
BECAUSE THE 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).

CONDOMINIUM OFFERING PLAN FOR

Pistilli Grand Manor Condominium

Premises:

45-02 DITMARS BOULEVARD
ASTORIA, NEW YORK 11105

Total Cash Amount of Offering for 201 Residential Units	\$ 89,887,800
Total Offering Price.....	89,887,800

Working Capital Fund: one (1) month's estimated common charges. See page 97. This fund may be diminished for closing adjustments. See page 97.

The Condominium will have 201 Residential Units and three (3) Commercial Units: 1 Office Unit, 1 Retail Unit and 1 Garage Unit. The Commercial Units are not being offered for sale at this time. 201 Residential Units are being offered for sale hereby.

Sponsor:

TEX DEVELOPMENT CO., LLC
37-08 28th Avenue, Suite 300
Astoria, New York 11103

Selling Agent:

PISTILLI REALTY COMPANY
37-08 28th Avenue, Suite 300
Astoria, New York 11103
(718) 204-1600

Condominium:

PISTILLI GRAND MANOR CONDOMINIUM
c/o Cutler Minikes & Adelman LLP
708 Third Avenue, 17th Floor
New York, NY 10017

The approximate date of the first offer to the public is December 13, 2007.
This offering may not be used after December 12, 2008 unless extended by Amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE (v).

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 OFFICE OF THE ATTORNEY GENERAL PRIOR TO SELLING OR OFFERING TO SELL ANY UNIT. FILING WITH THE OFFICE OF THE ATTORNEY GENERAL DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

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Pistilli Grand Manor Condominium

**45-02 DITMARS BOULEVARD
ASTORIA, NEW YORK 11105**

PLAN OF CONDOMINIUM OWNERSHIP

PART I

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SPECIAL RISK FACTORS

1. 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 percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium.

2. Purchasers for their own occupancy may never gain control of the Condominium Board under the terms of this Plan. Owner-occupants and non-resident owners, including the 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. Sponsor has made no representation with respect to any obligation to sell, or to endeavor to sell, any Units to purchasers for personal occupancy other than those necessary to declare this Plan effective, and Sponsor has reserved the right to hold and/or rent unsold Units. Prospective Purchasers should be aware that they potentially may be living with transient tenants in Units for an indefinite period, while Sponsor determines, in its sole discretion, whether to rent or sell Units. See the Section of the Plan entitled "Rights and Obligations of Sponsor."

3. As set forth in the "Real Estate Taxes" Section of the Plan, Sponsor intends to apply for partial exemption from and abatement of real estate taxes with respect to the Residential Units in the Building pursuant New York City's J-51 program. That section of the Plan, and the opinion prepared by Podell, Schwartz, Schechter & Banfield, LLP dated November __, 2007 included as the "Real Estate Tax Opinion of Sponsor's Counsel" section of this Plan notes (a) that one of the requirements of the J-51 program is that the project must be completed, as evidenced by either a final Certificate of Occupancy or temporary Certificate of Occupancy covering all residential units, within three (3) years from the date alteration work commenced, and (b) that this three (3) year period has passed without issuance of such a Certificate of Occupancy. Sponsor's application for J-51 benefits will therefore include an application for waiver by New York City of this Certificate of Occupancy requirement. Sponsor can offer no assurance that this requirement will be waived by New York City. Sponsor will file an amendment to the Plan if and when the City grants or denies its waiver application or to disclose any other material changes in connection with the application.

ACCORDINGLY, THE PROJECTIONS CONTAINED IN THIS PLAN, INCLUDING THE PROJECTED REAL ESTATE TAXES SHOWN ON SCHEDULE A, ARE BASED ON FULL REAL ESTATE TAXES WITH NO J-51 BENEFITS AND PURCHASERS MUST ASSUME THAT THE UNITS WILL BE SUBJECT TO FULL TAXATION AND WILL RECEIVE NO BENEFITS UNDER THE J-51 PROGRAM.

4. There will be three (3) non-residential condominium units, a Retail Unit, an Office Unit and a Garage Unit. The Retail Unit consists of the retail store areas, and the Office Unit consists of the office areas on the ground floor (basement) level of the multiple dwelling building. The Garage Unit consists of three parking levels on the cellar, basement and roof levels of the accessory parking structure. The Retail Unit, the Office Unit and the Garage Unit, and any Units resulting from the subdivision thereof, are collectively referred to in this Plan as the "Commercial Units." Sponsor and any subsequent owner of the Commercial Units has the right to subdivide and combine portions of the Commercial Units, subject to the provisions of the Declaration and By-Laws. The Units may be used only for the following purposes: the Retail Unit and the Office Unit may be used for retail business, commercial and professional purposes or for any other lawful purpose in the sole discretion of Sponsor or other owner of the Commercial Unit. The use of the Commercial Units may generate noise, traffic, fumes or other disturbances over which the remaining Unit Owners will have no control. At this time, the Commercial Units are not being offered for sale, but Sponsor reserves the right to do so pursuant to a future appropriately filed amendment to the Plan.

The Garage Unit (not offered hereby) will be used for accessory parking and for any other lawful purpose in the sole discretion of Sponsor or other owner of the Garage Unit. At the present time, the lawful use of the Garage Unit is limited by the provisions of the New York City Zoning Resolution. Accordingly, to comply with such provisions, and while and to the extent such provisions apply: The parking spaces shall be operated primarily for the long-term storage of the private passenger motor vehicles used by the occupants of the Residential Units. Such spaces may be rented for periods of not less than one week and not more than one month to persons who are not occupants of the Residential Units for the accommodation of the private passenger motor vehicles used by such non-residents, provided that such spaces are operated in accordance with the regulations promulgated by the Commissioner of Buildings, in a manner which will not adversely affect the residential character of the neighborhood. Such spaces shall be made available to the occupants of the Residential Units within 30 days after written request therefore is made to the Garage Unit Owner. The Board will have no right to restrict or limit any of the uses of, or alterations in or to, the Garage Unit (including the front and driveway thereof) which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration. It is currently anticipated that the Garage Unit will initially be used as a parking garage (and ancillary uses), although no representation or warranty is made with respect to such initial or any subsequent uses of such Garage Unit or with respect to who the owner or tenant(s) of the Garage Unit may be at any time.

5. Downpayments in excess of \$100,000 placed in the escrow account will not be federally insured for any amount in excess of \$100,000.

6. Purchasers will be given at least fifteen (15) days written notice of the date, time and place of closing and for the payment of the balance of the purchase price. Upon Purchaser's failure to pay the balance of the purchase price or upon Purchaser's other default, Sponsor may elect to cancel the Purchase Agreement by thirty (30) days written notice to Purchaser. If Sponsor elects to cancel the Purchase Agreement, Purchaser shall have such thirty (30) days from the giving of the cancellation notice to cure the specified default. **TIME IS OF THE ESSENCE TO REMEDY SUCH DEFAULT WITHIN SAID THIRTY DAY PERIOD** (see "Procedure to Purchase" for these and other consequences of a Purchaser's default.)

7. The Purchase Agreement for the Units offered hereby is not contingent upon the Purchaser obtaining financing. If a Purchaser is unable to obtain bank financing or is unable to close, for any reason pursuant to an issued bank commitment, purchaser will lose their Down Payment unless Purchaser can otherwise pay the balance of the Purchase Price.

8. Purchasers shall be obligated to pay the New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax ("NYS Tax") which by Law are the primary obligation of a seller. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to such tax. If the purchase price of the Residential Unit is \$1,000,000 or more, Purchaser shall also be obligated to pay the New York State additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," currently, one (1%) percent of the purchase price, which by law is the primary obligation of the Purchaser (See the "Closing Costs and Adjustments" for further details).

9. Each Purchaser will be obligated to enter into a power of attorney at the closing of title to the Unit (the "Power of Attorney"). The form of Power of Attorney, set forth in Part II of the Plan, grants broad powers to the Condominium Board to enter into agreements affecting the Common Elements. The Power of Attorney also grants to Sponsor certain rights, including the right to amend the Condominium Declaration with respect to Unsold Units and the Commercial Units. Purchaser's failure to duly complete and sign before a notary public and deliver at closing the power of attorney will constitute an event of default under the Purchase Agreement, in which case Sponsor may, at its option, cancel such Purchase Agreement and retain the Down Payment made by Purchaser, together with any interest earned thereon, as liquidated

damages. Please refer to the form of Power of Attorney set forth in its entirety in Part II of the Plan.

10. Construction is a complicated process requiring the coordination of numerous tasks, contractors, suppliers and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first years of Condominium operations, construction workers and related personnel will be at the Property from time to time completing construction of the Building, making adjustments and corrections and performing various tasks related to the completion of construction. During this period, various building systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may need to be shut down temporarily. Sponsor and its designees will have the right to and may utilize elevators and other building systems and may install and retain scaffolding and other equipment on and in the Building to complete construction of the Building. Sponsor may not fully complete the decoration of portions of the Building, including, without limitation, the lobbies or corridors in the Building, the installation of light fixtures, the hanging of wall coverings or laying carpeting, until a particular section of the Building is complete or a particular floor is fully occupied by Unit Owners. The Condominium Board may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a certificate of occupancy has been obtained therefor. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services will not be the responsibility of the Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels. Portions of the Building, such as the Amenity Facilities, may be completed after some or all of the Units and the fact that such portions of the Building have not been completed or are not available for use by Unit Owners is not a basis for a Unit Owner to refuse to close title to the Unit. In addition, the presence of hoists or construction elevator shafts or similar temporary construction facilities, may delay the closing of title to certain Units or lines of Units until such hoists, elevators or temporary facilities are no longer needed and are removed. During the period when Sponsor is completing construction of the Building, moves into the Building may be restricted to certain periods when the elevators and other access to the Building are not being utilized by the construction trades. The first Temporary Certificate of Occupancy will issue for some but not all of the Units and Sponsor may complete construction of certain Units before others. Accordingly, Purchasers should be aware that they may be required to close title to their Units while construction in other Units is continuing, possibly, for extended periods of time, and that noise, dust and other objectionable conditions inherent in a construction site may inconvenience Unit Owners after they have taken occupancy of their Units. Please refer to the Section of the Plan entitled "Description of Property" in Part I of the Plan for further details.

11. The dimensions shown on the floor plans in Part II of the Plan are subject to construction variances within reasonable tolerances. Plans and dimensions may also contain minor variations from floor to floor. Since the Units are measured from the exterior surface of the exterior walls of the Building to the exterior side of the finished surface of the walls and partitions separating such Unit from stairs, elevators, corridors and other mechanical equipment spaces and the centerline of walls and partitions separating such Units from other Units, the square footages exceed the usable floor area of the Units. Please refer to Schedule A and the "Footnotes to Schedule A" Section of the Plan for further details.

12. No bond or other security has been furnished to secure Sponsor's obligations.

13. Lidia Management Corp., the Managing Agent, is affiliated with the Sponsor. It may be difficult for the Board of Managers to replace the managing agent for as long as the Sponsor effectively controls the Board.

14. The foregoing Special Risks are reasonably believed by Sponsor to involve significant risks to purchasers or be reasonably likely to affect disproportionately or unusually the Common Charges or

Obligations of Residential Unit Owners in future years of Condominium operation. However, the foregoing does not reflect all of the material terms of the offering, which are set forth in detail in the Plan, certain of which may all be deemed by some Purchasers and not others to involve significant risks. Therefore all Purchasers should carefully review the entire Plan for complete disclosure of the terms before deciding whether or not to purchase a Residential Unit.

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NEW YORK 11105

PLAN OF CONDOMINIUM OWNERSHIP

INTRODUCTION

The Plan

The purpose of the offering plan is to set forth all the material terms of the offer. The plan may be amended from time to time when an amendment is filed with the New York State Office of the Attorney General. Amendments will be served on all offerees as defined below. The condominium is subject to and complies with the New York Condominium Act.

The Sponsor of this plan is Tex Development Co., LLC, a New York limited liability company ("Sponsor"). The Sponsor acquired the Property on September 25, 2002.

Sponsor retains the unconditional right to rent rather than sell units as they become available. Sponsor does not represent that it will endeavor in good faith to sell units rather than rent as units become vacant.

The Offer

Sponsor hereby offers two hundred one (201) Residential Units for sale under this Plan. The purchase prices (including each Unit's share of the purchase price for the Superintendent's apartment) and estimated Common Charges for each of these Units are listed below in Schedule A - "Offering Prices and Related Information".

Apartment 1039 will be sold by the Sponsor to the Condominium Board to be used as the superintendent's apartment for a purchase price of \$343,700. The superintendent will occupy his apartment rent free. Each purchaser of a Unit from Sponsor will pay to Sponsor the portion of the purchase price for Unit 1039 attributable to that Unit, as shown in the "Resident Manager's Unit - Portion of Purchase Price Applicable to Each Unit" column on Schedule A, and the Unit Owners will pay, as part of their Common Charges, the Common Charges for Apartment 1039 as well as the expenses of maintaining it.

The Condominium and its Board of Managers shall be obligated to (a) maintain and make available the community room on the basement level (which shall be maintained at a size of at least 750 sq. ft.) for use by Astoria & Ditmars Homeowners & Tenants Civic Association, a local community association, but such use shall be subject to the Condominium Board's reasonable rules and regulations, and (b) to set aside ten (10) Residential Units for sale to senior citizens who are 62 years of age or older at a discounted sales price to be determined between Sponsor and such senior citizens.

There will be three (3) non-residential condominium units, a Retail Unit, an Office Unit and a Garage Unit. The Retail Unit consists of the retail store areas, and the Office Unit consists of the office areas on the ground floor (basement) level of the multiple dwelling building. The Garage Unit consists of three parking levels on the cellar, basement and roof levels of the accessory parking structure. The Retail Unit, the Office

Unit and the Garage Unit, and any Units resulting from the subdivision thereof, are collectively referred to in this Plan as the "Commercial Units." Sponsor and any subsequent owner of the Commercial Units has the right to subdivide and combine portions of the Commercial Units, subject to the provisions of the Declaration and By-Laws. The Units may be used only for the following purposes: (a) the Retail Unit and the Office Unit may be used for retail business, commercial and professional purposes or for any other lawful purpose in the sole discretion of Sponsor or other owner of the Commercial Unit; and (b) the Garage Unit may be used for the parking of vehicles to the extent permitted by law and for any other legal purpose.

The use of the Commercial Units may generate noise, traffic, fumes or other disturbances over which the remaining Unit Owners will have no control.

At this time, the Commercial Units are not being offered for sale and fee title to those Units will be retained by Sponsor, but Sponsor reserves the right to do so pursuant to a future appropriately filed amendment to the Plan.

Basic Aspects of Condominium Ownership

Each Purchaser owns his Unit outright and is entitled to exclusive possession of his Unit together with an undivided percentage interest in and right to use all parts of the Property other than the Units themselves (the "Common Elements,") and exclusive right to use Limited Common Elements, if any. General Common Elements are Common Elements, such as the Building's foundations, for the benefit of all Unit Owners. Residential Common Elements are Common Elements, such as the elevators and residential hallways, for the benefit of the Residential Unit Owners. The Limited Common Elements are Common Elements, such as terraces to certain apartments, that are limited and restricted in use to specific Unit Owners.

Each Unit Owner must pay Common Charges in accordance with the Condominium Act, Sections 339(i) and (m).

Each Unit Owner is obligated to comply with the Declaration, the By-Laws, Rules and Regulations and any other requirements of the Condominium Board.

The Units may be used only for the following purposes: (a) the Retail Unit and the Office Unit may be used for retail business, commercial and professional purposes or for any other lawful purpose in the sole discretion of Sponsor or other owner of the Commercial Unit; (b) the Garage Unit may be used for the parking of vehicles to the extent permitted by law and for any other legal purpose, and (c) the Residential Units shall be used for residential and other lawful purposes as provided and restricted in the By-Laws. Units other than Unsold Units and the Commercial Units are subject to a right of first refusal in favor of the Condominium Board in the event of sale or leasing. Unit Owners may freely mortgage their Units subject only to compliance with certain filing requirements contained in the Condominium's By-Laws (see "Rights and Obligations of the Unit Owners and the Condominium Board").

The authority to manage the affairs of the Condominium is vested in the Condominium Board. Unit Owners may vote for members of the Condominium Board.

Each Unit will be taxed as a separate tax lot for real estate tax and assessment purposes, and each individual Unit Owner will be solely responsible for the payment of all real estate taxes and assessments on his Unit. An estimate of the real estate taxes and assessments that will be payable for each of the Residential Units during the first year of condominium operation of the Property is listed in Schedule A. No Unit Owner will be liable for the payment of, and no Unit will be subject to any lien arising out of the non-payment of,

real estate taxes or assessments levied against any other Unit.

Each Unit Owner may decorate the interior of this Unit in any manner that he desires, subject to compliance with the Condominium's By-Laws and the Rules and Regulations promulgated pursuant thereto, and will be solely responsible for the cost and expense of maintaining, repairing and painting his Unit and for the cost of any insurance he purchases to cover his personal property in the Unit and his liability to others for personal injury or property damage as a result of occurrences in his Unit. (See "Rights and Obligations of the Unit Owners and the Condominium Board" for further discussion.)

THE PRICES ARE NOT SUBJECT TO APPROVAL BY THE OFFICE OF THE ATTORNEY GENERAL OR ANY OTHER GOVERNMENT AGENCY.

The plan delivered to prospective purchasers contains all of the material terms of the transaction. Copies of the plan, all documents referred to in the plan and all Exhibits submitted to the Office of the Attorney General in connection with the filing of the plan will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the site whenever the on site sales office is open and at the office of the selling agent or sponsor.

This offering is made only in the State of New York to individuals over the age of 18 years and to all other legal entities ("Offerees"). There are no limitations on who may purchase Residential Units. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity, which is permitted to take title pursuant to New York Law. Sponsor is not obligated to offer or sell any Residential Units and may, if it chooses, withhold one or more Residential Units for future sale. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Condominium Board, any Residential Unit Owner, or mortgagee, to refuse to approve and execute an Agreement for any Residential Unit; provided, however, that Sponsor shall not discriminate against any person because of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other grounds proscribed by Law. No binding obligation will arise for the sale of a Residential Unit unless and until an Agreement executed by both Purchaser and Sponsor, has been exchanged and Sponsor has collected the funds constituting Purchaser's required Deposit thereunder (see the Section entitled "Procedure to Purchase" for more details).

THE PURCHASE OF A CONDOMINIUM UNIT 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.

Definitions

Certain words used in this Plan have special meanings for Unit Owners. They are used in accordance with their definitions found in Section 339-e of the New York Condominium Act, with occasional modifications necessary to conform to this Plan. They including the following:

"Agreement" refers to the agreement to purchase a Residential Unit pursuant to the Plan, the form of which is set forth in Part II of the Plan.

"Building" refers to the structure and improvements including above and below grade segments, known as 45-02 Ditmars Boulevard, Astoria, NY 11105 in which the Units of the Condominium are located.

“By-Laws” refers to the By-Laws governing the operations of the Condominium, the form of which is set forth in Part II of the Plan.

“Closing” refers to the time, place and procedure by which fee title to a Residential Unit is conveyed to a Purchaser pursuant to a fully executed Agreement.

“Commercial Common Elements” refers to those Common Elements, which serve or benefit exclusively the Commercial Unit and/or the Commercial Unit Owner, as more particularly described in the Declaration and designated on the Floor Plans.

“Commercial Unit” refers to each, any or all of the Retail Unit, the Office Unit and the Garage Unit, and any Units resulting from the subdivision thereof.

“Condominium Act” refers to the New York Condominium Act, as amended from time to time and presently found in Article 9-B of the Real Property Law of the State of New York.

“Condominium Documents” refers to the Declaration, together with the By-Laws and the Floor Plans, each of which will be recorded or filed simultaneously with the recording of the Declaration, and the Rules and Regulations.

“Declaration” refers to the instrument creating the Condominium, as the same may be amended from time to time, the form of which is set forth in Part II of the Plan.

“First Closing” refers to the first date upon which fee title to a Residential Unit is conveyed to a Purchaser under this Plan.

“Garage Unit” refers to the areas in the Building designated as such in the Declaration, together with its appurtenant Common Interest.

“General Common Elements” refers to those portions of the Land and the Building, designated for the common use of all Units, as more particularly defined in the Declaration.

“General Common Expenses” refers to costs and expenses incurred or projected in connection with the Maintenance of the General Common Elements and the provision of services and facilities for all Unit Owners, as more particularly defined in the Declaration.

“Initial Control Period” refers to the period ending on the earlier of: (i) the closing of title with purchasers under the Plan to Residential Units having more than fifty percent of the aggregate Common Interests appertaining to all Residential Units or (ii) two years after the First Closing.

“Land” refers to the parcel of land described in Exhibit A to the Declaration.

“Managing Agent” refers to a Person employed by the Condominium Board pursuant to the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in the By-Laws. As provided in the “Management Agreement, Contracts and Leases” section of the Plan, the initial Managing Agent shall be Lidia Management Corp., c/o Pistilli Realty Group, 37-08 28th Avenue-Suite 300, Astoria, NY 11103.

“Office Unit” refers to the areas in the Building designated as such in the Declaration, together with

its appurtenant Common Interest.

“Permitted Mortgage” refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

“Permitted Mortgagee” refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the construction loan mortgages, if any, given by Sponsor to acquire and construct the Property.

“Plan” refers to this offering plan for the establishment of condominium ownership for the Property, as the same may be amended from time to time.

The terms “Presentation Date”, “presentation”, “presented” and words of similar import refer to the date delivery of a copy of this Plan to all tenants of the Building is completed or five (5) days after it is mailed to those tenants who were not personally served, whichever is later.

“Property” refers to the Land, the Building and the appurtenances thereto.

“Purchaser” refers to person(s) or entity(ies) named as a purchaser of a Residential Unit under a Purchase Agreement, which has been duly executed by such person(s) or entity(ies) and accepted by Sponsor.

“Residential Common Elements” refers to those Common Elements, which serve or benefit exclusively the Residential Units and/or the Residential Unit Owners, as more particularly described in the Declaration and designated on the Floor Plans.

“Residential Unit” means any of the two hundred one (201) residential apartments in the Building being offered for sale under this Plan and designated as such in the Declaration, together with its appurtenant Common Interest.

“Retail Unit” refers to the areas in the Building designated as such in the Declaration, together with its appurtenant Common Interest.

“Selling Agent” refers to Pistilli Realty Company, or any successor selling agent at the time in question.

“Sponsor” means Tex Development Co., LLC, a New York limited liability company, which is making this offering in the Plan.

“Unit” or “Condominium Unit” refers to a Commercial Unit or a Residential Unit. However, where the context so requires, the term “Units” shall be deemed to refer only to the Residential Units.

“Unit Owners” means, collectively, the respective owners of the Commercial Units and the Residential Units. However, where the context so requires, the term “Unit Owners” shall be deemed to refer only to the Residential Unit Owners.

“Unsold Residential Unit” refers to any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee at the time in question.

All other capitalized terms used in Part I of the Plan that are not separately defined in Part I shall

have the meaning ascribed to thereto in the By-Laws or in the Declaration, as the case may be. See Exhibit C to the Declaration of Condominium for a complete list of definitions applicable to the Condominium Documents.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The property is located on the south side of Ditmars Boulevard between 45th Street and 46th Street in Astoria, New York, Borough of Queens. The Land has a frontage of approximately 200 linear feet on Ditmars Boulevard, 525 linear feet of frontage on both the east side of 46th Street and the west side of 45th Street, and consists of Block 769 , Lots 1 and 20 on the Tax Map of the Borough of Queens.

The Buildings

The site contains two buildings: the north portion occupied by a building, formerly a department store warehouse and being converted into a multiple dwelling consisting of a cellar, basement through fifth full floors and a partial sixth floor (penthouse); and the southern portion occupied by a three level (two stories plus roof) accessory parking structure. The multiple dwelling building has retail stores (constituting the one (1) Retail Unit) and offices (constituting the one (1) "Office Unit") on the ground floor (basement) level. The first floor through fifth floor and partial sixth floor contain, in the aggregate two hundred one (201) Residential Units. The accessory parking structure (constituting the one (1) Garage Unit) consists of three parking levels on the cellar, basement and roof levels. The main entrance driveway to the parking structure is off 46th Street.

The Sponsor has engaged Gerald J. Caliendo, R.A., A.I.A., as architect of record to prepare the construction plans, specifications, and floor plans for the condominium. Architect Jeffrey J. Wittenstein, P.C. has examined the physical condition of the premises and has rendered his reports thereof which are set forth in Part II of the Plan and prepared the Condominium floor plans. (See "Identity of Parties.")

Construction of the Building, including the individual Units, will be completed substantially in accordance with the Plans and Specifications, and otherwise in accordance with Zoning Resolution, the Building Code of The City of New York, and all other applicable Legal Requirements.

The location in the Building, and the size, layout and approximate square footages of the Units are shown on the Floor Plans included in Part II of the Plan. Such floor plans are subject to the rights of Sponsor or its designee to combine two or more Unsold Units, to add additional Units by subdividing Unsold Units or to subdivide one or more Commercial Units and redesignate a portion thereof to be Residential Unit space or to change the number of rooms in, as well as the size, layout and square foot area of, any Unsold Units, provided, however, that any material change shall be set forth in an amendment to the Plan, that no material adverse change will be made in the size (i.e., decrease), configuration or layout of a Unit for which an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements conforming with Legal Requirements, unforeseen events, etc. and in all cases, in good faith, reasonably necessary due to factors not within Sponsor's control, and where no practicable alternative (in the exercise of sound construction management practices) exists), and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer any materially adversely affected Purchaser(s) the right, for at least 15 days, to rescind their Agreements and receive a refund of their Deposit, together with all interest earned thereon.

Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset

or reduction in the purchase price for his or her Unit or otherwise be relieved of any obligations under the Agreement, by virtue of a minor inaccuracy or error in the floor plans. With regard to size, such minor error would mean a decrease of 5% or less or any increase in the size of any Unit or room contained in a Unit.

The property will be improved and the units constructed substantially in accordance with the Plans and Specifications, and otherwise in accordance with Zoning Resolution, the Building Code of The City of New York, and all other applicable Legal Requirements. However, Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures, and other construction details) and substitute in place of any materials, appliances, equipment, and fixtures set forth therein or in the Description of Property and Specifications included in Part II of the Plan, items of substantially equal or better quality, provided, however, that any material change shall be set forth in an amendment to the Plan, that any necessary approval of any governmental authority having jurisdiction is first obtained, and that no such amendments, modifications, or substitutions may be made if the same would materially adversely affect any Purchaser under an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements conforming with Legal Requirements, unforeseen events, etc. and in all cases, in good faith, reasonably necessary due to factors not within Sponsor's control, and where no practicable alternative (in the exercise of sound construction management practices) exists), and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer any materially adversely affected Purchaser(s) the right, for at least 15 days, to rescind their Agreements and receive a refund of their Deposit, together with all interest earned thereon. (Any such changes that are not both material and adverse will not give rise to a right of rescission.)

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of God or other events beyond its reasonable control, construction of the Building will be sufficiently completed so that a Certificate of Occupancy covering all the Residential Units will be issued by the New York City Department of Buildings on or before January 31, 2008. Sponsor presently contemplates that the closings of title to Residential Units will begin in or about March 1, 2008. Prospective Purchasers should note, however, that the Residential Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Residential Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Residential Unit is accelerated, delayed or postponed by Sponsor, provided, however, that if the actual or anticipated date of commencement of condominium operation is to be delayed more than six (6) months from the budget year projected in the offering plan, the plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by twenty-five percent (25%) or more, the sponsor must offer all purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right. Sponsor must return any deposit or downpayment to purchasers who rescind within a reasonable period of time. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers.

The Residential Units

The Building when completed will contain two hundred one (201) residential apartments, including a Resident Manager's apartment (1039). The Residential Units vary in size from studio apartments with approximately 576 square feet, one-bedroom apartments from approximately 698 square feet to 1,285 square feet, two-bedroom apartments from approximately 986 square feet to 1,500 square feet plus a 1,496 square foot penthouse apartment. Detailed descriptions of the Residential Units and the fixtures, finishes, appliances, and equipment included in each Residential Unit are set forth in the Declaration and in the Description of Property and Floor Plans included in Part II of the Plan.

There will be no modifications or extras for any Residential Units unless set forth in the Agreement for such Residential Unit. Moreover, Sponsor shall not be obligated to correct and shall have no liability or responsibility to any Purchaser for, and no Purchaser shall be entitled to any reduction in or credit against the purchase price of his or her Residential Unit or be otherwise relieved from performing his or her obligations under the Agreement as a result of minor or insubstantial inaccuracy or error in the floor plans for such Residential Units as set forth in Part II of the Plan.

The Commercial Units

The Building when completed will also contain three (3) non-residential condominium units, a Retail Unit, an Office Unit and a Garage Unit. The Retail Unit, the Office Unit and the Garage Unit, and any Units resulting from the subdivision thereof, are collectively referred to in this Plan as the "Commercial Units." The Retail Unit consists of approximately 9,825 square feet of retail space on the ground floor (basement) level. The Office Unit consists of approximately 29,654 square feet of office space on the ground floor (basement) level. The Garage Unit consists of an accessory garage structure of approximately 81,608 square feet on three levels (29,417 on the cellar level, 29,760 on the basement level and 22,431 on the outdoor roof level). The accessory garage structure will accommodate 261 cars including 10 handicapped accessible spaces. The Sponsor, as owner of the Garage Unit, presently intends to offer the parking spaces for residents for rental to residents pursuant to leases for an annual term with the rent to be negotiated payable monthly. The Garage Unit Owner will give preference to residents as opposed to non-residents when leasing parking spaces that are designated on the Certificate of Occupancy for the building as being for parking use by residents; if all such spaces are not rented to residents, the Garage Unit Owner shall have the right to lease such spaces to non-residents on a transient basis or otherwise as permitted by law.

The Retail and Office Units (not offered hereby) may be used for retail business, commercial and professional purposes or for any other lawful purpose in the sole discretion of Sponsor or other owner of such Unit. The Board will have no right to restrict or limit any of the uses of, or alterations in or to, the Retail or Office Unit (including the storefronts thereof) which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration. It is currently anticipated that the Retail Unit and the Office Unit will initially be used for retail business, commercial and professional purposes or for any other lawful purpose in the sole discretion of Sponsor or other owner of the Retail or Office Unit, and the Garage Unit will initially be used for the parking of vehicles to the extent permitted by law and for any other legal purpose, although no representation or warranty is made with respect to such initial or any subsequent uses of such Retail or Office Unit or with respect to who the owner or tenant(s) of the Retail or Office Unit may be at any time.

The Garage Unit (not offered hereby) will be used for accessory parking and for any other lawful purpose in the sole discretion of Sponsor or other owner of the Garage Unit. At the present time, the lawful use of the Garage Unit is limited by the provisions of the New York City Zoning Resolution. Accordingly, to comply with such provisions, and while and to the extent such provisions apply: The parking spaces shall be operated primarily for the long-term storage of the private passenger motor vehicles used by the occupants of the Residential Units. Such spaces may be rented for periods of not less than one week and not more than

one month to persons who are not occupants of the Residential Units for the accommodation of the private passenger motor vehicles used by such non-residents, provided that such spaces are operated in accordance with the regulations promulgated by the Commissioner of Buildings, in a manner which will not adversely affect the residential character of the neighborhood. Such spaces shall be made available to the occupants of the Residential Units within 30 days after written request therefore is made to the Garage Unit Owner. The Board will have no right to restrict or limit any of the uses of, or alterations in or to, the Garage Unit (including the front and driveway thereof) which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration. It is currently anticipated that the Garage Unit will initially be used as a parking garage (and ancillary uses), although no representation or warranty is made with respect to such initial or any subsequent uses of such Garage Unit or with respect to who the owner or tenant(s) of the Garage Unit may be at any time.

Sponsor and any subsequent owner of the Commercial Units has the right to subdivide and combine portions of the Commercial Units, subject to the provisions of the Declaration and By-Laws. Subject to the foregoing and all applicable zoning regulations and the Declaration and By-Laws, the Commercial Units may be sold, leased or subleased by the Commercial Unit Owner thereof, or subdivided by the Commercial Unit Owner into two more separate commercial condominium units and such subdivided units sold or leased. (See "Commercial Units".) None of the Residential Unit Owners or the Board will have any interest in the rents, profits or revenues from the rental or use of any space in the Commercial Units.

Although it is currently anticipated that Sponsor will retain ownership of the Commercial Units, no representation is made with respect to the type or identity of the owners, tenants or occupants of any portion of the Commercial Units at any time, or the purposes for which any portion of any Commercial Units may be used at any time.

The Common Elements

The Common Elements of the Condominium will consist of the entire Property, including the Land and all parts of the Building, other than the Units. The Common Elements include General Common Elements, which are designated for the common use of all Units (like the foundations and utilities installations for services such as power, light, gas, hot and cold water, and heat that serve all Units), and Residential Common Elements, which are to be used by the Residential Unit Owners and not the Commercial Unit Owners (like the elevators, the community rooms and gymnasium and utilities installations which exclusively service the Residential Units.)

Amenity Facilities

Certain areas of the building, such as the community room, gymnasium and owner's meeting room on the basement level, have been designated to provide services or benefits to unit owners and residents ("Amenity Facilities"). Certain services to residents are provided, subject to change from time to time, with the cost to unit owners included in the Schedule B Budget for the First Year of Operation. Other services will be available at additional charge to unit owners. The Board has complete discretion in determining how these facilities will be operated, maintained, or modified, whether facilities should be added or discontinued, and the rates to be charged for their use. The community room, however, is subject to an easement in favor of Sponsor to compel the Condominium and its Board of Managers to maintain and make available the community room on the basement level (which shall be maintained at a size of at least 750 sq. ft.) for use by the local community association, but such use shall be subject to the Condominium Board's reasonable rules and regulations. No representation or warranty is made as to the continued operation or existence of any of the foregoing services or facilities or the amount of the fees charged therefor, and neither Sponsor nor the Board shall have any liability with respect to or arising from any Unit Owner's, tenant's or occupant's use

of any of the foregoing or the amount of the fees charged therefor.

Although Sponsor anticipates that many of the services described above will be available at the time of the First Closing, prospective Purchasers should note that some of these services (such as full staff or personnel) may not be available until the later of: (i) twelve months after the First Closing; or (ii) the closing of title to and occupancy of at least 50% in number and Common Interest of the Units. In addition, certain of the amenities described in the Plan may not be arranged or available until after such interim period. However, it is anticipated that at all times after the First Closing, the lobby will be attended 24 hours per day, seven days per week, and there will be at least one elevator servicing every floor on which there are occupied Units. The interim level of staffing will at all times during this period be commensurate with the levels of occupancy from time to time and adequate to properly maintain the Building. Purchasers are also advised that during such period and beyond, various systems, including, but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may be incomplete and may be disrupted temporarily and from time to time.

Purchasers are further advised to note that construction in general is a complicated process which requires the coordination of numerous concurrent tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems, all of which is subject to unanticipated delays and difficulties and necessarily involves noise, disruption and inconvenience. Thus, for a period of time following the First Closing (through, including and beyond the closing of title to any particular purchaser's Unit), work should be expected to be undertaken and continue by or on behalf of: (i) Sponsor to complete the balance of the Building; (ii) individual Unit Owners within their Units (to perform custom renovations, etc.) During at least the First Year of Operation, construction workers and related personnel of Sponsor and others will be at the Property from time to time performing construction work, making adjustments and performing various other tasks related to the completion of construction, fitting-out of, and moving into, the Units and other portions of the Building. Residential elevators and personnel may be taken out of service and diverted to facilitate construction and exterior hoists may be in place during at least the year following the First Closing, and from time to time thereafter, as needed, in connection with construction being performed in Units by the Unit Owners thereof. Sponsor may not fully complete the decoration or finishing of the lobby, corridors, elevator finishes and other portions of the Building, including, but not limited to, installing light fixtures, painting, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Unit Owners or, if additional construction within a Unit is anticipated, for some period thereafter. All of the foregoing work and conditions will create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Certain portions of the Common Elements may be completed before or after completion of any particular Purchaser's Unit. As a result, certain amenities and benefits anticipated to be available to Unit Owners may not be available until such other portions of the Building are completed and fully operational. Sponsor shall have no liability whatsoever in the event these services are delayed, not made available, or discontinued or disrupted. Further, the Condominium Board and/or Sponsor may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and permanent certificate(s) of occupancy have been obtained therefor. Even where such alterations are permitted, the Condominium Board and/or Sponsor may impose conditions and deadlines upon the planning, performing and completion of such work. No assurance can be given with regard to the accuracy of any projected schedules or completion dates set forth herein or with respect to the duration of any interim service period or periods of potential disruption to the Unit Owners and their tenants or occupants, all such dates and timetables, to the extent provided, being only good faith estimates.

Sponsor and its designee(s) shall have the right, until all Unsold Units are sold to use, without charge, portions of the Building, including the Common Elements and any Amenity Facilities, for exhibitions, events, promotional functions in connection with its sales programs for Unsold Units.

No roads are to be constructed by Sponsor that will be dedicated to the local government.

For a more detailed physical description of the Property, see “Description of Property and Specifications” in Part II of the Plan.

LOCATION AND AREA INFORMATION

The property is located at 45-02 Ditmars Boulevard, Astoria, New York, Borough of Queens, New York. The Property conforms to the greater Steinway/Astoria/Long Island City industrial market in terms of size and shape.

The surrounding area is primarily comprised of apartment houses and a large variety of retail establishments, including major department stores, food markets, pharmacies and restaurants within a few blocks of the Property. There are numerous houses of worship and medical facilities within walking distance. Excellent educational facilities are within close proximity of the Property. Private and public schools in Queens are available for grade and high school levels.

Public transportation, taxi and limousine service is readily available. Railroad service is provided by the Long Island Railroad and Metro North. Subway service is available at 31st Street and Ditmars Boulevard which is few blocks from the Property. There is a public bus which runs along Ditmars Boulevard on a regular service. La Guardia Airport is only couple miles from the Property, providing air service to nearly all major destinations in the United States and the world.

The site is serviced by all necessary utilities at street front including gas, electricity, telephone, and cable television. Utilities to the Property are provided by the City of New York, Con Edison, and Verizon. The Property is serviced by the New York City Police and Fire Departments. Other municipal services such as sanitation, water and sewage, snow removal, and road maintenance are provided by New York City departments and agencies.

The property is located in an R4 Zoning district as shown in zoning map 9c. The residential building occupancy classification is J2 & C, use groups 2 and 6, construction class II-A. The accessory garage is use group 2B, occupancy classification B-2, construction class I-B. Permissible use includes residential, stores and restaurants, and accessory garage.

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Pistilli Grand Manor Condominium

45-02 Ditmars Boulevard, Astoria, New York 11105

SCHEDULE A

Projected First Year of Operation: March 1, 2008 - February 28, 2009

	(1)		(1)	(2)	(3)	(4)	(5)	(6)			
						Total Estimated Common Charges		Total Estimated Real Estate Taxes			
Units	Bed-rooms	Baths	Total Approx. Square Foot Area	Purchase Price	Percentage of Interest in the Common Elements	Annual	Monthly	Annual	Monthly	Total Estimated Monthly Carrying Charges	Allocable Portion of Purchase Price of Resident Manager's Unit
1001	2.0	2.0	1,136.0	\$499,900	0.4686%	\$6,859.98	\$571.67	\$6,234	\$519.50	\$1,091.17	\$1,650.83
2001	2.0	2.0	1,136.0	\$509,900	0.4686%	\$6,859.98	\$571.67	\$6,359	\$529.92	\$1,101.59	\$1,650.83
3001	2.0	2.0	1,136.0	\$519,900	0.4686%	\$6,859.98	\$571.67	\$6,484	\$540.33	\$1,112.00	\$1,650.83
4001	2.0	2.0	1,136.0	\$529,900	0.4686%	\$6,859.98	\$571.67	\$6,608	\$550.67	\$1,122.34	\$1,650.83
5001	2.0	2.0	1,136.0	\$539,900	0.4686%	\$6,859.98	\$571.67	\$6,733	\$561.08	\$1,132.75	\$1,650.83
1002	1.0	1.0	882.0	\$388,100	0.3638%	\$5,326.13	\$443.84	\$4,840	\$403.33	\$847.17	\$1,281.53
2002	1.0	1.0	882.0	\$398,100	0.3638%	\$5,326.13	\$443.84	\$4,965	\$413.75	\$857.59	\$1,281.53
3002	1.0	1.0	882.0	\$408,100	0.3638%	\$5,326.13	\$443.84	\$5,089	\$424.08	\$867.92	\$1,281.53
4002	1.0	1.0	882.0	\$418,100	0.3638%	\$5,326.13	\$443.84	\$5,214	\$434.50	\$878.34	\$1,281.53
5002	1.0	1.0	882.0	\$428,100	0.3638%	\$5,326.13	\$443.84	\$5,339	\$444.92	\$888.76	\$1,281.53
1003	1.0	1.0	913.0	\$401,800	0.3766%	\$5,513.16	\$459.43	\$5,011	\$417.58	\$877.01	\$1,326.64
2003	1.0	1.0	913.0	\$411,800	0.3766%	\$5,513.16	\$459.43	\$5,135	\$427.92	\$887.35	\$1,326.64
3003	1.0	1.0	913.0	\$421,800	0.3766%	\$5,513.16	\$459.43	\$5,261	\$438.42	\$897.85	\$1,326.64
4003	1.0	1.0	913.0	\$431,800	0.3766%	\$5,513.16	\$459.43	\$5,385	\$448.75	\$908.18	\$1,326.64
5003	1.0	1.0	913.0	\$441,800	0.3766%	\$5,513.16	\$459.43	\$5,510	\$459.17	\$918.60	\$1,326.64
1004	1.0	1.0	981.0	\$431,700	0.4047%	\$5,923.68	\$493.64	\$5,384	\$448.67	\$942.31	\$1,425.59
2004	1.0	1.0	981.0	\$441,700	0.4047%	\$5,923.68	\$493.64	\$5,509	\$459.08	\$952.72	\$1,425.59
3004	1.0	1.0	981.0	\$451,700	0.4047%	\$5,923.68	\$493.64	\$5,633	\$469.42	\$963.06	\$1,425.59
4004	1.0	1.0	981.0	\$461,700	0.4047%	\$5,923.68	\$493.64	\$5,757	\$479.75	\$973.39	\$1,425.59
5004	1.0	1.0	981.0	\$471,700	0.4047%	\$5,923.68	\$493.64	\$5,883	\$490.25	\$983.89	\$1,425.59
1005	2.0	2.0	1,104.0	\$485,800	0.4554%	\$6,667.08	\$555.59	\$6,059	\$504.92	\$1,060.51	\$1,604.31
2005	2.0	2.0	1,104.0	\$495,800	0.4554%	\$6,667.08	\$555.59	\$6,183	\$515.25	\$1,070.84	\$1,604.31
3005	2.0	2.0	1,104.0	\$505,800	0.4554%	\$6,667.08	\$555.59	\$6,308	\$525.67	\$1,081.26	\$1,604.31
4005	2.0	2.0	1,104.0	\$515,800	0.4554%	\$6,667.08	\$555.59	\$6,432	\$536.00	\$1,091.59	\$1,604.31
5005	2.0	2.0	1,104.0	\$525,800	0.4554%	\$6,667.08	\$555.59	\$6,558	\$546.50	\$1,102.09	\$1,604.31
1006	1.0	1.0	987.0	\$434,300	0.4071%	\$5,960.14	\$496.68	\$5,417	\$451.42	\$948.10	\$1,434.33
2006	1.0	1.0	987.0	\$444,300	0.4071%	\$5,960.14	\$496.68	\$5,541	\$461.75	\$958.43	\$1,434.33
3006	1.0	1.0	987.0	\$454,300	0.4071%	\$5,960.14	\$496.68	\$5,666	\$472.17	\$968.85	\$1,434.33
4006	1.0	1.0	987.0	\$464,300	0.4071%	\$5,960.14	\$496.68	\$5,790	\$482.50	\$979.18	\$1,434.33
5006	1.0	1.0	987.0	\$474,300	0.4071%	\$5,960.14	\$496.68	\$5,916	\$493.00	\$989.68	\$1,434.33
1007	2.0	1.0	1,153.0	\$507,400	0.4756%	\$6,962.32	\$580.19	\$6,328	\$527.33	\$1,107.52	\$1,675.36

Pistilli Grand Manor Condominium

45-02 Ditmars Boulevard, Astoria, New York 11105

SCHEDULE A

Projected First Year of Operation: March 1, 2008 - February 28, 2009

(1)		(1)		(2)		(3)		(4)		(5)		(6)	
Units	Bed-rooms	Baths	Total Approx. Square Foot Area	Purchase Price	Percentage of Interest in the Common Elements	Total Estimated Common Charges		Total Estimated Real Estate Taxes		Total Estimated Monthly Carrying Charges	Allocable Portion of Purchase Price of Resident Manager's Unit		
						Annual	Monthly	Annual	Monthly				
2007	2.0	1.0	1,153.0	\$517,400	0.4756%	\$6,962.32	\$580.19	\$6,452	\$537.67	\$1,117.86	\$1,675.36		
3007	2.0	1.0	1,153.0	\$527,400	0.4756%	\$6,962.32	\$580.19	\$6,577	\$548.08	\$1,128.27	\$1,675.36		
4007	2.0	1.0	1,153.0	\$537,400	0.4756%	\$6,962.32	\$580.19	\$6,702	\$558.50	\$1,138.69	\$1,675.36		
5007	2.0	1.0	1,153.0	\$547,400	0.4756%	\$6,962.32	\$580.19	\$6,827	\$568.92	\$1,149.11	\$1,675.36		
1008	1.0	1.0	994.0	\$437,400	0.4100%	\$6,002.49	\$500.21	\$5,455	\$454.58	\$954.79	\$1,444.47		
2008	1.0	1.0	994.0	\$447,400	0.4100%	\$6,002.49	\$500.21	\$5,579	\$464.92	\$965.13	\$1,444.47		
3008	1.0	1.0	994.0	\$457,400	0.4100%	\$6,002.49	\$500.21	\$5,705	\$475.42	\$975.63	\$1,444.47		
4008	1.0	1.0	994.0	\$467,400	0.4100%	\$6,002.49	\$500.21	\$5,829	\$485.75	\$985.96	\$1,444.47		
5008	1.0	1.0	994.0	\$477,400	0.4100%	\$6,002.49	\$500.21	\$5,954	\$496.17	\$996.38	\$1,444.47		
1009	2.0	2.0	1,169.0	\$514,400	0.4822%	\$7,059.95	\$588.33	\$6,415	\$534.58	\$1,122.91	\$1,698.75		
2009	2.0	2.0	1,169.0	\$524,400	0.4822%	\$7,059.95	\$588.33	\$6,540	\$545.00	\$1,133.33	\$1,698.75		
3009	2.0	2.0	1,169.0	\$534,400	0.4822%	\$7,059.95	\$588.33	\$6,664	\$555.33	\$1,143.66	\$1,698.75		
4009	2.0	2.0	1,169.0	\$544,400	0.4822%	\$7,059.95	\$588.33	\$6,789	\$565.75	\$1,154.08	\$1,698.75		
5009	2.0	2.0	1,169.0	\$554,400	0.4822%	\$7,059.95	\$588.33	\$6,914	\$576.17	\$1,164.50	\$1,698.75		
1010	1.0	2.0	1,285.0	\$565,400	0.5301%	\$7,759.83	\$646.65	\$7,051	\$587.58	\$1,234.23	\$1,867.33		
2010	1.0	2.0	1,285.0	\$575,400	0.5301%	\$7,759.83	\$646.65	\$7,176	\$598.00	\$1,244.65	\$1,867.33		
3010	1.0	2.0	1,285.0	\$585,400	0.5301%	\$7,759.83	\$646.65	\$7,301	\$608.42	\$1,255.07	\$1,867.33		
4010	1.0	2.0	1,285.0	\$595,400	0.5301%	\$7,759.83	\$646.65	\$7,426	\$618.83	\$1,265.48	\$1,867.33		
5010	1.0	2.0	1,285.0	\$605,400	0.5301%	\$7,759.83	\$646.65	\$7,550	\$629.17	\$1,275.82	\$1,867.33		
1011	2.0	1.0	1,053.0	\$463,400	0.4344%	\$6,358.89	\$529.91	\$5,779	\$481.58	\$1,011.49	\$1,530.17		
2011	2.0	1.0	1,053.0	\$473,400	0.4344%	\$6,358.89	\$529.91	\$5,904	\$492.00	\$1,021.91	\$1,530.17		
3011	2.0	1.0	1,053.0	\$483,400	0.4344%	\$6,358.89	\$529.91	\$6,029	\$502.42	\$1,032.33	\$1,530.17		
4011	2.0	1.0	1,053.0	\$493,400	0.4344%	\$6,358.89	\$529.91	\$6,153	\$512.75	\$1,042.66	\$1,530.17		
5011	2.0	1.0	1,053.0	\$503,400	0.4344%	\$6,358.89	\$529.91	\$6,278	\$523.17	\$1,053.08	\$1,530.17		
1012	1.0	1.0	1,000.0	\$440,000	0.4125%	\$6,038.95	\$503.25	\$5,487	\$457.25	\$960.50	\$1,453.21		
2012	1.0	1.0	1,000.0	\$450,000	0.4125%	\$6,038.95	\$503.25	\$5,612	\$467.67	\$970.92	\$1,453.21		
3012	1.0	1.0	1,000.0	\$460,000	0.4125%	\$6,038.95	\$503.25	\$5,736	\$478.00	\$981.25	\$1,453.21		
4012	1.0	1.0	1,000.0	\$470,000	0.4125%	\$6,038.95	\$503.25	\$5,862	\$488.50	\$991.75	\$1,453.21		
5012	1.0	1.0	1,000.0	\$480,000	0.4125%	\$6,038.95	\$503.25	\$5,986	\$498.83	\$1,002.08	\$1,453.21		
1013	1.0	1.0	863.0	\$379,800	0.3560%	\$5,212.03	\$434.34	\$4,736	\$394.67	\$829.01	\$1,253.91		
2013	1.0	1.0	863.0	\$389,800	0.3560%	\$5,212.03	\$434.34	\$4,862	\$405.17	\$839.51	\$1,253.91		

