SAMPLE COOPERATIVE CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

SAMPLE COOPERATIVE CORP.

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A PRACTICE LIMITED TO
COOPERATIVES AND CONDOMINIUMS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Sample Cooperative Corp.

We have audited the accompanying balance sheets of Sample Cooperative Corp. (the "Corporation") as of December 31, 2010 and 2009 and the related statements of operations and accumulated deficit, and statements of cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sample Cooperative Corp. as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 7 to the financial statements, the Corporation's governing documents do not require that funds be accumulated for future major repairs and replacements. As such, the Corporation has not estimated the remaining useful lives and replacement costs of the common property and, therefore, has not presented the estimates of future costs of major repairs and replacements that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be part of, the basic financial statements.

Greenberg & Brennan, CPA's, P.C.

GREENBERG & BRENNAN, CPA's, P.C.
March 15, 2011

SAMPLE COOPERATIVE CORP.

BALANCE SHEETS

ASSETS

	December 31, 2010	December 31, 2009
Current Assets		
Cash and Equivalents:		
Cash in Bank – Operating	$ 400,014	$ 397,943
Reserve Fund *(Note 2J)*	408,614	408,606
Total Cash and Equivalents *(Notes 2B and 2K)*	808,628	806,549
Accounts Receivable: *(Note 2F)*		
Shareholders	15,214	23,163
Commercial Tenants	116,330	70,932
Total Accounts Receivable	131,544	94,095
Prepaid Expenses:		
Insurance	30,832	26,969
Total Prepaid Expenses	30,832	26,969
Total Current Assets	971,004	927,613
Real Estate *(Note 2C)*		
Land	2,152,040	2,152,040
Building	6,221,728	6,221,728
Building Improvements	2,704,312	2,670,391
Machinery and Equipment	53,787	43,091
Furniture and Fixtures	309,136	309,136
	11,441,003	11,396,386
Less Accumulated Depreciation *(Note 2D)*	6,267,308	5,998,604
Real Estate – Net of Accumulated Depreciation	5,173,695	5,397,782
Other Assets		
Second Mortgage Defeasance Fund *(Note 3B)*	737,789	1,037,826
Security Deposits	113,433	97,951
Deferred Mortgage Costs – Net of Accumulated Amortization *(Note 2E)*	21,913	29,712
Total Other Assets	873,135	1,165,489
TOTAL ASSETS	$ 7,017,834	$ 7,490,884

See Independent Auditors' Report and Notes to Financial Statements.

SAMPLE COOPERATIVE CORP.

BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 2010	December 31, 2009
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 69,191	$ 99,345
Accrued Interest Payable	22,414	26,684
Prepaid Maintenance	6,139	8,111
Provision for Corporation Income Taxes *(Note 5)*	20,000	20,000
Total Current Liabilities	117,744	154,140
Long-Term Liabilities		
First Mortgage Payable *(Note 3A)*	3,550,000	3,550,000
Second Mortgage Payable *(Note 3B)*	495,000	1,000,000
Total Long-Term Liabilities	4,045,000	4,550,000
Security Deposits Payable	165,433	138,951
Total Liabilities	4,328,177	4,843,091
Shareholders' Equity		
Common Stock, $l Par Value, Authorized 100,000 Shares, Issued and Outstanding 67,208 Shares	67,208	67,208
Paid-In Capital in Excess of Par Value of Common Stock	6,128,205	6,128,205
Capital Contributions *(Note 2H)*	1,191,435	965,605
Less: Accumulated Deficit	4,697,191	4,513,225
Total Shareholders' Equity	2,689,657	2,647,793
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 7,017,834	$ 7,490,884

See Independent Auditors' Report and Notes to Financial Statements.

SAMPLE COOPERATIVE CORP.

