
CONDOMINIUM OFFERING PLAN
FOR THE SALE OF CONDOMINIUM UNITS
IN

GRANDVIEW CONDOMINIUM

84-32 GRAND AVENUE
ELMHURST, QUEENS COUNTY, N.Y. 11373

21 Residential Units:	\$ 7,241,000.00
13 Parking Spaces:.....	\$ 455,000.00
TOTAL OFFERING:	<u>\$ 7,696,000.00</u>

Sponsor & Selling Agent:

GRAND AVENUE GROUP, LLC
7-8 Chatham Square
Suite 802
New York, New York 10038

The Date of Acceptance for Filing is November 10, 2006.
This Plan May Not Be Used After November 9, 2007 Unless It Is Extended by Amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS, SEE PAGE 1

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

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SECTION C...SPECIAL RISKS

1. The Sponsor has the right to retain control of the Board of Managers until all units are sold or until such earlier date as Sponsor deems necessary. During this period, three (3) board members assigned by the Sponsor will sit on the initial Sponsor controlled board. See Section Q, Paragraph 1.

However Purchasers of units should note that the by-laws of the Condominium do not require that after the initial Sponsor control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the sponsor and its principals. This means that the Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Plan. Owner-occupants and non-resident owners, including sponsor, may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment. See Section Q, Paragraph 1.

2. While the Sponsor is in control of the Board of Managers, the Board may make additions, alterations, or improvements to the common elements costing in excess of \$10,000 or enter into service or maintenance contracts the duration of which will extend more than a year after the Sponsor loses control of the Board of Managers, only with the approval of a majority of the Unit Owners, excluding the Sponsor, voting at duly held meeting of the Unit Owners. Notwithstanding anything stated above, Sponsor may not exercise veto power over expenses described in Schedule B or over expenses required to: (i) comply with applicable laws or regulations, or (ii) remedy any notice of violation, or (iii) remedy any work order by an insurer.

So long as the Sponsor or its designees shall continue to own Units representing 25% or more in common interest, but in no event later than five years from the closing of title to the first Unit, the Board of Managers may not, without the Sponsor's prior written consent: (i) make any addition, alteration or improvements to the common elements costing cumulatively more than \$10,000.00, the foregoing not to include necessary repairs and maintenance work, or (ii) assess any common charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, or (iii) hire any employee in addition to the employees referred to in the Plan of Condominium ownership, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the said Plan is declared effective, or (v)

borrow money in excess of \$10,000 on behalf of the Condominium, or (vi) take any action which impairs Sponsor's sales program or continued use of the Condominium property in connection with such program, or (vii) increase or reduce the services of maintenance set forth in Schedule B. See Section Q, Paragraph 4 and Section S, Paragraph 2K.

3. So long as the Sponsor has any unsold units remaining, no amendment to the By-Laws or the Declaration affecting the rights of the Sponsor shall take place without the written consent of the Sponsor. See Section Q, Paragraph 1b).

4. Purchaser's obligations under the Purchase Agreement are not contingent upon obtaining financing unless the Purchaser executes the Mortgage Financing Rider. See Exhibit II-A. A purchaser who does not execute a Mortgage Financing Rider may lose his down payment if he is unable to obtain financing to pay the balance of the purchase price. See Section L.

5. At the closing, the Purchaser will be required to pay an amount equal to one (1) month's common charge as a contribution to the Condominium's Working Capital fund. This contribution will not be credited against regular assessments. See Section U.

6. The Purchase Agreement provides that if the Purchaser shall fail to pay any portion of the Total Purchase Price when due, fail to close title on the Closing Date, or fail to perform any of Purchaser's other obligations under the Purchase Agreement, (including without limitation the obligation to furnish any lender promptly with such information as such lender may require), Sponsor may cancel the agreement if such default is not cured within thirty (30) days after Sponsor sends notice of intent to cancel. The Sponsor must give 30 days written notice of default before forfeiture of deposit is declared. TIME IS OF THE ESSENCE TO CURE SUCH DEFAULT WITHIN THE SAID THIRTY (30) DAY PERIOD. FAILURE TO CURE DEFAULT WITHIN SAID PERIOD MAY RESULT IN THE LOSS OF THE DOWN PAYMENT AND CANCELLATION OF THE PURCHASE AGREEMENT. "Time is of the Essence" means that Purchasers must strictly adhere to this 30-day period, and should in no event go beyond the 30-day period to cure the default. SEE Exhibit II, Paragraph 15.

7. The sponsor shall handle all management requirements as a Managing Agent at annual fee of \$6,000.00 for the first two (2) years of the condominium operation commencing upon the conveyance of the first unit. Such management fee to be collected by the Sponsor is the prevailing rate of such service. (The going rate is 10% of the total common charge.) Such arrangement may not be cancelled at least for one (1) year. After one (1) year, either the Board of Managers or the sponsor may terminate such arrangement upon sixty (60) days written notice to the other. See Section W.

8. The sponsor shall be obliged to pay all common charges, special assessment and real estate taxes with respect to unsold units. The sponsor has net worth sufficient to meet all of such obligations. No bond or security will be posted to secure the Sponsor's obligation to pay common charge and assessments, but the sponsor will secure the fund for payment of such charges by depositing \$10,345.00, which is the amount equal to approximately 2 months of the 1st year common charges into an escrow account of the Sponsor's closing attorney, Swift & Associates, PLLC, after the closing of the 1st Unit. However, no bond or other security will be posted to secure such sponsor's obligation. See Section P Paragraph 8.

9. The sponsor may declare the plan effective by selling a minimum of fifteen percent of the Units in the building. Even if the plan is declared effective with a minimum number of sales, it is possible that the sponsor may be able to convert the building with fewer than the minimum number of sales, if purchasers counted towards effectiveness do not ultimately purchase an apartment.

10. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (50% or more) of the apartments in a building be sold before the lender will consider making a loan. Thus it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the percentage of units purchased is lower than a lender's particular sales minimum.

Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

11. All funds received by the sponsor for upgrades or extras must initially be placed in the escrow account. However, purchasers should note as a special risk that such funds may be released from the escrow account by the escrow agent as long as the sponsor uses the funds for such upgrade or extra. As a result in the event a purchaser is entitled to rescission, the purchaser will not receive a refund of any funds used for upgrades or extras. See Section L.

12. New York City Real Property Transfer Tax and New York State Deed Documentary Stamps are normally the expenses of the Seller, however, by contractual arrangement they will be paid by the Purchaser. The City of New York Department of Finance and the State of New York Department of Taxation and Finance have taken the position that when a Purchaser assumes the obligation to pay the New York City Real Property Transfer Tax and New York State

Deed Documentary Stamps, the amount of such taxes will be included in the consideration subject to tax. See Section O.

13. At the closing of each Unit, the Purchaser will pay the Sponsor's attorney's closing fee of \$600.00. There will be an additional \$150.00 attendance fee if Purchaser desires to have the closing other than at the office of Sponsor's attorney. All purchasers are required to reimburse the Sponsor for its proportionate share of the fee paid to the City of New York Dept. of Finance to apply for 421-a Partial Tax Exemption Program. The total fee paid by the Sponsor is \$15,500.00. This amount will be multiplied by the percentage of common interest allocated to each Unit to obtain a proportionate share of each unit. In the event the City of New York imposes any additional fees after closing, each Unit owner shall share such additional fee. At closing the Purchaser is also expected to pay the amount equal to one-month common charge as contribution to Working Capital Fund. For a complete explanation of closing costs associated with the transfer of title to the Units, see Section O "Closing Costs and Adjustments". The closing costs are in addition to the purchase price of each Unit.

14. The Sponsor applied to the City of New York, Dept. of Housing Preservation and Development for a partial real estate exemption benefit for the Property under New York State Real Property Tax Law Section 421-a (the "421-a Program"). However, the Purchasers of the Unit shall note that there is no guaranty that the City of New York will approve the partial tax exemption before the commencement of the Condominium operation. (See Section H, Paragraph 4 and Section T.)

15. The risk of loss from fire or other casualty to the interior and contents of the Units remains with the sponsor unless and until either a purchaser takes actual possession of a unit pursuant to a written agreement with the Sponsor or legal title to the Unit has been conveyed to the purchaser. It is a special risk if the purchaser enters into possession prior to closing since risk of loss passes upon either closing or possession and any purchaser who enters into possession before closing should obtain insurance for the interior and contents of the Unit as he would if closing had taken place. (See Section L.)

16. At the time of closing, the purchaser is required to sign a Power of Attorney to the board of managers of the condominium, appointing the members of the Board of Managers as attorneys-in-fact to carry out any of the provisions of the Offering Plan including acquisition, leasing, or sale of the Units by the Board of Managers pursuant to Declaration and By-laws of the Condominium

and filing the amendments to the Declaration of Condominium. A form of Power of Attorney is included in Part II, Section EE of this Plan. If the Purchaser refuses to sign the Power of Attorney, the Purchaser will be held in default under the Purchase Agreement. (See Section L.)

17. The money deposited into escrow account by a Purchaser under the Purchase Agreement in excess of \$100,000.00 will not be federally insured for the portion in excess of \$100,000.00. (See Section L.)

18. Sponsor is reserving an unconditional right to rent rather than sell. Because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more units than the 15% necessary to declare the plan effective, and owner-occupants may never gain effective control and management of the condominium. Sponsor's construction lender does not impose any limits on Sponsor's right to rent rather than sell Units. (See Section Q, Paragraph 1 a.)

19. The Purchaser of the Units with lot line windows (the windows which are facing the lot lines) shall note that the lot line windows may be blocked, if the neighboring building is built close to the lot line. In such event, the lighting and ventilation of the Units may be slightly affected. However, since there are 8 feet distance to the lot line on each side; it will never be necessary to seal the windows facing the lot line.

20. There are fourteen (14) Parking Spaces, of which thirteen (13) will be sold separately from the Units on a first come first served basis. The Parking Spaces will be sold only to the Purchasers of the Units. The Purchasers should note that there will not be enough parking space for every Unit owner to purchase a parking space. Parking Space P14 is for the use by handicapped and considered as a common element. If none of the purchasers are eligible for handicapped space, P14 will be used as a guest parking space for the visitors. (See Section F.)

21. Unit owners are not allowed to maintain any pets. (See Section S.)

22. Unit 1C and 1D contain storage room in the Cellar. The storage room cannot be used as living quarter. (See Section H.)

23. The Purchasers of the unit with lot line windows shall note that the lot line windows may be blocked in the future if a building is erected on the adjacent lot close to the lot line. In such event, ventilation and lighting of the Units with lot line windows may be affected. (See Section AA, Paragraph I-2.)

24. Column 2 of Schedule A shows the gross square footage of the Units measured from the exterior surfaces of the wall of each Unit plus the common area. The common area on each floor has been apportioned, and added to the square footage of each Unit to create the "gross square footage". The limited common elements such as terraces are not included in calculation. The gross square footage shown in Column 2 are not based upon the measurements from interior surfaces of interior walls, and the actual area comprising the Unit is less than the area listed in Schedule A. The measurements are approximate within reasonable tolerances.

SECTION D...INTRODUCTION

Sponsor and Offer to Sell

GRAND AVENUE GROUP, LLC, a New York limited liability company, ("Sponsor") with this Offering Plan (the "Plan"), offers for sale Condominium Units (the "Units") in a building being constructed at 84-32 Grand Avenue, Elmhurst, New York. The Building will contain twenty-one (21) Residential Units (2 duplex one-bedroom Units and 2 two-bedroom Units on the 1st floor; 3 one-bedroom Units and 2 two-bedroom Units on each of 2nd and 3rd floors; 4 two-bedroom Units on the 4th floor and 3 two-bedroom Units on the 5th floor) and fourteen (14) Parking Spaces located on the cellar floor. All Units and Parking Spaces are hereby offered for sale except one (1) Parking Space (P11) which will be reserved for the handicapped and considered as a common element. If none of the purchasers are eligible for the handicapped parking space, P14 will be used as a guest parking space for the visitors for the time being. Sponsor, GRAND AVENUE GROUP, LLC, a New York limited liability company with office at 7-8 Chatham Square, Suite 802, New York, New York acquired title to the property on May 20, 2004 (Lot 15) and September 24, 2004 (Lot 12 and 14). The units are to be used solely for their designated purpose in accordance with the Certificate of Occupancy.

General

Sponsor recommends that all prospective purchasers thoroughly read this offering plan before making a final commitment. Parts I and II together with all Exhibits constitute the entire offering Plan and contain the detailed terms of the transaction. All the documents referred to in this Offering Plan are important. All the exhibits or documents referred to herein have been submitted to the New York State Department of Law, in connection with the filing of this Plan, and are available there for inspection. Such exhibits and documents are also available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the office of the Selling Agent and also at the New York State Department of Law.

The purpose of this Offering Plan is to set forth all the material terms of the offer to allow prospective purchasers to make an informed decision. However, this Plan may be amended from time to time during this offering. If amended, such amendments shall be filed with the New York State Department of Law and shall

be served on all offerees, Purchasers and Unit Owners promptly after filing.

THE PURCHASE OF A CONDOMINIUM HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT.

Submission of Property to Condominium Statute

The condominium is subject to and complies with the New York Condominium Act regulating condominiums in New York. A Declaration submitting the property to Article 9-B of the Real Property Law (the "Condominium Act") and By-Laws will be recorded prior to conveyance of title to the first Unit by the Sponsor. The Declaration and By-Laws will be exactly the same to those set forth in this Plan or its Amendments, if the plan is amended. This Plan and the accompanying documentation should be carefully studied by prospective purchasers and their attorneys prior to the purchase of a Unit. The prices have been set by the Sponsor alone and are not subject to review or approval by the Department of Law or any other government agency.

Features of Condominium Ownership

Ownership of a condominium is similar to ownership of any real property which is used for either commercial or residential purposes. The purchaser of a Unit ("Unit Owner" or "Purchaser") will own, in fee simple absolute, all of the interior space of that particular Unit. The exterior walls and space within the walls, roof and all of the land and improvements which are located outside of the Unit itself are owned in fee simple absolute in common, by the owners of all the Units. Each Unit owner is entitled to exclusive possession of his/her Unit together with an interest in and right to use the common elements, and an exclusive right to the limited common elements. (As to the definition of "Common Elements", see Section E, Paragraph 6; and as to the definition of "Limited Common Elements", see Section E, Paragraph 13.)

Each owner must pay common charges in accordance with the New York Condominium Act Section 339 (i) and (m). The Units may be purchased for all cash, or may be purchased partly for cash and the balance for the purchase price financed by mortgage loan. The Sponsor makes no representation as to the availability or cost of any financing that may be required by a purchaser. If a purchaser of a unit requires mortgage financing, the purchase agreement will be conditioned upon such Purchaser obtaining a commitment from a lending institution of his own choosing. Any mortgage lien given by a Purchaser to a lender will be governed by the New York State Condominium Act.

Each Unit will be taxed separately for real estate tax purposes, and consequently no Unit Owner is responsible for the payment of real estate taxes on any other Unit, or for payment of any mortgage obligations of any other Unit. In the opinion of counsel, under the present Federal and State Income Tax Laws, a residential Unit Owner may deduct on income tax returns the amount paid for real property taxes and the amount paid for interest on a mortgage loan, if any. (See Section U, Tax Opinion of Counsel, Albert M. Swift, Esq., 41-46 Main Street, Flushing, N.Y. 11355.)

A Unit Owner is required to pay monthly common charges in proportion to his/her share of ownership in the common elements assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to New York Condominium Act Sections 339(i) and (m). Casualty and liability insurance, electricity for lighting in the common areas of the building, water and sewer charge for the entire building, wages for the superintendent and the cost of maintenance and repair of the common elements are included with other expenses as part of the common charges (See Estimated Common Charges, Section H, Schedule A). However, casualty and liability insurance for the purchaser's personal effects and the interior of a Unit should be carried by the individual Unit Owner. Each Unit will be responsible for the cost of repairs and decoration to the interior of his Unit, as well as the initial installation of any fixtures or other improvements. A separate electricity and gas meters will be installed for each Unit, and each Unit Owner will receive his/her own utility bills. Sponsor may install a sub-meter for each Unit to register its water consumption. In such event, Unit owners will be billed by the Board of Managers for their water and sewer charge. Common charges are levied in proportion to the interest in the "common elements" appurtenant to each Unit. For possible increases in common charges upon default in payment by a Unit Owner, see Section "Lien for Non-Payment of Common Charges" at Section R, Paragraph 4 (e). Units can be sold or leased by a Unit Owner subject to the right of first refusal by the Board of Managers. See Section R, Paragraph 1 for details.

Each Unit owner must comply with the Declaration, By-laws, regulations and any other requirement of the Board of Managers. It is the function of the Board of Managers to administer the affairs of the Condominium and supervise the operation of the Condominium Property. The Managers shall be elected annually at the annual meeting of Unit Owners by a majority vote. (See "Right and Obligations of Unit Owners and Board of Managers", Section S, and the Declaration and By-Laws contained in Part II, Exhibit VII and VIII.)

Sponsor is reserving an unconditional right to rent rather than sell. Because the Sponsor is not limiting the conditions

under which it will rent rather than sell Units, there is no commitment to sell more units than the 15% necessary to declare the plan effective, and owner-occupants may never gain effective control and management of the condominium. Sponsor's construction lender does not impose any limits on Sponsor's right to rent rather than sell Units.

If the Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor sponsor is bound by the sponsor's representation regarding its commitment to sell Units.

All Purchasers shall note that the Condominium Board does not have the right to approve or disapprove Purchasers, there is no limit on the number of owners who may purchase for investment rather than for personal occupancy, and there may always be a substantial percentage of owners who are non-resident.

SECTION E...DEFINITIONS

Listed below are the definitions of some important terms used in the Offering Plan and also appearing in the Declaration and the By-Laws of the Condominium.

1. "Assessment" means a proportionate share of the funds required for the payment of common expenses which from time to time is assessed against a Unit Owner.
2. "Board of Managers" or "Board" means the governing body of the condominium responsible for the administration of the Condominium's affairs and the operation of the Condominium Property.
3. "Building" means the multi-unit structures located at 84-32 Grand Avenue, Elmhurst, New York, which will comprise the Units and Common Elements of the Condominium.
4. "By-Laws" means the By-Laws of the Condominium as same may be amended from time to time.
5. "Common Charges" means each Unit's proportionate share of the Common Expenses assessed in accordance with the common interest of the Unit.
6. "Common Elements" means those portions of the Condominium Property, other than the Units, including without limitation the land, hallways, lobby, stairwells, outdoor recreation area and certain other portions of the Condominium Building to be set aside for common use of the Units and Unit Owners.
7. "Common Expenses" means the expenses of administration, maintenance, operation, repair and replacement of the Common Elements of the Condominium and any expenses declared common expenses by the Declaration, the Condominium Act or the By-Laws and Article 9-B of the Real Property Law.
8. "Condominium" means the Units and Common Elements constituting the Condominium located at 84-32 Grand Avenue, Elmhurst, New York. The words Property and Grandview Condominium shall be used interchangeably and shall have the same meanings as the term Condominium is defined above.
9. "Condominium Act" means the New York Condominium Act Article 9-B of the New York Real Property Law.
10. "Condominium Parcel" means a Unit together with the undivided share in the Common Elements appurtenant to that Unit.

11. "Condominium Property" means and includes all lands that are subjected under the Declaration to a Condominium form of ownership, including the Condominium Building, the Units, the Common Elements, and the Limited Common Elements.

12. "Declaration" means the recorded, written instrument by which the Property is submitted to the provisions of the New York Condominium Act, as such instrument maybe amended from time to time, consistent with the laws and By-laws.

13. "Limited Common Elements" means and includes those Common Elements which are reserved for the use of certain Unit or Units to the exclusion of other Units, such as balconies, terrace for certain residential units.

14. "Mortgagee" means a bank, savings and loan association, insurance company, mortgage company, real estate investment trust, recognized institutional type lender or its loan correspondent, or agency of the United State Government, which owns or holds a mortgage encumbering a Condominium Parcel.

15. "Operations" or "Operation of the Condominium" means and includes the operation, administration and management of the Condominium Property.

16. "Sponsor" means GRAND AVENUE GROUP, LLC, maintaining its principal office at 7-8 Chatham Square, Suite 802, New York, New York, a New York limited liability company and its successors and assigns.

17. "Unit" means a part of the Condominium Property which will be subject to private ownership.

18. "Unit Owner" or "Owner of a Unit" means the person or persons having fee simple ownership of a Condominium Parcel.

SECTION F...DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Condominium will be located on the property containing approximately 24,856 square feet floor area including the cellar floor at 84-32 Grand Avenue, Elmhurst, New York. The building is in a C1-3 in R6B Zoning district, which permits the uses for single to multiple dwellings, such as Class "A" apartments, community facilities such as Medical Offices, retail sotres and offices.

The Condominium consists of one (1) 5-story building (1st, 2nd, 3rd, 4th and 5th floors) with a cellar. As more specifically designated herein, the Condominium building contains twenty-one (21) Residential Units (2 duplex one-bedroom Units and 2 two-bedroom Units on the 1st floor; 3 one-bedroom Units and 2 two-bedroom Units on each of the 2nd and 3rd floors; 4 two-bedroom Units on the 4th floor and 3 two-bedroom Units on the 5th floor) and fourteen (14) Parking Spaces on the cellar floor. All Units shall be used solely for residential purpose unless Sponsor amends this Plan and Certificate of Occupancy to change the use of the Unit. All Units and Parking Spaces except one (1) Parking Space (P11), are offered for sale. Parking Space P11 will be reserved for the handicapped and considered as a common element. The Parking Spaces will be sold separately from the Units on a first come first served basis. The Parking Spaces will be sold only to the Purchasers of the Units. All Units and amenities are scheduled to be completed on or about August 31, 2006 and the Sponsor anticipates to obtain a Certificate of Occupancy on or about October 31, 2006. No Unit will close before a Temporary Certificate of Occupancy is obtained. See Sponsor's description of the Units and facilities set forth in Part II for details concerning the construction of the Premises.

The property will be improved and Units will be constructed in accordance with all applicable zoning and building laws and requirements.

The offering price for Residential Units includes the major fixtures and appliances such as gas range, refrigerator, washer & dryer, bathroom fixtures, kitchen cabinets and partition walls. Unit 2D and 3D will not come with a washer & dryer. All Units on the 2nd through 5th floors, except Unit 2D and 3D, have access to a balcony. Units 5A and 5C also have an access to a terrace.

The balconies and terraces are considered as limited common elements.

Effective November 5, 2004, owners of Class A multiple dwellings in New York City, which includes Condominium units are required to install carbon monoxide detectors. The law requires the owners of residential condominium units to maintain the detectors.

Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures, layouts and other construction details) and substitute in place of any materials, appliances, equipment and fixtures set forth therein or in Exhibit I in Part II of the Plan, materials, appliances, equipment and fixtures of equal or better quality; provided only that any necessary approval of any governmental authority having jurisdiction thereover is first obtained. However, Sponsor may not change the size, location of buildings or units other improvements or common elements if such changes affect the percentage of common interests or adversely affect the value of any unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected unit owners and contract vendees consent in writing to such change. Any or all of the foregoing amendments or changes may be made without prior notice or amendment to the Plan.

No additional construction works which require building permit shall be commenced until the permanent certificate of occupancy for the Condominium building is issued, because the Sponsor will not be able to obtain the permanent certificate of occupancy until all open permits are signed off. Sponsor may include Purchaser's alteration plan in the final "as-built" plan of the Condominium building by amending the same, so that the Purchaser will be able to commence the construction work without waiting for the issuance of the permanent Certificate of Occupancy. In such event, the Offering Plan will be amended to disclose such revisions to the Building Plans including an addendum to the architect's report. However, the Sponsor does not guaranty that Sponsor will actually be able to do so. If the Purchaser asks the Sponsor to amend the building plan to include his/her alteration plan, the cost to amend the Plan must be borne by the Purchaser. Any additional construction works or alteration works such as removal or erection of interior partitions or addition or relocation of a bathroom each individual purchaser may wish to perform must conform to the applicable codes and laws including, but not limited to, the Building Code of The City of New York, the New York State Multiple Dwelling Law and the New

York City Housing Maintenance Code. All construction must conform to the various building codes, which minimally require the use of proper materials, legal configurations and dimensions of rooms, adequate light and natural or mechanical ventilation for all spaces, legal plumbing and electrical systems. The Board of Managers may, and has a right to regulate the following regarding additional construction or alterations of individual Unit owners:

- 1) The schedule for construction work, e.g., 8:00 AM to 5:00 PM except holidays;
- 2) The measures that will be taken to protect the security of the building during construction, including the manner in which each Unit owner and the construction workers will gain access to the building;
- 3) Interruption of services during construction, including interruption to water, electricity and elevator service.
- 4) Requirement of the contractor to carry liability insurance.

The additional works or alteration works each Purchaser wishes to perform on his/her Unit must be done at each Purchaser's own cost and expense.

All said additional work a purchaser desires for his Unit must be performed either by a contractor designated by Sponsor or a contractor approved by Sponsor, which approval shall not be unreasonably withheld or delayed, and which contractor will not employ any person or means that may cause labor disturbances or stoppages in the work of the Building employees or other contractors or subcontractors employed in the Building or at the Property. All units including all amenities such as parking facilities shall be completed on or about August 31, 2006 barring any strikes, shortages, acts of God or unforeseen delays. Sponsor intends to complete the construction in accordance with all applicable zoning laws, regulations, codes and any other governmental requirements. Sponsor anticipates to obtain a Certificate of Occupancy on or about October 30, 2006.

Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the common elements or located in other Units and servicing his Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by his Unit or any adjoining Unit or common element now existing or which may come into existence hereafter as a result of the settling of the Building or repair or alteration of the Unit by the Board of Managers after damage by fire or other casualty or as a result of condemnation or eminent domain

proceeding, or any alteration made by the Board to the common elements, so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to these encroachments and easements in favor of all other Units. The Board of Managers, its agents and employees shall have a right of access to the Units and the common elements (irrespective of the restricted nature of any common elements) to inspect, maintain or repair the common elements or to make repairs to the Unit to prevent damage to the common elements or any other Unit.

SECOND G...LOCATION AND AREA INFORMATION

The Condominium property is located approximately 260.10 feet southwesterly from the southwesterly corner of Grand Avenue and Wool Street and adjacent to the public road of Grand Avenue in Elmhurst, Queens County, New York. The Condominium property is located in a C1-3 in R6B zoning district which allows Class A multiple dwellings including condominiums and cooperative apartments and community facilities, stores and offices.

All surrounding areas are fully developed, and comprising of single and multiple dwellings, including condominiums and cooperative apartments, houses of worship, various retail stores, restaurants, banks, office buildings and public facilities. The major shopping area, Queens Center Shopping Mall, is approximately 6 blocks away. This central location offers the availability and advantage of all the nearby convenience.

The Condominium is most convenient to all forms of transportation. G & R Lines of Metropolitan Transit Authority subway stops at Grand Avenue-Newtown Station located at the corner of Grand Avenue and Queens Blvd. A bus stop is located across the street on Grand Avenue.

The nearest elementary school is P.S. #102, located at 33-24 Van Horn Street, which is 2 blocks away from the Condominium. The nearest Junior High School is I.S. #5, located at 50-40 Jacobus Street, which is 6 blocks away, and the nearest Senior High School is Newtown High School located at 48-01 90th Street, which is approximately 0.7 mile away.

Public services such as police and fire protection, street maintenance and water service are provided by the City of New York. There is a police station (110th Precinct) located approximately 1 mile away at 94-41 43rd Avenue, and a fire station (Engine 287) is located approximately 2 blocks away at 86-46 Grand Avenue.

The nearest library is Elmhurst Library, located at 84-01 Broadway, which is 5 blocks away. There is a public park located 0.9 mile away at 93-29 Queens Blvd. The nearest hospital is Elmhurst Hospital located 0.7 mile away at 79-01 Broadway.

SCHEDULE A

H. GRANDVIEW CONDOMINIUM

The Schedule Begins from December 1, 2006 to November 30, 2007

SCHEDULE A-OFFERING PRICES AND RELATED INFORMATION

UNITS	BEDROOMS	BATHS	NO. OF SQUARE FOOTAGE	APPROXIMATE GROSS FOOTAGE	OFFERING PRICE (3)	PERCENTAGE OF COMMON INTEREST (4)		ESTIMATED MONTHLY REAL ESTATE TAXES (5)		ESTIMATED MONTHLY REAL ESTATE TAXES WITHOUT 421-A EXEMPTION (6)		PROJECTED MONTHLY CARRYING CHARGES ASSUMING EXEMPTION UNDER SECTION 421-A (7)		PROJECTED MONTHLY CARRYING CHARGES WITHOUT SECTION 421-A EXEMPTION (8)		PROJECTED MONTHLY CARRYING CHARGES WITHOUT SECTION 421-A EXEMPTION (9)
1A	2	2	993		\$349,000	4.534%		\$234.50		\$69.02		\$169.28		\$303.52		\$403.78
1B	2	2	976		\$349,000	4.534%		\$234.50		\$69.02		\$169.28		\$303.52		\$403.78
1C	1	1	1,149		\$319,000	4.145%		\$214.38		\$63.10		\$154.76		\$277.48		\$369.14
1D	1	1	1,155		\$319,000	4.145%		\$214.38		\$63.10		\$154.76		\$277.48		\$369.14
2A	2	2	912		\$365,000	4.743%		\$245.31		\$72.21		\$177.09		\$317.52		\$422.40
2B	2	2	903		\$365,000	4.743%		\$245.31		\$72.21		\$177.09		\$317.52		\$422.40
2C	1	1	636		\$279,000	3.625%		\$187.49		\$55.18		\$135.34		\$242.67		\$322.83
2D	1	1	563		\$249,000	3.235%		\$167.32		\$49.24		\$120.78		\$216.56		\$288.10
2E	1	1	664		\$279,000	3.625%		\$187.49		\$55.18		\$135.34		\$242.67		\$322.83
3A	2	2	912		\$365,000	4.743%		\$245.31		\$72.21		\$177.09		\$317.52		\$422.40
3B	2	2	903		\$365,000	4.743%		\$245.31		\$72.21		\$177.09		\$317.52		\$422.40
3C	1	1	636		\$279,000	3.625%		\$187.49		\$55.18		\$135.34		\$242.67		\$322.83
3D	1	1	563		\$249,000	3.235%		\$167.32		\$49.24		\$120.78		\$216.56		\$288.10
3E	1	1	664		\$279,000	3.625%		\$187.49		\$55.18		\$135.34		\$242.67		\$322.83
4A	2	2	936		\$375,000	4.873%		\$252.03		\$74.18		\$181.93		\$326.21		\$433.96
4B	2	2	927		\$375,000	4.873%		\$252.03		\$74.18		\$181.93		\$326.21		\$433.96
4C	2	2	872		\$365,000	4.743%		\$245.31		\$72.21		\$177.09		\$317.52		\$422.40
4D	2	2	924		\$375,000	4.873%		\$252.03		\$74.18		\$181.93		\$326.21		\$433.96
5A	2	2	1,088		\$365,000	4.743%		\$245.31		\$72.21		\$177.09		\$317.52		\$422.40
5B	2	2	855		\$488,000	6.340%		\$327.90		\$96.51		\$236.71		\$424.41		\$564.61
5C	2	2	1,097		\$488,000	6.340%		\$327.90		\$96.51		\$236.71		\$424.41		\$564.61

SCHEDULE A

H. GRANDVIEW CONDOMINIUM

The Schedule Begins from December 1, 2006 to November 30, 2007

SCHEDULE A-OFFERING PRICES AND RELATED INFORMATION

UNITS	NO. OF BEDROOMS	BATHS	APPROXIMATE GROSS SQUARE FOOTAGE	OFFERING PRICE	PERCENTAGE OF COMMON		ESTIMATED MONTHLY REAL ESTATE TAXES	ESTIMATED MONTHLY REAL ESTATE TAXES WITHOUT 421-A		PROJECTED MONTHLY CARRYING CHARGES ASSUMING EXEMPTION UNDER SECTION 421-A		PROJECTED MONTHLY CARRYING CHARGES WITHOUT SECTION 421-A	
					(3)	(4)		(5)	(6)	(7)	(8)	(9)	(9)
					INTEREST	COMMON		MONTHLY COMMON CHARGES	SECTION 421-A UNDER	EXEMPTION	SECTION 421-A UNDER	EXEMPTION	EXEMPTION
P1	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P2	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P3	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P4	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P5	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P6	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P7	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P8	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P9	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P10	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P12	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P13	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
P14	Parking		153	\$35,000	0.455%			\$ 23.53	\$ 6.93	\$ 16.99	\$ 30.46	\$ 40.52	\$ 40.52
TOTAL				\$7,696,000	100.00%			\$5,172.00	\$1,522.35	\$3,733.62	\$6,694.35	\$8,905.62	

FOOTNOTES TO SCHEDULE A

1. (a) The "bedroom" is the room which meets the requirements under the Zoning Resolution of the City of New York in terms of size and lighting. The room with toilet, lavatory and shower and/or bathtub counts as one (1) bath and the room with lavatory only counts as 0.5 bath.

The units consist of the following rooms:

Unit 1C & 1D One Bedroom Duplex Apartments consisting of:	1 Bedroom, Living/Dining Room, Kitchen, 1 Bathroom Storage Room in the Cellar
Units 2C, 2D, 2E 3C, 3D 3E One Bedroom Apartments consisting of:	1 Bedroom, Living/Dining Room Kitchen, 1 Bathroom
Units 1A, 1B, 2A, 2B 3A, 3B, 4A, 4B 4C, 4D, 5A, 5B 5C Two Bedroom Apartments consisting of:	2 Bedrooms, Living/Dining Room, Kitchenette, 2 Bathrooms

(b) Unit 1C and 1D contain storage room in the cellar.
Storage room cannot be used as living quarter.

The floor plans are contained in Part II, as Exhibit I of this plan.

2. Column 2 of Schedule A shows the gross square footage of the Units measured from the exterior surfaces of the wall of each Unit plus the common area. The common area on each floor has been apportioned, and added to the square footage of each Unit to create the "gross square footage". The limited common elements such as terraces are not included in calculation. The gross square footage shown in Column 2 are not based upon the measurements from interior surfaces of interior walls, and the actual area comprising the Unit is less than the area listed in Schedule A. The measurements are approximate within reasonable tolerances.

3. (a) Offering prices may be increased or decreased by a duly filed amendment to the Plan when it is an "across the board" change affecting one or more lines of Units, or Unit models, or is to be advertised or is an individually negotiated price which is higher than the listed offering price. Offering prices and specified terms

are negotiable and the Sponsor may enter into a Purchase Agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment. See Section K for further details.

(b) At the closing of each Unit, the Purchaser will pay the Sponsor's attorney's closing fee of \$600.00. There will be an additional \$150.00 attendance fee if Purchaser desires to have the closing other than at the office of Sponsor's attorney. At closing, the purchaser is also expected to pay the state and city transfer tax, his/her proportionate share of the fee paid to the City of New York to obtain 421-a Partial Tax Exemption, and the amount equal to one-month common charge as contribution to Working Capital Fund. For a complete explanation of closing costs associated with the transfer of title to the Units, see Section O "Closing Costs and Adjustments". The closing costs are in addition to the purchase price of each Unit.

4. The percentage interest of each Unit in the Common Elements shall be in the approximate proportion that the fair value of the Unit at the date of declaration bears to the then aggregate fair value of all the Units pursuant to the New York Condominium Act Section 339-i.1.(i).

5. Projected monthly common charges includes salary for a part time superintendent, water and sewer charges, cost of repair and maintenance of common area, fire and liability insurance premium, legal and auditing fee, the cost of common area electricity. The cost of electricity and gas is estimated by Kon-Ho Lee, Professional Engineer, with office at 731 52nd Street, Brooklyn, N.Y. 11220. The estimate is based on current tariffs provided by Con Edison including sales tax. The common area electricity is calculated based on the basic monthly charge of \$11.42, 17.8 cents per KWH for the usage of the first 250 KWH and 18.5 cents per KWH for the additional KWH plus 4% sales tax. There is no gas for the common area. (See Schedule B, Paragraph 3 for detail.) Common charges exclude repair and decoration to interior of an Unit, electricity for each Unit and insurance for personal properties. See Schedule B-1 for estimated cost of electricity for each Unit. If a purchaser obtains financing, the debt service will be an additional expenses.

6. The Sponsor applied to the City of New York, Dept. of Housing Preservation and Development for a partial real estate tax exemption benefit for the Property under New York State Real Property Tax Law Section 421-a (the "421-a Program").

The Sponsor is advised by its counsel, Swift & Associates, PLLC, that under the present interpretation of laws governing 421-a Program by the New York City Real Property Assessment Bureau, the 421-a

exemption applies only to the "increase" in assessed valuation above the assessed valuation of the Property in the tax year prior to commencement of construction. (In the case of the Condominium, the construction commenced during the tax year of 2004/2005). The amount exempt from taxes will decline over 25 years as follows:

<u>Fiscal Tax Year</u> (July 1 to June 30) <u>Beginning with July 1, 2007</u>	<u>Percentage of</u> <u>Increased Assessment</u> <u>Exempt from Taxes</u>
1st-21st tax year:	100%
22nd tax year:	80%
23rd tax year:	60%
24th tax year:	40%
25th tax year:	20%
26th tax year:	0%

Provided that a Certificate of Occupancy is issued on or about October 31, 2006 as planned by the Sponsor, under New York City's present method of calculating 421-a tax benefits, effective July 1, 2007 (i.e., the commencement of the 2007/08 tax year), the units will be in the 1st year of the 100% exemption period following the 3-year period allowed for construction.

The monthly real estate tax as of the commencement of the first year of the condominium operation assuming exemption under Section 421-a, as represented in Schedule A, Column (6) is calculated as follows:

$$A \times B \times C \times 1/12$$

A=	The assessed value of the property during 2003/2004 tax year (the year prior to start of construction: (Base Tax Year)	(\$147,372.00)
B=	Tax rate currently in effect	(12.396%)
C=	Percentage of common interest allocated to each unit	

Although the City of New York has used this approach in determining taxes on properties applying for 421-a Tax Abatements, the Sponsor makes no representation or guarantees that the City will continue to use this same formula or that the partial exemption will be granted. Purchaser should particularly note that the Real Estate Tax will vary in relation to changes in the tax rate in effect during each tax year.

7. In the event the partial tax exemption under 421-a Program is not approved or cancelled, each Unit Owner will be responsible for

the full real estate taxes on his/her Unit upon acquiring the title to the Unit. Sponsor will not be responsible for payment of real estate tax for each Unit once the title is closed. Schedule A, Column (8) shows the first year real estate tax without Section 421-a exemption. The Condominium building is scheduled to be completed around August 31, 2006. The Sponsor anticipates that the Certificate of Occupancy will be issued on or about October 31, 2006. The calculation of Column (8) is made based on the estimated assessed valuation for the first year of condominium operation up to June 30, 2007:

A X B X C X 1/12

A=	The anticipated assessed value of the property during 2007/2008 tax year	(\$361,435.00)
B=	Tax rate currently in effect	(12.396%)
C=	Percentage of common interest allocated to each unit.	

8. (a) Projected monthly carrying charges shown in Column 10 and 11 are the total of Common Charge (Column 5) and Real Estate Tax (Column 6 or 8). As stated in Paragraph 4 of this Footnote, Monthly Carrying Charges do not include certain housing costs for which the Unit Owner is generally responsible such as repairs to the interior of the Unit and the payment for electricity which is separately metered.

(b) Since Sponsor does not offer nor procures mortgage financing, these costs are not included in monthly carrying charges. It is therefore necessary for the Purchaser (should he finance the purchase of his Unit) to add to his monthly carrying charges, the cost of his monthly mortgage and interest payments.

9. (a) In the absence of an individual mortgage on the Unit, the total amount of carrying charges deductible for income tax purposes for the residential unit owners would equal the monthly real estate taxes. Should Purchaser obtain financing, the projected amount deductible for income tax purposes may vary in subsequent years due to refinancing the mortgage, the application of constant debt service payments between interest and principal, or due to changes in the assessed valuation, the tax rate or in the method of assessing real property which result in change in real property taxes, or such other changes as may reasonably be expected to affect deductions.

Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purpose and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other units. Each Unit owner will be solely responsible for payment of real estate tax of his/her own unit. Sponsor will not be responsible for payment of real estate tax for each unit once the title is closed.

I...GRANDVIEW CONDOMINIUM
84-32 GRAND AVNEUE
ELMHURST, NEW YORK 11373

SCHEDULE B

PROJECTED RECEIPTS AND EXPENSES FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION
BEGINNING DECEMBER 1, 2006 TO NOVEMBER 30, 2007

INCOME:

COMMON CHARGES (NOTE 1) - \$62,069.00

ESTIMATED EXPENSES:

SALARIES AND WAGES (NOTE 2)	\$ 9,600.00
UTILITIIES - ELECTRICITY & GAS (NOTE 3)	\$18,679.00
WATER AND SEWER CHARGES (NOTE 4)	\$11,990.00
REPAIR, MAINTENANCE, SERVICE & SUPPLIES (NOTE 5)	\$ 4,800.00
INSURANCE (NOTE 6)	\$ 8,500.00
LEGAL AND AUDITING (NOTE 7)	\$ 1,500.00
MANAGEMENT (NOTE 8)	\$ 6,000.00
CONTINGENCIES (NOTE 9)	\$ 1,000.00

TOTAL \$62,069.00

In the opinion of BAYSHINE REAL ESTATE CORP., located at 4205 8th Avenue, Brooklyn, N.Y. 11232, the projected receipts are adequate to meet the estimated expenses for the first fiscal year of operation commencing December 1, 2006. RAY CHEN of BAYSHINE REAL ESTATE CORP. is a licensed real estate broker with no affiliation with the Sponsor. The foregoing schedule, however, is not intended and should not be taken as a guarantee or warranty by anyone that the annual common charges or other income or expenses for such fiscal year or any other subsequent year of operation of the property by the Condominium will be as set forth in said schedule, and it is possible that the actual common charges and other items of income and expense will vary from the amounts shown in the schedule.

Sponsor has reserved the right to modify, renew and replace existing service, maintenance, employment, concessionaire and other agreements and to enter into new agreement that will be binding on the Board of Managers upon commencement of Condominium operation. All such modifications, renewals and replacements of existing agreements thereto will be reflected in an amendment to this plan if they materially alter statements made herein.

FOOTNOTES TO SCHEDULE B
GRANDVIEW CONDOMINIUM
84-32 GRAND AVENUE
ELMHUST, NEW YORK 11373

1. Common Charges \$69,069.00

These estimates of operating expenses and income have been made by the sponsor based upon the operation of comparable developments in the immediate area. It cannot be construed as an assurance of the final expenses and is merely based upon information available at this time. This figure is based upon the monthly common charges set forth in Schedule A which will be paid by each Unit Owner.

2. Salaries and Wage \$9,600.00

It is anticipated that the building staff will consist of one part-time, non-union superintendent who works approximately 13 hours a week at an hourly rate of \$11.61 with the benefit amounting to \$2.32 per hour to provide services necessary for maintenance of the common areas. The level of staffing complies with the applicable housing and labor laws. The budgeted amount reflects current wage rates and reasonably anticipated increases. The estimated labor cost is based on the following calculation:

Payroll:	\$8,000.00
Payroll Taxes & Miscellaneous Expenses:	
FICA \$8,000 x 7.65%=	\$ 612.00
State Unemployment Insurance:	
\$8,000 x 4%=	\$ 320.00
Federal Unemployment Insurance:	
\$8,000 x 0.8%=	\$ 64.00
Worker's Compensation/Disability	
Insurance: \$8,000 x 4.5%=	\$ 360.00
Miscellaneous	\$ 244.00

3. Utilities-Electricity \$18,679.00

The projection for cost of electricity is based upon estimates provided by Peter Kon-Ho Kee, P.E. at 731 52nd Street, Brooklyn, New York. The following estimate is for the cost of electricity which is included and covered by the common charge such as cost of electricity for exterior, garage, utility room and public area lighting, public area heating and elevator power.