Pistilli Grand Manor Condominium

45-02 Ditmars Boulevard, Astoria, New York 11105

SCHEDULE A

Projected First Year of Operation: March 1, 2008 - February 28, 2009

(1)		(1)		(2)		(3)		(4)		(5)		(6)	
Units	Bed-rooms	Baths	Total Approx. Square Foot Area	Purchase Price	Percentage of Interest in the Common Elements	Total Estimated Common Charges		Total Estimated Real Estate Taxes		Total Estimated Monthly Carrying Charges	Allocable Portion of Purchase Price of Resident Manager's Unit		
						Annual	Monthly	Annual	Monthly				
3013	1.0	1.0	863.0	\$399,800	0.3560%	\$5,212.03	\$434.34	\$4,986	\$415.50	\$849.84	\$1,253.91		
4013	1.0	1.0	863.0	\$409,800	0.3560%	\$5,212.03	\$434.34	\$5,111	\$425.92	\$860.26	\$1,253.91		
5013	1.0	1.0	863.0	\$419,800	0.3560%	\$5,212.03	\$434.34	\$5,235	\$436.25	\$870.59	\$1,253.91		
1014	1.0	1.0	907.0	\$399,100	0.3741%	\$5,477.87	\$456.49	\$4,977	\$414.75	\$871.24	\$1,317.90		
2014	1.0	1.0	907.0	\$409,100	0.3741%	\$5,477.87	\$456.49	\$5,102	\$425.17	\$881.66	\$1,317.90		
3014	1.0	1.0	907.0	\$419,100	0.3741%	\$5,477.87	\$456.49	\$5,226	\$435.50	\$891.99	\$1,317.90		
4014	1.0	1.0	907.0	\$429,100	0.3741%	\$5,477.87	\$456.49	\$5,352	\$446.00	\$902.49	\$1,317.90		
5014	1.0	1.0	907.0	\$439,100	0.3741%	\$5,477.87	\$456.49	\$5,476	\$456.33	\$912.82	\$1,317.90		
1015	1.0	1.0	1,094.0	\$481,400	0.4513%	\$6,607.09	\$550.59	\$6,004	\$500.33	\$1,050.92	\$1,589.66		
2015	1.0	1.0	1,094.0	\$491,400	0.4513%	\$6,607.09	\$550.59	\$6,129	\$510.75	\$1,061.34	\$1,589.66		
3015	1.0	1.0	1,094.0	\$501,400	0.4513%	\$6,607.09	\$550.59	\$6,253	\$521.08	\$1,071.67	\$1,589.66		
4015	1.0	1.0	1,094.0	\$511,400	0.4513%	\$6,607.09	\$550.59	\$6,377	\$531.42	\$1,082.01	\$1,589.66		
5015	1.0	1.0	1,094.0	\$521,400	0.4513%	\$6,607.09	\$550.59	\$6,503	\$541.92	\$1,092.51	\$1,589.66		
1016	1.0	1.0	847.0	\$372,700	0.3494%	\$5,114.40	\$426.20	\$4,648	\$387.33	\$813.53	\$1,230.79		
2016	1.0	1.0	847.0	\$382,700	0.3494%	\$5,114.40	\$426.20	\$4,773	\$397.75	\$823.95	\$1,230.79		
3016	1.0	1.0	847.0	\$392,700	0.3494%	\$5,114.40	\$426.20	\$4,898	\$408.17	\$834.37	\$1,230.79		
4016	1.0	1.0	847.0	\$402,700	0.3494%	\$5,114.40	\$426.20	\$5,022	\$418.50	\$844.70	\$1,230.79		
5016	1.0	1.0	847.0	\$412,700	0.3494%	\$5,114.40	\$426.20	\$5,147	\$428.92	\$855.12	\$1,230.79		
1017	2.0	2.0	1,500.0	\$660,000	0.6187%	\$9,058.42	\$754.87	\$8,230	\$685.83	\$1,440.70	\$2,179.69		
2017	2.0	2.0	1,500.0	\$670,000	0.6187%	\$9,058.42	\$754.87	\$8,356	\$696.33	\$1,451.20	\$2,179.69		
3017	2.0	2.0	1,500.0	\$680,000	0.6187%	\$9,058.42	\$754.87	\$8,480	\$706.67	\$1,461.54	\$2,179.69		
4017	2.0	2.0	1,500.0	\$690,000	0.6187%	\$9,058.42	\$754.87	\$8,605	\$717.08	\$1,471.95	\$2,179.69		
5017	2.0	2.0	1,500.0	\$700,000	0.6187%	\$9,058.42	\$754.87	\$8,729	\$727.42	\$1,482.29	\$2,179.69		
1018	1.0	1.0	698.0	\$307,200	0.2879%	\$4,215.74	\$351.31	\$3,832	\$319.33	\$670.64	\$1,014.28		
2018	1.0	1.0	698.0	\$317,200	0.2879%	\$4,215.74	\$351.31	\$3,956	\$329.67	\$680.98	\$1,014.28		
3018	1.0	1.0	698.0	\$327,200	0.2879%	\$4,215.74	\$351.31	\$4,080	\$340.00	\$691.31	\$1,014.28		
4018	1.0	1.0	698.0	\$337,200	0.2879%	\$4,215.74	\$351.31	\$4,205	\$350.42	\$701.73	\$1,014.28		
5018	1.0	1.0	698.0	\$347,200	0.2879%	\$4,215.74	\$351.31	\$4,330	\$360.83	\$712.14	\$1,014.28		
1019	1.0	1.0	743.0	\$327,000	0.3065%	\$4,487.45	\$373.95	\$4,078	\$339.83	\$713.78	\$1,079.69		
2019	1.0	1.0	743.0	\$337,000	0.3065%	\$4,487.45	\$373.95	\$4,203	\$350.25	\$724.20	\$1,079.69		
3019	1.0	1.0	743.0	\$347,000	0.3065%	\$4,487.45	\$373.95	\$4,327	\$360.58	\$734.53	\$1,079.69		

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Pistilli Grand Manor Condominium

45-02 Ditmars Boulevard, Astoria, New York 11105

SCHEDULE A

Projected First Year of Operation: March 1, 2008 - February 28, 2009

	(1)		(1)	(2)	(3)	(4)		(5)		(6)	
							<u>Total Estimated Common Charges</u>	<u>Total Estimated Real Estate Taxes</u>			
			Total Approx. Square Foot Area	Purchase Price	Percentage of Interest in the Common Elements	Annual	Monthly	Annual	Monthly	Total Estimated Monthly Carrying Charges	Allocable Portion of Purchase Price of Resident Manager's Unit
Units	Bed-rooms	Baths									
5025	1.0	1.0	954.0	\$459,800	0.3935%	\$5,761.35	\$480.11	\$5,734	\$477.83	\$957.94	\$1,386.40
1026	1.0	1.0	859.0	\$378,000	0.3543%	\$5,187.33	\$432.28	\$4,714	\$392.83	\$825.11	\$1,248.27
2026	1.0	1.0	859.0	\$388,000	0.3543%	\$5,187.33	\$432.28	\$4,838	\$403.17	\$835.45	\$1,248.27
3026	1.0	1.0	859.0	\$398,000	0.3543%	\$5,187.33	\$432.28	\$4,964	\$413.67	\$845.95	\$1,248.27
4026	1.0	1.0	859.0	\$408,000	0.3543%	\$5,187.33	\$432.28	\$5,088	\$424.00	\$856.28	\$1,248.27
5026	1.0	1.0	859.0	\$418,000	0.3543%	\$5,187.33	\$432.28	\$5,213	\$434.42	\$866.70	\$1,248.27
1027	1.0	1.0	936.0	\$411,900	0.3861%	\$5,651.96	\$471.00	\$5,136	\$428.00	\$899.00	\$1,360.18
2027	1.0	1.0	936.0	\$421,900	0.3861%	\$5,651.96	\$471.00	\$5,262	\$438.50	\$909.50	\$1,360.18
3027	1.0	1.0	936.0	\$431,900	0.3861%	\$5,651.96	\$471.00	\$5,386	\$448.83	\$919.83	\$1,360.18
4027	1.0	1.0	936.0	\$441,900	0.3861%	\$5,651.96	\$471.00	\$5,511	\$459.25	\$930.25	\$1,360.18
5027	1.0	1.0	936.0	\$451,900	0.3861%	\$5,651.96	\$471.00	\$5,635	\$469.58	\$940.58	\$1,360.18
1028	1.0	1.0	948.0	\$417,200	0.3911%	\$5,724.89	\$477.07	\$5,203	\$433.58	\$910.65	\$1,377.66
2028	1.0	1.0	948.0	\$427,200	0.3911%	\$5,724.89	\$477.07	\$5,328	\$444.00	\$921.07	\$1,377.66
3028	1.0	1.0	948.0	\$437,200	0.3911%	\$5,724.89	\$477.07	\$5,453	\$454.42	\$931.49	\$1,377.66
4028	1.0	1.0	948.0	\$447,200	0.3911%	\$5,724.89	\$477.07	\$5,577	\$464.75	\$941.82	\$1,377.66
5028	1.0	1.0	948.0	\$457,200	0.3911%	\$5,724.89	\$477.07	\$5,701	\$475.08	\$952.15	\$1,377.66
1029	1.0	1.0	943.0	\$415,000	0.3890%	\$5,694.30	\$474.53	\$5,176	\$431.33	\$905.86	\$1,370.33
2029	1.0	1.0	943.0	\$425,000	0.3890%	\$5,694.30	\$474.53	\$5,300	\$441.67	\$916.20	\$1,370.33
3029	1.0	1.0	943.0	\$435,000	0.3890%	\$5,694.30	\$474.53	\$5,425	\$452.08	\$926.61	\$1,370.33
4029	1.0	1.0	943.0	\$445,000	0.3890%	\$5,694.30	\$474.53	\$5,550	\$462.50	\$937.03	\$1,370.33
5029	1.0	1.0	943.0	\$455,000	0.3890%	\$5,694.30	\$474.53	\$5,675	\$472.92	\$947.45	\$1,370.33
1030	1.0	1.0	796.0	\$350,300	0.3284%	\$4,807.40	\$400.62	\$4,369	\$364.08	\$764.70	\$1,156.65
2030	1.0	1.0	796.0	\$360,300	0.3284%	\$4,807.40	\$400.62	\$4,493	\$374.42	\$775.04	\$1,156.65
3030	1.0	1.0	796.0	\$370,300	0.3284%	\$4,807.40	\$400.62	\$4,619	\$384.92	\$785.54	\$1,156.65
4030	1.0	1.0	796.0	\$380,300	0.3284%	\$4,807.40	\$400.62	\$4,743	\$395.25	\$795.87	\$1,156.65
5030	1.0	1.0	796.0	\$390,300	0.3284%	\$4,807.40	\$400.62	\$4,867	\$405.58	\$806.20	\$1,156.65
1031	Studio	1.0	576.0	\$253,500	0.2376%	\$3,478.22	\$289.85	\$3,161	\$263.42	\$553.27	\$836.97
2031	Studio	1.0	576.0	\$263,500	0.2376%	\$3,478.22	\$289.85	\$3,286	\$273.83	\$563.68	\$836.97
3031	Studio	1.0	576.0	\$273,500	0.2376%	\$3,478.22	\$289.85	\$3,411	\$284.25	\$574.10	\$836.97
4031	Studio	1.0	576.0	\$283,500	0.2376%	\$3,478.22	\$289.85	\$3,536	\$294.67	\$584.52	\$836.97
5031	Studio	1.0	576.0	\$293,500	0.2376%	\$3,478.22	\$289.85	\$3,660	\$305.00	\$594.85	\$836.97

Pistilli Grand Manor Condominium

45-02 Ditmars Boulevard, Astoria, New York 11105

SCHEDULE A

Projected First Year of Operation: March 1, 2008 - February 28, 2009

(1)	(1)	(2)	(3)	(4)	(5)	(6)					
Units	Bed-rooms	Baths	Total Approx. Square Foot Area	Purchase Price	Percentage of Interest in the Common Elements	Total Estimated Common Charges		Total Estimated Real Estate Taxes		Total Estimated Monthly Carrying Charges	Allocable Portion of Purchase Price of Resident Manager's Unit
						Annual	Monthly	Annual	Monthly		
1032	1.0	1.0	790.0	\$347,600	0.3259%	\$4,770.93	\$397.58	\$4,335	\$361.25	\$758.83	\$1,147.91
2032	1.0	1.0	790.0	\$357,600	0.3259%	\$4,770.93	\$397.58	\$4,459	\$371.58	\$769.16	\$1,147.91
3032	1.0	1.0	790.0	\$367,600	0.3259%	\$4,770.93	\$397.58	\$4,585	\$382.08	\$779.66	\$1,147.91
4032	1.0	1.0	790.0	\$377,600	0.3259%	\$4,770.93	\$397.58	\$4,709	\$392.42	\$790.00	\$1,147.91
5032	1.0	1.0	790.0	\$387,600	0.3259%	\$4,770.93	\$397.58	\$4,834	\$402.83	\$800.41	\$1,147.91
1033	1.0	1.0	935.0	\$411,400	0.3857%	\$5,646.08	\$470.51	\$5,131	\$427.58	\$898.09	\$1,358.77
2033	1.0	1.0	935.0	\$421,400	0.3857%	\$5,646.08	\$470.51	\$5,255	\$437.92	\$908.43	\$1,358.77
3033	1.0	1.0	935.0	\$431,400	0.3857%	\$5,646.08	\$470.51	\$5,380	\$448.33	\$918.84	\$1,358.77
4033	1.0	1.0	935.0	\$441,400	0.3857%	\$5,646.08	\$470.51	\$5,505	\$458.75	\$929.26	\$1,358.77
5033	1.0	1.0	935.0	\$451,400	0.3857%	\$5,646.08	\$470.51	\$5,630	\$469.17	\$939.68	\$1,358.77
1034	1.0	1.0	860.0	\$378,400	0.3548%	\$5,193.21	\$432.77	\$4,719	\$393.25	\$826.02	\$1,249.68
2034	1.0	1.0	860.0	\$388,400	0.3548%	\$5,193.21	\$432.77	\$4,844	\$403.67	\$836.44	\$1,249.68
3034	1.0	1.0	860.0	\$398,400	0.3548%	\$5,193.21	\$432.77	\$4,968	\$414.00	\$846.77	\$1,249.68
4034	1.0	1.0	860.0	\$408,400	0.3548%	\$5,193.21	\$432.77	\$5,093	\$424.42	\$857.19	\$1,249.68
5034	1.0	1.0	860.0	\$418,400	0.3548%	\$5,193.21	\$432.77	\$5,218	\$434.83	\$867.60	\$1,249.68
1035	1.0	1.0	956.0	\$420,700	0.3944%	\$5,773.11	\$481.09	\$5,246	\$437.17	\$918.26	\$1,389.22
2035	1.0	1.0	956.0	\$430,700	0.3944%	\$5,773.11	\$481.09	\$5,372	\$447.67	\$928.76	\$1,389.22
3035	1.0	1.0	956.0	\$440,700	0.3944%	\$5,773.11	\$481.09	\$5,496	\$458.00	\$939.09	\$1,389.22
4035	1.0	1.0	956.0	\$450,700	0.3944%	\$5,773.11	\$481.09	\$5,621	\$468.42	\$949.51	\$1,389.22
5035	1.0	1.0	956.0	\$460,700	0.3944%	\$5,773.11	\$481.09	\$5,745	\$478.75	\$959.84	\$1,389.22
1036	1.0	1.0	937.0	\$412,300	0.3865%	\$5,659.02	\$471.59	\$5,142	\$428.50	\$900.09	\$1,361.59
2036	1.0	1.0	937.0	\$422,300	0.3865%	\$5,659.02	\$471.59	\$5,266	\$438.83	\$910.42	\$1,361.59
3036	1.0	1.0	937.0	\$432,300	0.3865%	\$5,659.02	\$471.59	\$5,391	\$449.25	\$920.84	\$1,361.59
4036	1.0	1.0	937.0	\$442,300	0.3865%	\$5,659.02	\$471.59	\$5,516	\$459.67	\$931.26	\$1,361.59
5036	1.0	1.0	937.0	\$452,300	0.3865%	\$5,659.02	\$471.59	\$5,641	\$470.08	\$941.67	\$1,361.59
1037	1.0	1.0	791.0	\$348,100	0.3263%	\$4,776.82	\$398.07	\$4,342	\$361.83	\$759.90	\$1,149.32
2037	1.0	1.0	791.0	\$358,100	0.3263%	\$4,776.82	\$398.07	\$4,466	\$372.17	\$770.24	\$1,149.32
3037	1.0	1.0	791.0	\$368,100	0.3263%	\$4,776.82	\$398.07	\$4,590	\$382.50	\$780.57	\$1,149.32
4037	1.0	1.0	791.0	\$378,100	0.3263%	\$4,776.82	\$398.07	\$4,715	\$392.92	\$790.99	\$1,149.32
5037	1.0	1.0	791.0	\$388,100	0.3263%	\$4,776.82	\$398.07	\$4,840	\$403.33	\$801.40	\$1,149.32
1038	1.0	1.0	929.0	\$408,800	0.3832%	\$5,609.61	\$467.47	\$5,098	\$424.83	\$892.30	\$1,349.75

Pistilli Grand Manor Condominium

45-02 Ditmars Boulevard, Astoria, New York 11105

SCHEDULE A

Projected First Year of Operation: March 1, 2008 - February 28, 2009

(1)		(1)		(2)		(3)		(4)		(5)		(6)	
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FOOTNOTES TO SCHEDULE A

1. Floor plans depicting the layouts of typical units are contained in Part II of this Plan. All dimensions shown on such plans are approximate and subject to construction variances. Plans and dimensions may also contain minor variations from floor to floor. Since the Units are measured from the exterior surface of the exterior walls of the Building to the exterior side of the finished surface of the walls and partitions separating such Unit from stairs, elevators, corridors and other mechanical equipment spaces and the centerline of walls and partitions separating such Units from other Units, the square footages exceed the usable floor area of the Units.

The number of bedrooms and bathrooms for each Unit was determined by Sponsor's architect in accordance with industry practice for newly constructed residential apartment buildings and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York. Each Unit should be inspected to determine its actual dimensions, layout and physical condition prior to Closing.

Each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition.

The Garage Unit includes 29,417 square feet at cellar level, 29,760 square feet in the basement level and 22,431 square feet at the outdoor roof level for a total square footage of 81,608 square feet, all of which has been included at 10% of the Residential, Retail and Office Unit square footage for an Adjusted Total of 8,161 square feet for the Garage Unit. This adjusted total is based on the opinion of the Sponsor's Budget Expert, Anne Teshima.

2. The purchase prices and other terms of sale (as more fully set forth in the Section of the Plan entitled "Changes in Prices and Units") of Units may be negotiated by Sponsor and, therefore, may be changed. Accordingly, Purchasers may pay different purchase prices for similar Units. The effect of this, as well as the right of Sponsor to change purchase prices, is more particularly discussed in the Section entitled "Changes in Prices, Units and Licenses." In addition to the payment of the purchase price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, as explained in the Section entitled "Closing Costs and Adjustments." If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. There will be an apportionment of certain charges relating to the Unit at the Closing. **THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.**

These prices have been set by Sponsor. Prices are not subject to the approval of any governmental agencies. For an explanation of conditions affecting these prices, see the section of this Plan entitled "Changes in Prices and Units".

For closing costs payable by Purchaser (in addition to the price) and adjustments at closing, see the section of this Plan entitled "Unit Closing Costs and Adjustments".

Under the terms of the Plan, Purchasers are responsible for the payment at the Closing of the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax (collectively, the "Real Property Transfer Taxes") and the \$75.00 filing fee for the New York City Equalization and Assessment Form due on the transfer of Units to the Purchasers by Sponsor. **THESE ARE STATUTORY OBLIGATIONS OF A SELLER OF REAL PROPERTY, AND THE SHIFTING OF THE OBLIGATIONS FROM SPONSOR AS SELLER TO THE PURCHASER IS DEEMED ADDITIONAL**

TAXABLE CONSIDERATION TO THE SELLER. Purchasers shall execute the required transfer tax returns and related forms in connection with the payment of the foregoing taxes.

The amounts shown for Units do not include the New York State Mansion Tax, which is imposed upon purchasers of residential property where the purchase price exceeds \$1,000,000. For these units, the 1% tax is calculated based upon the sum of the purchase price and the additional consideration deemed received by Sponsor by reason of the Purchaser's payment of the Real Property Transfer Taxes.

Sponsor may be entitled to credits for the amount of Real Property Transfer Taxes paid upon the conveyance of the Units; these credits shall inure to the benefit of Sponsor, and shall not affect the amount of reimbursement or payment to be made by the Purchaser to Sponsor, or at Sponsor's direction, as set forth in the foregoing paragraph.

3. The respective percentage interest of each Unit in the Common Elements has been determined based upon method (iv) contained in Section 339(i) of the Condominium Act, that is, upon floor space subject to location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for the exclusive or shared use and the overall dimensions of the particular Unit.

4. The Projected Common Charges are based upon the "Projected Schedule of Receipts and Expenses for the First Year of Condominium Operation" (Schedule B) on the assumption that the first year of condominium operation will be from March 1, 2008 to February 28, 2009. The actual first year of operation may be earlier or later than that year. The figures shown do not include the cost of individually metered electricity, gas for cooking, the cost of telephone or cable television service or the costs to maintain the interior of the Unit. A Unit Owner who obtains a mortgage loan to purchase a Unit will also pay the debt service on that mortgage.

5. Projected real estate taxes for the Units are based upon the projections prepared by Podell, Schwartz, Schechter & Banfield, LLP, Sponsor's tax consultant contained in Part I of this Plan.

As set forth in the "Real Estate Taxes" Section of the Plan, Sponsor intends to apply for partial exemption from and abatement of real estate taxes with respect to the Residential Units in the Building pursuant section 11-243 (previously J51-2.5) of the Administrative Code of the City of New York (the "J-51 Program") to the New York City Department of Housing Preservation and Development ("HPD"), the governmental agency which administers the J-51 Program. That section of the Plan, and the opinion prepared by Podell, Schwartz, Schechter & Banfield, LLP notes (a) that one of the requirements of the J-51 program is that the project must be completed, as evidenced by either a final Certificate of Occupancy or temporary Certificate of Occupancy covering all residential units, within three (3) years from the date alteration work commenced, and (b) that this three (3) year period has passed without issuance of such a Certificate of Occupancy. Sponsor's application for J-51 benefits will therefore include an application for waiver by New York City of this Certificate of Occupancy requirement. Sponsor can offer no assurance that this requirement will be waived by New York City. Sponsor will file an amendment to the Plan if and when the City grants or denies its waiver application or to disclose any other material changes in connection with the application.

ACCORDINGLY, THE PROJECTIONS CONTAINED IN THIS PLAN, INCLUDING THE PROJECTED REAL ESTATE TAXES SHOWN ON SCHEDULE A, ARE BASED ON FULL REAL ESTATE TAXES WITH NO J-51 BENEFITS AND PURCHASERS MUST ASSUME THAT THE UNITS WILL BE SUBJECT TO FULL TAXATION AND WILL RECEIVE NO BENEFITS UNDER THE J-51 PROGRAM.

For all the Residential Units, the Retail Unit and the Office Unit (which presently constitute tax lot 1,) Sponsor's tax consultant has projected that the taxable assessed valuation for the July 1, 2007 - June 30, 2008 tax year will be \$7,380,000, with an estimated tax rate of \$11.928 per \$100 of assessed valuation for a total projected 2007/2008 real estate taxes for those Units of \$881,000. Sponsor's tax consultant has estimated that 85% of such amount will be attributable in the aggregate to the Residential Units, 5% to the Retail Unit and 10% to the Office Unit. The Garage Unit presently constitutes tax lot 20 and thus has a separate assessed valuation. The Sponsor's tax consultant has projected that for the July 1, 2007 - June 30, 2008 tax year, the aggregate taxable assessed valuations and full real estate taxes for the Units will be:

	Taxable Assessed Valuation	Projected Tax Rate	Projected Taxes (2007/08)
Residential Units	\$6,273,000	\$11.928	\$749,000
Retail Unit	\$369,000	\$11.928	\$44,000
Office Unit	\$738,000	\$11.928	\$88,000
Garage Unit	\$902,123	\$10.059	\$90,800

The Sponsor's tax consultant has projected that for the July 1, 2008 - June 30, 2009 tax year, after completion of the project, that aggregate taxable assessed valuations and full real estate taxes for the Units will be:

	Taxable Assessed Valuation	Projected Tax Rate	Projected Taxes (2008/09)
Residential Units	\$10,946,000	\$11.928	\$1,306,000
Retail Unit	\$674,000	\$10.059	\$68,000
Office Unit	\$1,247,000	\$10.059	\$126,000
Garage Unit	\$1,100,000	\$10.059	\$111,000

Thus, for the projected first year of condominium operation from March 1, 2008 -February 28, 2009, the total projected real estate taxes for the Units are projected to be:

	4 months of the 2007/08 tax year	8 months of the 2008/09 tax year	Projected Taxes (March 2008 - February 2009)
Residential Units	\$250,000	\$871,000	\$1,121,000
Retail Unit	\$15,000	\$46,000	\$61,000
Office Unit	\$30,000	\$84,000	\$114,000
Garage Unit	\$31,000	\$74,000	\$105,000
Total	\$326,000	\$1,075,000	\$1,401,000

The estimated taxes for each Residential Unit in the Building were then multiplied by each Unit's share of the total Purchase Prices for Residential Units as listed on Schedule A.

Starting with the tax year for which assessments are fixed after the recording of the Declaration, each Unit will be taxed as a separate tax lot for real estate purposes. A Unit Owner will not be

responsible for the payment of real estate taxes assessed against other Units, nor will a Unit be subject to a lien arising out of the non-payment of real estate taxes assessed against other Units.

The full amount of real estate taxes payable by Unit Owners with respect to their Units is deductible for income tax purposes but may vary due to changes in the assessed value, the tax rate or the method of assessing real property. In addition, and subject to certain exceptions and limitations, a Unit Owner who itemizes deductions is entitled under present law to deduct for Federal and New York State income tax purposes the amount paid by the Unit Owner on account of interest on any mortgage indebtedness covering the Unit, if the Unit is his primary or secondary residence. Any such tax deductions may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal.

For further information, see the Sections of the Plan entitled "Real Estate Taxes," "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" and "Real Estate Tax Opinion of Sponsor's Counsel".

6. Apartment 1039 will be sold by the Sponsor to the Condominium Board to be used as the superintendent's apartment for a purchase price of \$343,700. The superintendent will occupy his apartment rent free. Each purchaser of a Unit from Sponsor will pay to Sponsor the portion of the purchase price for Unit 1039 attributable to that Unit, as shown in the "Resident Manager's Unit - Portion of Purchase Price Applicable to Each Unit" column on Schedule A, and the Unit Owners will pay, as part of their Common Charges, the Common Charges for Apartment 1039 as well as the expenses of maintaining it.

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PISTILLI GRAND MANOR CONDOMINIUM
SCHEDULE B

BUDGET FOR THE FIRST YEAR OF CONDOMINIUM OPERATION
(March 1, 2008 to February 28, 2009)

ESTIMATED INCOME:

Residential Units Common Charges (Note 1)	\$ 1,172,935.00
Commercial Units Common Charges (Note 2)	85,995.00
Laundry Income (Residential Units Only) (Note 3)	<u>15,000.00</u>

TOTAL **\$ 1,273,930.00**

ESTIMATED EXPENSES:

Labor and Related Expenses (Note 4)	\$ 304,510.00
Gas for Heat, Hot Water, Cooking and Laundry (Note 6)	226,600.00
Electricity (Note 7)	234,800.00
Water & Sewer Charges (Note 8)	72,760.00
Repairs, Maintenance & Supplies (Note 9)	117,000.00
Service Contracts (Note 10)	27,650.00
Insurance (Note 11)	87,000.00
Management Fees (Note 12)	90,000.00
Legal, Accounting and Professional Fees (Note 13)	25,000.00
Resident Manager's Unit Costs (Note 14)	11,856.00
Administration	20,000.00
Miscellaneous and Reserve for Contingencies (Note 15)	<u>60,700.00</u>

TOTAL **\$ 1,273,930.00**

The amount budgeted is based on a projected staffing level which will include one resident superintendent, three concierges, two porters and one handyman. All employees will work a standard 40 hour work week. This level of staffing will permit the provision of concierge service in the lobby from 7 a.m. until 10 p.m. seven days a week. All employees will be non-union.

Salaries, taxes and fringe benefits of the Superintendent is a shared expense of the Commercial and Residential Units. Duties of the Superintendent include cleaning, maintenance, performing certain repairs, removing garbage and/or trash for collection and keeping the sidewalk free of snow, ice and dirt. Salary and wage costs for the Superintendent annually are projected to be as follows:

Salary for the Superintendent	\$ 41,600.00
Holiday and Sick Pay	2,080.00
Vacation Pay	1,600.00
FICA (employer share) and Medicare	3,464.00
NYS Unemployment Insurance	343.00
Federal Unemployment Insurance	56.00
NYS Disability Insurance	37.00
Workers' Compensation	2,264.00
Contributed Health Benefits	<u>6,699.00</u>
Total Shared Labor Expense	<u>\$ 58,143.00</u>

The Commercial Units will pay 19.6518% of this amount (\$11,425.00), and the Residential Units will pay 80.3482% (\$293,085.00).

Since only part of the Superintendent's services relate to maintenance of the General Common Elements, and part to maintenance of Residential Common Elements and Residential Units, this allocation represents an excess payment by the Commercial Unit Owners, in part in consideration of the Commercial Units bearing no share of any of the expense for other employees of the Condominium, even if such employees perform certain de minimus services that benefit the Commercial Units.

At the sole expense of the Residential Unit owners will be the projected annual salaries of \$28,080.00 for the three concierges and the two porters and \$35,360.00 for the handyman. Annually, the payroll expense attributable solely to the Residential Unit owners are projected to be as follows:

Salaries	\$ 175,600.00
Holiday and Sick Pay	8,790.00
Vacation Pay	6,770.00
FICA (employer share) and Medicare	14,636.00
NYS Unemployment Insurance	2,053.00
Federal Unemployment Insurance	336.00
NYS Disability Insurance	154.00
Workers' Compensation	9,566.00
Contributed Health Benefits	<u>28,302.00</u>
Total Residential Only Labor Expense	<u>\$246,367.00</u>

NOTE 5:	Gas for Heat, Hot Water, Cooking and Laundry	\$ 226,600.00
	Residential Units	\$ 218,420.00
	Retail Unit	\$ 2,090.00

Office Unit	\$ 6,090.00
Garage Unit	\$ 0.00

By letter dated April 6, 2007, A.S.B. Engineering, P. C., 1924 C Bellmore Avenue, Bellmore, NY 11710 estimates that the cost of gas usage for heating, hot water, cooking and laundry will be approximate \$226,600 for the first year of Condominium Operations, based on using 126,592 therms at a projected average rate of \$1.79 per therm, which includes sales tax.

This cost is a Shared Expense, but is specially allocated among the Residential Units and the Commercial Units based on the projected allocations of consumption prepared by A.S.B. Engineering, P.C., which has estimated that the allocation of consumption of gas among the Units will be as follows:

	Total Cost	Residential Units	Retail Unit	Office Unit
Boiler (Heat)	\$115,200.00	93.6%	1.6%	4.8%
Hot Water	\$61,700.00	98.7%	0.4%	0.9%
Cooking Gas	\$13,200.00	100.0%	0.0%	0.0%
Laundry	\$36,500.00	100.0%	0.0%	0.0%

The projected cost is allocated accordingly. The Garage Unit receives no allocation of this expense.

The projected cost is based on projected and current rates. It is not possible to predict how closely the budgeted figure will reflect the actual expense for gas to be incurred during the first year of Condominium Operation, in part because such expenses will vary with the level of consumption and the applicable utility rates. Many factors affect the cost of gas, (which has in the past been highly volatile and unpredictable). Historically, gas rates have been steadily increasing and the cost of gas is likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases.

NOTE 7: Electricity	\$ 234,800.00
Residential Units	\$ 229,210.00
Retail Unit	\$ 1,100.00
Office Unit	\$ 4,490.00
Garage Unit	\$ 0.00

Includes common area electric but does not include the electric cost to individual Residential Units or the Commercial Units that will be directly metered. All directly metered unit owners will be responsible to pay the electric bills for their units. Common area electric will include the costs for the electric consumption for the building's heating, ventilation, air conditioning and mechanical systems, boiler system, public area lighting, elevators, and common area heaters. By letter dated April 6, 2007, A.S.B. Engineering, P. C., estimates that the cost of this electricity consumption will be approximately \$234,800 for the first year of Condominium Operations, based on using 1,174,000 Kwh at a projected average rate of \$0.20 per Kwh, based on the current rate of \$0.17 plus sales tax plus a 10% inflation factor.

This cost is a Shared Expense, but is specially allocated among the Residential Units and the Commercial Units based on the projected allocations of consumption prepared by A.S.B. Engineering, P.C., which has estimated that the allocation of consumption of electricity for this common consumption among the Units will be as follows:

	Total Cost	Residential Units	Retail Unit	Office Unit
HVAC	\$100,000.00	99.00%	0.00%	1.00%
Lighting	\$34,100.00	99.43%	0.02%	0.55%
Elevators	\$35,800.00	100.00%	0.00%	0.00%
Boiler Plant	\$62,600.00	93.60%	1.60%	4.80%
Unit Heaters (Common Areas)	\$2,300.00	83.10%	3.80%	13.10%

The projected cost is allocated accordingly. The Garage Unit receives no allocation of this expense.

It is not possible to predict how closely the budgeted figure will reflect the actual expense for electricity to be incurred during the first year of Condominium Operation, in part because such expenses will vary with the level of consumption and the applicable utility rates. Many factors affect the cost of electricity, (which has in the past been highly volatile and unpredictable). Historically, electric rates have been steadily increasing and the cost of electricity is likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases.

NOTE 8:	Water and Sewer Charges	\$72,760.00
	Residential Units	\$ 72,760.00
	Commercial Units	\$ 0.00

Water consumption for domestic use in the Units and throughout the buildings is master metered. Water will be provided by the City of New York. The cost of water is based on projected usage of 7,027 cubic feet per apartment per year using a projected rate of \$5.15 per ccf (hundred cubic feet,) which is based on the current rates (the rate in effect in New York City) of \$4.68 per ccf for the year July 1, 2006 to June 30, 2007 plus an assumed 10% increase in the rate.

It is not possible to predict how closely the budgeted figure will reflect the actual expense for water and sewer to be incurred during the first year of Condominium Operation, in part because such expenses will vary with the level of consumption and the applicable utility rates. Historically the City of New York has increased water and sewer rates annually by approximately 5%, although it is not possible to forecast with certainty the amount or timing of such increases. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of water and sewer during the first year of Condominium Operation.

Since the stores and offices in the Retail and Office Units, and the Garage Unit will be separately metered for water usage, this is not a Shared Expense, but is shared by the Residential Unit Owners.

NOTE 9:	Repairs, Maintenance and Supplies	\$ 117,000.00
	Residential Units	\$ 113,490.00
	Commercial Units	\$ 3,510.00

Electrical and Plumbing repairs	\$ 35,000.00
Heating and Air Conditioning System Repairs and Maintenance	15,000.00
General building repairs and services	20,000.00
Common area maintenance	10,000.00

Permits and fees	2,000.00
Other	10,000.00
Building Supplies	<u>25,000.00</u>
Total Repairs, Maintenance & Supplies	<u>\$117,000.00</u>

The budget for these items includes the cost of normal repairs, maintenance, and supplies for the General Common Elements and Residential Common Elements of the building. The Unit Owners will be responsible for the cost of interior maintenance, repairs, decoration, and painting of their respective units, including appliances. This is a Shared Expense. In the opinion of Anne Teshima, Sponsor's Budget Expert, 97% of the repairs, maintenance and supplies expenses exclusively relate to the Residential Units and the Residential Common Elements and accordingly, 97% of this expense has been allocated to the Residential Unit Owners. The balance have been allocated to the Commercial Unit Owners in proportion to their respective interest in the common elements.

Repairs, maintenance and supplies to Residential Common Elements, including things like elevators, lobby, public halls and laundry room or Residential Units, and including certain plumbing supplies, door locks, etc., will be paid exclusively by Residential Unit Owners, either as part of Residential Common Expenses or as charged back to individual Unit Owners, and the Commercial Unit Owners will pay no share of such expenses. To the extent such repairs, maintenance and supplies relate to the Residential Units or Residential Common Elements, such expenses shall be specially allocated to Residential Unit Owners, and the Commercial Unit Owners shall pay no share of such expenses.

If the actual expenses or the items that make up these expenses differs in the first year or later year, these percentages of the total repairs, maintenance and supplies expenses will vary.

NOTE 10:	Service Contracts	\$ 27,650.00
	Residential Units	\$ 27,470.00
	Retail Unit	\$ 0.00
	Office Unit	\$ 180.00
	Garage Unit	\$ 0.00

The budget projection for the anticipated cost of service contracts includes the following. The budget item includes sales tax where it is charged by the vendor.

The following service contract will be a Shared Expense, but shared solely between the Residential Unit Owners and the Office Unit Owner based on the opinion of A.S.B. Engineering, P. C. that the Retail and Garage Units receive no benefit or service from this service contract and that the Office Unit receives 1% of the benefit or service from this service contract:

Frigidyne Air Conditioning Co., Inc.
(Heating and Cooling Equipment Maintenance Agreement) \$ 17,500.00

The following service contracts will be paid by the Residential Unit Owners only, since the Commercial Unit Owners will not use (or will have only the most incidental use of) the elevators and will provide their own extermination services:

Ver-Tech Elevator (Elevator Maintenance) \$ 6,250.00
Knockout Pest Control (Exterminator) 3,900.00

Subtotal Residential Units Only \$ 10,150.00

Annual amounts, all of which include sales tax and an inflation adjustment factor, are based on proposals effective March 1, 2008. All such contracts shall be for a term of one year from their commencement, which is anticipated to be on or about the date of the First Closing. No contracts have been entered into for the services described in this footnote. The Sponsor has reserved the right, prior to the First Closing, to enter into other service contracts which will be binding on the Condominium Boards, provided such contracts do not materially increase the estimated Common Charges for the first year of Condominium operation nor bind the Condominium Board for a period of more than two years from the date of the First Closing, unless it is customary for such type of contract to be for more than two years.

Other or new service contracts will be allocated as Shared Expenses only to the extent they relate to the maintenance of General Common Elements and will be specially allocated to the Residential Unit Owners to the extent they relate to Residential Units of Residential Common Elements.

NOTE 11:	Insurance	\$ 87,000.00
	Residential Units	\$ 69,903.00
	Commercial Units	\$ 17,097.00

Based on a proposal dated February 7, 2007 from Stern Agency, Inc., 1540 Route 202, Suite 10, Pomona, NY 10970, the following insurance coverage and premiums are projected:

<u>Nature of Risk</u>	<u>Coverage</u>
A. <u>Property</u>	
Real Property / Building - "All Risk"	
(\$5,000 deductible)	\$ 35,000,000
Agreed Value/Replacement Cost	\$ Included
Co-insurance	\$ Waived
Rents	\$ 2,800,000
Flood / Earthquake (\$25,000 deductible)	\$ 1,000,000
Personal Property	\$ 100,000
Ordinance or Law	\$ Included
Boiler & Machinery	\$ Included
B. <u>Liability</u>	
Each Occurrence	\$ 1,000,000
Aggregate	\$ 2,000,000
Products - Completed operations	\$ 1,000,000
Personal / Advertising injury	\$ 1,000,000
Non-owned / Hired car liability	\$ 1,000,000
Fire damage legal liability	\$ 50,000
Premium (A + B)	\$ 68,800
C. <u>Umbrella Liability</u>	
Each occurrence and aggregate	\$ 50,000,000
Premium	\$ 15,000

D.	<u>Director and Officer Liability</u>	
	\$1,000 retention	\$ 1,000,000
	Premium	\$ 2,000
E.	<u>Employee Dishonesty (Fidelity Bond)</u>	
	\$1,000 deductible	\$ 100,000
	Managing Agent rider	\$ Included
	Premium	\$ 1,200

The all risk property insurance policy is subject to a \$5,000 deductible per occurrence. The property coverage will include an Agreed Amount Endorsement and a Replacement Cost Valuation provision. As a result of these clauses, the insurer will agree to waive any co-insurance that might exist and to settle all losses on a replacement cost basis.

The fire, casualty and comprehensive general liability insurance coverage shall provide: (a) that each unit owner is an additional insured party, (b) that there will be no cancellation without notice to the Condominium Board, (c) a waiver of subrogation, (d) a waiver of invalidity because of acts of the insured and unit owners, and (e) a waiver of pro-rata reduction if unit owners obtain additional coverage. The insurance coverage listed above includes officers' and director's liability; rent insurance; water damage; elevator collision; boiler and machinery; excess (umbrella) liability; non-owned and hired auto liability; fidelity bond (crime) coverage. The cost of workers compensation and NYS Disability is not reflected above; as this amount is included in the cost projections for labor.

The premium quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are so volatile, including the possible impact of Hurricane Katrina on insurance premiums generally, it is not possible to predict what the premiums will be at the time the Plan is declared effective. Purchasers should be aware of the possibility of significant rate increases.

No coverage is provided for risks such as fire and casualty losses to the contents of each individual unit, nor does the coverage take into account any future replacements or additions to either the units or the fixtures and improvements contained therein. Furthermore, no liability coverage for individual unit owners is included. Prospective purchasers should consult their attorney or insurance agent to determine the advisability and desirability of obtaining additional insurance at their own cost to cover their own risk of fire and casualty losses to unit contents, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on limited common elements.

The Sponsor represents that it will purchase fire and casualty insurance, effective at the First Closing, in amounts as set forth, on behalf of the Condominium at the Condominium's expense.

Insurance is a Shared Expense. However in the future, if any insurance premiums for the building are increased as a direct result of an unusual use or change in the use of any of the tenants of the Units, that Unit's Owner will pay 100% of any such increase in premium attributed to such use or change in use.

NOTE 12:	Management Fees	\$ 90,000.00
	Residential Units	\$ 72,313.00
	Commercial Units	\$ 17,687.00

The Condominium will enter into a management agreement with Lidia Management Corp. (the “Managing Agent”) In the opinion of Anne Teshima, the Managing Agent’s fee for the first year of condominium operation is comparable to the “going rate” which would be charged by other professional real estate management firms for similar services in comparable buildings. The Managing Agent is affiliated with the Sponsor. The management agreement will be for an initial term of three years. See section of the Plan entitled “Management Agreement and other Contractual Arrangements” for a complete discussion of the terms of the management agreement. This is a Shared Expense, but the Managing Agent will charge individual Unit Owners for services required in the processing of each application for the sale or lease of a Unit.

NOTE 13:	Legal and Accounting	\$ 25,000.00
	Residential Units	\$ 20,087.00
	Commercial Units	\$ 4,913.00

The budget includes \$10,000.00 for accounting services in connection with preparation of the Condominium’s tax returns and audited financial statements for the Condominium’s first year of operation. The budget also includes \$15,000.00 for miscellaneous legal services. This is a Shared Expense. To the extent legal services or special accounting services are obtained in connection with Residential Units or Residential Common Elements, such expenses shall be specially allocated to Residential Unit Owners, and the Commercial Unit Owners shall pay no share of such expenses.

NOTE 14:	Superintendent’s Unit Costs	\$ 11,856.00
	Residential Units	\$ 9,526.00
	Commercial Units	\$ 2,330.00

Annual costs are estimated to be:	
Common Charges	\$ 4,716.00
Real Estate Taxes	4,287.00
Electric, Gas and Miscellaneous	<u>2,853.00</u>
Total	<u>\$ 11,856.00</u>

This is a Shared Expense.

NOTE 15:	Administration	\$ 20,000.00
	Residential Units	\$ 16,070.00
	Commercial Units	\$ 3,930.00

Includes telephone expense, city permits, licenses and filing fees, filing Federal (if taxable income exists) State and City tax returns, costs of printing and postage for notices and information from the Board of Managers, office supplies, holiday decorations, fees to the Managing Agent to prepare the needed filings and follow up with respect to the real estate tax rebate program, fire safety notices and window guard and lead based paint compliance, if applicable and miscellaneous expenses. This is a Shared Expense. To the extent expenses are incurred exclusively for Residential Units or Residential Common Elements, such expenses shall be specially allocated to Residential Unit Owners, and the Commercial Unit Owners shall pay no share of such expenses.

NOTE 16:	Miscellaneous and Contingencies	\$ 60,700.00
	Residential Units	\$ 48,772.00
	Commercial Units	\$ 11,928.00

The Contingency is intended to provide for any unanticipated expenses and is to be used at the discretion of the Board of Managers. The reserve for contingencies has been calculated on the basis of approximately 5% of the sum of all operating expenses to cover unanticipated cost increases and possible omitted items. If additional funds are required over and above this amount, or in the event that the actual first year of operation of the Condominium begins later than the projected commencement date of March 1, 2008 as shown on this schedule, the additional operating costs could substantially exceed this amount, and it may be necessary to increase Common Charges or separately assess all unit owners. The Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein. The reserve for contingencies does not include a reserve for major capital replacements, for which no provision is made under this budget. This is a Shared Expense.

At the First Closing, the Sponsor and the Condominium Board will adjust various items of income and expenses in accordance with the period that each owned or operated the building. If the net closing adjustments are in favor of the Condominium, the amount of Sponsor's contribution to the Working Capital Fund will be increased by the amount of such net credit. If the net adjustments are in favor of the Sponsor, the amount of Sponsor's contributions to the working capital will be decreased by the amount of such net credit, unless this would reduce the Working Capital Fund below \$10,000.00. In such an event the Working Capital Fund would be reduced to \$10,000.00 and the amount of any uncredited closing adjustments will be paid without interest by the Condominium Board to the Sponsor in twelve consecutive monthly installments pursuant to the terms of twelve negotiable serial promissory notes to be executed by the Condominium Board at the first closing. Although these installments are not directly included in this budget, payment of the note (but not interest thereon) represents, in effect, payment of expenses reflected in the budget that have been prepaid by the Sponsor. (See the section of the Plan entitled "Working Capital Fund" for a full discussion.)

If the actual or anticipated date of commencement of condominium operation is to be delayed more than six (6) months from the budget year projected in the Plan, the Plan will be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by twenty-five (25) percent or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within fifteen (15) days of the presentation date of such amendment and have their downpayments refunded, whether or not Sponsor offers to guarantee the previous budget projections. Sponsor will return any deposit or downpayment to Purchasers who rescind within a reasonable period of time. Sponsor shall not declare the Plan effective where there are any material changes to the projected budget if these changes have not been disclosed is an amendment to the Plan.