STATEMENTS OF OPERATIONS AND ACCUMULATED (DEFICIT)

	For the Years Ended December 31,	
	2010	2009
INCOME		
Maintenance Charges *(Note 2F)*	$ 2,024,305	$ 1,895,266
Assessment – Real Estate Tax Abatements *(Note 8)*	226,491	200,952
Assessment – Second Mortgage Defeasance *(Note 3B)*	225,830	270,179
Less: NYC Real Estate Tax Abatements/Exemptions *(Note 8)*	247,900	217,448
Contribution to Paid-In Capital *(Note 2H)*	225,830	270,179
	2,002,896	1,878,770
Garage Income	53,646	53,646
Transfer Fees *(Note 2I)*	6,270	6,142
Cable TV Charges	14,772	55,812
Late Charges and Other Fees	3,397	4,061
Commercial Rents *(Note 6)*	405,350	405,350
Real Estate Tax Escalation *(Note 6)*	152,146	128,514
Interest and Dividends	159	3,357
TOTAL INCOME	2,638,636	2,535,652
COST OF OPERATIONS		
Operating Expenses – *Schedule 1*	876,320	877,808
Repairs and Maintenance – *Schedule 2*	110,176	131,053
Administrative Expenses – *Schedule 3*	153,615	201,660
Taxes – *Schedule 4*	1,133,428	1,056,426
Interest Expense – First Mortgage *(Note 3A)*	248,500	248,500
Interest Expense – Second Mortgage *(Note 3B)*	24,060	70,365
TOTAL COST OF OPERATIONS	2,546,099	2,585,812
Operating Surplus (Deficit) Before Depreciation and Amortization	92,537	(50,160)
Less: Depreciation *(Note 2D)*	268,704	268,103
Amortization of Deferred Mortgage Costs *(Note 2E)*	7,799	7,799
NET (DEFICIT) FOR THE YEAR	(183,966)	(326,062)
Accumulated Deficit – January 1	(4,513,225)	(4,179,628)
4/2006–9/2008 Union Benefits	–	(7,535)
Accumulated Deficit – December 31	$(4,697,191)	$(4,513,225)

See Independent Auditors' Report and Notes to Financial Statements.

SAMPLE COOPERATIVE CORP.

STATEMENTS OF OPERATIONS AND ACCUMULATED (DEFICIT)

	For the Years Ended December 31,	
	2010	2009
SCHEDULE 1		
OPERATING EXPENSES		
Wages	$ 467,728	$ 467,503
Payroll Taxes	38,871	38,855
Workers' Compensation and Disability Insurance	11,418	7,941
Employees' Union Benefits *(Note 9)*	136,134	123,615
Uniforms and Other Payroll Costs	8,297	6,629
Subtotal	662,448	644,543
Fuel Oil	110,356	140,575
Electricity and Cooking Gas	46,725	44,218
Water and Sewer	56,791	48,472
TOTAL OPERATING EXPENSES	$ 876,320	$ 877,808
SCHEDULE 2		
REPAIRS AND MAINTENANCE		
Building Supplies	$ 19,894	$ 22,525
Exterminating	17,198	26,296
Elevator Repairs and Maintenance	15,112	12,994
Plumbing Repairs	5,847	8,238
Heating Repairs	17,716	17,067
Intercom and Building Security	4,198	13,045
Cleaning	3,583	6,610
Painting and Plastering	6,078	10,191
Carpentry Repairs	1,246	217
Other Interior Repairs	6,541	5,084
Landscaping and Decorations	4,008	4,309
Window Repairs	2,278	3,227
Other Exterior Repairs	6,477	1,250
TOTAL REPAIRS AND MAINTENANCE	$ 110,176	$ 131,053

See Independent Auditors' Report and Notes to Financial Statements.

SAMPLE COOPERATIVE CORP.