The calculation of the estimated cost is made as follows:

- a. Garage lighting (on all the time)=5 KW x 24 x 365=43,800 KWH
 - b. Elevator (assume 2 hours operation per day=45 KW x 2 x 365=32,850 KWH
 - c. Exterior lighting (assume average 12 hours per day)=
1 KW x 12 x 365=4,380 KWH
 - d. Corridors and staircase (assume 24 hours per day)=
0.63 KW x 24 x 365=5,519 KWH
 - e. Utility room lighting (assume average 1/2 hour per day)=
0.92 KW x 0.5 x 365=168 KWH
 - f. Heating (assume 2 hours per day for 120 days per year)
 - (a) 0.5 KW in machine room
 - (b) 7 KW in staircases
 - (c) 30 KW in garage (unit heaters)Total heating=37.5 KW X 2 X 120=9,000 KWH
 - g. Ventilation (assume 2 hours per day for 365 days per year)=
6 KW x 2 x 365=4,380 KWH
- Total=100,097 KWH/year or average=8,341 KWH/month

COST:

Based on average 8,341 KWH/month

Basic monthly charge=\$11.42

Usage charge: First 250 KWH X \$0.178=\$44.50

(8,341- 250) kwh X \$0.185=\$1,385.84

Total estimated cost=\$11.42 + \$44.50 + \$1,385.84=\$1,496.80

Plus sales tax=\$1,496.8 x 1.04=\$1,556.60 per month or=

\$18,679.00 per year

The projection does not include the cost of electricity for each unit which shall be individually metered and billed directly to each Unit Owner.

In view of the current energy situation, it is not possible to predict whether the budgeted figure will reflect the actual cost to be incurred during the first year of Condominium operation, which will vary with the level of consumption and the cost of the utility. Electricity is generated by the Utility Company by means of fuel oil as the primary energy source. If the cost of oil to generate electricity increases, it is likely that electric rates will increase. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity resulting from the foregoing during the first year of Condominium operation. However, no budget item is warranted.

Although the Sponsor is under obligation to provide accurate information to prospective purchasers, factors beyond its control may substantially affect the cost of heating after the purchase of

a Unit or in subsequent years. The Sponsor represents, however, that it has followed the plans and specifications provided by the manufacturer of the heating system together with the recommendation of the utility company and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost. Further, the Sponsor represents that it has not been induced to select the heating system described herein on the basis of any financial inducement other than the price of the system made to it by the manufacturer or distributor of the system or by the supplier of energy to be used in connection therewith or by any of their agents or employees.

4. Water and Sewer Charges \$11,990.00

One (1) water meter covers the entire condominium. The Units will not be individually metered for water. The budgeted figure is calculated based upon the water and sewer consumption of the Unit with the similar facilities, i.e., tubs, shower stalls, toilets and hose bibs. Water costs are based upon 2,898 HCF/yr. at \$1.60/HCF and sewer charges is based upon 159% of water costs. The projection for water and sewer charges is based on the estimate given by Kon-Ho lee, P.E., at 731 52nd Street, Brooklyn, New York.

5. Repairs & Maintenance, Service & Supply: \$4,800.00

The budget figure is for the repair and maintenance of all the common elements such as roof, exterior (including walls, foundations, windows, doors and locks), sewer system, plumbing, electrical work, painting and flooring of the common area, and other maintenance services such as elevator maintenance service (\$2,400.00), sprinkler maintenance services (\$450.00 per year), extermination services (\$450.00 per year). The budget also includes cost of cleaning supplies, hardware, lighting bulbs and rubbish bags (\$500.00 per year). The snow removal and daily cleaning of the common area and sidewalk will be done by the superintendent. As the Condominium is newly constructed, it is estimated that \$1,000.00 is sufficient to provide for general repairs to the common areas for the first year of operation of the Condominium. Inasmuch as the Building is a new construction, no major interior and exterior repairs are anticipated. Minor repairs will be done by the Superintendent. The budgeted figure does not include improvements and repairs to, maintenance of, or supplies for individual Units and limited Common Elements. Each individual Unit Owner is responsible for improvements and repairs to, maintenance of, and supplies for his Unit and those Common Elements irrevocably restricted to his/her use.

6. Insurance \$8,500.00

The budgeted figure for insurance is based upon an estimate provided by the insurance brokerage firm of United Innovation Group, Inc., located at 8 Chatham Square, Suite 809, New York, N.Y. 10038. They have advised that they would be willing to write a policy with the following coverages:

Building- \$3,000,000.00 Replacement Cost, subject
to a deductible of \$1,000.00 per occurrence
Comprehensive General Liability - \$1,000,000 occurrence
\$2,000,000 aggregate
Fire Damage Legal Liability - \$50,000.00 per occurrence
Medical Payment - \$5,000.00

Total anticipated annual premium: \$8,500.00

The above proposed coverage is provided by a company licensed in the State of New York with a Best's financial rating of "A", Excellent, and meets the requirement of any mortgage lender procured by the Sponsor.

The above package policy provides:

- 1) All Unit owners as additional insureds;
- 2) Waiver of Subrogation clause is included;
- 3) Replacement cost coverage endorsement is included;
- 4) Notice to Owners and Board of Managers in the event of cancellation;
- 5) Waiver of invalidity due to acts of insured and unit owners is included;
- 6) Waiver of pro-rata reduction if Unit Owners obtain additional coverage is included.
- 7) The building limit of \$3,000,000 is adequate so that the Board of Managaers will not be coinsured.

The budget figure does not include the coverage for interior of each Unit and Unit owner's personal properties. It is recommended that each Unit owner purchases his/her own insurance to cover losses and damages within the Unit.

7. Legal and Auditing \$1,500.00

The fee for the accountant's services is based on the estimate given by Tim W. Choi, CPA at 145-07 17th Road, Whitestone, N.Y. 11357. The figure reflects the estimated cost of \$1,000.00 for retaining an accountant to prepare a year end audited financial statement and tax return, and this budgeted amount is sufficient for such accountant's services. \$500.00 is provided for retaining an attorney to represent the Board of

Managers in connection with the Condominium's normal business operations. The amount reflected does not cover extraordinary costs or expenses for additional services rendered or costs incurred to conduct litigation on behalf of the Condominium.

8. Management \$6,000.00

At or prior to the first closing of title to Unit, the Condominium will enter into a management contract with the Sponsor as managing agent for the period of two (2) years. The Management Fee to be collected by the Sponsor is the going rate of such service which is approximately 10% of the total common charges. After one (1) year, either the Board of Managers or the Sponsor may terminate the management contract upon sixty (60) days' written notice to the other.

9. Contingencies \$1,000.00

This budget item is to provide a fund for unanticipated expenses or possible increases in operating expenses not now foreseen or other Condominium corporate purposes. This fund will be used in the event any income taxes are incurred to the Condominium. The budget may be modified from time to time prior to commencement of or during Condominium operation to increase one or more items of expense and decrease the contingency fund. This fund does not include a reserve for capital repair and/or replacement.

If the projected commencement of the budget year in the offering plan differs by six months or more from the anticipated date of closing of the first unit, the plan will be amended to include a revised budget which will disclose current projections. If such amended budget projections exceed the original budget projections by 25% or more, all purchasers will have the right, within 30 days after the receipt of the amended budget, to rescind their offers to purchase and have their deposits refunded.

The Sponsor may not declare the Plan effective where there are any material changes to the budget if such changes have not been disclosed by a duly filed amendment.

KON-HO LEE CONSULTING ENGINEER, PLLC

KON-HO LEE, P.E., M.S.(M.E.)

731-52nd STREET, BAYRIDGE
BROOKLYN, NY 11220

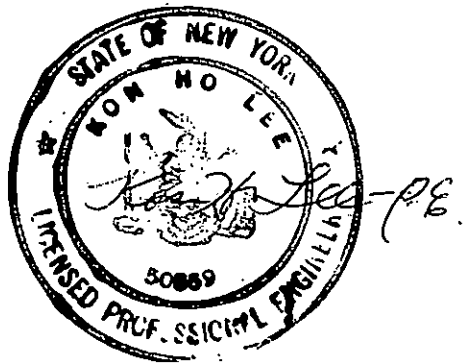
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August 19, 2005

PROJECTED ANNUAL UTILITIES COST
FOR
84-32 GRAND AVE., QUEENS, NY



84 -30 GRAND AVE., QUEENS, NY

Estimated annual electric consumption cost

Each residential unit's electric consumption was calculated based on 3 Watts/sq. ft. for lighting and also was based on the consumption that average unit will utilize 50% of all lights for about six(6) hours per day and 365 days/year. Each unit is assumed to use about 1.8 KW electric appliances consist of typical household appliances such as refrigerator, dishwasher, microwave, rice cooker, TV and other small appliances. The window air conditioning usage is assumed six (6) hours per day and for ninety (90) days per year. In addition, the following were assumed:

- a. Con Edison is to delivery and distributes energy.
- b. Basic monthly charge \$11.42
- c. First 250 KWH @ \$0.178/KWH*
- d. Additional KWH @ \$0.185/KWH*
- e. Sales tax @ 4%

*varies, it depends on market supply price for energy sources.

UNITS 1A, 2A, 3A, 4A, 1B, 2B, 3B, 4B, 2C, 3C, 4C, 2D, 3D, and 4D are about same size in square ft.

Electric consumptions:

- a. Lighting = $2,340 \text{ W/2} \times 6 \times 365 = 2,562.3 \text{ KWH}$
 - b. Appliances = $1.8 \text{ KW} \times 3 \times 365 = 1,971 \text{ KWH}$
 - c. A/C units = $5.76 \text{ KW} \times 6 \times 90 = 3,110.4 \text{ KWH}$
- Total = 7,643.7 KWH/year or = average 637 KWH/month

COST:

Based on average of 637 KWH/month

Basic monthly service charge = \$11.42

Usage charge: first 250 KWH x \$0.178 = \$44.50

$(637 - 250) \text{ KWH} \times \$0.185 = \$71.60$

Total estimated cost = $\$11.42 + \$44.50 + \$71.60 = \$127.50$

Plus sales tax = $\$127.50 \times 1.04 = \$132.60/\text{month}$ or = **\$1,591.20/year.**

UNITS 1C and 1D

Electric consumptions:

- a. Lighting = $3,072 \text{ W/2} \times 6 \times 365 = 3,363.84 \text{ KWH}$
 - b. Appliances = $1.8 \text{ KW} \times 3 \times 365 = 1,971 \text{ KWH}$
 - c. A/C units = $5.76 \text{ KW} \times 6 \times 90 = 3,110.4 \text{ KWH}$
- Total = 8,445.24 KWH/year or = average 703.80 KWH/month

COST:

Based on average 703.80 KWH/month

Basic monthly service charge = \$11.42

Usage charge: first 250 KWH x \$0.178 = \$44.50

$(703.80 - 250) \text{ KWH} \times \$0.185 = \$83.95$

Total estimated cost = $\$11.42 + \$44.50 + \$83.95 = \$139.87$
Plus sales tax = $\$139.87 \times 1.04 = \$145.50/\text{month}$ or = $\$1,745.55/\text{year}$

UNITS 2E and 3E

Electric consumptions:

- a. Lighting = $1,440 \text{ W/2} \times 6 \times 365 = 1,576.8 \text{ KWH}$
 - b. Appliances = $1.8 \text{ KW} \times 3 \times 365 = 1,971 \text{ KWH}$
 - c. A/C units = $2.88 \text{ KW} \times 6 \times 90 = 1,555.2 \text{ KWH}$
- Total = $5,103 \text{ KWH}/\text{year}$ or average = $425.25 \text{ KWH}/\text{month}$

COST:

Based on average $425.25 \text{ KWH}/\text{month}$
Basic monthly service charge = $\$11.42$
Usage charge: first $250 \text{ KWH} \times \$0.178 = \$44.50$
 $(425.25 - 250) \text{ KWH} \times \$0.185 = \$32.42$
Total estimated cost = $\$11.42 + \$44.50 + \$32.42 = \$88.34$
Plus sales tax = $\$88.34 \times 1.04 = \$92.00/\text{month}$ or = $\$1,104/\text{year}$

UNIT 5B

Electric consumptions:

- a. Lighting = $2,160 \text{ W/2} \times 6 \times 365 = 2,365.2 \text{ KWH}$
 - b. Appliances = $1.8 \text{ KW} \times 3 \times 365 = 1,971 \text{ KWH}$
 - c. A/C units = $4.32 \text{ KW} \times 6 \times 90 = 2,332.8 \text{ KWH}$
- Total = $6,669 \text{ KWH}/\text{year}$ or average = $555.75 \text{ KWH}/\text{month}$

COST:

Based on average $555.75 \text{ KWH}/\text{month}$
Basic monthly service charge = $\$11.42$
Usage charge: first $250 \text{ KWH} \times \$0.178 = \$44.50$
 $(555.75 - 250) \text{ KWH} \times \$0.185 = \$56.56$
Total estimated cost = $\$11.42 + \$44.50 + \$56.56 = \$112.50$
Plus sales tax = $\$112.50 \times 1.04 = \$117.00/\text{month}$ or = $\$1,404.00/\text{year}$

UNITS 5A, 5C

Electric consumptions:

- a. Lighting = $2,940 \text{ W/2} \times 6 \times 365 = 3,219.3 \text{ KWH}$
 - b. Appliances = $1.8 \text{ KW} \times 3 \times 365 = 1,971 \text{ KWH}$
 - c. A/C units = $5.76 \text{ KW} \times 6 \times 90 = 3,110.4 \text{ KWH}$
- Total = $8,300.7 \text{ KWH}/\text{year}$ or average = $692 \text{ KWH}/\text{month}$

COST:

Based on average $692 \text{ KWH}/\text{month}$
Basic monthly charge = $\$11.42$
Usage charge: first $250 \text{ KWH} \times \$0.178 = \$44.50$
 $(692 - 250) \times \$0.185 = \$81.77$
Total estimated cost = $\$11.42 + \$44.50 + \$81.77 = \$137.7$

Plus sales tax = $\$137.7 \times 1.04 = \$143.20/\text{month}$ or = **\$1,718.50/year**

Public usage

- a. Garage lighting (on all the time) = $5 \text{ KW} \times 24 \times 365 = 43,800 \text{ KWH}$
- b. Elevator (assume 2 hours operation per day) = $45 \text{ KW} \times 2 \times 365 = 32,850 \text{ KWH}$
- c. Exterior lighting (assume average 12 hours per day) = $1 \text{ KW} \times 12 \times 365 = 4,380 \text{ KWH}$
- d. Corridors and staircase (assume 24 hours per day) = $0.63 \text{ KW} \times 24 \times 365 = 5,519 \text{ KWH}$
- e. Utility room lighting (assume average $\frac{1}{2}$ hours per day) = $0.92 \text{ KW} \times 0.5 \times 365 = 168 \text{ KWH}$
- f. Heating (assume 2 hours per day for 120 days per year)
 - (a) 0.5 KW in machine room
 - (b) 7 KW in staircases
 - (c) 30 KW in garage (unit heaters)Total heating = $37.5 \text{ KW} \times 2 \times 120 = 9,000 \text{ KWH}$
- g. Ventilation (assume 2 hours per day for 365 day per year) = $6 \text{ KW} \times 2 \times 365 = 4,380 \text{ KWH}$

Total = 100,097 KWH/year or average = 8,341 KWH/month

COST:

Based on average 8,341 KWH/month

Basic monthly charge = \$11.42

Usage charge: First 250 KWH $\times \$0.178 = \$44.50$

$(8,341 - 250) \text{ KWH} \times \$0.185 = \$1,385.84$

Total estimated cost = $\$11.42 + \$44.50 + \$1,385.84 = \$1,496.80$

Plus sales tax = $\$1,496.8 \times 1.04 = \$1,556.60$ per month or = **\$18,679.00 per year**

Estimated annual water consumption cost

For all units

The following cost estimates are based on actual water consumption for similar facility, 138 HCF (hundred cubic feet) usage per year per household, \$1.60 per HCF (748 gallons) and 159% of water cost for sewer.

a. Water cost = $\$1.60/1 \text{ HCF} \times 138 \text{ HCF} = \$220.80$

b. Sewer cost = $\$220.80 \times 1.59 = \$351.07$

Total projected annual cost for water and sewer per unit = $\$220.80 + \$351.07 = \$571.87$.

If there is only one water meter for the entire facility, then the estimated annual water and sewer cost will be = $\$571.87 \times 21 = \underline{\underline{\$11,990.00}}$

Estimated annual natural gas consumption cost

UNITS 2E and 3E

a. Estimated use of 250 Therms annually for cooking and hot water generation = $\$1.56 \times 250 = \$390.00$

b. Estimated yearly cost for heating = \$750.00

Total estimated annual cost = $\$390.00 + \$750.00 = \$1,140.00$

For all other UNITS

a. Estimated use of 275 Therms for annually for cooking and hot water generation = $\$1.56 \times 275 = \$429.00$

b. Estimated yearly cost for heating = \$825.00

Total estimated annual cost = $\$429.00 + \$825.00 = \$1,254.00$

For public usage

NONE

SCHEDULE B-1

PROJECTED AVERAGE MONTHLY AND ANNUAL UTILITIES COST SUMMARY

UNIT	<u>ELECTRICITY</u>		<u>NATURAL GAS</u>		<u>TOTAL UTILITY COST</u>	
	<u>MONTHLY</u>	<u>ANNUAL</u>	<u>MONTHLY</u>	<u>ANNUAL</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
1A	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,845.20
1B	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,845.20
1C	\$145.60	\$1,745.60	\$104.50	\$1,254.00	\$250.10	\$2,999.60
1D	\$145.60	\$1,745.60	\$104.50	\$1,254.00	\$250.10	\$2,999.60
2A	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,845.20
2B	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,845.20
2C	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,845.20
2D	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,845.20
2E	\$92.00	\$1,104.00	\$95.00	\$1,140.00	\$187.00	\$2,244.00
3A	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,845.20
3B	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,845.20
3C	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,845.20
3D	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,845.20
3E	\$92.00	\$1,104.00	\$95.00	\$1,140.00	\$187.00	\$2,244.00
4A	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,844.00
4B	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,844.00
4C	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,844.00
4D	\$132.60	\$1,591.20	\$104.50	\$1,254.00	\$237.10	\$2,844.00
5A	\$143.20	\$1,718.50	\$104.50	\$1,254.00	\$247.70	\$2,972.40
5B	\$117.00	\$1,404.00	\$104.50	\$1,254.00	\$221.50	\$2,658.00
5C	\$143.20	\$1,718.50	\$104.50	\$1,254.00	\$247.70	\$2,972.40
PUBLIC	\$1,556.60	\$18,679.00	NONE	NONE	\$1,556.60	\$18,679

The estimated total annual water consumption cost of \$11,990 for the facility is not included in the above. However, the cost should be included in common charges.

The above cost estimates are based on the year 2005 rates. It should be noted that current rates are not guaranteed and it must be expected that these rates will increase with inflation and availability of energy supply source. Furthermore, the costs shown are only estimates and actual consumption will be metered and will vary based on personal life style needs of occupants, weather conditions and efficiency of equipment installed.

SECTION J...MORTGAGE FINANCING

1. The Sponsor will not provide any financing in connection with the purchase of a Unit offered under this Plan, nor has the Sponsor procured any commitment to provide mortgage financing. Each purchaser will be responsible for obtaining any mortgage financing necessary to consummate the purchase of a Unit.

2. A Purchaser may make his obligations under the Purchase Agreement contingent upon obtaining financing, if desired, for the purchase of the Unit by executing a Mortgage Addendum attached to the purchase agreement. Should the purchaser fail to execute the Mortgage Addendum, his obligation to consummate the transaction will not be contingent upon obtaining financing. Under the Mortgage Addendum, purchasers will have 45 days after execution of the Purchase Contract to obtain a commitment for financing. In the event Purchaser is unable to obtain a financing commitment after a good faith effort, either party may rescind the contract. In such event, the Purchaser shall be entitled to the return of his/her downpayment. Sponsor reserves the right to grant to Purchaser reasonable extension of said period of time. Purchaser must notify Sponsor in writing within seven calendar days by certified mail, return receipt requested, if Purchaser is unable to obtain the commitment. Purchasers should note that financing commitments for purchase of Units may have expiration dates prior to which closing of title to the Unit must occur, unless the commitment issued is extended and that no guarantee can be made that the terms will be the same as the expired commitment. If the Purchaser's financing commitment lapses or expires prior to closing, and he/she has made a good faith effort to extend the commitment, Sponsor must grant a right of rescission to that Purchaser and a reasonable period of time to exercise that time. (See Part II, Exhibit II-A, Mortgage Addendum to Purchase Agreement.)

SECTION K... CHANGES IN PRICES OF UNITS

Changes in Prices.

The Offering Price set forth in Schedule A, Section H may only be changed by a duly filed amendment when the price change is an across-the-board change affecting one or more Unit lines or is to be advertised or is a price increase for an individual Purchaser. Prices are negotiable. Sponsor may enter into an agreement with an individual purchaser to sell one or more Units at prices lower than set forth in Schedule A without filing an amendment. No change in the price of a Unit, however, will increase the share of common expenses to be borne by any other Unit Owner. Likewise, no change in the price of a Unit will vary the percentage of common interest appurtenant to such Unit. Some purchasers will pay less or more for the same type of unit.

Changes in Sizes and Layout of Units

(a) Sponsor states that no changes will be made in the size or number of Units, and/or their respective percentage of common interest and that no material change will be made in the size or quality of Common Elements except by amendment to the Plan and to the Declaration, when applicable.

(b) Sponsor further states that unless an affected Purchaser consents, no material change will be made in Unit size, layout, percentage of common interest or in the amount or quality of Common Elements directly affecting or servicing the Unit if a Purchase Agreement has been executed and delivered to Sponsor for that Unit and the Purchaser is not in default.

(c) Sponsor further states that unless all purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of common element.

SECTION KK . . . INTERIM LEASE

The Spnsor and the Purchaser may enter into an interim lease. No rental protections laws are applicable to the interim lease. An uncured default under the Purchase Agreement shall be considered as a default under the interim lease. The interim lessee must vacate the Unit within 30 days after a default under the purchase agreement or rescission of the Purchase Agreement by the Lessee. The Lessee's default under the lease, if such derfaults are not cured by the time of closing, shall be considered as default under the Purchase Agreement. However, before the Sponsor may utilize the default under the lease to declare the default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

SECTION L...PROCEDURE TO PURCHASE

A complete copy of the Purchase Agreement ("Agreement") is contained in Part II, Section BB and labeled as Exhibit II. The Sponsor hereby offers for sale the Units to be constructed in the Condominium for residential occupancy for the Units in accordance with the applicable municipal zoning regulations.

The sales price at which the Units are being offered are shown in detail in Schedule A. The Sponsor reserves the right to change the sales price (see Section K). Any such changes will not affect the common interest of the unit, however, some purchasers may pay less or more for the same unit.

Any person may accept Sponsor's offer to sell the Units by entering into a Purchase Agreement with the Sponsor. The Agreement provides that the Purchasers will purchase from the Sponsor a designated Unit in the Grandview Condominium Declaration creating such condominium. No Purchase Agreement shall be given to a prospective purchaser for execution until the expiration of at least three (3) business days from the date on which the offering plan and all filed amendments thereto have been delivered to such Purchaser for review. Any conflict between the Plan and the Purchase Agreement shall be resolved in favor of the Plan. Upon signing the Purchase Agreement the purchaser shall make a down payment in the amount equal to ten (10%) percent of the purchase price or any other amount, but not less than \$1,000.00 per unit plus the cost of any special work ordered by the Purchaser and itemized in the Purchase Agreement. Upon purchaser's full payment of the purchase price at the closing, in cash or by mortgage, the purchaser will receive a bargain and sale deed with covenants against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable or insurable title to him of fee ownership in the Unit and such percentage of common interest in the common elements as set forth in Schedule A, free and clear of all liens and encumbrances other than those set forth in Section N, paragraph 12. The Purchase Agreement may be modified with the consent of Purchaser and Sponsor in a manner not inconsistent with law, or with the terms of this Plan. Within twenty (20) days after delivery by the Purchaser of an executed Purchase Agreement together with the required down payment, the Sponsor will either (a) accept the Agreement offer and fully execute, or (b) reject the Agreement offer and refund the down payment. If the Sponsor takes no action within said 20-day period, the Purchase Agreement shall be deemed accepted by the Sponsor.

The Purchase Agreement and Plan must comply with Section 71-a(3) of the Lien Law in connection with the monies deposited by the Purchasers. All monies deposited by the Purchasers as downpayment will be placed in a segregated attorney's escrow account entitled "GRANDVIEW CONDOMINIUM ESCROW ACCOUNT" ("Escrow Account") within five (5) business days after the purchase agreement and all required documents are signed by all necessary parties. SWIFT & ASSOCIATES, PLLC, with office at 41-46 Main Street, Suite 200, Flushing, N.Y. 11355, will be the Escrow Agent. Such account will be maintained at Great Eastern Bank, located at 41-48 Main Street, Flushing, N.Y. 11355. At the closing of title such funds will be payable to Sponsor. The signature of Albert M. Swift, Esq., as attorney for the Sponsor, shall be required to withdraw any of such funds. All funds received by Sponsor will be handled in accordance with provisions of Section 352-h and 352-e (2)-(b) of the General Business Law and 71-(a)3 of the Lien Law.

Purchasers should note that the deposits into the escrow account in excess of \$100,000.00 will not be federally insured for the portion in excess of \$100,000.00.

The Escrow Account will be interest-bearing and, unless the Purchaser defaults, interest will be credited or delivered to the Purchaser in connection with the closing. The interest rate to be earned will be the interest rate then offered by Great Eastern Bank for this type of account which, for example was 0.50% per annum as of February 28, 2006 but which may fluctuate to higher or lower yields from time to time. Interest will begin to accrue when the down payment funds "clear" in accordance with the requirements of Federal law governing the deposit of funds. Great Eastern Bank will require purchasers to execute authorizations and tax disclosure forms regarding the downpayments and interest earned thereon.

All instruments shall be made payable to or endorsed to the order of "GRANDVIEW CONDOMINIUM ESCROW ACCOUNT" and shall be accepted subject to collection.

Sponsor and Escrow Agent have executed the Escrow Agreement which appears as Exhibit CC in Part II of the offering plan. The Escrow Agreement provides that within five (5) business days after tender by Purchaser of the downpayment submitted with the executed Purchase Agreement, the downpayment funds will be deposited in the Escrow Account, and that within ten (10) business days after such "tender" Purchaser must be notified of the deposit. The Escrow Agreement provides that within ten (10) business days after the Purchase Agreement and all other necessary documents have been signed by all necessary parties and the downpayment funds have been delivered to Escrow Agent, Escrow Agent will notify Purchaser that such downpayment funds

have been deposited into the Escrow Account and will provide the account number and the initial interest rate. Notice mailed to the purchaser's attorney shall be deemed to be delivered to Purchaser and received by the Purchaser hereunder, whether or not it is actually received, and shall be deemed given on the date mailed.

The Escrow Agreement provides that if the Purchaser does not receive notice of deposit of the downpayment in the Escrow Account within fifteen (15) business days after tender of the executed Purchase Agreement and downpayment, Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender by Purchaser of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrow funds were timely deposit and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's Regulations. Purchaser may also apply to the Attorney General's office for the relief, in the event the Sponsor fails to notify the Purchaser of deposit of funds into the escrow account.

In the event of a default by the Purchaser under the Purchase Agreement, which default continues for 30 days after written demand for payment based upon such default from the Sponsor to the Purchaser, the down payment to a maximum of 10% of the purchase price plus the actual cost of any special work ordered may be released to the Sponsor from such account as liquidated damages and thereafter neither party shall have any rights or obligations against or to the other. The Sponsor must give 30 days written notice of default before forfeiture of deposit is declared. TIME IS OF THE ESSENCE TO CURE SUCH DEFAULT WITHIN THE SAID THIRTY (30) DAY PERIOD. The deposit money may be withdrawn prior to closing in the event the Plan is abandoned or the Purchaser defaults or the Purchase Agreement is rescinded. If the Purchase Agreement is rescinded or the Sponsor cannot convey title to the Unit for any reason other than default by the Purchaser, all monies advanced by the Purchaser shall be returned to the Purchaser. If the Plan is abandoned, all the deposit money shall also be returned to the Purchaser together with the interest earned thereon.

The deposit monies may be released upon the mutual written consent of the Seller and Purchaser. The deposit money may also be released if Purchaser has executed a Mortgage Rider, complied with the terms therein and failed to obtain a mortgage loan or where the Purchaser can lawfully rescind the Purchase Agreement without being in default.

Under no circumstances shall sponsor apply for release of the escrowed funds of a defaulting purchaser until after consummation of the plan. Consummation of the plan does not relieve the sponsor of its obligations pursuant to GBL Section 352-h.

The Escrow Agent shall hold the funds in escrow until closing under a Purchase Agreement, in which event the funds will be paid to Sponsor (or any one Sponsor designates or directs), without any further authorization by Purchaser required; or until otherwise directed in:

- (i) a writing signed by both sponsor and purchaser; or
- (ii) a determination of the Attorney General pursuant to subparagraph entitled "Disputes" of this Section; or
- (iii) a judgment or order of a court of competent jurisdiction or until released pursuant to the following subparagraph.

If there is no written agreement between the parties to release the escrowed funds, the escrow agent shall not pay the funds to the Sponsor until the escrow agent has given the Purchaser written notice of not fewer than 10 business days. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Attorney General's office pursuant to the dispute resolution provisions contained in the Attorney General's Regulations and has so notified the escrow agent in accordance with such provisions.

Escrow Agent may require that before it releases escrow funds, the parties (i.e. seller and purchaser) execute a notice authorizing release of the escrow funds. Purchaser's execution of such notice may be a condition of Sponsor's obligation to close, if such notice is requested at a closing.

The Sponsor shall not object to the release of the escrowed funds to:

- (1) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the plan; or
- (2) all purchasers after an amendment abandoning the plan is accepted for filing by the Attorney General's office.

Disputes:

- (a) In the event of a dispute, the sponsor shall apply and the Purchaser or the escrow agent holding the down payments in escrow may apply to the Attorney General for a determination on the disposition of the down payment and any interest earned thereon. A form for this purpose is contained in Part II of this plan as Exhibit IV and forms are also available from the Department of Law. The party applying shall contemporaneously send to all other parties a copy of such application.

- (b) Pending the determination of the Attorney General to grant or deny the application, the sponsor, the purchaser and the escrow agent shall abide by any interim directive issued by the Attorney General.
- (c) If the application permitting release of funds is granted, the deposit and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.
- (d) The Attorney General shall act upon the application within 30 days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons.
- (e) If the application seeking release of funds is denied, the escrow agent shall continue to hold the deposit and any interest earned thereon until:
 - (i) both the sponsor and purchaser direct payment to a specified party in accordance with a written direction signed by both the sponsor and purchaser; or
 - (ii) a judgment or order of a court of competent jurisdiction is served on the escrow agent; or
 - (iii) the escrow agent deposits the disputed amount into court.
- (f) In no event shall the escrow agent release funds in dispute, other than a payment of such funds into court, until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court of competent jurisdiction or by written agreement of the sponsor and the purchaser.

The Escrow Agent is obligated to maintain all records concerning the Escrow Account for seven (7) years after release of funds. The Attorney General's office may review and audit any records involving escrow accounts to determine compliance with statute and regulation.

Before funds are transferred to a new escrow account, or if the escrow agent is replaced, the plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in

writing the use of such alternate form of security, pursuant to the provisions of paragraph (4) of this subdivision.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of this section concerning obligation of escrow agent shall prevail over any conflicting or inconsistent provision in this offering plan or in a Purchase Agreement.

Notwithstanding anything to the contrary set forth above, in the event the Attorney General's Regulations are modified or changed, the effect of which is to eliminate some or all of the Escrow Agent's obligations under the Escrow Agreement, then the plan, terms of the Escrow Agreement, this Section, and all then existing Purchase Agreement, and all Purchase Agreements executed thereafter, shall be amended accordingly.

Purchasers should note that in the event a purchaser is entitled to a rescission, the Purchaser will not receive any funds which he/she initially placed in the escrow account for the upgrade or extra works, if such works have been completed and the funds have been released to the Sponsor from the escrow account.

Following the declaration of effectiveness of the Plan, and the completion of the construction work of the Building, Purchaser will be given at least 30 days prior written notice of the closing date of his Unit, which notice will also remind him of his obligation to pay the balance of the purchase price and execute and deliver all instruments necessary to close the transaction at that time and will state when common charges will be due and payable. The balance of the purchase price is not payable until closing of title to the Unit. The sponsor expects the first closing of a unit to occur on or about December 1, 2006. If such date is delayed twelve (12) months or more, Purchasers will be offered rescission.

Purchasers may make his obligations under the Purchase Agreement contingent upon obtaining financing, if desired, for the purchase of the Unit by executing a Mortgage Addendum attached to the purchase agreement. Should the purchaser fail to execute the Mortgage Addendum, his obligation to consummate the purchaser transaction will not be contingent upon obtained financing. Under the Mortgage Addendum, purchasers will have 45 days after execution of the Purchase Contract to obtain a commitment for financing. In the event Purchaser is unable to obtain a financing commitment after a good faith effort, either party may rescind the contract. Sponsor reserves the right to grant to Purchaser reasonable extensions of said period of time. Purchaser

must notify Sponsor in writing within seven calendar days by certified mail, return receipt requested, if Purchaser is unable to obtain the commitment. Purchasers should note that financing commitments for purchase of Units may have expiration dates prior to which closing of title to the Unit must occur, unless the commitment issued is extended and that no guarantee can be made that the terms will be the same as the expired commitment. If the Purchaser's financing commitment lapses or expires prior to closing, and he/she has made a good faith effort to extend the commitment, Sponsor must grant a right of rescission to that Purchaser and a reasonable period of time to exercise that time.

A complete copy of the purchase agreement is included in the plan and labeled as Exhibit II. Purchasers should also note that the Purchase Agreement will provide that purchaser's failure to provide information to the lender promptly upon request thereof, or to accept a commitment issued to purchaser by lender on terms set forth in the Purchaser Agreement shall constitute a default by purchaser under the Agreement, whereupon Sponsor shall have remedies as set forth therein.

The Purchase Agreement is contingent upon effectiveness of the Plan. If the Plan is abandoned, all Purchase Agreements will be deemed cancelled.

The Purchase Agreement may not contain or be modified to contain a provision waiving purchaser's rights or abrogating Sponsor's obligations under the offering plan or under Article 23-A of the General Obligations Law. See Part II of the Plan for form of Unit Deed and Contract to purchase. Any conflict between the Offering Plan and the Purchase Agreement will be resolved in favor of the Plan.

The risk of loss from fire or other casualty remains with the sponsor unless and until either a purchaser takes actual possession of a unit pursuant to a written agreement with the Sponsor or legal title to the Unit has been conveyed to the purchaser. It is a special risk if the purchaser enters into possession prior to closing since risk of loss passes upon either closing or possession and any purchaser who enters into possession before closing should obtain insurance as he would if closing had taken place.

At the time of closing, the purchaser is required to sign a Power of Attorney to the Board of Managers of the Condominium, appointing the members of the Board of Managers as attorneys-in-fact to carry out any of the provisions of the Offering Plan including acquisition, leasing, or sale of the Units by the Board of Managers pursuant to Declaration and By-laws of the Condominium

and filing the amendments to the Declaration of Condominium. A form of Power of Attorney is included in Part II, Section EE of this Plan.

The Purchase Agreement may not be assigned without prior written consent of the Sponsor.

SECTION M ...EFFECTIVE DATE

Sponsor's offer to sell Units hereunder is contingent upon the Plan being declared effective in accordance with relevant conditions and time periods. All Purchase Agreements are contingent upon such effectiveness. In declaring the Plan effective, the following will govern:

1. Closing of title to Units will not occur before the Plan has been declared effective, and the effectiveness amendment has been accepted by Attorney General for filing. The Plan will be declared effective by personal service of notice on every Purchaser or by commencement of service by regular mail or registered or certified mail with or without return receipt requested addressed to the Purchaser's last known residence or if the Purchaser has provided written information of an alternative address for notices, addressed to the Purchaser at the alternative address.

2. The Plan may not be declared effective until executed Purchase Agreements executed by bona fide purchasers including investors have been accepted by Sponsor for not less than fifteen (15%) percent of the Units offered under the Plan, as same may be amended. The following purchase agreements shall not be counted toward effectiveness:

- (1) Purchase agreements signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or
- (2) If the Purchaser was not afforded not fewer than seven days after delivering an executed purchase agreement together with the required deposit to rescind or not fewer than three business days to review the offering plan prior to executing a purchase agreement.
- (3) Purchase agreements with any purchaser who is the sponsor, the selling agent, or the managing agent or is a principal of the sponsor, the selling agent, or the managing agent or relating to any principal of the sponsor or the selling agent or managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a purchaser other than the sponsor or a principal of the sponsor may be included if the sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bona fide.

After acceptance of such Agreements, the Plan may be declared effective by Sponsor.

3. The Plan must be declared effective when Purchase Agreements are accepted for the sale of eighty (80%) percent of the Units offered under the plan.

4. The Plan may be abandoned by Sponsor, at its sole and unrestricted option, at any time before it is declared effective or before eighty (80%) percent of Units have been purchased. Within fifteen (15) days after abandonment, all monies paid by Purchasers shall be refunded to them in full and Sponsor shall promptly submit for filing to the Department of Law a proposed Amendment to the Plan reflecting such abandonment and a notice of abandonment on form RS-3, or such other form as may then be required by the Department, setting forth reasons for abandonment and disposition of all funds received. Upon abandonment of the Plan, all monies deposited by the purchasers will be returned together with any interest earned thereon.

5. The Plan may not be abandoned once it has either been declared effective or eighty (80%) percent of the Units have been purchased, except as follows:

a) If there is a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the offering; or

b) Substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than one-half of one percent of the total amount of the offering; or

c) The taking of any material portion of the property by condemnation or eminent domain.

Any stated dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorneys fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the plan and are either known to the Sponsor or are a matter of public record.

6. Sponsor agrees that copies of all Purchase Agreements (and any amendments or modifications) will be delivered to the Department of Law within five (5) business days of a request for inspection by the Department of Law.

7. The risk of loss from fire or other casualty remains with the Sponsor unless and until a purchaser takes actual possession of a Unit pursuant to an interim lease (or any other written agreement with the Sponsor) or legal title to the Unit has been conveyed to the Purchaser.

SECTION N... TERMS OF SALE

The terms "Closing of Title" is intended to signify the passage of title to a particular Unit from the Sponsor to the Purchaser. The Sponsor agrees, prior to closing, to comply with the following:

1. A temporary or permanent Certificate of Occupancy and all necessary permits will be obtained for the Condominium Building in which the Unit is located. Sponsor declares that all Units will be constructed in accordance with the plans and specifications identified in this Plan. A closing will take place only concurrently with the issuance of a temporary or permanent certificate of occupancy for the entire project or, issuance of a partial, temporary or permanent certificate of occupancy for the unit closed or the building in which the unit is located. All purchasers shall close, once a Temporary Certificate of Occupancy is issued.
2. Sponsor will not provide any mortgage financing for the purchase of a Unit. See Section J, Mortgage Financing.
3. All construction will be completed and a permanent certificate of occupancy will be obtained within two (2) years from the closing of the first Unit. If any damage to a purchaser's unit from a casualty or other cause occurs prior to closing, the sponsor shall be obligated to repair such damages.
4. The Declaration, By-Laws, and floor plans will be recorded and filed with the Register of Queens County in accordance with the New York Condominium Act or other applicable law.
5. At or prior to closing, all liens affecting the Unit to be closed and its undivided common interest will be discharged or a partial release obtained and duly recorded as required by Section 339-r of the Condominium Act. Sponsor shall have the right to extend the closing date for a period not to exceed six (6) months in order to obtain and be able to convey marketable title. If at the end of such six (6) months period, Sponsor is still unable to satisfy the aforementioned condition, Purchaser shall be entitled to terminate the Purchase Agreement upon ten (10) days written notice. Furthermore, Purchaser shall be entitled to a return of all down payments and interest, if any, thereon plus the reasonable cost incurred for any title searches or survey.
6. The Purchaser will be given written notice of the closing at least thirty (30) days prior thereto, and given an opportunity to inspect the Unit and other property subject to the Declaration.

7. The Purchaser will receive a Bargain and Sale Deed with covenant against grantor's acts in proper form for recording. See Exhibit VI.

8. Sponsor will file an amendment to this Plan to disclose that it has been declared effective. No closing may be held until the effectiveness amendment has been accepted by Attorney General for filing.

9. All personal property located within the unit on the date the purchase agreement is signed or located within the common elements on the date the declaration is filed, that is owned by the sponsor or the owner of the property, is included in the conveyance unless specifically excepted in the offering plan. Sponsor will assign to the Unit Owner any manufacturers' warranties (to the extent assignable) with respect to all equipment, appliances or furnishings installed in the Unit.

10. Sponsor will assign to the Board of Managers any warranties (to the extent assignable) with respect to all equipment and appliances or furnishings installed in the Common Elements.

11. The Purchaser shall execute an instrument in the form set forth as Exhibit V, designating the Board of Managers as his Attorneys-in-fact, coupled with an interest, for the sole purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Units acquired by the Board of Managers in accordance with any of the provisions of the By-Laws.

12. Title to each Unit and its appurtenant interest in the common elements will be conveyed at the closing free and clear of all liens, encumbrances and title exceptions subject to the following:

(1) Sewer, water, drainage, electric, plumbing, heating, gas, telephone and other utility easements and consents, if any, granted or to be granted thereafter, including the right to maintain and operate lines, wires, cables, pipes, conduits, poles and distribution boxes in, over, under and upon the Condominium.

(2) All easements set forth in the By-Laws and Declaration as they are subsequently recorded and in the Plan and Purchase Agreement including:

(a) Easements in favor of the other Unit Owners to use the pipes, wires, conduits and public utility lines located in the common elements or in the Unit itself servicing each other Units and easements of necessity in favor of the other Units or the common elements;

(b) Easements in favor of the Board of Managers, its agents, contractors and employees to have a right of access to the Units and to the common elements to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the common elements or any other Units;

(c) Easements in favor of those Units having restricted use to portions of the common elements;

(d) Easements for the continuance of encroachments on the Unit and on the common elements by other Units or portions of the common elements, now existing or hereafter occurring by reason of the settling or shifting of the Units, or by reason of the repair and/or restoration by the Board of Managers of the Units or the other Units or the common elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the common elements made by the Board of Managers, so that any such encroachment may remain as long as the Units stand;

(3) The standard printed exceptions in the title policy of the company insuring title.

(4) Consequences of the exercise and enforcement or attempted enforcement of any governmental, war or policy powers over the premises.

(5) Any laws, regulations or ordinances (including, but not limited to zoning, building, and environmental protection) as to use, and issuance of a permanent certificate of occupancy of the building in which the Unit is located, subdivision or improvement of the premises adopted or imposed by any governmental body, or the effect of any noncompliance with or any violation thereof.

(6) Judgments against the insured or estates, interests, defects, objections, liens, or encumbrances created, suffered, assumed or agreed to, by or with the privity of the insured.

(7) Title to any property beyond the lines of the premises, or title to areas within or rights or easements in any abutting streets, roads, avenues, lanes, ways or waterways, or the right to maintain therein vaults, tunnels, ramps, or any other structure unless the title policy specifically provides that such titles, rights or easements are insured.

(8) Title to any personal property, whether the same be attached to or used in connection with said premises or otherwise.

(9) The purchaser has been served with a written notice of closing date thirty (30) days in advance and opportunity to inspect the unit and other property subject to the declaration.

(10) Rights of Tenants, if any.

(11) Sponsor assigns any manufacturers' warranties with respect to equipment installed in the unit to the Unit Owner and assigns any warranties with respect to equipment installed in common elements to the Board of Managers.

(12) Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalks, elevators, fences, fire escapes, cornices, foundations, footings, and similar projections, if any, on, over, or under the streets or sidewalks abutting the Property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

(13) The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.

(14) Any other declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning, resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority.

(15) Any other encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for its prescribed purposes or render title unmarketable.

(16) State of facts shown in the survey of Land as made by JOSEPH NICOLETTI, P.C., Professional Land Surveyor dated August 22, 2003 and any additional state of facts which a subsequent survey or personal inspection thereof would show, provided such facts would not prevent the use of the Unit for its purposes or render title unmarketable.

If requested by the purchaser, Cooke Abstract Corp., with address at 240-52 Jericho Turnpike, Village of Bellerose, N.Y. 11001, an authorized agent for Commonwealth Land Title Insurance Company, a title insurance company licensed to do business in New York State, shall agree at fees set forth below, to insure (i) that the purchaser has insurable fee title in the Unit, free and clear of all liens and encumbrances except those set forth in the

Plan in Section N paragraph 12, (1) through (16), subject to the provisions of the Declaration and By-Laws and any mortgage executed by the purchaser and (ii) that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law.

The Sponsor has been advised by its counsel, Swift & Associates, PLLC at 41-46 Main Street, Flushing, New York, that in counsel's opinion, none of the exceptions to title herein above set forth are contrary to the terms of the Purchase Agreement nor do they interfere with the quiet use or enjoyment of the Purchaser's Unit. Sponsor represents and warrants that none of the exceptions listed above render title unmarketable.