IN THE OPINION OF ANNE TESHIMA, LICENSED GENERAL REAL ESTATE APPRAISER, THE PROJECTED INCOME IS ADEQUATE TO MEET THE ESTIMATED GENERAL COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION. THE BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL GENERAL COMMON CHARGES OR GENERAL COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN THE BUDGET. IN FACT, IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

NOTE 17: Note Regarding Real Estate Taxes

As provided in the section of the Plan entitled “Real Estate Taxes”, in the event that the Units have not been separately assessed for real estate tax purposes prior to the First Closing, real estate taxes on the Property, until such time as the Units are separately assessed, shall be included as part of the Common Expenses of the Condominium. Accordingly, the Condominium Board will pay all real estate taxes with respect to the Condominium and will allocate the entire cost thereof among all Unit Owners in the proportion of each Unit’s Common Interest and the Board will have a lien on each Unit for non-payment thereof, as if such charges were Common Charges. No separate provision has been made in Schedule B for real estate taxes for this transitional period since provision is made in Schedule A for payment by each Unit Owner of the attributable estimated real estate taxes and such amounts shall be paid by each Unit Owner to the Board until the Units are separately assessed.

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A.S.B. Engineering, P.C.

1924 C Bellmore Ave
Bellmore, NY 11710
(516) 785-4200 (516) 785-9148 fax
info@asbengineering.com

SCHEDULE B-1 BUDGET FOR INDIVIDUAL ENERGY COSTS

April 6, 2007

Mr. Joseph Pistilli
Tex Development Co., LLC
37-08 28th Avenue
Suite 300
Astoria, NY

RE: Utility Analysis - 45-02 Ditmars Blvd

Dear Mr. Pistilli,

We have provided the following estimate of annual energy costs for lighting, heating, cooling, gas for hot water, water usage and typical appliances located in each apartment including gas for cooking. We consent to your including this letter in the offering plan.

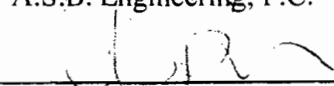
The calculations assume the same consumption in each dwelling unit having similar square footages, with an interior temperature maintained at 72 degrees F.

It is not possible to predict with certainty whether the estimated figures will reflect the actual cost to be incurred. The projected rates are subject to change and must be confirmed by the local utility company. It must be expected that these rates will increase with the passage of time and may be affected by many factors, which are beyond the control of this engineer.

Readers are advised that the projections are only estimates and actual consumption will be metered and will vary depending on various factors. These factors include the personal needs of occupants, weather conditions, conservation measures, the rates of the utility company (which fluctuate periodically), and the possibility of changes in the methods of calculating charges by the utility company.

Very truly yours,

A.S.B. Engineering, P.C.



Andrew S. Braum, P.E.



A.S.B. Engineering, P.C.

1924 C Bellmore Ave
Bellmore, NY 11710
(516) 785-4200 (516) 785-9148 fax
info@asbengineering.com

COST PER YEAR										
Occupancy		Electric					Gas			
Apt/Unit	Sq.Ft (approx)	A/C	Electric Heat (heat pump)	General Power	Lighting	Appliances	Heat (see note 1)	Hot Water (see note 2)	Cooking (see note 3)	Laundry (see note 4)
1001 - 2 bed [1 thru 5] typ of 5	938	\$422	\$1,126	\$205	\$411	\$694	\$252	\$403	\$87	\$242
1002 - 1 bed [1 thru 5] typ of 5	745	\$335	\$894	\$163	\$326	\$694	\$200	\$269	\$58	\$161
1003 - 1 bed [1 thru 5] typ of 5	828	\$373	\$994	\$181	\$363	\$694	\$222	\$269	\$58	\$161
1004 - 1 bed [1 thru 5] typ of 5	903	\$406	\$1,084	\$198	\$396	\$694	\$242	\$269	\$58	\$161
1005 - 2 bed [1 thru 5] typ of 5	953	\$429	\$1,144	\$209	\$417	\$694	\$256	\$403	\$87	\$242
1006 - 1 bed [1 thru 5] typ of 5	908	\$409	\$1,090	\$199	\$398	\$694	\$244	\$269	\$58	\$161
1007 - 2 bed [1 thru 5] typ of 5	1096	\$493	\$1,315	\$240	\$480	\$694	\$294	\$403	\$87	\$242
1008 - 1 bed [1 thru 5] typ of 5	899	\$405	\$1,079	\$197	\$394	\$694	\$241	\$269	\$58	\$161
1009 - 2 bed [1 thru 5] typ of 5	1031	\$464	\$1,237	\$226	\$452	\$694	\$277	\$403	\$87	\$242
1010 - 1 bed [1 thru 5] typ of 5	1186	\$534	\$1,423	\$260	\$519	\$694	\$318	\$269	\$58	\$161
1011 - 2 bed [1 thru 5] typ of 5	903	\$406	\$1,084	\$198	\$396	\$694	\$242	\$403	\$87	\$242

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Occupancy		Electric					Gas			
Apt/Unit	Sq.Ft (approx)	A/C	Electric Heat (heat pump)	General Power	Lighting	Appliances	Heat (see note 1)	Hot Water (see note 2)	Cooking (see note 3)	Laundry (see note 4)
1012 - 1 bed [1 thru 5] typ of 5	897	\$404	\$1,076	\$196	\$393	\$694	\$241	\$269	\$58	\$161
1013 - 1 bed [1 thru 5] typ of 5	727	\$327	\$872	\$159	\$318	\$694	\$195	\$269	\$58	\$161
1014 - 1 bed [1 thru 5] typ of 5	811	\$365	\$973	\$178	\$355	\$694	\$218	\$269	\$58	\$161
1015 - 1 bed [1 thru 5] typ of 5	979	\$441	\$1,175	\$214	\$429	\$694	\$263	\$269	\$58	\$161
1016 - 1 bed [1 thru 5] typ of 5	727	\$327	\$872	\$159	\$318	\$694	\$195	\$269	\$58	\$161
1017 - 2 bed [1 thru 5] typ of 5	1320	\$594	\$1,584	\$289	\$578	\$694	\$354	\$403	\$87	\$242
1018 - 1 bed [1 thru 5] typ of 5	560	\$252	\$672	\$123	\$245	\$694	\$150	\$269	\$58	\$161
1019 - 1 bed [1 thru 5] typ of 5	679	\$306	\$815	\$149	\$297	\$694	\$182	\$269	\$58	\$161
1020 - 2 bed [1 thru 5] typ of 5	852	\$383	\$1,022	\$187	\$373	\$694	\$229	\$403	\$87	\$242
1021 - 2 bed [1 thru 5] typ of 5	963	\$433	\$1,156	\$211	\$422	\$694	\$259	\$403	\$87	\$242
1022 - 2 bed [1 thru 5] typ of 5	1142	\$514	\$1,370	\$250	\$500	\$694	\$307	\$403	\$87	\$242

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COST PER YEAR										
Occupancy		Electric					Gas			
Apt/Unit	Sq.Ft (approx)	A/C	Electric Heat (heat pump)	Power	Lighting	Appliances	Heat (see note 1)	Hot Water (see note 2)	Cooking (see note 3)	Laundry (see note 4)
1023 - 1 bed [1 thru 5] typ of 5	829	\$373	\$995	\$182	\$363	\$694	\$223	\$269	\$58	\$161
1024 - 1 bed [1 thru 5] typ of 5	855	\$385	\$1,026	\$187	\$374	\$694	\$230	\$269	\$58	\$161
1025 - 1 bed [1 thru 5] typ of 5	811	\$304	\$973	\$178	\$355	\$694	\$218	\$269	\$58	\$161
1026 - 1 bed [1 thru 5] typ of 5	768	\$346	\$922	\$168	\$336	\$694	\$206	\$269	\$58	\$161
1027 - 1 bed [1 thru 5] typ of 5	837	\$377	\$1,004	\$183	\$367	\$694	\$225	\$269	\$58	\$161
1028 - 1 bed [1 thru 5] typ of 5	807	\$363	\$968	\$177	\$353	\$694	\$217	\$269	\$58	\$161
1029 - 1 bed [1 thru 5] typ of 5	856	\$385	\$1,027	\$187	\$375	\$694	\$230	\$269	\$58	\$161
1030 - 1 bed [1 thru 5] typ of 5	683	\$307	\$820	\$150	\$299	\$694	\$183	\$269	\$58	\$161
1031 - 1 bed [1 thru 5] typ of 5	689	\$310	\$827	\$151	\$302	\$694	\$185	\$269	\$58	\$161
1032 - 1 bed [1 thru 5] typ of 5	669	\$301	\$803	\$147	\$293	\$694	\$180	\$269	\$58	\$161
1033 - 1 bed [1 thru 5] typ of 5	837	\$377	\$1,004	\$183	\$367	\$694	\$225	\$269	\$58	\$161

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COST PER YEAR										
Occupancy		Electric					Gas			
Apt/Unit	Sq.Ft (approx)	A/C	Electric Heat (heat pump)	Power	Lighting	Appliances	Heat (see note 1)	Hot Water (see note 2)	Cooking (see note 3)	Laundry (see note 4)
1034 - 1 bed [1 thru 5] typ of 5	768	\$346	\$922	\$168	\$336	\$694	\$206	\$269	\$58	\$161
1035 - 1 bed [1 thru 5] typ of 5	814	\$366	\$977	\$178	\$357	\$694	\$219	\$269	\$58	\$161
1036 - 1 bed [1 thru 5] typ of 5	860	\$387	\$1,032	\$188	\$377	\$694	\$231	\$269	\$58	\$161
1037 - 1 bed [1 thru 5] typ of 5	680	\$306	\$816	\$149	\$298	\$694	\$183	\$269	\$58	\$161
1038 - 1 bed [1 thru 5] typ of 5	850	\$383	\$1,020	\$186	\$372	\$694	\$228	\$269	\$58	\$161
1039 - 1 bed [1 thru 5] typ of 5	649	\$292	\$779	\$142	\$284	\$694	\$174	\$269	\$58	\$161
1040 - 2 bed [1 thru 5] typ of 5	928	\$418	\$1,114	\$203	\$406	\$694	\$249	\$403	\$87	\$242
PH	1492	\$671	\$1,790	\$327	\$653	\$694	\$401	\$403	\$87	\$242
Sub-total Residential Usages	172677	\$77,401	\$207,212	\$37,816	\$75,633	\$139,394	\$46,364	\$60,815	\$13,177	\$36,489

1. Gas based on \$1.79 per therm.
2. Electric based on \$ 0.20 per Kwh
(current electric rate of \$ 0.17 per Kwh plus 10% inflation allowance plus taxes)

If you require any additional information, please feel free to call us.

Respectfully,

A.S.B. Engineering, P.C.

Andrew S. Braum, P.E.




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Anne Teshima
New York State Certified General Real Estate Appraiser (lic. # 46-3236)
225 West 106th Street – Ste. 3H
New York, N. Y. 10025
(212) 223-1700 FAX: (212) 223-3867

November 19, 2007

New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271
Attn: Real Estate Financing Bureau

Re: Pistilli Grand Manor Condominium
45-02 Ditmars Boulevard
Astoria, NY 11105

Ladies and Gentlemen:

Tex Development, Co., LLC, the Sponsor of the Condominium Offering Plan for the Property, retained me to determine the percentage of Common Interest to be assigned to each Unit as set forth in Schedule A of the Plan. I am a licensed general real estate appraiser. My experience in this field includes consultation and appraisals for numerous cooperatives, condominiums, and rentals throughout the New York metropolitan area for over 22 years.

Pursuant to Section 339-i(1)(iv) of the Condominium Act, the Common Interest of each Unit has been determined based upon floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The aggregate Common Interest of all of the Units equals one hundred percent (100%).

Based on the size of the Units and whether the Units are a Residential Unit, a Retail Unit, an Office Unit or a Garage Unit, the Common Interest of the Residential Units and the Commercial Units were calculated as follows:

<u>Unit</u>	<u>Percent Interest In Common Elements</u>
201 Residential Units	80.3482%
One Retail Unit	4.0529%
One Office Unit	12.2324%
One Garage Unit	<u>3.3665%</u>
Total All Units	100.0000%

In our opinion, this method of determining percentage of interest in the Common Elements is reasonable and equitable.

The undersigned is an independent company and is not affiliated with the Sponsor or any affiliate of Sponsor, and has no interest in the proceeds to be realized on the sale of Units under the Plan other than our fee for services in connection with the preparation of Schedules A and B in the offering Plan. The services performed and compensation to be received by the undersigned in connection with the Plan has not affected the undersigned's work or statements made in connection with this letter and its compensation for preparing the aforementioned Schedule is not contingent upon the profitability of the offering.

We hereby consent to the reproduction of this letter in Part I of the Plan.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Anne Teshima", written over a horizontal line.

Anne Teshima

Certified General Real Estate Appraiser

COMMERCIAL UNITS

The Condominium will contain three (3) non-residential condominium units that will belong to Sponsor, a Retail Unit, an Office Unit and a Garage Unit. The Retail Unit, the Office Unit and the Garage Unit, and any Units resulting from the subdivision thereof, are collectively referred to in this Plan as the "Commercial Units." The Retail Unit and the Office Unit may be used for retail business, commercial and professional purposes or for any other lawful purpose in the sole discretion of Sponsor or other owner of such Units.

The Garage Unit will be used for accessory parking and for any other lawful purpose in the sole discretion of Sponsor or other owner of the Garage Unit. At the present time, the lawful use of the Garage Unit is limited by the provisions of the New York City Zoning Resolution. Accordingly, to comply with such provisions, and while and to the extent such provisions apply: The parking spaces shall be operated primarily for the long-term storage of the private passenger motor vehicles used by the occupants of the Residential Units. Such spaces may be rented for periods of not less than one week and not more than one month to persons who are not occupants of the Residential Units for the accommodation of the private passenger motor vehicles used by such non-residents, provided that such spaces are operated in accordance with the regulations promulgated by the Commissioner of Buildings, in a manner which will not adversely affect the residential character of the neighborhood. Such spaces shall be made available to the occupants of the Residential Units within 30 days after written request therefore is made to the Garage Unit Owner.

The respective percentage interest of each Unit in the Common Elements, including the Commercial Units, have been determined based upon method (iv) contained in Section 339(i) of the Condominium Act, that is, upon floor space subject to location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for the exclusive or shared use and the overall dimensions of the particular Unit. Common charges and special allocations payable by the owners of the Commercial Units are sufficient to cover the expenses fairly attributable to the Commercial Units.

The Condominium Documents require that certain expenses shall be specially allocated and apportioned based on special or exclusive use or availability or exclusive control of the common areas by particular Units to the Unit Owners thereof and Schedule B - Budget for the First Year of Operations provides which expenses have been specially allocated and apportioned. Therefore, certain expenses, such as maintenance of Residential Common Elements that exclusively service the Residential Units (elevators, residential lobby and hallways, etc.) shall be allocated exclusively among the Residential Unit owners and the Commercial Unit Owners shall pay no share of such expenses. Other expense items, like heat, are shared by the Residential, Retail and Office Unit Owners, and the Garage Unit Owners shall pay no share of such expenses.

No representation is made with respect to either: (a) the uses to which the Commercial Units or any part thereof will be put at any time; or (b) who will operate or tenant the Commercial Units or any part thereof at any time. The Condominium Board will have no right to restrict or limit the method of operation, any uses or appearance of the Commercial Units which are permitted by law and/or applicable zoning ordinances. Except as provided herein, the Condominium Board and the Residential Unit Owners do not have the right to approve either any change in the use of the Commercial Units or any part thereof or any amendment to the Building's Certificate of Occupancy to authorize a different use.

Except as provided herein, Sponsor has the right freely to sell or lease the Commercial Units, without the Condominium Board having any right of first refusal to sell or lease, or to procure a third party to sell or lease, the same (see "Rights and Obligations of the Unit Owners and the Condominium Board" for further

discussion). If Sponsor elects to sell any of the Commercial Units, or any unit created by the subdivision or construction of such unit, it will amend the Plan to disclose that such sale has occurred. The Residential Unit Owners will have no interest in the rents, profits, or revenues from the rental or use of any space in the Commercial Units.

Tenants occupying the retail space, office space and parking spaces described in this section (the “commercial tenants”) will pay rent and other charges required by the leases of such commercial tenants for such spaces to the respective Commercial Unit Owner. Similarly, the Garage Unit Owner will bear the expenses in connection with the operation of the parking facility including the payroll costs for the parking facility employees. Neither the Condominium nor any other Unit Owner will have any interest in any such rents or other charges.

The Commercial Unit Owners may make alterations in the Commercial Units without the consent of the Condominium Board or other Unit Owners provided such alterations are made in compliance with the laws and regulations relevant to such alterations. A Commercial Unit Owner shall have the right, without the consent of the Condominium Board, and at its sole costs and expense to alter, modify, restore or construct the exterior facade and storefronts of the Building provided that such alterations, modifications, restoration or construction are in compliance with applicable law and do not affect the structural integrity of the Building.

The Sponsor as to the Unsold Units and the owners of the Commercial Units shall have an easement, without the permission of the Board of Managers, to erect upon the Common Elements and maintain installations for services such as power, light, gas, hot and cold water, and heat, ventilation and air conditioning (including all pipes, ducts, chutes, wires, cables and conduits used in connection therewith), one or more chimneys, and exhaust flues, and telecommunications switchgear, conduits and lines (collectively “Facilities”) from any Unsold Unit or any Commercial Unit or installation within a Commercial Unit which may be necessary or desirable in connection with any lawful use of such Unsold Unit or Commercial Unit, and any replacement thereof, provided that such Facilities comply with all applicable laws and municipal regulations. All costs for such Facilities and any necessary permits therefore shall be the responsibility of such Unit Owner. The owner of Commercial Units also has easements, without permission of the Board of Managers: (1) to use the sidewalks surrounding portions of the Building for purposes permitted by law and (2) to maintain, erect, alter, repair or replace from time to time, at its sole discretion, exterior signage in the customary form used for such commercial establishments. Neither the Condominium Board nor any Residential Unit Owner or other Commercial Unit Owner shall have any interest in any rent or other compensation that a Commercial Unit Owner may receive in connection therewith. All such uses by the Commercial Unit Owners must comply with all applicable laws and municipal regulations, and the costs for uses and any necessary permits therefore shall be the responsibility of such Commercial Unit Owner.

The foregoing will not have a material adverse impact on the Residential Units in the Condominium.

CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A must be changed by a duly filed amendment to the plan when the change in price is an across the board increase or decrease affecting one or more lines of units or unit models, or is to be advertised, or is a price increase for an individual purchaser. Prices and specified terms of sale are negotiable and the Sponsor may enter into an 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.

No change will be made in the size or number of units and/or their respective percentages of common interest, and no material change will be made in the size or quality of common elements, except by amendment to the plan and, when applicable, to the declaration.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of any Board, Unit Owner or mortgagee, to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit(s), or otherwise, including, without limitation, the use of any portion(s) of the Common Elements adjacent to such Unsold Units to the extent that such portion(s) are not required to be maintained as Common Elements pursuant to the terms of the By-Laws. Subject to the terms of the following paragraphs of this section, such right may be exercised by Sponsor from time to time, both before and after the First Closing, by amendment to this Plan without the Consent or approval of the Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner or any mortgagee.

Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a purchase agreement has been executed and delivered to Sponsor for that Unit and accepted by Sponsor and the Purchaser is not in default. No material change will be made in the size or quality of Common Elements unless Purchasers not in default consent or receive a right to rescind contained in an amendment and a reasonable period of time that is not less than fifteen days after the date of presentation of such amendment to exercise the right. Sponsor will return any deposit or down payment promptly to Purchasers who rescind.

In the event that Sponsor shall change the size and/or number of Unsold Units, Sponsor shall increase or decrease the Common Interests appurtenant thereto accordingly; however, the aggregate amount of the Common Interests of all of the Units shall always remain at 100%. As a result of such reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the owners of the Unsold Units affected thereby will be increased or decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the owners of Units unaffected thereby will not be varied.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid, or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is duly recorded. As more particularly provided in the Declaration, Sponsor or its designee, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners, or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior consent of the owner of such Unit. In addition, no change will be made in the Common Interest of any Unit for which a Purchase Agreement is in effect without obtaining the prior written consent of the Purchaser thereof.

To the extent permitted by law, if the size or configuration of a Unit is changed in compliance with this Plan and the Condominium Documents and, in connection therewith, a wall, space, or other area forming a part of the Common Elements servicing and benefitting only such Unit is razed or incorporated in the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

INTERIM LEASES

The Sponsor may, at its option, rent any Unit that is vacant before the closing. Purchasers are advised that the tenancy under such Interim Lease is not subject to governmental regulation as to amount of rent or terms.

An uncured default under the purchase agreement is a default under the lease and an uncured default under the lease is a default under the purchase agreement. Before the Sponsor may utilize the default under the lease to declare a default under the purchase agreement, the 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.

A Purchaser will have thirty (30) days to vacate the Unit after a default under the Agreement or the exercise of a right of rescission.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute in duplicate a Purchase Agreement in the form contained in Part II of this Plan and return it to Sponsor or Selling Agent at the address set forth on the cover of the Plan together with an unendorsed bank or certified check for (10%) percent of the purchase price (the "Down Payment") drawn to the order of: Cutler Minikes & Adelman LLP, as Escrow Agent.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. Sponsor will hold, or cause to be held, all monies received by it directly or through its agents, employees or attorneys in a segregated special escrow account pending delivery of the deed or the Purchase Agreement is cancelled in accordance with its terms. Said funds shall be held in an interest-bearing account. The funds so deposited will be disbursed only in accordance with the provisions of the Purchase Agreement and this Plan.

All deposits, Down Payments, or advances made by Purchasers prior to closing of each individual transaction will be placed, within five business days after the agreement is signed by all necessary parties in a segregated special escrow account of Cutler Minikes & Adelman LLP, the Escrow Agent, whose address is 708 Third Avenue, New York, NY 10017, and whose telephone number is (212) 983-1199. Said funds shall be held in an interest-bearing account entitled "Cutler Minikes & Adelman LLP, Pistilli Grand Manor Escrow Account" or similar name, or a sub-account of that account, and will be located in an account maintained with New York Community Bank, 1400 Old Northern Boulevard, Roslyn, NY 11576. This bank is covered by federal bank deposit insurance to a maximum of \$100,000 per individual deposit. IF AN INDIVIDUAL MAKES A DOWN PAYMENT IN EXCESS OF \$100,000 FOR THE PURCHASE OF A UNIT, IT IS A SPECIAL RISK OF THIS OFFER THAT SUCH DEPOSIT WILL NOT BE FEDERALLY INSURED IN EXCESS OF \$100,000. The signature of an attorney in the firm Cutler Minikes & Adelman LLP will be required before any funds held in trust may be released. The signatories on this account authorized to withdraw funds are Andrew N. Cutler, Jonathan Z. Minikes and Richard B. Adelman. Interest earned will be at the prevailing rate paid from time to time by New York Community Bank; currently that prevailing rate is approximately 1.4% per annum.

All funds received from Purchasers whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be made payable to or endorsed by the subscriber or the Purchaser to the order of the attorney or law firm as Escrow Agent.

There is a copy of the Escrow Agreement which includes the terms of the Attorney General's regulations in Part II of the Plan at page H-1. Pursuant to the Escrow Agreement, Sponsor has agreed to indemnify and hold Escrow Agent harmless from any liability, obligation, damage, claim, penalty, cost and expense, including reasonable attorneys fees (either paid to retain attorneys or representing the fair value of legal services rendered by Escrow Agent to itself) and disbursements, incurred by it by reason of this Agreement and the actions contemplated herein, except for Escrow Agent's gross negligence or willful misconduct.

Within ten business days after tender of the Down Payment submitted with the Purchase Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited into the escrow account. If the Purchaser does not receive notice of such deposit within fifteen business days after tender of the Down Payment, the Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety days after tender of the deposit or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and the requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the plan must be amended to provided the same full disclosure with respect to the new account, the Escrow Agent and the escrow agreement as was originally provided. In lieu of depositing the Down Payment into an Attorney Escrow Account, Sponsor reserves the right to a post a bond issued by a licensed bonding company securing repayment of the aforementioned funds together with interest earned and collected thereon, in the event a Purchaser is entitled to repayment of same. If Sponsor elects to post a bond, it will submit the form of the bond to the Department of Law for its approval and will notify all affected Purchasers by filing an amendment to the Plan.

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 Sponsor of its obligations pursuant to General Business Law Section 352-h.

The Escrow Agent will hold funds in escrow until otherwise directed in

- a. a writing signed by both Sponsor and Purchaser; or
- b. a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- c. a judgment or order of a court of competent jurisdiction,; or
- d. If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten business days. Thereafter, the funds may be paid to Sponsor unless the Purchaser has already made application to the Office of the Attorney General pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provisions.

Sponsor will 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 Plan or an amendment to the Plan;
- b. all Purchasers after an amendment abandoning the plan is accepted for filing by the Office of the Attorney General.

Disputes

In the event of a dispute, 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. Forms for this purpose will be available from the Office of the Attorney General. The party making such application shall contemporaneously send to all other parties a copy of such application. Pending the determination of the Attorney General to grant or deny the application, Sponsor, the Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General. 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. The Attorney General shall act upon the application within thirty (30) days after its submission to the Office of the Attorney General, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons. If the application seeking release of funds is denied, the Escrow Agent shall continue to hold the deposit and any interest earned thereon until: (1) both Sponsor and Purchaser direct payment to a specified party in accordance with a written direction signed by both Sponsor and Purchaser; or (2) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or (3) the Escrow Agent deposits the disputed amount into court.

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 will maintain all records concerning the escrow account for seven years after the release of funds. Upon the dissolution of any law firm which was the escrow agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by the successor firm and shall notify the Office of the Attorney General of such transfer.

The Office of the Attorney General may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

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 the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a purchase agreement.

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to GBL Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to GBL Section 352-h. Funds from the escrow account remain the property of the Purchaser until employed in connection with the consummation of the

transaction. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity or death.

All funds required to be held pursuant to Sections 352-e(2-b) and 352-h on the effective date of this section shall be transferred into the escrow account in compliance with this regulation within sixty (60) days thereafter.

TIME IS OF THE ESSENCE AS TO PURCHASER'S OBLIGATIONS PURSUANT TO THE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF THE BALANCE OF THE PURCHASE PRICE.

After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which purchase agreements have been executed by serving Purchasers with written notice stating the date of the first closing and setting such Purchaser's Closing Date. Such notice will be served in compliance with the Attorney General's regulations no less than thirty (30) days prior to the date set for the closing of the Units. Sponsor may permit Purchasers to waive this thirty (30) day provision by including such waiver in the Plan or in an amendment thereto.

It is anticipated that the First Closing will occur by the commencement date for the First Year of Condominium Operation as set forth in Schedule B which is March 1, 2008. If the First Closing is delayed twelve (12) months or more, Purchasers will have the right to rescind their Agreements.

Sponsor must make a written demand for payment after default at least thirty (30) days before forfeiture of the Down Payment may be declared.

At the closing of title and simultaneously with the delivery of the deed conveying a Residential Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board and Sponsor substantially in the form set forth in Part II of the Plan. Purchaser's failure to duly complete and sign before a notary public and deliver at closing the power of attorney will constitute an event of default under the Purchase Agreement, in which case Sponsor may, at its option, cancel such Purchase Agreement and retain the Down Payment made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate. In addition, Sponsor shall also be entitled to retain (i) any costs or expenses incurred by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Residential Unit to its condition prior to such special work being performed. Sponsor will be entitled to maintain an action against Purchaser for such additional costs.

At Sponsor's option, Purchasers will be afforded:

(i) not fewer than seven (7) days after delivering an executed purchase agreement together with the required deposit to rescind the purchase agreement and have the full deposit refunded promptly. Purchaser must either personally deliver a written notice of rescission to the Sponsor or Selling Agent within the seven (7) day period or mail the notice of rescission to the Sponsor or Selling Agent and have the mailing post-marked within the seven (7) day period; or

(ii) not fewer than three (3) business days to review the Offering Plan and all filed amendments prior to executing a purchase agreement

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 written agreement with the Sponsor) or legal title to the Unit has been conveyed to the Purchaser.

Purchaser's obligation to purchase is not contingent upon the Purchaser obtaining financing. If a Purchaser is unable to obtain bank financing or is unable to close, for any reason pursuant to an issued bank commitment, Purchaser will lose their Down Payment unless Purchaser can otherwise pay the balance of the Purchase Price.

A complete copy of the form of Purchase Agreement is included in Part II of the Plan. Conflicts between the Purchase Agreement and the Plan shall be resolved in favor of the Plan.

Sponsor will have thirty (30) days after delivery by Purchaser of an executed Agreement and the Down Payment required thereby, within which to accept or reject such Agreement.

If an Agreement is not accepted by Sponsor within the aforesaid thirty (30) day period (by Sponsor executing the Agreement and returning same to Purchaser or Purchaser's counsel within the thirty (30) day period), the Agreement shall be deemed to have been rejected and canceled and all sums theretofore deposited thereunder, without interest, shall be promptly returned to the prospective purchaser. No prospective purchaser will have any claim against Sponsor for Sponsor's failure to execute an Agreement.

The purchase agreement and Plan may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law.

ASSIGNMENT OF PURCHASE AGREEMENTS

The Purchase Agreement to be signed by Purchasers under this Plan is not assignable without the prior written consent of Sponsor, which may be granted or withheld by Sponsor in its sole discretion for any reason or for no reason.

FINANCING FOR QUALIFIED PURCHASERS

Commercial and savings banks, as well as some savings and loan associations, may make loans to help Purchasers to finance the purchase of a Unit.

Each institution has its own lending policies and credit requirements. Credit standards, the availability of funds and the loan-to-value ratio vary from institution to institution, and from time to time at any one institution. No representation or warranty is made that institutional financing will be available to anyone who agrees to purchase a Unit under the Plan or as to the terms and conditions upon which it might be available.

Persons who may be interested in availing themselves of financing arrangements for the purchase of Units should communicate directly with the lenders of their preference. If a Purchaser desires, he may partially finance the purchase of a Unit by obtaining a loan but the purchase is not contingent on the Purchaser obtaining a loan.

Purchasers should note that in the current real estate market, some banks and other lenders may be imposing various restrictions on loans. Such restrictions may include requirements that a certain percentage

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 less than a lender's particular sales minimum. It may also be difficult for a purchaser to resell a Unit if the prospective buyer is unable to obtain a loan due to such minimum sales requirements.

EFFECTIVE DATE

The offer to sell the Units in the Building is contingent upon the Plan being declared effective and in compliance with the conditions and time periods set forth in the Plan.

The Plan may be declared effective by (i) an amendment to the Plan, or (ii) by personal service of notice on every Purchaser or by commencement of service by mail stating that the Plan is declared effective and submitting an amendment to the Office of the Attorney General within five (5) days confirming that the Plan was declared effective on a specified date. The closing of the first Unit shall not occur until the Plan has been declared effective and the effectiveness amendment is accepted for filing by the Office of the Attorney General .

The Plan may not be declared effective unless bona fide purchasers, including investors, have signed Purchase Agreements for at least fifteen (15%) of the Units offered for sale under the Plan.

The Plan will not be declared effective based on Purchase Agreements (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; (b) signed by a Purchaser not afforded the three (3) business day period to review the Plan (prior to executing an Agreement) provided for in the "Procedure to Purchase" Section of the Plan; or (c) with any Purchaser who is Sponsor, the Selling Agent or the Managing Agent, or is a principal of Sponsor, the Selling Agent or the Managing Agent, or is related to Sponsor, the Selling Agent or the Managing Agent, or to any principal of Sponsor, the Selling Agent or the Managing Agent, by blood, marriage or adoption or as a business associate, employee, shareholder or 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 Office of the Attorney General establishing that the purchaser is bona fide.

When Purchase Agreements have been executed and accepted for the sale to Purchasers of 80% of the Units offered hereby, the Plan must be declared effective.

The Plan may be withdrawn or abandoned by Sponsor, at its option, for any reason whatsoever at any time prior to its being declared effective. After this Plan has been declared effective, but before the First Closing, Sponsor may, in its sole discretion, withdraw or abandon this Plan in the event of: (a) the existence of one or more defects in title (including, without limitation, violations of record), affecting one or more Units and/or the Common Elements, that cannot be removed, cured, or complied with without litigation or for less than $\frac{1}{2}$ of 1% of the Total Purchase Price set forth on the front cover of the Plan in the aggregate; or (b) any substantial damage to, or destruction of, any material portion of the Building by fire or other casualty which cannot be cured prior to the date set for the First Closing for less than $\frac{1}{2}$ of 1% of the Total Purchase Price set forth on the front cover of the Plan; or (c) the taking of all or part of the Property in condemnation proceedings or by eminent domain. Any stated dollar amount relied upon as basis for abandonment after the Plan has been declared effective 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.

If the Plan is withdrawn or abandoned, Sponsor will promptly submit an amendment to the Department of Law to such effect, together with such forms as may be required by law. Purchasers will be notified in writing of a withdrawal or abandonment of the Plan. All monies paid by Purchasers will be refunded to them in full, with interest earned thereon, if any, within thirty (30) days thereafter. If at the time the Plan is abandoned or withdrawn the Purchaser shall be in default hereunder and shall have failed to cure said default within the applicable grace period, if any, or if this Agreement had been previously cancelled due to Purchaser's uncured default, then Seller shall retain as and for liquidated damages, the Down Payment plus any additional cost or expenses incurred by Seller on account of any special work in the Unit ordered by Purchaser, together with any interest earned and collected thereon, and any sums in excess thereof, together with any interest earned and collected thereon, shall be returned to Purchaser within thirty (30) days after the date of abandonment or withdrawal. Upon the return or retention of the Down Payment, together with interest earned thereon, the Purchase Agreement pursuant to which the Down Payment was given will be null and void and Sponsor will have no further obligation or liability to the Purchaser under the Plan or the Purchase Agreement.

CLOSING AND TERMS OF SALE

At the Closing, Purchasers will receive a bargain and sale deed with covenants against grantor's acts in the form set forth in Part II of the Plan conveying title to the Unit subject only to the title conditions set forth in Exhibit A to the Purchase Agreement. See Exhibit A to the Purchase Agreement in Part II of the Plan for a description of leases, liens, encumbrances and title exceptions that will affect the Property after Closing.

In no event will Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) defects of an insubstantial nature, such as, without limitation, partial or total loss of any trees, shrubs, bushes or other landscape improvements, nail pops, protruding dry wall fastenings, ridging on gypsum board, lumber and wood trim shrinkage or warpage, door or window sticking, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of doors; walls not square and/or straight; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building; (iv) deviations in the level or straightness of ceilings, and imperfections in ceilings finishes; (v) imperfections in painting finishes; (vi) deviations in the level or straightness of a floor or failure of finished floors and walls to be straight or on plane or at less than 90 from each other; (vii) alignment of bathroom finishes and variation in grouting thickness; (viii) air infiltration and water infiltration from windows, vents electrical outlets and similar openings in the wall, in accordance with customary practice and professional standards (ix) noise from normal plumbing, heating, ventilating and air conditioning operation; (x) normal floor noises and creaking; (xi) carpet or floor discoloring or stretching, (xii) scratches and imperfections or variations in width, length, thickness, finish or color range of wood floor strips or other flooring or floor finishes, also normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, or due to homeowner's failure to maintain consistent temperature; (xiii) repair of chips, scratches, mars, breaks dents, cracks or other defects in: exterior stone; windows glass, frames and hardware; insulation attached to the curtain wall; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinets, back splashes and counter tops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances: woodwork, millwork and doors; mirrors and after the Unit Closing, paint touch-ups, repair of dented appliances, or replacement of light bulbs; (xiv) cracks or variations in tone or color of natural stone

or variations in tone or color of vanity tops or any other natural stone surfaces; (xv) leaching or color variation in color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks; (xvi) ponding and/or controlled drainage on the roof surface; (xvii) cracks in pressure-treated lumber used or intended for use outside the Building; (xviii) cracks or discoloration in concrete used in cellar walls and paving; (xix) discoloration to hardware and plumbing finishes; (xx) stains, runs, lumps, shags or imperfections in weave in fabric panels; (xxi) scratched, dirty or cracked lenses in light fixtures; or (xxii) terrace tiles not laid flat, or color variation in tiles or mortar, or stained tiles; (xxiii) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, or (xxiv) salting or color variation in exterior colored mortar and deep colored brick. Sponsor will be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair will be made by filling the stone or formica or refinishing the porcelain, but Sponsor will not be obligated to replace such stone, formica or porcelain surfaces. THE ITEMS AND CONDITIONS DESCRIBED IN THIS PARAGRAPH ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR UNIT, THE COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREFOR. IF PURCHASERS OR ANY BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR

In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), including, without limitation, any costs associated with a Unit Owner vacating the Unit or its contents during any period of repair or alteration which Sponsor has agreed or is required to perform, it being intended that Sponsor's sole obligations under the Plan will be to repair or, at Sponsor's option, replace (or cause to be repaired or replaced) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions (and within the time limits) set forth in this paragraph.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of (i) any insubstantial variations from the Plans and Specifications or the description of any portion of the Building or a Unit set forth in the Plan or (ii) variations from the Plans and Specifications or the description of any portion of the Building or a Unit set forth in the Plan which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality than as set forth in the Plans and Specifications or description in this Plan. Any such variation affecting the Property which is material will be disclosed in a duly filed amendment to the Plan.

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 other than those described in the Plan and the proposed Unit deed, including but not limited to the following:

1. Certification pursuant to Zoning Lot Subdivision C dated February 11, 2003, recorded March 19, 2003 in CRFN 2003000052672.

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 Sponsor or by the Owner of the Property, is included in the conveyance unless specifically excepted in the Plan.

The Declaration, By-Laws and Floor Plans of the Condominium and such other documents required by law will be recorded or filed in the office of the Register of the City of New York, County of New York, prior to the First Closing in accordance within the New York Condominium Act or other applicable state and/or local law.

Prior to the First Closing, (i) the mortgagee of any mortgage encumbering the Property will consent to the formation of a condominium and acknowledge that its lien will be limited to Unsold Condominium Units; or (ii) the lien of the mortgage will be subordinated to the Declaration of Condominium and, with respect to each Unit and its appurtenant Common Interest; or (iii) the lien of such mortgage shall be released prior to or simultaneously with the closing of title to such Unit.

UNIT CLOSING COSTS AND ADJUSTMENTS

At the time of title closing, each Purchaser of a Unit will pay certain closing costs in addition to the legal fees of such Purchaser's counsel and the amount of any net credit in favor of Sponsor resulting from the closing apportionments described below. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of this Plan and are subject to change without prior notice or amendment:

1. a. Fee title insurance, if ordered through Title Associates, Inc., will be available at a reduced premium by reason of the reissue credit arising from the initial sale of the Unit by Sponsor. As of May 2003, the discounted premium for owner's title insurance is seventy percent of the sum of \$402.00 for the first \$35,000.00 of fee insurance plus from \$4.67 for each \$1,000 of additional fee insurance up to \$50,000.00. For additional rates, please refer to the schedule below:

<u>Fee Amount</u>	<u>Premium</u>	
\$50,000	\$351.00	+ \$3.80 per thousand up to \$ 100,000.00
\$100,000	\$541.00	+ \$3.05 per thousand up to \$ 500,000.00
\$500,000	\$1,762.00	+ \$2.79 per thousand up to \$ 1,000,000.00
\$1,000,000	\$3,157.00	+ \$2.57 per thousand up to \$ 5,000,000.00

- b. Mortgage title insurance, if ordered through Title Associates, Inc., will be available at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty (30%) of the regular scheduled rate for loan policies as outlined on the schedule below:

<u>Loan Amount</u>	<u>Premium</u>	
\$35,000	\$73.00	+ \$1.17 per thousand up to \$ 50,000.00
\$50,000	\$90.00	+ \$0.95 per thousand up to \$ 100,000.00
\$100,000	\$137.00	+ \$0.77 per thousand up to \$ 500,000.00
\$500,000	\$445.00	+ \$0.70 per thousand up to \$ 1,000,000.00

\$1,000,000 \$795.00 + \$0.64 per thousand up to \$ 5,000,000.00

2. Recording fees for recording the deed and power of attorney. Title Associates, Inc. charges \$32.00 as a base recording charge plus \$5.00 per page (including cover page) plus a \$30.00 document service charge and a mortgage recording fee (if any) at a rate of \$62.00 per instrument plus \$5.00 per page. Each title insurance company establishes its own additional service and surcharges in this regard.
3. Transfer taxes calculated as follows:
 - a. Real Property Transfer Taxes (RPT) for individual condominium units are 1% if the consideration is \$500,000 or less or 1.425% if the consideration is greater than \$500,000. When paid by the Purchaser, the RPT is increased to account for the grossed up consideration by approximately 1.01% if the consideration is \$500,000 or less or 1.451% if the consideration is greater than \$500,000. Recording deeds in New York County also require a \$75.00 filing fee for filing the New York City Equalization and Assessment Form (RP-5217NYC).
 - b. New York State Transfer Tax (deed stamps) (TP584), which are currently at the rate of \$2.00 per \$500.00 of the purchase price or fraction thereof. When paid by the Purchaser, the deed stamps are increased to account for the grossed up consideration by approximately 1%.
 - c. New York State Mansion Taxes for individual condominium units where the purchase price and the additional consideration deemed received by Sponsor by reason of the Purchaser's payment of the Real Property Transfer Taxes exceeds \$1,000,000 are 1%.
4. Closing of title to the Unit will take place at the office in New York City designated by Sponsor's attorney. The following closing fees will be charged to Purchaser by the attorneys for Sponsor in connection with the closing of the Units:
 - a. \$1,500.00 for closing of sale without bank financing, plus disbursements.
 - b. \$200.00 for ACRIS document preparation fee,
 - c. \$250.00 additional fee for closing of sale with bank financing,
 - d. \$500.00 additional attendance fee in the event that closing does not occur at the offices of Sponsor's attorney.
 - e. \$700.00 additional attendance fee in the event that the closing occurs outside the boroughs of Manhattan or Queens.
 - f. \$250.00 additional fee if closing is adjourned for any reason other than at Seller's request.
5. In the event Purchaser obtains a mortgage, Purchaser shall pay all costs in connection therewith. Such mortgage costs may include, but are not limited to:
 - a. Mortgage title policy with estimated costs described in subparagraph (a)(1) and (2) above;
 - b. Mortgage tax of 2.05% of mortgage amount if under \$500,000; 2.175% if mortgage over \$500,000, less \$30.00 (any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of Sponsor);

- c. Loan origination fee or “points”;
- d. Application fee;
- e. Appraisal fee;
- f. Legal fee of lender’s attorney;
- g. Private mortgage premium, if required; and
- h. Recording charges to record the mortgage.

Note: If the Purchaser obtains a commitment for a mortgage loan to finance the purchase of this unit, the mortgage on the unit may provide that the mortgagor shall deposit monthly with the mortgagee one-twelfth (1/12th) of the estimated annual real estate taxes assessed or to be assessed against his unit and at the closing of title Purchaser may be required to deposit with the mortgagee a portion of the annual real estate taxes assessed against his unit for the forthcoming period.

- 6. The Purchaser’s contribution to the Working Capital Fund of one (1) month’s estimated common charges as described in “Working Capital Fund.”
- 7. The Purchaser’s share of the cost of the Resident Manager’s Unit as set forth in the Plan on Schedule A - “Offering Prices and Related Information”.
- 8. Payment in advance of the Common Charges for the month following the month in which the closing occurs to the Condominium or its Managing Agent.

The above closing costs are cumulative to the extent applicable to any individual closing. The above costs are exclusive of costs which may be incurred by the Purchaser for legal representation in connection with the purchase of the Unit.

The following is an example of closing costs other than closing adjustments which would be incurred by a Purchaser of a Unit, the purchase price of which is \$447,200.00 and with a 0.3997% interest in common elements assuming that the Purchaser does not finance the purchase, obtains title insurance for his Unit and does not incur any late charges.

The above costs are cumulative to the extent applicable to any individual closing.

Title Insurance (including Sponsor discount)	\$1,601.00
Recording Charges	200.00
Sponsor’s Counsel Fee	1,700.00
Real Property Transfer Tax	4,592.00
Deed Stamps	1,807.00
Mansion Tax	0.00
Working Capital Contribution	486.00
Portion of Purchase Price of Superintendent’s Apartment	1,402.00
Payment in Advance of the Next Month’s Common Charges	<u>486.00</u>
 Total	 <u>\$ 12,274.00</u>

At the closing of title to each Unit, Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the closing: (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, including water charges and sewer rents (if separately assessed) and escrows for real estate taxes, if any; (ii) Common Charges for the month in which title closes; and (iii) rent and other charges, if any, pursuant to a lease for, or tenancy of, such Unit. In the event that the Unit has not been separately assessed for the then current fiscal tax-year at the time of closing title, the apportionment of real estate taxes shall be based on the Unit's pro-rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. Installments for tax assessments due after delivery of the deed (if any) shall be paid by the Purchaser and shall not be considered a defect in title.

RIGHTS AND OBLIGATIONS OF SPONSOR

Subject to the terms and conditions of the Plan, Sponsor shall have the following obligations and all Purchasers upon execution of their respective Agreements will be deemed to have accepted, approved and agreed to abide and be bound by the following:

Sponsor retains the unconditional right to rent rather than sell units as they become available. Sponsor does not represent that it will endeavor in good faith to sell units rather than rent as units become vacant.

Sponsor shall not be liable for nor obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions nor shall Sponsor be obligated to indemnify the Condominium Board or the Unit Owner unless otherwise required by law.

All representations under the Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to Unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor will fund its financial obligations from proceeds from the sales of Units, rental income from Unsold Residential Units, and financing. The ability of Sponsor to perform its obligations will depend upon its financial condition at the time it is called upon to perform. No bond or other security has been furnished to secure Sponsor's obligations.

As set forth in the section of the Plan titled "Effective Date," in the event a casualty which cannot be repaired for an aggregate cost, together with possible expenses for other items stated in such section of the Plan, of less than an amount equaling $\frac{1}{2}$ of 1% of the Total Purchase Price set forth on the front cover of the Plan (as estimated by an insurance adjuster retained by Sponsor), occurs prior to the First Closing and Sponsor elects not to make repairs, then Sponsor may, at its option, abandon or withdraw this Offering Plan. In such case all Purchase Agreements will be deemed automatically canceled and Purchasers not in default will be refunded their deposits with any interest earned thereon. Upon such refund being made, Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event a casualty occurs after the First Closing, but before the closing of the Affected Unit, as defined below, Sponsor shall have the right to elect to cancel the Purchase Agreement for the Affected Unit or repair and restore the Affected Unit. In the event Sponsor elects to cancel, Purchasers not in default will be refunded their deposits with any interest earned thereon. Upon such refund being made, Sponsor will be

relieved and discharged of all liability under the Plan and Purchase Agreements. In event Sponsor elects to repair and restore the damage to the Building from a casualty occurring before or after the First Closing but before the closing on the Affected Unit, then the following shall be applicable:

The term “Affected Unit” means a Unit that has been directly damaged in the casualty (other than minor damage not rendering the Unit uninhabitable) or is without such essential services as gas, electricity and heat, or no longer has a reasonably adequate means of ingress and egress to the street.

The Purchase Agreement for all Units, other than “Affected Units” (as previously defined), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to its Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity or heat) and a reasonable means of ingress and egress to the street have been restored.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Lease or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside its Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser’s guests, invitees or workers. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under his Contract of Sale and accepting title to the Unit, or if Purchaser fails to cure said default or is then in default under the Purchase Agreement (beyond the applicable grace period, if any), from Sponsor retaining the Liquidated Sum pursuant to Article 13 of the Purchase Agreement, unless Sponsor at its sole option, elects to cancel the Purchase Agreement and return the Downpayment to Purchaser.

Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and Sponsor will not be liable to the Condominium, in the event of any delay in repairing the damage.

Sponsor shall procure the fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance as set forth in the footnotes to Schedule B of the Plan.

In the event of the dissolution or liquidation of Sponsor or the transfer of ten (10) or more Units or twenty (20%) percent or more of the total number of Units in the Condominium, whichever is less, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units transferred under the Plan, applicable laws or regulations.

Construction of the Building is being financed by New York Community Bank (“Construction Lender”), which financing is secured by, among other things, mortgages and security agreements (collectively the “Construction Loan”). Pursuant to the Construction Loan, upon the closing of the sale of a Unit, the Construction Lender will release the Unit from the lien of the Construction Loan upon the Sponsor’s mandatory prepayment of the Construction Loan in the amount the minimum release price determined pursuant to the Construction Loan.

Sponsor will diligently, expeditiously and at its sole cost and expense, perform or cause to be performed such work, and will supply or cause to be supplied all materials necessary to complete construction of the building substantially in accordance with the Plans and Specifications. Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of any insubstantial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan. Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details), provided, however, that:

(i) any materials, appliances, equipment and fixtures which Sponsor may substitute shall be similar products of substantially equal or better quality or design; and

(ii) Sponsor shall not materially change the size or location of the Units or Common Elements if such changes affect the percentage of Common Interest or adversely affect the value of any Unit to which title has closed or for which an Agreement has been executed and is in effect, unless affected Unit Owners and contract vendees consent in writing to such change.