STATEMENTS OF OPERATIONS AND ACCUMULATED (DEFICIT)

SCHEDULE 3

	For the Years Ended December 31, 2010	2009
ADMINISTRATIVE EXPENSES		
Building Insurance	$ 59,967	$ 55,484
Cable Charges	14,659	53,764
Management Fees	49,000	47,500
Auditing Fees	10,700	10,400
Legal Fees	2,975	630
Other Professional Fees	352	15,819
Legal – Certiorari *(Note 10)*	400	460
Permits and Inspections	5,045	7,710
Telephone and Communications	2,576	2,567
Other Administrative Expenses	7,941	7,326
TOTAL ADMINISTRATIVE EXPENSES	$ 153,615	$ 201,660

SCHEDULE 4

	2010	2009
TAXES		
NYC Real Estate Taxes – Gross	$ 1,365,024	$ 1,257,603
Less: NYC Real Estate Tax Abatements/Exemptions *(Note 8)*	247,900	217,448
	1,117,124	1,040,155
New York State and City Corporation Taxes *(Note 5)*	16,304	16,271
TOTAL TAXES	$ 1,133,428	$ 1,056,426

See Independent Auditors' Report and Notes to Financial Statements.

SAMPLE COOPERATIVE CORP.

STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (Deficit)	$ (183,966)	$ (326,062)
Adjustments to Reconcile Net (Deficit) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	268,704	268,103
Amortization of Deferred Mortgage Costs	7,799	7,799
Prior Period Adjustments	–	(7,535)
Decrease (Increase) in Accounts Receivable	(37,449)	(44,200)
Decrease (Increase) in Prepaid Expenses	(3,863)	11,806
Decrease (Increase) in Security Deposits	(15,482)	(67,516)
(Decrease) Increase in Accounts Payable	(31,892)	(4,372)
(Decrease) Increase in Accrued Expenses	(2,532)	–
(Decrease) Increase in Prepaid Maintenance	(1,972)	(7,449)
(Decrease) Increase in Security Deposits Payable	26,482	78,516
Total Adjustments	209,795	235,152
Net Cash Provided (Used) by Operating Activities	25,829	(90,910)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) Decrease in Mortgage Defeasance Fund	300,037	(205,154)
Capital Expenditures	(44,617)	(16,382)
Net Cash Provided (Used) by Investing Activities	255,420	(221,536)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Reduction in Second Mortgage	(505,000)	–
Contribution to Paid-In Capital	225,830	270,179
Net Cash Provided (Used) by Financing Activities	(279,170)	270,179
Net Increase (Decrease) in Cash and Equivalents	2,079	(42,267)
Cash and Equivalents, Beginning	806,549	848,816
Cash and Equivalents, Ending	$ 808,628	$ 806,549
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash Paid During the Year:		
Corporation Taxes	$ 17,160	$ 16,463
Interest	$ 276,829	$ 318,864

See Independent Auditors' Report and Notes to Financial Statements.

NOTE 1 B NATURE OF ORGANIZATION

Sample Cooperative Corp. (the "Corporation") is a cooperative housing corporation incorporated in the State of New York in May 1980. The Corporation owns the land and building located at #### Street, New York, NY. The primary purpose of the Corporation is to manage the operations of Sample Cooperative Corp. as well as maintain the common elements. There are 118 apartments, one store and a garage located in the building. For 2010 and 2009, the Corporation qualified as a cooperative housing corporation as defined by section 216 of the Internal Revenue Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Accounting

The accrual method of accounting is followed in which income is recognized when earned and expenses are recognized when incurred.

B) Cash and Equivalents

For purposes of the statement of cash flows, the Corporation considers all highly liquid investments with maturity of approximately three months or less to be cash equivalents.

C) Real Estate

Real Estate is stated at acquisition cost less accumulated depreciation without consideration of present realizable value.

D) Depreciation

Building, Building Improvements, Furniture and Equipment are carried at cost and are being depreciated by the straight-line method over their estimated useful lives ranging from 5 to 40 years.