THE UNDERLYING DOCUMENTS CONCERNING THE EXCEPTIONS NOTED ABOVE WILL BE AVAILABLE TO A PURCHASER'S ATTORNEY FOR INSPECTION AT THE OFFICE OF THE SPONSOR.

13. The risk of loss from fire or other casualty remains with the Sponsor unless and until either a purchaser takes actual possession of unit pursuant to a written agreement with the Sponsor or legal title to the Unit has been conveyed to the Purchaser. The Sponsor is obligated to repair any and all damages from casualty or other cause that occurs before the closing, unless the Purchaser has taken the possession of the Unit prior to closing. In the event the closing delays for more than six (6) months due to the Sponsor's inability to repair the damages, Purchaser may rescind the contract and receive the refund of downpayment.

SECTION O...CLOSING COSTS AND ADJUSTMENTS

The Purchaser will be required to pay for the following at closing:

1. Mortgage Costs. Purchaser will pay costs for obtaining mortgage financing of his Unit, including, but not limited to, application costs, points, bank attorney fees, credit check and appraisal fee. Fee for recording mortgage is \$92.00 for the 1st page and \$5.00 for each additional page. The mortgage recording fee varies depending upon the number of pages contained in the mortgage prepared by purchaser's lender.

2. Fee Title Insurance Charges. The current rates for such Condominium insurance charged by Cooke Abstract Corp. are in accordance with the schedule of rates set by the New York Board of Title Underwriters and filed with the New York State Insurance Board which presently are \$402.00 on the first \$35,000.00 of fee insurance; \$6.67 for each additional \$1,000.00 between \$35,001.00 and \$50,000.00; \$5.43 for each additional \$1,000.00 between \$50,001.00 and \$100,000.00; and \$4.36 for each additional \$1,000.00 between \$100,001.00 and \$500,000.00. There will be additional premiums if Purchasers obtains mortgage insurance as well as fee insurance. The present premium for the mortgage title insurance is calculated at the following rates: \$344 on the first \$35,000.00 of the mortgage amount; \$5.55 for each additional \$1,000.00 between \$35,001.00 and \$50,000.00; \$4.54 for each additional \$1,000.00 between \$50,001.00 and \$100,000.00; and \$3.64 for each additional \$1,000.00 between \$100,001.00 and \$500,000.00. If a Purchaser obtains the fee title insurance and mortgage title insurance simultaneously, the premium for mortgage insurance will be reduced to 30%. These rates only apply to the initial Purchaser of each Condominium Unit. Rates for subsequent Purchasers will be higher. For example, the fee title insurance charge for a Unit with \$349,000.00 purchase price will be \$1,859.00. If the purchaser obtains a mortgage equal to approximately 80% of the purchase price (\$279,200.00), the Purchaser must pay \$393.00 additional premium for mortgage title insurance.

3. Fee collected by the City Register for recording the deed is \$117.00 and the power of attorney is \$102.00. Title company may collect additional \$25.00 to \$75.00 for their service charge.

4. New York State deed documentary stamps which are currently \$2.00 per \$500.00, or a fraction thereof, of the purchase price. This is normally an expense of the Seller, however, by contractual arrangement it will be paid by the Purchaser. For example, if the purchase price is \$349,000.00, New York State deed documentary stamps will be \$1,416.00.

5. New York City Real Property Transfer Tax is currently equal to 1% of the purchase price of a residential unit up to and including \$500,000.00. In addition, \$75.00 for New York State Real Property Transfer Report filing fee will be collected by the City Register. This is normally an expense of the Seller, however, by contractual arrangement it will be paid by the Purchaser. The City of New York Department of Finance and the State of New York Department of Taxation and Finance have taken the position that when a Purchaser assumes the obligation to pay the New York City Real Property Transfer Tax and/or New York State deed documentary stamps, the amount of such tax will be included in the consideration subject to tax. For example, the New York City Real Property Transfer Tax for \$349,000.00 purchase price will be \$3,613.86, including \$75.00 filing fee.

6. Mortgage Recording Tax currently is 2.05% of the mortgage amount up to \$500,000.00. For example, mortgage recording tax for \$279,200.00 mortgage will be \$5,723.60 less \$25.00. However, most of the lenders offering a residential 1st mortgage will pay 0.25% of mortgage tax.

7. Proration of real estate taxes, and common charges assessed during the month in which title clears, as of the closing date, based upon the latest bill for such taxes or charges.

8. Mortgage Tax Credit. Section 339-ee(2) of the New York Real Property Law provides as follows:

"In the event the proceeds of a construction mortgage were applied to construction of a Unit of a Condominium submitted to the provisions of this article, or in the event that a Unit submitted to the provisions of this act was subject to a blanket mortgage, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with Article Eleven of the tax law, then, as each Unit is first conveyed, there shall be allowed a credit against the mortgage tax that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the Purchaser's pro rata percentage of interest in the Common Elements and the mortgage tax already paid on the construction or blanket mortgage."

The Condominium is currently subject to a construction mortgage. In the event any mortgage tax credit becomes available, pursuant to the above Section, it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at closing, each Purchaser electing mortgage financing shall pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at closing will be reimbursed to the extent of the mortgage tax credit allowed.

9. Purchasers shall be required to contribute one (1) month's common charges as a contribution to working capital. This contribution shall not be credited against regular assessments.

10. Purchaser shall reimburse the Sponsor for its proportionate share of the fee paid to the City of New York Department of Finance and fee paid to the Sponsor's tax expert in connection with 421-a Tax Exemption Program. The total fees paid by the Sponsor was \$15,401.00. For example, the Purchaser of Unit 1A will share 4.534% of \$15,041.00 i.e., \$698.28.

11. Purchaser shall be liable for all costs incurred in obtaining mortgage financing of his Unit.

12. If Units have not been separately assessed for real estate tax purpose prior to the closing of title to the first Unit, Sponsor will pay the real estate tax until the end of the tax year. Each Purchaser shall reimburse the Sponsor for the portion allocated to his/her unit at the time of closing.

13. The following closing fees will be charged by the attorneys for the Sponsor in connection with the closing of title to the Units:

A closing fee in the amount of \$600.00 per unit will be charged by the attorney for the Sponsor in connection with the closing of title to the units. The closing is to be held at the office of Sponsor's Attorney located at 41-46 Main Street, Flushing, N.Y. 11355. There will be an additional \$150 attendance fee if the Purchaser desires to have the closing other than at the office of Sponsor's attorney.

The estimated total closing costs of a Unit, if the purchase price is \$349,000.00 and the Purchaser obtains a mortgage equal to 80% of the Purchase Price, will be as follows:

Title Insurance premium:	
Fee	\$ 1,859.00
Mortgage	\$ 393.00
Recording Fee:	
Deed	\$ 175.00
Power of Attorney	\$ 150.00
NYS Deed Documentary Stamps	\$ 1,416.00
NYC Real Property Transfer Tax	\$ 3,613.86
Mortgage Tax	\$ 5,000.60
Fee for 421-a Partial Tax Exemption Program	\$ 698.28
Closing Fee for Sponsor's Attorney	\$ 750.00
Contribution to Working Capital Fund	\$ 234.57

Total:	\$14,290.31

The above estimate does not include Purchaser's mortgage costs and cost for recording mortgage, which vary depending upon the lending institution.

SECTION P...RIGHTS AND OBLIGATIONS OF SPONSOR

The rights and obligations of the Sponsor pursuant to this Plan shall be as follows:

1. a) Sponsor is obligated to build and complete the Condominium in accordance with the building plans and specifications identified in this Plan. Sponsor has obtained sufficient construction financing to complete the construction of the Condominium. Sponsor shall have the right to substitute equipment or materials and make modifications of layout or design; provided, however, that Sponsor may not substitute equipment or materials of lesser quality or design.

b) Sponsor may not change the size or location of the Condominium Building, Units, other improvements or Common Elements if such changes affect the percentage of common interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners consent in writing to such change and all affected Purchasers are given the right to rescind and receive a refund of any deposit or down payment plus interest.

2. Sponsor agrees, prior to closing the first Unit, to obtain a temporary or permanent certificate of occupancy for the Condominium building. In the event the Sponsor closes title to a Unit prior to obtaining a permanent Certificate of Occupancy, Sponsor agrees to obtain a permanent Certificate of Occupancy within two (2) years of closing title to the first Unit and, in no event, before expiration of applicable Temporary Certificate of Occupancy, as same may be renewed, replaced or extended. Purchasers are obligated to close, once a Temporary Certificate of Occupancy is issued.

If the first closing may take place prior to the issuance of a permanent certificate of occupancy for the property, Sponsor is required to maintain all deposits and funds in the special escrow account required by GBL Section 352-e(2-b) unless the sponsor's engineer, architect or other qualified expert certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, in which case the sum exceeding the amount so certified by the sponsor's engineer, architect or other qualified expert may be released from the special escrow account. Alternatively, sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Department of Law.

3. Sponsor agrees to pay for all authorized and proper work involved in the construction, establishment and sale of the Condominium Units, and the Condominium's property, and to cause all mechanics' liens with respect to such construction to be promptly discharged or bonded.

4. The Sponsor has no obligation to indemnify members of the Board or Unit Owners nor to defend any suits or proceedings, except as to certain claims arising out of the acts, omissions or representations of the Sponsor.

5. After delivery of deed to Purchaser, Sponsor shall be required to perform all obligations imposed under this Plan, Article 23-A of the General Business Law, 13 New York CRR Part 20 and all other applicable laws.

6. Following the issuance of a permanent certificate of occupancy for the building, Sponsor agrees to deliver a set of "as built" plans filed with the recording of the declaration of any amendment thereto and in addition will provide the Board with a full set of building plans filed with the local municipality together with any field changes made during the course of the construction.

7. Sponsor has not obtained any bond or other security for the completion of construction of the Condominium building.

8. The Sponsor shall be obligated to pay all common charges, special assessments and real estate taxes with respect to unsold units. The sponsor represents that it has the financial resources to meet its obligations with respect to unsold units. In addition, the sponsor will secure the payment of such financial obligations by setting aside \$2,651.80 of the proceeds from the sale of the 1st Unit and depositing such amount into the escrow account of the Sponsor's attorney after the closing of the 1st Unit. Said amount is equal to two (2) months' worth of the 1st year common charges.

NO BOND OR OTHER SECURITY HAS BEEN OR WILL BE POSTED TO SECURE SPONSOR'S OBLIGATIONS.

9. Sponsor agrees to procure fire and casualty insurance, as set forth in Section I, Schedule B in an amount equal to the insurance replacement value or in an amount sufficient to avoid co-insurance. Such insurance will provide that there will be no cancellation without notice to the Board of Managers and all Unit Owners.

10. Pursuant to Section 352 e(9) of the General Business Law, sponsor agrees to keep copies of the Plan and Exhibits and documents referred to in the Plan on file at the office of the Sponsor for six (6) years from the date of recording the Declaration for examination by any person who has purchased a Condominium interest offered by this plan or otherwise participated in this offering.

11. Sponsor will not voluntarily take any action which will prevent the Sponsor from carrying out all of its obligations under the Plan. However, should Sponsor liquidate or dissolve prior to fulfillment of all obligations, the Unit Owner shall be relegated to pursue any and all remedies under law, if any. In the event of the dissolution or liquidation of the sponsor or the transfer of ten (10) or more units or twenty percent (20%) or more of the total number of units in the condominium, whichever is less, the principals of the sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the sponsor for those units under the offering plan, applicable laws or regulations.

12. The Sponsor will assign to the Purchaser upon the closing of title to his Unit and the Board of Managers upon the recording of the Declaration as applicable, warranties, if any, or manufacturers and subcontractors warranties relating to heating, electrical work, plumbing and appliances, as well as bonds relating to the Purchaser's unit of the common elements respectively, if any. Sponsor undertakes to do the above only to the extent that warranties are actually made by such manufacturers and subcontractors and only to the extent such warranties and bonds are assignable. Subsequent to the conveyance of title to a Unit, the Sponsor shall not be responsible for paint touch-ups to a Unit, dented porcelain or formica chips. The Sponsor has no obligation to make any repair to the Units or the common elements except as expressly set forth in the survival agreement or "punch list" entered between the parties at closing. The Condominium building will be covered by the Housing Merchant Implied Warranty. The text of Housing Merchant Implied Warranty Law appears in Part II, Exhibit VIII.

13. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with establishment, and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium, whenever such costs or expenses are incurred, or in connection with the sale of all the Units held or owned by the Sponsor (Except for costs specifically made payable by Purchaser under this Plan) and will pay all selling expenses including but not limited to, advertising and printing costs, architect fees and costs of filing this plan and amendments thereto.

14. Sponsor has obtained construction financing which is currently in force, and which it believes will be sufficient to complete construction of the Units offered. Sponsor will be obligated to pay off and otherwise comply with the terms of a building loan mortgage on the entire condominium before the closing of title to the first unit, all liens and mortgages affecting the property shall be paid and satisfied on the Unit being conveyed and its appurtenant common interest shall be released therefrom by partial release.

15. In accordance with 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify that the floor plans filed with the recording of the Declaration are a substantially accurate copy of portions of the plans of the building as filed with and approved by the municipality or other governmental subdivision having jurisdiction over the issuance of permits for the construction of the building.

16. The Sponsor (its successors, assigns or designees) may offer all or any unsold uits for lease. Purchasers of any such leased units will be purchasing units that have been previously occupied. Sponsor will notify purchasers of units that have been previously occupied and will set forth the conditions in which such unit will be delivered (including outstanding warranties, if any). There shall be no obligation of or any other offeror of such unit to decorate, refurbish or in any way repair such unit.

Sponsor is reserving an unconditional right to rent rather than sell. Because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more units than the 15% necessary to declare the plan effective, and owner-occupants may never gain effective control and management of the condominium. Sponsor's construction lender does not impose any limits on Sponsor's right to rent rather than sell Units. (See Section Q, Paragraph 1 a).)

If the Sponsor makes a bulk sale of all or some of its unsold units, the transferee-successor of the sponsor is bound by sponsor's representation regarding its commitment to sell Units.

All Purchasers shall note that the Condominium Board does not have the right to approve or disapprove Purchasers, there is no limit on the number of owners who may purchase for investment rather than for personal occupancy, and there may always be a substantial percentage of owners who are non-resident.

17. As a condition of sales of Units pursuant to this Plan, Sponsor reserves to itself, its successors, assigns, designers, invitees, contractors, agents, employees and tenants any and all

easements and rights of access, in and to Units and common elements, consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder. Such rights shall include the following, but not be limited thereto:

a. The right to maintain general and sales and leasing office(s) and personnel on the premises, to post signs, and to conduct other activities connected with promotion, sales, leasing, such as inspection by and display of vacant or leased Units, as well as the common elements, to prospective purchasers or lessees;

b. Right of access in and to Units and common elements for purposes of construction, repair, refurbishments correction, alterations, finishing, servicing (including, but not limited to garbage collection) and similar work; and Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over under and across the common elements of the Condominium for the purpose of completing construction and sale of Units and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and right-of-way in, through, under, over, and across the common elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads of other areas of the common elements. Finally, the Sponsor reserves the right to continue to use the common elements, any facilities, sales offices, model units, signs, and parking spaces located on the common elements, in its efforts to market Units constructed in the Condominium. Sponsor will be obligated to repair any damage to the common property caused as a result of its use and the easements, licenses, rights and privileges of a right-of-way to repair the Condominium. With regard to Sponsor's right to access in and to Units, a reasonable prior notice shall be given to the Unit owner, and Sponsor shall use its best effort not to interfere with the owner's use of his/her unit. All works shall be performed during reasonable hours.

c. Right to alter any Unit or common elements subject to filed amended plans and/or specifications, consistent with this offering.

18. In the event any Units are damaged by a casualty or other cause before closing, Sponsor is responsible to repair such damages at Sponsor's sole costs and expenses prior to closing

unless the Purchaser has taken the possession of the Unit prior to closing. In the event the closing delays for more than six (6) months due to the Sponsor's inability to repair the damages, Purchaser may rescind the contract and receive the refund of downpayment.

Sponsor's obligations as set forth in this Section will survive delivery of any Unit Deed.

Except as specifically set forth herein, no bond or other security has been furnished to secure performance of the above. All obligations pertaining to the common elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative actions against the Board of Managers. During the time the principals of the Sponsor control the Board, it is within their sole power to enforce the obligation of the Sponsor pertaining to the common elements and, therefore, Sponsor agrees that during such period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

SECTION Q...CONTROL BY THE SPONSOR

1. The extent to which the Sponsor may exercise voting control over the Board of Managers and designate all three (3) seats in the Board until transfer of title to all units to be offered under this Plan as it may be hereinafter amended, is as follows:

a) Until all Units are sold or such earlier time as the Sponsor may deem necessary for the best interest of the Condominium, the Sponsor shall be entitled to designate all of the Managers. Three (3) board members designated by the Sponsor will sit on the initial Sponsor controlled board. All Unit owners will vote in the same capacity for the new 3-member Board. Thereafter, Sponsor shall be entitled to vote for Managers in accordance with the By-Laws; provided, however, should Sponsor be unable to obtain equivalent representation in proportion to the number of Units owned by the Sponsor through such electoral process, Sponsor shall be entitled to appoint one (1) Manager so long as it holds at least one of the Units for sale in the ordinary course of business. In the event all Units are sold, Sponsor control period will end immediately. Sponsor will immediately give up control over the Board of managers, and a meeting will be held to elect new board members of three, unrelated to the Sponsor, within 30 days of the expiration of the Sponsor control period. The By-laws of the Condominium do not require that after the initial Sponsor control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. This means that the Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Plan. Owner-occupants and non-resident owners, including sponsor, may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

b) In addition, so long as Sponsor has any Unsold Units remaining, no amendment to the By-Laws or the Declaration affecting the rights of the Sponsor shall take place without the written consent of the Sponsor.

2. So long as the Sponsor or its designees shall continue to own Units representing 25% or more in common interest, but in no event later than five years from the closing of title to the first Unit, the Board of Managers may not, without the Sponsor's prior written consent: (i) make any addition, alteration or improvements to the common elements costing cumulatively more than \$10,000.00, the foregoing not to include necessary repairs and

maintenance work, or (ii) assess any common charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, or (iii) hire any employee in addition to the employees referred to in the Plan of Condominium ownership, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the said Plan is declared effective, or (v) borrow money in excess of \$10,000 on behalf of the Condominium, or (vi) take any action which impairs Sponsor's sales program or continued use of the Condominium property in connection with such program, or (vii) increase or reduce the services of maintenance set forth in Schedule B. No provision stated herein can allow Sponsor to act in violation of Paragraphs 3 and 4 below.

3. Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required:

- (1) to comply with applicable laws or regulations; or
- (2) to remedy any notice of violation; or
- (3) to remedy any work order by an insurer.

4. Sponsor may exercise veto power over expenses other than those described in Paragraph 3 above which include the items described in Paragraph 2(i), (ii), (iii) and (iv), for a period ending not more than five (5) years after the closing of first unit or whenever the unsold units constitute less than twenty-five percent (25%) of the common interest, whichever is sooner.

SECTION R...BOARD OF MANAGERS

It is the function of the Board of Managers to administer the affairs of the Condominium and supervise the operation of the Condominium Property. The following is a summary of the important sections of the Declaration and By-Laws with regard to the Board of Managers.

1. a) The number of Managers which shall constitute the initial Board shall be three (3) until succeeded by Managers elected at the first annual meeting of Unit Owners. The original Board of Managers need not be Unit Owners (or officers, directors or partners of Unit Owners). The first Board of Managers of the Condominium will be HENRY ZHENG, RICHARD LIN and VAN HAO HSU, all being the Sponsor's principals.

b) Within thirty (30) days after title to the last Unit is conveyed by the Sponsor or on an earlier date, if the Sponsor relinquishes control beforehand, the Sponsor shall call the first annual Unit Owners' meeting. At such meeting, a new Board of Managers, unrelated to Sponsor, with three (3) members shall be elected by the Unit Owners. Except as hereinafter provided, such Managers shall be Unit Owners or officers, directors, stockholders or partners of Unit Owners. The former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on the anniversary of such date in each succeeding year; except that if such date is a Saturday, Sunday or legal holiday the annual meeting shall be held on the next succeeding business day. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article III of the By-Laws.

c) The Managers shall be elected annually at the annual meeting of Unit Owners by a majority vote, cumulative voting being prohibited. The Managers shall hold office until their successors have been elected.

d) Notwithstanding the foregoing, to insure that the Sponsor has at least minimum representation on the Board of Managers during its sales and marketing program, and in the event such minimum representation is not obtained pursuant to the election criteria set forth above, the Sponsor shall have the right to designate one (1) of the members of the Board of Managers so long as it owns at least one (1) Unit. Members of the Board of Managers designated by the Sponsor need not be Unit Owners or officers, directors, stockholders or partners of Unit Owners.

e) Any member of the Board may be removed from office with or without cause by the vote or agreement in writing of a majority of all Unit Owners. A special meeting of the Unit Owners to recall a member or members of the Board shall be called by the President as directed by a majority of the Unit Owners or the Board. The notice of such special meeting shall state the purpose of the meeting. A majority of the remaining Managers shall elect a successor who shall hold office for the unexpired term of the removed Managers, except that the Sponsor shall have the right to replace any Manager elected or appointed by Sponsor.

f) The rights granted to the Sponsor under Article III of the By-Laws and as outlined in this Section, shall not be exercised in such a manner as to give the Sponsor the right to control the Board of Managers after the Sponsor calls the first annual Unit Owners meeting as provided for in Paragraph 1 (b) above and Sponsor shall agree not to cast votes to control the Board of Managers.

2. a) Written notice of the annual meeting of the Unit Owners shall be personally served upon or mailed to each member entitled to vote at such address as appears on the books of the Condominium, at least fourteen (14) but no more than thirty (30) days prior to the meeting. The post office receipt of mailing shall be proof of such mailing.

b) Written notice of a special meeting of the Unit Owners stating the time, place and object thereof shall be served upon or mailed to each member entitled to vote thereon at such address as appears on the books of the Condominium at least fourteen (14) but no more than thirty (30) days before such meeting. Notice of meetings at which disposition of Condominium Property will be voted upon must also be given record mortgagees.

c) The minutes of all meetings of Unit Owners shall be kept in a book available for inspection by Unit Owners or their authorized representatives and Board members at any reasonable time. The Board shall retain these minutes for a period of not less than seven (7) years.

d) All Unit Owners will receive annually, within 3 months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and a profit and loss statement certified by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owner and notice of the holding of the Annual Unit Owners meeting. All Unit Owners shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board, but not more than once a month.

e) All Units which are acquired by the Board of Managers, or its designees, subject to the Board's right of first refusal, shall be held by it on behalf of all Unit Owners. The Unit Owners shall hold their respective interests in the Unit in proportion to their percentage of common interest and the votes appurtenant to such Units shall be cast by the Board of Managers or its designee at all meetings of the Unit Owners, except that the Board will not vote in any election of members of the Board.

3. The first Board of Managers of the Condominium will be HENRY ZHENG, RICHARD LIN and VAN HAO HSU, all being the Sponsor's principals. HENRY ZHENG will be the President of the Board of Managers. The Sponsor retains the right to substitute other persons in place of the above named individuals until the resignation of the first Board of Managers, as set forth below. Within thirty (30) days after title to the last unit is conveyed by the Sponsor, but in any event, no later than two (2) years after the closing of first unit, the Sponsor shall call the first annual meeting of the unit owners. At the meeting, members of the first Board of Managers will resign and the new Board of Managers of three (3) members will be elected by the Unit Owners.

4. As stated in the By-Laws, no member of the Board or offices shall receive any compensation or fee for their services as a Manager or officer.

5. The Board may remove any officer, or management agent of the Condominium at its discretion or should said manager or management agent be appointed by contract then such removal shall be dependent upon the terms of the governing contract.

6. The members of the Board of Managers shall not be liable to the unit owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct, bad faith or gross negligence. It is intended that the members of the Board of Managers shall have no personal liability to others arising out of the contracts made by the Board of Managers on behalf of the Condominium. The Unit owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of the contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of By-Laws.

7. Each Unit Owner shall be entitled to cast one vote on each Ballot for each 0.01% of common interest he/she owns. The three (3) nominees receiving the highest number of votes on each of their ballot shall constitute the duly elected Board of Managers.

8. a) The Declaration may be amended at any regular or special meeting of the Unit Owners called or convened in accordance with the By-Laws by the affirmative vote of at least two-thirds (2/3) in number and in common interest of all Unit Owners, except where otherwise specified. Minor corrective amendments may be approved by the Board or the Sponsor. Each amendment shall be effective upon the recording in the Office of the Register of the County of Queens of an appropriate instrument setting forth the amendment and its due adoption, execution and acknowledgment by one or more officers of the Sponsor or one or more members of the Board. No amendments shall be passed which shall impair or prejudice the right or priorities of any mortgagee without the prior written consent of such mortgagee which consent shall not be unreasonably withheld. No amendment shall be passed which shall in any way affect any of the rights, privileges, powers or options of the Sponsor. No amendment which affects the percentage of common interest appurtenant to any Unit shall be passed without the consent of all affected Unit Owners.

b) Except where a greater percentage is required under the Declaration or the Condominium Act, the By-Laws may be amended by the affirmative vote of at least two-thirds (2/3) of the Unit Owners at a meeting duly called; provided, however, that no amendment to the By-Laws shall be passed which would operate to impair or prejudice the rights or liabilities of any mortgagee.

c) No amendment to the Declaration, the By-Laws or this Plan shall, in any manner, change the rights and privileges of the Sponsor without the written approval of the appropriate party.

9. The By-laws of the Condominium do not require that after the initial Sponsor control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. This means that the Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Plan. Owner-occupants and non-resident owners, including sponsor, may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

SECTION S...RIGHTS AND OBLIGATIONS OF THE UNIT
OWNERS AND THE BOARD OF MANAGERS

The rights and obligations of Unit Owners may be summarized as follows:

1. a) A Unit Owner has the right to sell or lease his Unit providing he gives notice of the bona fide terms of any proposed sale or lease to the Board of Managers and obtains their approval for the sale or lease. The failure of the Board of Managers to approve or disapprove such proposed sale or lease within thirty (30) days after notice thereof or thirty (30) days after submission of such reasonable information as requested by the Board shall be deemed to constitute approval. If the Board disapproves of the transaction, it shall within fifteen (15) days after making its decision known, produce a Purchaser or lessee who will accept the transaction upon the same terms as those terms stated in the notice to the Board. If the Board does not produce such a Purchaser or lessee within the aforesaid fifteen (15) days, the Unit Owner shall have the right to effectuate such sale or lease on the terms submitted, as more specifically set forth herein.

b) Alternatively, the Board of Managers may designate itself to purchase or lease such Unit on behalf of all of the Unit Owners, in the manner set forth herein, provided that approval for such purchase or lease is obtained from Unit Owners owning Units to which not less than seventy-five (75%) percent of the Common Elements are appurtenant. In the event the Board of Managers does not have sufficient funds on hand for such purchase or lease from working capital, it may either borrow such funds and/or assume an existing indebtedness secured only by a mortgage on the Unit, or may assess the Unit Owners therefore in proportion to their percentage of common interest, or the Board may use any combination of these methods to undertake the acquisition.

The closing of sale of the Unit or date of the commencement of the term of lease shall be the same as set forth in the contract to sell or lease included in the Notice of such proposed transaction to the Board if the transaction is disapproved.

c) Any sale or lease which is not authorized by the terms of the By-Laws or for which authorization has not been obtained pursuant to the terms hereof is voidable and may be voided in an action brought by the Board of Managers.

d) A Unit Owner intending to make a sale or lease of the Unit shall give notice to the Board of Managers of such intention. He shall furnish the following information to the Board: (a) the name and address of the intended grantee or lessee; (b) financial

and professional references of the transferee or lessee; (c) an executed copy of the proposed contract of sale or lease; and (d) such other information as the Board of Managers may reasonably require. He shall use the form, if any, supplied by the Board in order to supply such information. Such notice, when given, shall constitute a representation, warranty and an offer to sell or lease to the Board or any Purchaser or lessee produced by the Board and a representation that the Unit Owner believes the offer to be bona fide in all respects. The Board shall have a right of first refusal, with regard to the proposed sale or lease by the Unit Owner, upon the same terms and conditions as set forth in the notice to the Board. All notices shall be given by registered or certified mail. Delivery shall be deemed made and notice shall be deemed given by such mailing and shall not be dependent upon acceptance by the addressee.

e) When the Board has produced a Purchaser or a lessee within the fifteen (15) day period set forth above and the Purchaser or lessee so agrees, a binding contract shall be deemed to have come into existence and the Unit Owner shall be obligated to consummate the transaction with such Purchaser or lessee furnished by the Board, in accordance with the terms thereof.

f) The action by the Board of Managers consenting to a sale or lease shall be in recordable form. The failure of the Board to act on a notice given to it, together with such additional information reasonably requested, within thirty (30) days shall be deemed to constitute approval of the sale or lease. The Unit Owner, the Purchaser or lessee may demand and shall be entitled to receive from the Board consent to the sale or lease in recordable form.

g) The Board of managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, other grounds prohibited by law.

h) If the proposed Purchaser or lessee of a Unit, or any interest therein, is other than a natural person, the approval of the sale shall be conditioned upon the approval by the Board of Managers of the entity or entities which will occupy the Unit.

i) The right of first refusal granted herein shall not be applicable to the following:

1) The sale, lease or sublease of Units by or to the Sponsor;

2) The sale or lease of the Unit to an Owner's spouse, issue, parents, grandparents, or grandchildren;

3) Foreclosure or other judicial sale of Condominium Units or a conveyance by the Owner of a Unit to a Mortgagee in lieu of foreclosure; and any subsequent sale, lease or sublease by a Mortgagee (provided that unrelated persons acquiring the Unit from such Mortgagee shall be subject to such right of first refusal herein);

4) The sale, lease or sublease from a Unit Owner to a partnership, corporation or limited liability company in which the Unit Owner is a partner, principal stockholder or member; from a partnership, corporate owner or limited liability company to the partners, stockholders or members thereof; from partners who are owners to new partners; from one co-owner to another;

5) A conveyance or transfer from a Unit Owner by gift, devise by will or intestate succession.

2. a) All units shall be used in accordance with a Certificate of Occupancy and in compliance with zoning codes.

b) Sponsor may utilize a limited number of Units for models and as a sales office in conjunction with the sale and rental of Unsold Units.

c) Restrictions on Occupancy and Use:

No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or any property operated by the Board or any part of it. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. No nuisance shall be allowed on the Condominium Property. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate not any fire hazard allowed to exist. Access to Common Elements may not be obstructed in any way.

d) The Owners of Units shall be fully responsible for the activities and actions of their guests, visitors, permittees, invitees or employees and shall take all necessary action to insure that all such persons fully comply with the provisions of the Declaration and the By-Laws and rules and regulations of the Condominium.

(e) Unit Owners are not allowed to maintain any pets.

3. A Unit Owner shall have the right to mortgage or encumber his Unit provided that such mortgage or encumbrance is made to a mortgagee as defined in Section E, Definitions.

4. a) Each Unit Owner shall be liable for that percentage of the common expenses of the Condominium that corresponds to that owner's percentage of ownership in the Common Elements set forth in Schedule A. However, additional services which the Unit Owners may desire or other factors, can increase these charges. The Board of Managers shall have the power to fix, determine, and collect assessments to cover these common expenses. The Board of Managers may commence the collection of common charges upon the closing of title to the first Unit or at any subsequent date as in its sole discretion it may determine. The Board's collection of common charges will be in such amount as will be necessary to carry out the duties of the Board of Managers as set forth in the Plan. All such common charges shall be paid by the Unit Owners and the Sponsor, as the Owner of the unsold units, in accordance with their respective percentage of common interest as set forth in the Plan. The Board of Managers will have a lien on each unit for unpaid common charges pursuant to Real Property Law Section 339-z, and the lien can be made effective pursuant to Real Property law Section 339-aa. The common charges will be placed in an account in the name of the Board of Managers.

The Sponsor shall be liable for the monthly common charges of all Units which have not been transferred to a purchaser, commencing after the closing of title to the first Unit. The Sponsor will cause the Board to file a lien as provided by Real Property Law Section 339-aa on the Units in which Sponsor is 30 days in arrears of common charges while in control of Board.

b) The common expenses of the Condominium shall include, without limitation, management fees, salary for the building staffs, building maintenance and repair, utilities for common area, water & sewer charges, accountant, legal and insurance fees.

c) The common expenses of the Condominium shall be incurred to provide for the full enjoyment and protection of each Unit Owner's use of the Common Area of the Condominium.

d) The common charges do not include maintenance, repairs or decoration of any of the Units or portions thereof, electricity

and gas consumed by each unit, or payments required pursuant to the terms of the Unit Owners Mortgages and Real Estate Taxes covering the individual Units.

e) Under the Real Property Law, the Board of Managers shall have a lien against each Unit for its unpaid common charges (plus legal interest) prior to all other liens except liens for the payment of taxes and all sums unpaid on a first mortgage of record. The lien shall also cover reasonable attorney's fees incurred to collect the unpaid assessments together with all costs of the suit. The Board may also declare the common charge assessment on the delinquent Unit Owner's Unit for the balance of the fiscal year immediately due and payable. The lien shall continue in force even after resale of a Unit except that in accordance with the Declaration, the Board shall release the lien and its right to collect prior unpaid common charges against any purchaser of a Unit where the purchase arises out of a foreclosure of a first mortgage of record. The Board of Managers may foreclose the lien in the same manner as a mortgage on real property and in so doing shall be entitled to recover all costs incurred including the reasonable attorney's fees. The liability of each Unit Owner for the payment of common charges thereafter assessed against his Unit shall terminate upon a sale, transfer or conveyance of the Unit in accordance with the provisions of the Declaration and By-Laws. Further, any Unit Owner may convey his unit to the Board of Managers or its nominee on behalf of all other Unit Owners, without any compensation, in accordance with the Declaration and By-Laws. In that case, he shall be exempt from any common charges thereafter assessed, but not relieved of his obligation to pay his mortgage loan. A Unit Owner may not exempt himself from liability for his common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his Unit. Upon resale, the purchaser of a Unit shall be liable for the payment of unpaid common charges assessed against the Unit prior to the acquisition of the Unit by the purchaser, except that a first mortgagee who acquires title to a Unit or other purchaser at a foreclosure sale of a first mortgage shall not be liable and the Unit shall not be subject to a lien for the payment of common charges assessed prior to the acquisition of title to the Unit by the mortgagee or purchaser at foreclosure sale. In that case and in the event of a foreclosure by the Board of Managers of its lien on any Unit for unpaid common charges where the proceeds of the foreclosure sale are not sufficient for the payment of such unpaid common charges, the unpaid balance shall be charged to all other Unit Owners as a common expense.

(f) Default in payment of common charges by non-occupying owners: - Real Property Law, Section 339-kk.

The Real Property Law has been amended by adding a new section 339-kk, which provides as follows:

If a Unit Owner who does not occupy the unit rents such unit to a rental tenant, and then fails to make payments due for common charges, assessments or late fees for such Unit, within sixty (60) days from the expiration period after they are due, the Board of Managers shall provide a written notice to the tenant and the non-occupying owner providing that commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all payments due subsequent to the issuance of such notice are to be made payable to the Board of Managers at the address listed on the Notice. Where a majority of the Board of Managers has been elected by and from among the Unit Owners who are in occupancy, the Board of Managers may elect not to require that rental payments be made payable to the Board of Managers. At such time as payments for common charges, assessments and late fees from the non-occupying owners are once again current, a notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying owner. Thereafter, all payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the Board of Manager's claim to rental payments shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Board of Managers which must be held within thirty (3) days of the date that such Board received notice that such owner seeks to dispute such claim. Payment by a rental tenant to the Board of Managers shall relieve the rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

5. The responsibility for repairs and maintenance is as follows:

a) The maintenance and repair of the Common Elements shall be the responsibility of the Condominium unless such repairs or replacement become necessary as a result of the negligence or abuse of a unit owner. The cost of such repairs or replacement shall be borne solely by the Unit owner who caused the repair or replacement due to his/her negligence or abuse. It is the obligation of each Unit owner to provide an access to their Unit and to the limited common elements to the Board of Managers for inspection or repairs, provided that such inspection and repairs are made with a reasonable prior notice and during reasonable hours, except for emergency repair.

b) Any expenses attributable to the maintenance, repair or replacement of Limited Common Elements shall be the responsibility

of the Unit Owner who has exclusive use of the Limited Common Elements. Exterior surfaces of balconies and terraces, if any, shall be treated as Limited Common Elements for this purpose.

All maintenance to the Units, including electrical repairs, plumbing stoppage, window cleaning, painting and decorating in the Units (except for cleaning of exterior surface of the windows), repairs and replacement to Units including windows and doors (including all glass breakage) and repairs to heating and air conditioning units, if any, pipes, wires and conduits located in and servicing the same Unit other than as set forth, shall be made by the respective Unit Owner's at their expense.

6. Additions, Alterations or Improvements by Unit Owners:

The Unit Owner can make interior alterations or improvements to the Unit he desires without obtaining the consent of the condominium so long as the alterations or improvements do not affect the building or any other common element. No Unit Owner (other than Sponsor as noted in the By-Laws) may make any structural additions, alterations or improvements in his Unit or of the Common Elements without the prior written approval of the Board or impair any easement without the written consent of the Board and the Unit Owner or Owners for whose benefit such easement exists. The Unit Owners shall not employ any contractor that may cause labor disturbances or other stoppage in the work of the Building employees or other contractors or subcontractors employed in the Building or at the Property. No Unit Owner shall erect any privacy fence, sunscreen or similar object or enclose the balcony except as expressly permitted by the rules and regulations of the Condominium without prior written approval of the Board. No structure shall be erected on the terraces or yard. Until control of the Board is relinquished to other Unit Owners, the Sponsor will not make any improvements or additions to the Common Elements which would result in the imposition of special assessments or result in a substantial increase in the common expense. However, this will not apply to the expenses required:

- (i) to comply with applicable laws or regulations; or
- (ii) to remedy any notice of violation; or
- (iii) to remedy any work order by an insurer.

7. The Board of Managers (or the Sponsor until control of the Common Elements is vested in the Condominium) shall maintain insurance coverage as follows:

a) Property: All Condominium Property shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and all personal property included in the Common Elements shall be insured for its maximum insurable replacement value, said value to be determined annually by the Board. Such coverage shall afford protection against:

1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and,

2) Such other risks as from time to time shall customarily be covered with respect to building similar in construction location and use including, but not limited to, vandalism and malicious mischief.

b) Comprehensive General Liability: The amount and coverage shall be determined by the Board, including but not limited to, hired automobile and non-owned automobile coverages if applicable, including a cross liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.

c) The fire casualty and general liability insurance must be on terms that provide: (1) that such unit owner is additional insured party; (2) that there will be no cancellation without notice to the Board of Managers; (3) a waiver of subrogation; (4) a waiver of invalidity because of the acts of the insured and unit owners; and (5) waiver of pro-rata reduction if Unit owners obtain additional coverage.

d) It is important to recognize that the insurance described in sub-paragraph a), above, provides coverage for the Condominium. Each Unit Owner is advised to obtain liability and casualty insurance covering his own Unit and insurance covering personal possessions and living expenses.

8. In the event that a Unit Owner fails to maintain his Unit as required herein or otherwise violates the provisions hereof, the Board shall have the right to assess the Unit Owner and the Unit for the sums necessary to restore the Unit to good condition, to collect such assessments and have a lien for same as provided herein. The Board shall have the right, before or after any such assessment, to have its employees or agents enter the Unit and do the work necessary to enforce compliance with the above provisions. Unit Owners may also be individually assessed for any damage to the Common Elements or Limited Common Elements which may be caused by such Owners, their family, lessees, guests, invitees or permittees. If it becomes necessary for the Board of Managers to bring a lawsuit or any other proceeding to enforce its right to make a repair or correct a condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorneys' fees in connection with any suit or proceeding.

9. a) Each Unit Owner, his family, lessees, invitees and permittees, shall be governed by and conform to the Declaration and the By-Laws and rules and regulations of the Condominium.

Failure to do so shall entitle the Condominium or any Unit Owner to recover damages or obtain injunctive relief or both, but such relief shall not be exclusive of other remedies provided by law.

b) The Sponsor shall enjoy certain exceptions to these Condominium documents so long as the Sponsor has any Unit of sale. These special reserved rights of the Sponsor shall cover such activities as using the Units for sales offices, selection of members of the Board of Managers and amendments to the Condominium documents. In any event, however, Sponsor may not cease sales efforts and indefinitely rent/lease or reserve units for selection of members of the Board.

10. At the time of the closing to a Unit, there will be no other liens or encumbrances on the Unit or common elements other than the lien for non-payment of common charges, the lien of the first mortgage which arises if the purchaser obtains a first mortgage on his Unit and the liens and encumbrances set forth on Section N, paragraph 10.

11. Ownership of Unit in the Condominium subjects the Unit Owner to compliance with the provisions of the Declaration and By-Laws as well as any rules and regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The rules and regulations set forth in the By-Laws and Declaration can be found in Exhibits VII and VIII. The Board of Managers can institute legal actions to enforce compliance with the provisions of the Declaration and By-Laws as well as the rules and regulations established therewith. Sponsor shall have the right to alter unsold Units or common elements by amending plan and/or specification. However, any construction which might be undertaken by the Sponsor shall in no event undermine the structural integrity of the building. The provisions of the By-Laws which require members of the Board of Managers to be Unit Owners will not apply to the First Board of Managers.

12. The property and business of the Condominium shall be managed by the Board of Managers. The powers of the Board of Managers include, but are not limited to, the following items:

a) To determine and levy monthly assessments ("common charges") to cover the cost of common expenses, payable in advance.

b) To collect, use and expend the assessments collected to maintain, care for and preserve the Units, Buildings, and other common elements;

c) To make repairs, restore or alter any Unit or common elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

d) The Board of Managers and its agents, employees and contractors shall have a right of access to any unit and to all portions of the common elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws.

e) To insure and keep insured the common elements and Units;

f) To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the house rules or rules and regulations herein referred to;

g) To make reasonable rules and regulations;

h) To employ and terminate employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters hereinabove set forth.

i) To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium and to levy special assessments to pay for the cost of such litigation.

j) To acquire Units in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Unit so acquired and to vote as a Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;

k) To make additions, alterations, or improvements to the common elements of the Condominium of which addition, alteration, or improvement does not exceed \$10,000. The Board of Managers may make additions, alterations or improvements to the common elements costing in excess of \$10,000 only with the approval of a majority of the Unit Owners. While the Sponsor is in control of the Board of Managers, the Board may make additions, alterations, or improvements to the common areas elements costing in excess of \$10,000 or enter into service or maintenance contracts the duration of which will extend more than a year after the Sponsor loses control of the Board of Managers, only with the approval of a majority of the Unit Owners, excluding the Sponsor, voting at duly held meeting of the Unit Owners.

l) To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of at least 66 2/3% in number of all Unit Owners,

obtained at a meeting duly called and held for such purpose in accordance with the provisions of the By-Laws, shall be required for the borrowing of any sum in excess of \$10,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the common elements without the written consent of the Owner of said Unit.

m) Since each Condominium Unit is separately assessed for real estate tax purposes, each Condominium Unit Owner must institute his own proceeding to review real estate tax assessments against such Unit. However, the Board of Managers may institute such proceeding on their behalf with the consent of all Unit Owners.

n) Any contract, agreement or commitment made by the Board of Managers shall be made by the Board of Managers, as agent for the Unit Owners as a group only. No member of the Board of Managers nor individual Unit Owner shall be liable for such contract, agreement or commitment. The Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to that percentage of the total liability that is equal to his percentage of common interest. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for willful misfeasance or malfeasance and the Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts or omissions taken by a member of the Board of Managers in accordance with his duties as such member except acts of willful misfeasance or malfeasance. Such several liability of the Unit Owners shall, however, be limited as to each Unit Owner to such proportion of the total liability thereunder as such Unit Owner's common interest bears to the common interest of all Unit Owners.

Upon taking title, each Unit Owner will automatically have one vote at all meetings of the Unit Owners for each 0.01% of interest in the common elements owned by him unless otherwise mandated by law or expressly provided for in the declaration.

The By-Laws will not be amended so as to adversely affect any Unit Owner while the Sponsor retains voting control of the Condominium. The Sponsor will not cast any of its votes for termination of the condominium except as set forth at Section S, Paragraph 8.

o) To enter into a Management Agreement with a managing agent.