Based upon the current construction schedule, Sponsor presently contemplates that construction of the Building will be sufficiently completed so that a Certificate of Occupancy covering all the Residential Units will be issued by the New York City Department of Buildings on or before January 31, 2008. Sponsor presently contemplates that the closings of title to Residential Units will begin in or about March 1, 2008. Sponsor, however, makes no warranty or representation as to the date of the issuance of the temporary Certificate of Occupancy or the date of substantial completion due to Unavoidable Delays.

Prior to the First Closing, Sponsor will obtain a permanent Certificate of Occupancy for the Building, or, alternatively, a temporary certificate of occupancy for the Unit to be closed. A permanent Certificate of Occupancy is required for permanent residential use of the Building and the Residential Units. Temporary residential use of the Building is permitted upon issuance of a temporary Certificate of Occupancy, but if a temporary Certificate of Occupancy, which may be extended up to a total of two years, expires prior to obtaining a permanent Certificate of Occupancy, residential occupancy of the Condominium will be in violation of the Multiple Dwelling Law, subjecting the occupants of the Building, the Residential Unit Owners and the Condominium Board to penalties under the Multiple Dwelling Law, including, possibly, the eviction of residential occupants. Sponsor makes no representation or guarantee that the Department of Buildings will issue a permanent Certificate of Occupancy within two (2) years after issuance of the first temporary Certificate of Occupancy. In the event that Sponsor does not obtain a permanent Certificate of Occupancy for the Building, the Condominium Board will be obligated to obtain the permanent Certificate of Occupancy and any costs associated therewith could be assessed against all Unit Owners as a Common Expense.

If Sponsor fails to obtain a permanent Certificate of Occupancy for the Property prior to the First Closing, Sponsor will be obligated to direct the Escrow Agent to hold and 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 Sponsor's engineer, architect or other qualified expert may be released from the special escrow account. Alternatively, Sponsor must deposit with the Escrow Agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Office of the Attorney General. Any amount held in Escrow, in excess of the amount so certified as reasonably necessary to complete the work needed to obtain the permanent Certificate of Occupancy, can be released from escrow upon the receipt by Escrow Agent of a request by Sponsor.

Following the recording of the Declaration, Sponsor will deliver, assign or otherwise grant to the Board, on behalf of all Residential Unit Owners the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, materialmen or others in connection with the construction and equipping of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in the Unit of a Purchaser shall be assigned to such Purchaser on the date of closing of title to the Unit. Purchasers should be aware that warranties vary in length, depending partly on when the appliance, equipment and fixtures covered by such warranties are initially installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit.

Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of this Plan. In addition, Sponsor will pay all selling expenses and brokerage commissions of the Selling Agent or other broker engaged by Sponsor. Sponsor will pay for the authorized and proper work involved in the construction and establishment and sale of the condominium that Sponsor is obligated to complete under the Plan and will cause all mechanics liens with respect to such construction to be promptly discharged or bonded.

Following the issuance of a permanent Certificate of Occupancy for the Building, Sponsor will deliver to the Condominium Board a complete set of "as-built" plans for the entire Building.

Sponsor and its designee(s) shall have the right, until all Unsold Units are sold to use, without charge, portions of the Building, including the Common Elements and any Amenity Facilities, for exhibitions, events, promotional functions in connection with its sales programs for Unsold Units. In addition, the community room is subject to an easement in favor of Sponsor to compel the Condominium and its Board of Managers to maintain and make available the community room on the basement level (which shall be maintained at a size of at least 750 sq. ft.) for use by the local community association, but such use shall be subject to the Condominium Board's reasonable rules and regulations.

Except as set forth above or as required by Law or governmental regulation, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform. No representation can be made that it will be financially able to perform any or all of such obligations. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan shall survive the delivery of the respective Residential Unit deeds. In the event that Sponsor is not financially able to perform its obligations under the Plan, sales will cease and the Plan will be amended to offer rescission to Purchasers, if any.

During the period when Sponsor is completing construction of the Building and the Units, the Sponsor will have a right of access to Units and Common Elements to complete such construction. Sponsor shall exercise this rights of access in such manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one (1) day's notice, except that no such notice shall be required in the event of any repair or replacements immediately necessary for the preservation or safety of the Building, for the safety of the occupants therein, or to avoid the suspension of necessary service of the Building. The Sponsor shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Condominium Board or any Unit Owner for any such access.

During the period when Sponsor is completing construction of the Building and the Units, moves into the Building may be restricted to certain periods when the elevators and other access to the Building are not being utilized by the construction trades, construction workers and related personnel will be at the

Property from time to time completing construction of the Building, making adjustments and corrections and performing various tasks related to the completion of construction. During this period, various building systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may need to be shut down temporarily. Sponsor and its designees, including tenants performing work in the Commercial Units, will have the right to and may utilize elevators and other building systems and may install and retain scaffolding and other equipment on and in the Building to complete construction of the Building. Sponsor may not fully complete the decoration of portions of the Building, including, without limitation, the lobbies or corridors in the Building, the installation of light fixtures, the hanging of wall coverings or laying carpeting, until a particular Section of the Building is complete or a particular floor is fully occupied by Residential Unit Owners. The Condominium Board may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and a Certificate of Occupancy has been obtained therefor. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services will not be the responsibility of the Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels.

The first Temporary Certificate of Occupancy will issue for some but not all of the Residential Units and Sponsor may complete construction of certain Residential Units before others. Accordingly, Purchasers should be aware that they may be required to close title to their Units while construction in other Units is continuing, possibly, for extended periods of time, and that noise, dust and other objectionable conditions inherent in a construction site may inconvenience Residential Unit Owners after they have taken occupancy of their Units. Please refer to the Section of the Plan entitled "Description of Property" in Part I of the Plan for further details.

CONTROL BY SPONSOR

Prior to the first annual meeting of Unit Owners and during the Initial Control Period, the affairs of the Condominium will be controlled by individuals designated or elected by Sponsor as described in the "Condominium Board" section of the Plan. As described in the "Condominium Board" section of the Plan, within 30 days after the first anniversary of the First Closing, or at such earlier time as Sponsor deems in the best interest of the parties, Sponsor shall call the first annual meeting of the Unit Owners. At such meeting, the incumbent two-member Condominium Board shall resign and a new nine member Condominium Board shall be elected by the Unit Owners and/or designated by Sponsor.

The number of members of the Condominium Board may not be increased without the consent of the owner of the Unsold Units for so long as there remains one (1) Unsold Unit. Six Members of the nine member Condominium Board will be designated or elected by Residential Unit Owners, one Member by the Retail Unit Owner(s), one Member by the Office Unit Owner(s) and one Member by the Garage Unit Owner(s). The Commercial Unit Owners will not otherwise participate, as owner of the Commercial Units, in the election of other members of the Condominium Board.

During the Initial Control Period, which is defined in this Plan as the period ending on the earlier of: (i) the closing of title with purchasers under the Plan to Units having more than fifty percent of the aggregate Common Interests appertaining to all Units or (ii) two years after the First Closing, and assuming a nine (9) member Condominium Board, Sponsor or its designee as owner of Unsold Residential Units shall have the right to designate the following minimum number of members of the Condominium Board: four of the six Residential Unit Members. After the Initial Control Period, Sponsor or its designee shall have the right to designate the following minimum number of members of the Condominium Board, for so long as Sponsor or its designee owns one (1) Residential Unit: (a) one (1) member assuming a nine (9) member

Condominium Board, or (b) more than one (1) member if the Condominium Board is increased to more than nine members to the extent that the total number of members designated or elected by Sponsor or its designee and the Commercial Unit Owners is one less than a majority.

In addition, at all times, the Retail Unit Owner, the Office Unit Owner and the Garage Unit Owner shall each be entitled to designate one (1) member of the Condominium Board or, in the event any such Commercial Unit is subdivided, to elect one (1) member of the Condominium Board.

Sponsor or its designee shall not exercise voting control of the Condominium Board, either through its right of designation or through its voting its interests, beyond the Initial Control Period. Neither the exercise of the right of designation or to vote for Condominium Board members under the control of Sponsor or its designee nor any other provision of these By-Laws shall impair the right of Sponsor or its designee or the Commercial Unit Owner to vote for any other candidates for the Condominium Board provided such votes by the Sponsor or its designee do not constitute an exercise of voting control as provided at law. If at any time it is determined to increase or decrease the size of the Condominium Board, the representation of Sponsor or its designee shall be changed proportionally.

If at the expiration of the Initial Control Period, a majority of members of the Condominium Board serve by reason of the designations or votes cast by Sponsor or its designee, a special meeting of Unit Owners shall be called within thirty (30) days after the expiration of the Initial Control Period for the purpose of electing a new Condominium Board.

At all times, Sponsor shall have the right to vote all of the Common Interests attributable to Units owned by Sponsor on all matters as to which Unit Owners vote other than with respect to the election of the Condominium Board. Until Sponsor no longer elects a majority of the members of the Condominium Board who are principals, employees and/or agents of Sponsor, Sponsor will, through its control of the Board, have control of the maintenance and operation of, and the services to be provided by, the Condominium. Notwithstanding the foregoing, Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required (i) to comply with applicable laws or regulations, (ii) to remedy any notice of violation or (iii) to remedy any work order by an insurer. However, Sponsor may exercise veto power over expenses other than those described in Schedule B for a period ending not more than five (5) years from the date of the First Closing, or whenever the Unsold Units constitute less than 25% of the Common Interest, whichever is sooner.

CONDOMINIUM BOARD

The affairs of the Condominium shall be governed by the Condominium Board, which shall consist initially of two members designated by Sponsor. The first officers and members of the Condominium Board will all be: Anthony Pistilli, President, and Joseph Pistilli, Vice President/Secretary/Treasurer. The members are employees of an affiliate of Sponsor.

The By-Laws do not include a provision that a majority of the Condominium Board must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals, after the end of an initial Sponsor control period. Rather, as provided in Section 2.1 of the By-Laws, except for members designated or elected by Sponsor or its designee or the Commercial Unit Owner, all members of the Condominium Board shall be either: (i) individual Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing. Since the By-Laws permit individuals other than owner-occupants

to be nominated or elected to the Condominium Board, owner-occupants may not control the Board or operation of the property during such transition or ever. Owner-occupants and non-resident owners, including the 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.

Within 30 days after the first anniversary of the First Closing, or at such earlier time as Sponsor deems in the best interest of the parties, Sponsor shall call the first annual meeting of the Unit Owners. At such meeting, the incumbent two-member Condominium Board shall resign and a new nine member Condominium Board shall be elected by the Unit Owners and/or designated by Sponsor. Thereafter, annual meetings of the Unit Owners shall be held on or about the anniversary of such date each succeeding year. At such meetings the Condominium Board shall be elected by ballot of the Unit Owners and/or designated by Sponsor or its designee and the Commercial Unit Owners in accordance with the requirements of the By-Laws. The term of office of each of the nine members of the Condominium Board shall normally be one year.

Except for members designated or elected by Sponsor or its designee or the Commercial Unit Owners, all members of the Condominium Board shall be either: (i) individual Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing. However, no Unit Owner may be elected to serve on the Condominium Board if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such election. Other than members elected by Sponsor or its designee, no member shall continue to serve on the Condominium Board after he ceases to be a Unit Owner or an interested party in a Unit Owner, as specified in the first sentence of this paragraph.

Special meetings of Unit Owners may be called by resolution of the Condominium Board or on petition of Unit Owners having in the aggregate not less than 25% of the Common Interest of all Unit Owners. The By-Laws also provide for the calling of a special meeting of Unit Owners for the purpose of electing a new Condominium Board within thirty (30) days after the expiration of the Initial Control Period.

All Unit Owners shall severally indemnify each member of the Condominium Board against any liability or claim, contractual or otherwise, except those arising out of the bad faith or willful misconduct of such member or that are contrary to law or the terms of the Declaration or the By-Laws. However, the liability of any Unit Owner on account of such indemnification will be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners.

All officers and members of the Condominium Board shall serve without compensation.

The members of the Condominium Board will have no liability to Unit Owners for errors of judgment, negligence, or otherwise, except that individual members will be liable for their own bad faith or willful misconduct. The Condominium Board may contract or effect other transactions with any member thereof, with any Unit Owner, with Sponsor, or with any affiliate of any of them at competitive rates without incurring any liability for self-dealing.

Any member of the Condominium Board may be removed with cause by an affirmative vote of Unit Owners. A member of the Condominium Board who has not been designated by Sponsor or its designee or the Commercial Unit Owners may also be removed without cause by an affirmative vote of a Unit Owners. In addition, any member of the Condominium Board who shall cease to be qualified for membership pursuant

to the terms of the By-Laws shall be deemed to have resigned his membership effective as of the date upon which such qualification shall cease. Any officer may be removed, without cause, by vote of a majority of the Condominium Board at a meeting called for such purpose.

Any vacancy on the Condominium Board shall be filled by vote of a majority of the remaining Managers. Notwithstanding the foregoing, any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated as such or elected by Sponsor or its designee shall be filled by an individual designated by Sponsor or such designee, and any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated or elected as such by any Commercial Unit Owners shall be filled by an individual designated or elected by that Commercial Unit Owner. Each member of the Condominium Board who is elected thereto or designated as such to fill a vacancy shall serve as a member of the Condominium Board for the remainder of the term of the member he replaced and until his successor shall be selected and qualified at the appropriate annual meeting of the Unit Owners.

Each Unit Owner (including Sponsor or its designee or the Condominium Board if either shall then own title to one or more Units) shall be entitled to one vote for each .0001% of Common Interest applicable to their Unit(s). The presence, in person or by proxy, of Unit Owners having a majority of the votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners, and, unless otherwise provided, the decision of the Unit Owners casting a majority of the votes of the Unit Owners at a meeting at which a quorum shall be present shall be binding upon all of the Unit Owners.

Generally, subject to certain exceptions and provided that any required consent of the Mortgage Representatives is obtained, any provision of the Declaration, the By-Laws, or the Rules and Regulations may be amended, modified, added to, or deleted by the affirmative vote of 66 2/3 in aggregate Common Interests of all Unit Owners. However, the Declaration, the By-Laws and the Rules and Regulations may not be amended or modified so as to adversely affect the right reserved to Sponsor or its designee in the Condominium Documents as to any Unsold Units without the prior written consent of Sponsor or said designee, or so as to adversely affect the right reserved to any Commercial Unit Owner in the Condominium Documents without the prior written consent of such Commercial Unit Owner. In addition, no provision of the By-Laws, the Rules and Regulations or the Declaration relating to the use of a Unit Owner's Unit or the allocation of Common Interest appurtenant to a Unit Owner's Unit may be amended without the consent of the Unit Owner affected by such amendment. Further, the By-Laws, the Rules and Regulations or the Declaration may not be modified, added to or amended so as to eliminate, change or impair any rights, powers, easements, privileges or benefits reserved to a Unit Owner, or so as to adversely affect such Unit Owner, without the written consent of the affected Unit Owner.

RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE BOARD OF MANAGERS

Sales and Leases of Units

Each Owner of a Residential Unit may sell or lease his Residential Unit, but only by complying with the provisions and restrictions contained in the By-Laws. Any Residential Unit Owner other than Sponsor or its designee who receives a bona fide offer for the sale or lease of his Unit which he intends to accept, or who enters into any Contract of Sale or Lease for his Unit shall give notice thereof to the Condominium Board, and shall offer to sell or lease his Residential Unit, on the same terms and conditions as are contained in such outside offer (subject to certain minor variances as set forth in Article 7 of the By-Laws) the Condominium Board or to its designee or to a purchaser or tenant produced by the Condominium Board.

Within thirty (30) days after receipt of such notice from a Residential Unit Owner, the Condominium Board may elect to purchase or lease or to produce a purchaser or tenant who will purchase or lease such Residential Unit, on behalf of all Unit Owners or to produce a third party purchaser or tenant who will purchase or lease such Residential Unit. In connection with its decision whether to exercise its option, the Residential Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the outside offeror and the terms of sale or lease as the Condominium Board may reasonably request. In addition, and subject to certain exceptions, no Unit Owner may lease his Unit for any short-term or transient tenancy. For purposes hereof, the term "short-term" shall mean a term of less than one (1) year.

In the event the Condominium Board shall fail to accept such offer or to produce a purchaser or a tenant within such thirty day period, or fails to act within said thirty-day period, the Residential Unit Owner shall be free to contract to sell or lease such Residential Unit within sixty days after the expiration of the period in which the Condominium Board might have accepted such offer on the terms and conditions and to the person as provided in the Residential Unit Owner's notice to the Condominium Board. If the Residential Unit Owner does not enter into a contract or lease on such terms within that period, or if such sale or lease shall not be consummated as so provided, then should such Residential Unit Owner thereafter elect to sell or lease his Residential Unit, whether to the same or another person on the same or other terms and conditions, the Residential Unit Owner shall be required to again comply with all of the terms and provisions of the By-Laws.

The Condominium Board shall not exercise any option to purchase any Residential Unit, whether directly or by a designee on behalf of all Unit Owners, without the prior approval of a majority in Common Interests of the Unit Owners. Acquisitions of Units by the Condominium Board, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the hands of the Condominium Board, or if such are insufficient, the Condominium Board may levy an assessment against each Unit Owner in proportion to his interest in the Common Elements, as a Common Charge and/or the Condominium Board, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance on or a hypothecation of any property other than the Unit to be purchased together with its Appurtenant Interests so to be acquired by the Condominium Board. This restriction shall not apply to an election by the Condominium Board to produce a third party purchaser or to lease or produce a tenant to lease a Unit, which elections may be made by the Condominium Board without action by the Unit Owners.

Any Unit Owner shall be free to convey or transfer his Unit by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the provisions of the By-Laws. In addition, the foregoing restrictions on sales or leases shall not apply with respect to any lease, sale or conveyance of a Residential Unit by: (i) a Unit Owner to any of his adult Family Members, to any combination of the same, or to a trust for the benefit of any of them; (ii) Sponsor or its designee; (iii) the Condominium Board or a Board Designated Purchaser; (iv) a party conveying a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or (v) any Permitted Mortgagee or his nominee, who has acquired title to any Residential Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction, provided, however, that each succeeding Residential Unit Owner shall be bound by, and his Unit shall continue to be subject to, all of the terms and conditions of the By-Laws.

In addition, the foregoing restrictions shall in no event apply to a sale, lease or conveyance of all or a portion of any Commercial Unit. Sponsor or its designee and the Commercial Unit Owners from time to time shall have the right to freely sell their Units or to freely lease all or any of them without having to offer the same for sale or lease to the Condominium Board or otherwise subject to the restrictions set forth in the

foregoing provisions of the By-Laws. Such provisions may not be amended without the consent of Sponsor or its designee as to Unsold Units or each of the Commercial Unit Owners as to the Commercial Units.

A Unit which is acquired by purchase or lease by the Condominium Board may be used only in accordance with the Condominium Documents. The Condominium Documents provide that a Residential Unit may be used for residential purposes or, if permitted by applicable law, as a professional or business office or other purpose.

The rent from the leasing or subleasing of a Unit or proceeds from the sale of a Unit after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners, and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses for the year in which collected. The excess of such amounts over Common Expenses shall be applied by the Condominium Board against the Common Expenses for the next succeeding year(s) of operation, and debt service, if any, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro rata in proportion to their respective Common Interests.

The Condominium Board may not discriminate against any person for a reason proscribed by civil rights laws.

No Unit Owner shall execute any deed or any other instrument conveying title to his Unit without including therein his Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. No part of the Appurtenant Interests of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the Appurtenant Interests of all Units. No Residential Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless he shall have paid in full to the Condominium Board all unpaid Common Charges and Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

Mortgaging of Units

Each Residential Unit Owner or Commercial Unit Owner may mortgage such Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with by such Unit Owner. As more fully set forth in the By-Laws, these conditions include the requirements that: (a) the mortgage be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan; (b) the Condominium Board is notified in writing of the making of such mortgage and is given a copy thereof and (c) the Unit Owner making such mortgage is not in arrears for Common Charges and Assessments. Sponsor or its designee, as the owner of Unsold Units, and each Commercial Unit Owner shall have the right to mortgage the Unsold Units and the Commercial Units, respectively, without any restriction or limitation with respect to the form of mortgage or otherwise.

Common Charges: Assessment, Collection and Lien for Non-Payment

The Condominium Board shall from time to time, and at least annually, prepare a Budget for the Condominium and determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium. In preparing such Budgets from time to time, the Condominium Board shall allocate and assess such Common Charges and expenses among the Unit Owners according to their respective Common Interests, but subject to such different method of allocation as is set forth in the

“Budget for the First Year of Condominium Operation”, Schedule B to the Plan (the “Condominium Budget”) or as may be determined by the Condominium Board to reflect exclusive use or the availability or control of particular Common Elements or services provided by the Condominium. The Condominium Board is authorized to specifically allocate expenses or specific expense items and apportion Common Charges of the Units resulting from changes in use or from changed circumstances. The Common Expenses shall include, without limitation, such amounts as the Condominium Board 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, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year. In addition, the Common Expenses may also include such amounts as may be required for the purchase or lease by the Condominium Board or its designee, on behalf of all Unit Owners, of any Unit whose owner had elected to sell or lease such Unit or of any Unit which is to be sold at foreclosure or other judicial sale. The Condominium Board shall advise all Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them as determined by the Condominium Board as aforesaid and shall furnish copies of such budget on which such common charges are based, to all Unit Owners. All costs and expenses which are allocable solely to the repair, maintenance and operation of a particular Unit or Units, as the case may be, shall be borne solely by the Owner(s) of such Unit(s). Notwithstanding this section, the power of the Board is subject to the restrictions contained in the By-Laws relating to repairs and maintenance of General Common Elements, Limited Common Elements and Residential Common Elements.

All Unit Owners shall be obligated to pay Common Charges assessed by the Condominium Board at such time or times as the Condominium Board shall determine. The Condominium Board may also impose a reasonable late charge for late payment of Common Charges, which shall be added to the Unit Owner's Common Charges, and which shall be a lien upon the Unit Owner's Unit if not paid. Assessments for Common Charges are the personal obligation of the person owning the Unit at the time the assessment becomes due.

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 (made in accordance with the provisions of the By-Laws) of such Unit. A purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition of such Unit, except that, to the extent permitted by law, 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. In the event of a foreclosure sale of a Unit by a mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges thereafter accrued prior to such sale. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, provided that is Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for the unpaid Common Charges, convey his Unit, together with the Appurtenant Interests, to the Condominium Board, or its designee, corporate or otherwise, on behalf of all Unit Owners, and in such event be exempt from Common Charges thereafter accruing.

The Condominium Board shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days after the due date for payment thereof. In the event any Unit Owner shall fail to make prompt payment of its Common Charges or any assessment as determined by the Condominium Board, such Unit Owner shall be obligated to pay interest at the highest legal rate on such unpaid Common Charges computed from the due date thereof, in addition to any late charge which may have been imposed, together with all expenses, including attorneys' fees, paid or incurred by the Condominium Board or the Managing Agent in connection with collecting such unpaid amounts, including but not limited to those paid or incurred in any proceeding brought to collect such unpaid Common Charges or assessments or in an action to foreclose the lien on such Unit arising from said unpaid Common

Charges or assessments. The Condominium Board shall have the right and obligation to attempt to recover such Common Charges or assessments, 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 (in the event of Common Charges) by foreclosure of the lien on such Unit granted by Section 339-z of the Condominium Act, in the manner provided in Section 339-aa thereof. While Sponsor or its designee is in control of the Condominium Board, it will cause the Board to file a lien as provided for in Section 339-aa of the Condominium Act against Units with respect to which Sponsor or such designees is in arrears of Common Charges by more than thirty (30) days.

Under the provision of Section 339-z of the Condominium Act and Section 5.4 of the By-Laws, the Condominium Board will have a lien, on behalf of all Unit Owners, on each Unit for unpaid Common Charges assessed against such Unit together with interest thereon and for the replenishment of the fund to be maintained by Unit Owners of Units occupied by non-purchasing tenants pursuant to Section 2.3(B) of the By-Laws. A lien for non-payment of Common Charges granted pursuant to Section 339-z of the Condominium Act has priority over all other liens except (i) liens for taxes on the Unit in favor of the assessing unit, school district, special district, county or other taxing unit, and (ii) sums paid on a first mortgage of record.

In any action brought by the Condominium Board 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 Condominium Board, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, cast the votes appurtenant to (other than for the election of Members to the Condominium Board), 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. In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit.

Repairs

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary in or to the Common Elements (whether such Common Elements are located outside a Unit or within a Unit) shall be made by the Condominium Board and the cost and expense thereof shall be charged to the Unit Owners as a Common Expense. Generally, in the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of any Unit Owner, the entire cost thereof shall be borne by such Unit Owner.

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, in or to any Unit and the interior side of entrance doors thereto shall be made by the Owner of such Unit at such Unit Owner's sole cost and expense. The interior glass surfaces of all windows located within any Unit must be washed and cleaned by the Residential Unit Owner thereof at such Unit Owner's sole cost and expense. Maintenance, painting and repair of all window frames within any Unit shall be done by the Unit Owner thereof at such Unit Owner's sole cost and expense. Unit Owners shall be responsible for replacing broken window glass in their Units, unless the glass is broken through the negligence of the Condominium Board or its agents, in which case the cost of replacement shall be borne by all Residential Unit Owners as a Residential Common Expense. Each Unit Owner shall be responsible for

all damages to any and all other Units and/or to the Common Elements by reason of his failure to do the foregoing.

All normal maintenance of and repairs and replacement to all terraces and balconies appurtenant to and for the exclusive use of particular Units shall be made by the Unit Owner owning such Unit at his own cost and expense. Each Unit Owner shall be responsible for all damages to any and all other Units and/or to the Common Elements by reason of his failure to do the foregoing. Any structural or extraordinary maintenance, repairs, or replacements to all terraces and balconies (including, but not limited to, any leaks in the terraces or balconies which are not caused by the acts or negligence of the Unit Owners which have the exclusive right to use such terraces or balconies, and cleaning and painting the sides of the terraces and balconies facing away from the usable portions of the terraces and balconies) shall be made by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense.

The washing and cleaning of the exterior glass surfaces of all windows and the replacement of all window frames shall be done by the Condominium Board and shall be charged to all Residential Unit Owners as a Residential Common Expense, unless the replacement of window frames is necessitated by the acts, negligence or misuse of any Unit Owner, in which case the entire cost thereof shall be borne by such Unit Owners.

The following provisions shall apply with respect to costs and expenses relating to Residential Common Elements and Limited Common Elements:

(A) The Owner or Owners of the Commercial Units shall not pay any costs or expenses relating to normal, routine and ordinary maintenance, repair or replacement to the Residential Common Elements or to the Residential Units (except to the extent that comparable normal, routine and ordinary maintenance, repair or replacement is also provided to the Commercial Unit).

(B) The Owners of the Residential Units shall not pay any costs or expenses relating to normal, routine and ordinary maintenance, repair or replacement to the Limited Common Elements limited in use to the Commercial Unit Owners.

(C) The Condominium Board shall not assess the Owner or Owners of the Commercial Units for any addition, alteration or enhancement to the Limited Common Elements designated for the exclusive use of Residential Units.

(D) If Sponsor or its designees or any subsequent Owner of the Commercial Units (or the Owners of Units resulting from the subdivision thereof) exercises the right to alter or improve any Limited Common Element appurtenant to the Commercial Units, in accordance with the By-Laws, the cost and expense thereof shall be borne by Sponsor or its designee or any subsequent Owner of the respective Commercial Unit as to which such Common Elements are appurtenant.

Each Unit Owner shall grant a right of access to his Unit to the Condominium Board, the Managing Agent and/or any other person authorized by the Condominium Board, for the purpose of making inspections to determine if there exist conditions threatening another Unit or Common Elements, or violations of the By-Laws or Rules and Regulations of the Condominium or any State or Municipal ordinances, or for the purpose of correcting any conditions originating in the Unit and threatening another Unit or a 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, or to correct any condition which violates

the provisions of any mortgage covering another Unit, provided that requests for such entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner, and further provided that such right shall be exercised in such manner as will not unreasonably interfere with the normal use of the Units. In case of an emergency where action is immediately necessary for the preservation or safety of the Building or residents or required to avoid the suspension of any necessary service to the Condominium, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In exercising any such emergency right of access to or entry to any Unit pursuant to the preceding sentence, the Condominium Board or its Managing Agent shall prior to entry upon such Unit, make reasonable effort to give Tenant notice thereof.

Additions Alterations and Improvements

All alterations, additions or improvements in or to any Common Elements shall be made either by the Condominium Board or Unit Owner required to maintain such Common Elements and the cost and expense thereof shall be charged either to all Unit Owners as a Common Expense or to all Residential Unit Owners as a Residential Common Expense, or to the Unit Owner responsible therefor, as the case may be. Whenever in the judgment of the Condominium Board the Common Element shall require additions, alterations or improvements costing in excess of \$250,000 in the aggregate in any calendar year, the making of such additions, alterations or improvements shall require approval by a majority of the Unit Owners or Residential Unit Owners, as applicable, present and voting at a meeting at which a quorum is present (including Sponsor as owner of Unsold Units), and if so approved, the Condominium Board shall proceed with such additions, alterations or improvements and shall assess the appropriate Unit Owners for the cost thereof as a common charge. Any additions, alterations or improvements costing in the aggregate \$250,000 or less in any calendar year may be made by the Condominium Board without approval of the Unit Owners, and the cost thereof shall constitute part of the Common Expenses. Notwithstanding the foregoing, for so long as Sponsor or its designee shall own Units representing at least 25% of the Common Interests, but not more than five (5) years from the First Closing, no additions, alterations or improvements shall be made to the Common Elements, regardless of the cost thereof, unless the consent of Sponsor or its designee is first obtained, or such action is required by law.

No Residential Unit Owner shall make any structural addition, alteration or improvement in or to his Unit or any Limited Common Elements appurtenant thereto, without the prior written approval of the Condominium Board. The Condominium Board is required 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 receipt of a complete set of documents and information as to the proposed addition, alteration or improvement, and independent architectural review, if necessary, and failure to do so within the stipulated time shall constitute a denial by the Condominium Board to the proposed addition, alteration or improvement. The Unit Owner can make any non-structural alterations or improvements to the Unit he desires without obtaining the consent of the Board of Managers, but with not less than ten (10) days prior written notice to the Condominium Board and compliance with the provisions of described in the following paragraph, so long as the alterations or improvements do not affect the Building or any Common Element, jeopardize the soundness or safety of the Property, reduce the value thereof or impair any easement therein.

No Unit Owner shall make any structural addition, alteration or improvement in or to a Unit or Limited Common Element nor any non-structural addition, alteration or improvement, without first (i) obtaining and maintaining during the course of such work such insurance as the Condominium Board may reasonably prescribe, and (ii) executing and delivering to the Condominium Board an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, and (iii) executing and delivering to the Condominium Board an

agreement indemnifying and holding harmless the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from his alterations, additions or improvements. Unit Owners shall be responsible for paying to the Managing Agent a reasonable fee, as established by the Condominium Board, for the processing of applications for consent to alterations.

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 to any Unit or Limited Common Element will be executed by the Condominium Board without, however, incurring any liability on the part of the Condominium Board 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. All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner until conveyance of the Unit, at which time such responsibility shall pass to and be assumed by the transferee and the successors and assigns of such transferee.

The provisions of the By-Laws described above shall not apply to Units owned by Sponsor or its designee, including both Residential Units and the Commercial Units, until such Units shall have been initially sold or conveyed, and any additions, alterations and improvements by Sponsor or its designee shall be governed solely by the applicable provisions of Article 12 of the Declaration. Such provisions shall also not apply to the Commercial Unit Owners (other than the Sponsor) except for that provisions relating described above relating to insurance, indemnification and governmental permits shall apply to a Commercial Unit Owner other than the Sponsor or its designee, and otherwise such additions, alterations and improvements by the Commercial Unit Owners other than the Sponsor or its designee shall be governed solely by the applicable provisions of Article 12 of the Declaration.

Insurance

The Condominium Board shall be required to obtain and maintain to the extent obtainable, the following insurance: (a) fire insurance with extended coverage normal for a condominium of this type, vandalism and mischief endorsements insuring the Building, including each Unit and the equipment installed therein on the date of recordation of the Declaration or installed thereafter by Sponsor, or replacements thereof, partitions, floors, and ceilings within the Units, together with all service and other machinery contained therein (but not including wall, ceiling or floor decorations or coverings or fixtures, appliances, furniture, furnishings or other personal property supplied or installed by Unit Owners or tenants of Unit Owners) covering the interests of the Condominium, the Condominium Board and all Unit Owners and their mortgagees, as their respective interests may appear, in an amount equal to the agreed upon replacement value of the Building or such other amount as shall be adequate to prevent the Condominium from becoming a coinsurer in the event of casualty loss (exclusive of the costs of excavation and foundations) without deduction for depreciation, as determined by the Condominium Board. Each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee 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 Condominium Board or the Insurance Trustee, if any, as herein provided; (b) boiler and machinery insurance; (c) a fidelity bond or bonds in sufficient amounts to fully protect the interest of the Condominium, to be carried on each member of the Condominium Board, officers of the Condominium, managing agent, and any other employees who handle or are responsible for funds of the Condominium; (d) Officers and Directors liability insurance covering officers and members of the Condominium Board; (e) comprehensive general liability insurance covering all claims for bodily injury or property damage arising out of an occurrence in the Common Elements and covering cross liability claims of one insured against another (but not covering the liability of a Unit Owner arising from occurrences within his own Unit); (f) workers, compensation insurance; (g)

water damage legal liability; (h) rent insurance in an amount equal to the aggregate of the Common Charge payable to the Condominium Board; (i) elevator collision insurance; and (j) such other insurance as the Condominium Board may determine.

The initial projected limits of liability for all such policies and the cost thereof are described in Note 11 to Schedule B. The cost of all such insurance shall be paid by the Condominium Board and shall be borne by all Unit Owners as part of the Common Charges.

All such policies shall provide that adjustments shall be made by the Condominium Board and that the net proceeds, if \$250,000 or less shall be payable to the Condominium Board, and if more than \$250,000 shall be payable to the Insurance Trustee, to be applied for the purposes of the repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. The Insurance Trustee shall be a bank or trust company, having an office in the City and State of New York, designated by the Condominium Board in accordance with the By-Laws.

All policies of physical damage insurance shall contain waivers (a) of subrogation, (b) of any defense based on coinsurance, (c) of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners, and (d) 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. The standard mortgagee loss payable clause shall be attached to all policies. Duplicate originals or certificates 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 who have requested same in writing, at least then (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Condominium Board may obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building (exclusive of the cost of excavation and foundations) including all of the Units and all of the Common Elements therein, without deduction from depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, and are advised to carry other insurance for their own benefit, provided that all such policies shall contain waivers or subrogation against the Condominium and the Condominium Board and further provide that the liability of the carriers issuing insurance obtained by the Condominium Board 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 Condominium Board. A Unit Owner should consider maintaining, at his own expense: (a) separate insurance on the contents (i.e., furniture and other personal property and belongings) of his Unit, in such amount as will be adequate to insure against loss by reason of fire or other casualty, and (b) liability insurance against claims for personal injury or property damage resulting from occurrences in his Unit or its appurtenant Limited Common Elements.

Repair or Restoration After Fire or Other Casualty

In the event of damage to or destruction of the Building as a result of fire or other casualty, if (a) 75% or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of the Unit Owners duly and promptly resolve to proceed with repair or restoration, or (b) less than 75% or more of the Building is destroyed or substantially damaged, then in either of such events, the Condominium Board shall arrange for the prompt repair and restoration of the Building (including any damaged Units, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property or equipment of the Unit Owners or a tenant of a Unit Owner), and the Condominium Board shall disburse the proceeds of all insurance policies in appropriate progress payments to the

contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the net insurance proceeds shall constitute a Common Expense and the Condominium Board shall assess all the Unit Owners for such deficit as part of the Common Charges.

In the event of a repair or restoration pursuant to the foregoing and in the event that the net proceeds of insurance received by or payable to the Condominium Board shall exceed the cost of such repair or restoration, then, at the option of the Condominium Board, the excess of such insurance proceeds shall be paid by the Condominium Board or the Insurance Trustee, as the case may be, either (a) in an amount not to exceed \$100,000 to the Condominium Board to be placed in the operating or working capital reserves of the Condominium, and/or (b) to all Unit Owners in proportion to their respective interests in the Common Elements after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on any Unit in the order of priority of such liens.

If 75% or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property will not be repaired and 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 shall be divided by the Condominium Board or the Insurance Trustee, as the case may be, among all 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 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 (60) days from the date the Condominium Board notifies the Unit Owner or Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated costs of such work, or not more than ninety (90) days from the date the Condominium Board notifies the Unit Owner or Owners that such proceeds of insurance are insufficient to pay said estimated costs of such work or, in the event the proceeds of insurance are insufficient to pay said estimated costs or such work or, in the event the proceeds of insurance are payable to the Condominium Board or the Insurance Trustee, no more than sixty (60) days from the date of receipt by the Condominium Board of proceeds of insurance on account of such damage or destruction, whether or not sufficient to pay the estimated costs of such work. Whenever the word "promptly resolve" are used it shall also mean not more than sixty (60) days from the date the Condominium Board notifies the Unit Owners that it holds proceeds of insurance on account of such damage or destruction and that such proceeds are or are not sufficient to pay the estimated costs of the work (as the case may be).

Restrictions on the Use of Units

As more fully set forth in the Declaration and in the By-Laws, 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:

Each Residential Unit shall be used only as a residence and professional and ancillary business use as permitted by law, and not more than one natural person and his Family Members plus one additional occupant and the dependent children of such additional occupant may reside in a Residential Unit at any one time. A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including a director, officer, stockholder, or employee of a corporate fiduciary and a partner or employee of a partnership fiduciary), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing, and any other occupancy shall be

considered a leasing subject to the requirements of the Declaration. Additionally, in no event shall a portion of the Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a permitted guest) may be accommodated therein.

Notwithstanding the foregoing or anything else contained in the Offering Plan, Sponsor or its designees may, without the consent of either the Condominium Board or the Unit Owners, use any one or more Unsold Units as model apartments and offices for selling, renting, management, operation and promotion of the Units owned by Sponsor or its designee or for any lawful purpose.

The Retail and Office Units may be used for retail business, commercial and professional purposes or for any other lawful purpose in the sole discretion of Sponsor or other owner of such Unit.

The Garage Unit will be used for accessory parking and for any other lawful purpose in the sole discretion of Sponsor or other owner of the Garage Unit. At the present time, the lawful use of the Garage Unit is limited by the provisions of the New York City Zoning Resolution. Accordingly, to comply with such provisions, and while and to the extent such provisions apply: The parking spaces shall be operated primarily for the long-term storage of the private passenger motor vehicles used by the occupants of the Residential Units. Such spaces may be rented for periods of not less than one week and not more than one month to persons who are not occupants of the Residential Units for the accommodation of the private passenger motor vehicles used by such non-residents, provided that such spaces are operated in accordance with the regulations promulgated by the Commissioner of Buildings, in a manner which will not adversely affect the residential character of the neighborhood. Such spaces shall be made available to the occupants of the Residential Units within 30 days after written request therefore is made to the Garage Unit Owner.

No nuisances shall be allowed on the Property nor shall any use or practice be allowed that either is a source of unreasonable annoyance to its residents or interferes with the peaceful possession or proper use of the property by its residents or occupants. 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 having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit Owners, or the Condominium Board, whichever shall have the obligation to maintain or repair such portion of the Property.

No portion of a Residential Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein. 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.

Dogs, cats or other common household pets may be kept in Residential Units, but only with the prior written consent of the Condominium Board, or as to purchasers from Sponsor, with the prior written consent of Sponsor delivered at the time of closing of title, and subject to the rules and regulations adopted by the Condominium Board from time to time, including those pertaining to the size of a pet and the permitted level of noise. In no event will any dog be permitted in any portion of the Common Elements unless carried or on a leash.

Abatement and Enjoinment of Violations by Unit Owners

The violation of any rule or regulation adopted by the Condominium Board, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Condominium Board the right, in addition to any other rights set forth in these By-Laws (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and

remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provision hereof (provided, however, that no prior notice shall be required in the event that the Condominium Board shall determine that action is immediately necessary for the preservation or safety of the Property or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Easements

Each Unit Owner (including Sponsor, as long as Sponsor owns any Unit, and Sponsor's designees) shall have an easement, in common with all the other Unit Owners, for ingress and egress through, and for the reasonable use and enjoyment of, all the Common Elements, except the Residential Common Elements and the Limited Common Elements appurtenant to the other Units, and the Common Elements shall be subject to such easement, for the reasonable purposes for which they are intended but without encroaching upon the rights of other persons to do so. Each Unit Owner whose Unit has one or more of the appurtenant Limited Common Elements shall have an exclusive easement for the use thereof.

The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The Condominium Board shall have the right to grant such additional electric, gas, steam and other utility easements or relocate any existing utility easements as it shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof; provided that such additional utilities or the relocation of existing utilities will not unreasonably interfere with the permitted uses of the Units.

Sponsor and its designee and the Commercial Unit Owners shall have an easement without being subject to any fee or charge (i) to maintain a sales office and/or model Units, (ii) to erect, maintain, repair and replace from time to time, including but not limited to the right, to the extent not prohibited by law, to use one or more portions of the Common Elements, as designated by Sponsor, in its discretion, one or more freestanding and other selling, directional and informational signs on the Property as it deems necessary for the purposes of advertising the sale or lease of Units of such size and content as Sponsor shall determine, in, on about and adjacent to the Building (including on the exterior walls thereof) and the Property, (iii) to use any Amenity Facilities for exhibitions, events, promotional functions in connection with its sales programs for Unsold Units, (iv) to permit, and to compel the Condominium Board to permit, use of the Community Room on the basement level by the Astoria & Ditmars Homeowners & Tenants Civic Association, subject to the Condominium Board's reasonable rules and regulations and (v) for access to Units and Common Elements consistent with the purposes of the Plan, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, reconfigure, renovate, maintain repair, refurbish, offer, sell and lease Units, together with their interest in the Common Elements, and such easement shall continue until such time as all Units have been conveyed to purchasers thereof.

Sponsor and its designee(s) shall have an easement to install, use and maintain communications antennas, satellite dishes, switchgear and similar equipment on the roofs, facade and cellar of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto. Sponsor shall be entitled to assign, lease, license or otherwise transfer its rights with respect to the foregoing easements and to retain any and all income derived therefrom, and neither the Condominium nor any other Unit Owner

shall be entitled to any portion of fees, compensation or other profits received by Sponsor, its designees, for the use of the aforesaid easements or equipment.

In addition, the Commercial Unit Owners have certain easements described in the "Commercial Units" section of the Plan.

The easements and rights of access granted in the Declaration shall be exercised in such manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one (1) day's notice, except that no such notice shall be required in the event of any repair or replacements immediately necessary for the preservation or safety of the Building, for the safety of the occupants therein, or to avoid the suspension of necessary service of the Building. The user of any easement granted in the Declaration shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Condominium Board for any easement granted therein.

REAL ESTATE TAXES

In the event that the Units have not been separately assessed for real estate tax purposes prior to the First Closing, real estate taxes on the Property, until such time as the Units are separately assessed, shall be included as part of the Common Expenses of the Condominium. Accordingly, the Condominium Board will pay all real estate taxes with respect to the Condominium and will allocate the entire cost thereof among all Unit Owners in the proportion of each Unit's Common Interest and the Board will have a lien on each Unit for non-payment thereof, as if such charges were Common Charges. After the Units have been separately assessed: (i) each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment, nor will his Unit be subjected to any lien arising from the non-payment, of taxes on other Units, and (ii) Unit Owners will be reimbursed for any overpayment of taxes which they may have made to the Condominium Board or assessed for any underpayment of taxes, as the case may be.

Tax certiorari proceedings are pending for the fiscal years 2003/2004 through 2007/2008. Any refund for the year in which the First Closing occurs, along with the cost of such proceeding (including attorneys' fees) will be apportioned between Sponsor and the Unit Owners as of the closing date. Any refund covering a period prior to the tax year in which a closing occurs and all expenses incurred in connection therewith (including attorneys' fees) shall belong to and be incurred by Sponsor alone.

Section 581 of the Real Property Tax Law provides that the aggregate assessment of all Units in the Condominium may not exceed the assessment which would be made had the property not been divided into condominium units. The estimated real estate taxes for each Unit for the first year of condominium operation assumes that the amount of real estate taxes payable with respect to each Unit will be levied in the proportion that its Common Interest bears to the Common Interest of all Units. There is no assurance that the New York City taxing authority will allocate taxes between Units in proportion to their respective Common Interests. If it does not, owners of Units having the same Common Interest will pay different amounts of real estate taxes.

It is estimated that the aggregate full real estate taxes attributable to all Residential Unit Owners for the first year of Condominium Operation will total approximately \$1,121,000, based on an opinion prepared by Podell, Schwartz, Schechter & Banfield, LLP dated November __, 2007 included as the "Real Estate Tax Opinion of Sponsor's Counsel" section of this Plan which assumes (a) an assessed valuation attributable to the Residential Section of \$6,273,000 for four months of the July 1, 2007 - June 30, 2008 fiscal tax year; (b) an assessed valuation upon completion attributable to the Residential Section of \$10,946,000 for eight months of the July 1, 2008 - June 30, 2009 fiscal tax year; and (c) a projected tax rate of \$11.928 per \$100

of assessed valuation. Estimated aggregate full real estate taxes attributable to all Residential Unit Owners for the projected March 1, 2008 - February 28, 2009 first year of Condominium operations are estimated to total approximately \$1,306,000.

Sponsor intends to apply for partial exemption from and abatement of real estate taxes with respect to the Residential Units in the Building pursuant section 11-243 (previously J51-2.5) of the Administrative Code of the City of New York (the "J-51 Program") to the New York City Department of Housing Preservation and Development ("HPD"), the governmental agency which administers the J-51 Program. The opinion prepared by Podell, Schwartz, Schechter & Banfield, LLP notes (a) that one of the requirements of the J-51 program is that the project must be completed, as evidenced by either a final Certificate of Occupancy or temporary Certificate of Occupancy covering all residential units, within three (3) years from the date alteration work commenced, and (b) that this three (3) year period has passed without issuance of such a Certificate of Occupancy. Sponsor's application for J-51 benefits will therefore include an application for waiver by New York City of this Certificate of Occupancy requirement. Sponsor can offer no assurance that this requirement will be waived by New York City. Sponsor will file an amendment to the Plan if and when the City grants or denies its waiver application or to disclose any other material changes in connection with the application.

ACCORDINGLY, THE PROJECTIONS CONTAINED IN THIS PLAN, INCLUDING THE PROJECTED REAL ESTATE TAXES SHOWN ON SCHEDULE A, ARE BASED ON FULL REAL ESTATE TAXES WITH NO J-51 BENEFITS AND PURCHASERS MUST ASSUME THAT THE UNITS WILL BE SUBJECT TO FULL TAXATION AND WILL RECEIVE NO BENEFITS UNDER THE J-51 PROGRAM.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED. SPONSOR MAKES NO REPRESENTATIONS REGARDING THE METHODOLOGY WHICH THE TAXING AUTHORITIES WILL USE IN FUTURE TAX YEARS.

The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes payable with respect to each Residential Unit for the first year of Condominium Operation will be allocated in proportion to each Residential Unit's initially offered purchase price. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's Common Interest rather than its purchase price and, if so, Residential Units having the same percentage interest may pay different real estate taxes.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method of allocating real estate taxes which will be employed by the New York City tax assessor; (ii) of the assessed value of the Residential Section during the first year of Condominium Operation; or (iii) of the tax rates in effect during the first year of Condominium Operation..

The By-Laws provide that the Residential Board is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Residential Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings. There are currently no tax certiorari proceedings pending with respect to the Property.

Starting with the tax year for which assessments are fixed after the recording of the Declaration, each Unit will be taxed as a separate tax lot for real estate purposes. A Unit Owner will not be responsible for the payment of real estate taxes assessed against other Units, nor will a Unit be subject to a lien arising out of the non-payment of real estate taxes assessed against other Units.

The full amount of real estate taxes payable by Unit Owners with respect to their Units is deductible for income tax purposes but may vary due to changes in the assessed value, the tax rate or the method of assessing real property. In addition, and subject to certain exceptions and limitations, a Unit Owner who itemizes deductions is entitled under present law to deduct for Federal and New York State income tax purposes the amount paid by the Unit Owner on account of interest on any mortgage indebtedness covering the Unit, if the Unit is his primary or secondary residence. Any such tax deductions may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal.

Please refer to the opinion of Podell, Schwartz, Schechter & Banfield, LLP dated November 19, 2007 included as the "Real Estate Tax Opinion of Sponsor's Counsel" section of this Plan for further discussion regarding real estate taxes for the Property.