E) Amortization

Deferred Mortgage Costs are being amortized over the term of the mortgage on a straight-line basis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

F) Shareholders' Maintenance and Receivables

Maintenance charges are based on an annual budget determined by the Board of Directors. Shareholders are billed monthly based on their respective share holdings. The Corporation retains excess operating funds, if any, at the end of the operating year, for use in future operating periods.

In 2010 and 2009, annual maintenance was $30.12 and $28.20 per share respectively. For 2011, the Board approved an operating budget with a 3.2% increase in maintenance charges.

Shareholders' receivables at the balance sheet date represent maintenance fees due from shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of shareholders whose maintenance charges are delinquent. The Corporation considers all shareholders and commercial receivables as of the balance sheet date to be collectible. Accordingly, no allowance for doubtful accounts is required. If any receivables become uncollectible, they will be charged to operations when that determination is made.

G) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H) Contributions to Paid-In Capital

The Corporation treats special assessments or excess maintenance used for the acquisition of capital improvements as contributions to Paid-In Capital. These contributions increase the cost basis of each shareholder's apartment.

History of Increases in Basis of Shareholder Stock

Year	Contributions	Per Share
1980-1992	$ 87,859	$ 1.3073
1993	34,948	0.5200
1994-2002	32,260	0.4800
2007	270,179	4.0200
2008	270,179	4.0200
2009	270,179	4.0200
2010	225,830	3.3602
Totals	$ 1,191,434	$17.7275

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

I) Transfer Fees (Flip Taxes)

Sellers of the Corporation's common stock, representing an apartment ownership, are required to pay a special transfer fee of $2 per share to the Corporation at the time of transfer. The proceeds derived from such fees are recognized as patronage income to the Corporation at the time of transfer.

J) Marketable Securities

The Corporation's policy is to classify debt securities as held-to-maturity and record them at cost adjusted for amortization of premiums or discounts.

The Corporation's policy is to classify equity securities as available for sale securities and record them at current market prices with any unrealized gains and losses reported as a component of equity. Realized gains and losses are reported as income.

K) Concentration of Credit Risk

The Corporation maintains its cash in bank accounts, which, at times, may exceed federally insured limits. In addition, deposits are maintained in money market funds, which do not have federal deposit insurance. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and equivalents.

NOTE 3 – MORTGAGE PAYABLE

A) First Mortgage

On September 29, 1998, the Corporation secured a new first mortgage with Morgan Guaranty Trust Company of New York in the amount of $3,550,000. This mortgage bears interest at the rate of 7.00% per annum, and there are constant monthly payments of interest only in the amount of $20,708. The entire unpaid balance, $3,550,000, shall be due and payable on October 1, 2013. The first mortgage may be prepaid only with a penalty as detailed in the Mortgage Agreement, except that no penalty shall be payable if prepayment is made at any time after June 30, 2013. The new first mortgage also allows the mortgagor to encumber the premises with subordinate financing not to exceed $1,000,000, provided certain conditions are fulfilled.

NOTE 3 – MORTGAGE PAYABLE *(Continued)*

B) Second Mortgage Payable

On January 21, 2005, the Corporation obtained a second mortgage loan with National Consumer Cooperative Bank ("NCB") in the original principal amount of $1,000,000. This mortgage bears interest at the annual rate of 6.94% and matures on October 1, 2013. Through January 31, 2010 the interest rate is fixed at 6.94%. Commencing February 1, 2010, until maturity, the interest rate will float on a monthly basis to be 0.75% above the Prime Rate. Through February 28, 2010 monthly payments are of interest only. Commencing March 1, 2010, monthly payments will consist of accrued interest and principal of $500. Through January 31, 2010, the loan may be prepaid only in whole and with a fee to the Bank to maintain the yield of 6.94% until maturity. Commencing February 1, 2010, the loan may be prepaid in whole or in part without penalty. On January 28, 2010, the Corporation paid off $500,000, reducing principal balance to $500,000.

To accumulate funds to pay off this loan, the Board of Directors has approved a special assessment of $270,000 (for the principal and estimated interest) a year to be charged in monthly installments of $0.335 per share beginning January 1, 2005. Beginning January 1, 2010, the assessment was reduced to $0.28 per share per month.

