean Street that they have not incurred any liability on behalf of Dean Street and agree to indemnify and hold Orazio, Rocco, Greaves and Dean Street harmless from and against any loss or liability (including reasonable attorney's

fees and expenses) that Orazio, Rocco, Greaves and/or Dean Street incur arising out of a breach of the foregoing representation.

4. N. 9<sup>th</sup>.

4.1 At the Closing, Orazio shall transfer to each of Antonini and Caraballo 6.9613 percent and 3.4146 percent, respectively, of his membership interest in N. 9<sup>th</sup> ("Orazio's N. 9<sup>th</sup> Interest").

4.2 At the Closing, Rocco shall transfer to each of Antonini and Caraballo 6.9613 percent and 3.4146 percent, respectively, of his membership interest in N. 9<sup>th</sup> ("Rocco's N. 9<sup>th</sup> Interest").

4.3 At the Closing, Greaves shall transfer to each of Antonini and Caraballo 3.4124 percent and 1.6738 percent, respectively, of his membership interest in N. 9<sup>th</sup> ("Greaves' N. 9<sup>th</sup> Interest").

4.4 As a result of the transfer of Orazio's N. 9<sup>th</sup> Interest, Rocco's N. 9<sup>th</sup> Interest and Greaves' N. 9<sup>th</sup> Interest, the respective capital accounts and membership interests of Antonini, Caraballo, Orazio, Rocco and Greaves in N. 9<sup>th</sup> shall be, after Closing, as follows:

Antonini: \$1,068,715.39 – 43.4861 percent

Caraballo: \$308,971.68 – 12.5721 percent

Orazio: \$0.00 – 0 percent

Rocco: \$0.00 – 0 percent

Greaves: \$0.00 – 0 percent

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4.5 At the Closing, Orazio, Rocco and Greaves shall execute and deliver assignments to Antonini and Caraballo in forms attached hereto as Exhibit H.

4.6 At the Closing, any membership interest certificates for N. 9<sup>th</sup> heretofor issued to Orazio, Rocco and Greaves shall be marked "cancelled" and new membership interest certificates shall be issued to each of Antonini and Caraballo setting forth each member's percentage interests in N. 9<sup>th</sup> after the transfers described in Section 4.1 – 4.5.

4.7 At the Closing, Antonini, Caraballo, Orazio, Rocco, Greaves, Efremkov, Zhitnik and N. 9<sup>th</sup> shall execute the stipulation of discontinuance with prejudice, in the form attached hereto as Exhibit I, which stipulation may be filed by the Eagle Firm with the court immediately and without further notice.



4.8 Orazio, Rocco and Greaves represent to Antonini, Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> that they have not incurred any liability on behalf of N. 9<sup>th</sup>, except for obligations entered into on behalf of N. 9<sup>th</sup> by Orazio as its managing member, and agree to indemnify and hold Antonini, Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> harmless from and against any loss or liability (including reasonable attorney's fees and expenses) that Antonini, Caraballo, Efremkov, Zhitnik and/or N. 9<sup>th</sup> incur arising out of the breach of the foregoing representation.

4.9 Immediately after the Closing, Antonini, Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> shall use their best efforts to secure the cancellation by CPC, or any successor in interest to CPC, of the personal guarantees given by Orazio, Rocco and Greaves as security for the said N. 9<sup>th</sup> Loan and the release of all obligations of Orazio, Rocco and Greaves to CPC arising therefrom or relating thereto. In that regard, without limitation, Efremkov will issue his personal guarantee of the N. 9<sup>th</sup> Loan and Antonini, Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> shall provide CPC, or any successor in interest to CPC, with such additional security or collateral that CPC (or its successor) may require to cancel the guarantees and release all obligations of Orazio, Rocco and Greaves arising from or relating to the said N. 9<sup>th</sup> Loan.

4.10 Antonini, Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> shall indemnify and hold Orazio, Rocco and Greaves harmless from and against any loss or liability (including reasonable attorney's fees and expenses) that Orazio, Rocco and Greaves incur arising out of the guarantees given by Orazio, Rocco and Greaves to CPC as security for the N. 9<sup>th</sup> Loan. With respect to said indemnification, Antonini, Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> each agree to be jointly and severally liable for any amount due Orazio, Rocco and/or Greaves arising from or relating to this indemnification.