Condominium Board as Agent of Unit Owners with Respect to Real Estate Taxes

Each Unit Owner shall, in the Power of Attorney delivered to the Condominium Board at closing, designate the Condominium Board as his attorney-in-fact, which power shall be deemed coupled with an interest, to act as agent for such Unit Owner in accordance with Section 339-y of the Condominium Act to complain or apply to the board of assessment review of the assessing agency by filing a single complaint on behalf of all such Unit Owners, to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person, and to seek administrative and judicial review of assessments. The Condominium Board 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 Condominium Board shall have a lien pursuant to Section 339-z of the Condominium Act. Each Unit Owner shall, at the closing of title to his Unit, execute an instrument substantially in the form included in Part II, authorizing the Condominium Board and Sponsor to act on such Unit Owner's behalf.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Residential Units was prepared by Sponsor based, in part, upon the income tax opinion of Cutler Minikes & Adelman LLP, a copy of which is set forth in the following section of this Plan.

CUTLER MINIKES & ADELMAN LLP IS COUNSEL TO SPONSOR AND NOT TO THE RESIDENTIAL UNIT OWNERS. EACH PURCHASER SHOULD CONSULT THEIR OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF RESIDENTIAL UNIT OWNERSHIP.

Each Residential Unit Owner will own his Residential Unit, together with its appurtenant Common Interest, in fee simple, and each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Because each Residential Unit Owner will own his Residential Unit in fee simple, the owner may mortgage such Residential Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

Sponsor has been advised by its counsel, Cutler Minikes & Adelman LLP, that each Residential Unit Owner who itemizes deductions will be entitled under present law to deduct for Federal and New York State income tax purposes the real estate taxes assessed against his Unit and paid by him, and the amount paid by the Unit Owner on account of interest on any mortgage indebtedness covering the Unit, if the Unit is his primary or secondary residence. The deductions are subject to certain exceptions and limitations which are more particularly described in the Opinion of Counsel which follows.

With respect to the taxability of the Condominium, Section 528 of the Internal Revenue Code provides that condominiums are taxable in a manner similar to corporations except to the extent that their income is received as membership dues, fees or assessments from the Owners of the Units and provided that substantially all of the expenditures are for management, maintenance and care of the condominium property. Since the Condominium would qualify under said section of the Internal Revenue Code, if it elects to be covered thereby, only income from the sale or lease of Units owned by the Condominium or its designee on behalf of all Unit Owners and income from sources which do not qualify as membership dues, fees or assessments will be subject to tax. If the Condominium is required to pay taxes, the amount thereof will be additional Common Expenses, assessed to all Unit Owners as part of the Common Charges.

Schedule A contains estimates of the amount of real estate taxes that may be assessed against a Unit. A Unit Owner may be entitled to deduct some or all of such taxes actually paid for Federal and New York State income tax purposes under present law. In calculating individual tax deductions, each Purchaser should add, if applicable, the interest portion of his monthly mortgage payment (subject to exceptions and limitations.)

No warranties are made that the Internal Revenue Service, the New York State Department of Taxation and Finance, or the Finance Administration of The City of New York will continue to allow any of the aforementioned deductions or that the tax laws, or the regulations or rulings issued thereunder, or any judicial interpretation thereof upon which Cutler Minikes & Adelman LLP has based its income tax opinion will not change. In no event will Sponsor, Cutler Minikes & Adelman LLP, the Selling Agent, the Managing Agent, or any other person connected with this offering be liable if it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions by reason of changes in fact, statutory or decisional law or amendment to any law which could not be foreseen or expected to be foreseen. In addition, none of the aforesaid make any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Residential Units offered under the Plan, and no one has been authorized to make such warranties. The opinion of Cutler Minikes & Adelman LLP is limited to the state of the law on the date this Plan was filed with the Department of Law.

CUTLER MINIKES & ADELMAN LLP HAS EXPRESSED NO OPINION WITH RESPECT TO THE INCOME TAX CONSEQUENCES OF OWNING THE COMMERCIAL UNITS OR ANY UNITS RESULTING FROM THE SUBDIVISION THEREOF.

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INCOME TAX OPINION OF SPONSOR'S COUNSEL

December 5, 2007

Tex Development Co., LLC
37-08 28th Avenue
Suite 300
Astoria, New York 11103

Re: Condominium Offering Plan for
Pistilli Grand Manor Condominium (the "Condominium")

To Whom It May Concern:

We are counsel to Sponsor for the proposed Condominium. You have requested our opinion concerning (i) deductibility for Federal, New York State and New York City income tax purpose of real estate taxes and interest on loans secured by mortgages paid by purchasers of Residential Units in said Condominium; and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended to date (the "Code") and the treatment of the receipt by the Condominium of membership dues, fees and assessments from Unit Owners (as defined in the Plan). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

This opinion does not address the tax consequences of the ownership of Residential Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences of (i) ownership of the Unsold Residential Units, any Residential Unit that is used for commercial or mixed residential/commercial purposes, or any Units other than the Residential Units (such as the Commercial Units, (ii) any rebates or other payments that may be made, or benefits provided, to owners of Residential Units, or (iii) ownership of the Unit purchased for use by the Superintendent.

We have reviewed the Plan and the documents set forth therein, including the Declaration of Condominium. We have also reviewed the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such other materials as we deemed relevant. In rendering this opinion, we have assumed that (a) the Plan is the document pursuant to which Unit Owners will acquire their Units; (b) such Unit Owners will use such Residential Units exclusively for residential purposes; and (c) the relevant facts are as set forth in the Plan.

Pursuant to the Plan, the purchaser of a Unit will receive legal title in fee simple to his or her Unit, coupled with ownership of an undivided interest in the appurtenant Common Elements held in common with other Unit Owners. Such purchaser will have the right to place an individual mortgage on his or her separate

CUTLER MINIKES & ADELMAN LLP
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Unit and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service (the "IRS") has ruled that the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Accordingly, based upon the foregoing assumptions and assuming the Condominium is validly created pursuant to Article 9-B of the Real Property Law of the State of New York, we are of the opinion that under present law, each Unit Owner of the Condominium who itemizes deductions on his/her income tax return may deduct for both Federal and New York State Income Tax purposes all real estate taxes assessed against a Residential Unit and paid by him/her in the year in which such taxes are paid and may likewise deduct all "qualified residence interest" paid by him/her on any mortgage indebtedness covering the Residential Unit in the year in which such interest is paid. (Revenue Ruling 64-31, 1964-1 C.B. 300). The authority for the deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") is found in Code Section 163(h)(3). Such deduction is limited to the interest attributable to indebtedness which is secured by a qualified residence and which is (i) incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of \$1,000,000 for any period (\$500,000 in the case of a married individual filing a separate return), or (ii) any indebtedness other than acquisition indebtedness, up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed \$100,000 (\$50,000 in the case of a married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Residential Unit who itemizes deductions and uses his or her Residential Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for Federal income tax purposes (subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code), interest paid or accrued by him or her on (i) acquisition indebtedness incurred with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$1,000,000 (\$500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$100,000 (\$50,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules and imitations to them, as well as regards the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which, as more fully described below, is presently subject to rules different than those described above for regular income tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall imitation on the allowance of itemized deductions.

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Each owner of a Residential Unit who uses his or her Residential Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his or her Residential Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum taxes to the deduction for mortgage interest and real estate taxes with respect to their Residential Units.

It should be noted that under Section 55 of the Code, a non-corporate taxpayer (including individuals) may be subject to an alternative minimum tax on his/her alternative minimum taxable income (AMTI) in lieu of the regular income tax. AMTI means the taxpayer's adjusted gross income for the taxable year, plus tax preference items described in Section 57 of the Code, minus certain specified deductions including, but not limited to, qualified housing interest (incurred to by, build or rehabilitate the taxpayer's principal residence or a qualified dwelling used by the taxpayer or any member of his family.) Certain deductions allowed with respect to the regular income tax, such as real estate taxes, are not deductible for purposes of determining the alternative minimum tax. New York State also imposes a minimum tax based on certain Federal tax preference items, including "adjusted itemized deductions." See Sections 601-A and 622 of the Tax Law of the State of New York.

Section 528 of the Code provides that a Condominium Management Association ("Association") may elect to be treated as a "homeowners association" and therefore be exempt from Federal income tax on amounts received as membership fees, dues or assessments collected from Unit owners if it meets the following requirements:

1. The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of Association property, which includes property held by the Association and property commonly held by the members of the Association;
2. 60% or more of the Association's gross income must consist of assessments from Residential Unit Owners ("exempt function income");
3. 90% of the Association's expenditures must be for the acquisition, construction, management, maintenance and care of the Association property;
4. No part of the net earnings can inure to the benefit of private individuals;
5. The Association must elect to be treated as a homeowners association; and

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6. Substantially all units (defined as at least 85% of the total square footage of all units) must be used as residences.

See Treasury Regulations §1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more of the subsequent taxable years.

In order for a Condominium Management Association meeting the above requirements to obtain the aforementioned tax benefits provided by Section 528 of the Code, it must elect to have said Section apply for the taxable year of the Association. The election may be made by filing Form 1120-H, U.S. Income Tax Return for Homeowners Associations, within the time provided for filing Federal income tax returns for the year for which the election is made, including any extensions. A condominium meeting the requirements of Section 528 of the Code and electing to be exempt from Federal income tax on exempt function income would be taxable at corporate rates, with some minor modifications, on the amount by which its non-exempt function income exceeds the amount of allowable deductions which are directly connected with the production of such income. Any tax paid on non-exempt function income would be a common expense of the Condominium.

Based on the information contained in the Plan, it appears that less than 85% of the total square footage of all units in the Condominium will be used for residential purposes. Therefore, even assuming that (i) the income and expenditures of the Association are as projected in Schedule B to the Plan, and (ii) the Association makes a timely and proper attempt to elect to be treated as a homeowners association under Section 528 of the Code, we are unable to express an opinion that Pistilli Grand Manor Condominium will qualify as a "Condominium Management Association" under Code Section 528(c)(2) and that the receipts from the Unit Owners which qualify as dues and assessments will be "exempt function income" for the taxable year for such Association, and we are unable to express an opinion as to whether the Association will qualify as a "homeowners association" under Section 528 in any subsequent taxable year as that qualification will inevitably be dependent upon facts and circumstances only determinable in the future.

Absent the application of Code Section 528, the present state of Federal law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996 and there is no authority addressing the application of those entity classification regulations to condominiums. Because the By-Laws of the Condominium provide that the Condominium Board will act as the agent of the Unit Owners, the Condominium Board may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges would not be considered income earned by the Condominium through the Board collecting such

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charges. If, however, the Condominium is considered a separate entity it is unclear whether the Condominium would be taxable as a corporation or treated as a partnership for Federal income tax purposes. If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium is treated as a partnership, the partnership would not be subject to an entity level tax, the items of income and deduction of the partnership would generally be passed through to the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium does not constitute an association that is taxable as a corporation for Federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Corporation Franchise Tax. Further, in such event, it likely would be subject to the New York State Corporation Franchise Tax, unless the Condominium were eligible for and elected treatment under Code Section 528 as a homeowners association.

No warranties are made that either the IRS or the New York State Department of Taxation and Finance will allow the aforementioned deductions for real estate taxes and/or mortgage interest to Residential Unit Owners or that the tax laws, regulations and rulings upon which this opinion is based will not change. Moreover, this opinion is not binding on the IRS, any other taxing authority or any court. In no event will Cutler Minikes & Adelman LLP, the Sponsor, the Selling Agent or any other party be liable if it shall be determined that the Condominium does not meet, or at any future time ceases to meet, the requirements of the Code or the New York State Tax Law, or any amendment of either thereof, by reason of changes in (i) the facts relied upon in order to render this opinion or (ii) statutory or decisional laws, IRS rulings or regulations relied upon in order to render this opinion. Moreover, no opinion is expressed nor is any representation or warranty made with respect to the tax consequences of the Plan or any other matter (including, without limitation, the tax consequences of ownership of Units offered under the Plan) except as herein expressly set forth.

We hereby consent to the inclusion of this opinion letter and references to our name in the Plan.

Very truly yours,

/s/

Cutler Minikes & Adelman LLP

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November 19, 2007

Tex Development Co. LLC
C/O Pistilli Realty Group
37-08 28th Avenue, Suite 300
Astoria, New York 11103

Re: THE PISTILLI GRAND MANOR
CONDOMINIUM
45-02 Ditmars Boulevard & 2205 45th Street
Block: 769 Lots: 1 & 20
Borough: Queens

Gentlemen:

You have requested that we provide you with a revised estimate of the real estate tax assessment on the condominium to be created from the alteration and conversion of the above property.

You have also requested a revised estimate of the real estate taxes that would be applicable to the condominium upon completion of conversion.

This letter supersedes our opinion dated March 30, 2007.

You have advised us that you are the fee owner of two adjacent parcels of real property located at 45-02 Ditmars Boulevard and 2205 45th Street, Astoria, New York, and designated as Block 769, Lots 1 and 20 on the Official Tax Map of the City of New York respectively. According to NYC Department of Finance records, the Tax Lot 1 consists of a land area of 71,934 square feet. You have advised us that Lot 1 was formerly improved by a vacant, five (5) and six (6) story, 291,531 square-foot (gross, including basement), warehouse building constructed around 1900.

You have advised us that you are in the process of renovating and converting the existing

Tex Development Co. LLC

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Warehouse structure on Tax Lot 1 into a mixed-use condominium consisting of the following: 1) 201 residential units, comprised of 235,860 square feet (gross), located on floors 1 through 6; 2) 7,950 square feet of basement level retail space; and 3) 22,590 square feet of basement level office space.

You have informed us that, although an initial work permit for this project was issued by the NYC Department of Buildings in March, 2003, that actual renovation work started on July 30, 2004. You have further informed us that renovation work is now complete, although a Certificate of Occupancy has not yet been issued by the Department of Buildings. You have advised us that you anticipate the first year of Condominium Operation will be from March 1, 2008 through February 28, 2009.

According to New York City Department of Finance records Tax Lot 20, which consists of a land area of 33,066 square feet, was apportioned from Tax Lot 1 for the 2007/08 tax year. You have informed us that you have improved this parcel with a three (3) level, 81,608 square-foot, parking garage consisting of 261 spaces and that construction of the garage was completed prior to January 5, 2007. You have advised us that you, as sponsor, intend to retain ownership of the garage and offer spaces to condominium unit owners on a rental basis.

Although the setting of an assessment on any particular property is subject to an individual assessor's subjective determination based upon general assessment guidelines, it is possible to estimate an approximate assessed value based upon a number of factors. These factors include actual construction costs, the property's location, a hypothetical economic analysis of the condominium as if it were a rental property (as required pursuant to section 581 of the New York Real Property Tax Law), assessed valuations of comparable buildings and New York City Department of Finance Assessment Guidelines. We have examined these factors in arriving at our estimates.

The assessment history of the 45-02 Ditmars Boulevard and 2205 45th Street property is as follows:

			<u>Land</u>	<u>Total</u>
Final	2007/08: Lot 1	Actual	\$ 810,000	\$ 7,380,000
		Transitional	\$ 810,558	\$ 7,391,723
	Lot 20	Actual	\$ 372,803	\$ 902,139
		Transitional	\$ 372,803	\$ 949,803

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			<u>Land</u>	<u>Total</u>
Final	2006/07:			
	Lot 1 (unapportioned)	Actual	\$ 1,183,500	\$ 7,630,740
		Transitional	\$ 1,183,500	\$ 8,409,420
Final	2005/06:			
	Lot 1 (unapportioned)	Actual	\$ 1,183,500	\$ 7,630,740
		Transitional	\$ 1,183,050	\$ 7,620,030

New York City is an annual assessing jurisdiction and is required to assess property for each upcoming fiscal tax year (July 1 – June 30) based upon its use and condition on January 5th (taxable status date). Annual increases or decreases in assessed value resulting from construction, demolition or other physical changes to the property (i.e., “physical” or “alteration” increases) are taxable the year they are levied. For “class 4” commercial properties, and “class 2” residential properties having more than 10 units, annual assessment increases or decreases not resulting from physical changes (i.e., “equalization” changes) are phased in for tax purposes over a five (5) year period at 20% per year. Hence, two assessed values: 1) the “actual assessment,” which is reflective of the City’s claimed market value; and 2) the “transitional assessment,” which is based on physical increases and the 5-year phase in of equalization changes. Real property taxes in any given year are based on the lesser of the actual or transitional assessment.

As of the January 5, 2007 taxable status date, which is the basis for the property’s 2007/08 assessed values, you have advised us that renovation work on Tax Lot 1 was approximately 90% complete and that an Application for Lot Apportionment had not yet been filed with the New York City Surveyor’s Office for purposes of apportioning the building into separate condominium tax lots.

As set forth above, the New York City Department of Finance has set the property’s taxable assessed value (i.e., the lesser of the actual or transitional assessment) for the fiscal 2007/08 tax year in the amount of \$7,380,000. The City’s final 2007/08 assessment roll also classifies the property for tax purposes in residential tax “class 2.”

Based on the City’s taxable 2007/08 assessed value and the 2007/08 “class 2” tax rate of 11.928%, estimated real property taxes for the period from July 1, 2007 through June 30, 2008 are in the approximate amount of \$881,000.

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The first taxable status date subsequent to the completion of the property's alteration and conversion and apportionment into separate condominium tax lots will be January 5, 2008, which will be the basis for the property's 2008/09 assessed value. Our estimates of the post-conversion assessed values for the residential and commercial portions of the building for the 2008/09 tax year is as follows:

	<u>Actual</u>	<u>Transitional</u>
Residential Units . . .	\$ 10,975,000	\$ 10,946,000
Retail Unit(s) . . .	\$ 675,000	\$ 674,000
Office Unit(s) . . .	\$ 1,250,000	\$ 1,247,000
Total . . .	\$ 12,900,000	\$ 12,867,000

The most recent tax rates as of the date of this letter are those passed by the City Council for the 2007/08 fiscal tax year. We assume that the residential units will be designated for tax purposes as tax "class 2" and the commercial units will be designated in tax "class 4." Assuming a "class 2" residential tax rate of 11.928% and a "class 4" tax rate of 10.059% (i.e., the 2007/08 tax rates), based on the projected taxable 2008/09 assessed values (i.e., the lesser of the estimated actual or transitional assessments), we estimate that the property's real estate taxes due for the fiscal year July 1, 2008 through June 30, 2009 will be as follows:

Residential Units . . .	\$ 1,306,000
Retail Unit(s) . . .	\$ 68,000
Office Unit(s) . . .	\$ 126,000
Total . . .	\$ 1,500,000

You have advised us that the first year of Condominium operation will be from March 1, 2008 through February 28, 2009. Apportioning the 2007/08 estimated tax liability between the residential, retail and medical office portions of the property based on their relative 2008/09 post-conversion estimated assessed values (i.e., 85% residential, 5% retail, and 10% office), based on the foregoing projections for the 2007/08 and 2008/09 fiscal tax years, we estimate real estate taxes for the Condominium's first year of operation to be in the following amounts:

Residential Units . . .	\$ 1,121,000
Retail Unit(s) . . .	\$ 61,000
Office Unit(s) . . .	\$ 114,000
Total . . .	\$ 1,296,000

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As of January 5, 2007 you have advised us that the garage constructed on Tax Lot 20 was 100% complete. As set forth above, the Department of Finance set the garage's taxable assessed value for fiscal 2007/08 in the amount of \$902,139. The final 2007/08 assessment roll also classifies the property for tax purposes in commercial tax "class 4." Based on the 2007/08 "class 4" tax rate of 10.059%, estimated real property taxes for the period from July 1, 2007 through June 30, 2008 would be in the approximate amount of \$90,800.

We estimate the garage's taxable 2008/09 assessed value to be in the approximate amount of \$1,100,000. Assuming a "class 4" tax rate of 10.059% (i.e., the 2007/08 "class 4" tax rate) we estimate real property taxes on the garage for the period from July 1, 2008 through June 30, 2009 to be in the approximate amount of \$111,000. Based on the forgoing projections for the 2007/08 and 2008/09 tax years, we estimate real property taxes on the garage for the first year of condominium operation (i.e., March 1, 2008 through February 28, 2009) to be in the approximate amount of \$108,000.

It is the policy and practice of the New York City Department of Finance to assign separate tax lots and apportion the assessed valuation of a condominium among the various units, after consideration of the percentage of common interest and relative projected sales prices contained in the Offering Plan.

You have advised us that you intend to apply for J-51 real estate tax benefits on behalf of the warehouse conversion. The J-51 program provides real property tax abatement and exemption benefits to qualified Class "A" Multiple Dwellings that have been converted from non-residential structures. To qualify, the conversion must be "as of right" under the Zoning Resolution of the City of New York and must be completed, as evidenced by either a final Certificate of Occupancy or temporary C of O covering all residential units, within three (3) years from the date alteration work commenced (i.e., typically the date the first work permit was issued by the NYC Department of Buildings).

J-51 benefits are limited to residential units and are not available for space subsequently used for non-residential purposes or additions to the pre-conversion structure's cubic dimensions.

J-51 abatement benefits serve to reduce the property's tax liability otherwise payable. For conversions of non-residential properties in Queens County, the abatement is calculated and determined based on 90% of the lesser of: 1) the "reasonable cost" of the eligible alteration or improvement as established by the N.Y.C. Department of Housing

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Preservation & Development (“HPD”); or 2) a maximum allowance of \$15,000 per one-bedroom apartment with a per-apartment increase of \$2,400 for each additional bedroom. The allowance is reduced by ineligible non-residential portions of the converted structure and by additions to the pre-conversion structure’s cubic dimensions.

The abatement may be realized over a period of up to twenty years, with the maximum amount of property tax deductible in any one year limited to 8 1/3% of the total allowance. If the maximum annual abatement is used, the benefits would run for eleven (11) years. If in any one year the tax abatement is greater than the tax due, however, the property’s taxes may be reduced to zero, with the remaining abatement carried forward. After a twenty year period, any unused tax abatement benefits are lost.

As of the date of this letter, more than 3 years has passed since the commencement of the renovation and conversion and, although you have advised us that work is now complete, no Certificate of Occupancy has been issued by the NYC Department of Buildings and no application for J-51 benefits has been filed with the NYC Department of Housing Preservation and Development.

In view of the foregoing, we make no warranty or guarantee regarding the property’s eligibility for J-51 tax benefits. No representations are made herein that the property will qualify, or be approved, for J-51 benefits, or that these benefits will be realized.

This letter was prepared at the sponsor’s request. The figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. No government agency has passed upon these figures or the estimates of assessed valuation and taxes herein. We have not passed on the accuracy of any figures or estimates contained in the Offering Plan, and offer no warranties on real estate assessments, tax classifications, taxes, or tax rates for any period. All prospective purchasers are advised that, although the estimate of assessed valuation upon completion of conversion is a good faith estimate, such assessed valuation when actually made may be less or greater than as estimated herein.

The above estimates do not take into account any future increases in the level of assessed valuation applied to residential and commercial property or any increase in the real estate tax rates. The above opinion is based upon our interpretation of The New York State

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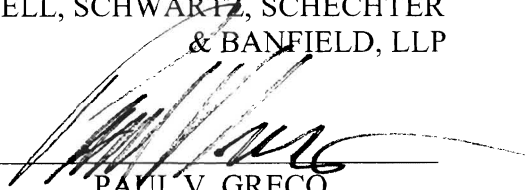
Real Property Tax Law and The Administrative Code of the City of New York and is not intended to be a guarantee or assurance that the actual tax assessments or actual taxes will be as estimated.

No representation is made that the provisions of law or New York City Department of Finance policies and practices will apply at the time the conversion of the building is complete. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one of more agencies of the City of New York, or Courts of competent jurisdiction.

While we believe our opinions are well-founded, they are not intended, and should not be construed as representations or warranties that assessment and taxes will not be determined in a different amount. The foregoing analysis is based upon our knowledge of the making and review of assessments by the Real Property Assessment Department and the Tax Commission of the City of New York with respect to mixed-use properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a different result.

We hereby consent to the inclusion of this letter in the Offering Plan.

Very truly yours,
PODELL, SCHWARTZ, SCHECHTER
& BANFIELD, LLP

BY: 

PAUL V. GRECO

PVG:rh

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RESERVE FUND

No reserve fund for capital expenditures has been established for the Condominium. The contingency fund reflected in Schedule B is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If funds are required to meet such costs, it may be necessary to increase monthly Common Charges or impose a special assessment.

WORKING CAPITAL FUND

AT THE CLOSING OF TITLE TO EACH UNIT, THE PURCHASER OF THE UNIT WILL BE REQUIRED TO CONTRIBUTE A SUM EQUAL TO ONE (1) MONTH'S COMMON CHARGES (THE "WORKING CAPITAL FUND") TO THE CONDOMINIUM FOR ITS WORKING CAPITAL.

This fund will be used for the payment of any net closing adjustments in favor of Sponsor. However, Sponsor will defer any such net closing adjustments with the Condominium Board in its favor which would reduce the Working Capital Fund below zero, with such deferred amounts being due and payable only from amounts collected from Purchasers for Working Capital Fund with the future sale of Units. If the net closing adjustments are in favor of the Condominium Board, the amount thereof will be paid or credited to the Working Capital Fund at the First Closing by Sponsor.

The amounts in the Working Capital Fund remaining after closing adjustments are paid may be held or used for working capital, to make repairs and/or for such other appropriate purposes permitted under the Declaration and the By-Laws as determined by the Condominium Board in its sole discretion.

No representation is made that the Working Capital Fund will be, or is intended to be, adequate to cover expenses for the first or any subsequent year of condominium operation, including, without limitation, the cost of any necessary repairs or replacements. If additional funds are required over and above the Working Capital Fund, it may be necessary to increase the Common Charges.

THE PROPERTY IS OFFERED IN ITS CURRENT CONDITION AS SET FORTH IN THIS PLAN, WITHOUT ANY OBLIGATION ON THE PART OF SPONSOR OR THE SELLING AGENT TO MAKE ANY REPAIRS OR IMPROVEMENTS EXCEPT AS SET FORTH IN THE PLAN. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND OR UPON THE PHYSICAL CONDITION OF THE BUILDING.

So long as Sponsor controls the Condominium Board, the Working Capital Fund shall not be used to reduce projected Common Charges.

Closing Adjustments

Immediately prior to the First Closing, Sponsor shall apportion the following items with the Condominium Board as of the day immediately preceding such closing:

- (a) Rents for common elements, if any, as and when collected;
- (b) employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building;

- (c) fees for assignable permits and licenses, if any;
- (d) cost of fuel;
- (e) charges for electricity and gas for the Common Elements;
- (f) payments under service and maintenance contracts and concession agreements;
- (g) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);
- (h) cost of supplies on hand at Sponsor's cost;
- (i) premiums for transferable insurance policies; and
- (j) other customary adjustments..

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

At or prior to the First Closing, the Condominium Board will enter into a written management agreement with Lidia Management Corp., (the "Managing Agent"), having an office located at c/o Pistilli Realty Group, 37-08 28th Avenue- Suite 300, Astoria, NY 11103 . The agreement, by its terms, is cancellable by the Condominium for cause upon the giving of thirty (30) days prior written notice to the Managing Agent. The Managing Agent may cancel the agreement at any time, upon the giving of thirty (30) days prior written notice, if the Condominium shall fail or refuse to comply with or abide by any rule, order, determination, ordinance of law of any federal, state or municipal authority. The Managing Agent may also terminate the agreement for any reason whatsoever at any time, upon the giving of thirty (30) days prior written notice.

The Managing Agent will receive a stated annual fee of \$90,000 for the first year, payable in equal monthly installments, with increases of 5% in each of the second and third years. The Managing Agent will also be entitled to additional fees for certain special services performed by it. All such fees will be paid by the Condominium Board and will be charged to all Unit Owners as a Common Expense. The fees charged by the Managing Agent are consistent with fees charged by other managing agents managing buildings in Queens.

The Condominium Board shall reimburse the Managing Agent for all reasonable out of pocket expenses incurred by Agent in the performance of its duties under the Management Agreement including, but not limited to, messenger expenses and storage charges for the Condominium Board's documents and filing fees.

The duties and services to be rendered by the Managing Agent include, among others:

- (a) billing and collecting Common Charges;
- (b) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board, except that the approval of the Condominium Board is necessary for any expenditure of over \$1,500.00 for any one item of ordinary repairs or alterations (other than emergency repairs);

- (c) contracting for necessary services for the Common Elements (such as utility, exterminator, elevator and fuel oil services), but no contract shall be for a term longer than two (2) years or shall require annual payments in excess of \$1,500.00 unless authorized by the Condominium Board;
- (d) purchasing all supplies necessary properly to maintain and operate the Common Elements;
- (e) checking all bills received in connection with the operation of the Common Elements and causing all such bills and other expenses to be paid;
- (f) supervising, hiring and discharging employees;
- (g) rendering monthly statements of receipts and disbursements to the Condominium Board;
- (h) maintaining payroll records and filing withholding tax statements for employees;
- (i) maintaining accurate sets of books for the Condominium (other than books of account to be maintained by the Condominium's accountants) and orderly files of rent records, insurance policies, leases, receipted bills, and the like;
- (j) preparing and submitting to the Condominium Board, on an annual basis, operating budgets setting forth the anticipated income and expenses for the ensuing year; and
- (k) sending notices, preparing agendas and attending meetings of the Condominium Board and Unit Owners.

The Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful failure to comply with its obligations under the Management Agreement.

Notwithstanding anything to the contrary set forth above, the Managing Agent's responsibility under the Management Agreement shall not extend to supervising or managing major capital renovations or capital improvements, unless specifically agreed to in writing by the parties and unless the Managing Agent receives an additional fee therefor.

Other Agreements

Sponsor reserves the right to enter into new agreements that will be binding on the Condominium Board provided Sponsor may not enter into any binding service, maintenance or concession agreement for longer than five (5) years, unless it is customary to enter into a long-term contract for the service rendered, e.g., a cable television contract.

IDENTITY OF PARTIES

Sponsor

Sponsor is Tex Development Co., LLC, a domestic limited liability company with an office at 37-08 28th Avenue, Suite 300, Astoria, New York 11103. The sole principals of Tex Development Co., LLC (that is, the sole officers, directors or shareholders of Sponsor who are actively involved in the planning or

consummation of the offering) are Joseph Pistilli, its President and Anthony Pistilli. Messrs. Pistilli has been involved in the ownership and management of residential real estate for approximately thirty years. They own or control over thirty residential and commercial properties throughout the New York metropolitan area. They own and control Lidia Management Corp., which will be the Managing Agent. Joseph Pistilli is also Chairman and Chief Executive Officer, and Anthony Pistilli is a Director, of First Central Savings Bank of Glen Cove, NY.

Joseph Pistilli and Anthony Pistilli have never been convicted of a felony nor are there any injunctions, judgments and/or convictions material to the Plan, or otherwise against them. Messrs. Pistilli have not taken part in public offerings or cooperative interests in realty, including condominiums, in or from New York, which were initially offered during the preceding five years other than the following properties as to which Messrs. Pistilli are principals of entities which are the sponsor and/or holders of unsold shares: at 55 Tiemann Place, New York, NY 10027 (file number C87-0081), 69 Tiemann Place, New York, NY (file number C86-0566) and 19-19 24th Avenue, Astoria, NY 11103 (file number C06-0001) as to which an offering plan has been accepted for filing by the Department of Law but not yet declared effective. Such entities are current in their financial obligations, including, but not limited to, payment of maintenance or common charges, taxes, reserve or working capital fund payments, assessments, payments for repairs and improvements promised in the plan, and payments of underlying mortgages and loans for which shares or units have been pledged or mortgaged.

The Sponsor, and each of its principals and affiliates, is current in their financial obligations to all cooperatives, condominiums or homeowners associations in which the principals of Sponsor has been a principal.

Neither Sponsor nor any of the aforesaid principals has been convicted of a felony nor are there any prior bankruptcies, convictions, injunctions and judgments against the sponsor, any principals of the sponsor, and/or entities in which principals of the sponsor were principals, that may be material to the offering plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of the proposed offering plan.

Attorneys for Sponsor

Cutler Minikes & Adelman LLP, 708 Third Avenue, 17th Floor, New York, NY 10017 represents Sponsor in connection with the preparation and consummation of this Offering Plan. The principal attorney who is responsible for this matter is Richard B. Adelman, Esq. The interests of Sponsor and the Condominium Board are not identical and they may, at time, conflict. In view of the foregoing, and because of the conflicting and diverse interests of the Condominium Board and Sponsor, it is recommended that each Purchaser consult with his own attorney, prior to executing a Purchase Agreement.

The Managing Agent

Lidia Management Corp., the Managing Agent, which has an office located at c/o Pistilli Realty Group, 37-08 28th Avenue- Suite 300, Astoria, NY 11103, will be the Managing Agent of the Property after the conversion. The Managing Agent is controlled by the principals of the Sponsor. The Managing Agent has over eight years of real estate management experience managing both residential and commercial properties. The following is a list of the buildings they are presently managing in the New York metropolitan area: 55 Tiemann Place, New York, NY, 69 Tiemann Place, New York, NY, 47-30 and 47-50 59th Street, Woodside, NY, 58-35 Granger Street, Corona, NY and 1500 Grand Concourse, Bronx, NY. The principals of Lidia Management Corp. have never been convicted of a felony nor are there any injunctions, judgments and/or convictions material to the Plan, or otherwise against the Managing Agent or its principals.

The Selling Agent

Pistilli Realty Company, with an office located at 37-08 28th Avenue, Suite 300, Astoria, New York 11103 will serve as the Selling Agent. The Selling Agent is controlled by the principals of the Sponsor. The principals of the Selling Agent have never been convicted of a felony nor are there any injunctions, judgments and/or convictions material to the Plan, or otherwise against the Selling Agent or its principals.

Architects/Engineers

Architect Jeffrey J. Wittenstein, P.C., 130 West 25th Street, New York, NY, has examined the physical condition of the premises and has rendered the reports thereof which are set forth in Part II of the Plan. Architect Gerald J. Caliendo, R.A., A.I.A., 108-18 Queens Boulevard, Forest Hills, NY, has prepared the construction plans, the specifications, and the floor plans for the future condominium. USP Asbestos Investigators, 35-01 149th Street, Flushing, NY 11354-3740 prepared the Asbestos Report contained in Part II of the Plan. The architects and consultants have no financial interests in the Property.

Sponsor's Budget Expert

Anne Teshima, licensed general real estate appraiser, 255 West 106th Street, Suite 3H, New York, NY 10025, prepared the Opinion regarding compliance with Real Property Law Section 339(i) and the Certifications of the adequacy of the Budget and the Common Charges payable by the Commercial, Garage and Professional Unit Owners.

Sponsor's Real Estate Tax Consultant

Podell, Schwartz, Schechter & Banfield, LLP, 605 Third Avenue, New York, NY 10158 prepared the estimates of real estate taxes for the first year of condominium operation.

The principals of Sponsor own and control the selling agent and the managing agent. The principals of Sponsor do not have any ownership interest in the architects, the preparer of the Budget or any other professional that provided services in connection with the Plan.

REPORTS TO UNIT OWNERS

It is the obligation of the Condominium Board to give all unit owners annually:

(1) a financial statement of the condominium prepared by a certified public accountant within four months after the end of each fiscal year, which statement shall be certified while the sponsor is in control of the Condominium Board.

(2) prior notice of the Annual Unit Owners' meeting; and

(3) a copy of the proposed annual budget of the Condominium delivered to Unit Owners at least five (5) days prior to the date set for adoption thereof.

DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e(9) of the General Business Law, Sponsor shall keep copies of the plan, all documents referred to in the plan and all Exhibits submitted to the Office of the Attorney General in connection with the filing of the plan, on file and available for inspection without charge and copying at a reasonable charge at the office of Cutler Minikes & Adelman LLP, 708 Third Avenue, 17th Floor, New York, NY 10017 for six years from the date of the First Closing.

Sponsor shall deliver to the Condominium Board a copy of all documents filed with the appropriate recording office at the time of the First Closing.

GENERAL

The Plan does not knowingly omit any material fact or contain any untrue statement of any material fact.

There are no outstanding judgments nor are there any lawsuits, administrative proceedings or other proceedings now pending, the outcome of which may materially affect this Offering, the property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium or the operation of the Condominium.

In accordance with the law of the State and City of New York, Sponsor represents that Sponsor, and the Selling Agent will not discriminate against any person because of his race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or any other reason prohibited by applicable civil rights laws in the sale or lease of any Unit.

As of the date of presentation of this Plan, neither Sponsor nor the Selling Agent nor any of their representatives or agents has raised funds or made any preliminary offering to or binding agreement with prospective purchasers with respect to the purchase of Units. No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the units to be offered in this Plan, and no deposits or advances of funds have been taken by or on behalf of the Sponsor in connection with the reservation, sale or transfer of such units as of the date the Plan is accepted for filing.

Sponsor reserves the right, from time to time prior to the First Closing, without obtaining the consent of Purchasers or others, to revise the terms and conditions on which the Units offered hereby are to be sold, including changes affecting the rights, obligations and liabilities of Purchasers and Sponsor. All substantive or material revisions will be contained in a duly filed amendment to this Plan. If a material revision adversely affects the rights, obligations or liabilities of then existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements within fifteen (15) days of the presentation date of the amendment and to receive a refund of their Down Payment (with interest, if any, earned thereon) within thirty (30) days after the presentation of the amendment.

No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally, and no notice need be given prior to the filing of an amendment to this Plan.

Neither the Property nor the Building has been the subject of any prior public offerings.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property and Building Condition set forth in Part II of the Plan. Sponsor represents that it 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.

The Description of Property and Building Condition states that the provisions of Local Laws 10 and 11, 1980 and 1998, the “Report of Periodic Inspection of Exterior Walls and Exterior Appurtenances of Buildings” (Section 27-129) of the Administrative Building Code of the City of New York), applicable to buildings in excess of six (6) stories, are applicable only to the 7 story high central section of the Ditmars Boulevard facade. The Sponsor is investigating the extent, if any, to which Local Laws 10 and 11 apply to the Building.

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Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NEW YORK 11105

PLAN OF CONDOMINIUM OWNERSHIP

PART II

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Unit: _____

Purchaser(s): _____

Pistilli Grand Manor Condominium

PURCHASE AGREEMENT

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**PURCHASE AGREEMENT
FOR
UNIT NUMBER _____
AT**

PISTILLI GRAND MANOR CONDOMINIUM

**45-02 Ditmars Boulevard
Astoria, NY 11105**

(To be executed by Purchaser in triplicate)

AGREEMENT made as of _____, 200_ (this "Agreement"), by and between **TEX DEVELOPMENT CO., LLC**, a New York limited liability company having an office at 37-08 28th Avenue, Suite 300, Astoria, NY 11103 ("Seller" or "Sponsor") and _____ ("Purchaser") having an address at _____

W I T N E S S E T H:

1. Plan. Purchaser acknowledges having received, at least three (3) days prior to the date hereof, and read or waived the reading of, a copy of the Plan for Pistilli Grand Manor Condominium and amendments thereto filed with the Department of Law of the State of New York prior to the date hereof (hereinafter collectively referred to as the "Plan"). Purchaser understands that if Purchaser has not been afforded at least three (3) business days prior to Purchaser's signing this Agreement to receive and read the Plan and all filed amendments, then in such event, Purchaser shall have seven (7) days after delivering this Agreement together with the Down Payment to rescind this Agreement and have the Down Payment refunded promptly by either personally delivering a written notice of rescission to Seller or the Selling Agent within the seven (7) day period or mailing the notice of rescission to Seller or the Selling Agent and having the mailing postmarked within the seven (7) day period. Purchaser hereby accepts and approves the plan including without limitation, the proposed Declaration of Condominium, By-Laws and other documents contained in Part II of the Plan (the "Condominium Documents") and agrees to abide by and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Seller (including, without limitation, amendments involving any changes, modifications, or updating of the projected Common Charges, the projected real estate taxes to be paid by Purchaser, or Schedule B-"Projected Budget for the First Year of Operation of the Condominium"). Amendments to the Plan shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against the Purchaser Price and may be made by Seller without Purchaser's consent or approval. In the event of a material adverse amendment, Purchaser shall be given the right to rescind this Agreement. The Plan is incorporated into this Agreement by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern. Purchaser acknowledges having had full opportunity to examine all relevant documents, and to investigate all statements made herein and in the Plan. Terms used in this Agreement and not defined therein will have the meanings ascribed to them in the Plan unless the context thereof otherwise requires.

2. The Unit. Purchaser agrees to purchase from Seller, and Seller agrees to sell to Purchaser, the Unit designated as Number _____ (the "Unit") in the Declaration, together with a _____% undivided interest in the Common Elements appurtenant thereto (the "Common Interest"), located in the building on the land more particularly described on Exhibit A annexed hereto and made a part of hereof, upon and subject to the terms and conditions set forth herein.

3. Purchase Price.

A. The purchase price (the "Purchase Price") is \$ _____, payable as follows:

- (i) \$ _____ (the "Down Payment") on the signing of this Agreement by check, (subject to collection) receipt of which is hereby acknowledged; and
- (ii) \$ _____ (the "Balance"), constituting the balance of the Purchase Price, at the closing, by Purchaser's unendorsed certified check, or an official bank check, drawn on or issued by a bank or trust company that is a member of the New York Clearing House Association.

All checks for all sums due under this agreement shall be unendorsed and made payable to the direct order of "**Cutler Minikes & Adelman LLP, as Escrow Agent**" or as otherwise directed by Seller. If any check is returned for insufficient funds or any other reason, said return shall be deemed to be a default by Purchaser under this Agreement and shall entitle the Seller to exercise any of the remedies set forth in Article 13 hereof.

B. Purchaser's payment of the Balance and acceptance of a deed to the Unit shall constitute Purchaser's acknowledgment that Seller has satisfactorily performed all of the obligations stated in the Plan and this Agreement to be performed by Seller prior to closing. However, nothing herein contained shall excuse Seller from performing obligations (if any) expressly stated herein or in the Plan to be performed Subsequent to the closing, and nothing herein shall be in derogation of the rights of Purchasers under Article 23A of the General Business Law, the Plan or Part 20 of Regulations issued by the Department of Law of the State of New York.

C. Purchaser shall not be obligated to pay the Balance of the Purchase Price or accept title to the Unit unless all of the events set forth under "Closing and Terms of Sale" section in Part I of the Plan are met simultaneously with the closing or prior thereto.

4. Funds to be Held in Trust.

A. Seller will hold in trust any and all funds received by it directly or through its agents or employees until the Unit is transferred to Purchaser or the Purchase Agreement is cancelled in accordance with its terms. Said funds shall be held in an interest-bearing account entitled "Cutler Minikes & Adelman LLP, Pistilli Grand Manor Escrow Account" or similar name, or a sub-account of that account, and will be located in an account maintained with New York Community Bank, 1400 Old Northern Boulevard, Roslyn, NY 11576. All instruments shall be made payable to or endorsed to the order of Cutler Minikes & Adelman LLP, as escrow agent. The deposit by the escrow agent of the Purchaser's down payment into the escrow account shall not be deemed acceptance of the Purchase Agreement. The Purchase Agreement shall only be deemed accepted when countersigned by Seller or its authorized agent. The funds so deposited will be disbursed only in accordance with the provisions of this Agreement and the Plan. The signature of an attorney in the firm Cutler Minikes & Adelman LLP will be required before any funds held in trust may be released.

B. In the event the Plan is abandoned or withdrawn, or if this Agreement is canceled pursuant to its terms through no fault of the Purchaser, all funds held in trust will be returned to Purchaser with interest, if any, earned and collected thereon, within (30) days after the date of the abandonment or withdrawal, except as otherwise provided herein. If at the time the Plan is abandoned or withdrawn the Purchaser shall be in default hereunder and shall have failed to cure said default within the applicable grace

period, if any, or if this Agreement had been previously cancelled due to Purchaser's uncured default, then Seller shall retain as and for liquidated damages, the Down Payment plus any additional cost or expenses incurred by Seller on account of any special work in the Unit ordered by Purchaser, together with any interest earned and collected thereon (herein collectively called the "Liquidated Sum"), and any sums in excess thereof, together with any interest earned and collected thereon, shall be returned to Purchaser within thirty (30) days after the date of abandonment or withdrawal. Upon the return or retention of the Down Payment, together with interest earned thereon, this Purchase Agreement pursuant to which the Down Payment was given will be null and void and Seller will have no further obligation or liability to the Purchaser under the Plan or this Purchase Agreement.

C. Upon the payment of the Balance and performance by Purchaser of all of Purchaser's obligations hereunder and the transfer to Purchaser of title to the Unit, Seller will instruct the depository to pay to Purchaser any and all interest earned and collected on the funds deposited hereunder. The Seller and Selling Agent will not be liable to Purchaser for the amount of said interest or the payment thereof, except to the extent of any amount received from the depository. All funds due to Seller and received under this Agreement will be handled in accordance with Sections 352-e(2-B) and 352-h of the New York General Business Law. In lieu of depositing the Down Payment into an Attorney Escrow Account, Seller reserves the right to a post a bond issued by a licensed bonding company securing repayment of the aforementioned funds together with interest earned and collected thereon, in the event a Purchaser is entitled to repayment of same. If Seller elects to post a bond, it will submit the form of the bond to the Department of Law for its approval and will notify all affected purchasers by filing an amendment to the Plan.

5. Closing of Title.

A. The closing of title shall be held on the date and at the time and place in the City and State of New York as Seller may designate to Purchaser upon not less than fifteen (15) days prior written notice. Seller shall have the right, from time to time, to adjourn the date and time for closing on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) days prior written notice of the new scheduled date and time for closing.

B. If Purchaser is not ready to close title at the date and time fixed by Seller, any adjournment granted at Purchaser's request shall be upon the condition that all adjustments, including interest on the unpaid balance of the Purchase Price at the rate of 12% per annum, shall be made as of the date originally fixed for the closing of title. Nothing contained in this Agreement shall require Seller to grant any adjournment not reasonable in duration.

C. The closing of title shall occur only after or upon compliance with all of the events set forth under "Closing and Terms of Sale" in Part I of the Plan.

6. Deed. At the closing of title, Seller shall deliver to Purchaser a Bargain and Sale Deed with covenants against grantor's acts conveying title to the Unit to Purchaser free and clear of all encumbrances other than those set forth on Exhibits B annexed hereto and made a part hereof (the "Permitted Exceptions"). The deed shall be prepared by Seller and shall be substantially in the form provided in Part II of the Plan and shall be executed and acknowledged by Seller and Purchaser in form for recording. The deed shall be delivered to the representative of the title company insuring Purchaser's title (or, if no title company representative is present then Purchaser's attorney) for recording in the Office of the City Register of Queens County. After being recorded, the deed shall be returned to Purchaser.

7. Marketable Title. At the closing time of title, except as otherwise set forth in this Agreement, Seller shall convey to Purchaser good and marketable title in fee simple to the Unit subject only to the

Permitted Exceptions. Any encumbrances to which title is not to be subject shall not be objections to title if: (a) the instrument required to remove it of record is delivered to the proper party or Purchaser's title insurance company at or prior to closing together with the requisite recording or filing fees; or (b) Purchaser's title insurance company will insure Purchaser against its collection or enforcement out of the unit.

8. Seller's Inability to Convey Title. In the event that Seller is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Seller will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure said inability. If Seller notifies Purchaser of its refusal to cure the defect in title and if Purchaser is not then in default hereunder, Purchaser shall have the option to either: (a) take title to the Unit subject to the title defect (without abatement in or credit to the Purchase Price, or claim or right of action against Seller for damages or otherwise); or (b) cancel this Agreement by notifying the Seller in writing of Purchaser's election to cancel within fifteen (15) days after Seller notified Purchaser of Seller's refusal to cure the title defect. If Purchaser elects to cancel this Agreement, Seller shall refund to Purchaser, within thirty (30) days after receipt of Purchaser's cancellation notice, all sums deposited hereunder, with the interest (if any) earned and collected notice thereon less that portion of the interest payable to the Seller as Seller's administrative fee. Upon making said refund, this Agreement shall be null and void and neither party shall have any further rights, obligations, or liabilities with respect to the other hereunder or under the Plan. The foregoing option must be exercised by notice of Purchaser in writing sent to Seller within fifteen (15) days after the giving of the Seller's notice of refusal to cure the title defect, failing which, it shall be conclusively deemed that Purchaser elected the first option above (i.e., to acquire title subject to the title defect without abatement in or credit to the Purchase Price, or right of action against Seller for damages or otherwise).

9. Power of Attorney to Condominium Board and Seller. At the closing title, Purchaser shall execute, acknowledge and deliver to the title insurance company insuring Purchaser's title to the Unit or to Seller's attorney for recording in the Office of the City Register Queens County, a Power of Attorney in favor of the Board of Managers relative to purchasing or leasing of Units and in favor of Seller relative to amending the Condominium Documents to the extent permitted in the Power of Attorney. The Power of Attorney shall be substantially in the form provided in Part II of the Plan. After being recorded the Power of Attorney shall be sent to the Board of Managers.