13. a) The executive officers of the Condominium shall be a President, who shall be a Manager, Vice President, Treasurer and

Secretary, all of whom shall be elected annually by the Board. The Board may appoint an Assistant Secretary, an Assistant Treasurer or such other officers as the Board determines is necessary to efficiently administer the affairs of the Condominium.

b) All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of a majority of the entire Board except the managers representing the Sponsor. Only the Sponsor has the right to replace the manager elected or appointed by Sponsor. All officers must be Unit Owners or members of the first Board of Managers. Two or more offices may not be held by the same person.

c) The President of the Condominium shall be the chief executive officer and shall preside at all meetings of the members and the Board and be an official member of all standing committees. He shall have general and active management authority over the business of the Condominium and shall have the general powers and duties of supervision and management usually vested in the office of the President of a stock corporation organized under the New York Business Corporation Law.

d) The Vice President of the Condominium shall be vested with all the powers and be required to perform all the duties of the President in his absence, together with such other duties as may be prescribed by the Board or the President.

e) The Secretary shall keep the minutes of the meetings of the members and of the Board in one (1) or more books for that purpose. The minute book shall be available for inspection by all members, or their authorized representatives, and by the Board, which minutes shall be retained for a period of not less than seven (7) years. He shall see that all notices are duly given in accordance with the provisions of the By-Laws or as otherwise required by law. In general, he shall perform all duties incident to the office of the Secretary and other duties as from time to time may be assigned to him by the President or the Board.

f) The Treasurer shall have custody of all Condominium funds and securities, keep full and accurate accounts of receipts and disbursements in books belonging to the Condominium, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board. He shall disburse the funds of the Condominium as ordered by the Board and shall render, to the President and the Board at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

14. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance upon the Condominium property and the equipment and personal property owned by the Condominium. The policies so obtained shall be for the benefit and protection of the Condominium, Unit Owners and their respective mortgagees as their interest may appear. Such policies shall include provisions that they be without contribution, that improvements to Units made by Unit Owners shall not affect the valuation of the Condominium Property for the purpose of insurance and that the insurer waives its rights of subrogation as to any claims against Unit Owners, The Board and their respective families, employees, servants, agents and guests. The insurance maintained shall cover the following perils and contingencies:

a) All improvements upon the Condominium Property and all personal property included therein, except the Units and such personal property as may be owned by the Unit Owners, shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation, foundations and other construction components customarily excluded) as determined periodically by the insurance company affording such coverage. Such coverage shall afford protection against:

i) Loss of damage by fire or other hazards covered by the standard extended coverage endorsements; and

ii) Such other risks as from time to time shall customarily be covered with respect to improvements similar in construction, location and use including but not limited to vandalism, malicious mischief, windstorm and water damage.

b) Comprehensive Public Liability and Property Damage in such amount and in such forms, as shall be required by the Board, including but not limited to, water damage, legal liability, hired automobiles, non-owned automobiles and off-premises employee coverage.

c) Worker's Compensation and Disability coverage to meet the requirement of law.

d) Fidelity bonds in sufficient amounts to fully protect the interests of the Condominium on each member of the Board of Managers, officers of the Condominium, managing agents and managers including any person or persons handling or responsible for funds of the Condominium.

In addition to the above, the coverage for directors and officers liability, boiler and machinery, and excess liability is generally available, but not provided by the Board of Managers.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance.

15. A New York Bank or trust company shall be the Insurance Trustees as designated by the Sponsor unless or until replaced by a bank or trust company in the State of New York designated by the Board of Managers. If the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall also be a bank or trust company in the State of New York designated by the Board of Managers. The Insurance Trustee shall hold all proceeds of Insurance policies in accordance with Section 254(4) of the Real Property Law. The cost of all such insurance and fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a common expense. The Board, or the Insurance Trustee, shall hold the proceeds from any casualty policy for the benefit of the Condominium, the Unit Owners and their respective mortgagees in the following manner:

a) In the event of damage to or destruction of the Condominium Building as a result of fire or other casualty (unless seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and the Unit Owners do not duly and promptly resolve to proceed with repair or restoration by a vote of Unit Owners owning a seventy-five (75%) percent interest or more in the Common Elements), the Board of Managers shall arrange for the prompt repair and restoration of the Condominium Building (including any fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or machinery or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the common charges.

b) If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and the Unit Owners do not duly and promptly resolve to proceed with repair or restoration by a vote of Unit Owners owning a seventy-five (75%) percent interest in the Common Elements, the Condominium Property shall be subject to an action for partition at the suit of any Unit Owners or

lienor, as if owned in common, in which event the net proceeds of the insurance policies (or if there shall have been a repair or restoration pursuant to sub-paragraph (a) above and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration) then the excess of such insurance proceeds shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective common interests, after paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

16. This property shall not be withdrawn from the provision of Article 9-B of the Real Property Law unless at least eighty (80%) percent of the Unit Owners in number and in common interest of such Units agree to the withdrawal of this property from the provisions of such Article. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless eighty (80%) percent of the Unit Owners other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

17. The following is a brief summary of the tax valuation petition procedures for the City of New York:

a) Tax notices are issued annually by January 15th. A taxpayer has until March 1st to apply for a corrective hearing before the Borough Commission.

b) The decision of the Borough Commission is appealable to the City Tax Commission.

c) If the taxpayer wishes to contest the issue beyond the Tax Commission he must institute an Article 7, certiorari proceeding.

d) The Board of Managers will act as an agent of each Unit Owner who has given his written authorization to apply to the local and county real estate tax assessment board of review agency by filing a single complaint on behalf of all such Unit Owners pursuant to Section 512 of the Real Property Tax Law and to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person pursuant to Section 704 of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and to charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees for which charges the Board of Managers shall have a lien.

18. The undivided share in the Common Elements which is appurtenant to a Unit, and the exclusive right to use all appropriate appurtenant Limited Common Elements shall not be separated from the Unit, and shall pass with the title to the

Unit. The respective shares in the Common Elements appurtenant to Units shall remain undivided, and no action for partition of the Common Elements shall lie, except as provided with respect to termination of the Condominium.

19. The Board of Managers shall have the right to accumulate reserves for capital replacement. Such reserves may be used for exterior painting, roof repair and replacement and such other capital expenses as the Board determines. The current budget set forth in Section I, Schedule B does not include a Reserve Fund for capital replacement.

20. Copies of the Declaration and By-Laws are found in Part II, Exhibits VII and VIII respectively.

SECTION T...REAL ESTATE TAXES

1. Sponsor will obtain individual tax lot for each Condominium Unit and Parking Spaces. After the units are separately assessed, each unit and parking spaces will be taxed as a separate tax lot for real estate tax purposes and the unit owner will not be responsible for the payment of, nor will the unit be subjected to any lien arising from the non-payment of taxes on other units.

If the units have not been separately assessed for real estate tax purpose prior to the closing of title to the first unit, the sponsor will prepay the tax bill to the City of New York for the entire Condominium property until the end of the tax year, and collect each Unit's proportionate share from the unit owner at the time of closing. Each Unit's proportionate share will be calculated based on the percentage of common interest allocated to the Unit.

2. The Sponsor has applied for partial tax exemption under Real Property Tax Law Section 421-a from the City of New York, Department of Housing Reservation and Development (HPD) and will use its best effort to obtain an approval. With the 421-a benefit, the real property tax for the Units during the 1st year of the Condominium operation (2006/07 tax year) is estimated to be \$18,268.23 which is calculated based upon the New York City Department of Finance's recommendation, by taking the current tax rate of 12.396% on the assessed value of the property in the tax year prior to the start of construction (2003/2004) which is \$147,372.00. The monthly real estate tax assuming exemption under 421-a for each Unit during the 1st year of the condominium operation is calculated based on the following formula:

$$A \times B \times C \times 1/12$$

A=	The assessed value of the property during 2003/2004 tax year (the year prior to start of construction (Base Year)	(\$147,372.00)
B=	The tax rate currently in effect.	(12.396%)
C=	Percentage of common interest allocated to each unit.	

Under Section 421-a Partial Tax Exemption program, the benefits decrease during the benefits period of 25 years in the

following manner:

1st through 21st year:	100%
22nd year:	80%
23rd year:	60%
24th year:	40%
25th year:	20%
26th year:	0%

Under New York City's present method of calculation 421-a tax benefits, If the Certificate of Occupancy is issued on or about October 30, 2006 as planned by the Sponsor, effective July 1, 2007 (i.e., the commencement of the 2007/08 tax year), the units will be in the first year of the 100% exemption period following the 2-year period allowed for construction.

3. Although the City of New York has used this approach in determining taxes on properties applying for 421-a Partial Tax Exemption, the Sponsor makes no representations nor guarantees that the City will continue to use the same formula. Although in the Sponsor's opinion this method of calculating the real estate taxes applicable to each Unit shown above is reasonable, there can be no assurance that the exemption will not be revoked or that this method of calculation of real estate taxes applicable to each Unit will be the final method used by the New York City taxing authorities in establishing the real estate tax assessment of each Unit. If for any reason a different method of calculation is used or a different assessment placed upon any of the Units by such authorities, real estate taxes may increase or decrease, depending upon the final decision of such taxing authorities.

4. The Sponsor anticipates, but does not guarantee, that partial exemption from Real Estate Tax will be actually applied to the Condominium units. In the event the partial exemption is revoked, the Condominium Unit Owners will be responsible for the entire real estate taxes against their respective Units and the Sponsor shall not be liable for any portion thereof, except to the extent that it is the Owner of any unsold Unit. The condominium operation will commence during 2006/07 tax year. The real estate tax for the entire Condominium building for 2006/07 tax year without tax exemption is estimated to be \$44,803.00. The calculation is made by taking the current Class 2 tax rate of 12.396% on the estimated assessed value of the Condominium property for the tax year of 2006/07 (\$361,435.00). This assessed value still has not reflected the value of the fully completed building.

Prospective purchasers are advised that the City of New York has not actually assessed the Units in the Condominium. The estimates of projected real estate taxes in the Offering Plan have been prepared by the Sponsor and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor at this time.

NEITHER SPONSOR, ANY COUNSEL TO SPONSOR, THE MANAGING AGENT, THE SELLING AGENT OR ANY OTHER PERSON, MAKES ANY WARRANTY AS TO THE AMOUNT, IF ANY, OF THE MINIMUM TAX WHICH WILL BE ASSESSED AGAINST THE CONDOMINIUM UNITS OR THE AMOUNT OF REAL ESTATE TAXES PAYABLE AT ANY TIME BY A UNIT OWNER.

5. Sponsor will keep all records required by Department of Housing Preservation and Development (HPD) and will make them available to HPD whenever requested to do so.

6. New York City HPD routinely conducts audits, which can result in the reduction or revocation of benefits under Section 421-a if proper documentation is not provided.

7. Upon closing, Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits and will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

8. The Condominium is qualified as a tax exempt organization under Section 528 of the Internal Revenue Code for a "Condominium Management Association", See Section U, "Opinion of Counsel" for details.

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SECTION U...OPINION OF COUNSEL

May 2, 2006

GRAND AVENUE REALTY, LLC
7-8 Chatham Square
Suite 802
New York, N.Y. 11373

Re: Grandview Condominium
84-32 Grand Avenue
Elmhurst, N.Y. 11373

Dear Sirs:

I have reviewed your Offering Plan including Schedules, Exhibits and Documents for the Condominium known as Grandview Condominium.

I have now been asked to render an Income Tax Opinion with regard to the Unit Owners as well as for said Condominium.

In rendering this Opinion I have examined relevant documents including the Declaration of Condominium and the By-Laws. During this examination I have assumed the authenticity of all documents and the genuineness of all signatures. We have also considered applicable provisions of the Internal Revenue Code and the Tax Laws of the State of New York.

The Purchaser of a Condominium Unit at Grandview Condominium will receive a legal title in fee simple to a Condominium Unit as well as ownership of an undivided interest in the Common Elements and in the Limited Common Elements appurtenant to his unit. As an owner in fee simple, the Purchaser has the right to take out a separate mortgage as well as the obligation to pay property taxes on his individual Unit.

Therefore, it is our opinion that at the present time the owner of a Residential Condominium Unit of Grandview Condominium may deduct from his federal income taxes all interest payments

made on the mortgage indebtedness and real estate taxes in the year paid or accrued covering his Condominium Unit under Section 164 and 163 of the Internal Revenue Code of 1986, respectively. Rev. Rul. 64-31 1964-1 C.B. 300. It is to be noted that for federal income tax purposes, should an owner not use his Condominium Unit as a personal residence, but rather as an investment, he may be subject to overall limitations on the deductibility of investment interest.

Although Condominiums are considered taxable entities under the rulings of the Internal Revenue Service, receipts from capital or special assessment may not be taxable assuming these assessments are properly designated and treated as trust funds. Under these circumstances the Condominium would not be subject to any significant taxable income from receipt of such trust funds other than possible investment income such as interest earned on the funds deposited in local banks.

In addition, if the Condominium meets the requirements of Section 528 of the Internal Revenue Code for a "Condominium Management Association," then the Condominium could elect to be exempt from federal taxes on income from membership fees, dues and assessments from Unit Owners. In order to qualify for this election the Condominium must satisfy the following requirements: (a) Substantially all of the Condominium Units must be used as residences, (b) ninety (90%) percent or more of its expenditures must be for the purposes of acquiring, constructing, managing, maintaining and caring for the Condominium property, (c) sixty (60%) percent or more of its gross income must consist of membership dues, fees and assessments, and (d) no part of the Condominium's net earnings may inure to the benefit of any private shareholder or individual.

Additionally, there is a requirement to qualify under Section 528 that the square footage of the non-residential portions of the Condominium does not exceed 15% of the total square footage. Based upon our examination of the Offering Plan it is our opinion that the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Code, in that the square footage of the non-residential portion does not exceed 15%.

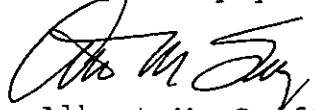
As discussed in the Offering Plan, the Sponsor applied for tax exemption for the residential Units under Section 421a of the New York State Real Property Tax Law ("Section 421a") to the New York City Department of Housing Preservation and Development ("HPD"). Section 421a and the regulations promulgated thereunder impose certain requirements for the granting of tax exemption with

respect to, among other things, whether the land for which an exemption is applied for has been vacant or under-utilized for more than 36 months prior to start of construction. We are of the opinion that the Condominium complies with such requirement for Section 421a tax abatement. Therefore, in the event that the Sponsor complies with the requirements of HPD and obtains final approval from HPD, the Units will be exempt from the payment of real estate taxes, on specified percentages of the increased assessed valuation of the Condominium resulting from the construction of the Condominium for a period of 15 years. Said exemptions will be in the amount of 100% of the increased assessed valuation for the first 21 years after the completion of construction, 80% for the 22nd year, 60% for 23rd year, 40% for the 24th year and 20% for the 25th year. At the end of said 25-year period, Unit Owners will be required to pay real estate taxes on the then full assessed valuation of their Units, at the then effective rate, both as determined by the City of New York.

Our opinion in the preceding paragraphs is not guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the sponsor, the sponsor's counsel, the board of managers of the condominium, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the condominium to cease to meet the requirements of Section 528 of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, and cause the Unit Owners not to be entitled to income tax deductions (or which cause unit owners not to be or to cease to be entitled to the benefits or the level or duration of benefits described above).

The percentage interest of each Unit in the common elements shown in Schedule A of the Offering Plan is assigned in the approximate proportion that the fair value of the Unit at the date of declaration bears to the aggregate fair value of all the Units. In the case of Grandview Condominium, the fair value is based on the offering price of each unit. In our opinion, this method of assigning the percentage of common interest to each Unit is in compliance with Real Property Law Section 339-i.1.(i). This opinion is based on other expert factual determinations as required by Section 20.1(i) of Part 20. (See the letter of real estate broker, BAYSHINE REAL ESTATE CORP. dated April 2, 2006.)

Very truly yours,


Albert M. Swift

BAYSHINE REAL ESTATE CORP.

金 灣 地 產 (樓 業 管 理)

BUILDING MANAGEMENT • SALES • RENTALS

Tel: (718) 854-0777
Fax: (718) 633-4019

4205 8th Avenue
Brooklyn, N.Y. 11232

April 2, 2006

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, N.Y. 10271

Re: Grandview Condominium
84-32 Grand Avenue
Elmhurst, N.Y. 11373

Dear Sirs:

I am a real estate broker licensed in the State of New York, I have been actively involved in real estate management and sales for over fifteen years.

The methods used in assigning percentage of common interest to each condominium unit is provided for in the provision of the Real Property Law Section 339-i.

Section 339-i.1.(i) in part, states that "each of the units shall be in approximate proportion that the fair value of the unit at the date of declaration bears to the aggregate fair value of all the units".

It is my opinion that this method was used properly in determining the percentage of common interest for the subject condominium.

Very truly yours,

By: 
RAY CHEN, Broker

SECTION V...WORKING CAPITAL FUND AND RESERVE FUND

1. RESERVE FUND:

(1) Under the provisions of the By-Laws, the Board has the right to establish a Reserve Fund for the future replacement of or additions to the Common Elements.

(2) The Board shall fix and determine the sums necessary to maintain the Reserve Fund. The amount to be reserved shall be computed by means of a formula which is based upon the estimated life and estimated replacement cost of each reserve item.

(3) The current budget set forth in Section I, Schedule B does not include a Reserve Fund for capital replacement.

(4) The reserve fund may not be used to reduce projected common charges while the Sponsor is in control of the Board.

2. WORKING CAPITAL FUND:

(1) At the time of closing each Purchaser shall contribute one (1) month's common charges to the Condominium's Working Capital Fund. This contribution shall not be credited against the purchase price as regular assessments. This is the one time contribution until further assessments are made by the Board of Managers in the future.

(2) There is no provision in the Condominium documents permitting the Sponsor to use the Working Capital Funds to reduce any estimated common charges for the Condominium while it is in control of the Board. The Working Capital shall be set aside and used for the start-up operation of the Condominium building, while each Unit owner, including the Sponsor, shall commence payment of monthly common charges allocated to his/her Unit, the amount of which is provided in Schedule A of this Plan, as soon as the Condominium operation starts upon closing of the 1st Unit.

(3) Any budget item that has to be paid before the sale of the first Condominium Unit, e.g. insurance, shall be paid for by the Sponsor and the Sponsor shall be entitled to a pro-rata reimbursement from the Common Charges as each Condominium Unit is sold.

(4) No representation is made that the Working Capital Fund will be sufficient to cover current or future expenses, including repair of the Common Elements, or other purposes as determined by

the Board of Managers and its Agents in their discretion. If additional funds are required over the above said funds, it may be necessary to increase common charges payable by the Unit Owners or collect special assessments from Unit Owners. No working capital or reserve fund has been provided for except as set forth above.

NEITHER THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK NOR ANY OTHER GOVERNMENTAL AGENCY HAS MADE ANY JUDGMENT AS TO THE ADEQUACY OF ANY WORKING CAPITAL FUND BUDGET ITEM.

SECTION W...MANAGEMENT AGREEMENT AND CONTRACTS

The Board of Managers will enter into a Management Agreement with the Sponsor ("the Managing Agent"). The Agreement will be for a term commencing upon the date of the conveyance of the first unit and expiring two years thereafter, at an annual fee of \$6,000.00 payable in equal monthly installments. Such management fee is the prevailing rate which is approximately 10% of the annual common charges to be collected. SUCH MANAGEMENT AGREEMENT WITH THE SPONSOR SHALL NOT BE CANCELLED FOR ONE YEAR. After one year, it may be cancelled by either party upon 60 days written notice. The Managing Agent will be obligated to bill and collect common charges, hire and fire employees, supervise alterations and repairs, maintain the Condominium's books and records, advise the Board of Managers regarding its proposed annual budget, purchase supplies for the Condominium and generally perform the duties of a managing agent for condominium. In performing these duties, the managing agent may engage contractors on behalf of the Board of Managers for the purpose of carrying out the maintenance and repair of the common elements.

The Board of Managers shall reimburse the Managing Agent for its costs and expenses incurred and indemnify the Managing Agent against any liabilities for the acts properly performed pursuant to the Agreement.

Until such time as the Declaration of the Condominium is recorded, the Sponsor reserves the right to designate another person or entity as managing agent as per the terms set forth above as well as the right to enter into any new service or concession contracts or to renew or replace any such contract which may expire for the services described in Schedule B to this Plan.

No such contract, however, will be for a term expiring more than two years after the recording of the Declaration, unless it provides for a cancellation thereafter upon 90 days written notice. The sponsor will endeavor to obtain all such new, renewal and replacement contracts on a competitive cost basis.

The Management Agreement is not assignable by the agent unless the Managing Agent is the Sponsor.

SECTION X...IDENTITY OF PARTIES

1. Sponsor: The Sponsor, GRAND AVENUE GROUP, LLC, with its office at 7-8 Chatham Square, Suite 802, New York, N.Y. 10038, is a New York limited liability company formed on December 5, 2003. Grandview Condominium is the Sponsor's first condominium development.

The Sponsor's principal, HENRY ZHENG is an accountant, and RICHARD LIN and VAN HAO HSU are the restaurant owners. All three principals of the Sponsor have been investing in the real estates for more than ten years.

The Sponsor and Sponsor's principals have never participated in any real estate syndications including condominium and cooperative projects. There are no record of felony convictions, bankruptcies, injunctions or judgments in connection with the Sponsor or Sponsor's principals.

2. Sponsor's Attorney: Sponsor has retained Swift & Associates, PLLC at 41-46 Main Street, Flushing N.Y. 11355 to represent it in connection with the Plan. Albert M. Swift, Esq. of Swift & Associates, PLLC prepared the plan, the declaration, the By-Laws and the forms of Purchase Agreement, Condominium Unit Deed for the Units and Condominium Unit Power of Attorney and have also rendered an opinion with respect to the availability of income tax deduction to purchasers of Units. Sponsor will be represented by Swift & Associates, PLLC, with office at 41-46 Main Street, Suite 200, Flushing, N.Y. 11355 for contract and closing of the Units. Swift & Associates, PLLC will be the escrow agent for the Purchaser's deposits.

3. Architect: The Description of the Property and Specifications included in the Offering Plan as Exhibit I and the certification of such report in the Plan as Exhibit XI, were prepared by Shiming Tam, Registered Architect, with office at 249 West Broadway, New York, N.Y. 10013. Mr. Tam has an experience as an architect for 20 years. Sponsor's architect has no relationship with the Sponsor.

4. Managing Agent: The Sponsor, Grand Avenue Group, LLC will be the Managing Agent. The principals of Grand Avenue Group, LLC HENRY ZHENG, RICHARD LIN and VAN HAO HSU, have an experience in managing residential properties. There are no prior convictions, injunctions or judgments against the Managing Agent or the principals of the Managing Agent, HENRY ZHENG, RICHARD LIN and VAN HAO HSU.

5. Selling Agent: The Sponsor will also act as the Selling Agent for the Condominium. The principals of the Sponsor, HENRY ZHENG, RICHARD LIN and VAN HAO HSU, as real estate investors, are familiar with sales of real estate.

SECTION Y... REPORTS TO UNIT OWNERS AND
DOCUMENTS ON FILE

1. Reports to Unit Owners: It is the obligation of the Board of Managers of the Condominium to give all Unit Owners annually:

- (a) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specified date; such statement shall be certified while the Sponsor is in control of the Board of Managers;
- (b) prior notice of the annual Unit Owners' meeting; and
- (c) a copy of the proposed annual budget of the Condominium by a specified number of days prior to the date set for adoption thereof by the Board of Managers; while the Sponsor is in control of the Board of Managers such budget shall be certified for adequacy by expert in compliance with Section 20.4(d) of Part 20.

2. Documents on file: The Sponsor shall keep copies of the plan, all documents referred to in the plan and all Exhibits submitted to the Department of Law in connection with the filing of the plan, on file and available for inspection without charge and copying at a reasonable charge at the Sponsor's office located at 7-8 Chatham Square, Suite 802, New York, N.Y. 10038 for six (6) years from the date of first closing. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first unit.

SECTION Z...GENERAL

1. There are no law suits, administrative or other proceedings pending against the Sponsor which may materially affect the offering, the property, Sponsor's capacity to perform all of its obligations under this Plan, the Condominium or the operation of the Condominium.

2. The property has not been the subject of any other prior public offering.

3. In accordance with the Laws of the State of New York, the Sponsor represents that the Sponsor will not discriminate against any person because of marital status, disability, race, creed, color, national origin, sex or ancestry in the sale of Units offered by this Plan or in the leasing of any Units.

4. This Plan contains a fair summary of the pertinent provisions of the various documents referred to herein and does not knowingly omit any material fact or contain any untrue statement of material fact relating to this offering. Any information or representation made, not contained in this Plan, must not be relied on. This Plan may not be modified orally.

This Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Plan which materially adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than 30 days after a copy of duly filed amendment is mailed or otherwise delivered to them by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund in full, of the down payment made therewith.

5. No contracts or agreements have been entered into and no deposits or advances of funds accepted by the Sponsor as of the date the Plan is accepted for filing by the Department of Law.

6. All of the Units offered in the Plan are vacant and free of tenancies as of the date of submission of the Plan to the Department of Law.

SECTION ZZ...SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the "Description of Property and Building Condition" set forth in Exhibit I-A of Part II prepared by SHIMING TAM, R.A. with office at 249 West Broadway, New York, N.Y. 10013. Sponsor has no knowledge of any material defects or need for major repairs to the property except as set forth in the "Description of Property and Building Condition".

Inasmuch as the building is newly constructed, there is no official inspection report available reflecting upon conditions of the premises such as notices violations or reports required by local law. In compliance with the federal law, lead-based paint is not used for the construction of the building.

This Plan contains a fair summary of the pertinent provisions of the various documents referred to herein and does not knowingly omit any material fact or contain any untrue statement of material fact relating to this offering. Any information or representation made, not contained in this Plan, must not be relied on. This Plan may not be modified orally.

DATED: QUEENS, NEW YORK
November 10, 2006

SPONSOR:

GRAND AVENUE GROUP, LLC

PART II

EXHIBIT I
SECTION AA
GRANDVIEW CONDOMINIUM
DESCRIPTION OF PROPERTY AND SPECIFICATIONS
Dated: May 2, 2006
(Revised: October 30, 2006)

Prepared by:
SHIMING TAM, R.A.
249 West Broadway
New York, N.Y. 10013



明暉建築設計
SHIMING TAM
ARCHITECT, P.C.

249 West Broadway, New York, N.Y. 10013
Tel: (212) 941-9784 Fax: (212) 941-9315

Description of Property and
Specifications for
84-32 Grand Avenue
Queens, New York
Project No. 03-80

Attention: To Whom It May Concern
Subject: Architect-Engineer Report for proposed Grandview Condominiums at 84-32 Grand Avenue, Queens, NY
Date: May 2nd, 2006 (revised October 30th, 2006)

The information contain herein has been obtained from available record in NYC Department of Buildings (DOB), the Department of Air Resources, the Department of Environmental Conservation, the Department of Housing Preservation and Development and on site observation. This report conforms to outline promulgated by Attorney General of the State of New York. The basis for the report is the "Plans and Specification" on file in the office of Architect. It is to be noted that no written specification was provided to architect for this report. Specifications contained in this report were obtained from general contractor, sub contractors and by visual observation.

1. Location and Use of Property

- A. The property is located at 240'± off corner of Grand Avenue and Haspel Street in the Borough of Queens, The City of New York. The sponsor states that the Zoning and proposed use will comply with all Zoning and use requirements.
- B. The property is located in Zoning District R6B/C1-3; Block 289, Lot 12. Within the NYC Zoning Resolution, the property is located in Zoning Map 13c. There will be one building on the property, and will not be attached because there will be two side yards of 8'-0" width. The cellar will be used for parking, utility, and accessory storage rooms. There will be residential units on the 1st through 5th floors (see item 8).
- C. The official address of the building is known as 84-32 Grand Avenue, New York City.

- D. The permits that have been issued for this job are as follows:
- a) Structural work permit (filed in conjunction with the new building application), permit no. 402022529-01-EW-OT.
 - b) New building permit, permit no. 401746571-01-NB.
 - c) Construction equipment- fence permit, permit no. 401746571-01-EQ-FN.
 - d) Plumbing permit, permit no. 401746571-01-PL.

-There are no current violations for this job.

2. Status of Construction

- A. The construction of the structure had started in the month of December 2004.
- B. Construction is to run from December 2004 till approx. June 2007.
- C. Upon the completion of the project a certificate of occupancy will be obtained by the sponsor and issued by the NYC Department of Buildings. It will be submitted as an addendum to this report.
- D. The architect's plans have been submitted to, and approved by, the New York City Department of Buildings.
- E. The construction class for the building is 1-D (1 hr. protected). Construction class 1-D has 2 hr. rated enclosed exit passageways and 1 hr. rated structural members and floor construction. This is based on the NYC Building Code, Table 3-4.

3. Site

- A. The property is approximately 8442 square feet. There will be one (1) building on the site. The building will be for residential use. The building is not and will not be attached, and has 2 side yards of 8'-0" width each.
- B. The building shall have a combined storm and sanitary drainage system that will be connected to the existing 12" combined sewer in the city street.
- C. The existing streets are public streets paved with asphalt and will have new concrete sidewalks with steel faced concrete curbs.
- D. There will be a ramp down to the cellar parking area from the street level. The ramp is made of 7" concrete with a 4500 PSI capacity. The ramp also has #5 reinforcements @ 10" each way. There will be a new trench drain at both the top and bottom of the ramp.

E. Street lighting will be the city lampposts which are already existing.

F. All items conform to the NYC Building Code.

4. Utilities

A. Electricity will be supplied by Con Edison, which is government regulated.

B. Water supply to the building will be obtained from the City of New York and will be un-metered for domestic use.

C. Gas will be supplied to the building by Con Edison, which is government regulated.

D. Utilities for the individual units will be the responsibility of the tenants. The common area utility costs will be a shared cost amongst all tenants.

5. Sub-Soil

A. The soil boring was performed by Atlas Technical Associates, Inc., dated August 6th 2003.

B. There did not appear to be any danger from flooding, either due to water table in the area or an overflow from other bodies of water. There were no signs of potential mudslides or erosion observed.

C. The soil boring report indicates the soil is rated 7-65 which, based on the NYC Building Code (section 27-678), translates to a bearing capacity of 3-6 tons per s.f.

6. Landscaping

A. There will be landscaping provided on the site.

7. Building Height

A. The building is approximately 50'-0" feet to the roof level.

B. There is a cellar in the building.

C. There are five floors in the building. The floor-to-floor height for the typical floors are 10'-0".

D. Parapet walls are approximately 3'-6" in height.

E. The insulation of the roof has been specified as R-19 on the architectural drawings.

8. Occupancy

- A. There will be four (4) residential units on the first floor.
- B. There will be five (5) residential units on the second floor.
- C. There will be five (5) residential units on the third floor.
- D. There will be four (4) residential units on the fourth floor.
- E. There will be three (3) residential units on the fifth floor.
- F. The cellar level will be comprised of the following:
 - 1. (12) Accessory parking.
 - 2. Elevator mechanical room.
 - 3. Gas and Electric meter room.
 - 4. Refuse room.
 - 5. Boiler/H.W.H. room.
 - 6. (2) Accessory storage rooms, for the units above (units 1A and 1D on the first floor).
- G. As shown on the plans approved by the Department of Buildings, handicapped accessible bathrooms and access have been provided for in all residential units. All doors have the necessary clearance for handicapped accessibility.

9. Structural System

A. Foundation

- 1. Footings shall be founded on class 7-65 with a presumed bearing value of 3 tons per sq. ft.
- 2. Footings shall be 3000 PSI controlled concrete.
- 3. Piers and walls shall be 3000 PSI controlled concrete.

B. Superstructure

- 1. Superstructure concrete shall be 3500 PSI controlled concrete.
- 2. Controlled concrete shall comply with all ACI specifications as per ACI 318-83 standards.
- 3. All reinforcement steel shall have an ultimate tensile strength of 90,000 PSI as per ASTM A615-60.
- 4. All beams, spandrel beams and floor slabs shall be poured monolithically.

5. All slabs on ground shall have a thickness of approx. 5.5".
6. All structural responses conform to the provisions of the New York City Building Code.
7. Structural responses to lateral loads are in compliance to the provisions of the NYS and NYC Building Code. Horizontal reinforcement is provided in alternative courses. Vertical reinforcement has been provided within exterior walls (#4 rebars). Exterior walls are composed of 8" solid CMU with #4 rebars from the 1st through 3rd floors, and 8" hollow CMU with #4 rebars at the 4th floor through roof levels. Structural steel conforms to ASTM A572 Gr.50 (beams) and ASTM A500 Gr. 46 (columns), unless otherwise noted on the structural plans. Reinforcing bars exposed to earth or weather shall have 2" minimum concrete protection. Lateral bracing is provided by use of horizontal straps or cold-rolled channels. Provisions for structural vertical movement has been provided and indicated on the structural plans.

10. Exterior of Building

- A. Exterior walls: Consists of concrete block and brick masonry walls.
- B. Interior Partition: Consist of steel studs and sheetrock.
- C. Insulation of walls has an 'R' value of R-11.
- D. Windows: Aluminum double-glazed manufactured. There are no required windows that are located close to the lot lines.
- E. Parapet walls – CMU & brick with limestone top.
- F. Bulkheads – CMU & brick masonry with steel framing.
- G. Balconies:
 1. Consist of concrete flooring with a 3'-6" high metal railing.
 2. All balconies are tiled.
 3. There are no drains on the balconies.
 4. The doors to the balconies are sliding vinyl doors by Crystal (or equivalent).
- H. There are no terraces.

11. Exterior Entrances

- A. There is one main entrance to the residential units that is located off the Grand Avenue sidewalk.

- B. The entrance door consists of ½" clear tempered glass within an aluminum frame. There is an electrical opener for the door. The door leads to the residential lobby. Vestibule doors also consist of ½" clear tempered glass within an aluminum frame.
- C. There will be 21 federally approved mailboxes on the west wall of the lobby.
- D. At the vestibule there will be a bell and buzzer system (manufacturer and model to be determined at a later date).
- E. Exterior lighting at the entrance shall be by Sato (or equivalent), on both sides of the entrance door.
- F. Railings are steel pipe.

12. Service Entrance – There are no service entrances to the building.

13. Roof and Roof Structures

- A. Roof material – Rubber roofing, APP 160 by Firestone Building Products Company
- B. Roof insulation – 2" thick 4'X8' ISO, by Firestone Building Products Company
- C. Bulkhead masonry
- D. Doors - hollow metal with hollow metal frames.
- E. Roof drains - Grenell Inc. or equivalent. There are 6 roof drains, all 4" diameter.
- F. Parapet walls - masonry
- G. Roof guarantees:
 - 1. Roofing contractor: Period 10 years guarantee by Windstar Construction Corp.
 - 2. Warranty period – 10 years from date of purchase – Firestone APP 160 (coated or uncoated).

14. Yards and Courts

- A. There is one rear yard, approximately 32'-6" in depth.
- B. There are two side yard, approximately 8'-0" in depth.

15. Interior Stairs

- A. There are two sets of stairs in the building. All stairs start at the cellar. All stairs terminate at the roof level.
- B. Stairs are enclosed in fire rated sheetrock walls.
- C. The stairs are metal with cement. Railings and balustrades are steel pipe.
- D. Typical fluorescent lighting will be provided in the main stairwell.

16. Interior Doors and Frames

- A. Apartment entrance doors shall be hollow metal with hollow metal frames. Peepholes are to be provided at all apartment entrance doors.
- B. Interior closet doors to be wood with wood frames.
- C. Doors to balconies shall be sliding glass doors.
- D. Cellar doors to be hollow metal with hollow metal frames.
- E. Stair doors to be hollow metal with hollow metal frames and have a wire glass vision panel.

17. Elevators

- A. There shall be one automatic elevator in the building. The elevator will be manufactured by Otis (or equivalent). The cab shall have stainless steels trim and Formica panels. Ceiling lighting above to be fluorescent.
- B. The elevator machine room is at the cellar level.
- C. The capacity of this elevator is 2000 pounds. Based on a 150 pound per person average, the capacity of the elevator is 13 persons. The elevator will be under a service contract. An inspection certificate will be supplied upon completion.

18. Laundry Room – None, each residential unit has one washer & one gas dryer. There will be an exhaust vent from each dryer leading to a main duct up to the roof. The manufacturer and model of the washers and dryers are to be determined at a later date.

19. Refuse Disposal

- A. Refuse disposal will be accomplished by the tenants individually bringing their trash to refuse room provided at each floor. The garbage will be picked up from the refuse room at the cellar by the building super, who will in turn place the garbage onto the street for pickup by the NYC Sanitation Department.

20. Fire Escape - None

21. Garage – There are (12) parking spaces at the cellar level.

22. Plumbing, Drainage & Ventilation

A. Water supply for the building will be obtained from the city of New York. Piping materials for water and heating will be copper. Gas piping to be black iron. Potable water distribution will be accomplished by delivering the street after supply to the house pumps. The pumps will be manufactured by Federal Pump Co. Model 1-1/2 cc -3-2, 3HP 208V 3 phase (or equivalent).

B. The sanitary sewage collection system is of extra-heavy cast iron pipe.

C. Disposal of sanitary and storm drainage is by gravity to the combined sewer located in the bed of Grand Avenue.

D. Ventilation is achieved by operable windows and is provided for most habitable rooms.

E. Kitchens exhaust fan are provided for each apartment with a main duct up to the roof.

F. Bathroom exhaust fan are provided for each bathroom and connected to a main duct up to the roof.

G. Fixtures:

1. Baths:

<u>Item</u>	<u>Brand Name</u>
Toilet	American Standard or equivalent
Bathtub	American Standard or equivalent
Lavatory	American Standard or equivalent

Other features:

Medicine cabinet

Vanity - plastic laminate

2. Kitchens:

<u>Item</u>	<u>Brand Name</u>
Stove	Gen. Elect. Or equivalent
Refrigerator	Gen. Elect. Or equivalent

Other features:

Cabinets and countertop - plastic laminate/stone countertop

a. Light fixture – fluorescent

3. Washer/dryer: Make and model to be determined.

23. Heating System

- A. The boiler plant is comprised of 21 gas-fired boilers and is located at the cellar level.
- B. The boilers are manufactured by American Water Heater Company (or equivalent).
 - 1. Specifications for Boiler
 - Boiler: Polaris
 - Model #: PR50NATV, 50 Gallon
 - Firing Fuels - Natural Gas
 - Capacity: input of 100 MBH
- C. Residential units are heated with baseboard heaters, slant-fin-multi-pak - 80-element #H-1 (Jumbo Fin).
- D. Lobby and corridors are heated with electric cabinet heaters.
- E. Hot water supplied by gas fired hot water heaters located at the roof level.
- F. The hot water heaters are the same unit as the boilers, manufactured by American Water Heater Company (or equivalent).
 - 1. Specifications for Hot Water Heater:
 - Hot Water Heater: Polaris
 - Model#:PR50NATV, 50 Gallon
 - Firing Flues – Natural Gas
 - Capacity: input of 100 MBH

24. Air Conditioning and Ventilation

- A. Provided sleeves only in residential units.

25. Electrical System

- A. The building shall be supplied with the following services:
 - 1. 120/208 V service
 - 2. 1 house panel for common areas
 - 3. 1 meter for each unit (residential)
 - 4. Certificate of Compliance shall be obtained for the electrical work from the local authorities having jurisdiction.
 - 5. Battery operated emergency lighting shall be supplied for hallways and exits.

26. Fire Protection

- A. Entire building will be supplied with a sprinkler system that will be supplied by 4" fire sprinkler main.
- B. Concealed sprinkler head will be utilized.
- C. A battery charged smoke detector and carbon monoxide detector will be supplied in each residential unit. A carbon monoxide detector will also be provided.

27. Unit Information

Residential Unit Floor Area:

Unit:

1A- 725.25 S.F.	1B- 721.78 S.F.	1C- 557.21 S.F.	1D- 562.6 S.F.
2A- 735.59 S.F.	2B- 733.9 S.F.	2C- 480.86 S.F.	2D- 436.5 S.F.
2E- 510.9 S.F.			
3A- 735.59 S.F.	3B- 733.9 S.F.	3C- 480.86 S.F.	3D- 436.5 S.F.
3E- 510.9 S.F.			
4A- 735.59 S.F.	4B- 733.9 S.F.	4C- 702.3 S.F.	4D- 736 S.F.
5A- 662.46 S.F.	5B- 846.28 S.F.	5C- 860 S.F.	

<u>Room</u>	<u>Floor</u>	<u>Walls</u>	<u>Ceiling</u>	<u>Approximate Ceiling Height</u>
Living Rm	Wood floor	Sheetrock	Sheetrock	9'-0"
Bedroom	Wood floor	Sheetrock	Sheetrock	9'-0"
Kitchen	Wood Floor	Sheetrock	Sheetrock	9'-0"
Bathroom	Marble	Cer. Tile	Sheetrock	9'-0"

-Materials listed above are general descriptions, specifications to be determined at a later date.

28. Schedule of Spaces Other Than Apartments

<u>Room</u>	<u>Floor</u>	<u>Walls</u>	<u>Ceiling</u>	<u>Approximate Ceiling Height</u>
Water	Conc.	Blk.	Conc.	9'-0"
Sewer	Conc.	Conc/Blk	Conc.	9'-0"
Elect. Meter	Conc.	Conc/Blk	Sheetrock	9'-0"

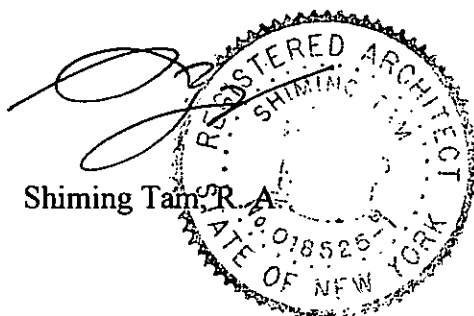
Meter	Conc.	Conc/Blk	Sheetrock	9'-0"
Gas meter rm	Conc.	Conc./Blk	Sheetrock	9'-0"
Corridor (cellar)	Conc.	Blk/ Sheetrock	Sheetrock	9'-0"
Corridor (typ. fl)	Carpet	Sheetrock	Sheetrock	9'-0"
Refuse Room	Conc.	Sheetrock	Sheetrock	9'-0"
Boiler/HWH rm	Conc.	Conc/Blk	Conc.	9'-0"
Lobby	Marble	Marble on Blk	Sheetrock	9'-0"

-Materials listed above are general descriptions, specifications to be determined at a later date.

Abbreviations

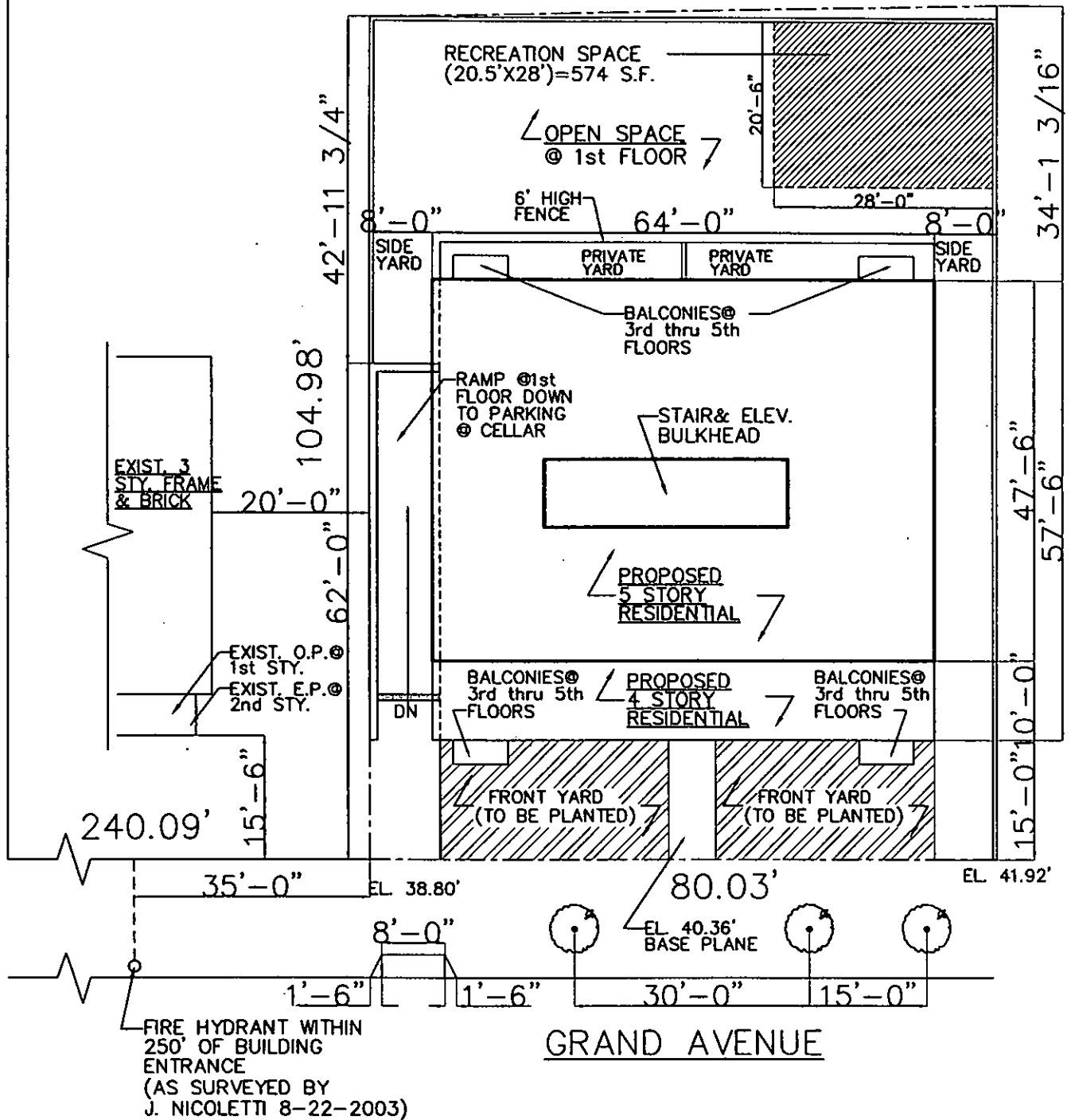
Cer. Tile	Ceramic Tile
Res. Tile	Resilient Tile
Plas.	Plaster
P.	Paint
Conc.	Concrete
Blk	Block
AC.T.	Acoustic Tile

We hereby affirm that the above description of property and specification are an unbiased professional opinion arrived at without inducement of any kind.