4.11 At the Closing, Antonini, Caraballo, Efremkov and Zhitnik shall deliver to Eagle Firm all membership interest certificates issued to Antonini, Caraballo, Efremkov and Zhitnik representing any and all membership units held by them in N. 9<sup>th</sup>, all free and clear of any liens, charges, or encumbrances of any kind. All such membership interest certificates to be delivered by Antonini, Caraballo, Efremkov and Zhitnik shall be accompanied by membership unit powers endorsed in blank by each of them so as to enable the transfer of each certificate to Orazio, Rocco and Greaves, or their designees. The membership interest certificates to be transferred shall remain in Antonini's, Caraballo's, Efremkov's and Zhitnik's names while they are held in escrow under and pursuant to the Escrow Agreement (Exhibit C").


4.12 The Escrowee shall hold in escrow and/or dispose of all of the membership interest certificates for Antonini, Caraballo, Efremkov and

Zhitnik together with the powers in blank executed by them pursuant to the terms of the Escrow Agreement.

4.13 In the preparation of the tax return for N. 9<sup>th</sup> for the tax year ending December 31, 2007, the managing member shall ensure that any expenses concerning operations of N. 9<sup>th</sup>, including, without limitation, debt service, shall be capitalized, and not taken as operating expenses, so as to not affect the capital accounts of the members.

5. Starko.

5.1 Antonini, Caraballo, Greaves, Orazio and Rocco agree to indemnify and hold each other harmless from and against any loss or liability (including reasonable attorney's fees and expenses) that each of them may incur arising out of the said indemnitor's use of Starko as a general contractor.



5.2 Orazio and Rocco shall each grant Antonini a credit in the sum of \$ 7590.00, representing ~~one-half~~ of the documented contributions by Antonini to the payment of insurance premiums on behalf of Starko up until the date of execution of this Agreement, to be applied to the amount due Orazio and Rocco of the Purchase Price pursuant to Section 2.3.1 above.

5.3 Antonini, Caraballo, Orazio, Greaves and Rocco shall each indemnify and hold each other harmless from and against any loss or liability (including reasonable attorney's fees and expenses) that any indemnitee may incur arising out of the use of Starko by any indemnitor or Greaves. In such event, the indemnitor responsible for this indemnification and hold harmless shall be the indemnitor whose actions caused the loss or liability.

5.4 Antonini, Caraballo, Orazio and Rocco agree to cooperate and cause the dissolution of Starko as soon as legally permitted. The cost of such dissolution shall be borne equally by the four (4) members.

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6. Releases.

6.1 At the Closing, Antonini shall execute and deliver to Orazio, Rocco, Greaves, Bridgeview and Dean Street releases in forms attached hereto as Exhibit J.

6.2 At the Closing, Caraballo shall execute and deliver to Orazio, Rocco, Greaves, Bridgeview and Dean Street releases in the forms attached hereto as Exhibit K.

6.3 At the Closing, Efremenko shall execute and deliver to Orazio, Rocco, Greaves, Bridgeview and Dean Street releases in the forms attached hereto as Exhibit L.

6.4 At the Closing, Greaves shall execute and deliver to Antonini, Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> releases in the forms attached hereto as Exhibit M.

6.5 At the Closing, Orazio shall execute and deliver to Antonini, Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> releases in the forms attached hereto as Exhibit N.

6.6 At the Closing, Rocco shall execute and deliver to Antonini, Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> releases in the form attached hereto as Exhibit O.

6.7 At the Closing, Zhitnik shall execute and deliver to Orazio, Rocco, Greaves, Bridgeview and Dean Street releases in the forms attached hereto as Exhibit P.

6.8 At the Closing, Bridgeview shall execute and deliver to Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> releases in the forms attached hereto as Exhibit Q.

6.9 At the Closing, Dean Street shall execute and deliver to Antonini, Caraballo, Efremkov, Zhitnik and N. 9<sup>th</sup> releases in the forms attached hereto as Exhibit R.

6.10 At the Closing, N. 9<sup>th</sup> shall execute and deliver to Orazio, Rocco, Greaves, Bridgeview and Dean Street releases in the forms attached hereto as Exhibit S.