10. Closing Adjustments.

A. At the closing of title, Seller and Purchaser shall apportion, as of midnight of the day preceding the closing:

- (i) real estate taxes and assessments, if any, including water charges and sewer rents for the Unit on the basis of the period assessed;
- (ii) the Unit's share of the insurance premium for the Condominium policy (if said premium is not apportioned at the First Closing between the Seller and the Condominium);
- (iii) Utility Charges;
- (iv) Any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law which will inure to the benefit of Seller;

- (v) Common Charges for the month in which title closes; and
- (vi) rent and other charges, if any, pursuant to an interim lease or tenancy of the Unit.

B. The “Customs in Respect to Title Closings” recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as expressly provided to the contrary herein.

C. Any errors or omissions in computing apportionments at the closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the closing for a period of one (1) year.

D. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by the Purchaser and shall not be considered a defect in title.

11. Purchaser’s Closing Costs. At the closing of title, Purchaser shall be required to pay those costs more particularly described below:

A. The premium for fee title insurance and (if Purchaser obtains a mortgage) mortgage title insurance.

B. Recording fee for recording the deed, power of attorney and other documents including (without limitation) the mortgage recording tax and filing fees if Purchaser obtains a mortgage.

C. New York State Transfer Tax.

D. New York City Real Property Transfer Tax

E. New York City Equalization and Assessment Form, plus a filing fee to the City of New York of \$75.00.

F. New York State Mansion Tax, if applicable.

G. In the event a Purchaser obtains a mortgage, the Purchaser shall pay all costs in connection with the mortgage.

H. The following closing fees of Cutler Minikes & Adelman LLP, attorneys for Seller:

- (i) Basic fee for closing of sale without bank financing \$1,500.00
- (ii) ACRIS document preparation fee \$200.00
- (iii) Additional fee for closing of sale with bank financing \$250.00
- (iv) Additional attendance fee in the event that closing does not occur at the offices of Cutler Minikes & Adelman LLP \$500.00
- (v) Additional attendance fee in the event that the closing occurs outside the boroughs of Manhattan or Queens \$700.00

- (vi) Additional Fee if closing is adjourned for any reason other than at Seller's request
..... \$250.00

I. The premium for the Unit contents insurance and liability insurance which Unit Owners are required to maintain pursuant to the By-Laws (and Purchaser shall deliver evidence of such insurance in advance of the closing).

J. At the closing of title, Purchaser will be required to pay (i) to the Board of Managers a sum equal to one (1) month's Common Charges as an initial, non-reimbursable contribution to the Working Capital Fund of the Condominium, or if Seller has made that contribution for the Unit, then at the closing of title, Purchaser will reimburse the Seller in such amount. Said payment shall be in addition to and not in lieu of monthly payments of Common Charges required to be made by Purchaser on the Closing Date, (ii) to Seller, the Unit's share of the cost of the Superintendent's Unit as set forth in the Plan on Schedule A - "Offering Prices and Related Information", and (iii) to the Condominium or its Managing Agent, payment in advance of the Common Charges for the month following the month in which the closing occurs.

12. Agreement Not Contingent Upon Financing. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof) stated in Section 3 of this Agreement, and Purchaser understands and agrees that his failure to obtain such financing will not relieve him of his obligations hereunder. Purchaser further understands and agrees that even if this Agreement were contingent upon financing and Purchaser chooses to finance his purchase of the Unit through a lending institution and obtains a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor the failure of the mortgagee to fund the commitment nor any change in his financial status or condition shall release or relieve him of his obligations pursuant to this Agreement.

13. Events of Default.

A. The following shall constitute "Events of Default" hereunder:

- (i) If any check delivered to Seller hereunder is returned for insufficient funds or for any other reason, or Purchaser's failure to pay the Balance on the Closing Date designated by Seller pursuant to Article 5 herein;
- (ii) Purchaser's failure to duly sign, notarize and deliver at the times specified the Power of Attorney pursuant to Article 9 herein;
- (iii) The failure to pay, perform, or observe any of Purchaser's other obligations hereunder, that is not cured within fifteen (15) days after mailing of written notice specifying the nature of the default.

B. Upon the occurrence of an Event of Default, Seller may, at its option, either: (i) elect to cancel this Agreement by sending Purchaser thirty (30) days prior written notice of its intention to do so; or (ii) if Purchaser has taken occupancy of the Unit pursuant to an interim lease, bring an action against the Purchaser for specific performance in which event the Purchaser could be compelled to complete the transaction and pay the Balance of the Purchase Price from Purchaser's own funds. If Seller elects to cancel, Purchaser shall have thirty (30) days from the date of mailing of the cancellation notice within which Purchaser must cure the specified default. **TIME IS OF THE ESSENCE TO CURE THE DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD.** If the default is not timely cured, then the Agreement shall be deemed cancelled and Seller shall have the right to retain, as and for liquidated damages, the Down

Payment plus the cost incurred by Seller on account of any special work in the Unit ordered by Purchaser, together with any interest earned and collected thereon (the "Liquidated Sum"), and any sums in excess thereof together with any interest earned and collected thereon shall be returned to Purchaser within thirty (30) days after cancellation of the Agreement. Upon cancellation of this Agreement and making any refund to Purchaser, Purchaser, Seller and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold as though this Agreement had never been made, and without accounting to Purchaser for any portion of the proceeds of any sale.

C. If Purchaser now is or hereafter becomes a tenant or occupant of a Unit and Purchaser fails to pay rent or additional rent or to otherwise comply with Purchaser's lease or tenancy or occupancy obligations, or if Purchaser shall have vacated or abandoned the Unit, then said default, vacating or abandonment shall constitute a default hereunder entitling Seller, at its sole option, to cancel this Agreement and retain the Liquidated Sum, or specific performance as provided in Paragraph 13B. Upon any cancellation, Seller shall refund to Purchaser any sums deposited hereunder in excess of the Liquidated Sum together with any interest earned and collected thereon. Upon the refund being made, Seller and Purchaser will be released and discharged of all further liability and obligations under this Agreement and the Plan. However, in no event shall Purchaser be released or excused from paying and performing Purchaser's tenancy or occupancy obligations.

14. Condition of Unit; Inspection of the Unit.

A. At closing, the Unit will contain only those appliances, countertops, cabinets, sinks, vanities, hardware and other fixtures and equipment currently installed therein that are owned by Seller. The Unit is being sold unfurnished. Any appliances, furnishings, fixtures, equipment and other personal property owned by any tenant of the Unit are not included in this sale. In addition, furniture, wall coverings, furnishings, decorations and the like in or about any model apartment are for display purposes only and are not included in the sale. Any floor plans or sketches shown to Purchaser are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon. There will be no modifications or extras unless agreed to in writing by the parties. All modifications, alterations and additions to the Unit must be approved by Seller in writing and, if approved, shall be performed by Seller at Purchaser's expense (payable in the manner to be set forth in an addendum to this Purchase Agreement or in a separate agreement). The Unit is sold "as is" on the date of this Purchase Agreement subject to reasonable wear and tear and to Seller's obligations under the Plan and law to maintain the Unit. If the Unit is sold by Seller as a vacant unit, at the Closing the Unit shall be broom clean, empty of all contents not included in the sale, and free of occupancies and all appliances included in the sale shall be in working order.

B. At least one (1) week before the Balance is to be paid, Seller or the selling agent shall notify Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with Seller or Selling Agent to inspect the Unit. Purchaser or an agent authorized by Purchaser in writing shall attend the inspection and shall complete, date and sign an inspection report and deliver same to Seller at the conclusion of the inspection. Failure of Purchaser either to arrange an appointment or to inspect the Unit prior to one (1) week before the Closing Date or to sign and deliver the completed inspection report, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Seller of its obligations as set forth in the section of the Plan entitled "Rights and Obligations of Sponsor."

15. Risk of Loss; Possession.

A. Purchaser shall not be entitled to possession of the Unit until the Deed is delivered to Purchaser at closing; however, Seller may in its sole discretion, grant Purchaser possession of the Unit prior

to the closing under an interim lease or other written agreement.

B. As set forth in the section of the Plan titled "Effective Date," in the event a casualty which cannot be repaired for an aggregate cost, together with possible expenses for other items stated in such section of the Plan, of less than an amount equaling $\frac{1}{2}$ of 1% of the Total Purchase Price set forth on the front cover of the Plan (as estimated by an insurance adjuster retained by Seller), occurs prior to the First Closing and Seller elects not to make repairs, then Seller may, at its option, abandon or withdraw the Offering Plan. In such case all Purchase Agreements will be deemed automatically canceled and Purchasers not in default will be refunded their deposits with any interest earned thereon. Upon such refund being made, Seller will be relieved and discharged of all liability under the Plan and Purchase Agreements.

C. In the event a casualty occurs after the First Closing, but before the closing of the Affected Unit, as defined below, Seller shall have the right to elect to cancel the Purchase Agreement for the Affected Unit or repair and restore the Affected Unit. In the event Seller elects to cancel, Purchasers not in default will be refunded their deposits with any interest earned thereon. Upon such refund being made, Seller will be relieved and discharged of all liability under the Plan and Purchase Agreements. In event Seller elects to repair and restore the damage to the Building from a casualty occurring before or after the First Closing but before the closing on the Affected Unit, then the following shall be applicable:

- (i) The term "Affected Unit" means a Unit that has been directly damaged in the casualty (other than minor damage not rendering the Unit uninhabitable) or is without such essential services as gas, electricity and heat, or no longer has a reasonably adequate means of ingress and egress to the street.
- (ii) The Purchase Agreement for all Units, other than "Affected Units" (as previously defined), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.
- (iii) Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to its Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity or heat) and a reasonable means of ingress and egress to the street have been restored.
- (iv) Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Lease or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside its Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workers. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under this Purchase Agreement and accepting title to the Unit, or if Purchaser fails to cure said default or is then in default hereunder (beyond the applicable grace period, if any), from Seller retaining the Liquidated Sum pursuant to Article 13 above, unless Seller at its sole option, elects to cancel the Purchase Agreement and return the Downpayment to Purchaser.

D. Seller and/or the Condominium will in no event be liable to Purchaser, and Seller will not be liable to the Condominium, in the event of any delay in repairing the damage.

16. No Representations. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Seller, Selling Agent or other, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size of the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof the services to be provided to Unit Owners or the projected Common Charges and projected real estate taxes allocable to the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan; Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Seller except as specifically set forth herein or in the Plan. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees: (a) to purchase the Unit, without offset or any claim against, or liability of Seller, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, provided the layouts and dimension conform substantially to the Floor Plans and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Article shall survive the closing of title.

17. Notices. All notices, election, consents, demands and communications (collectively called "notices" or individually called "notice" shall be delivered personally or given in writing by recognized overnight courier or by certified mail, return receipt requested, postage prepaid and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and, if sent to Seller, addressed to Seller at Tex Development Co., LLC, 37-08 28th Avenue, Suite 300, Astoria, NY 11103 (with a copy sent simultaneously in like manner to Cutler Minikes & Adelman LLP, 708 Third Avenue, 17th Floor, New York, NY 10017, Attn: Richard B. Adelman, Esq.) Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or when delivered to the a recognized overnight courier or deposited in any branch, station or depository maintained by the U.S. Postal Service in the State of New York, in a certified, prepaid wrapper, addressed as aforesaid, except that a notice of a change of address shall be deemed given when actually received.

18. Brokerage. Purchaser represents to Seller that **PISTILLI REALTY COMPANY** and _____ is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Seller agrees to pay the commission earned by said broker pursuant to separate agreement. Purchaser agrees that should any claim be made against Seller for commissions by any broker, other than the aforesaid broker or sales agent on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Seller free and harmless from and against any and all liabilities and expenses in connection therewith, including without limitation reasonable legal fees and disbursements. The provisions of this Paragraph shall survive the closing of title.

19. No Lien, Agreement Subordinate to Mortgage.

A. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any sums deposited hereunder. Neither this Agreement nor a memorandum thereof shall be recorded and any purported recordation by Purchaser shall constitute an uncureable Event of Default, subject to the remedies set forth in Paragraph 13 hereof.

B. In furtherance, and not in limitation, of the provisions of the preceding subparagraph A,

Purchaser agrees that the provisions of this Agreement are, and shall continue to be, subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred pursuant to the terms thereof, or incidental thereto, without the execution of any further legal documents by Purchaser. Seller shall, at its option, either satisfy said mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of said mortgage (s) on or prior to the closing of title unless Purchaser assumes such mortgage with consent of the mortgage lien encumbering the Unit. 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 Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Seller, provided that said mortgage (s) are subordinated to the Declaration as provided in the Plan.

20. Entire Agreement. This Agreement, together with Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties to the subject matter hereof and supersedes all prior understandings and agreements.

21. Advertising. Prior to the closing of title, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease.

22. Prohibition Against Assignment. Purchaser does not have the right to assign this Agreement without the prior written consent of Seller which may be granted or withheld in Seller's sole discretion for any reason or no reason. Any purported assignment by Purchaser in violation of this Agreement shall be voidable at the option of Seller and shall constitute an Event of Default by Purchaser subject to the remedies set forth in Paragraph 13 hereof, Seller refusal to consent to an assignment shall not entitle Purchaser to cancel this agreement or give rise to any claim for damages against Seller. Seller may assign this Agreement in accordance with the Plan without the consent of Purchaser.

23. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if the Unit is being purchased by more than one person or entity, in which case their obligations shall be joint and several.

24. Liability of Seller.

A. Seller shall not have any liability to Purchaser or others with respect to any of Seller's obligations under this Agreement, or the Plan, or otherwise in excess of the net proceeds paid to Seller from the sale of all Unsold Units after payments of, or reserve for, any liabilities, costs, or expenses of Seller arising out of the promulgation of the Plan, the offering of the Units for sale and the consummation of the of the transactions contemplated in the Plan, except as specifically set forth in the Plan. Nothing contained herein shall be construed to violate existing statutes or regulations.

B. Seller shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as its performance is prevented, delayed, or hindered by an act of God, fire, flood, explosion, war, riot sabotage, inability to procure or, general shortage of, energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Seller. Seller's time to perform an obligation or undertaking shall be tolled for the length of the period during which said performance was excused.

C. No provision of this Agreement shall survive the delivery of the deed except those obligations expressly stated herein or in the Plan to so survive or to be performed subsequent to the closing.

Acceptance by the Purchaser of the deed will constitute the Purchaser's acceptance and acknowledgment of the full performance by Seller of, and the discharge of Seller from all obligations under this Agreement, except those obligations expressly stated to survive or to be performed subsequent to delivery of the deed. Nothing contained herein will be in derogation of the rights of Purchasers under Article 23-A of the General Business Law, the Plan or Part 20 of the Regulations issued by the Department of Law, and nothing herein will relieve Seller of liability for misrepresentations (if any) under the a Plan.

25. Costs of Enforcement and Defending Agreement. Purchaser shall be obligated to reimburse Seller for any legal fees and disbursements incurred by Seller in defending Seller's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in cancelling this Agreement or otherwise enforcing Purchasers obligations hereunder.

26. Further Assurances. Either party shall execute, acknowledge and deliver to the other party any instruments and take any other actions, in addition to the instruments and actions specifically provided for herein, as the 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 transaction hereunder.

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

28. Strict Compliance. Any failure by Seller to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of said provisions, regardless of the number of violations or breaches that may occur, and Seller, notwithstanding any failure, shall have the right thereafter to insist upon 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, and construed and enforced in accordance with, the laws of the state of New York.

30. Waiver of Jury Trial. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by Jury in any litigation arising out of, 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 claim as a counterclaim in, nor move to consolidate said claim with, any action or proceeding in which a jury trial is waived. The provisions of this Article shall survive the closing of title or earlier expiration of termination of this Agreement.

31. Waiver of Diplomatic or Sovereign Immunity.

A. Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Sponsor or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser.

B. As of the execution of this Agreement, Purchaser acknowledges and agrees that all disputes arising, directly or indirectly, out of or relating to this Agreement may be dealt with and adjudicated in the

state courts of New York or the federal courts sitting in New York, and hereby expressly and irrevocably submits the person of Purchaser to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

C. Purchaser irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement, brought in the state courts in New York or the federal courts sitting in New York: (i) any objection which it may have or may hereafter have to the laying of the venue of any such suit, action or proceeding in any such court; (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; or (iii) any claim that it is not personally subject to the jurisdiction of such courts. Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such action or proceeding brought in such a court shall be conclusive and binding upon Purchaser and may, so far as is permitted under the applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Purchaser is subject, by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

D. Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York, in order to make effective the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York and any other provisions of this Article.

E. Nothing in this Article shall affect the right of Sponsor to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

F. The provisions of this Article shall survive the closing of title or the termination of this Agreement for the purpose of any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement.

G. In the event Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser shall hereby be deemed to have designated and hereby designates National Corporate Research, Ltd., having its office, at the date hereof, at 225 West 34th Street, Suite 910, New York, NY 10122, as its duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement.

H. If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Seller. Seller shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

32. Gender. 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.

33. 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.

34. Successors and Assigns. Subject to the provisions of Paragraph 22 hereof, 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 Seller and its successors and assigns.

35. Acceptance of Agreement.

A. Upon signing this Agreement, Purchaser agrees, if requested, to provide Seller with written information concerning Purchaser's employment, financial condition and history of rental/ownership of any real personal property. Purchaser hereby expressly authorizes Seller or any Sales Agent to perform a credit search. Said information shall be used to determine Purchaser's qualification to purchase and own the Unit.

B. The submission of: (i) written information, if requested; or (ii) this Agreement to Seller does not constitute a reservation or binding obligation on either Purchaser or Seller. No binding obligation shall arise until this Agreement is executed by, and delivered to, both Purchaser and Seller (or Seller's duly authorized agent). In the event Seller takes no action within the fifteen (15) days following submission of this Agreement to Seller duly signed by Purchaser, this Agreement shall be deemed cancelled. If the Agreement is not accepted, all sums paid by Purchaser shall be promptly refunded, without interest. Upon said refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Seller has right without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's race, color religion, age, sex disability, marital status, national origin, ancestry, sexual preference or other ground proscribed by law.

36. No Oral Changes. This Agreement cannot be modified or any provision herein waived or modified orally. ANY CHANGES OR ADDITIONAL PROVISION OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

37. No Recordation. Seller and Purchaser hereby acknowledge that neither this Agreement nor any memorandum or affidavit thereof shall be recorded. Should Purchaser ever record or attempt to record this Agreement, or a memorandum or affidavit thereof, or any other similar document, then, notwithstanding anything herein to the contrary, said recordation or attempt at recordation shall constitute a default by Purchaser hereunder, and, in addition to the other remedies provided for herein, Seller shall have the express right to terminate this Agreement by filing a notice of said termination in the county in which the Land is located.

38. Cost of Enforcing and Defending Agreement. Purchaser shall be obligated to reimburse Seller for any legal fees and disbursements incurred by Seller in defending Seller's right under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

39. Rule of Construction. There shall be no presumption against the draftsman of this Agreement or the Plan.

40. Lead Paint.

A. Purchaser acknowledges having been advised that pursuant to regulations promulgated by the U.S. Department of Housing and Urban Development (24 CFR Part 35) and the Environmental Protection

Agency (40 CFR Part 745) in accordance with Section 1018 of the Residential Lead Paint Hazard Reduction Act of 1992, Purchaser has the right to make Purchaser's obligations under this Contract contingent on a ten day period to perform a risk assessment or inspection in the Unit and the Premises for lead-based paint and/or lead-based paint hazards ("Risk Assessment").

B. Pursuant to the aforementioned laws and regulations, Purchaser acknowledges having been advised that: (i) exposure to lead from lead-based paint may place young children at risk of developing lead poisoning; (ii) lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory; and (iii) lead poisoning also poses a particular risk to pregnant women.

C. Seller does not have any actual knowledge of any lead-based paint or lead-based paint hazards in the Unit or in the Premises, and does not have any actual knowledge of any records or reports regarding any lead-based paint (or absence thereof) in the Unit or in the Premises. However, if the premises were constructed prior to 1978, it is possible that either the Premises or the Unit may contain lead-based paint and/or lead-based paint hazards. Purchaser understands that the Seller has not undertaken and will not undertake any separate investigation or Risk Assessment as to the presence of lead-based paint and/or lead-based paint hazards in the Premises and/or in the Unit.

D. Purchaser hereby represents that it has either (a) performed a Risk Assessment or inspection prior to the execution of this Contract, or (b) waives its right to do so and any attendant rights of Purchaser to cancel this Contract for reasons related to the presence, if any, of lead-based paint and/or lead-based paint hazards. Purchaser understands that by virtue of such waiver, Purchaser assumes all risks, if any, arising from or relating to lead-based paint and/or lead-based paint hazards in the Unit or in the premises.

E. Purchaser acknowledges receipt of the pamphlet entitled "Protect Your Family from Lead in Your Home."

F. Purchaser acknowledges receipt of an executed Disclosure Form with respect to lead-based paint and/or lead-based paint hazards.

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

SELLER:
TEX DEVELOPMENT CO., LLC

PURCHASER:

By: _____
Name:
Title:

Print Name:
Social Security No.: _____

Print Name:
Social Security No.: _____

EXHIBIT A

**Legal Description
45-02 Ditmars Boulevard
Astoria, NY 11105**

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Queens, County of Queens, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southwesterly side of Ditmars Boulevard (80 feet wide) with the southeasterly side of 45th Street (70 feet wide);

RUNNING THENCE, southeasterly along the southwesterly side of Ditmars Boulevard, 200 feet to the northwesterly side of 46th Street;

THENCE, southwesterly along the northwesterly side of 46th Street, 525 feet;

THENCE, northwesterly and parallel with the southwesterly side of Ditmars Boulevard, 200 feet to the southeasterly side of 45th Street;

THENCE, northeasterly along the southeasterly side of 45th Street, 525 feet to the corner at the point or place **BEGINNING**

Premises known as 45-02 Ditmars Boulevard, Astoria, NY 11105.

EXHIBIT B

Permitted Exceptions

1. Certification pursuant to Zoning Lot Subdivision C dated February 11, 2003, recorded March 19, 2003 in CRFN 2003000052672.
2. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the Building;
3. The Declaration, By-Laws, Maps and Floor Plans to be recorded and filed in the Queens County office of the Register of the City of New York, as the same may be amended from time to time and the terms, covenants and conditions of this Plan and amendments thereto;
4. An easement in favor of adjoining Units and of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building, or which may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, made by or with consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;
5. Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to the Unit 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, to make repairs to the Common Elements, including without limitations to any wires, pipes, conduits or telecommunication system servicing any of the Units or to make repairs to any other Unit;
6. Easements in favor of those Units having restricted use to portions of the Common Elements;
7. 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 by reason of the construction of the Units, 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 such other Units or such 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 Boards of Managers, so that any such encroachments may remain as long as the Units stand;
8. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other, cable television service, and the right to use, maintain and repair wires, cables terminal boxes, lines service connections, poles, mains, facilities and the like upon, under and across the Property;
9. Standard printed exceptions to the NYBTU and ATLA policies of title insurance;
10. Franchise taxes, if any provided the title company issuing a policy of title insurance to the Purchaser will insure that such taxes cannot be collected from the Unit;

- and
11. Taxes, tax liens, tax sales, water rates, sewer rents and assessments, subject to adjustment;
 12. Rights of tenants or persons in possession.

PURCHASER'S AFFIDAVIT OF INTENTION TO RESIDE

The undersigned, being duly sworn, deposes and says:

1. I am the Purchaser of Unit _____ in Pistilli Grand Manor Condominium.
2. I [] will / [] will not [*initial one, strike the other*] personally occupy the Unit as my residence.
3. If I do not intend to personally occupy the Unit, I represent that I intend that the Unit will be occupied by the following member(s) of my immediate family: _____.

Sworn to before me this

_____ day of _____, 200__

Notary Public

UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of the premises known both as Pistilli Grand Manor Condominium and by the street number 45-02 Ditmars Boulevard, Astoria, NY 11105, under Article 9-B of the Real Property Law of the State of New York, dated _____, 200__, and recorded in the Queens County office of the Register of the City of New York on _____, 200__ under CRFN No. _____, (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of Pistilli Grand Manor Condominium (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____, (having an office) (residing)* at _____, the owner of the Condominium Unit (hereinafter referred to the "Undersigned's Unit") known as Residential Unit No. _____ at Pistilli Grand Manor Condominium, said Unit being designated and described as Residential Unit No. _____ in the Declaration and also designated as Tax Lot _____ in Block 769 of Section 5 of the Borough of Queens on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, (does) (do)* hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with the Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect (1) (a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender the same pursuant to the term of Section 5.4 of the By-Laws, (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board 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, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do)* hereby irrevocably nominate, constitute and appoint **TEX DEVELOPMENT CO., LLC** (hereinafter referred to as "Declarant") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units or any Commercial Unit and/or the reapportionment of the Common Interests of the affected Unsold Units or any Commercial Unit

resulting therefrom made by Declarant or its designees in accordance with Article 12 of the Declaration or (2) shall be required by (a) an Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Declarant to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Declarant or its designees shall cease to own any of the Residential Units in Pistilli Grand Manor Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have)* executed this Unit Owner's Power of Attorney as of the _____ day of _____, 200_.

(SEAL)

(SEAL)

STATE OF NEW YORK)
) SS.:
COUNTY OF)

On _____, 200_ before me, the undersigned, a notary public in and for said state, 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 _____, 200_ before me, the undersigned, a notary public in and for said state, 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

UNIT OWNER'S POWER OF ATTORNEY

- to -

THE BOARD OF MANAGERS OF
PISTILLI GRAND MANOR CONDOMINIUM

The Premises affected by the within instrument lies in

Section: 5

Block 769

Lot:

On the Land Map of the County of Queens

Street Address: 45-02 Ditmars Boulevard
Astoria, NY 11105

Title Co.:

Title No.:

Record and Return To:
Lidia Management Corp.
c/o Pistilli Realty Group
37-08 28th Avenue, Suite 300
Astoria, NY 11103

Dated: _____, 200_

FORM OF UNIT DEED

THIS INDENTURE, made the _____ day of _____, 200_, by and between **TEX DEVELOPMENT CO., LLC**, a New York limited liability company having an office at 37-08 28th Avenue, Suite 300, Astoria, NY 11103 (hereinafter referred to as the "Grantor") and _____ (having an office) (residing) at _____ hereinafter referred to as the "Grantee".

W I T N E S S E T H

That the Grantor, in consideration of Ten (\$10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit (hereinafter referred to as the "Unit") known as Residential Unit No. _____ in the building (hereinafter referred to as the "Building") known as Pistilli Grand Manor Condominium and by the street number 45-02 Ditmars Boulevard, Borough of Queens and State of New York, said Unit being designated and described as Residential Unit No. _____ in a certain declaration dated _____, 200_, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (hereinafter referred to as the "Land") upon which the Building is situate (which Land is more particularly described in Exhibit A of said declaration), which declaration was recorded in the Queens County office of the Register of The City of New York on _____, 200_, under CRFN No. _____. The Unit is also designated as Tax Lot _____ in Block 769 of Section 5 of the Borough of Queens on the Tax Map of the Surveyor's Office of the Department of Finance of the City of New York on the floor plans of the Building certified by Jeffrey J. Wittenstein Architect, P.C. on _____, 200_ and filed with the Surveyor's Office of the Department of Finance of the City of New York on _____, 200_ as Condominium Plan No. _____ and also filed in the City Register's office on _____, 200_ under CRFN No. _____;

Together with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration);

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of Pistilli Grand Manor Condominium, as the same may be amended from time to time (hereinafter referred to as the "By-Laws"), all of which 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 recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively referred to as the "Property").

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any

provision that is necessary to cause the Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws).

The Grantor, in compliance with Section 13 of the Lien law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements at the Property and will apply the same first to the payment of the cost of such improvements before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

If the Grantor is a corporation, this conveyance is made in the regular course of business actually conducted by the Grantor.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

TEX DEVELOPMENT CO., LLC

By: _____

Grantee

Grantee

STATE OF NEW YORK)
) SS.:
COUNTY OF)

On _____, 200_ before me, the undersigned, a notary public in and for said state, 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 _____, 200_ before me, the undersigned, a notary public in and for said state, 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 _____, 200_ before me, the undersigned, a notary public in and for said state, 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 A
DESCRIPTION

Unit No. _____

Section 5, Block 769, Lot _____

The Condominium Unit (hereinafter referred to as the "Unit") known as Residential Unit No. _____ in the building (hereinafter referred to as the "Building") known as Pistilli Grand Manor Condominium and by the street number 45-02 Ditmars Boulevard, Borough of Queens and State of New York, said Unit being designated and described as Residential Unit No. _____ in a certain declaration dated _____, 200_ (which declaration and amendments thereto are hereinafter collectively referred to as the "Declaration") made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (hereinafter referred to as the "Land") upon which the Building is situate (which Land is more particularly described in Exhibit A of said declaration), which declaration was recorded in the Office of the Register of the City of New York in the County and State of New York on _____, 200_ under CRFN No. _____. The Unit is also designated as Tax Lot _____ in Block 769 of Section 5 of the Borough of Queens on the Tax Map of the Surveyor's Office of the Department of Finance of the City of New York on the floor plans of the Building certified by Jeffrey J. Wittenstein Architect, P.C. on _____, 200_ and filed with the Surveyor's Office of the Department of Finance of the City of New York on _____, 200_ as Condominium Plan No. _____ and also filed in the City Register's office on _____, 200_ under CRFN No. _____.

TOGETHER WITH an undivided _____% interest in the Common Elements (as such term is defined in the Declaration).

The Land upon which the Building containing the Unit is situate is bounded and described as follows:

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Queens, County of Queens, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southwesterly side of Ditmars Boulevard (80 feet wide) with the southeasterly side of 45th Street (70 feet wide);

RUNNING THENCE, southeasterly along the southwesterly side of Ditmars Boulevard, 200 feet to the northwesterly side of 46th Street;

THENCE, southwesterly along the northwesterly side of 46th Street, 525 feet;

THENCE, northwesterly and parallel with the southwesterly side of Ditmars Boulevard, 200 feet to the southeasterly side of 45th Street;

THENCE, northeasterly along the southeasterly side of 45th Street, 525 feet to the corner at the point or place **BEGINNING**

Premises known as 45-02 Ditmars Boulevard, Astoria, NY 11105.

UNIT DEED

TEX DEVELOPMENT CO., LLC

- to -

The Premises affected by the within instrument lies in

Section: 5

Block 769

Lot:

On the Land Map of the County of Queens

Street Address: 45-02 Ditmars Boulevard
Astoria, NY 11105

Title Co.:

Title No.:

Record and Return To:

Dated: _____, 200_

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DESCRIPTION OF PROPERTY AND BUILDING CONDITION

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JEFFREY J.
WITTENSTEIN
ARCHITECT, P.C.
130 WEST 25TH STREET
NEW YORK CITY 10001
TELE: 212.206.1422
FAX: 212.727-0741

**DESCRIPTION OF PROPERTY AND BUILDING CONDITION
THE PISTILLI GRAND MANOR CONDOMINIUM
45-02 DITMARS BOULEVARD
ASTORIA, NEW YORK 11105**

Dated: April 9, 2007
Revised: July 31, 2007
Revised: August 17, 2007
Revised: October 24, 2007
Revised: November 19, 2007



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DESCRIPTION OF PROPERTY AND BUILDING CONDITION
THE PISTILLI GRAND MANOR CONDOMINIUM
45-02 DITMARS BOULEVARD
ASTORIA, NEW YORK 11105

LOCATION

The property is located at the south side of Ditmars Boulevard between 45th & 46th street, Borough of Queens, City of New York. The property and use comply with all zoning and use requirements.

1. The address of the premises is 45-02 Ditmars Blvd, Queens, New York.
2. Tax Block number 769; tax lot number is 1 & 20 (tentative)
3. Zoning district is R4 as shown on zoning map 9c.
4. Residential Building Occupancy Classification J2 & C; Use Groups 2 & 6;
Construction Class II-A (heavy timber construction with 2-hour fire rating at vertical exits, exit passageways, hoistways, and shafts)
5. Accessory Garage use group 2B; Occupancy Classification: B-2; Construction Class I-D (bearing walls and major structural elements have 1-hour fire rating.)
6. Permissible use includes residential, stores and restaurant, accessory garage.

STATUS OF CONSTRUCTION

1. The original 6 story building was constructed as a department store warehouse in 1911.
2. Original construction was heavy timber with masonry bearing walls. Additions to the building includes an exterior steel framed atrium, masonry elevator shafts and a 6th floor duplex apartment.
3. The existing building conversion was filed with the NYC Department of Building under Alteration No. 401604536 and has been fully permitted.
4. The new garage was filed under Alteration No. 401593227 and has been fully permitted.
5. Anticipated date of completion of construction is October 31, 2007. Sponsor anticipates receiving final governmental sign-offs shortly thereafter.
6. Sponsor shall obtain a new temporary or permanent Certificate of Occupancy prior to closing..

SITE

1. The dimensions of the overall site (Lots 1 and 20 combined):
Beginning at a point on the south side of Ditmars Blvd at the corner formed by the intersection of Ditmars Blvd and 46th Street, running thence westerly along Ditmars Blvd 200'-0"; thence southerly along the easterly side of 45th street 525'-0", thence easterly along First Avenue 200'-0", thence northerly along the westerly side of 46th street to the point of beginning. The site contains 105,000.00 square feet.
2. The site contains two buildings, the north portion occupied by a six story u-shaped building with stores and offices on the basement floor and apartments above, and a one-story basement wing between the legs of the u-shaped building housing a boiler room, community room, and tenants' gymnasium; the southern portion occupied by a three level (cellar, basement and roof) accessory parking structure.
3. The site fronts on Ditmars Blvd, 45th street & 46th street. Streets are asphalt paved, owned and maintained by the City of New York.
4. Drives, Sidewalks and Ramps

- (a) Multiple Dwelling-Main entrance driveway off Ditmars Blvd. is paved with concrete.
- (b) A double flight of conc. steps leads up to the main entrance from the driveway off Ditmars Blvd. Handicapped access is by means of a ramp.
- (c) The sidewalks in front of the building are scored concrete, recently replaced and in good condition.
- (d) The sidewalks on 45th & 46 Streets will be concrete paved.
- (e) Curbing at the sidewalk edge is stone.
- (f) There are catch basins along 46th street and at the corner of Ditmars Blvd and 46th street
- (g) There are street lights on at the corner of Ditmars Blvd and 45th, and at 45th and 46th streets
- (h) There is a fire hydrant within the site frontage on 46th street.
- (i) All applicable Department of Transportation requirements, which consist of location o curb cuts and distances from bus stops, have been complied with.

SUB-SOIL

1. There is no evidence of uneven foundation movement or settlement at the existing structure.
2. There is no evidence of moisture, seepage, or ground water infiltration at the existing structure.
3. There is no evidence of danger from flooding or overflow from other bodies of water, or to any high water table in the area.
4. Soil bearing capacity at the garage is a minimum of 3 tons per square foot.
5. No water was encountered when borings were taken.
6. Foundations and footings for the garage are of poured, reinforced concrete.

UTILITIES

1. Water for domestic consumption, sprinklers and retail stores is provided by the City of New York from underground mains located in Ditmars Blvd.
2. Storm and sanitary discharge is to City sewer in Ditmars Blvd.
3. Gas service for domestic cooking purposes is provided by Consolidated Edison Company of New York from underground main located in Ditmars Blvd. Gas is master metered for each residential and store unit.
4. Electrical service is provided by Consolidated Edison Company of New York from underground power ducts located in Ditmars Blvd. Electricity is individually metered to Unit Owners.
5. The cost of services of common areas will be borne by the sponsor at this time, and eventually by the Condominium.

LANDSCAPING

1. Planted strips will be located on 45th and 46th street in front of the parking structure and at the main entrance.
2. Grass strips and trees will be located along the sidewalks.
3. A concrete retaining wall with an iron fence extends around the residential building except at the main entrance.

BUILDING SIZE

Total Residential Building Floor Area is 291,531.00 S.F.

1. The existing building height from average grade at the sidewalk to the main roof above the fifth floor, is 58' feet.
2. The building has a small crawl space.
3. The building has no cellar.
4. The building has basement through fifth full floors and a partial sixth floor (penthouse within the existing structure).
5. The building has equipment rooms on the basement floor.
6. Parapets at the main roof above the sixth floor are approximately 3'-6" high.

Accessory Garage

1. Building dimensions are 180' x 165'-4".
2. Building Height from average sidewalk grade to the roof level will be approx. approx. 9' ft.
3. Three parking levels (cellar, basement, and roof) with floor to floor height of 10' feet.

STRUCTURAL SYSTEM

Residential Building

1. Incorporates the original 6 story warehouse building concrete foundation walls and spread footings with basement slab on grade.
2. The superstructure is constructed of heavy timber columns and beams with wood plank floors.
3. A metal and glass entrance atrium was added to the building for fenestration purposes, and extends to the height of the ceiling of the fifth floor on the Ditmars Booulevard face of the building. (See attached letter from Gerald Caliendo, R.A.)

Re: 3 Accessory Garages and Parking Areas

1. Foundation walls and footings are reinforced concrete, columns and beams are steel, floors and roof are concrete on steel deck.

EXTERIOR OF BUILDING

Residential Building

1. The exterior walls are of solid masonry construction with rusticated stone facings on the first floor and face brick above. The elevations have alternating vertical bays of synthetic stucco on concrete block, an exterior insulation & finish system, with decorative pilasters.
2. The window decorative enframements are molded synthetic material.
3. The decorative cornices are molded synthetic material.
4. The North elevation has a 5-story high glass curtain wall atrium containing the main entrance with a brick pediment extending 1 story above the roof.
5. The provisions of Local Laws 10 and 11, 1980 and 1998, the "Report of Periodic Inspection of Exterior Walls and Exterior Appurtenances of Buildings" (Section 27-129) of the Administrative Building Code of the City of New York), applicable to buildings in excess of six (6) stories, are applicable for all of the facades of the building.
6. Atrium has a five story fully glazed curtain wall. The retail spaces have glass and aluminum store fronts.
7. All existing masonry exterior walls were fully pointed and power washed prior to installation of new stucco finish.
8. No additional remedial work is required at this time.

Accessory Garage

1. The garage elevations are a combination of open metal grillwork and brick faced concrete panels.

WINDOWS & SILLS

1. Apartment windows are typically green anodized aluminum, double glazed units with thermal break construction with applied muntins. Upper and lower sash tilt in for cleaning.
2. Window manufacturer is R. Klich Windows.
3. All windows are New York City approved.

PARAPETS & COPINGS

1. Parapets are constructed of brick with precast concrete copings.

EXTERIOR ENTRANCES

Residential Building:

1. The main entrance is located on a concrete platform in the center of the 5-story high glass atrium facing Ditmars Blvd. Lobby and vestibule entrance doors and sidelights are frameless 1" thermal glass in aluminum frames.
2. Doors have a magnetic lock system with bell and buzzer for non-resident entry; key entry for residents.
3. The platform has 2 flights of concrete steps with a central decorative fountain. The steps have metal handrails.
4. There are two banks of mail boxes, in alcoves on opposite sides on the lobby.

Retail Spaces:

1. Entrance to retail stores facing Ditmars Blvd. are located at the basement floor with access from the areaways. Doors are aluminum and glass set in aluminum framed show windows.

Office Spaces:

1. Entrances to the office spaces are located at the basement floor with steps and/or ramps from both 45th and 46th Streets

ROOF & ROOF STRUCTURES

Residential Building

1. The building has a main roof above the fifth floor and a roof above the one story extension in the center court and the penthouse apartment.
2. The roof is Firestone APP 160W smooth surfaces APP modified bitumen membrane, MEA #408-89-M, with new rubber cap sheet. The roof has a one-year guarantee.
3. Flashings are oil based composite flashings
4. Roof insulation was existing.
5. The roofing is sloped to drains on one side of each roof.
6. As per Section 15-12 of the NYC Zoning Resolution, 50 per cent of the gross roof area is available for recreational use. (See attached letter from Gerald Caliendo, R.A.)

Accessory Garage

1. The garage is open with the upper concrete parking deck covering the levels below.
 - a. There are three stair bulkheads, brick with metal raised seam roofs.

ROOFTOP DRAINS

Residential Building

1. The roof drains are cast iron set in the roof with domed strainers and are located along the low side of the roof. Drains are connected to internal leaders.
2. The roof surface slopes in a shed manner from the high to low side.

Accessory Garage

1. The roof drains are cast iron set in the concrete deck at each level located along the low side of the roof. Drains connect to internal leaders.
2. The deck surface is pitched to drains.
3. Drains are tied into NYC sewer.

YARDS & COURTS

Residential Building

1. The building is set back from Ditmars Blvd. by areaways with brick retaining walls at basement level that provide access to the retail spaces. The areaways are accessed by concrete ramps from the sidewalk.
2. The 45th and 46th Street sides of the building have similar areaways with concrete and brick retaining walls topped by an iron fence.
3. All areaways have concrete paving.
4. A central court at basement level is located between the two wings and contains a one story gym and the boiler room.

Accessory Garage

1. The garage is set back 10 ft. with planter strips on 45th and 46th Street

ACCESSORY GARAGE & PARKING AREAS

1. The accessory garage capacity is 261 cars, including ten (10) handicapped accessible spaces.
2. There are two driveways along 46th Street – one for entry and one for exit – with ramps to and from basement level.
3. There is a handicapped accessible ramp at the north side of the garage from street to basement level.
4. There are roll-down security gates at the façade of the garage at both the entrance and exit.
5. Valet parking by employees of the Garage Condominium Unit Owner (and not the Condominium's building staff) will be provided for basement level only.

INTERIOR STAIRS

Residential Building

1. The building has six (6) sets of stairs from the basement floor to the roof.
2. Stairs are steel pan with cement treads and steel handrails and balusters.
3. A new central core encloses two stair towers, the elevators and an elevator lobby at each floor.
4. Stair enclosures are masonry, with painted plaster finish.

Accessory garage

1. Three sets of enclosed stairs connect each level and extend to roof top bulkheads.
2. Stairs are concrete with steel handrails.

INTERIOR DOORS & FRAMES

Residential Building

1. STAIRS:

- a. Corridor doors to stairs are fire rated self closing hollow metal in metal frames with wire glass vision panels.
 - b. Stair doors to streets and roof are fire rated, self closing, hollow metal in metal frames.
2. APARTMENTS;
- a. Dwelling unit corridor doors are fire rated, self closing hollow metal in metal frames.
 - b. Doors within dwelling units are hollow core MDF in wood frames.
 - c. Hardware includes brass lever handles and brass hinges.

Accessory Garage

- 1. All doors are fire rated, self closing in metal frames.

ELEVATORS

Residential Building

- 1. The Building has two existing geared traction passenger elevators manufactured by Columbia Elevator Products Co. that have been refurbished with controls by Ver-Tech.
- 2. Elevators stop at levels basement through penthouse (6).
- 3. Elevator car #1 is rated for 3,500. Lbs. and cab #2 is rated at 6,000 Lbs. at speed of 80 F.P.M.
- 4. The motors and controllers and hoisting equipment are located in a roof penthouse.
- 5. Elevator cab and hoistway doors are interlocking sliding type.
- 6. Cab control panels are ANSI compliant.
- 7. Elevator cab walls and ceilings are insulated steel panel walls with recessed lights and fan.
- 8. Cabs have metal handrails.
- 9. Safety system includes phone/fire key system, direct phone line to elevator maintenance company, protective timers, overload relay.
- 10. There are no submersible pumps in the elevator pits.
- 11. Elevator shafts are original to the building.

AUXILIARY FACILITIES

1. BASEMENT FLOOR:

- a. Boiler Room
- b. Electric service and meter rooms
- c. Telephone Room
- d. 2 Refuse, Storage and Compactor chute Rooms
- e. Sprinkler Room
- f. Tenant Meeting Room
- g. Storage Room
- h. Gymnasium
- i. Community Room

2. FIRST FLOOR:

- a. Lobby and concierge station
- b. Package Storage
- c. Mailbox alcoves
- d. Supply Storage.
- e. Janitor's closets
- f. Refuse Storage compactor Chute Rooms
- g. Elevator Lobby

- h. Laundry Rooms
- 3. SECOND THRU FIFTH FLOORS:
 - a. Elevator Lobby
 - b. Janitor's Closets
 - c. 2 Refuse Storage and Compactor Chute Rooms.
 - d. Laundry Rooms
- 7. SIXTH FLOOR:
 - a. Elevator Lobby
 - b. Storage Rooms
- 8. Compactor is zero capacity, Apple-pack 100, manufactured by Big Apple Compactor.
- 9. Refuse is collected in 50 to 60 lb. bags from chute. Placement on street will be by building porters and removal will be by NYC Sanitation Department.
- 10. Coin-Mach has the laundry room concession.

PLUMBING & DRAINAGE

WATER SERVICE:

- 1. Water supply for domestic consumption and the boiler is delivered from City main.
- 2. WATER PRESSURE:
 - a. Incoming water pressure is augmented by a tri-plex system of 3 Syncroflo Model #55B53GAF booster pumps, 100 GPM @ 115' TDH, 5 HP each, in series and supplies plumbing fixtures on all floors in the building.
- 3. HOT AND COLD WATER PIPING:
 - a. All hot and cold water risers are new copper piping. Branch lines within dwelling units are copper.
- 4. WASTE WATER:
 - a. Sewage disposal is by gravity feed to city sewers in the bed of 45th & 46th streets and Ditmars Blvd.
 - b. All piping is standard weight cast iron hub and spigot. Exposed piping appears to be in good condition with no visible evidence of leaks.
 - c. A catch basins are located in the street at the intersection of Ditmars Blvd. and 46th Street and along 45th street.

FIRE PROTECTION

Residential Building

- 1. The building is fully sprinklered with wet pipe system including all habitable rooms, hallways and public areas.
- 2. The sprinkler system was modified from the original system. There are flow and tamper switches at the base of every riser. In addition, there are seven (7) flow and tamper switches on every floor where the branch piping leaves the vertical main. Each flow and tamper switch is monitored by the building's fire alarm system.
- 3. Public areas are equipped with fire alarm pull stations connected to a central annunciator panel.
- 4. All apartments have hard wired smoke and CO2 detectors.

Accessory Garage

- 1. The garage is fully sprinklered with a dry pipe standpipe system, including ramps and enclosed stairs.
- 2. The sprinklers are tied into a central fire alarm system station.

BOILER

1. Four gas fired boilers in the cellar boiler room generate hot water for the residential PTAC units. Boilers are LARRS model # PNCH1750NACL2CJN, 1,750 BTU each.
MEA # 303-93-E-Vol. II
2. Two gas fired hot water heaters in the boiler room generate domestic hot water.
3. Hot water heaters are Dura-Max by A.O. Smith, model #TJV500A, MEA # 303-93-E.

AIR CONDITIONING/HEATING

APARTMENTS:

1. Each apartment has water-source heat pumps in bedrooms and living rooms for air-conditioning and heating 'Axiom' type manufactured by Trane.
2. There are 6 roof mounted Trane model FAHA series, 100% fresh air units,
MEA # 29-02-E
3. Cooling tower is Model # C2072-2005 by Baltimore Aircoil Co.
4. Bathrooms have unit heaters, with thermostat and thermal overload.

PUBLIC SPACES:

1. Public halls are heated and cooled by a ducted system supplied by six (6) roof mounted package units; gas fired heating and DX cooling. The units are manufactured by Trane.
 - a. Each unit includes:
 - 230 Volt 1.60 herty/3 phase power
 - Fresh air unit with air cooled condenser
 - Gas heat duct bank, 4 stages
 - Heat exchanges
 - Supply air dehumidification
 - 5-7 horsepower fan motor
 - 1 year labor guarantee
 - 2-5 year guarantee for compressor and heat exchanger

RETAIL SPACES:

1. PTAC units. Ductwork to be fitted by future tenants.

VENTILATION

APARTMENTS

1. Apartments are ventilated by operable window units.
2. Kitchens and baths are mechanically ventilated by a ducted exhaust system extending to the roof with roof mounted exhaust fans.
3. Public halls are mechanically ventilated by a ducted air conditioning system.
4. Ventilation equipment is Baltimore Aircoil Model #C2072-2005,

ATRIUM & ELEVATOR LOBBIES

on each floor are heated and cooled by a ducted supply and return system supplied by one roof mounted package unit manufactured by Trane.

1. Unit is similar to previously described public halls unit.

GARAGE

1. The garage ventilation system is a draft induced system with downward air pressure.

ELECTRICAL SYSTEM

SERVICE:

1. The electrical services are provided by Consolidated Edison Company of New York from underground power ducts located in Ditmars Blvd.
2. The electric service room is located in the basement.
3. Incoming service banks are as follows:
 - a. Apartments: 4,000 amps
 - b. Public Spaces: 3,000 amps
 - c. Retail spaces 2,000 amps
 - d. Fire and sprinkler pumps 1,000 amps
4. Apartment breaker panels are 110/220V; 100 AMP with 24 circuits.
5. Electrical consumption is individually metered for each residential unit and each store.