80.01'

HASPEL STREET



PLOT PLAN
SCALE: N.T.S.

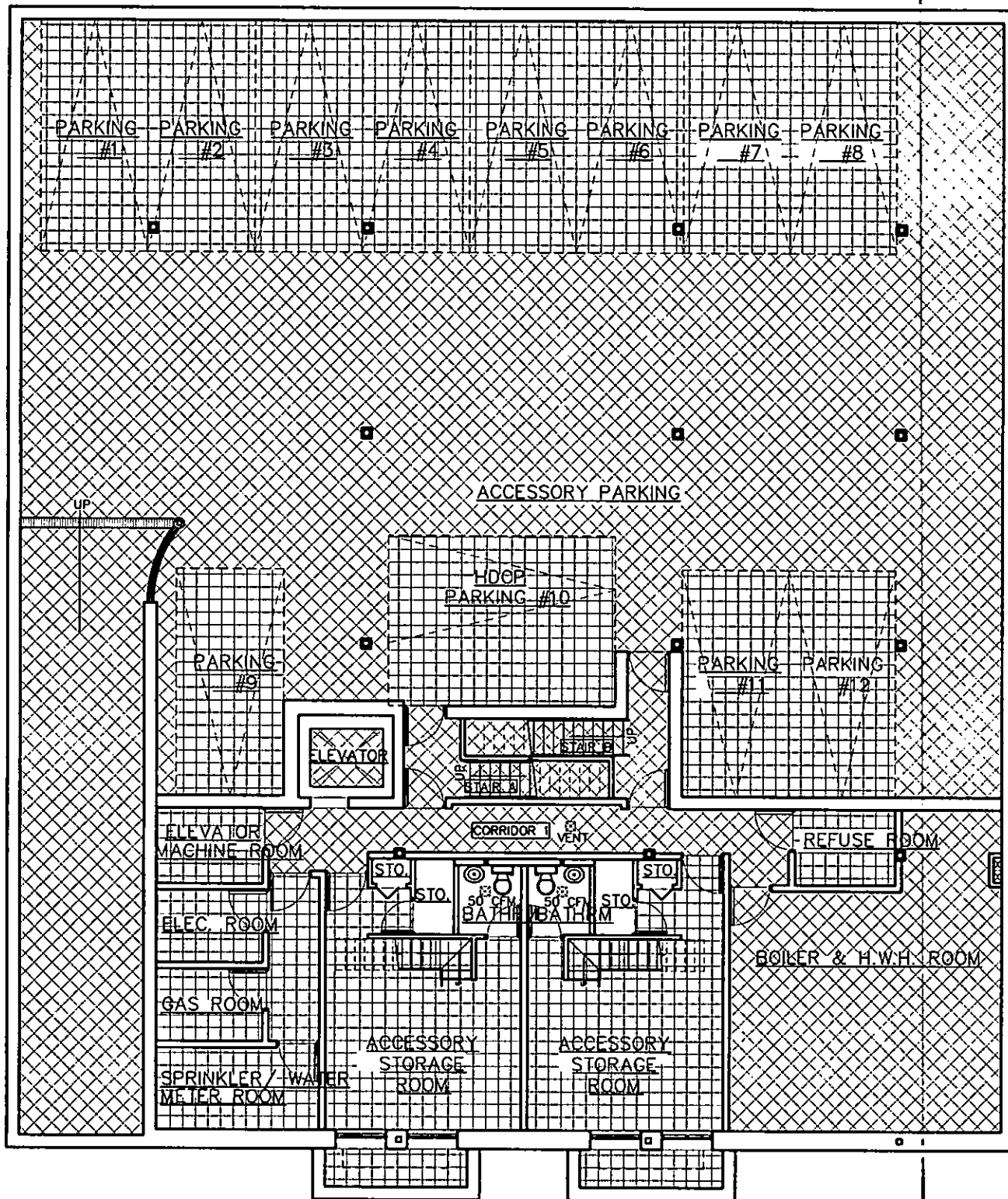
BLOCK: 2891 ZONE: R-6B/ C1-3
LOT: 12,14 MA: 13c

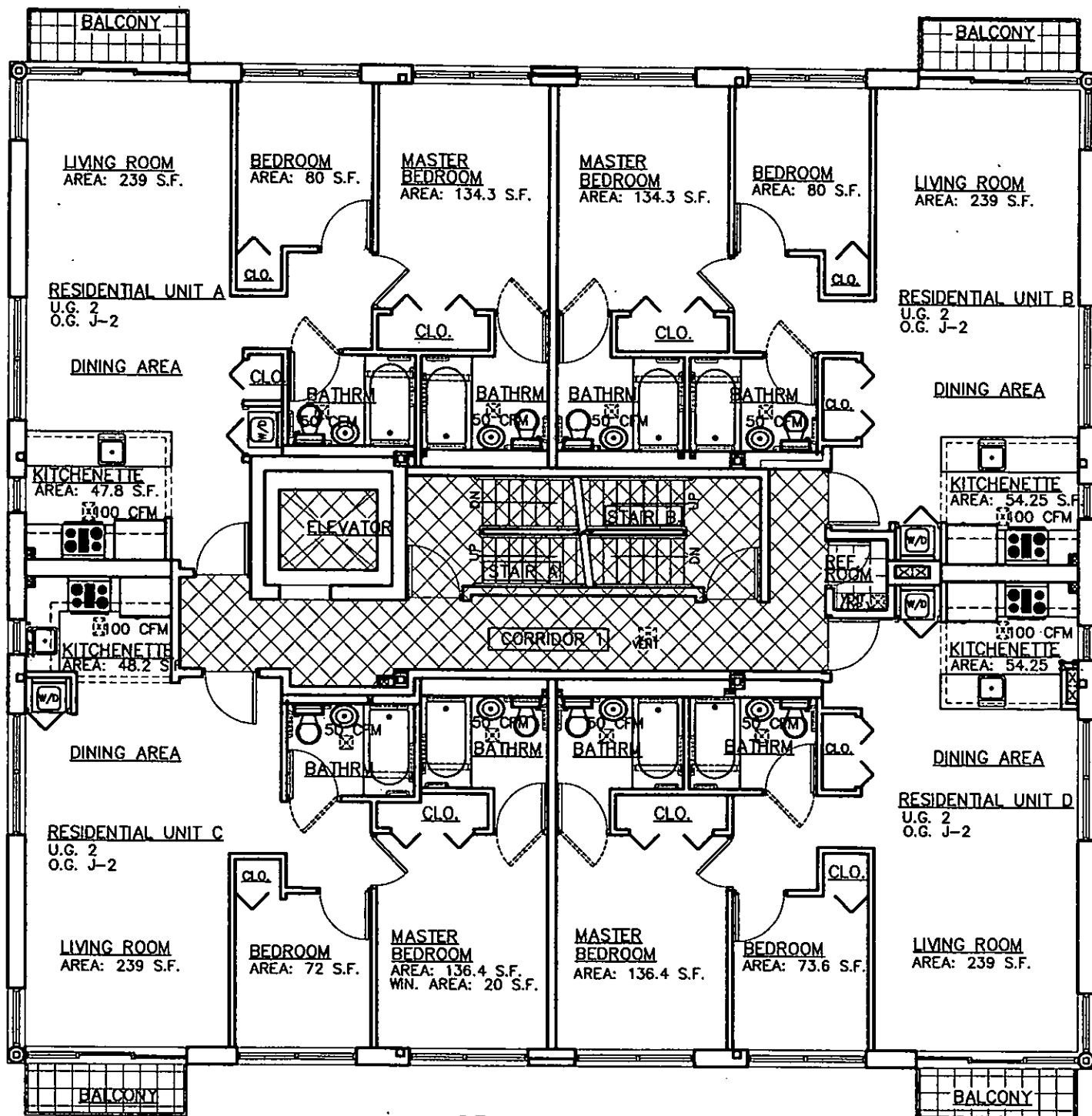


RECREATION AREA



AREA TO BE PLANTED

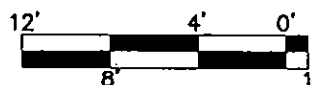


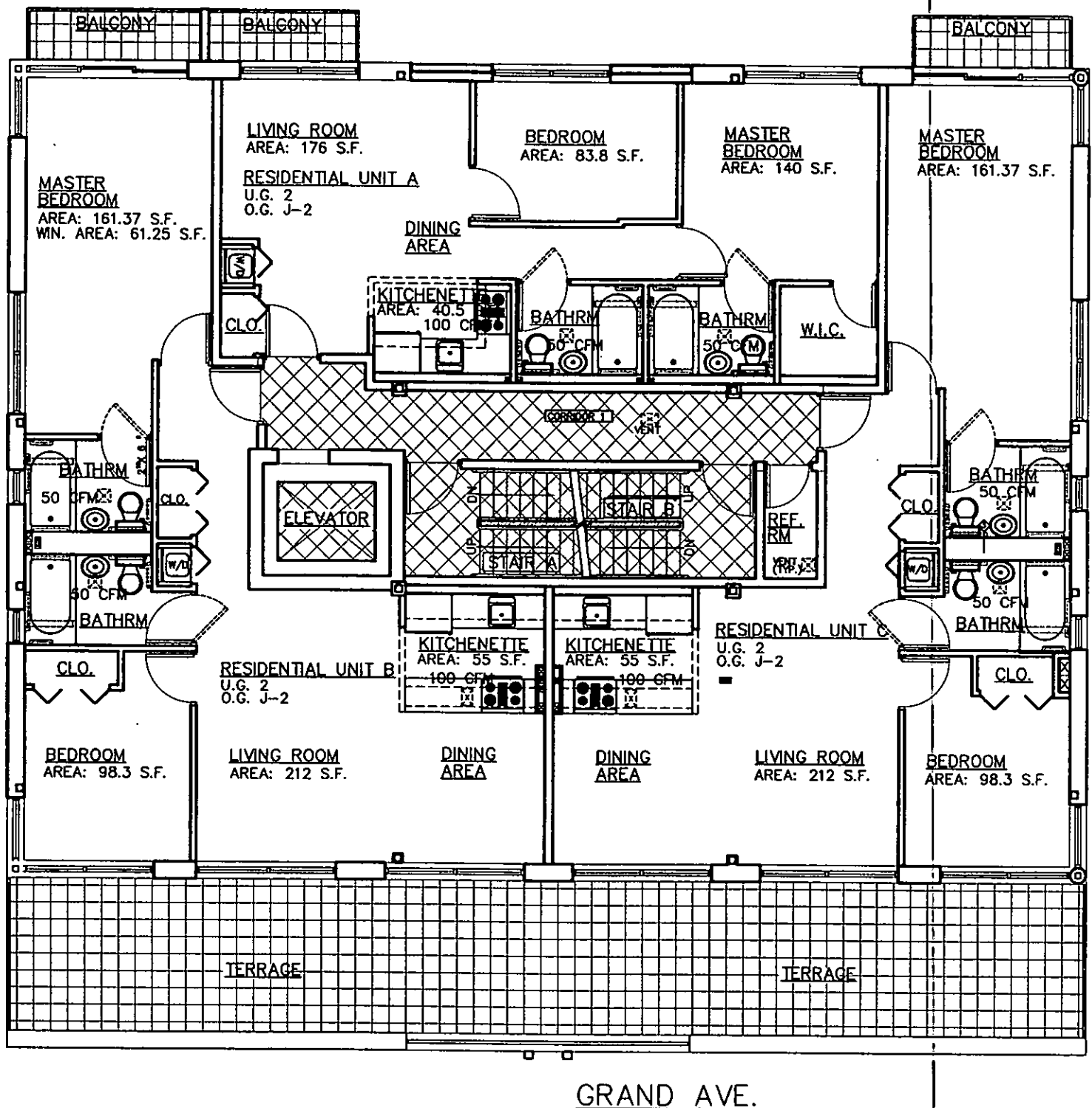


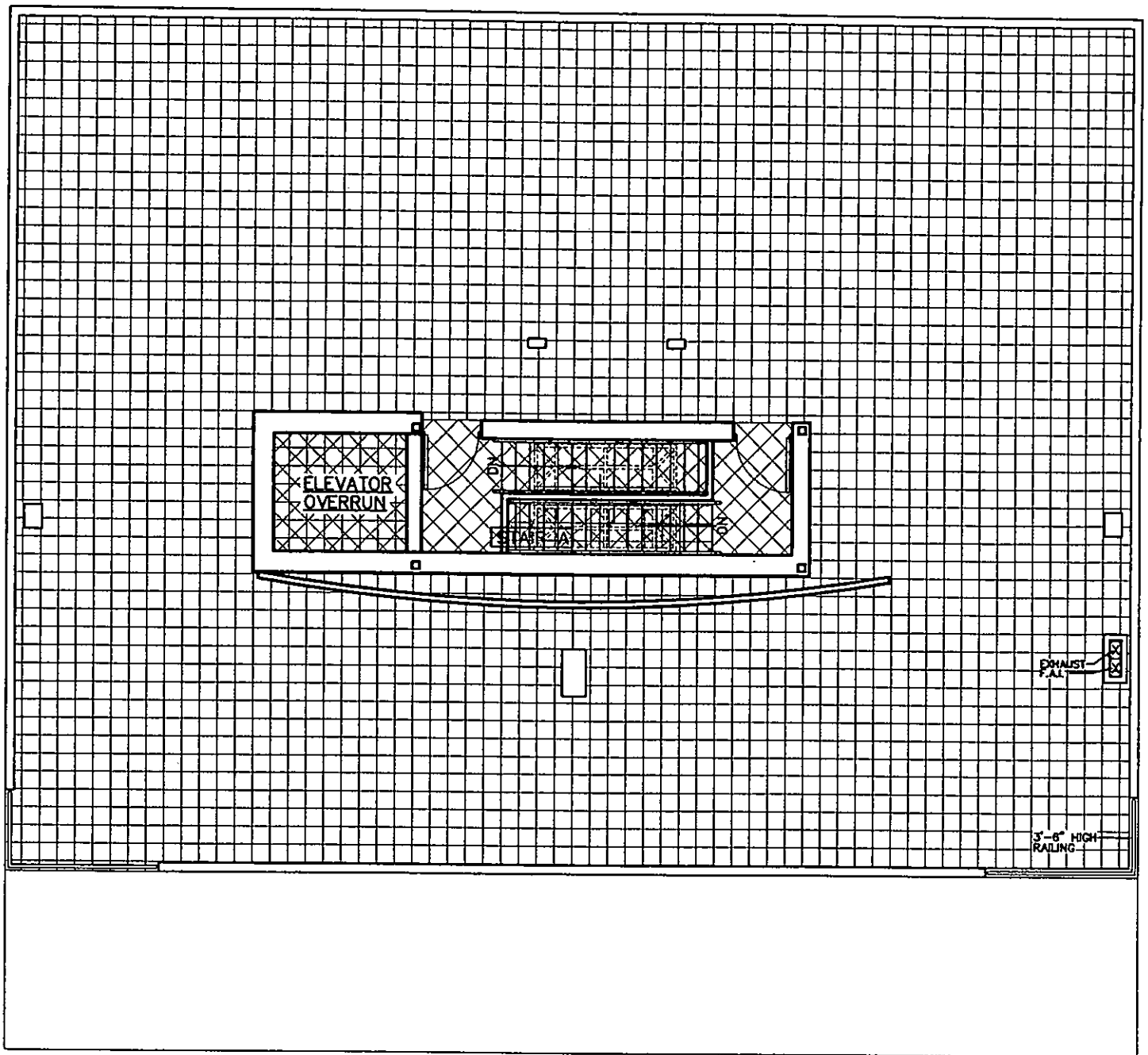
4th FLOOR PLAN
SCALE: 1/8"=1'-0"

LEGEND

- RESIDENTIAL LIMITED COMMON ELEMENTS
- GENERAL COMMON ELEMENTS
- RESIDENTIAL UNIT







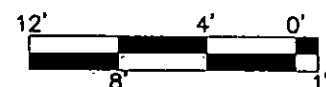
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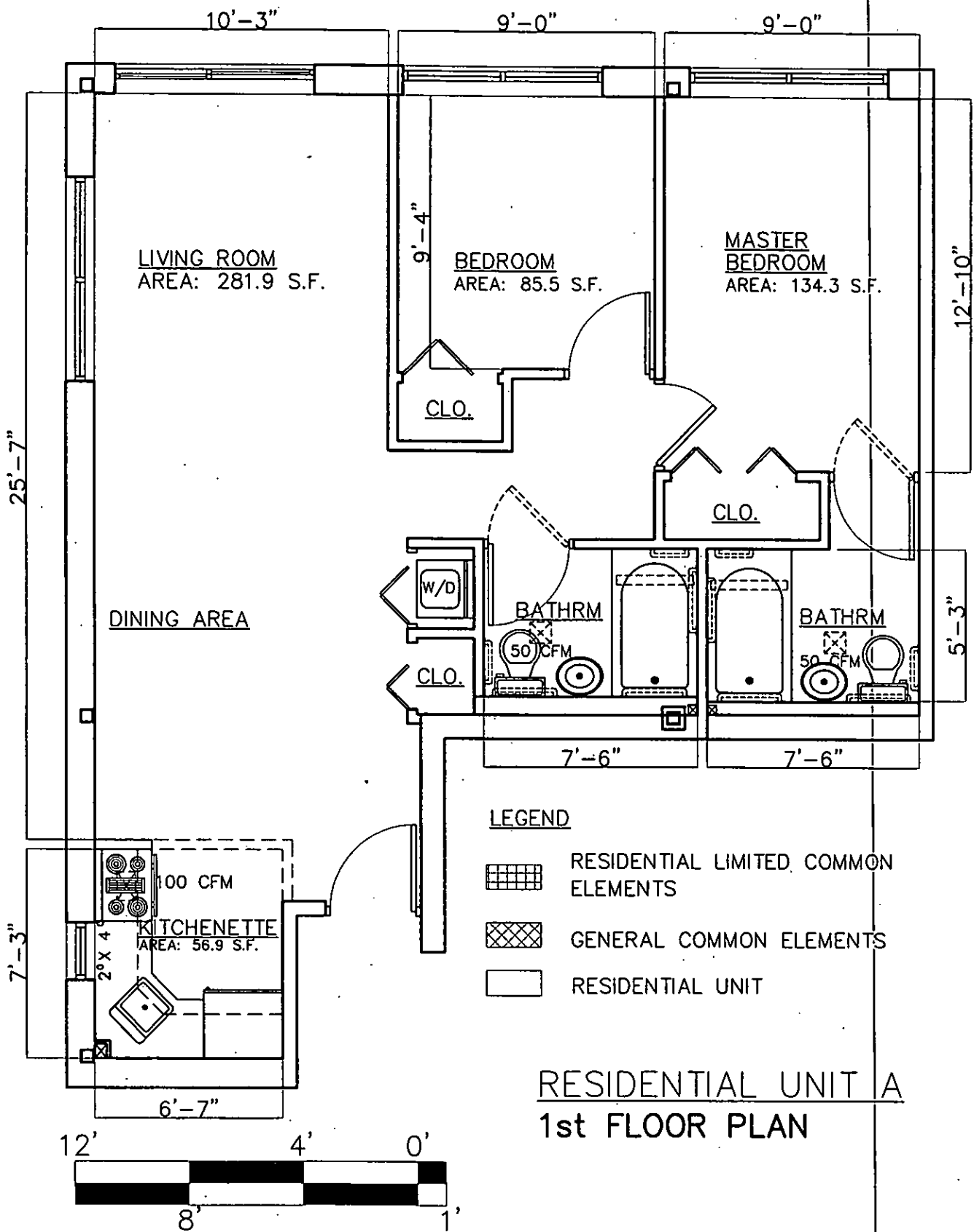
ROOF PLAN

SCALE: 1/8"=1'-0"

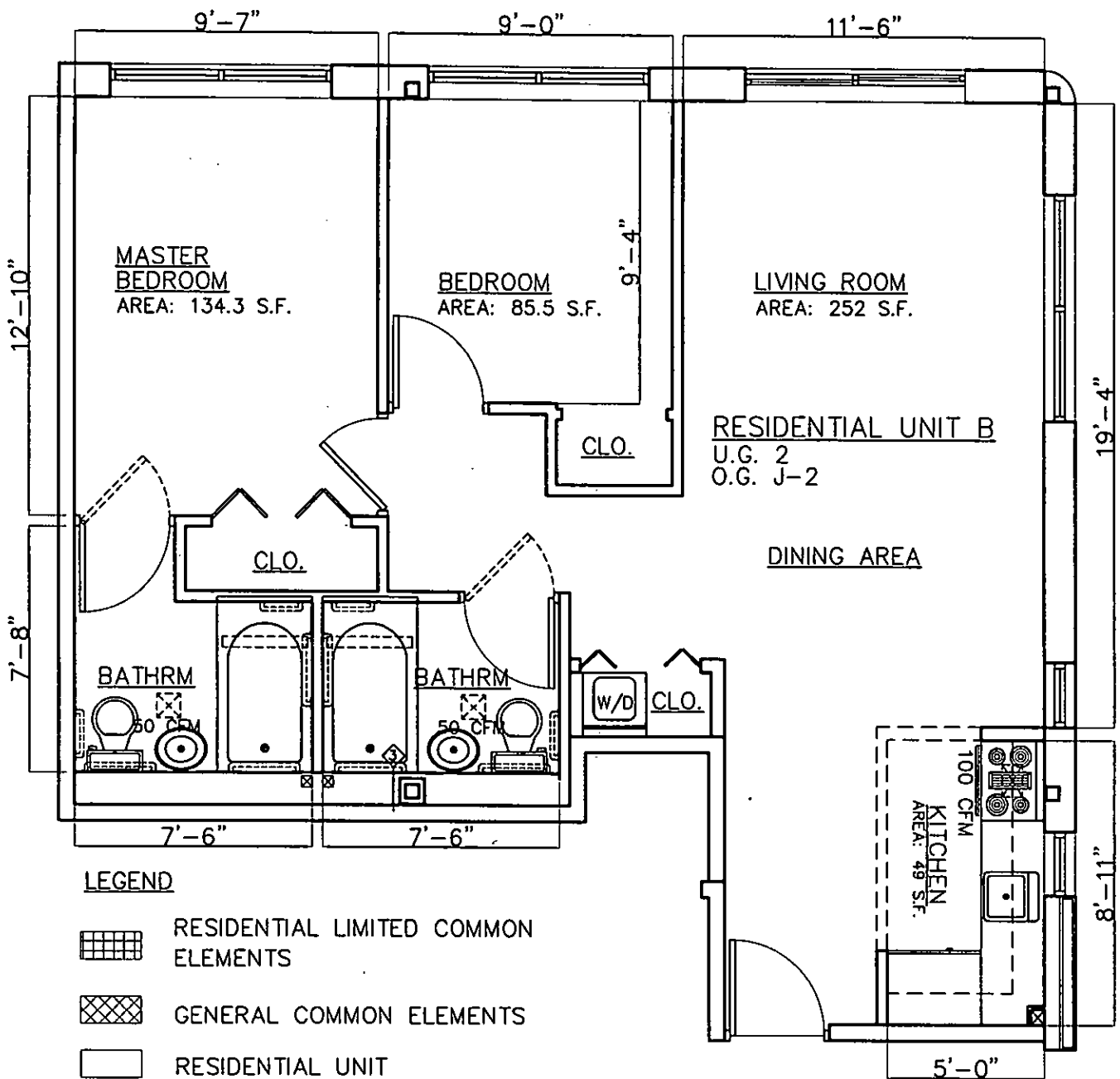
LEGEND

-  RESIDENTIAL LIMITED COMMON ELEMENTS
-  GENERAL COMMON ELEMENTS
-  RESIDENTIAL UNIT

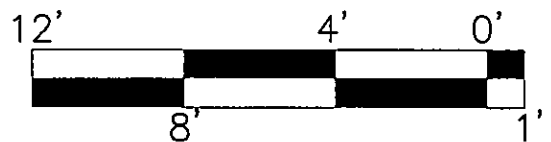


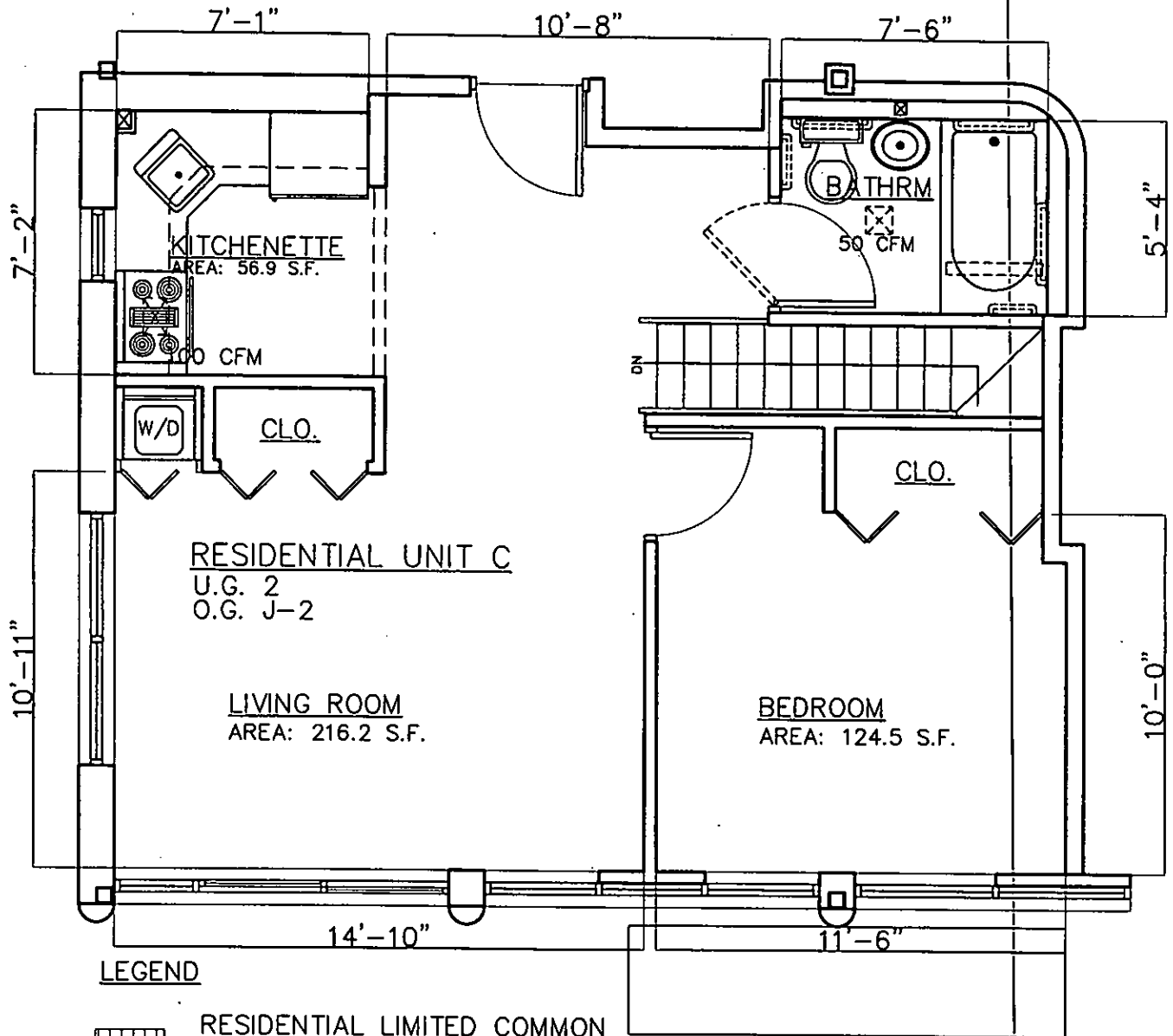


RESIDENTIAL UNIT A
1st FLOOR PLAN



RESIDENTIAL UNIT B
1st FLOOR PLAN



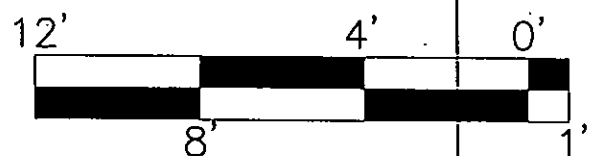


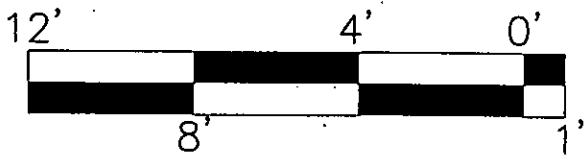
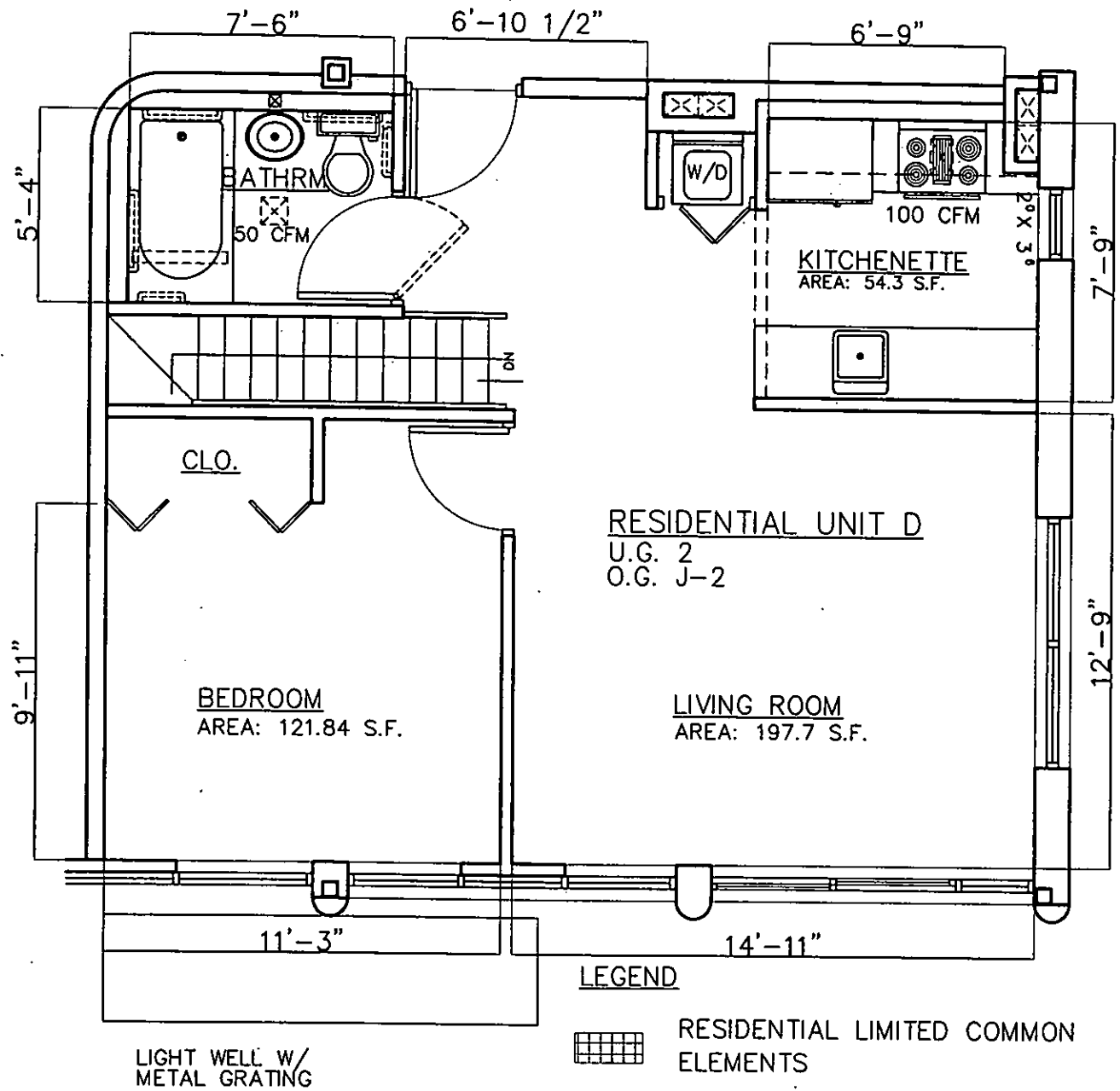
LEGEND

-  RESIDENTIAL LIMITED COMMON ELEMENTS
-  GENERAL COMMON ELEMENTS
-  RESIDENTIAL UNIT

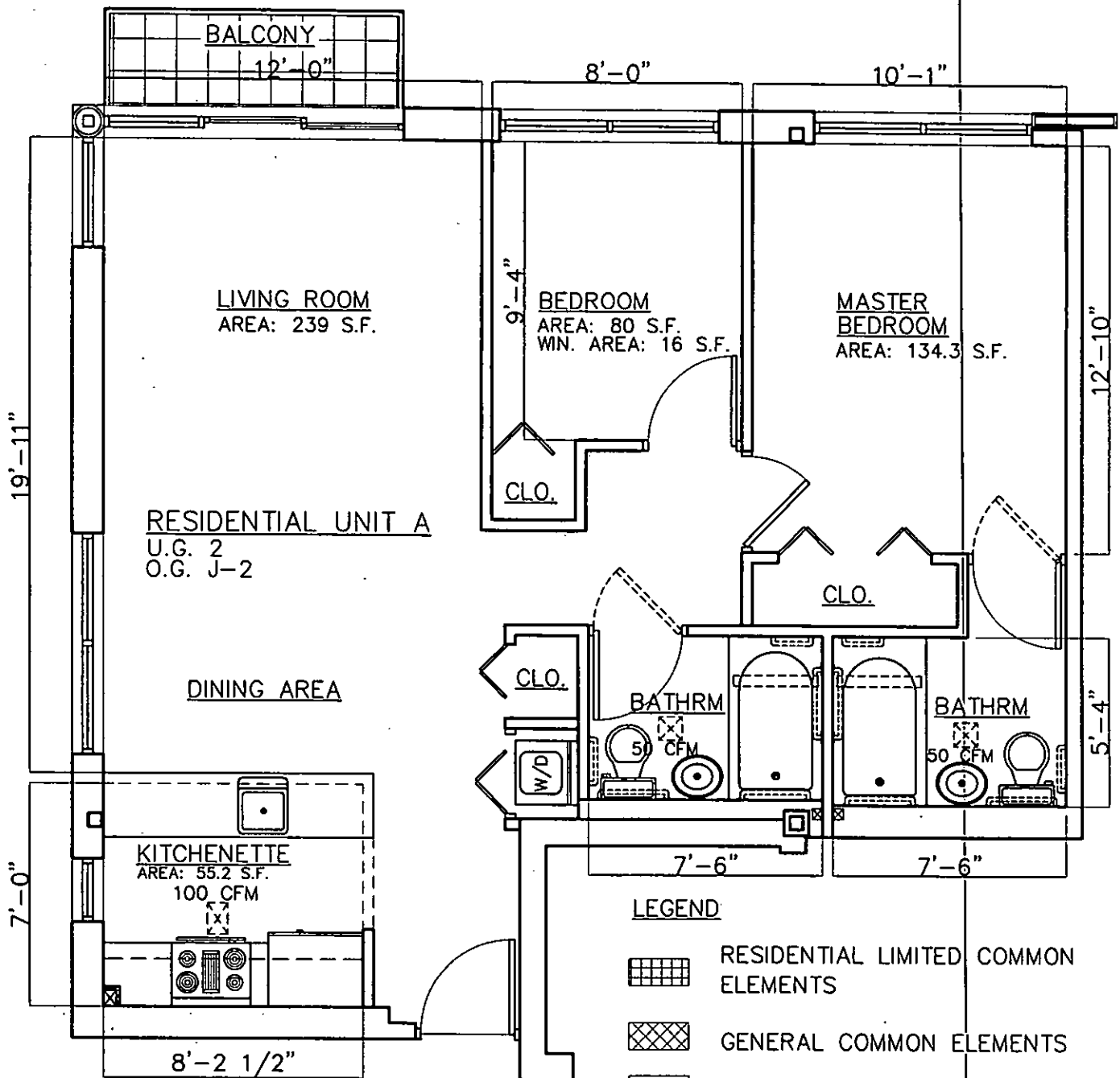
LIGHT WELL W/
METAL GRATING

RESIDENTIAL UNIT C 1st FLOOR PLAN



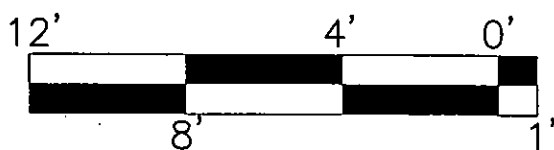


RESIDENTIAL UNIT D 1st FLOOR PLAN

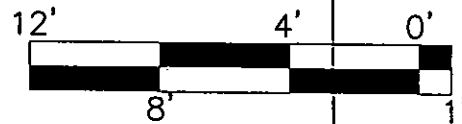
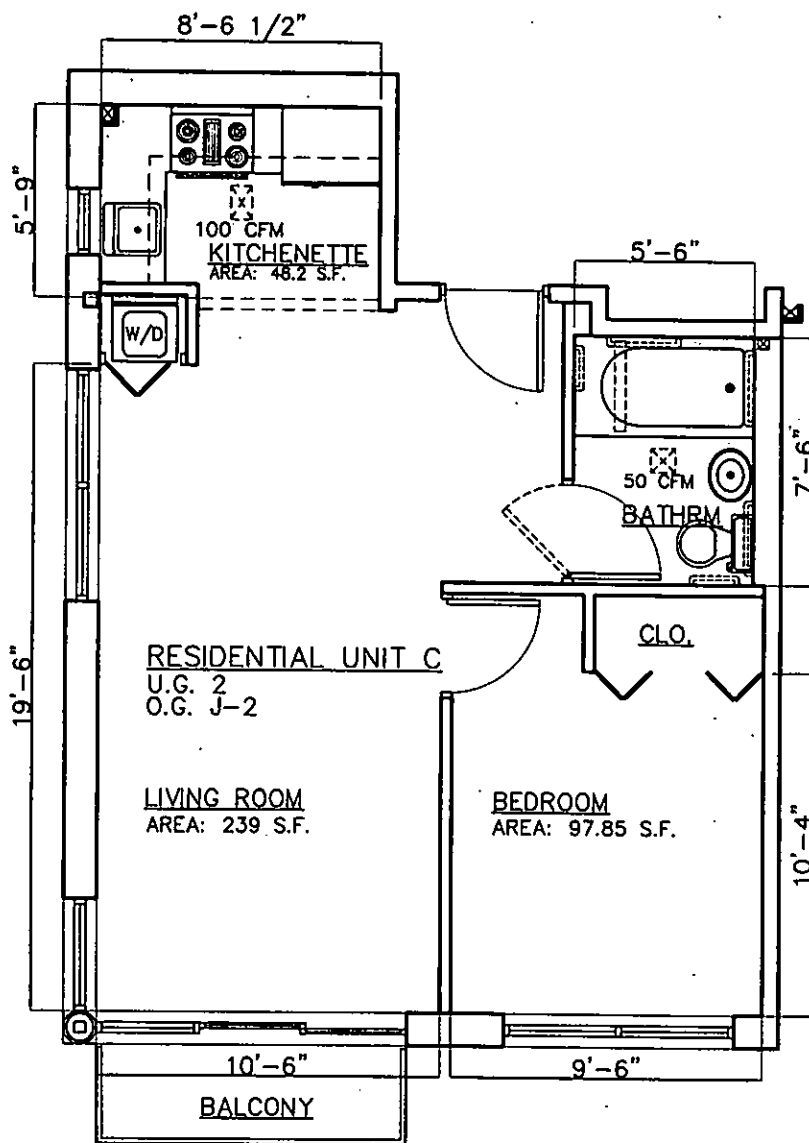


LEGEND

-  RESIDENTIAL LIMITED COMMON ELEMENTS
-  GENERAL COMMON ELEMENTS
-  RESIDENTIAL UNIT



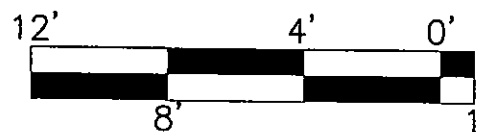
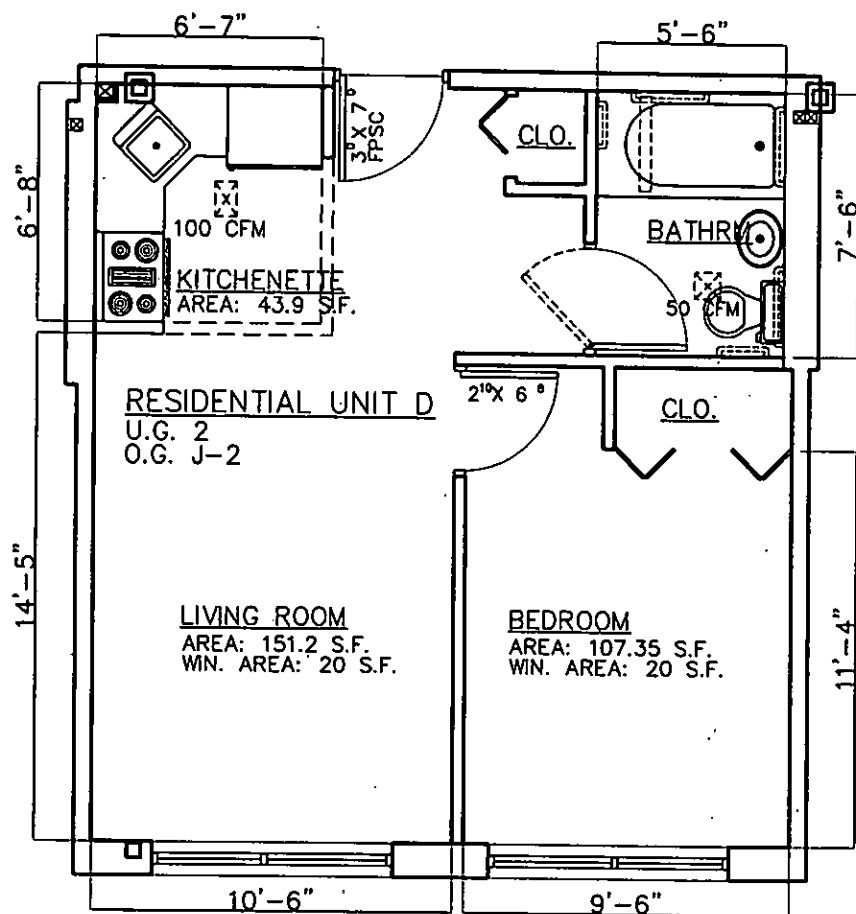
RESIDENTIAL UNIT A 2nd thru 3rd FLOOR PLAN