C) Investment in National Consumer Cooperative Bank (NCB) Stock

At the Closing the Corporation was required to purchase NCB Class B-1 Capital Stock in the amount of $10,000 equal to one percent of the principal amount of the second mortgage. This stock is redeemable at the option of the bank. The shares of NCB stock, which are non-negotiable and without market value, maintain membership for the Corporation in the bank and pay annual cash and stock dividends (Class B-2 stock). In February 2007, the B-1 stock was redeemed and $10,000 returned to the Corporation.

During 2009 NCB paid its annual patronage dividend in the amount of $11,716 to the Corporation in Class B-2 stock. This constituted taxable income to the Corporation and was reported to the IRS by NCB as such. In 2010 NCB paid no dividends. NCB currently accepts Class B-2 stock in satisfaction of their stock purchase requirement on refinancing with the bank. The shares maintain membership for the Corporation in NCB and its eligibility for any benefits that may accrue in the future.

Class B-2 stock is non-negotiable, non-transferable and without market value. Therefore B-2 stock dividends are not being recognized in the accompanying financial statements.

NOTE 4 – INCOME TAX STATUS

The Mortgage Forgiveness Debt Relief Act of 2007 was signed into law on December 20, 2007, and is effective for corporations whose tax years end on or after December 21, 2007. Among the various provisions of this new law, there is an amendment to section 216 of the Internal Revenue Code that substantially broadened the previously existing requirements for cooperative corporations. Specifically, section 216(b)(1) of the Code was amended to provide that a corporation qualifies as a cooperative housing corporation by meeting any one of the following three requirements:

- Income Test: Eighty percent or more of the cooperative's gross income for the taxable year is "patronage" – derived from members (shareholders), the existing test prior to this amendment.

- Square Footage Test: Eighty percent or more of the total square footage of the Corporation's property is used by or available to members for residential purposes or purposes ancillary to residential use.

- Expenditures Test: Ninety percent or more of the expenditures of the Corporation, paid or incurred during the current taxable year are for acquisition, construction, management, maintenance or care of the Corporation's property for the benefit of the members (shareholders).

The Corporation satisfied one or more of the above requirements in 2010 and 2009.

NOTE 5 – CORPORATION TAXES

During 1996, in a case involving a conventional cooperative, the United States Tax Court ruled that Subchapter T of the Internal Revenue Code, not Section 277, applies to housing cooperatives that qualify under Section 216 of the Internal Revenue Code. Subchapter T requires allocations of patronage and non-patronage source income.

The Corporation is qualified to prepare its tax returns pursuant to the provisions of Subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (shareholders), are deductible only to the extent of patronage income. The Corporation believes that all of its income for the years ended December 31, 2010 and 2009 is patronage income within the meaning of Subchapter T.

In the event that this position is upset on audit or in court, income tax liabilities could accrue. As of December 31, 2010 there was a $20,000 provision for Corporation income taxes.

NOTE 5 – CORPORATION TAXES *(Continued)*

For the years 2010 and 2009 there were no federal income taxes due. New York State and City taxes are based upon higher of net income or capital. For 2010, taxes will be paid on the capital base of the Corporation.

It is believed that the Corporation will not benefit from any deferred tax benefits resulting from prior net operating losses. Therefore, no deferred tax assets have been recognized.

NOTE 6 – MASTER LEASE OF RETAIL AREA

On November 12, 1997 the Corporation entered into a master commercial lease covering all the stores. The lease commenced on November 12, 1997 and expires on October 31, 2022.