LIGHTING

RESIDENTIAL BUILDING

EXTERIOR: Exterior lighting of the building perimeter is by Conolight 70W high pressure sodium wall mounted floodlights, Model #E-HC1H071Z

ELEVATOR LOBBIES: solid brass wall sconces with cultured marble glass by Mandolin #4920BLE-720

ELEVATOR LOBBIES: semi-flush brass ceiling fixtures with cultured marble canopies by Mandolin #79022BLE-720

PUBLIC HALLWAY: recessed high-hat fixtures with incandescent lamping by Halo #1178LE

STAIRS: wall mounted fluorescent fixtures

APARTMENTS: recessed incandescent fixtures

ACCESSORY GARAGE

1. Roof Level is illuminated by aluminum standards with flood lights.
2. Cellar and basement levels have ceiling mounted fluorescent fixtures.

UNIT INFORMATION

NUMBER OF APTS:

1. The building contains 201 apartments, as follows:
 - 1st floor – 40 units
 - 2nd floor – 40 units
 - 3rd floor – 40 units
 - 4th floor – 40 units
 - 5th floor – 40 units
 - 6th Floor PH – 1 duplex unit. The apartment was existing warehouse space that was converted. This is not an addition to the building.

DWELLING UNIT DESCRIPTION BY FLOOR:

1st Floor

- 1 Studio, 1 bath, Kitchenette
- 24 1-bedroom, 1 bath, kitchenette
- 6 1-bedroom, 1 bath kitchen
- 3 2-bedroom, 1 bath, kitchenette
- 6 2-bedroom, 2 bath, kitchenette

2nd floor

- (1) Studio, 1 bath, kitchenette
- (24) 1- bedroom, 1 bath, kitchenette
- (6) 1- bedroom, 1 bath, kitchen
- (3) 2- bedrooms, 1 bath, kitchenette

- (6) 2- bedrooms, 2baths, kitchenette
- 3rd, 4th, and 5th floors (each floor)
 - (1) Studio, 1 bath, Kitchenette
 - (24) 1- bedroom, 1 bath, Kitchenette
 - (6) 1-bedroom, 1 bath, kitchen
 - (3) 2-bedrooms, 2 baths, Kitchenette
 - (6) 2-bedrooms, 2 baths, Kitchenette
- 6th floor - Penthouse
 - (1) 1-bedroom, 1 bath, kitchen

FINISH SCHEDULE FOR APARTMENTS

LIVING ROOMS

- Walls: drywall, painted
- Ceilings: drywall, painted
- Baseboards: MDF board
- Floors: pre-finished wood laminate, floating installation

BATHROOM:

- Wainscot: ceramic tile
- Floors: ceramic tile
- Ceiling: drywall, painted

KITCHEN:

- Walls: drywall, painted
- Ceilings: drywall, painted
- Floors: ceramic tile

KITCHEN EQUIPMENT:

- Counters & splash: plastic laminate
- Cabinets: cherry wood finish with raised panel doors, by Boros Kitchens
- Sink: stainless steel drop-in sink with Gerber faucets
- Appliances: refrigerator, range, dishwasher by Frigidaire, or equal

BATHROOM FIXTURES:

- White American Standard lavatory vanity with cultured stone top
- Tub: American Standard cast iron
- Water closet: Crane
- Medicine cabinet

FINISH SCHEDULE FOR SPACES OTHER THAN APARTMENTS

LOBBY and PUBLIC HALLS: granite tile floor, raised wood panel wainscoting with wallpaper above

OFFICE SPACES: vinyl composition tile floors; painted gypsum board walls and ceilings

RETAIL SPACES: vinyl composition tile floors; painted gypsum board walls and ceilings

COMMUNITY ROOM / GYM / TENANT MEETING ROOM: vinyl composition floors; painted gypsum board walls; suspended fireproof acoustic tile ceilings

SAFETY & WARNING DEVICES

SMOKE AND CARBON MONOXIDE DETECTORS:

1. Smoke detectors and carbon monoxide detectors, hard wired in all dwelling units, model # SC6120B by BRK Electronics.

INTERCOMMUNICATION

1. Intercom system is through the telephone of individual unit owners.

Attached is a letter from Gerald J. Caliendo, the Architect of Record for the building, clarifying certain aspects of the project.

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Gerald J. Caliendo, R.A., A.I.A

Architect, P.C

138-72 Queens Boulevard
Briarwood, N.Y. 11435

Tel. (718) 268-9098

Fax (718) 268-9097

www.caliendoarchitects.com

October 23, 2007

To Whom It May Concern:

Re: **Pistilli Grand Manor Condominium**
45-02 Ditmars Boulevard
Astoria, Queens, N.Y.

I am the architect of record for the above mentioned applications which were filed at the New York City Department of Buildings. This letter is in response to a letter from Victor H. Martinez., dated: August 27, 2007.

1. Clarify if this conversion is in compliance of Section 15-12 of the N.Y.C. Zoning Resolution.

As per the above mentioned section of law, 50 percent of the gross roof area of this building is available for recreational use.

2.(bb) Clarify "additions to the building includes an exterior steel framed atrium, masonry elevator shafts and a 6th Floor duplex apartment.

a. A metal and glass entrance atrium was added to the building for fenestration purposes, which extends to the height of the ceiling of the fifth floor on the Ditmars Boulevard face of the building.

b. The masonry elevator shafts are not additions, they were original, although they were modified from two freight elevators into two passenger elevators.

c. The duplex apartment at the 6th floor was an existing warehouse space which was converted into a duplex apartment. This is not an addition and there are no additions to the building.

2 (i). New addition on top of an existing structure. State in detail whether the existing Structure has sufficient capacity to support the additional load, and, if not what steps have been taken to support the increased load: Although, it is your choice it is your choice to include it in the amended report, submit a separate structural professional report, not limited to calculations.

The space in question was part of the Steinway Piano Factory, which has a live load capacity of at least 100 pounds per square foot, based on the original construction. The proposed use is residential which requires only a 40 pound live load. Please note that this space was not an addition.

If you have any questions, please call.

Yours truly,

Gerald J. Caliendo Architect, P.C.

Architecture
Space Planning



Interior Design
Construction Administration

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USP ASBESTOS INVESTIGATORS

35-01 149 STREET, FLUSHING NY. 11354-3740

TEL: (718) 888-1887
(718) 460-1850



Dated: 4/11/07

TEX Development Co.,
37-08 28th Ave., Suite: 300
Astoria, NY. 11103

Re: Garage Building
Asbestos Investigation
45-02 Ditmars Blvd,
Astoria, NY.

Dear sirs:

At the request of Mr. Russ, an asbestos investigation was conducted at the above referenced site on 11/30/06. The purpose of inspection was to determine the presence/absence of Asbestos Containing Material (ACM), if any, on pipes and fire proofing of structural elements in all accessible spaces of the garage. The following areas were inspected:

1. Cellar Level
2. Basement Level
3. Roof

A through investigation was conducted of the garage of all three level. The structure is a new structure with steel columns, beams and metal deck. The following conditions were observed upon inspection.

Cellar/Basement:

- 1). All beams were found to be fireproofed with spray on material.
- 2). Metal deck had only spotty fireproofing caused during spraying of the structural beams in cellar and basement..
- 3). A pipes along the ceiling were hung to the beams with wire supports, and were exposed.
- 4). All floors were concrete.

Roof:

- 1). No sprayed-on fireproofing was noted on any element on the roof, as all roof was open except stairs.

Material of Construction:

Other material of construction from cellar to roof were found to be Concrete walls, sheetrock, Plaster, Concrete blocks and stucco.

Analysis:

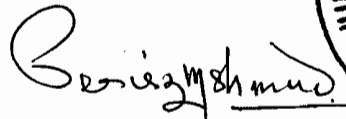
Samples were taken of the fireproofing from beams and were analyzed by a New York State accredited laboratory. Test results indicate all samples to be negative for asbestos.

Conclusion:

All structural elements (Beams) and the pipes in the garage are free of asbestos.

We, at USP, thank you very much for giving us the opportunity to serve you. Any questions!, Please call me at (917) 340-6925. Thanks.

Sincerely,



Pervaiz Mahmud
NYC Certified Asbestos Investigator
Certificate: 101957



USP ASBESTOS INVESTIGATORS

35-01 149 STREET, FLUSHING NY. 11354-3740

TEL: (718) 888-1887
(718) 460-1850



Dated: 4/11/07

TEX Development Co., LLC
37-08 28th Ave., Suite: 300
Astoria, NY. 11103

Re: Asbestos Investigation at
45-02 Ditmars Blvd,
Astoria, NY. 11103

Dear sirs:

At the request of Mr. Russ, an asbestos investigation was conducted at the above referenced site on 11/30/06. The purpose of inspection was to determine the presence / absence of Asbestos Containing Material (ACM), if any, on pipes and fire proofing of structural elements in all accessible spaces for the following buildings.

1. Panthouse
2. Building on 45th street side, 1st thru' 5th floor
3. Building on 46th street side, 1st thru' 5th floor

1. Panthouse

All accessible spaces including mezzanine in the panthouse were thoroughly surveyed for and suspect sprayed-on fire proofing materials and/or Thermal System Insulation (TSI) on pipe. No sprayed on fire proofing or TSI was discovered in any of the spaces examined. All dominant finish materials at the time of inspection were found to be sheetrock, granite and wood flooring.

2. Buildings on 45th & 46th street side

An apartment to apartment survey was conducted in both buildings, and all accessible spaces from 1st. to 5th floors were thoroughly investigated for any possible Spray-on fire proofing suspect material and TSI on pipes. Tiles were randomly removed at several locations in the hallways on each floor of the buildings in order to check for suspended utility pipes, insulation and fire proofing. No suspect material was detected in these spaces. All floors and structural beams were found to be wooden, and the both building had full sprinkler system.

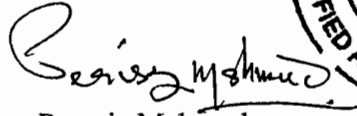
Typical material of construction/finish in all apartments were found to be sheetrock, wood flooring and ceramic tiles in bathrooms and kitchen areas.

Conclusion:

As no fire proofing and/or suspect insulating materials were discovered on the structural elements and/or utility pipes in the spaces surveyed, such elements are considered asbestos free.

It has been a pleasure to serve you. Any questions!, Please call me at (917) 340-6925.
Thanks.

Sincerely,

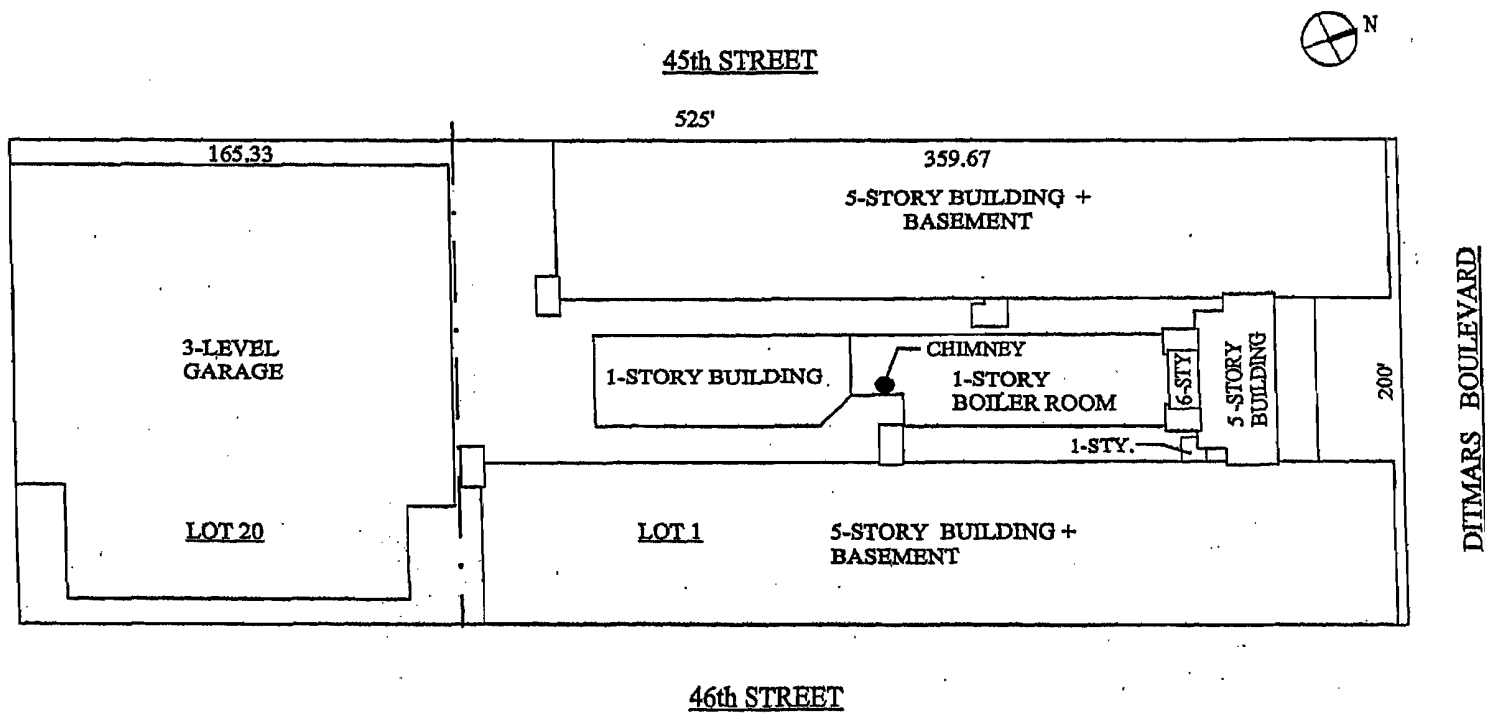


Pervaiz Mahmud
NYC Certified Asbestos Investigator
Certificate #: 101957



FLOOR PLANS

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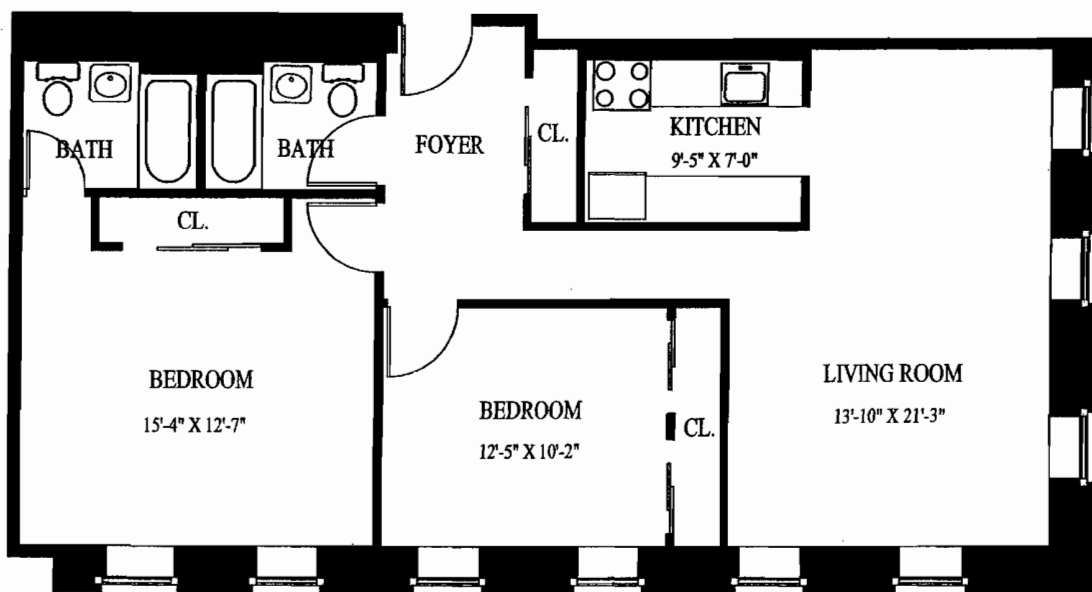
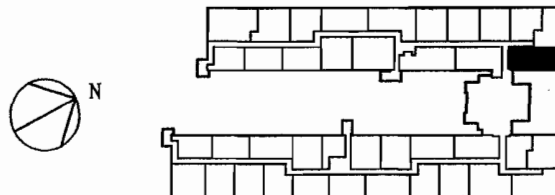


SITE PLAN



Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

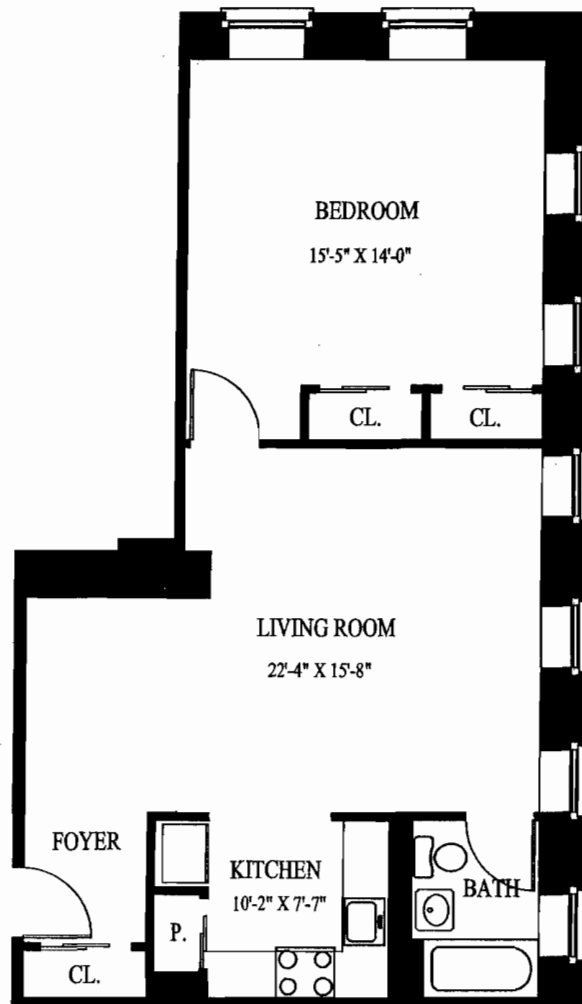
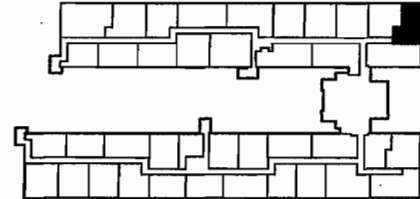
APARTMENT UNIT 1001 THRU 5001

2 BR 2 BATH

APPROX. AREA: 1,136 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



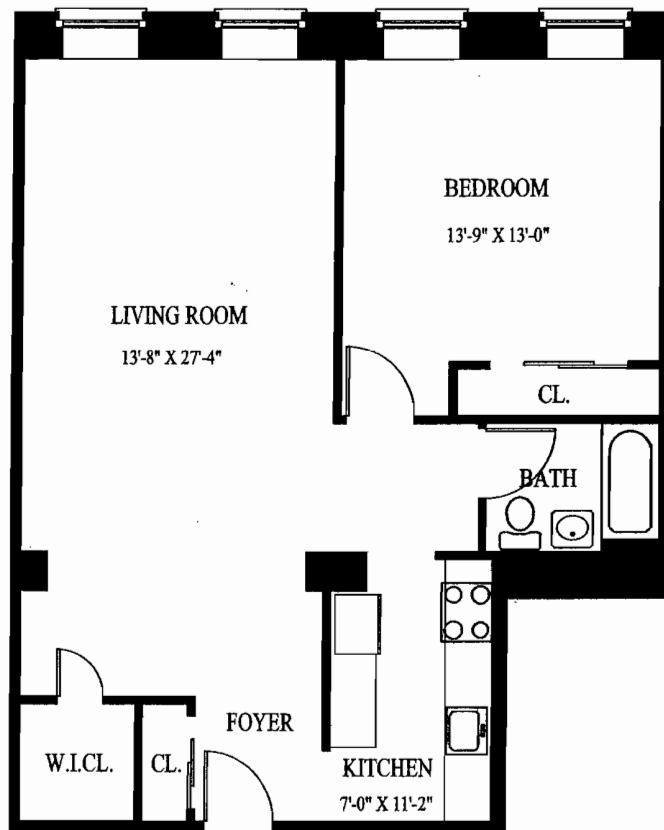
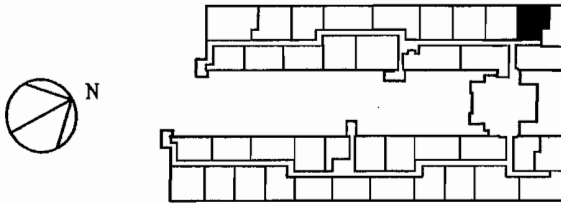
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1002 THRU 5002

1 BR 1 BATH
APPROX. AREA: 882 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



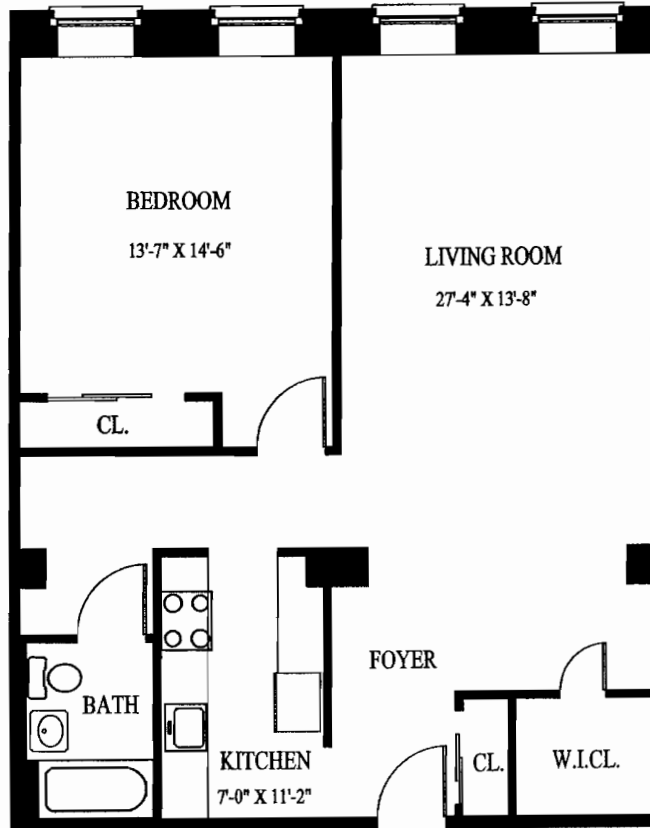
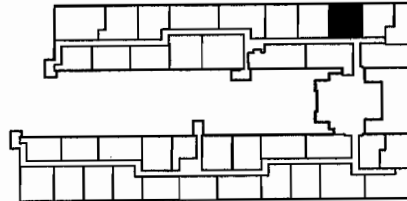
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1003 THRU 5003

1BR 1 BATH
APPROX. AREA: 913 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



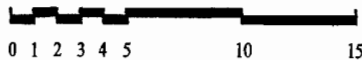
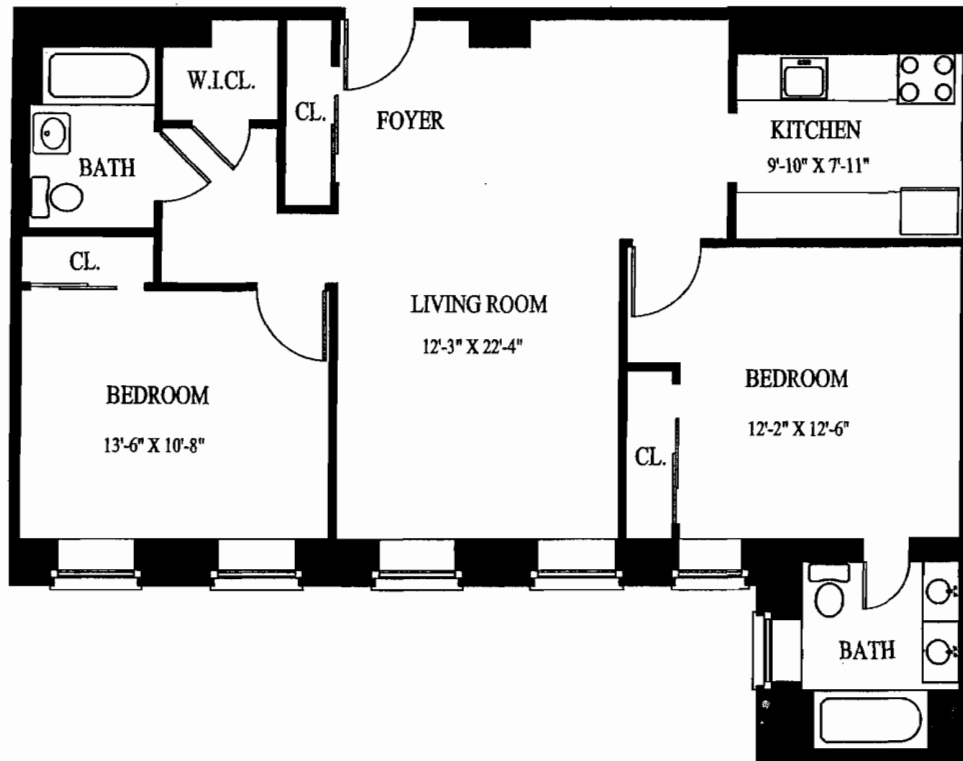
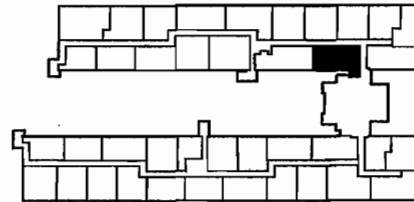
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1004 THRU 5004

1BR 1 BATH
APPROX. AREA: 981 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



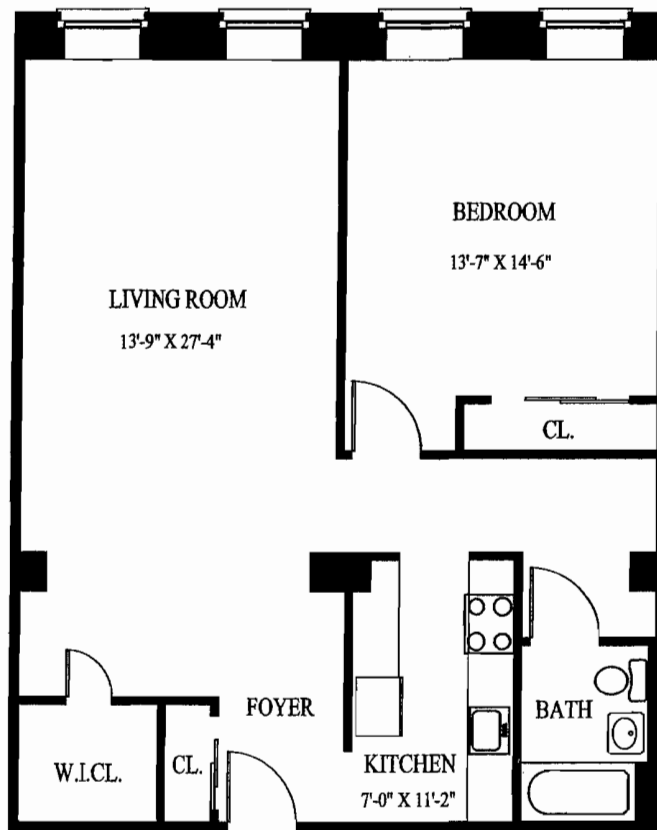
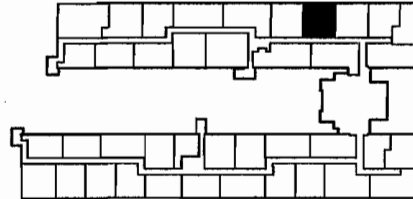
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1005 THRU 5005

2BR 2 BATH
APPROX. AREA: 1,104 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



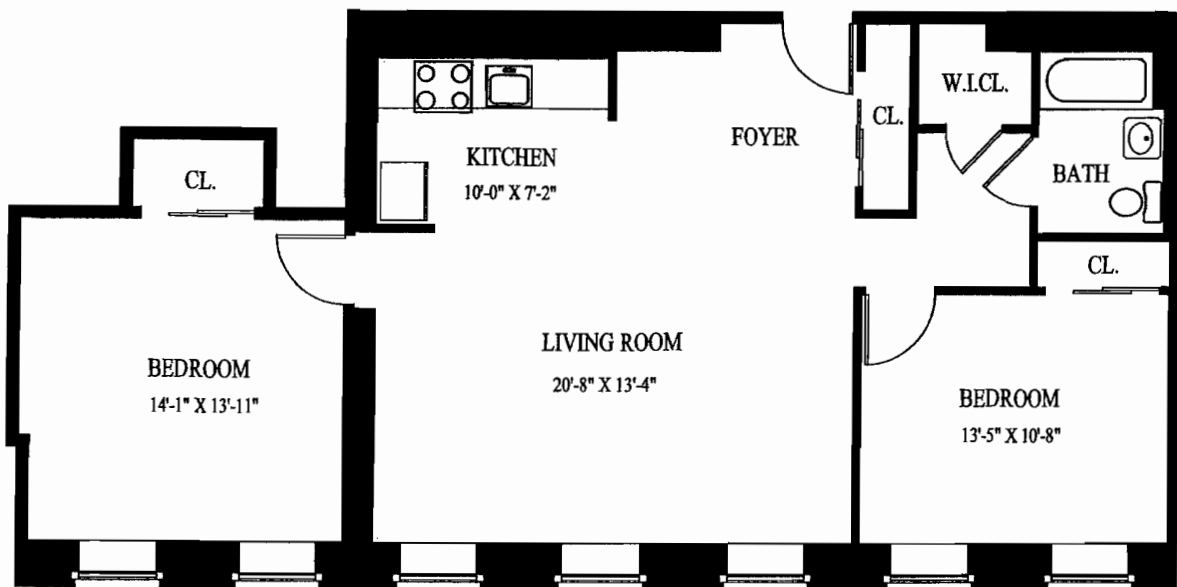
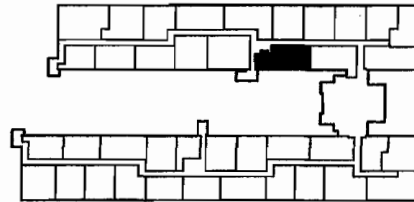
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1006THRU 5006

1BR 1 BATH
APPROX. AREA: 987 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



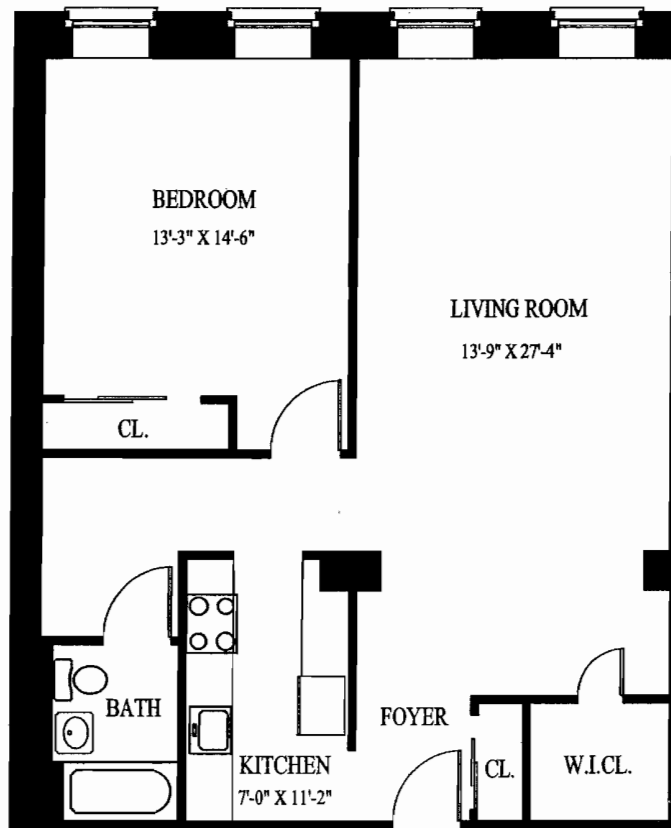
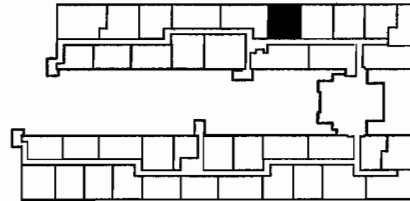
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1007 THRU 5007

2BR 1BATH
APPROX. AREA: 1,153 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



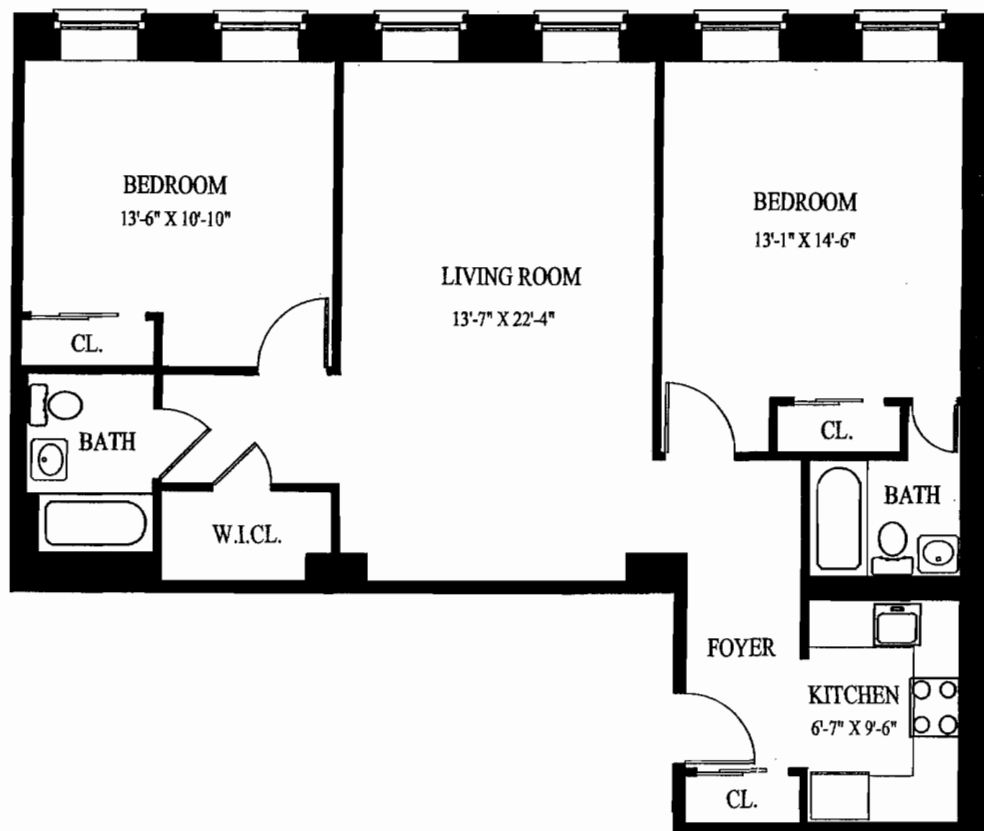
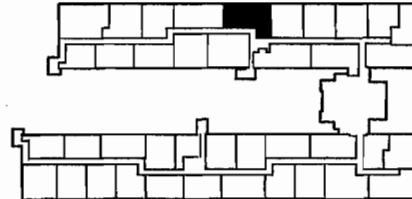
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1008 THRU 5008

1BR 1 BATH
APPROX. AREA: 994 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

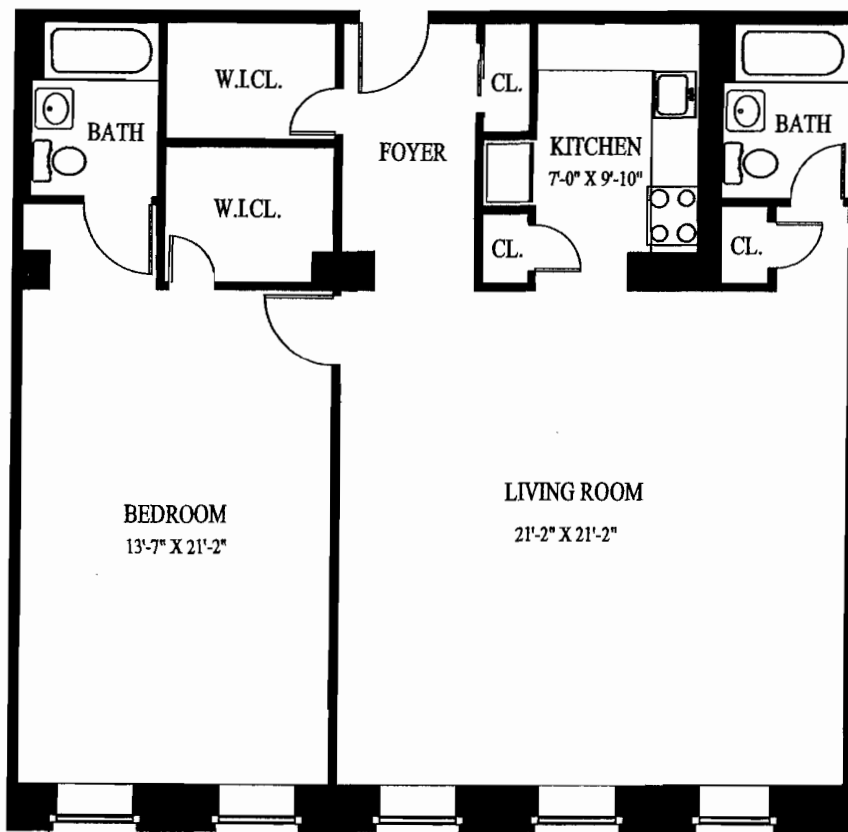
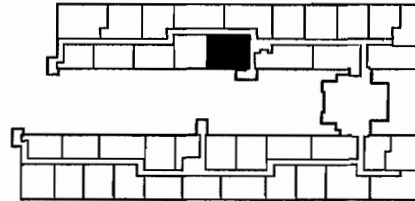
APARTMENT UNIT 1009 THRU 5009

2BR 2BATH

APPROX. AREA: 1,169 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



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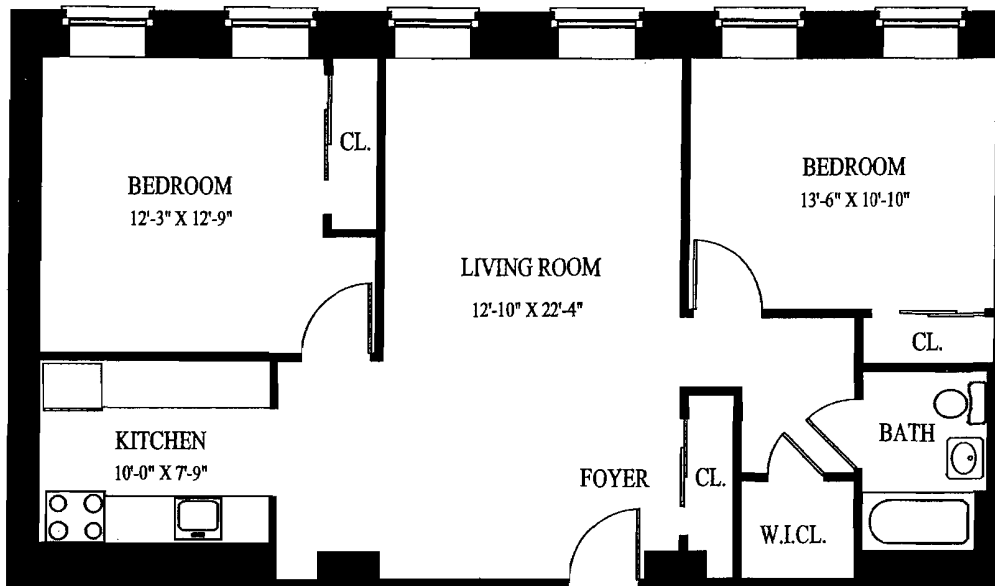
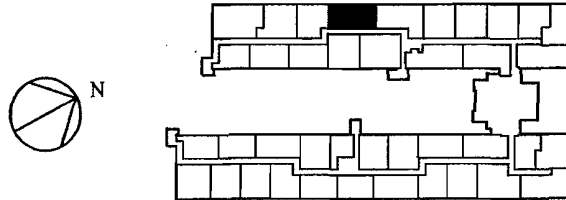
APARTMENT UNIT 1010 THRU 5010

1BR 2 BATH

APPROX. AREA: 1,285 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



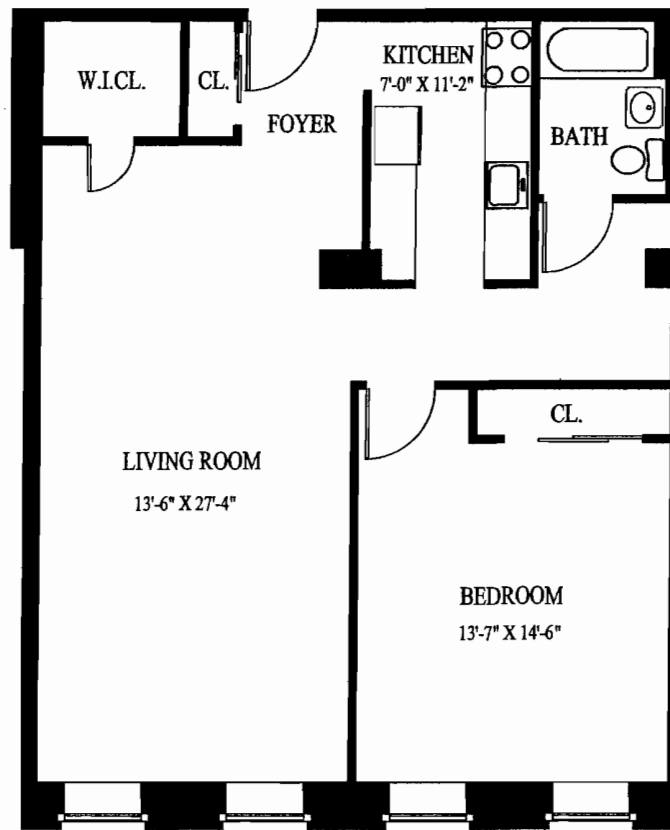
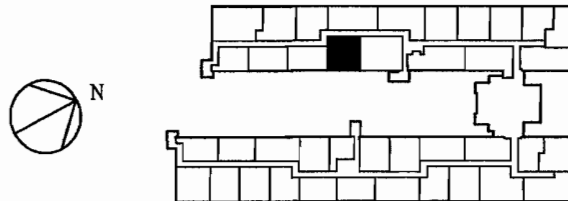
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1011 THRU 5011

2BR 1 BATH
APPROX. AREA: 1,053 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



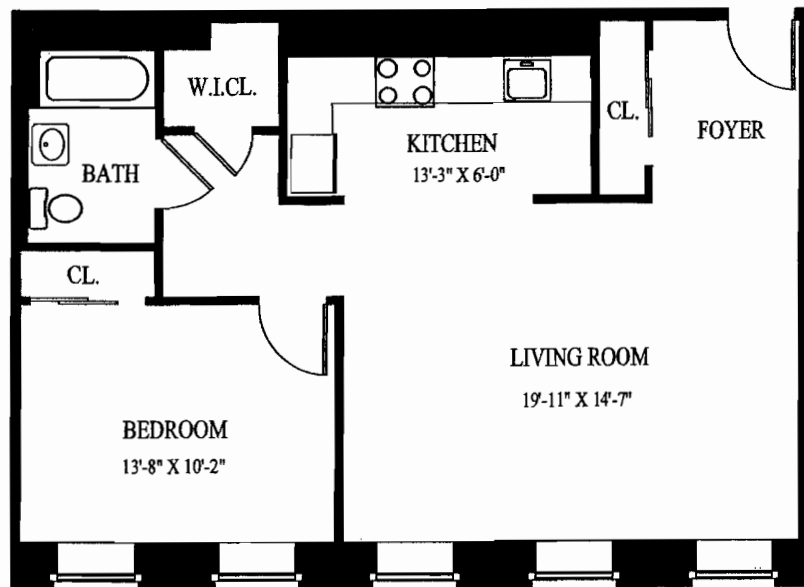
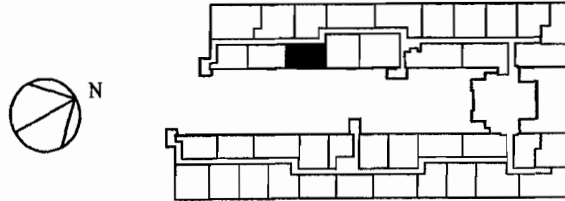
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1012 THRU 5012

1BR 1 BATH
APPROX. AREA: 1,000 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



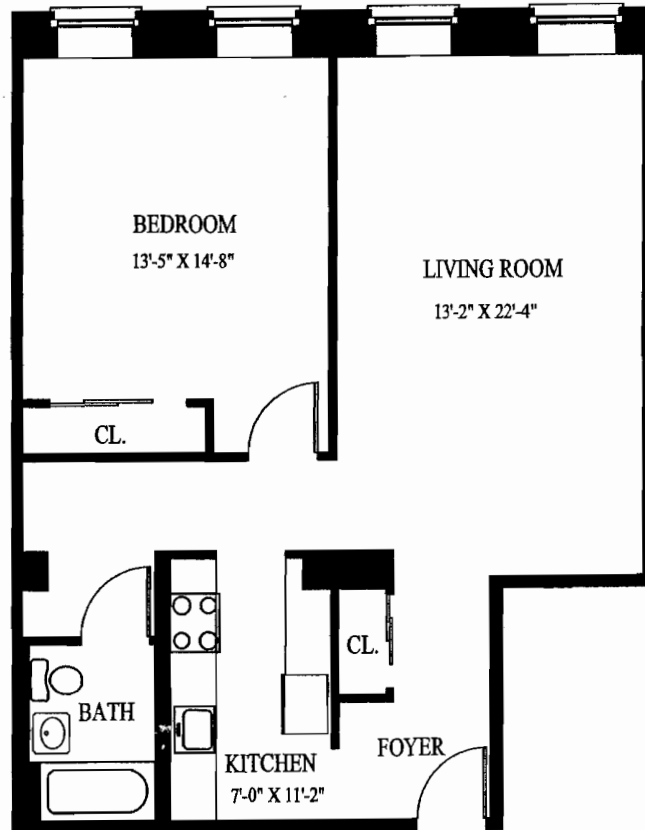
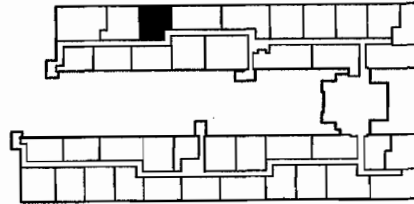
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1013 THRU 5013

1BR 1 BATH
APPROX. AREA: 863 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



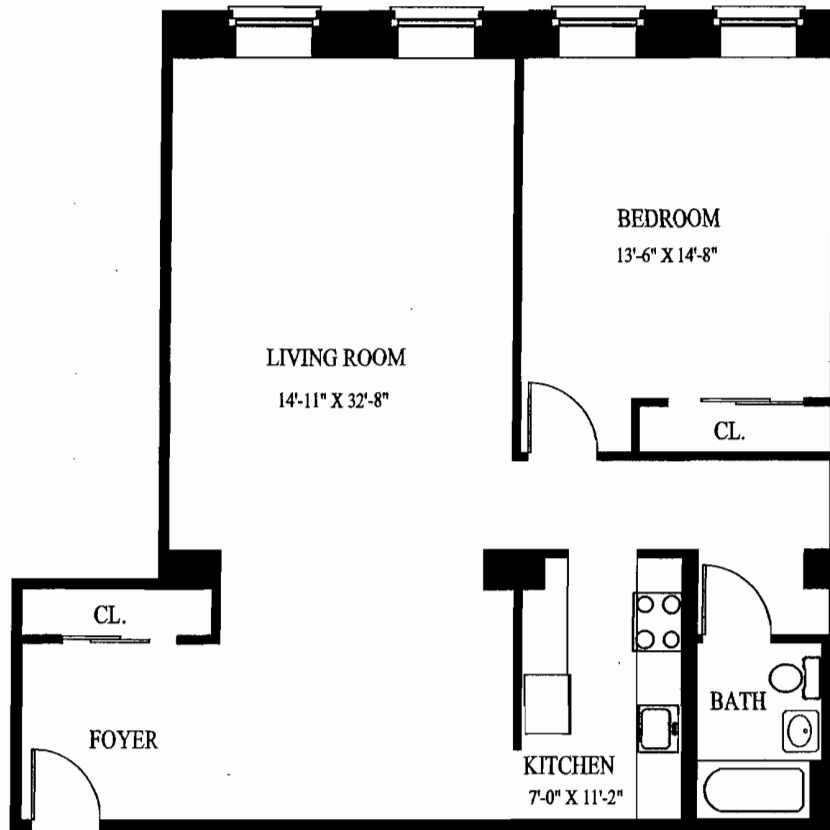
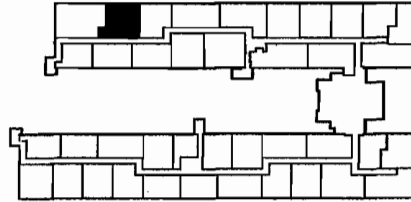
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1014 THRU 5014