## **7. Miscellaneous.**

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7.1 This Agreement and the executed documents referred to herein reflect the compromise and settlement of disputed and contested claims and nothing contained herein is intended or shall be construed as an admission by any party hereto of liability or wrongdoing of any kind or as evidence as thereof.

7.2 The parties agree that each transaction described in Section 2, 3, 4, 5 and 6 shall be considered as part of the consideration for all of the other transactions described in Sections 2, 3, 4, 5 and 6 so that, e.g. a transfer of interest described in Section 4 would also be part of the consideration for a transfer described in Section 3.

7.3 This Agreement sets forth the entire understanding between the parties concerning the subject matter of this Agreement and supersedes all

prior negotiations and understandings. There are no covenants, promises, agreements, conditions or understanding, either oral or written, between them relating to the subject matter of this Agreement. No representation or warranty has been made by or on behalf of any party to this Agreement to induce any other party to enter into this Agreement or to abide by or consummate any transaction contemplated by any term of this Agreement, except representations, covenants and warranties, if any, expressly set forth herein. No alteration, amendment, change or addition to this Agreement shall be binding upon any party unless in writing and signed by the party to be charged or by said party's attorney.

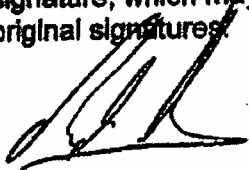
7.4 Any waiver by a party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach such provision or of any breach by any other provision of this Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on one or more occasions shall not be considered a waiver or deprive a party of the right thereafter to insist on strict adherence to that term or any other term of this Agreement. Any waiver must be in writing.

7.5 This Agreement shall inure to the benefit of and be binding on the parties hereto and their directors, officers, heirs, members, agents, legal representatives, successors and permitted assigns.


7.6 This Agreement is the product of full and complete negotiation at arms length by the parties hereto. In view of the negotiations which have culminated in the execution of this agreement, no prior drafts, letters or memoranda prepared by any party hereto shall be used to construe or interpret any provision hereof, and no party hereto shall be considered the "drafter" of this Agreement for the purpose of construing the terms, conditions and obligations set forth herein.

7.7 The provisions of this Agreement shall survive the closing.

7.8 This Agreement may be signed in counterparts by facsimile signature, which may be used in lieu of, and shall be deemed equivalent to, original signatures.



VITTORIO ANTONINI



**VICTOR EFREMEKOV**

**DANIEL GREAVES**

**ORAZIO PETTÒ**

# ROCCO PETTÒ

~~ALEXANDER ZHITNIK~~

**BRIDGEVIEW AT BROADWAY, LLC**

**Vittorio Antonini, Member**

By: [Signature]  
Orazio Petito, Member

By:   
Rocco Petito, Member

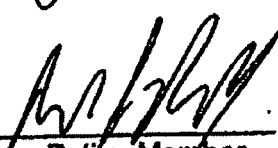
DEAN STREET APTS, LLC

By:   
Vittorio Antonini, Member

By:   
Robert Caraballo, Member

By:   
Daniel Greaves, Member

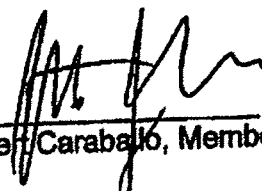
By:   
Orazio Petito, Member

By:   
Rocco Petito, Member

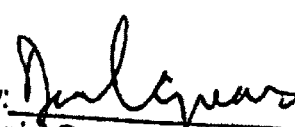
N. 9<sup>th</sup> LLC

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By:   
Vittorio Antonini, Member

By:   
Robert Caraballo, Member

By:   
Victor Efremenkov, Member

By:   
Daniel Greaves, Member

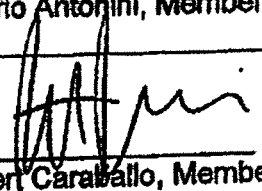
By:   
Orazio Petito, Member

By:   
Rocco Petito, Member

By:   
Alexander Zhirnik, Member

STARKO \_\_\_\_\_

By:   
Vittorio Antonini, Member

By:   
Robert Caraballo, Member

By:   
Orazio Petito, Member

By:   
Rocco Pedito, Member

129 MacDougal Street Associates, Inc.

By:   
Name: Vittorio Antonini, sole shareholder and director