LEGEND

-  RESIDENTIAL LIMITED COMMON ELEMENTS
-  GENERAL COMMON ELEMENTS
-  RESIDENTIAL UNIT

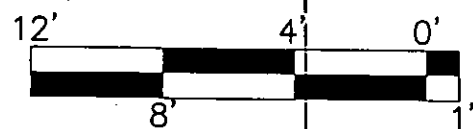
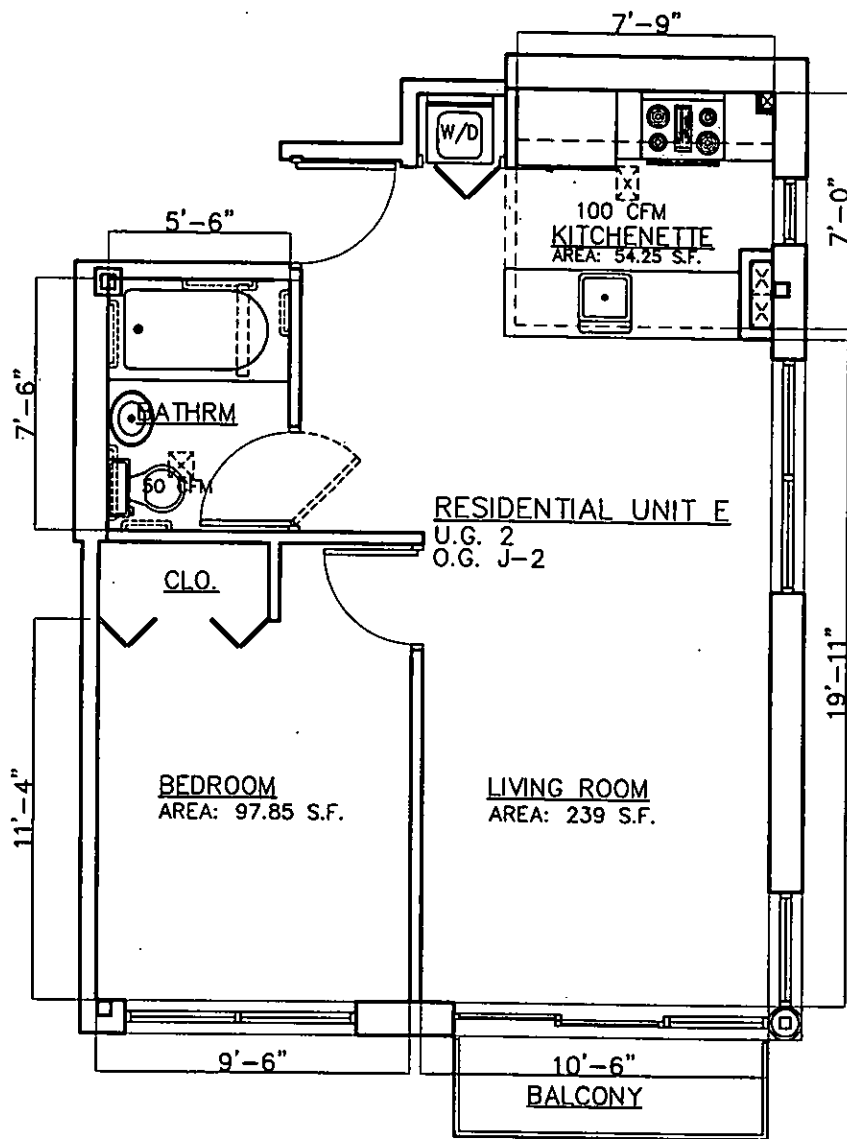
RESIDENTIAL UNIT C 2nd thru 3rd FLOOR PLAN



LEGEND

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-  GENERAL COMMON ELEMENTS
-  RESIDENTIAL UNIT

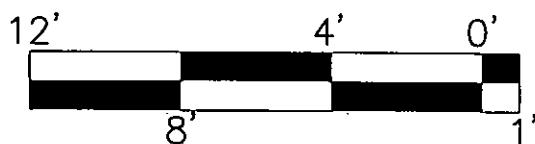
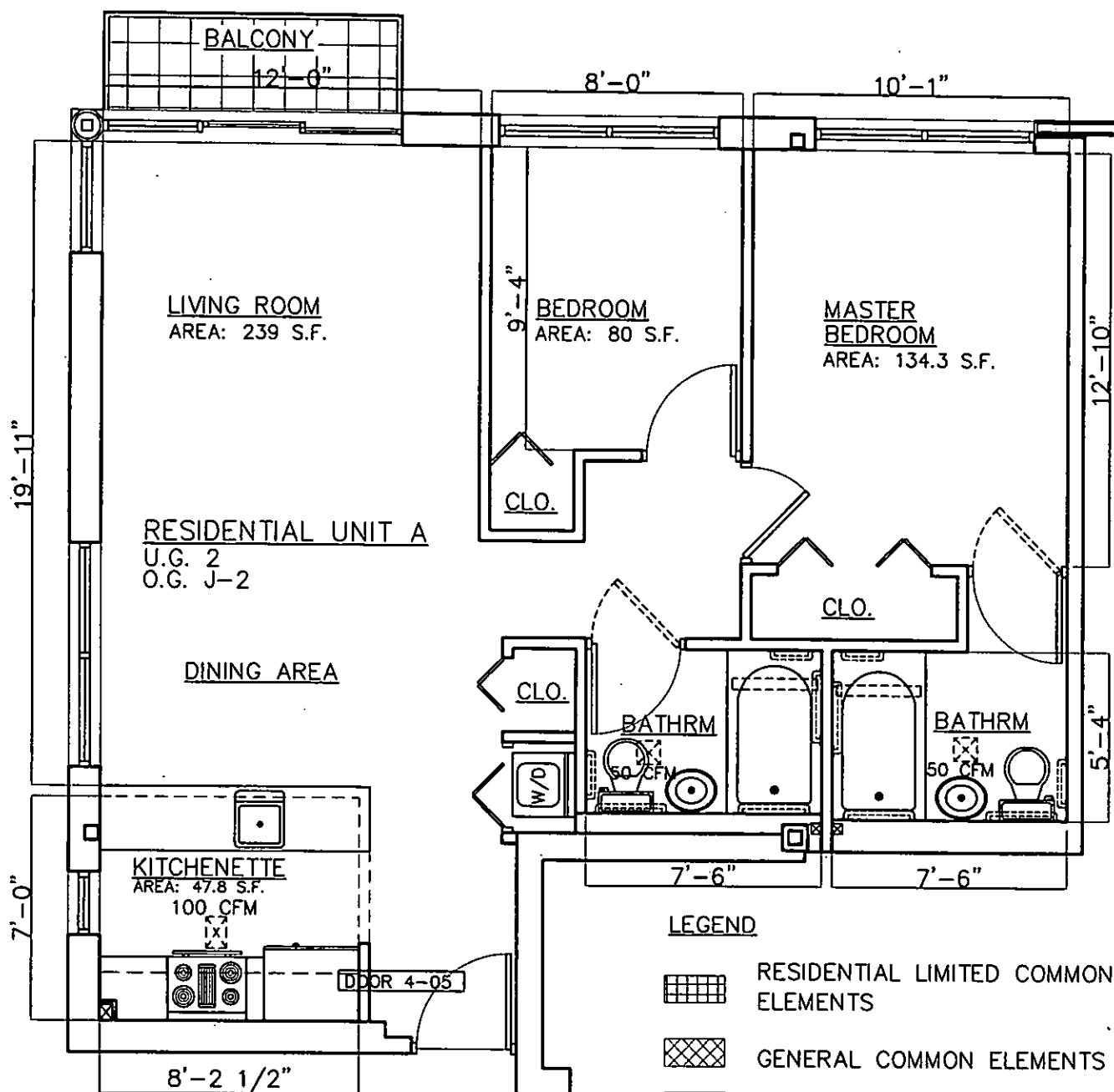
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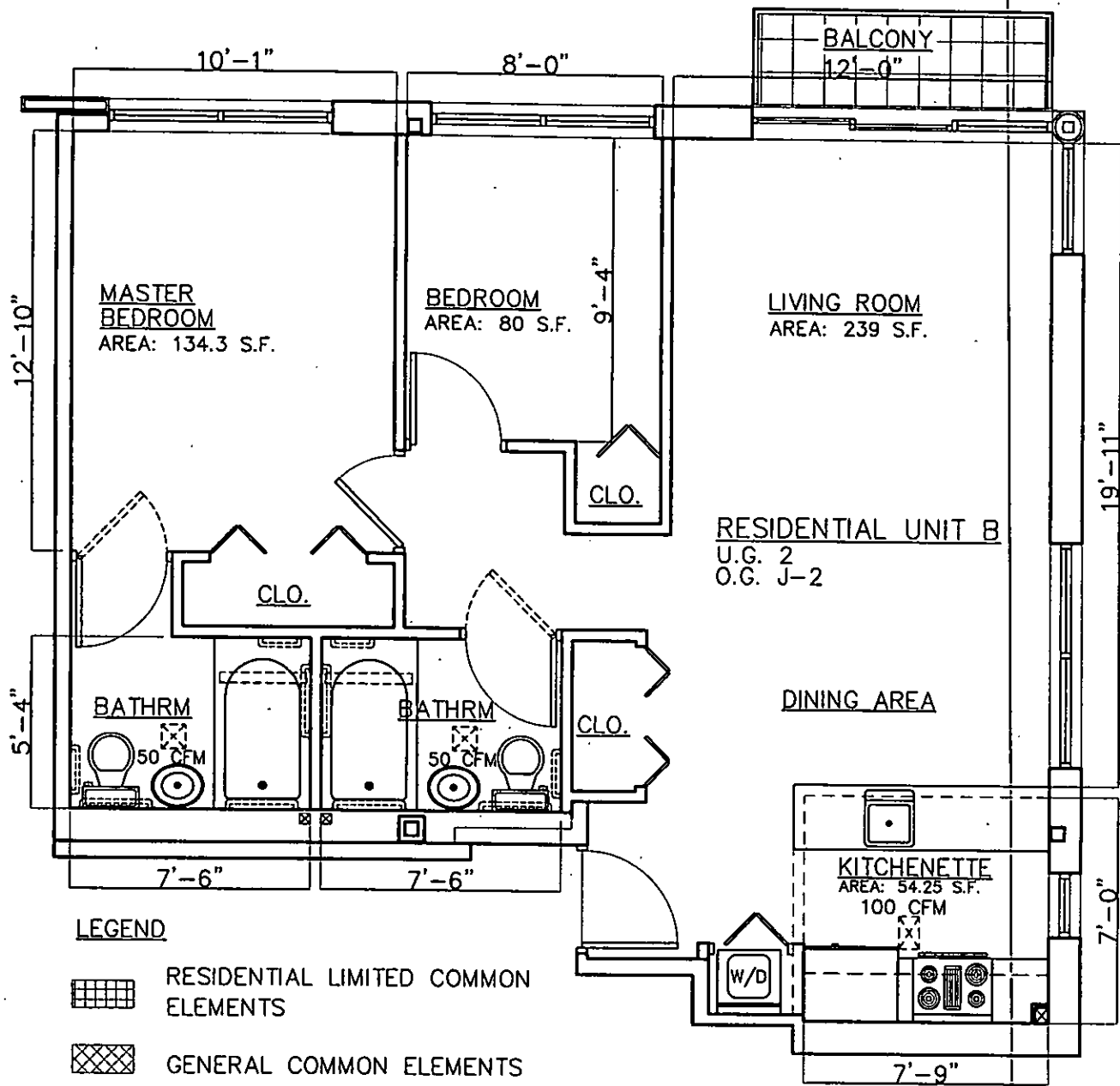
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-  RESIDENTIAL LIMITED COMMON ELEMENTS
-  GENERAL COMMON ELEMENTS
-  RESIDENTIAL UNIT

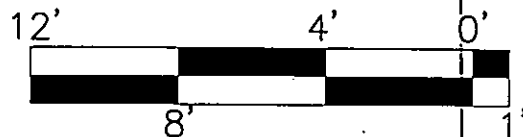
RESIDENTIAL UNIT E 2nd thru 3rd FLOOR PLAN

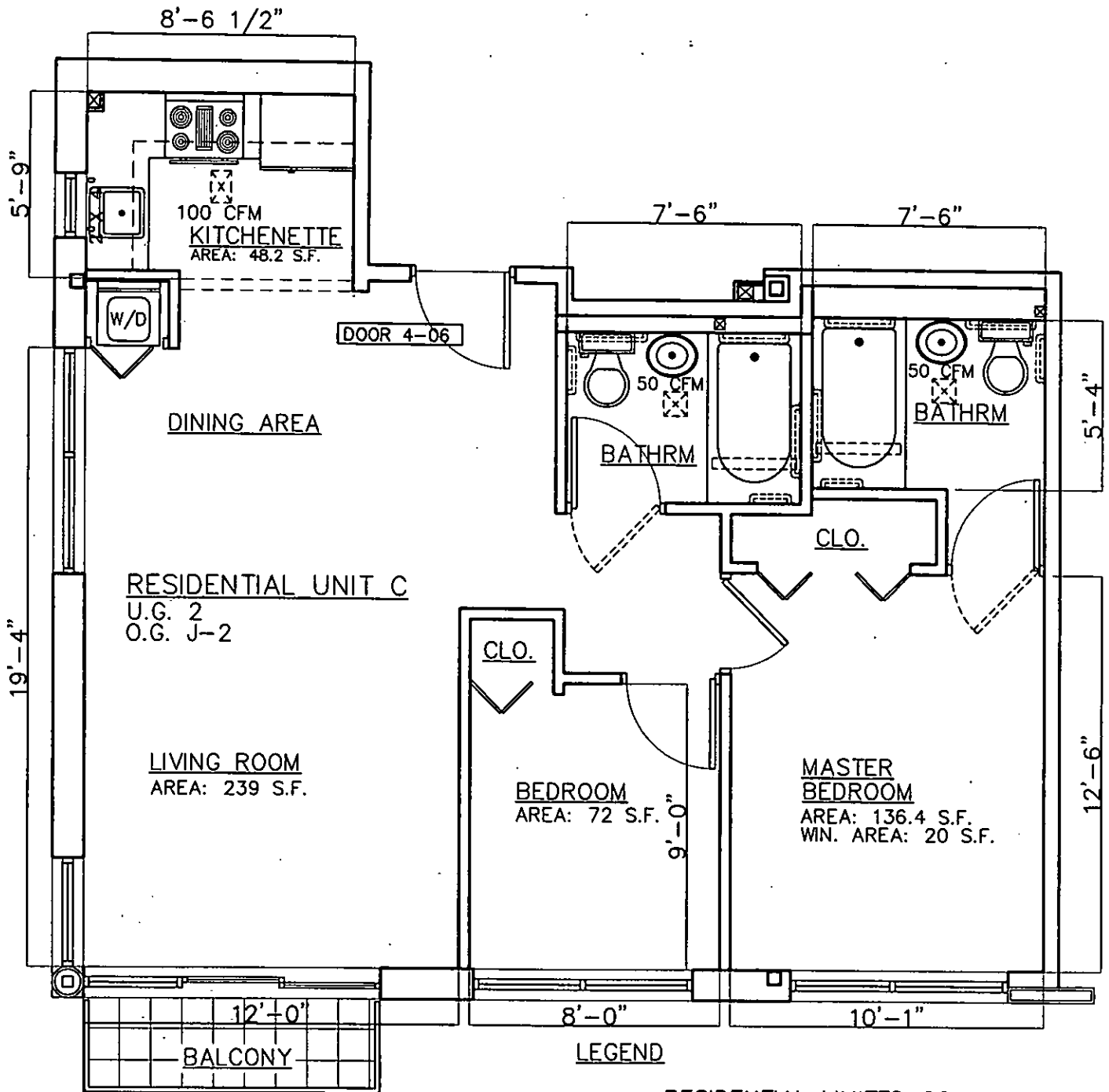


RESIDENTIAL UNIT A
4th FLOOR PLAN



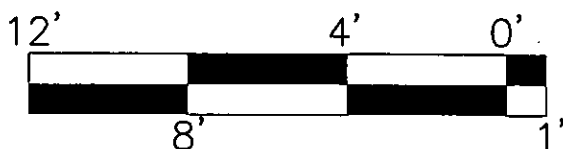
RESIDENTIAL UNIT B
4th FLOOR PLAN



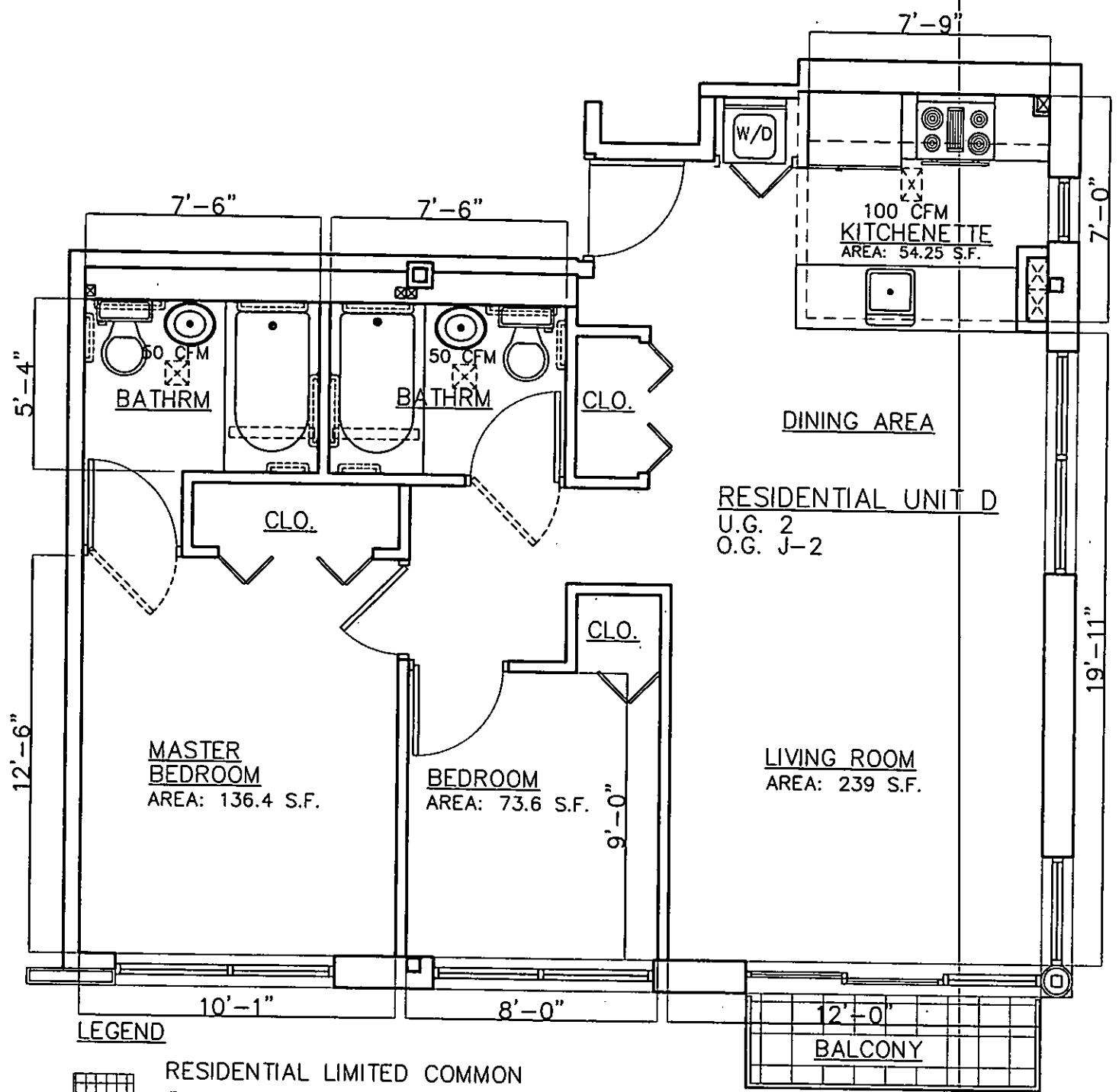


LEGEND

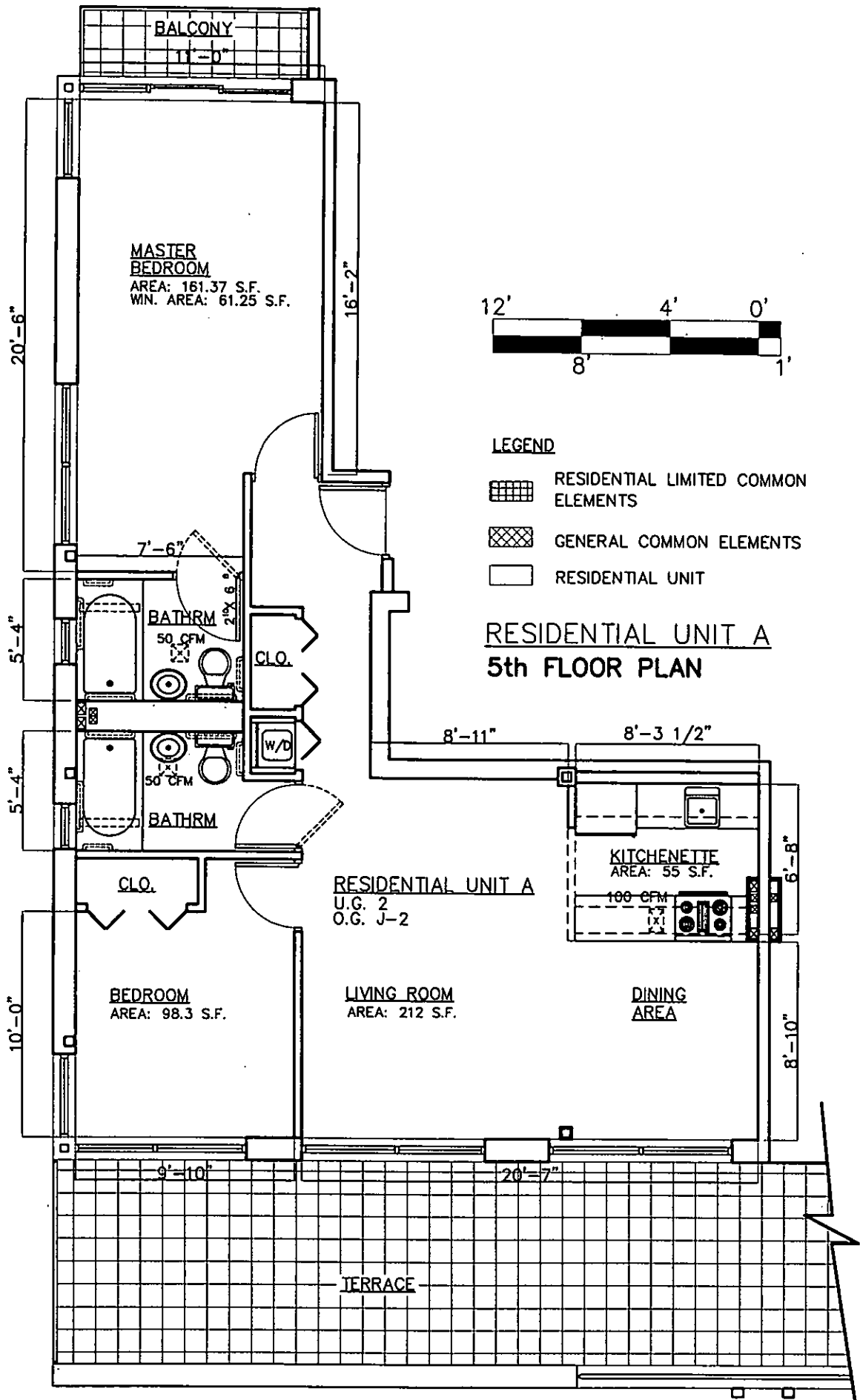
-  RESIDENTIAL LIMITED COMMON ELEMENTS
-  GENERAL COMMON ELEMENTS
-  RESIDENTIAL UNIT

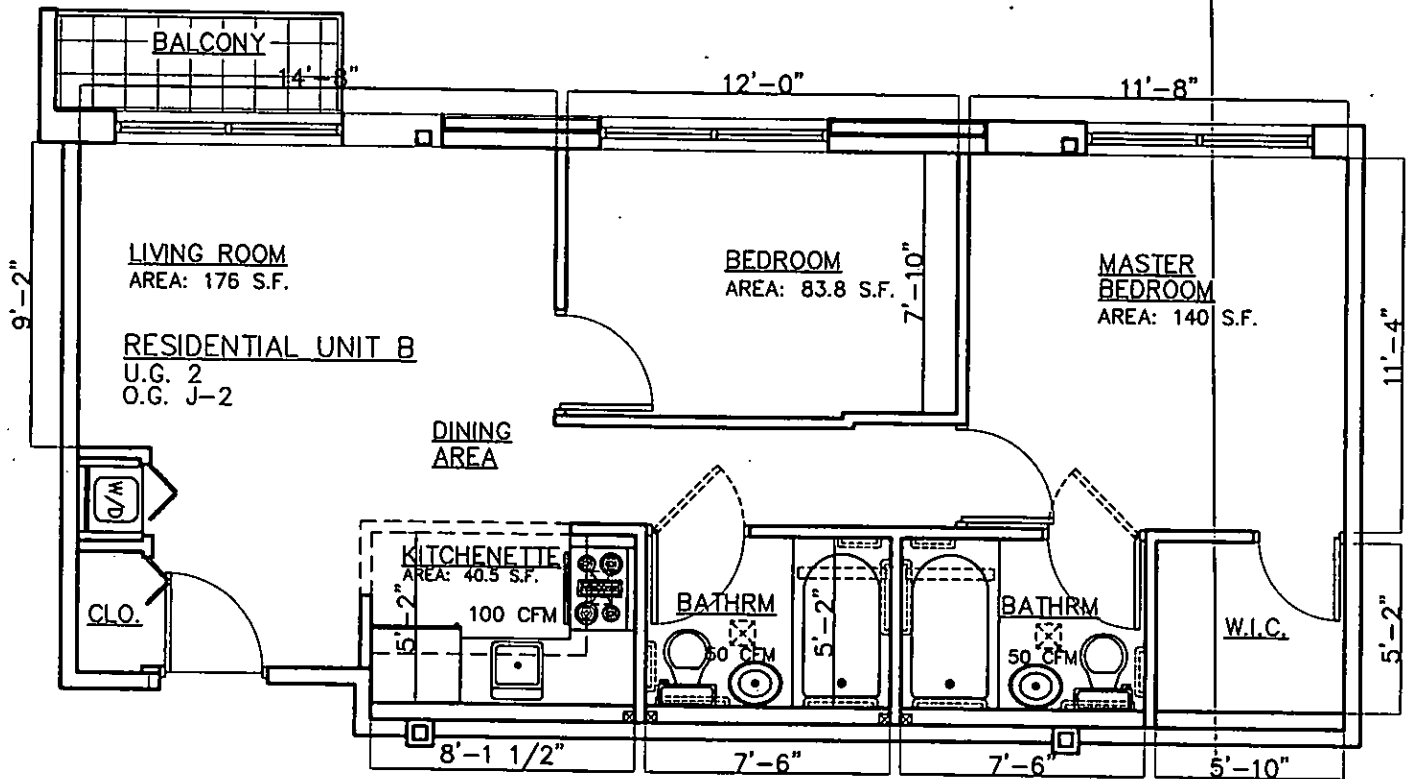


RESIDENTIAL UNIT C 4th FLOOR PLAN



RESIDENTIAL UNIT D
4th FLOOR PLAN

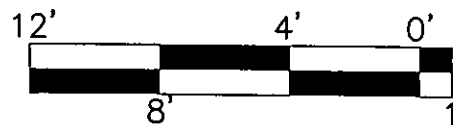


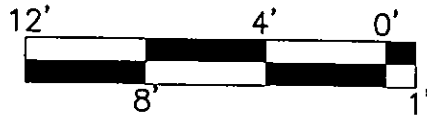


LEGEND

-  RESIDENTIAL LIMITED COMMON ELEMENTS
-  GENERAL COMMON ELEMENTS
-  RESIDENTIAL UNIT

RESIDENTIAL UNIT B 5th FLOOR PLAN





LEGEND

-  RESIDENTIAL LIMITED COMMON ELEMENTS
-  GENERAL COMMON ELEMENTS
-  RESIDENTIAL UNIT

RESIDENTIAL UNIT C
5th FLOOR PLAN

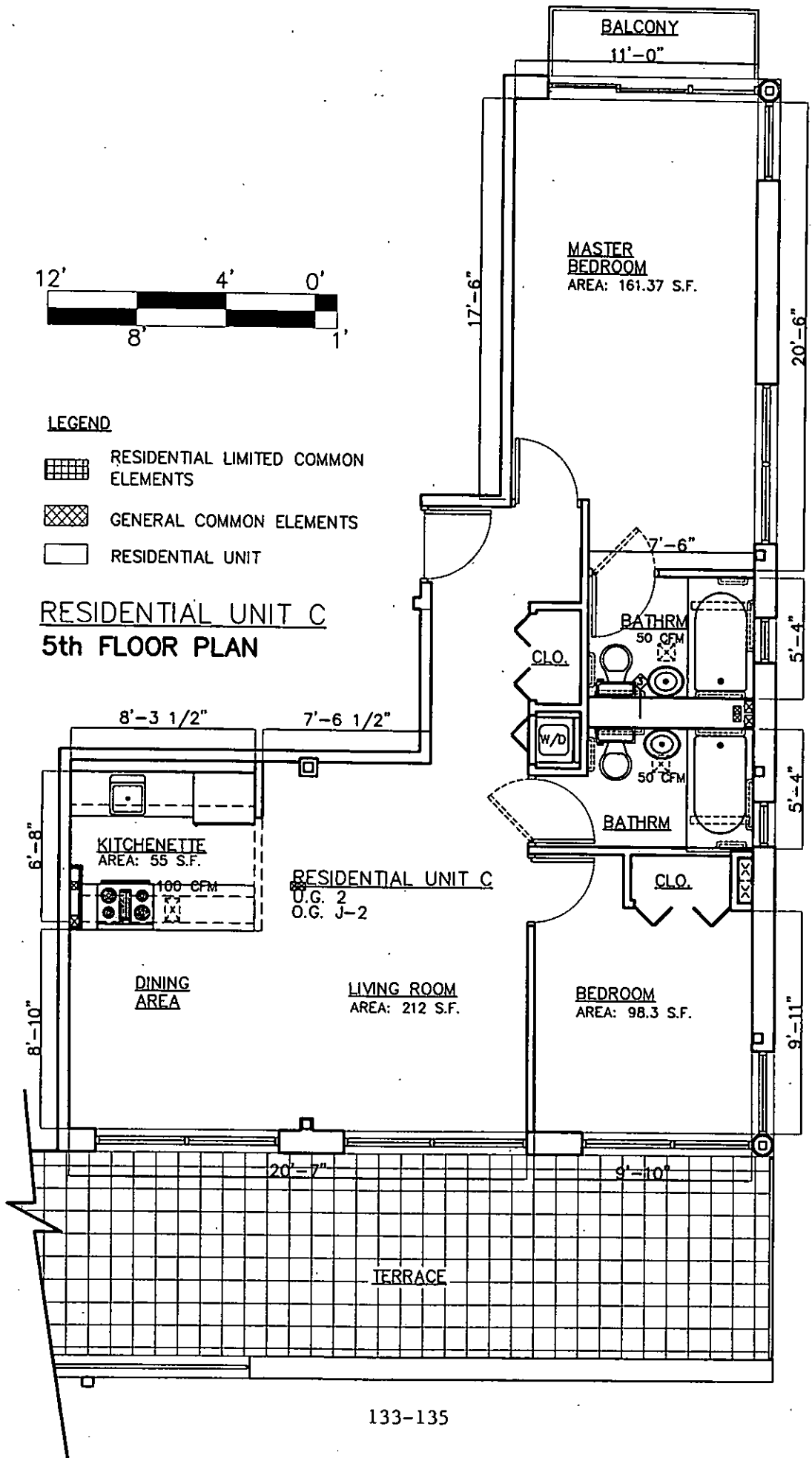


EXHIBIT II

SECTION BB.....PURCHASE AGREEMENT

GRAND AVENUE GROUP, LLC
Sponsor

to

Purchaser

Unit No.

GRANDVIEW CONDOMINIUM
84-32 GRAND AVENUE
ELMHURST, N.Y. 11373

GRANDVIEW CONDOMINIUM

UNIT NO. _____

84-32 Grand Avenue

Elmhurst, New York 11373

Agreement made as of _____, 2006, between
GRAND AVENUE GROUP, LLC, having offices at 7-8 Chatham Square,
Suite 802, New York, N.Y. 10038 (Sponsor-Seller) and _____
_____, having an address at _____

("Purchaser").

W I T N E S S E T H

1. Purchase Price.

1.1 The Purchase price ("Purchase Price") is \$_____,
payable as follows:

(a) \$_____, constituting a down payment in the
amount of ten percent (10%) of the Purchase Price on the signing
of this Agreement by check (subject to collection), receipt of
which is hereby acknowledged; and

(b) \$_____, constituting the balance of the
Purchase price, in cash or good certified check of Purchaser or
official bank check, on the delivery of the deed as hereinafter
provided (subject to the provisions of subsection 1.2 hereof).

1.2 All checks shall be drawn on a New York bank or trust
company which is a member of the New York Clearing House
Association. All checks in payment of the portion of the Purchase
Price referred to in subsection 1.1(a) hereof shall be made
payable to the order of "GRANDVIEW CONDOMINIUM ESCROW ACCOUNT"
and all checks in payment of the portion of the Purchase
Price referred to in subsection 1.1(b) hereof shall be made
payable to the direct order of the Sponsor.

1.3 Any portion of the Purchase Price to be loaned by a
bank, trust company or other lending institution may be paid on
the Closing Date (as hereinafter defined), provided the Sponsor
shall have been furnished with a copy of a written mortgage loan
commitment accepted by Purchaser from such bank, trust company or
other lending institution for such portion of the Purchase Price
as is being borrowed, on or before the date such portion of the
Purchase Price would otherwise have been due under subsection 1.1
hereof.

2. The Offering Plan. Purchaser acknowledges having received and read a copy of the Offering Plan for Condominium ownership of the premises located at 84-30 Grand Avenue, Unit No. _____, Elmhurst, New York and all amendments thereto filed with the Department of Law of the State of New York (hereinafter collectively referred to as the "Plan") within a 72 hour period immediately preceding the execution of this Agreement by Purchaser. The Plan is incorporated hereby by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern.

3. Definitions. Terms used herein which are also used in the Plan shall have the same meanings herein as therein unless the context otherwise requires.

4. Architectural Plans. Purchaser has been given an opportunity to examine the architectural plans and specifications for the above-numbered Unit and for the building in which it is located ("the Building"), prepared by the Registered Architect, SHMING TAM ("the Architect").

5. Construction. The construction of the building and Unit and the materials, equipment and fixtures installed therein shall be substantially in accordance with the plan and the Architectural Plans and specifications as said plans and specifications are modified or amended as provided in the plan. The issuance of a final certificate of occupancy for entire Building shall be deemed presumptive evidence that the Building has been fully completed in accordance with the plans and specifications.

6. The Unit. Sponsor agrees to sell and convey and Purchaser agrees to purchase the Unit ("Unit") designated as Unit No. _____ in the Declaration, together with a _____% undivided interest in the Common Elements appurtenant thereto, together with and subject to the easements, covenants, rights and benefits set forth in the Declaration and By-Laws, and upon and subject to the terms and conditions set forth herein.

7. Closing. The closing of title shall take place on no less than thirty days' written notice to Purchaser's attorney at such place as Seller may designate, at an hour and on a date (hereinafter called the ("Closing Date")) to be specified by Seller. Such date shall be no earlier than 30 days after the date on which written notice is given to Purchaser's Attorney that the Plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). The closing of title may be adjourned to such later date as the parties may agree upon in writing, or otherwise as set forth in the following paragraph, and such adjourned date shall then be deemed the Closing Date hereunder. Purchaser shall be entitled to one reasonable adjournment of up to fifteen days, on five days written notice by Purchaser to Sponsor.

The Seller may be entitled to reasonable adjournments in the closing of title in the event of delays by reason of weather conditions, strikes or material shortages, or delays in inspections and reports thereon, or other requirements. However, in the event the Seller shall be unable to convey title to the Unit on or before six months after the date of delivery of title set forth herein, except for (i) delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing Seller from obtaining necessary supplies and/or materials, in which event the period shall be extended to nine months, or (ii) the Purchaser's default, the Purchaser shall have the option to cancel this Agreement and to have his down payment returned to him with interest, if any.

8. Delivery of the Deed and Power of Attorney to the Condominium Board.

a. At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying title to the Unit to Purchaser. The deed shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in the form necessary for recording.

b. At the closing of title, and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board prepared by Sponsor and substantially in the form set forth in Part II of the Plan.

c. The deed and power of attorney to the Condominium Board shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Sponsor's attorney) for recording in the Queens County office of the Register of The City of New York (the "City Register's Office"). After being recorded, the deed shall be returned to Purchaser and the power of attorney shall be sent to the Condominium Board.

9. Marketable Title. At the closing of title, Sponsor shall convey to Purchaser good and marketable title in fee simple, free and clear of all encumbrances other than those set forth in the Plan at Section N paragraph 12 and mortgages, if any, covering the Unit, which Purchaser assumes. Any encumbrances to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered to the proper party together with the recording or filing fees or (b) Cooke Abstract Corp. will insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

10. Expenses of Closing and Closing Adjustments. Purchaser will pay the closing costs and expenses referred to in the Section of

the Plan (as same may be amended to date) entitled "Closing Costs and Adjustments", including New York State and City Real Property transfer taxes, the amount of any credit for mortgage recording tax, Sponsor's attorney fee, and the Purchaser's proportionate share of the fee for 421-a Partial Tax Exemption program paid to the City of New York as set forth in such Section. Purchaser shall make the contribution to the working capital of the Condominium referred to in such Section. Real estate taxes and common charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of \$500.00 will be paid by certified check or bank check.

Recording charges, fees and taxes, as set forth in the Plan, are based on the rates in effect on the date of the Plan and are subject to change without notice.

11. Escrow Bonding of Deposits The Seller will hold all monies received directly or through its agents or employees hereunder in trust until the closing of title to a Unit or Sponsor may use said funds prior to closing if a bond is posted to insure a return of such payment in the event a purchaser is entitled to a refund of such monies pursuant to the terms of this Purchase Agreement or the Offering Plan. In the event, Sponsor secures a bond, it will do so by means of a duly filed amendment to the Offering Plan. If no bond is posted, such funds will be held in trust pursuant to Section 352-H and 352-e(2)(b) of the General Business Law, in a special account titled "GRANDVIEW CONDOMINIUM ESCROW ACCOUNT" or similar name in Great Eastern Bank, 41-48 Main Street, Flushing, New York. The signature of Albert M. Swift, Esq., attorney for Sponsor, shall be required to withdraw such funds. The Funds existing in the Escrow Account will be payable to the seller after the closing of title to the Unit covered by this purchase agreement. In the event of default by the Purchaser under this Purchase Agreement, which default continues for thirty (30) days after notice of such default from Seller to the Purchaser, the down payment (to a maximum of 10%) plus the actual cost of any special work ordered, will be released to the Seller from such account as liquidated damages and thereafter neither party shall have any rights or obligations against the other.

In the event, the Seller cannot convey title to the Unit, all monies advanced by the Purchaser hereunder shall be returned to the Purchaser. The Seller will not record the Declaration until it has Purchase Agreements for at least 15% of all the Units. If the Seller does not record the Declaration and abandons the Offering Plan, all monies advanced by the Purchaser will be returned promptly thereafter with interest, if any.

12. Binding Effect of Declaration, By-Laws and Rules and Regulations. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

13. Agreement Subject to Mortgage. No encumbrances shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date unless Purchaser assumes such mortgages. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of his other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration and the Unit is released from the lien of such mortgage.

Purchaser may make his obligations under the Agreement contingent upon obtaining a mortgage loan by executing the Mortgage Addendum to Purchase Agreement attached hereto and compliance with the terms therein. In the event Purchaser does not comply with the terms set forth in the Mortgage Addendum to Purchase Agreement, seller shall be entitled to declare this Agreement in default and retain the Down Payment and interest as liquidated and agreed upon damages. Should Purchaser comply with the terms set forth in the Mortgage Addendum to Purchase Agreement and fail to obtain a mortgage loan, seller shall return the Down Payment and interest if any to Purchaser and thereafter the parties shall be released from any obligation under this agreement.

14. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is

abandoned or does not become effective, this Purchase Agreement shall be deemed cancelled. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth herein or in the Plan for any reason other than Purchaser's default, then, at Purchaser's option upon ten days prior written notice, this Purchase Agreement shall be deemed cancelled. If this Purchase Agreement is cancelled pursuant to the provisions of this paragraph, then not later than five days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder, with the interest earned thereof, if any, and upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations hereunder.

15. Default by Purchaser. In the event Purchaser shall fail to make any payment on the date hereinbefore provided or on such later date as the parties hereto shall agree upon, shall fail to close title on the closing date, or shall fail to perform any of the purchaser's other obligations hereunder, Sponsor may send notice to Purchaser of Sponsor's intention to cancel this Agreement if such default shall not be cured within thirty days thereafter. TIME IS OF THE ESSENCE TO CURE SUCH DEFAULT WITHIN THE SAID THIRTY DAY PERIOD. If within said thirty day period Purchaser shall fail to cure such default, Sponsor may at its option, cancel this Agreement by notice of cancellation to Purchaser sent within 30 days after the sending of the said notice of intention to cancel, and there upon this agreement shall be deemed cancelled. In the event that Sponsor shall elect so to cancel this Agreement, Sponsor shall certify to its attorney, Swift & Associates, PLLC, that Purchaser has defaulted and that Sponsor has elected to cancel this Agreement by reason thereof. If, within three days after the sending of notice of cancellation, Purchaser shall have failed to object thereto by Notice to the attorney for Sponsor/Seller, sent by certified mail, return receipt requested, all payments made by Purchaser pursuant to this Agreement, together with all other sums theretofore paid by Purchaser hereunder, shall be retained by Sponsor as liquidated damages. In no event shall liquidated damages exceed 10% of the purchase price plus the cost of any special work ordered. If this Agreement shall be cancelled by Sponsor pursuant to the provisions of this Paragraph, Sponsor may sell the Unit to any third party and Sponsor shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. If Purchaser shall have objected to Sponsor's notice of cancellation within the aforesaid three day period, Sponsor will retain all payments made by Purchaser pursuant to this Agreement until the dispute is resolved, but Sponsor shall nevertheless have the right to sell the Unit to any third party without any obligation to account to Purchaser for any part of the proceeds of such sale.

The Sponsor's attorney may rely on the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same. In the event of purchaser's default, no funds will be released to seller without the signature of seller's attorney.

16. Possession of Unit Prior to Closing. It is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Sponsor, and if the Sponsor so elects, the Sponsor may cancel this Agreement and the amount deposited hereunder shall belong to the Sponsor as liquidated damages deemed earned hereunder. It is further understood and agreed that the Sponsor will not be responsible for damage or loss to any personal property before, on or after the closing of title herein.

17. Sponsor's Inability to Convey the Unit. In the event Sponsor is unable to deliver title to the Unit to Purchaser for any reason whatsoever, Seller's liability shall be limited to the return of the money deposited hereunder and upon return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever to cure such inability, and in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser shall have the option to (a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall within ten (10) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited hereunder, and upon making such payment, this Agreement shall be null and void and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liabilities under this Agreement and the Plan. The foregoing option must be exercised by notice of Purchaser in writing to Sponsor within ten days after the giving of Sponsor's notice of refusal to cure such inability. If Purchaser fails to give any notice to Sponsor, it shall be conclusively deemed that Purchaser elected the second option above to terminate this Agreement.

18. Acceptance of Condition of Unit; Risk of Loss.

(i) Purchaser shall accept title (without abatement in or credit against the Purchase Price or provision of escrow) notwithstanding that construction of (a) minor details of the Unit or the Building in which it is located or (b) other Units or (c) the landscaped area or (d) other portions of the common elements have not been completed. Purchaser will examine his Unit with a representative of the Sponsor during normal business hours prior to the Closing Date and will sign and deliver to Sponsor on or before the Closing Date an Inspection Statement acknowledging the condition in which he has received his Unit.

(ii) (Omit this paragraph, if the Unit has not been completed.) Purchaser represents to Sponsor that he has examined the Unit and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date.

(iii) Risk of loss for fire or other casualty remains with Seller until the earlier of the following events:

a. Legal title to the Unit has been conveyed to the Purchaser; or

b. The Purchaser has taken actual possession of the Unit pursuant to a written agreement with Seller.

19. Broker. Purchaser represents to Sponsor that _____ is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction and Sponsor agrees to pay the commission earned by said broker, if any, pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the above-named broker on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold free and harmless Sponsor from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article shall survive the delivery of the deed.