The schedule of fixed rent is as follows:

1. THREE HUNDRED THIRTY-FIVE THOUSAND AND 00/100 DOLLARS ($335,000.00) per annum for the period commencing on the Commencement Date and ending on October 31, 2002, both dates inclusive;
2. THREE HUNDRED SIXTY-EIGHT THOUSAND AND 00/100 ($368,000.00) DOLLARS per annum for the period commencing on November 1, 2002 and ending on October 31, 2007;
3. FOUR HUNDRED FIVE THOUSAND THREE HUNDRED FIFTY AND 00/100 ($405,350.00) DOLLARS per annum for the period commencing on November 1, 2007 and ending on October 31, 2012;
4. FOUR HUNDRED FORTY-FIVE THOUSAND EIGHT HUNDRED EIGHTY-FIVE AND 00/100 ($445,885.00) DOLLARS per annum for the period commencing on November 1, 2012 and ending on October 31, 2017; and

5. FOUR HUNDRED NINETY THOUSAND FOUR HUNDRED SEVENTY-THREE AND 50/100 DOLLARS ($490,473.50) per annum for the period commencing on November 1, 2017 and continuing thereafter through the Expiration Date of this lease, both dates inclusive.

Additional Rent

Escalation for increase in real estate taxes will be 20% of the excess over the base year 1998/1999.

NOTE 7 – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation has not conducted a study to determine the remaining useful lives of the major components of the building's systems or to estimate the costs of major repairs and replacements that may be required in the future. However, it is the policy of the Board to commission engineering studies that address major repairs and replacements as necessary. When replacement funds are needed to meet future needs for major repairs and replacements, the Corporation has the option to borrow, increase maintenance charges, pass special assessments or delay repairs and replacements until the funds are available.

NOTE 8 – REAL ESTATE TAX ABATEMENTS/PERSONAL EXEMPTIONS

As a result of revisions to the New York State Real Property Tax Law, the City of New York has afforded a partial abatement of real estate taxes to owners of certain cooperative and condominium properties. The abatement program was created by law to partially reduce the disparate tax burden borne by owners of cooperative and condominium units in New York City in comparison to that currently assumed by the owners of one, two and three family homes. On June 11, 2008, legislation was signed extending this abatement through June 30, 2012.

Abatements are based upon the assessed valuation of the land and building as multiplied by the current tax rate less any other abatements. Shareholders may also be eligible for certain personal exemptions (senior citizen, disability, veteran, and STAR) in addition to the co-op abatement, which applies to the apartment alone.

The portion of the abatement, granted when the tax is due to be paid, serves to directly reduce the amount of real estate tax payable. By law, the abatements and exemptions are to be returned to the eligible shareholders. It is the intention of management to comply with this law by issuing credits against maintenance.

In 2010 and 2009 the Board of Directors has voted an assessment equal to the coop abatement. These assessments are to assist the Corporation in funding capital improvements.

NOTE 9 – EMPLOYEES' PENSION PLAN

Substantially all of the Corporation's employees are covered by a collective bargaining agreement. In addition, the Corporation's employees are covered by a multi-employer pension plan. Information as to the Corporation's portion of accumulated plan benefits and plan assets is not available. Under the Employee Retirement Income Security Act of 1974, as amended, an employer, upon withdrawal from a multi-employer plan, is required to continue to pay its proportionate share of the plan's unfunded vested benefits. The Corporation has no current intention of withdrawing from the plan.

NOTE 10 – REAL ESTATE TAX REFUND/SAVINGS

The Board of Directors has been successful in obtaining real estate tax refunds and tax savings for the tax years 2005/2006 through and including 2009/2010. Aggregate reductions of actual assessed valuation will yield real estate tax savings through June 2010. Relating to this, in 2007 a refund from the City had been received in the amount of $16,570 and legal fees of $13,621 (based on $68,083 estimated total savings) were accrued and paid in 2006. The Corporation also received additional credits totaling $10,433. The City applied these credits against real estate taxes due in 2006 and 2007.

NOTE 11 – SUBSEQUENT EVENTS

The Corporation has evaluated its subsequent events through the date that the accompanying financial statements were issued. The Corporation had no material subsequent events requiring disclosure.