20. Warranties. At the closing of title the Seller will deliver the certificates and warranties delivered to them and transferable to purchaser or to the Condominium. Seller's liability pursuant to the manufacturer's warranties covering heat, appliances, electricity, plumbing and roofing are limited solely to the extent that such warranties are delivered to Seller, transferable to the Purchaser or to the Condominium and then only as against such manufacturer. In addition, however, Seller will promptly correct any defects in the construction of the Condominium Unit or the

building containing the Unit or in the installation or operation of any mechanical equipment therein due to materials or improper workmanship substantially at variance with the plans and specifications, provided that it is notified of such defects in writing by certified mail within one year from the date of the closing of title to the Unit in which the alleged defect exists.

Purchaser should note that:

a. No steps taken by Seller to correct a defect shall act to extend the warranty period.

b. Seller accepts no responsibility for any warranty obligation for incidental or consequential damage caused by any defect.

c. These warranties give Purchaser specific legal rights. Purchaser may have other rights under State law.

d. These warranties are extended to you as Purchaser and are not extended to any subsequent Purchaser and mortgage lender who takes possession of the Unit.

e. These warranties shall be void if Purchaser misuses, abuses or otherwise interferes with or changes Sellers original construction or installations.

f. Seller is not responsible for any work or material ordered directly by Purchasers from Seller's contractors or suppliers.

g. These warranties are specifically in lieu of any other guarantee or warranty, express or implied including any warranty of merchantability.

The provisions of this Paragraph shall survive the delivery of the deed.

21. Model Language on Housing Merchant Implied Warranty.

Effective March 1, 1989, a new law goes into effect which grants to buyers of most newly constructed units a Housing Merchant Implied Warranty. The following is a brief summary of that law. The full text of the law appears in PART II, EXHIBIT VIII.

(1) Housing affected: Newly constructed single family homes and condominium units in building of five stories or less.

(2) Coverage:

(a) For one year, the home must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for items not covered by code, the construction must be in accordance with locally accepted building practices.

(b) For two years, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation.

(c) For six years, the home must be free from physical defects in structural elements (foundation, floors, walls, roof framing) which make it unsale or unlivable.

(3) Not Covered:

(a) A defect not caused by defective workmanship, materials or design.

(b) A patent defect which was obvious or would have been obvious upon inspection.

(c) Defects in items sold with the home, such as stoves, refrigerators, air conditioners, etc. There are implied warranties from the manufacturers of such goods which are described in other laws.

(4) Notice: Buyers must give notice of defects in their home in writing no later than 30 days after the end of warranty period.

(5) Limitation of Warranty: The Housing Merchant Implied Warranty can be limited. However the limited warranty cannot permit construction which is below code or below locally accepted building practices, and the limited warranty time periods cannot be shorter than those described above. In this offering plan the Housing Merchant Implied Warranty is not limited.

22. Agreement May Not Be Assigned. Purchaser shall not have the right to assign this Agreement without the prior written consent of Sponsor and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller.

23. Binding Effect. This Agreement shall not be binding on Purchaser or Sponsor until a fully executed copy hereof has been furnished to Purchaser. If this Agreement is not accepted within twenty days from the date hereof by the furnishing to Purchaser of a fully executed copy, this Agreement shall be deemed to have been rejected and cancelled and the deposit paid on the execution hereof, with interest accrued thereon, if any, shall be returned promptly to Purchaser.

24. Notices. Unless otherwise herein provided, any notices, request or other communication hereunder or under the Plan shall be in writing and sent, postage prepaid, hand-delivered or through telecopier, to Purchaser in care of his/her attorney and to Sponsor in care of their attorney, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of giving of any notice of change of address.

25. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

26. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments, including New York City Real Property Transfer Tax Return and New York State Combined Transfer Tax Return and Credit Line Mortgage Certificate, and take such other actions, in addition to the instruments and actions specifically provided for herein as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

27. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

28. Strict Compliance. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

29. Governing Law. The provisions of this Agreement shall be governed by the laws of the State of New York.

30. Waiver of Jury. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim with, any action or proceeding in which a jury trial is waived.

31. Entire Agreement. This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them.

32. Certain References. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The term "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions in this Agreement.

33. Successors and Assigns. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

34. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

35. No Oral Changes. This Agreement cannot be changed or terminated orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY ALL PARTIES.

YOU, AS THE PURCHASER OF THIS UNIT MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SPONSOR-SELLER:

PURCHASER:

GRAND AVENUE GROUP, LLC

By: _____
Managing Member

Social Security No. _____

Social Security No. _____

MORTGAGE ADDENDUM
TO
PURCHASE AGREEMENT
BY AND BETWEEN
GRAND AVENUE GROUP, LLC

AND

DATED _____ 2006 (Purchaser)
FOR THE PURCHASE OF UNIT# _____
GRANDVIEW CONDOMINIUM

1. Purchaser hereby elects to use mortgage financing to financing a portion of the Total Purchase Price of the Unit and Purchaser shall, within ten (10) days from the date set forth above submit a duly executed loan application to an institutional lender selected by the Purchaser which engages in mortgage financing of residential real estate (the "Mortgage Lender") for a mortgage loan at the prevailing rate of interest at the time of closing, and upon such other terms and conditions as are determined by the Mortgage lender. Purchaser acknowledges that the rate of interest any predictions or representation of present or future interest rates which may have been contained in any advertising or promotion by Seller are not binding.

2. Purchaser shall promptly execute all instruments required to the Mortgage Lender and Purchaser shall promptly comply with any and all requirement of the Mortgage Lender.

The Purchaser must notify the Sponsor of his failure to obtain a written mortgage commitment, or his being rejected by the Mortgage Lender for a mortgage within forty-five (45) days of the date of this Agreement. If the Purchaser receives a rejection letter from the Mortgage Lender he shall submit a copy of same to the Seller. Purchaser shall then have the option of: (1) cancelling the agreement, in which case the agreement shall be null and void, and Seller's sole responsibility shall be to refund the down payment plus accrued interest, if any, (2) waive the requirement that the Purchase Agreement be contingent upon obtaining financing; or (3) in the event Purchaser has not received any definitive written response, denying or approving his mortgage application, from the Mortgage Lender, he may request additional time to obtain such a response, which Seller at his sole discretion may agree to. Should Sponsor not agree to such an extension, Purchaser may cancel the Agreement or waive the contingency as provided for above.

3. Only in the event that Purchaser performs each and every of its obligations as set forth in this Mortgage Addendum and fails

to obtain a written commitment for a mortgage loan in the sum of \$_____, for a period of 15/30 at the prevailing rate of interest within forty-five (45) days from the date hereof, shall the Purchaser be entitled to a return of the down payment plus interest if any; provided, however, that Seller may elect, in such event, to secure other financing on behalf of the Purchaser provided said financing is in accordance with the terms of Paragraph 1 hereinabove. If Seller returns to Purchaser all of the down payment plus interest, if any, the parties shall be relieved of any and all obligations under the Purchase Agreement.

4. In the event the Seller is not notified within forty-five (45) days provided for, then Seller shall have the right to:

(a) Cancel the Purchase Agreement by sending a notice within (5) days to that effect to the Purchaser, and return the Down Payment plus interest, if any, or;

(b) Send no notice within the above five (5) day period which will result in this Mortgage Addendum being null and void and the Purchaser will be required to close under the terms and conditions of the Purchase Agreement on an all cash basis.

5. Purchaser shall be responsible for and shall pay all costs of obtaining the Loan, including, but not limited to, such expenditures as legal fees, documentary stamps, mortgagee title insurance, tangible taxes, recording fees, loan fees, points and discounts.

6. The Seller and/or Mortgage Lender are hereby authorized to make any inquiry and investigation as to the Purchaser's character, reputation and financial responsibility. Seller assumes no obligation to Purchaser and shall not be bound in any manner whatsoever should the Mortgage Lender fail to approve Purchaser for the Loan or otherwise fail to provide the Loan.

7. If Purchaser is other than an individual, such as a corporation, a partnership or a limited liability company, then the Purchaser shall be obligated to supply such guarantee or payment from the principals of Purchaser as the Mortgage Lender or Seller may require.

8. PURCHASER'S FAILURE TO MAKE TIMELY APPLICATION TO THE MORTGAGE LENDER AND COMPLY WITH THE OTHER REQUIREMENTS OF THIS ADDENDUM WILL CONSTITUTE DEFAULT.

9. The terms and conditions of the Addendum are hereby incorporated into and made a part of the Purchase Agreement described above.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum on the dates set forth below.

SELLER:

GRAND AVENUE GROUP, LLC.

By: _____
Managing Member

PURCHASER:

EXHIBIT III

CC . . . ESCROW AGREEMENT
FOR
GRANDVIEW CONDOMINIUM

AGREEMENT made this 5th day of April, 2006, between GRAND AVENUE GROUP, LLC, having an office at 7-8 Chatham Square, Suite 802, New York, N.Y. 10038 ("SELLER") as sponsor of the offering plan for the Premises defined below, and Swift & Associates, PLLC, having an address at 41-46 Main Street Suite 200, Flushing, N.Y. 11355 ("ESCROW AGENT") as escrow agent.

WHEREAS, Seller is the sponsor of an offering plan (the "Offering Plan") for the sale of condominium Units at Grandview Condominium (the "Condominium"), located at 84-32 Grand Avenue, Elmhurst, New York (the "Premises"); and

WHEREAS, ESCROW AGENT has been requested by SELLER to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder in February 1992 (the "New Regulations"); and

WHEREAS, SELLER desires that ESCROW AGENT act as escrow agent for down payments made by purchasers (the "Purchasers"), pursuant to contracts entered into with SELLER to purchase Units at the Premises (collectively the "Purchase Agreements"), pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereto agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

- 1.1 SELLER and ESCROW AGENT hereby establish an escrow agreement with respect to the holding of deposits or payments made by Purchasers. As set forth in the Plan, an escrow account in which contract down payments will be deposited has been opened with GREAT EASTERN BANK (the "Bank") at its main office located at 41-48 Main Street, Flushing, New York. The account number is _____.
- 1.2 The name of the escrow account is "GRANDVIEW CONDOMINIUM ESCROW ACCOUNT" (hereinafter the "Escrow Account").
- 1.3 Albert M. Swift, Esq. is the sole signatory on the Escrow Account.

1.4 The Escrow Account shall be an interest-bearing account as disclosed in the Offering Plan.

1.5 The Escrow Account is not an Interest on Lawyers Account ("IOLA") established pursuant to Judiciary Law Section 497. Accordingly, ESCROW AGENT will arrange for interest earned on monies deposited in the Escrow Account to be delivered to Purchasers at or promptly following the closing under their Purchase Agreements.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from Purchasers prior to closing under their Purchase Agreements, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be delivered by SELLER to ESCROW AGENT simultaneously with Seller's delivery of a fully executed counterpart of the Purchase Agreement to the Purchaser named therein, and ESCROW AGENT shall deposit said funds in the Escrow Account. All instruments to be deposited into the Escrow Account shall be made payable to, or endorsed by the Purchaser to the order of "Grandview Condominium, Escrow Account". Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into the Escrow Account, shall be returned to the prospective Purchaser promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT (or if applicable, within five business days after said instrument has been returned to ESCROW AGENT by the depository as unpayable). Delivery shall be deemed made if the instrument is delivered to Purchaser personally or mailed to Purchaser at the address set forth in the Purchase Agreement, whether or not it is actually received by Purchaser. Delivery shall be deemed made on the date mailed. In the event of such return of funds, the instrument shall be deemed to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after ESCROW AGENT's receipt of the checks submitted with the Purchase Agreement, ESCROW AGENT shall notify Purchaser of the deposit of such funds in the Bank and shall provide the account number and the interest rate on the date of deposit. If Purchaser does not receive notification of such deposit within fifteen (15) business days after the Purchase Agreement has been signed by all necessary parties, Purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. For purposes of this paragraph, notice shall be deemed given

on the date mailed, if mailed, and on the date delivered, if delivered. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with the New Regulations and requisite notice was timely mailed to Purchaser.

- 2.3 The parties understand that the New Regulations provide that the time periods for deposit and notification as set forth in Section 2.2 begin after "tender" of the deposit submitted with the Purchase Agreement. The parties agree that this language is to be construed as requiring the time periods for deposit of the down payment and notification to Purchaser to commence only after the proper down payment has been received by SELLER and the Purchase Agreement has been executed by "all necessary parties," which shall mean SELLER and Purchaser.

3. RELEASE OF FUNDS.

- 3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting Purchaser until after consummation of the Offering Plan as defined in the Attorney General's regulations. Consummation of the Offering Plan shall not relieve SELLER of its fiduciary obligations pursuant to GBL Section 352-h. SELLER hereby confirms to ESCROW AGENT that the Offering Plan has been consummated.
- 3.2 ESCROW AGENT shall continue to hold the funds in escrow until: (a) closing under a Purchase Agreement, in which event the funds shall be paid to Seller (or anyone Seller designates or directs), or (b) receipt of a writing signed by both SELLER and Purchaser directing disposition of such funds, or (c) receipt of a determination of the Attorney General directing disposition of such funds; or (d) receipt of a judgment or order of a court of competent jurisdiction directing disposition of such funds, or (e) released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds, as incorporated into Paragraph 3.4 below.
- 3.3 SELLER shall not object to the release of the escrowed funds to (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Plan, or (b) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.
- 3.4 If there is no closing under a Purchase Agreement and if there is no written agreement between SELLER and a Purchaser

to release the escrowed funds, and if there is no court order or Attorney General determination respecting disposition of the funds, ESCROW AGENT shall not pay the funds to SELLER until ESCROW AGENT has given Purchaser at least ten (10) business days prior written notice of its intent to so release the funds. Notice shall be deemed given on the date mailed, if mailed, and on the date delivered, if personally delivered. Thereafter, the funds may be paid to SELLER unless ESCROW AGENT has received prior written notice from Purchaser that Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the New Regulations and has so notified ESCROW AGENT in accordance with such provisions. For purposes of this paragraph, notice shall be deemed given if actually delivered to Purchaser or if mailed to Purchaser at the address contained in the Purchase Agreement.

4. RECORD-KEEPING.

- 4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of funds.
- 4.2 Upon the dissolution of ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such arrangement.
- 4.3 SELLER agrees that ESCROW AGENT shall make available to the Attorney General, upon his or her request, all books and records of ESCROW AGENT then available relating to funds deposited and disbursed hereunder. SELLER shall pay all expenses and costs incurred by ESCROW AGENT arising out of the provisions of Paragraphs 4.2 and 4.3 of this Agreement.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

- 5.1 ESCROW AGENT shall maintain the Escrow Account called for in this Agreement under the direct supervision and control of ESCROW AGENT.
- 5.2 ESCROW AGENT is familiar with the provisions of GBL 352-h and 352-e(2-b).
- 5.3 ESCROW AGENT or any member of its firm shall be permitted to act as counsel for SELLER in any dispute as to the disbursement of any deposits or payments or any other dispute between the parties, whether or not ESCROW AGENT is in possession of such deposits or payments and whether or not ESCROW AGENT continues to act as ESCROW AGENT.

6. RESPONSIBILITIES OF SELLER.

- 6.1 SELLER agrees that SELLER and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.
- 6.2 SELLER agrees that it shall not interfere with ESCROW AGENT's performance of its fiduciary duties and compliance with the Attorney General's New Regulations.

7. INDEMNITY AND DISPUTES.

- 7.1 In the event ESCROW AGENT, before the release of escrow funds attributable to a particular Purchase Agreement in accordance with this Agreement, receives or becomes aware of conflicting demands or claims with respect to said escrow funds or the rights of any party with respect thereto, or any funds, securities, property or documents deposited herein or affected hereby, or if SELLER becomes indebted to ESCROW AGENT, or for any other reason in its sole discretion, ESCROW AGENT shall have the right to discontinue any and all further acts on its part until such conflict is resolved to its satisfaction.
- 7.2 ESCROW AGENT shall have the further right but not the obligation to commence or defend any action or proceeding for the determination of such conflict. SELLER agrees to pay all costs, damages, judgments and expenses, including attorneys' fees and disbursements, suffered or incurred by ESCROW AGENT in connection with or arising out of this Escrow Agreement, including, but without limiting the generality of the foregoing, a suit in interpleader brought by ESCROW AGENT, or proceedings or actions brought by any Purchaser(s) or the New York State Department of Law, or the expenses of maintaining or administering the Escrow Account in accordance with this Agreement (including, without limitation, the aliquot portion of ESCROW AGENT's expenses for overhead, staff and equipment in connection with such activities), and such other expenses as may be determined by ESCROW AGENT. In the event ESCROW AGENT files a suit in interpleader, ESCROW AGENT shall thereupon be fully released and discharged from all further obligations to perform any and all duties or obligations imposed upon ESCROW AGENT by this Agreement.
- 7.3 ESCROW AGENT is hereby given a lien on all right, title and interest of SELLER in the escrowed funds in the Escrow Account and monies arising therefrom, to protect, indemnify and reimburse ESCROW AGENT for all costs, expenses and liabilities arising out of this Agreement.

8. LIABILITY OF ESCROW AGENT.

- 8.1 ESCROW AGENT shall not be liable for any error of judgment or for any act done or omitted by it in good faith, or for anything which it may in good faith do or refrain from doing in connection with its obligations under this Agreement, nor for any negligence other than its gross negligence, nor shall ESCROW AGENT be answerable for the default or misconduct of its agents, attorneys or employees if they are selected with reasonable care, or the banking institution in which the escrow funds are deposited. No liability will be incurred by ESCROW AGENT if, in the event of any dispute or question as to its duties or obligations hereunder, it acts with advice of legal counsel. ESCROW AGENT is authorized to act upon any document believed by it to be genuine and to be signed by the proper party or parties, and will incur no liability in so acting.
- 8.2 ESCROW AGENT shall not be liable to SELLER for any loss occasioned by any right of rescission accruing to a Purchaser and arising out of ESCROW AGENT's performance or failure of performance hereunder.

9. TERMINATION OF AGREEMENT.

- 9.1 This Agreement shall remain in effect and until it is cancelled:
- (a) By written notice given by SELLER to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity. SELLER agrees to file an amendment to the Offering Plan to this effect immediately upon such occurrence, but the failure to file such amendment shall not prevent the effectiveness of such cancellation, resignation or withdrawal. Or
 - (b) By the resignation or withdrawal of ESCROW AGENT upon written notice to SELLER. OR
 - (c) By virtue of all Units offered pursuant to the Offering Plan having been sold and all sales transactions having been consummated.
- 9.2 Upon termination of the duties of ESCROW AGENT as described in Paragraph 9.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all Purchase Agreements and associated documents maintained by ESCROW AGENT to the new escrow agent, if there be one, or to a court of competent jurisdiction, as applicable.

10. SUCCESSORS AND ASSIGNS.

10.1 This Agreement shall be binding upon SELLER and ESCROW AGENT and their successors and assigns.

11. GOVERNING LAW.

11.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York. SELLER and ESCROW AGENT agree to the jurisdiction and venue of the courts located in the County of Queens and State of New York.

12. ESCROW AGENT'S COMPENSATION.

12.1 SELLER agrees that ESCROW AGENT's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance, unless and until SELLER becomes entitled to such funds pursuant to the provisions of this Agreement.

13. SEVERABILITY.

13.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

14. MISCELLANEOUS.

14.1 In addition to other provisions herein, wherever delivery is required herein of a notice or check to Purchaser, it shall also be deemed delivered to Purchaser if actually delivered to Purchaser's attorney or if mailed to Purchaser's attorney, whether or not it is actually received by Purchaser's attorney, with the date of mailing being deemed the date of receipt.

15. ENTIRE AGREEMENT.

15.1 This Agreement, read together with GBL 352-e(2-b) and the Attorney General's New Regulations, constitutes the entire

agreement between SELLER and ESCROW AGENT with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

SELLER:

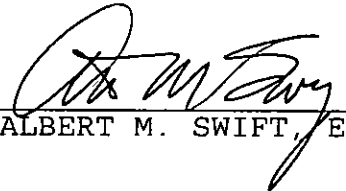
GRAND AVENUE GROUP, LLC

By: 

Managing Member

ESCROW AGENT:

SWIFT & ASSOCIATES, PLLC

By: 

ALBERT M. SWIFT, ESQ.

EXHIBIT IV

DD.....APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the
subject plan.]

Re:

Address of Building or
Name of Project

File Number:

Application is made to the Attorney General to consider
and determine the disposition of down payments held pursuant to GBL
sections 352-e(2-b) and 352-h. The following information is
submitted in support of this application:

1. Name _____
of Applicant

2. Address _____
of Applicant

3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

4. This is an application for

☐ return of downpayment.
☐ forfeiture of downpayment.
☐ other: _____

5. The project is ☐ a conversion of occupied premises.
☐ newly constructed or rehabilitated.
☐ vacant (as is).

6. The project is structured as
[] a cooperative.
[] a condominium.
[] a homeowners association.
[] a timeshare.
[] other: _____

7. Name and Address
of Sponsor: _____

8. Name and Address
of Escrow Agent: _____

9. If downpayments are maintained in an escrow account:
- (a) Name of account _____
 - (b) Name and address
of bank _____
 - (c) Account number (if known) _____
 - (d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

- (a) Name and address of
bond issuer or surety: _____

(b) Copy of bond included in this application. (DO NOT
SEND ORIGINAL BOND.) If not included, explain:

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

(b) Date of expiration of the letter of credit, if known: _____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan
 ☐ has been declared effective. Approximate date: _____
 ☐ has not been declared effective.

(c) If effective, the plan

☐ has closed or the first unit has closed.
 Approximate date: _____

☐ has not closed.

☐ don't know.

(d) Downpayments are secured by

☐ escrow account.

☐ bonds.

☐ letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers
affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons: _____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____

Date: _____

Name (Printed): _____

Telephone: (Home) _____

(Business) _____

Mailing Address: _____

EXHIBIT V

SECTION EE . . . POWER OF ATTORNEY

I (we) _____, residing at _____, the owner(s) of Condominium Unit No. _____, in the Condominium known as Grandview Condominium covering the property located at 84-32 Grand Avenue, County of Queens, City and State of New York, do hereby irrevocably nominate, constitute and appoint the members of the Board of Managers of Grandview Condominium and their successors, jointly, my (our) power of attorney coupled with an interest in my (our) name and on my (our) behalf to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium unit whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale or which shall be acquired or leased in connection with any Right of First Refusal or otherwise, pursuant to the Declaration and By-Laws of the Condominium as same may be amended, at such price and on such terms as my said attorneys-in-fact shall, in their sole discretion deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Unit so acquired, at such terms as my (our) attorneys-in-fact may in their sole discretion determine, granting to my said attorney-in-fact the power to do all things in the said premises which I (we) could do if I (we) were personally present.

I (we) do hereby further irrevocably nominate, constitute and appoint the members of the Board of Managers of Grandview Condominium and its successors, my (our) true and lawful attorneys-in-fact coupled with an interest in my (our) names and on my (our) behalf to vote at any Unit Owners' meeting for, and to file an amendment to the Declaration of Grandview Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an Amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, I (we) have hereunto set my (our) hand and seal this _____ day of _____, 2006.

(L.S.)

(L.S.)

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the day of
before me, the undersigned, a Notary Public in and for the State
of New York, personally appeared _____
personally known to me or proved to me on the basis of
satisfactory evidence to be the individual(s) whose name(s) is
(are) subscribed to the within instrument and acknowledged to me
that he/she/they executed the same in his/her/their capacity(ies),
and that by his/her/their signature(s) on the instrument, the
individual(s), or the person upon behalf of which the
individual(s) acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT VI

FF . . . UNIT DEED

THIS INDENTURE made the _____ day of _____, 2006, between Grand Avenue Group, LLC, at 7-8 Chatham Square, Suite 802, New York, N.Y., party of the first part and _____ with address at _____ party of the second part.

WITNESSETH

That the party of the first part, in consideration of Ten Dollars (\$10.00), lawful money of the United States, and other good and valuable consideration, paid by the part of the second part, does hereby grant and release unto the part of the second part, the heirs or successors and assigns of the party of the second part forever,

ALL that certain plot, piece or parcel of real property (the "Property"), with the improvements (sometimes referred to as the "Buildings") therein contained, situate and being a part of the condominium at 84-32 Grand Avenue, Elmhurst, County of Queens, and State of New York, known and designated as Unit No. _____ together with a _____% undivided interest in the common elements of the condominium hereinafter referred to ("Common Elements").

The real property above described is a unit (the "Unit") shown on the plans of a condominium prepared and certified by Shiming Tam, Registered Architect, and filed in the Office of the Register of the County of Queens on 2nd day of May, 2005, as Plan No. 441 defined in the Declaration of Condominium entitled GRANDVIEW CONDOMINIUM made by Grand Avenue Group, LLC under Article 9-B of the New York Real Property Law (the "Declaration"), dated the _____ day of _____, 2006, and recorded on the _____ day of _____, 2006 in the Office of the Register of the City of New York, Queens County, in City Register File No. _____. The land on which the Buildings are located is described as follows:

Property description attached as Schedule A.

The term "Unit" as used herein shall be construed to mean "Unit" as such latter term is used in Article 9-B of the Real Property Law of the State of New York and defined in Section 339-e of said Article.

TOGETHER with and SUBJECT TO an easement for the continuance of all encroachments by the Unit or any adjoining Units or common elements now existing as a result of the alteration of the building or which may come into existence hereafter as a result of settling or shifting of the building, or as the result of repair or restoration of the building, or of the Unit, after damage or destruction by fire or other casualty or after the taking in condemnation or eminent domain proceedings or by reason of an alteration or repair to the common elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the building shall stand;

TOGETHER with an easement in common with the owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other Units or elsewhere on the property and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the grantor in and to the Unit;

TOGETHER with and SUBJECT to all easements of necessity in favor of the Units or in favor of other Units or common elements;

SUBJECT also to an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other common elements located in the Unit or elsewhere on the property and serving such other Units;

SUBJECT to the provisions of the Declaration and BY-LAWS of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the Office of the Register of Queens County, which provisions together with any amendments thereto shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit as though such provisions were recited and stipulated at length herein.

TOGETHER WITH the benefits, rights, privileges, easements and subjects to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part covenants that the party of the first part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The use for which the Unit is intended is for _____ use subject to the applicable governmental regulations and the restrictions contained in the Declaration.

This conveyance is made in the regular course of business actually conducted by the party of the First Part.

The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed.

In presence of :

GRAND AVENUE GROUP, LLC

By: _____
Managing Member

In presence of:

_____ (L.S.)

_____ (L.S.)

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the day of
before me, the undersigned, a Notary Public in and for the State
of New York, personally appeared _____
personally known to me or proved to me on the basis of
satisfactory evidence to be the individual(s) whose name(s) is
(are) subscribed to the within instrument and acknowledged to me
that he/she/they executed the same in his/her/their capacity(ies),
and that by his/her/their signature(s) on the instrument, the
individual(s), or the person upon behalf of which the
individual(s) acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the day of
before me, the undersigned, a Notary Public in and for the State
of New York, personally appeared _____
personally known to me or proved to me on the basis of
satisfactory evidence to be the individual(s) whose name(s) is
(are) subscribed to the within instrument and acknowledged to me
that he/she/they executed the same in his/her/their capacity(ies),
and that by his/her/their signature(s) on the instrument, the
individual(s), or the person upon behalf of which the
individual(s) acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT VII

GG . . . DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF PREMISES LOCATED
AT 84-32 GRAND AVENUE, ELMHURST, COUNTY OF QUEENS AND STATE OF NEW
YORK, PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE
STATE OF NEW YORK

NAME: GRANDVIEW CONDOMINIUM

SPONSOR/DECLARANT: GRAND AVENUE GROUP, LLC
7-8 Chatham Square
Suite 802
New York, N.Y. 10038

DATE OF DECLARATION: , 2006

Block: 2891

N/K/A: F/K/A 12

County: Queens

RECORD AND RETURN TO:
Attorney for Sponsor:

Swift & Associates, PLLC
41-46 Main Street
Suite #200
Flushing, N.Y. 11355

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DECLARATION
ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF
THE PREMISES KNOWN AS GRANDVIEW CONDOMINIUM
LOCATED AT 84-32 GRAND AVENUE, ELMHURST, NEW YORK
PURSUANT TO ARTICLE 9-B OF
THE REAL PROPERTY LAW OF THE STATE OF NEW YORK

In the County of Queens and State of New York, on this day of , 2006, Grand Avenue Group, LLC, a limited liability company organized under the laws of the State of New York, with a place of business at 7-8 Chatham Square, Suite 802, New York, New York, hereby states:

FIRST: Submission of Property. By this Declaration, the Owner submits the property described in this Declaration including, but not limited to the land, the Building and other improvements erected and to be erected thereon, all easement rights, and appurtenances to be erected thereon and all other property real, personal and mixed intended for use in connection therewith to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Description of Property. The Owner owns that certain plot, piece or parcel of land, with the building and improvements thereon erected, situate, lying and being in the County of Queens and State of New York, consisting of one (1) building which contains the cellar, 1st, 2nd, 3rd, 4th and 5th floors (hereinafter referred to as "Building"). The Building contains a total of twenty-one (21) Residential Units and fourteen (14) Parking Spaces, being more particularly bounded and described in Schedule A which is annexed to and made a part of this Declaration. One (1) of fourteen (14) Parking Spaces (P11) is for the handicapped, and is considered as a part of common elements. The land has an area of approximately 8,442 square feet and is located in Queens County, State of New York at 84-32 Grand Avenue, Elmhurst, New York.

THIRD: Name of Condominium. The Condominium shall be known as Grandview Condominium.

FOURTH: Definitions.

(a) "Unit Owner" means the owner of a unit. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety or whether the Unit is owned by an individual, corporation, partnership, limited liability company, fiduciary or any other entity. Where such ownership is joint, in common or by tenancy by the entirety, majority vote of such owners shall be necessary to cast the Unit Owner's vote referred to in paragraph 10 of this Declaration.

(b) A "Unit" means any of the Condominium Units ("the unit") contained in the Condominium and shall be defined as follows: Each unit will consist of the area measured horizontally from the unit side of the window glass or concealed exterior brick wall or concealed fireproofed structural members of the exterior wall to the center line of the drywall partitions or block partitions which separate the Unit from another Unit, or to the unit side of the concealed masonry work or concealed structural members or to the surface of the drywall partitions which separate a Unit from corridors, stairs and other common or mechanical equipment spaces. Each Unit will consist of an area measured vertically from top of the concrete floor or wood subfloor at the lower level of a Unit to the underside of the concealed concrete slab, or of the fireproofed beam, as the case may be, at the highest level of a Unit, except that the structural slabs and beams separating floors and any Common Elements located within any Unit shall not be considered as part of the Unit.

(c) "Building" or "Buildings" as hereinafter referred to shall be defined as a number of Units all of which are constructed under a continuous roof.

(d) "Party Walls". The wall separating the Unit of one Owner from the Unit of an adjoining Unit Owner shall be referred to as a "Divider Wall".

(e) "Condominium" means Condominium which is composed of the Unit Owners and governed by the Board of Managers.

FIFTH: The Condominium. The Owner is converting the subject property to a Condominium known as Grandview Condominium according to the floor plans filed simultaneously with the recording of this Declaration in the Office of the Clerk of the County of Queens. These plans set forth a description of the Building stating the number of stories, the number of Units and the principal materials of which they are constructed.

The Condominium will consist of one (1) building, which contains the cellar, 1st, 2nd, 3rd, 4th and 5th floors. The building contains twenty-one (21) Residential Units and fourteen (14) Parking Spaces, all as set forth on the floor plans filed as part of this Declaration. One (1) of the Parking Spaces (P11) is for the handicapped and is to be considered as a part of the common elements. Each of the Units has access to the street on which the Condominium abuts through the lobby of the Building which forms a part of the common elements of the Condominium. Each Unit will be sold to one or more Unit Owners. Each Unit Owner will obtain fee ownership in, and the exclusive right of occupancy and possession of the Unit, together with an undivided interest in the common elements of the Condominium, as listed hereinafter in this Declaration, and referred to as the "common elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York.

SIXTH: Use of Units. As more particularly set forth in the By-Laws, the Units may be used only for their designated purpose in conformity with Certificate of Occpancy and any applicable zoning codes. Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, the Sponsor may, without permission of the Board of Managers, erect and maintain signs and use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units as well as erect and maintain signs for the purpose of advertisement.

SEVENTH: A. General Common Elements. The common elements of the Condominium will consist of all of the Condominium, including but without limitation, outside walls and the roof of the Building and all other improvements except the Units, including all the land, the lobby, boiler room, water and meter room, the pipes, wires, conduits, utility lines, foundations, columns, girders, beams, concrete joists, supports, exterior walls, interior load bearing walls, pillars, concrete floors, central and appurtenance installations and equipment for power, lights, and air conditioning, heating, ventilation and other service and utility lines which are utilized for, serve, or pass through more than one Unit and all other parts of the Property and all apparatus and installations existing in the Building or on the Property for common use or necessary or convenient to the existence, maintenance or safety of the property.

Any portion of the common elements may be used by any Unit Owner subject to the rules and regulations promulgated by the Board of Managers. The common elements are not severable from the Units except in accordance with Article 9-B of the Real Property Law.

The common elements shall remain undivided, shall not be subject to partition and no Unit Owner shall bring any action for partition or division unless otherwise provided by law. Each Unit Owner shall have the right to use the common elements, in accordance with the purpose for which such common elements are intended, without hindering the exercise of or encroaching upon the rights of the other Unit Owners.

The percentages of undivided interest in the common elements established herein shall not be changed except with the consent of the Unit Owners affected expressed in a duly recorded amendment to this Declaration.

The undivided interest in the common elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instruments.

B. Limited Common Elements. The balconies and terraces shall be the limited common elements. The unit owner or owners who have exclusive use of the certain limited common elements shall be responsible for the cost of maintaining and repairing such limited common elements.

EIGHTH: EASEMENTS. All pipes, wires, conduits and public utility lines located within each Unit shall be owned by such Unit Owner. Any portion of such pipes, wire, conduits and public utility lines located in the common elements including electric meter banks located on the exterior of a unit and servicing one or more units, will be owned in common by the Unit Owners. The Board of Managers shall have a right of access to all common elements for maintenance, repair or improvement whether such common elements are restricted or not.

The Sponsor, its successors, assigns, and purchasers, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over under and across the common elements of the Condominium for the purpose of completing construction and sale of the Units and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the common elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Sponsor, its successors, assigns, and purchasers, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewer and drainage lines which may from time to time be in or along the streets and roads or other areas of the common elements. Finally, the Sponsor, its successors, assigns and purchasers reserve the right to continue to use the common elements and any facilities, sales offices, model homes, and signs located on the common elements, in its efforts to market units in the Condominium for a period ending two years after the closing to the First Unit or until 80% of the Units are conveyed to Purchasers, whichever is sooner, to market any other units owned by Sponsor. This paragraph shall not be amended without the consent of the Sponsor.

The Sponsor, on behalf of it and its successors and assigns who may take title to portions of the Condominium for purposes of marketing and sale of Units, reserves the right to continue to use

the common elements and any facilities, sales offices, model units and signs located on the common elements, in its efforts to market and sell Units in the Condominium. This paragraph shall not be amended without the written consent of the Sponsor.

NINETH: Service of Process and Building Code Violations. Service of process on the Unit Owners in any action with relation to the common elements or more than one Unit and with regard to any violation of local building codes, zoning ordinances and other related building and zoning laws by the common elements or more than one Unit shall be made upon the Board of Managers of Grandview Condominium, 84-30 Grand Avenue, Elmhurst, New York.

TENTH: Common Interest. Each Unit Owner shall have such percentage interest in the common elements as is set forth on Schedule B attached hereto and shall bear such percentage of the common expenses of the Condominium. All expenses of the Condominium shall be common expenses and shall be apportioned among all the Unit Owners according to the method set forth in the By-Laws. Such Unit Owner shall have one vote for all voting purposes at any meeting of the Unit Owners for each 0.01% of undivided interest in the common elements unless otherwise mandated by law or expressly provided for herein. The percentage interest of the respective Units in the Common Elements has been assigned in the approximate proportion that the fair market value of the Unit at the date of declaration bears to the aggregate fair value of all the Units.

ELEVENTH: Administration. The administration of the Condominium and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto as Exhibit VII.

TWELFTH: Amendment and Withdrawal. The property shall not be withdrawn from Condominium ownership unless at least 80% of the Unit Owners in number and in common interest and the first mortgagees, if any, of each of those same Units agree to such removal by duly recorded instruments. Such withdrawal of the property from Condominium ownership shall not take effect until it is duly recorded in the Office of the Clerk of the County of Queens.

The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon an affirmative vote of 80% of the Unit Owners in number and in common interest held at a duly called meeting of the Unit Owners, provided, however, that:

(i) No amendment shall alter the percentages of interest in the common elements appurtenant to any Unit or alter

any rights or obligations respecting portions of the common elements without the consent of the affected Unit Owners and the first Mortgagees, if any, of the same Units, which consents shall be expressed on the instrument or amendment.

(ii) No amendment shall add any parcel of land to or divest any parcel of land from the Condominium properties unless all of the Unit owners and the first mortgagees, if any, of each of these same Unit Owners agree to such change on the instrument or amendment.

(iii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the Unit Owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the 60-day period, such presumption will be deemed conclusive. Any amendment to this Declaration shall not take effect until it is recorded in the Office of the City Register of Queens County.

Irrespective of any other provision in this Declaration, no action for partition or division of the common elements shall be brought nor shall this Plan of Condominium ownership be terminated when such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

THIRTEENTH: Subject to Declaration, By-Laws, etc. All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units of the Condominium or the mere act of occupancy of any of said Units shall signify that the provisions of the Declaration, By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

FOURTEENTH: Common Charges. All sums assessed as common charges by the Board of Managers of the Condominium but unpaid, together with interest at the maximum legal rate thereon, chargeable to any Unit Owner shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, including but not limited to State, County, Municipal and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to

recover all costs incurred including reasonable attorneys' fees and late charges, if any, assessed pursuant to the By-Laws of this Declaration (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance will be charged to all Unit Owners as a common expense. However, where the holder of a mortgage of record, or other purchaser of a Unit at a foreclosure sale of a mortgage of record, obtains title to the Unit as a result of a foreclosure, or the mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of common charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of common charges shall be charged to all other Unit Owners as a common expense. The term "mortgage of record" herein used shall mean a first mortgage granted by a Federal or State Savings and Loan Association, Savings or Commercial Bank, Life Insurance Company, Pension Fund, Trust Company, Agency of the United States Government or of the City or State of the New York or other similar lender or a purchase money mortgage granted by seller.

Every Unit Owner shall pay the common charges assessed against him when due and no Unit Owner may exempt himself from liability for the payment of the common charges assessed against him by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Unit. However, no Unit Owner shall be liable for the payment of any common charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-X of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

FIFTEENTH: Units Acquired by the Board. In the event any Unit Owner shall convey his Unit to the Board of Managers in accordance with Section 339-X of the Real Property Law or in the event the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article VI, Section 9 of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

In order to carry out the provisions of this paragraph, each Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest, to the Board of Managers and their successors to acquire title or lease any such Unit under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board in its sole discretion shall deem proper.

SIXTEENTH: Encroachments. The Unit Owners agree that if any portion of a Unit or the common elements whether restricted to an individual owner or not, encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building, a valid easement from the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the common elements as aforescribed due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Building shall stand.

SEVENTEENTH: Unit Ownership. Upon the closing of title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain a Unit Owner until such time as he ceases to own the Unit for any reason.

EIGHTEENTH: Conveyance of a Unit. In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the grantee of the Unit shall be jointly and severally liable with the grantor for any unpaid common charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts so paid by the grantee therefor. Any such grantee shall, upon 10 days written request, be entitled to a statement from the Board of Managers setting forth the amount of the unpaid common charge against the grantor and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any unpaid common charges against the grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of a mortgage of record or other purchaser of a Unit at a foreclosure sale of a mortgage of record.

NINETEENTH: Covenants and Restrictions. The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

(a) The Unit and area restricted to Unit Owner's use, shall be maintained in good repair and overall appearance.

(b) No alterations to the exterior of the Unit or any part of the common elements may be made without the written consent of the Board of Managers. No alterations to the inside of a Unit which would impair the structural soundness of the Building may be made without the written consent of the Board of Managers. Consent may be requested to the Managing Agent, if any, or to the President of

the Board of Managers, by mailing a letter certified mail, return receipt requested, if no Managing Agent is employed. If building plans are required for such alteration under any applicable building code, a copy of such plans must be included with said letter. The Board of Managers shall have the obligation to answer within 30 days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. The provisions of this paragraph shall not apply to Sponsor.

(c) Any Unit Owner who mortgages or sells his Unit shall notify the Board of Managers providing the name and address of his mortgagee or purchaser.

(d) The Board of Managers shall, at the request of the mortgagee of a Unit, report any unpaid common charges due from the Unit Owner of such Unit.

(e) No Units shall be used for the purposes other than the purpose stated in the Certificate of Occupancy.

(f) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to occupants or which interferes with the peaceful possession and proper use of the property by its occupants.

(g) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

(h) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Unit Owner provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.

(i) Occupancy of the Unit shall be restricted to occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

(j) The common charges shall be paid when due.

TWENTIETH: Changes to the Condominium. Except to the extent prohibited by law, the Sponsor or its designee shall have the right, without the vote or consent of the Board of Managers to: (a) make alterations, additions or improvements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, in, to and upon units owned by the Sponsor or its designees ("Unsold Units"); (b) change the layout of, or number of rooms in, any Unsold Units from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Unsold Units, or otherwise; and (d) if appropriate, reapportion among the Unsold Units affected by such change in size

or number pursuant to the preceding clause their percentages of interest in the common elements; provided, however, that the percentage of interest in the common elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such units shall consent thereto and, provided further, that the Sponsor or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. Sponsor further states that unless the purchaser consents, no change will be made on Unit size, layout, percentage of common interest or in the amount or quality of common elements directly affecting or servicing the Unit if a purchase agreement has been executed and delivered to Sponsor for that Unit and the purchaser is not in default.

Nothing contained in this Declaration shall prohibit the division or consolidation of any Unit or Units or common interest appurtenant thereto, including but not limited to a change in the number of rooms. Any such change which will affect the structural integrity of the Building requires the prior written consent of the Board of Managers. In no case, however, may such division or consolidation result in a different percentage of common interest for the total of the new Units than existed for the total of the original units before division or consolidation. An amendment to this Declaration authorized by this paragraph of Article TWELFTH may be filed by the new Unit Owner(s) without the consent of any other Unit Owner provided that the percentage of common interest of all other existing Units is not affected thereby and provided such Unit Owner(s) secure the written consent of the Board of Managers which consent may not be unreasonably withheld.

Notwithstanding the other provisions of this Article, no reapportionment of the interest in the common elements appurtenant to any Unit shall be made unless there is first delivered to the Board of Managers a written certification stating that the percentages of interest of the respective Units in the common elements, immediately after such reapportionment, will be based upon the approximate proportion that the fair market value of each Unit at the date of this Declaration bears to the aggregate fair value of all Units on said date.

If the number of rooms in an Unsold Unit is changed, or the size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interest in the common elements is reapportioned as a result thereof, all in accordance with the provisions of the Article, then the Sponsor or its designee shall have the right to execute, or (on its request) to require any other Unit Owner or the Condominium Board of Managers to execute and record in the Office of the Clerk of Queens County, an

amendment to this Declaration (together with such other documents as the Sponsor or its designee deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Unit or in the size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage of interest in the common elements.

In the event the Sponsor or its designee, exercising its rights pursuant to this Article so requests, the Board of Managers shall promptly amend the Declaration at the expense of the Sponsor or its designee, to reflect any such alterations, additions, improvements, changes or reapportionments as provided by clauses (a), (b), (c), or (d), and shall record such amendment in the Office of the Clerk of Queens County.

TWENTY-FIRST: Invalidity. Invalidation of any of the covenants, limitations or provisions of this Declaration by judgment or court order shall in no way effect any of the remaining part of parts hereof, and the same shall continue in full force and effect.

TWENTY-SECOND: Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

TWENTY-THIRD: Waiver. No provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

TWENTY-FOURTH: Captions. The captions herein are inserted only as a matter of convenience, and for reference, and in no way define, limit or describe the scope of this Declaration, nor the intent of any provision hereof.

IN WITNESS WHEREOF, the Sponsor has caused this Declaration to be executed this day of , 2006.

GRAND AVENUE GROUP, LLC

By: _____
Managing Member

EXHIBIT VIII

HH . . . BY-LAWS

OF

GRANDVIEW CONDOMINIUM

84-32 GRAND AVENUE
ELMHURST, N.Y. 11373

Attorney for Sponsor:

Swift & Associates, PLLC
41-46 Main Street
Suite #200
Flushing, N.Y. 11355

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BY-LAWS
OF
GRANDVIEW CONDOMINIUM

ARTICLE I

Section 1. Definitions

(A) Board of Managers. The governing body of the Condominium which will conduct the condominium affairs and supervise the operation of the Property.

(B) Building. The multi-unit structure erected at 84-32 Grand Avenue, Elmhurst, New York, which will comprise the Units and the common elements of the Condominium.

(C) Common Charges. Each unit's proportionate share of the common expenses assessed in accordance with the common interest of the unit.

(D) Common Elements. All portions of the condominium property other than the units, including without limitation, the land, boiler room, meter room, building hallways, stairs, lobby, foundation, roof and supports of the Building existing and set aside for the common use of the units and unit owners.

(E) Common Expenses. The costs and expenses of operating the Property, including such items as repair, replacement, restoration, alteration, addition, maintenance and improvement to the common elements and such sums as designated in the Declaration, By-Laws and Article 9-B of the Real Property Law.

(F) Common Interest. The proportionate undivided interest of each unit owner in the common elements in fee simple absolute, in accordance with the Declaration. Such interest is expressed as a numerical percentage. The aggregate common interest for all units is 100%. The percentage of common interest of the unit is the basis for determination, among other things, of such rights and duties of the unit owner as (1) voting power (2) liability for a proportionate share of the common expenses and (3) the share of any distribution upon the termination of the Condominium.

(G) Condominium. The units and common elements constituting the Condominium to be located at 84-32 Grand Avenue, Elmhurst, New York. The word Property shall be used interchangeably and shall have the same meaning as the term Condominium is defined above.

(H) Declaration. The recorded, written instrument by which the Property is submitted to the provisions of the New York Condominium Act, as such instrument may be amended from time to time, consistent with the law and the By-Laws.

(I) Limited Common Elements. The common elements appurtenant to a particular unit or units, the use of which is restricted to owners of such unit or units. The Declaration and By-Laws set forth the respective responsibilities of such unit

owner and the Board of Managers for the repair and maintenance of the Limited Common Elements.

(J) Property. The Units and common elements constituting the Condominium to be located at 84-32 Grand Avenue, Elmhurst, New York. The word Condominium shall be used interchangeably and shall have the same meaning as the term Property which is defined above.

(K) Unit Owner. The individual(s) or entity owning title to a unit in fee simple absolute.

Section 2. Unit Ownership. The land situated in the Borough of Queens, City of New York, State of New York, more particularly described in Schedule A of the Declaration recorded in the Office of the Register of the County of Queens, simultaneously herewith, and the building constructed on said land (the land and building hereinafter collectively called the "Property") have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration and shall hereafter be known as "GRANDVIEW CONDOMINIUM" (hereinafter called the "Condominium"). Unit Owners shall use their Unit for its designated purposes only.

Section 3. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Buildings and all other improvements thereon (including the Units and the Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York.

Section 4. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations.

The acceptance of a deed of conveyance or the entering into a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 5. Office. The office of the Condominium and of the Board of Managers shall be located on the Condominium property.

ARTICLE II

UNIT OWNERS

Section 1. Annual Meetings. Within thirty (30) days after the closing of title to the last Unit, or on an earlier

date, if the Sponsor elects to relinquish control beforehand, the Sponsor shall call a meeting of the unit owners. At the meeting, the members of the first board of Managers will resign, and the new Board of Managers will be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meeting, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Section 2. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit owners having been presented to the Secretary. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least five (5) but not more than fifteen (15) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 4. Adjournment of Meetings. If any meetings of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 5. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Report of Board of Managers
- (f) Reports of committees
- (g) Election of inspectors of election (when so required)
- (h) Election of members of the Board of Managers (when so required)

- (i) Unfinished business
- (j) New business

Section 6. Title to Units. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation, partnership or limited liability company, or in the name of a fiduciary.

Section 7. Voting. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner, shall be entitled to cast the vote appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be irrevocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners. The Owners of each Unit (including the Sponsor, if the Sponsor shall then own one or more Units) shall be entitled to cast one vote for each 0.01% of interest in the common elements attributable to the Unit or Units owned by him on all matters put to a vote at all meetings of the Unit Owners. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to a vote.

Section 8. Majority of Unit Owners. As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 7 of this Article II.

Section 9. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners of the total authorized vote of all Unit Owners shall constitute a quorum at all meetings of the Units Owners. If however, such quorum shall not be present or represented at any of meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meetings from time to time, without notice other than announcement at the meeting until a quorum shall be represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 10. Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Declaration of these By-Laws or by law, a higher percentage vote is required.

Section 11. Waiver and Consent. Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration, statutes of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of all Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon such action if such meeting were held, shall consent in writing to such action being taken.

ARTICLE III

BOARD OF MANAGERS

Section 1. Number and Term. The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three (3) Managers designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Unit Owners which is to be held within thirty (30) days after the closing of title to the last Unit or on an earlier date, if the Sponsor relinquishes control beforehand. Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners; thereafter, all Managers other than designees or nominees of the Sponsor shall be Unit Owners or officers, directors, stockholders, partners or members of the Unit Owners. The Managers shall be elected at the annual meeting of the Unit Owners. At the first annual meeting of the Unit Owners called pursuant to Section 1 of Article II, three (3) Managers shall be elected by the Managers whose term shall be fixed at one year. Each Unit Owner shall be entitled to cast one vote on each ballot for each 0.01% of common interest he owns. The three nominees on each of the ballots, receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. The Managers shall hold office until their successors have been elected and hold their first meeting. The former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on the anniversary of such date in each succeeding year; except if such date is a Saturday or Sunday or legal holiday, the annual meeting shall be held on the nearest

succeeding business day. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of the By-Laws. The Managers shall be elected annually at the Annual Meeting of Unit Owners by a majority vote, cumulative voting being prohibited. The Managers shall hold office until their successors have been elected. Notwithstanding the foregoing, to assure the Sponsor minimum representation on the Board of Managers after it turns over control of the Board to Unit Owners independent of the Sponsor, the Sponsor shall have the right to designate one member of the Board of of Managers so long as it continues to own one or more Units.

Section 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by Law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of the common elements.

(b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

(c) Collection of the common charges from the Unit Owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements.

(e) Adoption and amendment of rules and regulations covering the details of the operation and use of the Property subject to a right of the Unit Owners to overrule the Board (See Article XII, Section I).

(f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(g) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.

(h) Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(i) Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and sub-leasing Units leased by the Board of Managers of its designee, corporate or otherwise, on behalf of all Unit Owners.

(j) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.

(k) Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 3 hereof.

(l) Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings. The Board of Managers may make additions, alterations or improvements to the common elements costing in excess of \$10,000 only with approval of a majority of the Unit Owners. While the Sponsor is in control of the Board of Managers, the Board may make additions, alterations or improvements to the common elements costs in excess of \$10,000 or enter into service or maintenance contracts the durations of which will extend more than one year after the Sponsor loses control of the Board of Managers, only with approval of a majority of the Unit Owners, excluding the Sponsor, voting at a duly held meeting of the Unit Owners. Notwithstanding the above, the \$10,000.00 limitation will not be applicable to the expenses relating to (i) comply with applicable laws or regulations; or (ii) remedy any notice of violations; or (iii) remedy any work order by an insurer.

(m) To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that (i) the consent of a least 66-2/3% in number of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$10,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the common element without the written consent of the Owner of the said Unit.

(n) To institute proceedings to contest the real estate tax assessment against the Units with the consent of the Unit Owners.

Section 3. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize, including, but not limited to the duties listed in subdivisions (a), (b), (c), (d), (k) and (l) of Section 2 of this Article III. The Board of Managers may delegate to the manager or managing agent, all of the powers set forth in subdivisions (a) (b), (c) (d), (e), (f), (g), (h), (i) and (j), (k), (l) and (n) of Section 2 of this Article III.

Section 4. First Board of Managers. The first Board of Managers shall consist of persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 6 of this Article.

Section 5. Removal. Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Manager shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner. The managers designated by the Sponsor can be removed only by the Sponsor.

Section 6. Vacancies. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirements, disqualifications, removal from office or otherwise, a majority of the remaining managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the First Board of Managers (see Section 4 of this Article) who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager's successor to fill the unexpired portion of his term.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held ten (10) days thereafter, at such time and place as shall be fixed by the Unit Owners at the meeting at which such Board of Managers shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days notice to each member of the Board of Managers, given by mail or telecopier, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in the like manner and on like notice on the written request of at least three (3) members of the Board of Managers.

Section 10. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Managers, shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums on such bonds shall constitute a common expense.

Section 13. Compensation. No member of the Board of Managers or any officer shall receive any compensation from the Condominium for acting as such.

Section 14. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake or judgment, negligence, or otherwise, except for their own individual willful misconduct, bad faith, or gross negligence. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the Unit Owners in the common elements. Every agreement made by the Board of Managers or by the Managing agent or by the manager of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the managers, as the case may be, are acting only as agent for the Unit owner and shall have no personal liability thereunder (except for their own liability as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to

such proportion of the total liability therein as his interest in the common elements bears to the interest of all Unit Owners in the common elements.

Section 15 Management Agent. The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, all of the delegable duties of the Board listed in this Article while the Sponsor is in control of the Board of Managers, it will not enter into contracts which bind the Condominium for a period of more than 2 years after the recording of the Declaration unless the contract provides that it may be cancelled by the Condominium upon 90 days notice.

ARTICLE IV

OFFICERS

Section 1. Elective Officers. The principal officers of the Condominium shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but not other officers, need be members of the Board of Managers. All officers must be Unit Owners or members of the First Board of Managers. Two or more offices may not be held by the same person.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. Appointment of Officers and Agents. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 5. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from the Unit

Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 6. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 7. Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give or cause to be given notice to all Unit Owners of meeting and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 8. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 9. Agreements, Contracts, Deeds, Check, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 10. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

NOTICES

Section 1. Definition. Whenever under the provisions of the Declaration of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it

shall not be construed to mean personal notice; but such notice may be given in writing, by personal service or by registered or certified mail return receipt requested, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner or mortgagee at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time state therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officers or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Condominium and allocate and assess such common charges among the Unit Owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 3 of this Article VI and the fees and disbursements of the Insurance Trustee. The common expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or if any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which common charges are based, to all Unit Owners and to their mortgagees.

Section 3. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the buildings containing the Units (Including all of the Units and the bathrooms initially installed therein by the Sponsor and any other personal property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all other service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as interest may appear, in the amount equal to the full replacement cost determined by the Board of Managers and approved by the mortgagees; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgage clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, as herein provided; (2) workmen's compensation insurance, if the Condominium has employees, (3) a fidelity bond or bonds in sufficient amounts, to fully protect the interest of the Condominium, shall be carried on each member for the Board of Managers, officers of the Condominium, managing agent and managers including any person or persons handling or responsible for funds of the Condominium; (4) disability benefits insurance if the Condominium has employees; and (5) such other insurance as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee if \$50,000.00 or more), and that the total proceeds thereof, if \$50,000.00 or less, shall be payable to the Board of Managers and if more than \$50,000.00, shall be payable to the Insurance Trustee.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of then current policies.

The Board of Managers may, in its discretion, obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time

determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

Section 4. The Insurance Trustee. A New York State bank or trust company shall be the Insurance Trustee unless and until it shall be replaced by a bank or trust company located in the State of New York, designated by the Board of Managers and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a New Insurance Trustee which shall be a bank or trust company located in the State of New York.

Section 5. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building containing the Units as a result of fire or other casualty, unless 75% or more of the Buildings containing the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any bathroom fixtures initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers of the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the common charges.

If 75% or more of the Buildings containing the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 5, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess

of such insurance proceeds) shall be divided by the Board of Unit Owners in proportion to their respective common interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety days after Insurance Trustee notified said Board of Managers and Unit Owner or Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary or in the event there is no Insurance Trustee, not more than sixty days from the date of receipt of insurance funds on account of such damage or destruction and wherever the words, "promptly resolve" are used it shall also mean not more than sixty days from the date of receipt of said insurance funds.

Section 6. Payment of Common Charges. All Unit Owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 2 of this Article at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 11 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid common charges, convey his Unit, together with the "Appurtenant Interests" to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from common charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of common charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale.

Section 7. Collection of Assessments. The Board of Managers shall assess common charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any common charge due from any Unit Owner which remains unpaid for more than 30 days from the due date for payment thereof.

Section 8. Default in Payment of Common Charges. In the event of default by any Unit Owner in paying to the Board of

Managers the common charges as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges. The Board of Managers shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in payment of common charges shall not be permitted to vote at any regular or special meeting of Unit Owners and the Board of Managers may request the Condominium to suspend unit privileges in it until the default is cured.

If a Unit Owner who does not occupy the unit rents such unit to a rental tenant, and then fails to make payments due for sixty (60) days from the expiration period after they are due, the Board of Managers shall provide a written notice to the tenant and the non-occupying owner providing that commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all payments due subsequent to the issuance of such notice are to be made payable to the Board of Managers at the address listed on the Notice. Where a majority of the Board of Managers has been elected by and from among the Unit Owners who are in occupancy, the Board of Managers may elect not to require that rental payments be made payable to the Board of Managers. At such time as payments for common charges, assessments and late fees from the non-occupying owners are once again current, a notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying owner. Thereafter, all payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the Board of Manager's claim to rental payments shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Board of Managers which must be held within thirty (30) days of the date that such Board received notice that such owner seeks to dispute such claim. Payment by a rental tenant to the Board of Managers shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

Section 9. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the

appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 10. Statement of Common Charges. The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid common charges due from such Unit Owner.

Section 11. Repairs and Maintenance. All maintenance, repairs and replacements to the common elements of the property, including but not limited to exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any public utility lines, sewer lines and drainage systems that are located in the common elements and serve one or more Units, and exterior maintenances shall be a common expense. All maintenance (including electrical and plumbing repairs in the Units), repairs and replacements to the Units including windows, (including all glass breakage), doors, windows and door which open from a Unit (except painting and maintenance of the exterior surfaces which is performed by the Board of Managers), and repairs to the heating system, pipes, wires and conduits located within or without the same Unit other than as set forth above shall be made by the respective Unit Owner at their own expense. However, the Board of Managers shall repair and replace any public utility lines, sewer line and drainage systems located underground or overhead of any irrevocably restricted common element except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the Unit Owner to which the common element is restricted in use, in which event such Unit Owner shall bear the cost of such repairs or replacements. The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the common elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. The Board of Managers shall provide snow plowing for the roadways located on the property. All replacements, repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of the Building, including roofs, or to any generally visible portion of the common elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In the event that a Unit Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the common elements or any other Unit, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so after 10 days written notice, or written or oral notice of a shorter duration in the event of a emergency situation) and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner who fails to make prompt payment,

the Board of Managers shall be entitled to bring suit thereon and, in such event, the Unit Owner shall be liable for the reasonable attorney's fees and costs of such suit or proceeding together with interest on all sums due.

(c) As long as the Sponsor continues to own 25% or more Units, but in no event longer than 5 years from the conveyance of the first Unit, the Condominium will not be allowed to incur a substantial increase in maintenance costs (e.g. no additional employees) and cannot make any repairs or any alterations greater than \$10,000, without the Sponsor's consent. However, this \$10,000.00 limitation shall not be applicable to the expenses to (i) comply with applicable laws and regulations; or (ii) remedy any notice of violation; or (iii) remedy any work order by an insurer.

Section 12. Limited Common Elements. All repairs and maintenance of limited common elements shall be the sole responsibility of the Unit Owner or Owners having exclusive use thereof.

Section 13. Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

(a) Each unit may only be used for its designated purpose in accordance with the Certificate of Occupancy.

(b) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of units.

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its occupants or which interferes with the peaceful possession or proper use of the Property by its occupants.

(d) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

No garbage, in cans or otherwise, shall be placed in the halls or on the staircase landings, or any other portion of the Common Elements except where designated by the Board of Managers or Managing Agent.

The Board of Managers or its designated agent, may retain a passkey to the Units. No Unit Owner shall alter any lock or install a new lock on any door of the Units without the written consent of the Board of Managers. When such consent is given, the Unit Owners shall provide the Board of Managers, or its agent, with an additional key.

If any keys are entrusted by a Unit Owner or by his agent, servant, employee, invitee, licensee or visitor, to any employee or agent of the Board of Managers, for any lock other than a lock on the door of the Unit, the relinquishment of the key shall be at the sole risk of such Unit Owner or other person, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

Unit Owners may not maintain pets in the Units.

Section 14. Additions, Alterations or Improvements by Board of Manager. Whenever in the judgment of the Board of Managers the common elements shall require additions, alterations or improvements costing in excess of \$10,000.00 and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners and by each holder of mortgages constituting first liens on 25% or more Units, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a common charge. Any additions, alterations or improvements costing \$10,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the common expenses.

Notwithstanding the above, as long as the Sponsor continues to own 25% or more Units, the condominium will not be allowed to incur a substantial increase in maintenance costs (e.g. no additional employees) and cannot make any repairs (except emergency repairs) or any alterations greater than \$10,000.

Section 15. Additions, Alterations or Improvements by Unit Owner. No Unit Owner shall make any structural addition, alteration or improvement or perform electrical and plumbing works in or to his Unit, without prior written consent thereto of the Board of Managers. All electrical appliances and equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the Public Authorities having jurisdiction. The Board of Managers shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the City of New York or to any other

governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 15 shall not apply to Units owned by the Sponsor until such Units shall have been sold by the Sponsor and paid for. Balconies shall not be enclosed.

Section 16. Use of Common Elements and Facilities. A Unit Owner shall not place or cause to be placed in the lobbies, vestibules, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall not be used for any other purpose than normal transit through them.

Section 17. Right of Access. A Unit Owner shall grant a right of access to his Unit, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or common element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section, any costs for repairs shall be borne in accordance with the provisions of Section 11 of this Article VI.

Section 18. Rules of Conduct. Rules and regulations concerning the use of the Units and the common elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective.

Section 19. Water Charges and Sewer Rents. Water shall be supplied to all the Units and the common elements through a building meter, and the Board of Managers shall pay, as a common expense, all charges for water consumed on the Condominium property including the Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents

affecting the common area as of the date of closing of title to such Unit promptly after such charges shall have been billed.

Section 20. Electricity and Gas. Electricity and gas shall be supplied by the public utility company serving the area directly to each Unit through a separate meter. Each Unit Owner shall be required to pay the bills for electricity and gas within his/her unit. The electricity and gas serving the common area shall be separately metered, and the Board of Managers shall pay all bills for electricity consumed in the portions of the common elements as common expenses.

Section 21. Operating Account. There shall be established and maintained a cash deposit account to be known as the "operating account" into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale and other expenses resulting from the purchase or lease of the Units.

Section 22. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purpose.

ARTICLE VII

MORTGAGES

Section 1. Notice to Board of Managers. A Unit Owner who mortgages his Unit, shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. Notice of Unpaid Charges. The Board of Managers when so requested in writing by a mortgagee of a Unit shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including nonpayment of common charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 1. Right of First Refusal on Sale or Lease of Units by the Board of Managers. A Unit Owner has the right to sell or lease his Unit providing he gives notice of the bona fide terms of any proposed sale or lease to the Board of Managers and obtains its waiver of first right of refusal to purchase or lease such Unit. The failure of the Board of Managers to act on such proposed sale or lease within thirty (30) days after notice thereof shall be deemed to constitute the waiver. If the Board elects to exercise its right of first refusal, it shall within fifteen (15) days after making its decision known, produce a purchaser or lessee approved by it who will accept the transaction upon terms as favorable to the Unit Owner as the terms stated in the notice to the Board. If the Board does not produce such a purchaser or lessee within the aforesaid fifteen (15) days, the Unit Owner shall have the right to effectuate such sale or lease on the terms submitted, as more specifically set forth herein.

The Board of Managers or its designee, may elect to purchase or lease such Unit on behalf of all of the Unit Owners, in the manner set forth herein, provided that approval for such purchase or lease is obtained from Unit Owners of not less than 75% of the Units in common interest. In the event the Board of Managers does not have sufficient funds on hand for such purchase or lease from working capital, it may either borrow such funds and/or assume an existing indebtedness secured by the Unit, provided such borrowing is secured only by a mortgage, or may assess the Unit Owners therefore in proportion to their respective common interest, or the Board may use any combination of these methods to undertake the acquisition.

In the event the Board shall notify the selling Unit Owner of its intention to exercise its right to purchase or lease of the Unit then, within fifteen (15) days of such notification the Purchaser or Lessee supplied by the Board, shall execute a contract to sell or lease pertaining to such Unit at the purchase price and other terms set forth in the contract to sell supplied with the notice of transfer or on other terms more favorable to the Owner of the Unit. The closing of title of the Unit or date of the commencement of the term of lease shall be the same as set forth in the contract to sell or lease included in the notice of intention to sell the Unit.

Section 2. Unauthorized Sale or Lease is Voidable. Any sale, voluntary transfer, conveyance or lease which is not

authorized by the terms of these By-Laws or for which authorization has not been obtained pursuant to the terms thereof is voidable and may be voided in an action brought by an immediately contiguous Unit Owner or the Board of Managers.

Section 3. Notice. All notices referred to in this Article VIII shall be given by registered or certified mail, return receipt requested. Delivery shall be deemed made and notice shall be deemed given by such mailing and shall not be dependent upon acceptance by the addressee.

A Unit Owner intending to make a transfer, sale or lease or the Unit or any part thereof, or interest therein, shall give notice to the Board of Managers of such intention. He shall furnish at that time to the Board (i) the name and address of the intended grantee or lessee; (ii) a statement of all the terms of the transaction; (iii) financial references of the transferee or lessee; (iv) the specific occupation of the transferee or lessee including any areas of specialization; (v) an executed copy of the proposed contract to sell or lease; and (vi) such other information as the Board of Managers may reasonably require. He shall use the form, if any, supplied by the Board in order to supply such information. Such notice, when given, shall constitute a representation, warranty and an offer to sell or lease to any purchaser or lessee produced by the Board and a representation that the Unit Owner believes the offer to be bona fide in all respects.

Section 4. Unit Owners's Right to Withdraw Unit from Proposed Sale or Lease. Where the Board have failed to act on a transaction, or where the Board has acted but has not yet produced a purchaser within the fifteen (15) day period permitted, the Unit Owner may withdraw his offer to sell or lease. When the Board has produced a purchaser or a lessee who fulfills the requirements set forth above and the purchaser or lessee so agrees, a binding contract shall be deemed to have come into existence and the Unit Owner shall be bound to consummate the transaction with such purchaser or lessee furnished by the Board, in accordance with the terms hereof.

Section 5. Form of Consent for the Board. The action by the Board of Managers consenting to a sale or lease shall be in recordable form. The failure of the Board to act on a notice given to it within thirty (30) days shall be deemed to constitute approval of the sale or lease. The Unit Owner, purchaser or lessee may demand and shall be entitled to receive from the Board consent to the sale or lease in recordable form.

Section 6. Approval of Occupant of Unit. If the proposed purchaser or lessee of a unit, or any interest, therein, is other than a natural person, the approval of the sale may be conditioned upon the approval of the entity or entities which will occupy the unit.

Section. 7. Transaction to Which the Right of First Refusal does not Apply. The right of first refusal granted herein shall not be applicable to the following:

(1) The sale, lease or sublease of Units by or to the Sponsor;

(2) Foreclosure or other judicial sale of Condominium Units or a conveyance by the owner of a Unit to a Mortgagee in lieu of foreclosure; and any subsequent sale, lease or sublease by a Mortgagee (provided that unrelated persons acquiring the Unit from such Mortgagee shall be subject to such right or prior refusal herein);

(3) The sale, lease or sublease from a Unit Owner to a partnership, corporation or limited liability company in which the Unit Owner is a partner or principal stockholder or member; from a partnership, corporate owner or limited liability company to the partners, stockholders or members thereof; from partners who are Owners to new partners; from one Co-owner to another;

(4) A conveyance or transfer from a Unit Owner by gift, devise by will or intestate succession.

Section 8. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other dispositions of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer of other disposition of such part of the Appurtenant Interests of all Units.

Section 9. Waiver of right of Partition with Respect to Such Units as Are Acquired by the Board of Managers Or Its Designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10. Mortgage of Units. No Unit Owner shall mortgage his Unit except by a first mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender or a purchase money mortgage made to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers.

Section 11. Selling and Leasing of Units-Payment of Assessments. No Unit Owner shall convey, mortgage, pledge,

hypothecate, sell or lease his Unit unless and until all unpaid common charges assessed against his Unit shall have been paid to the Board of Managers and until he has satisfied all unpaid liens against his unit except for permitted mortgages. However, such unpaid common charges can be paid out of the proceeds from the sale of a Unit, or by the Grantee. Further, a Unit Owner may convey his Unit and his common interest appurtenant thereto, to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any common charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this section shall be voidable at the election of the Board of Managers.

The provisions of this section shall not apply to the acquisition or sale of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagee.

ARTICLE IX

CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the common elements, the award made for such taking shall be payable to the Board of Managers. If 75% or more of the Unit Owners duly and promptly approve the repair and restoration of such common elements, the Board of Managers shall arrange for the repair and restoration of such common elements and the Board of Managers shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that 75% or more of Unit Owners do not duly and promptly approve the repair and restoration of such common element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in the Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

ARTICLE X

RECORDS

Section 1. Record and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings

of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, an annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be rendered by the Board of Managers to all Unit Owners promptly after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a common expense.

ARTICLE XI

MISCELLANEOUS

Section 1. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. Waiver. No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XII

AMENDMENTS TO BY-LAWS

Section 1. Amendments to By-Laws. These By-Laws may be modified or amended by the vote of 66 2/3% in number and in common interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose, but only with the written approval of the Unit mortgages, if such approval is required.

ARTICLE XIII

CONFLICTS

Section 1. Conflicts. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of

the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

II ... CERTIFICATION
EXHIBIT IX
SPONSOR'S CERTIFICATION

April 5, 2006

New York State
Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10271

Re: GRANDVIEW CONDOMINIUM
84-32 Grand Avenue
Elmhurst, N.Y. 11373

Dear Sir(s):

We are the sponsor and sponsor's principals of the Condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

- i) set forth the detailed terms of the transaction and be complete, current and accurate;
- ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgement;
- iii) not omit any material fact;
- iv) not contain any untrue statement of a material fact;
- v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase of sale;

vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

vii) not contain any representation or statement which is false where I/we:

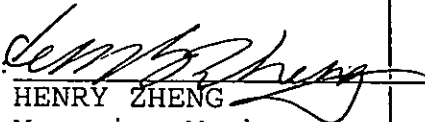
- a) knew the truth;
- b) with reasonable effort could have known the truth;
- c) made no reasonable effort to ascertain the truth; or
- d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this Offer is made. We understand that the violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

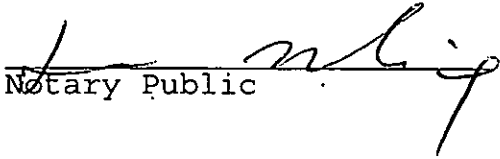
Very truly yours,

GRAND AVENUE GROUP, LLC

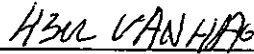
By


HENRY ZHENG
Managing Member

Sworn to before me this
5TH day of APRIL, 2006.


Notary Public


RICHARD LIN


VAN HAO HSU


HENRY ZHENG

MING LAM
Notary Public, State of New York
No. 31-5008333
Qualified in New York County
Commission Expires Feb 2007



明暉建築設計
SHIMING TAM
ARCHITECT, P.C.

249 West Broadway, New York, N.Y. 10013
Tel: (212) 941-9784 Fax: (212) 941-9315

CERTIFICATION OF SPONSOR'S ARCHITECT

June 8, 2006

State of New York
Office of the Attorney General
120 Broadway
New York, NY 10271

Offering Plan Re: Grandview Condominium
Location: 84-32 Grand Avenue, Elmhurst, New York

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). I examined the building plans and specifications that were prepared by me dated June 16th, 2004 and prepared the report dated May 2nd, 2006, a copy of which is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

I am a registered architect in the state where the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying with due diligence in order to form a basis for the certification. This certification is made for the benefit of all persons to whom this offer is made.

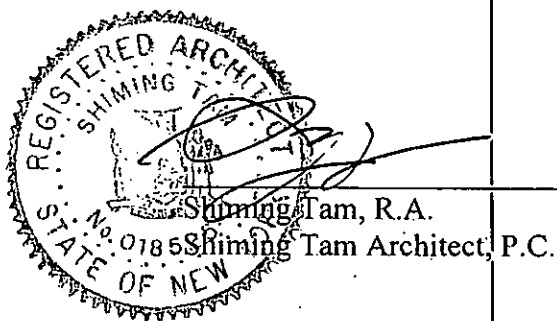
I certify that the Report:

- (I) sets forth in narrative form the description of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (II) in my professional opinion, afford potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it

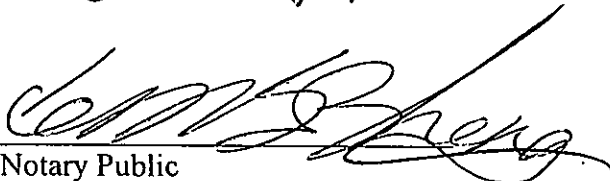
will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

- (III) does not omit any material facts;
- (IV) does not contain any untrue statements of a material fact;
- (V) does not contain any fraud, deception, concealment, or suppression;
- (VI) does not contain any promise of representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (VII) does not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to (as certain) as to the truth;
 - (d) did not have knowledge concerning the representations or statements made.

I further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property."



Subscribed and sworn to before me
This 8th day of June, 2006.


Notary Public

HENRY X. ZHENG
Notary Public, State Of New York
No. 01ZH5063559
Qualified In New York County
Commission Expires 10/29/2006

BAYSHINE REAL ESTATE CORP.

金 灣 地 產 (樓 業 管 理)

BUILDING MANAGEMENT • SALES • RENTALS

Tel: (718) 854-0777

Fax: (718) 633-4019

4205 8th Avenue

Brooklyn, N.Y. 11232

**EXHIBIT XI-A
CERTIFICATION OF SPONSOR'S EXPERT CONCERNING
ADEQUACY OF BUDGET**

April 2, 2006

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd floor
New York, N.Y. 10271

Re: GRANDVIEW CONDOMINIUM
84-32 Grand Avenue
Elmhurst, N.Y. 11373

Dear Sirs:

The undersigned, a New York licensed real estate broker, certifies as follows:

The sponsor of the condominium offering plan for the captioned property has retained me to review the Schedules B and B-1, containing projections of income and expenses for the first year of condominium operation. I have 17 years experience in sales and management of rental properties. I have managed approximately 60 properties in the past and am currently managing 40 Properties, which include 30 residential properties.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. I have also relied on my experience in managing residential buildings.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedules:

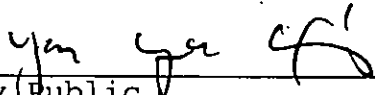
- i) set forth in detail the projected income and expenses for the first year of condominium operation;
- ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the first year of condominium operation;
- iii) do not omit any material fact;
- iv) do not contain any untrue statement of a material fact;
- v) do not contain any fraud, deception, concealment, or suppression;
- vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- vii) do not contain any representation or statement which is false where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This Certification is made under penalty of perjury for the benefit of all persons to whom this Offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal law.

Very truly yours,

Sworn to before me this
02 day of April, 2006


Notary Public

By: 

Ray Chen, Broker

YAN YU HUI
Notary Public, State of New York
No. 01YA5025830
Qualified in Kings County
Good Until Expires April 2, 2006

BAYSHINE REAL ESTATE CORP.

金 灣 地 產 (樓 業 管 理)

BUILDING MANAGEMENT • SALES • RENTALS

Tel: (718) 854-0777

Fax: (718) 633-4019

4205 8th Avenue

Brooklyn, N.Y. 11232

**EXHIBIT XI
CERTIFICATION OF EXPERT CONCERNING
COMMON CHARGES PAYABLE BY THE COMMERCIAL
UNIT OWNERS**

April 2, 2006

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, N.Y. 10271

Re: GRANDVIEW CONDOMINIUM
84-32 Grand Avenue
Elmhurst, N.Y. 11373

Dear Sirs:

The undersigned, a New York licensed real estate brokerage firm, certifies as follows:

The sponsor of the condominium offering plan for the captioned property retained my firm to review Schedule B which includes projections of common charges payable by the owners of the commercial units. I have 17 years experience in sales and management of condominiums and rental properties, which includes management of 15 commercial properties.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the commercial units listed in Schedule B.

I have reviewed Schedule B as it impacts upon the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in Schedules B for common charges payable by the owners of commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such

commercial units for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or availability or exclusive control of particular common areas.

I certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

- i) set forth in detail the projected common charges for the commercial unit for the first year of condominium operation;
- ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the common charges payable by the owners of the commercial unit;
- iii) do not omit any material fact;
- iv) do not contain any untrue statement of a material fact;
- v) do not contain any fraud, deception, concealment, or suppression;
- vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- vii) do not contain any representation or statement which is false where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

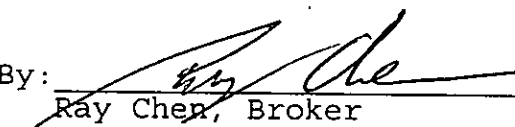
I further certify that my brokerage is not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this Offer is made. I understand

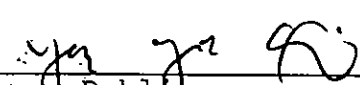
that violations are subject to the civil and criminal penalties of the General Business Law and Penal law.

Very truly yours,

Sworn to before me this
02 day of ~~May~~, 2006
APRIL

By: 

Ray Chen, Broker


Notary Public

YAN YU HU!
Notary Public, State of New York
No. 01YA5025830
Qualified in Kings County
Commission Expires April 4, 2006

EXHIBIT XII

JJ . . . ESCROW AGREEMENT ON THE
SPONSOR'S FUND FOR PAYMENT OF
COMMON CHARGES

AGREEMENT made this _____ day of _____,
2006, between GRAND AVENUE GROUP, LLC, having an office at
7-8 Chatham Square, Suite 802, New York, New York ("Sponsor") and
Swift & Associates, PLLC, Attorney at Law, having an office at
41-46 Main Street, Suite 200, Flushing, New York, ("Escrow
Agent").

The Sponsor hereby agrees to deposit the sum of
\$ _____ which is equivalent to two (2) months of
the Escrow Account of Escrow Agent to be opened and maintained at
Great Eastern Bank at its main office located at 41-48 Main
Street, Flushing, New York, for the purpose of securing the
payment of common charges to be paid by the Sponsor for the
unsold units.

Following the closing of the 1st Unit of Grandview
Condominium, the Escrow Agent shall release the sum equal to the
common charge payable by the Sponsor on the 1st day of each and
every month payable to Grandview Condominium for the payment of
Sponsor's common charges, until the escrow fund is exhausted.

Sponsor:

GRAND AVENUE GROUP, LLC

By: _____
Managing Member

Escrow Agent:

By: _____
ALBERT M. SWIFT, ESQ.

KK...HOUSING MERCHANT IMPLIED WARRANTY LAW

STATE OF NEW YORK

5395--A

1987-1988 Regular Sessions

IN SENATE

May 5, 1987

Introduced by Sen. KEHOE -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary -- recommitted to the Committee on Judiciary in accordance with Senate Rule 6, sec. 8 -- committee discharged; bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law and the civil practice law and rules, in relation to warranties on sales of new homes

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The general business law is amended by adding a new article
2 thirty-six-B to read as follows:

ARTICLE 36-B

WARRANTIES ON SALES OF NEW HOMES

5 Section 777. Definitions.

6 777-a. Housing merchant implied warranty.

7 777-b. Exclusion or modification of warranties.

8 S 777. Definitions. As used in this article, the following terms shall
9 have the following meanings:

10 1. "Builder" means any person, corporation, partnership or other en-
11 tity contracting with an owner for the construction or sale of a new
12 home.

13 2. "Building code" means the uniform fire prevention and building code
14 promulgated under section three hundred seventy-seven of the executive
15 law, local building code standards approved by the uniform fire preven-

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD02717-06-8

tion and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unliveable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

§ 777-a. Housing merchant implied warranty. 1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free

1 the sale of a new home which excludes or modifies a housing merchant im-
2 plied warranty shall be void as contrary to public policy.

3 6. Except as otherwise provided in section seven hundred seventy-
4 seven-b of this article, other implied warranties may arise from the
5 terms of the contract or agreement or from course of dealing or usage of
6 trade.

7 S. 777-b. Exclusion or modification of warranties. 1. Except in the
8 case of a housing merchant implied warranty, the builder or seller of a
9 new home may exclude or modify all warranties by any clear and conspi-
10 cuous terms contained in the written contract or agreement of sale which
11 call the buyer's attention to the exclusion or modification of warran-
12 ties and make the exclusion or modification plain.

13 2. Except in the case of a housing merchant implied warranty, the bu-
14 ilder or seller of a new home may exclude or modify warranties with
15 respect to particular defects by any clear and conspicuous terms con-
16 tained in the written contract or agreement of sale which identify such
17 defects, call the buyer's attention to the exclusion or modification of
18 warranties and make the exclusion or modification plain.

19 3. A housing merchant implied warranty may be excluded or modified by
20 the builder or seller of a new home only if the buyer is offered a lim-
21 ited warranty in accordance with the provisions of this subdivision.

22 a. A copy of the express terms of the limited warranty shall be
23 provided in writing to the buyer for examination prior to the time of
24 the buyer's execution of the contract or agreement to purchase the home.

25 b. A copy of the express terms of the limited warranty shall be in-
26 cluded in, or annexed to and incorporated in, the contract or agreement.

27 c. The language of the contract or agreement for sale of the home must
28 conspicuously mention the housing merchant implied warranty and provide
29 that the limited warranty excludes or modifies the implied warranty.
30 Language to exclude all implied warranties is sufficient if it states,
31 for example, that "There are no warranties which extend beyond the face
32 hereof."

33 d. The limited warranty shall meet or exceed the standards provided in
34 subdivisions four and five of this section.

35 4. A limited warranty sufficient to exclude or modify a housing mer-
36 chant implied warranty must be written in plain English and must clearly
37 disclose:

38 a. that the warranty is a limited warranty which limits implied war-
39 ranties on the sale of the home; the words "limited warranty" must be
40 clearly and conspicuously captioned at the beginning of the warranty
41 document;

42 b. the identification of the names and addresses of all warrantors;

43 c. the identification of the party or parties to whom the warranty is
44 extended and whether it is extended to subsequent owners; the limited
45 warranty must be extended to the first owner of the home and survive the
46 passing of title but may exclude any or all subsequent owners;

47 d. a statement of the products or parts covered by the limited war-
48 ranty;

49 e. the clear and conspicuous identification of any parts or portions
50 of the home or premises that are excepted or excluded from warranty cov-
51 erage, and the standards that will be used to determine whether a defect
52 has occurred; provided, however, that:

53 1. any exception, exclusion or standard which does not meet or exceed
54 a relevant specific standard of the applicable building code, or in the
55 absence of such relevant specific standard a locally accepted building

1 from defects due to a failure by the builder to have installed such sys-
2 tems in a skillful manner; and
3 c. six years from and after the warranty date the home will be free
4 from material defects;
5 2. Unless the contract or agreement by its terms clearly evidences a
6 different intention of the seller, a housing merchant implied warranty
7 does not extend to:
8 a. any defect that does not constitute (i) defective workmanship by
9 the builder or by an agent, employee or subcontractor of the builder;
10 (ii) defective materials supplied by the builder or by an agent, em-
11 ployee or subcontractor of the builder, or (iii) defective design
12 provided by a design professional retained exclusively by the builder;
13 or
14 b. any patent defect which an examination ought in the circumstances
15 to have revealed; when the buyer before taking title or accepting con-
16 struction as complete has examined the home as fully as the buyer
17 desired, or has refused to examine the home.
18 3. In the case of goods sold incidentally with or included in the sale
19 of the new home, such as stoves, refrigerators, freezers, room air con-
20 ditioners, dishwashers, clothes washers and dryers, a housing merchant
21 implied warranty shall mean that such goods shall be free from defects
22 due to failure by the builder or any agent, employee or subcontractor of
23 the builder to have installed such systems in a skillful manner. Mer-
24 chantability, fitness and all other implied warranties with respect to
25 goods shall be governed by part three of article two of the uniform com-
26 mercial code and other applicable statutes.
27 4. a. Written notice of a warranty claim for breach of a housing mer-
28 chant implied warranty must be received by the builder prior to the com-
29 mencement of any action under paragraph b of this subdivision and no
30 later than thirty days after the expiration of the applicable warranty
31 period, as described in subdivision one of this section. The owner and
32 occupant of the home shall afford the builder reasonable opportunity to
33 inspect, test and repair the portion of the home to which the warranty
34 claim relates.
35 b. An action for damages or other relief caused by the breach of a
36 housing merchant implied warranty may be commenced prior to the expira-
37 tion of one year after the applicable warranty period, as described in
38 subdivision one of this section; or within four years after the warranty
39 date, whichever is later. In addition to the foregoing, if the builder
40 makes repairs in response to a warranty claim under paragraph a of this
41 subdivision, an action with respect to such claim may be commenced
42 within one year after the last date on which such repairs are performed.
43 The measure of damages shall be the reasonable cost of repair or
44 replacement and property damage to the home proximately caused by the
45 breach of warranty, not to exceed the replacement cost of the home ex-
46 clusive of the value of the land, unless the court finds that, under the
47 circumstances, the diminution in value of the home caused by the defect
48 is a more equitable measure of damages.
49 c. In addition to any other period for the commencement of an action
50 permitted by law, an action for contribution or indemnification may be
51 commenced at any time prior to the expiration of one year after the en-
52 try of judgment in an action for damages under paragraph b of this
53 subdivision.
54 5. Except as otherwise provided in section seven hundred seventy-
55 seven-b of this article, any provision of a contract or agreement for

1 practice, shall be void as contrary to public policy and shall be deemed
2 to establish the applicable building code standard or locally accepted
3 building practice as the warranty standard; and

4 ii. any exception, exclusion or standard that fails to ensure that the
5 home is habitable, by permitting conditions to exist which render the
6 home unsafe, shall be void as contrary to public policy.

7 f. what the builder and any other warrantor will do when a defect cov-
8 ered by the warranty does arise, and the time within which the builder
9 and any other warrantor will act;

10 g. the term of the warranty coverage and when the term begins,
11 provided, however, that such term shall be equal to or exceed the war-
12 ranty periods of a housing merchant implied warranty, as defined in sub-
13 division one of section seven hundred seventy-seven-a of this article;

14 h. step-by-step claims procedures required to be undertaken by the ow-
15 ner, if any, including directions for notification of the builder and
16 any other warrantor; an owner shall not be required to submit to binding
17 arbitration or to pay any fee or charge for participation in nonbinding
18 arbitration or any mediation process;

19 i. any limitations on or exclusions of consequential or incidental
20 damages, and any limitations on the builder's and other warrantor's
21 total liability, conspicuously expressed on the first page of the
22 warranty. Notwithstanding the foregoing, a limited warranty shall not be
23 construed to permit any limitation on or exclusion of property damage to
24 the home proximately caused by a breach of the limited warranty, where
25 the court finds that such limitation or exclusion would cause the lim-
26 ited warranty to fail of its essential purpose, except that such
27 property damage may be limited by an express limitation on the builder's
28 or other warrantor's total liability in accordance with the provisions
29 of this paragraph.

30 5. a. This article shall not be construed to authorize or validate any
31 covenant, promise, agreement or understanding which is void and unenfor-
32 ceable under section 5-322.1 of the general obligations law.

33 b. This article shall preempt any local law inconsistent with the
34 provisions of this article. This article shall not preempt any builder
35 subject to its provisions from complying with any local law with
36 respect to the regulation of home builders except as expressly provided
37 herein.

38 c. Nothing in this article shall be construed to repeal, invalidate,
39 supersede or restrict any right, liability or remedy provided by any
40 other statute of the state, except where such construction would, as a
41 matter of law, be unreasonable.

42 S. 2. Subdivision two of section two hundred thirteen of the civil
43 practice law and rules, as amended by chapter four hundred three of the
44 laws of nineteen hundred eighty-three, is amended to read as follows:

45 2. an action upon a contractual obligation or liability, express or
46 implied, except as provided in section two hundred thirteen-a of this
47 article or article 2 of the uniform commercial code or article 36-B of
48 the general business law;

49 S. 3. This act shall take effect on the first day of March next suc-
50 ceeding the date on which it shall have become a law and shall apply to
51 new homes for which contracts of sale are entered into on and after such
52 effective date.