1BR 1 BATH
APPROX. AREA: 907 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



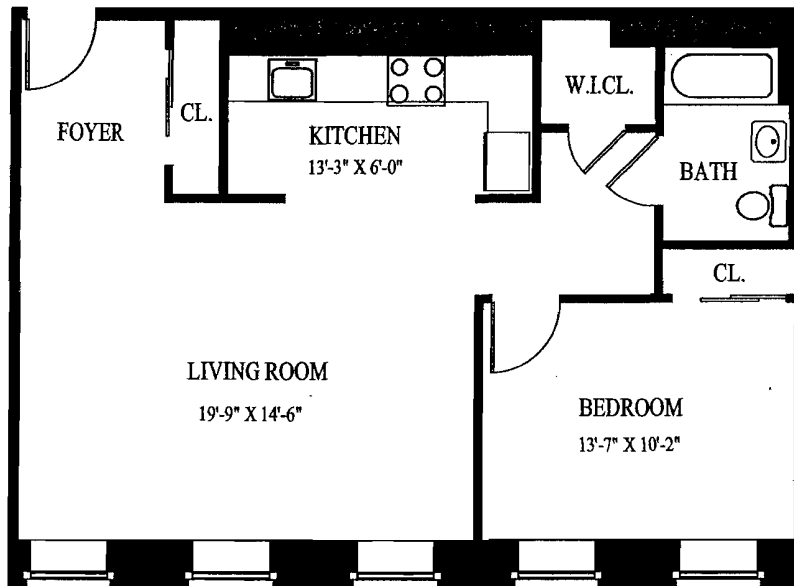
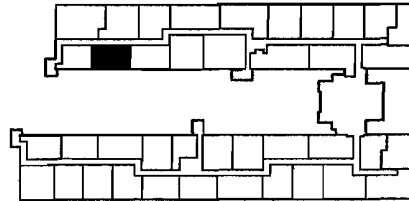
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1015 THRU 5015

1BR 1 BATH
APPROX. AREA: 1,094 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



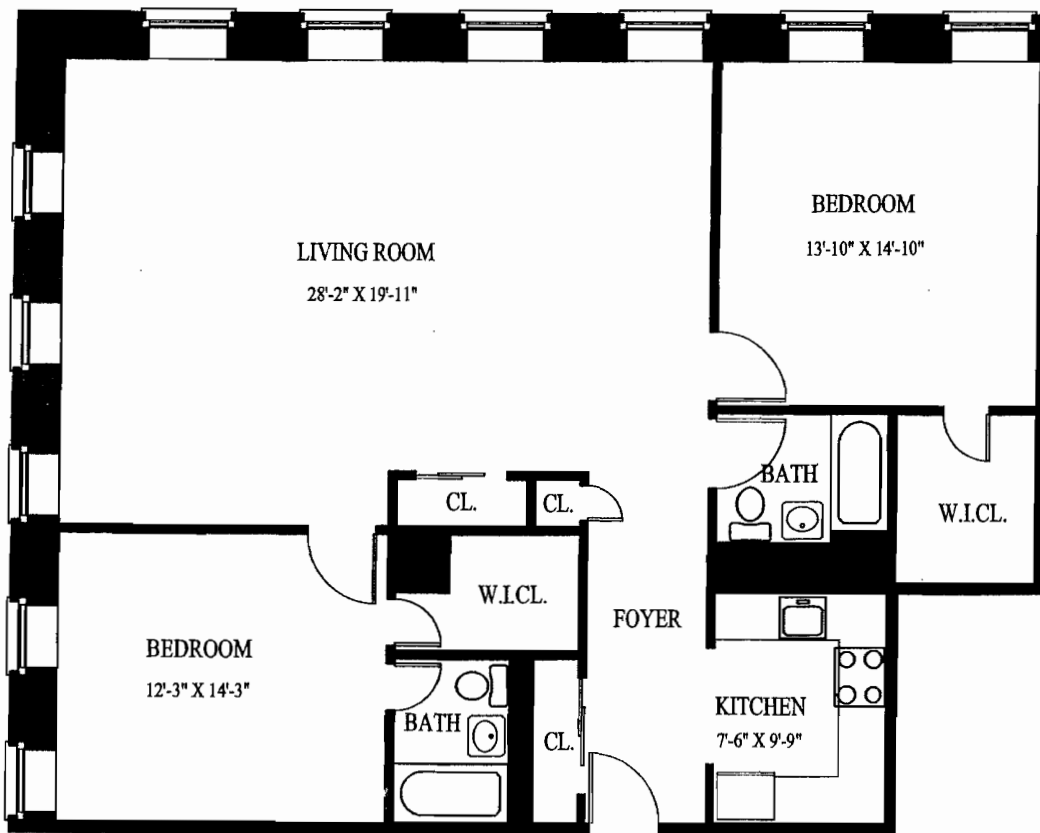
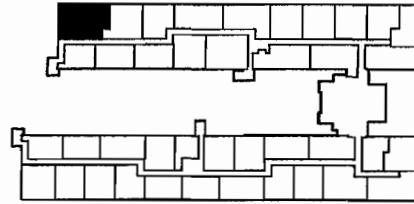
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1016 THRU 5016

1BR 1BATH
APPROX. AREA: 847 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



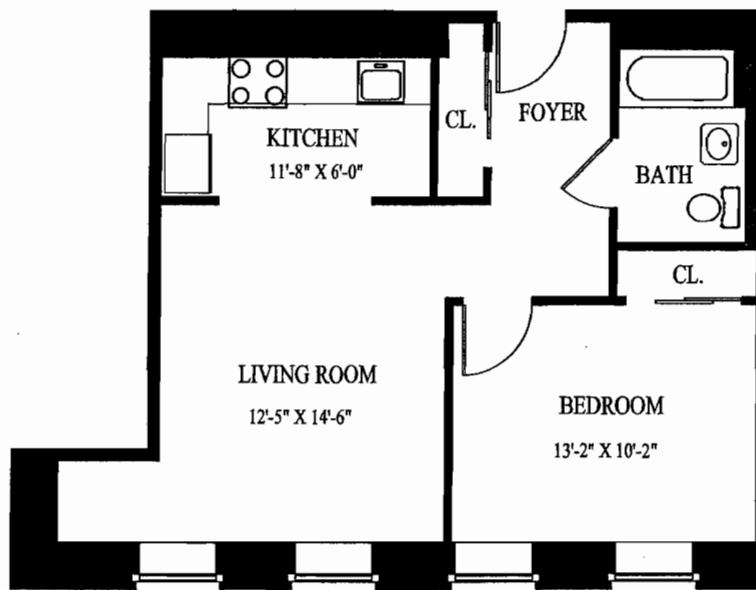
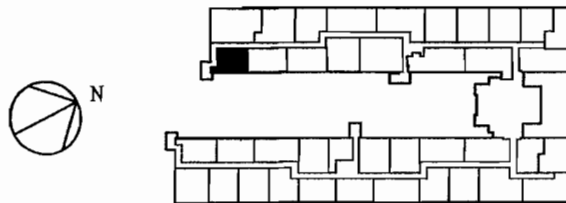
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1017 THRU 5017

2BR 2 BATH
APPROX. AREA: 1,500 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



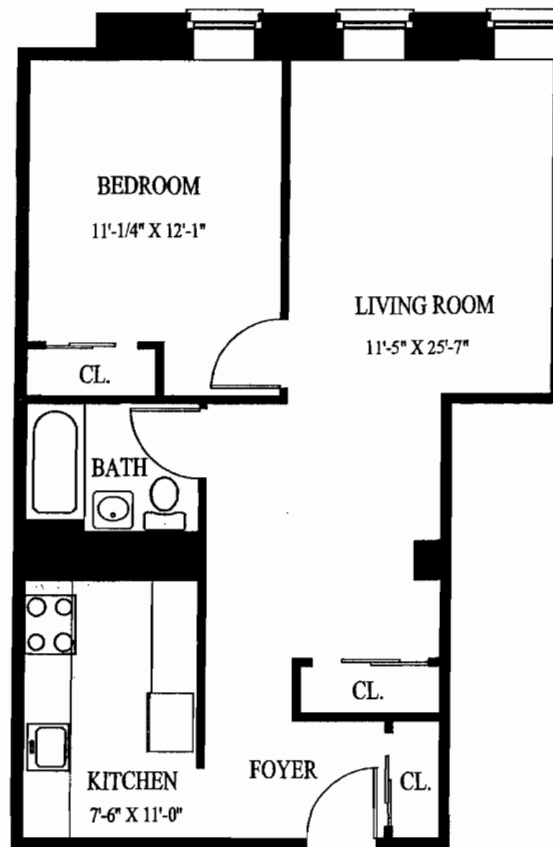
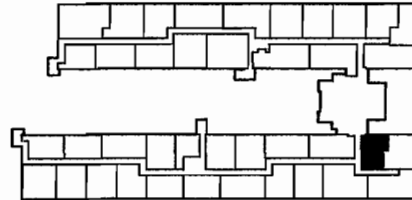
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1018 THRU 5018

1BR 1 BATH
APPROX. AREA: 698 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



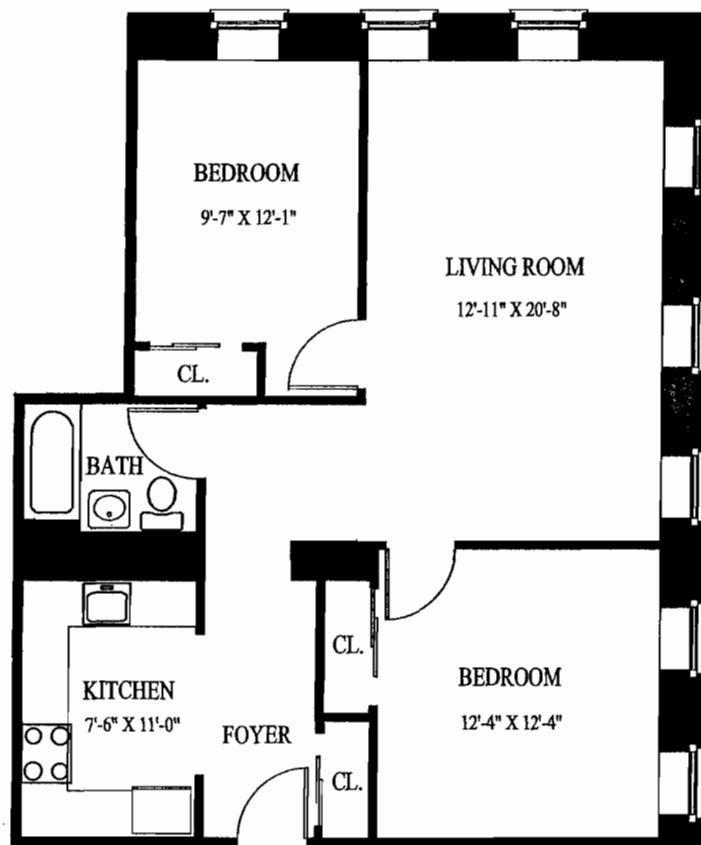
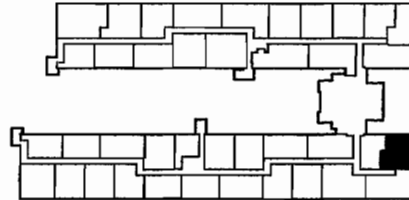
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1019 THRU 5019

1 BR 1 BATH
APPROX. AREA: 743 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



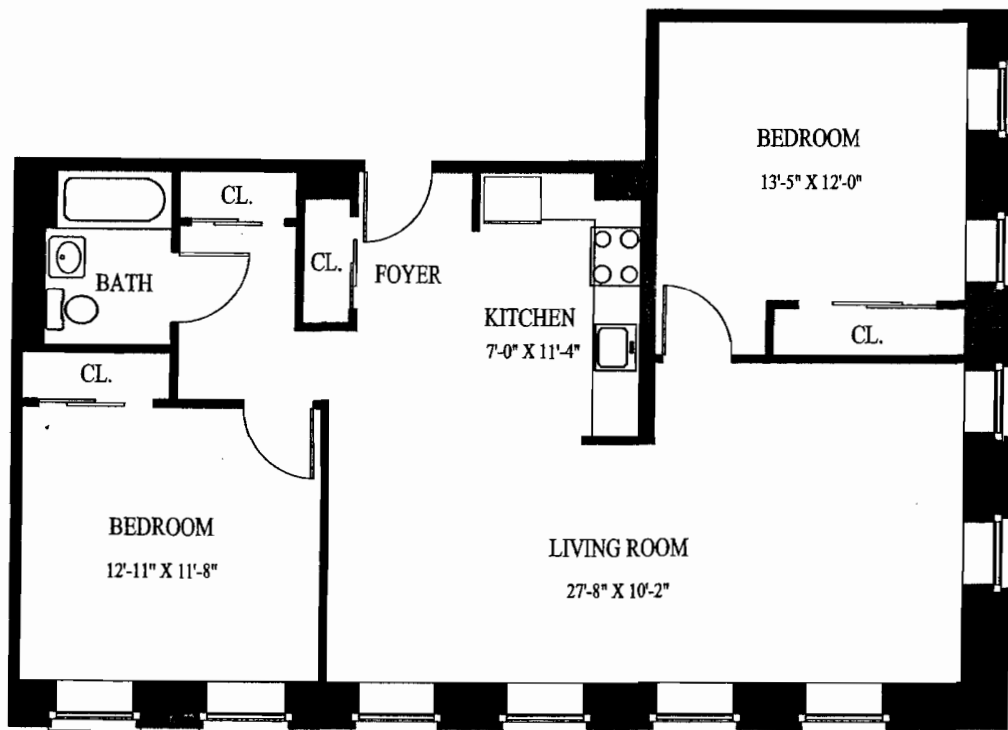
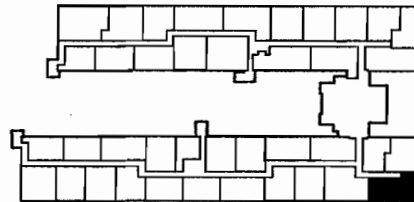
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1020 THRU 5020

2 BR 1 BATH
APPROX. AREA: 986 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



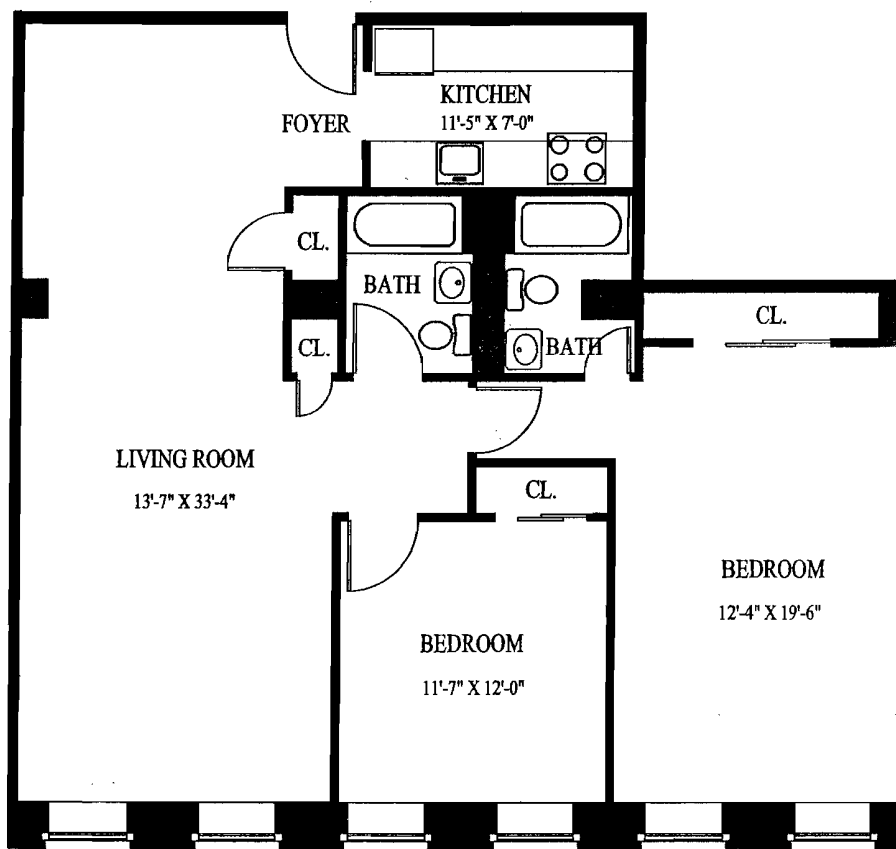
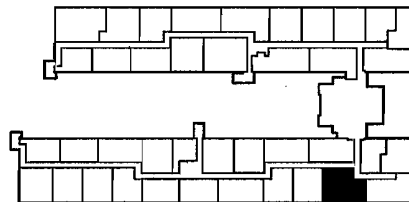
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1021 THRU 5021

2 BR 1 BATH
APPROX. AREA: 1,148 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



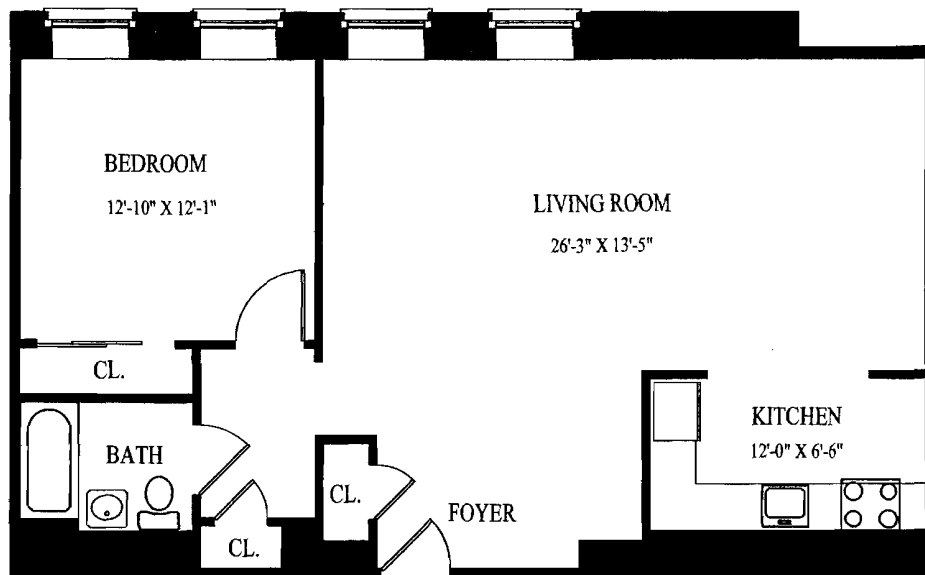
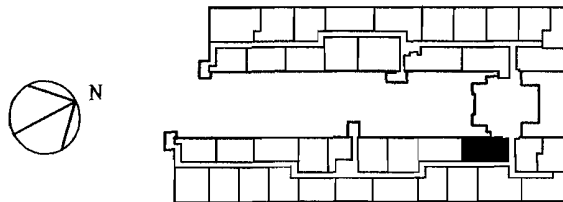
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1022 THRU 5022

2 BR 2 BATH
APPROX. AREA: 1,251 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



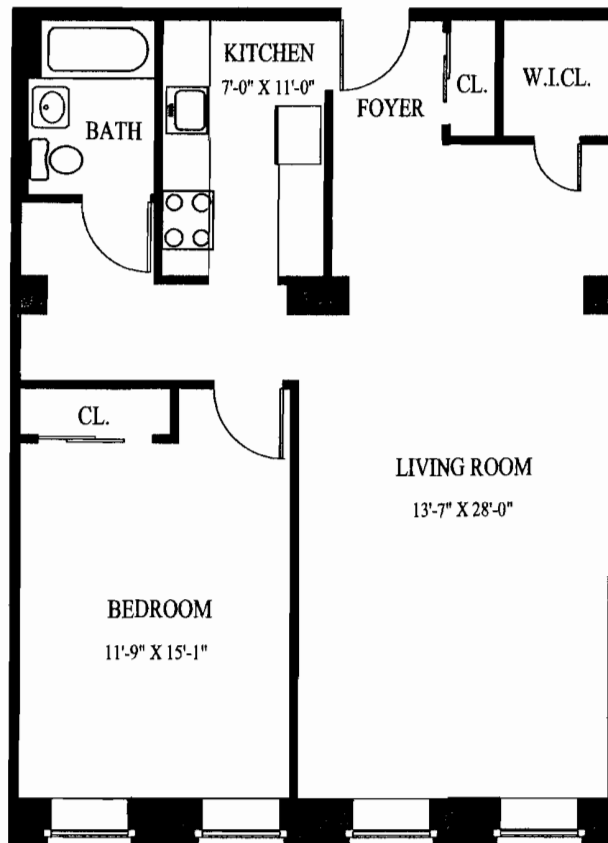
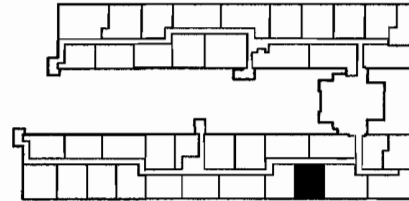
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1023 THRU 5023

1 BR 1 BATH
APPROX. AREA: 967 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



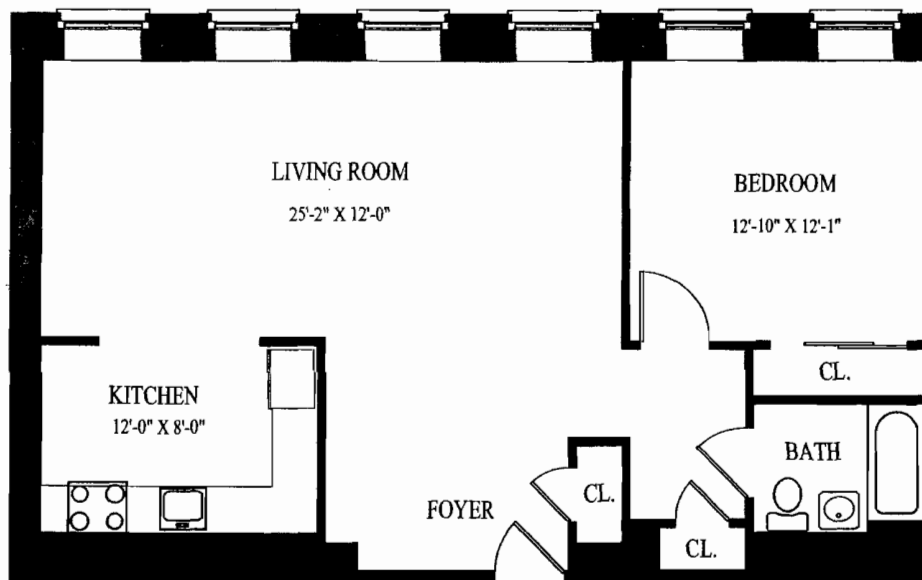
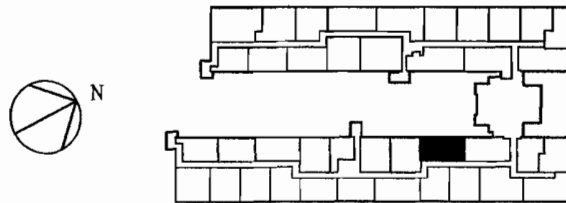
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1024 THRU 5024

1 BR 1 BATH
APPROX. AREA: 932 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



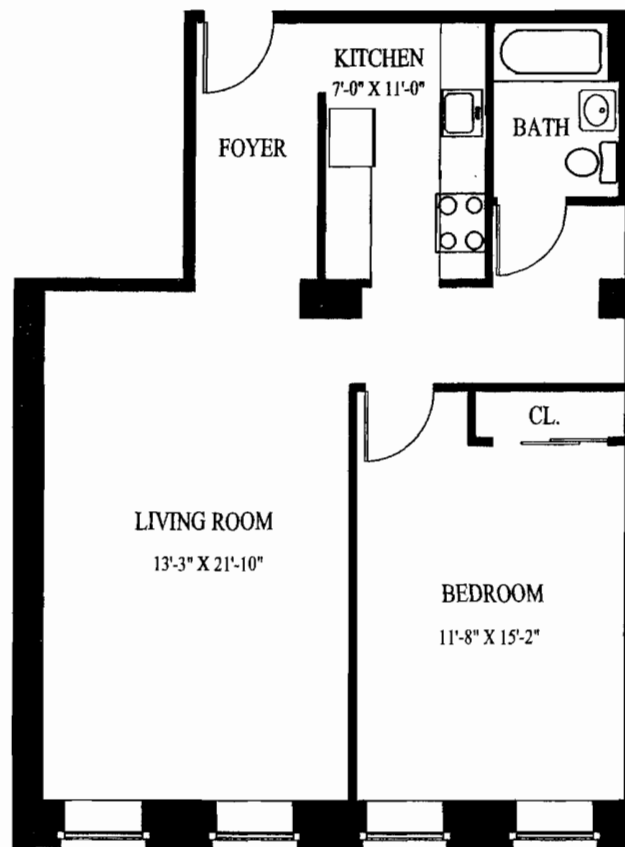
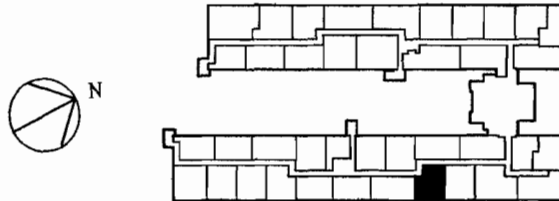
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1025 THRU 5025

1 BR 1 BATH
APPROX. AREA: 954 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



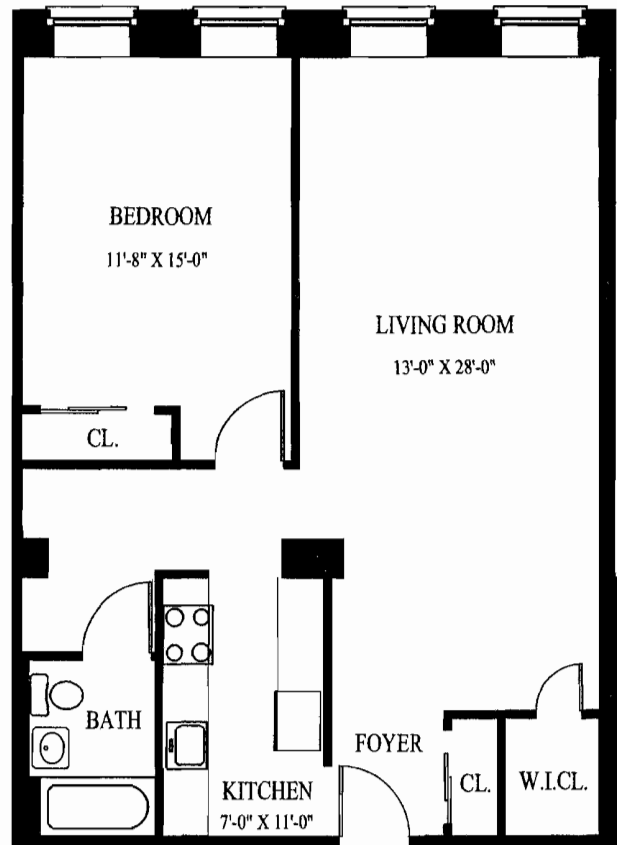
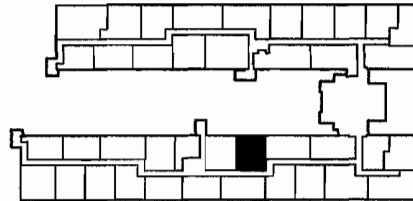
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1026 THRU 5026

1 BR 1 BATH
APPROX. AREA: 859 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



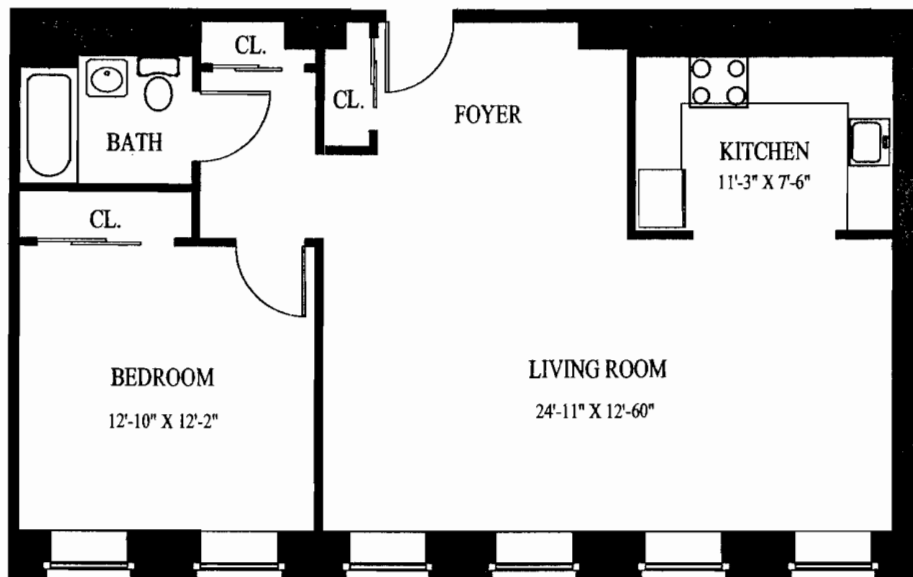
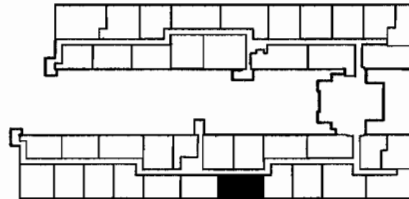
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1027 THRU 5027

1 BR 1 BATH
APPROX. AREA: 936 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



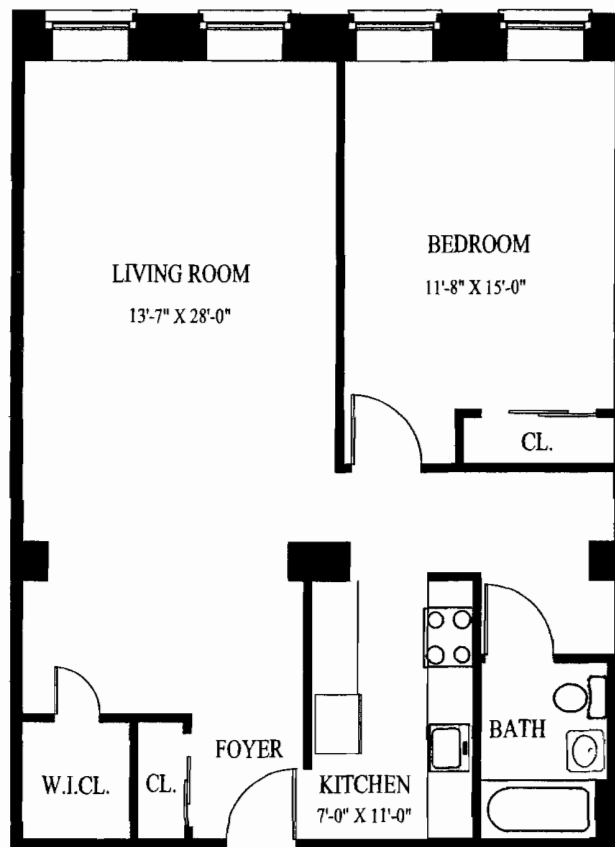
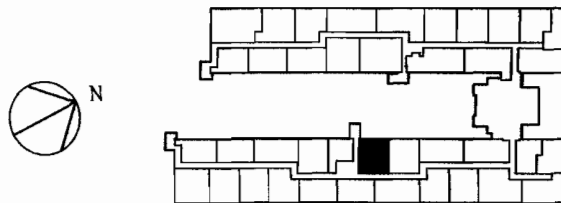
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1028 THRU 5028

1 BR 1 BATH
APPROX. AREA: 948 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



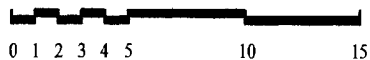
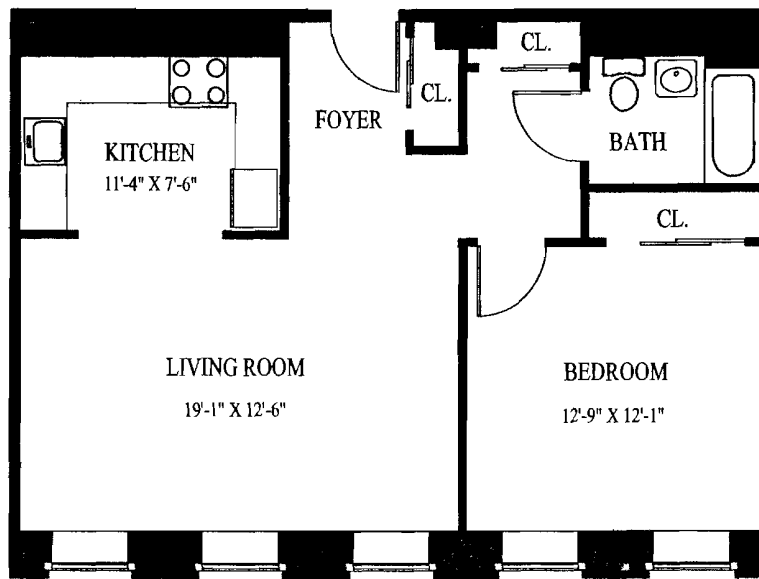
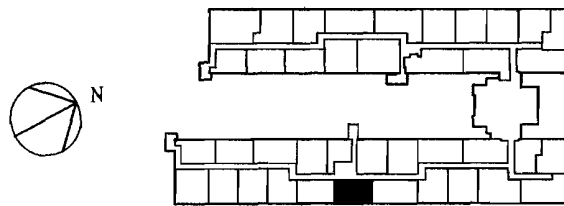
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1029 THRU 5029

1 BR 1 BATH
APPROX. AREA: 943 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



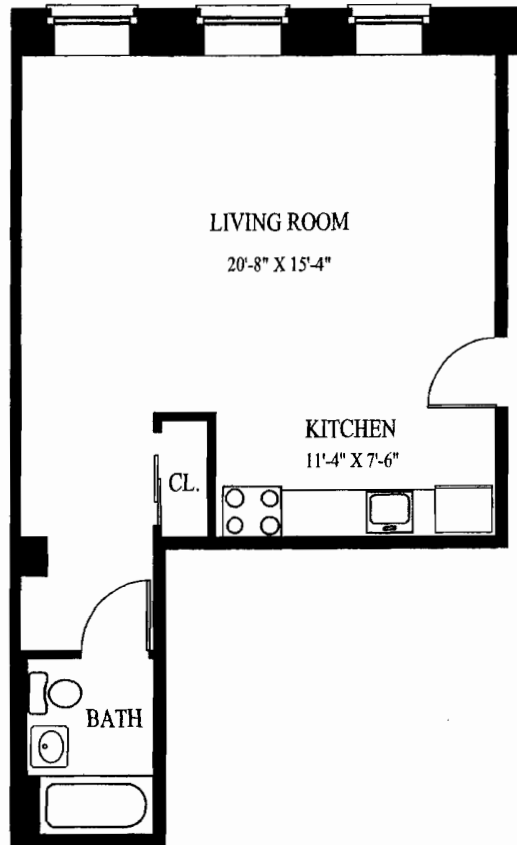
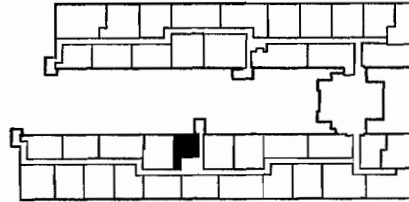
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1030 THRU 5030

1 BR 1 BATH
APPROX. AREA: 796 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



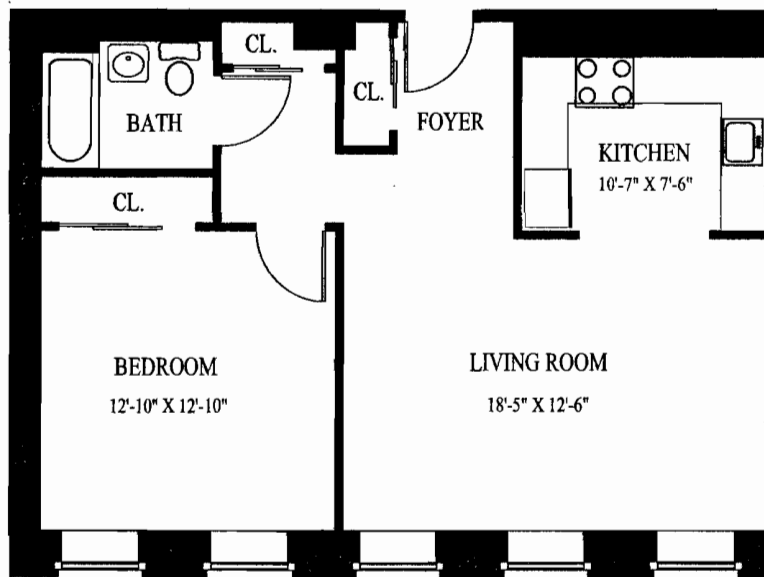
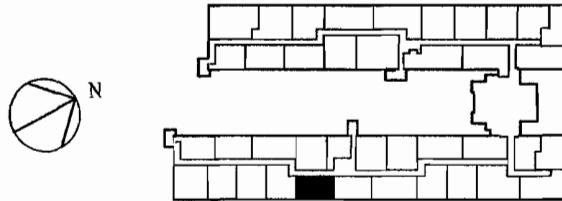
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1031 THRU 5031

STUDIO 1 BATH
APPROX. AREA: 576 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



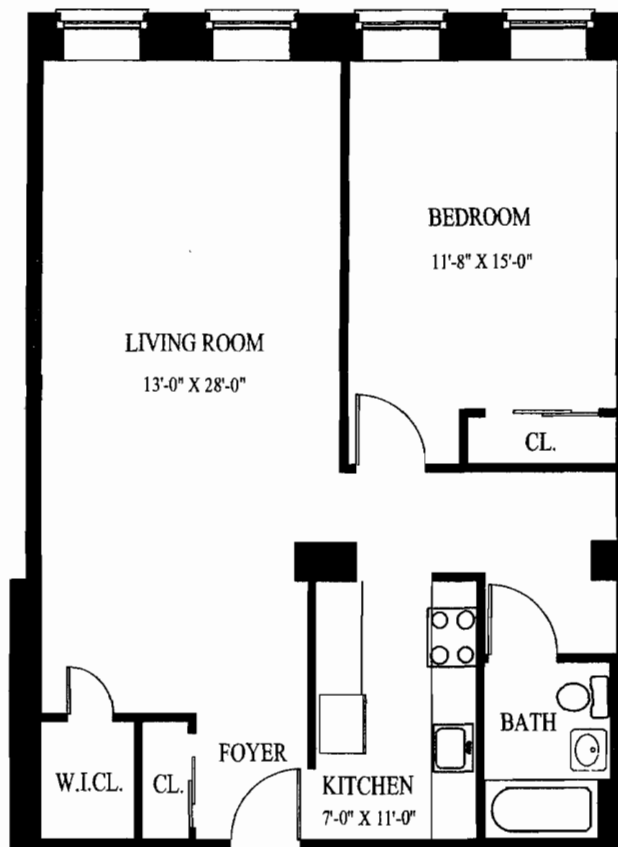
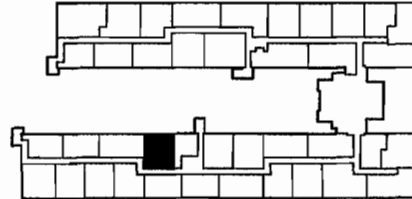
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1032 THRU 5032

1 BR 1 BATH
APPROX. AREA: 790 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



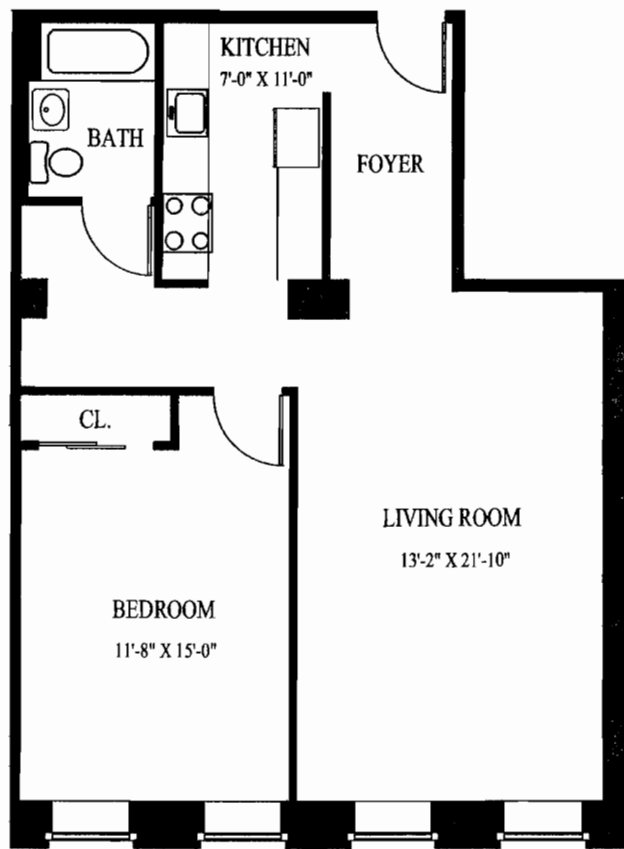
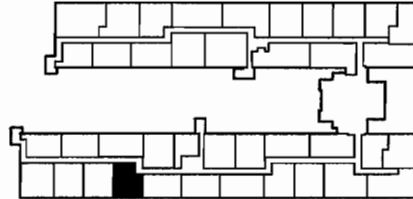
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1033 THRU 5033

1 BR 1 BATH
APPROX. AREA: 935 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



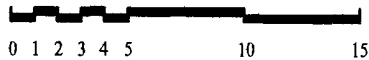
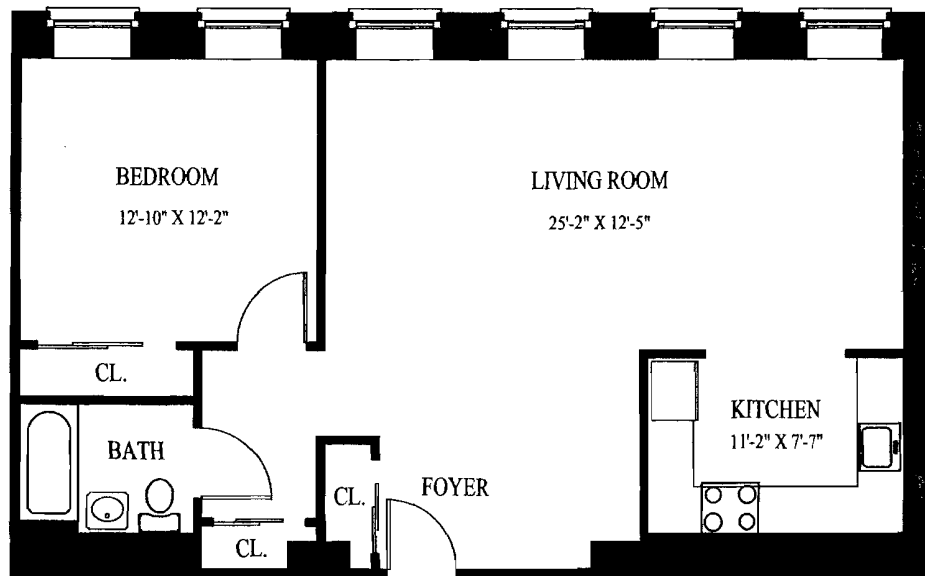
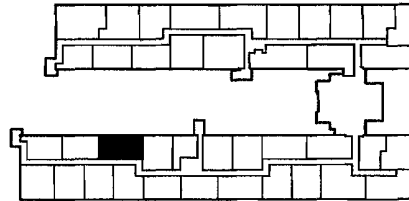
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1034 THRU 5034

1 BR 1 BATH
APPROX. AREA: 860 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



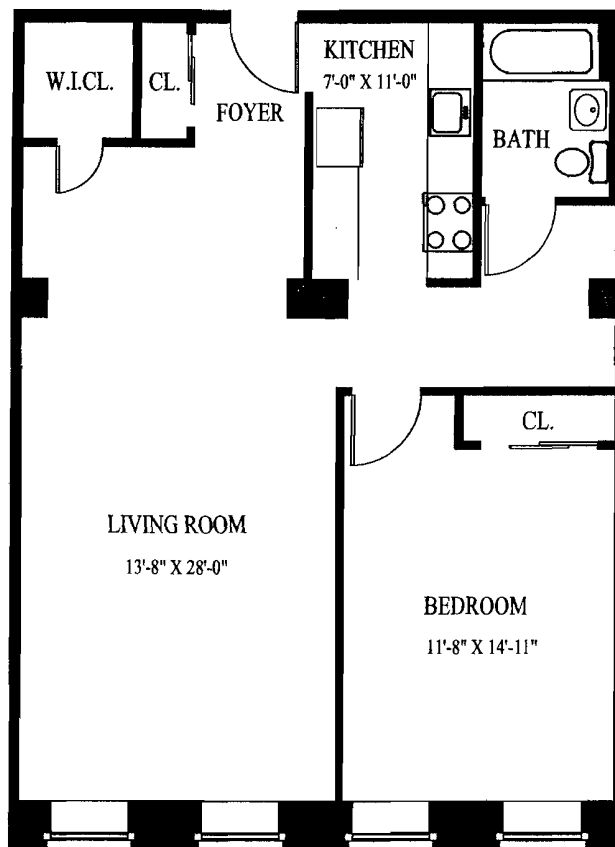
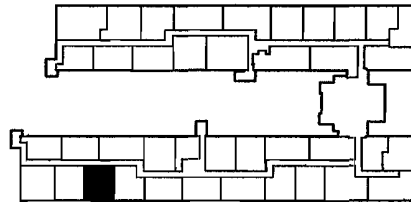
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1035 THRU 5035

1 BR 1 BATH
APPROX. AREA: 956 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



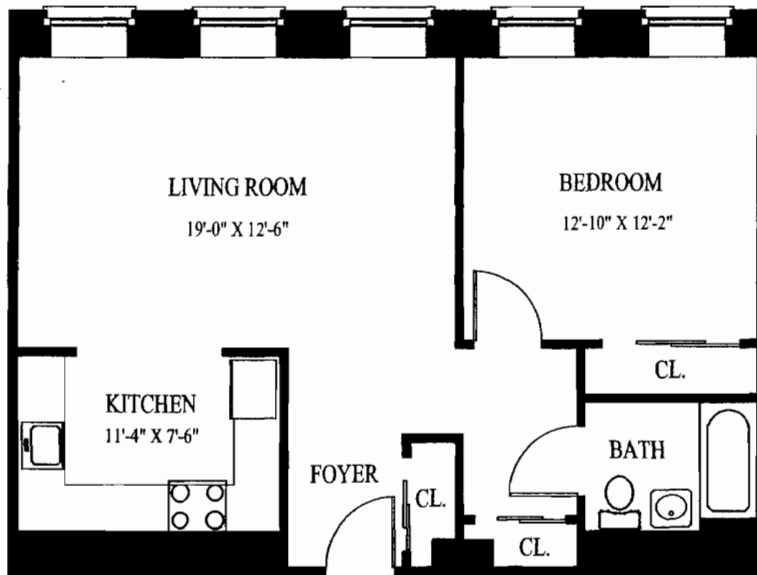
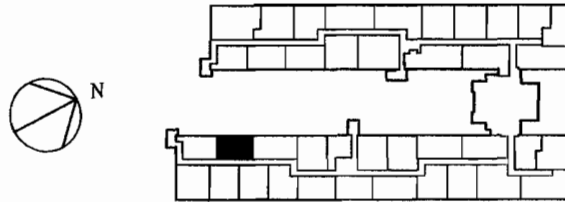
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1036 THRU 5036

1 BR 1 BATH
APPROX. AREA: 937 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



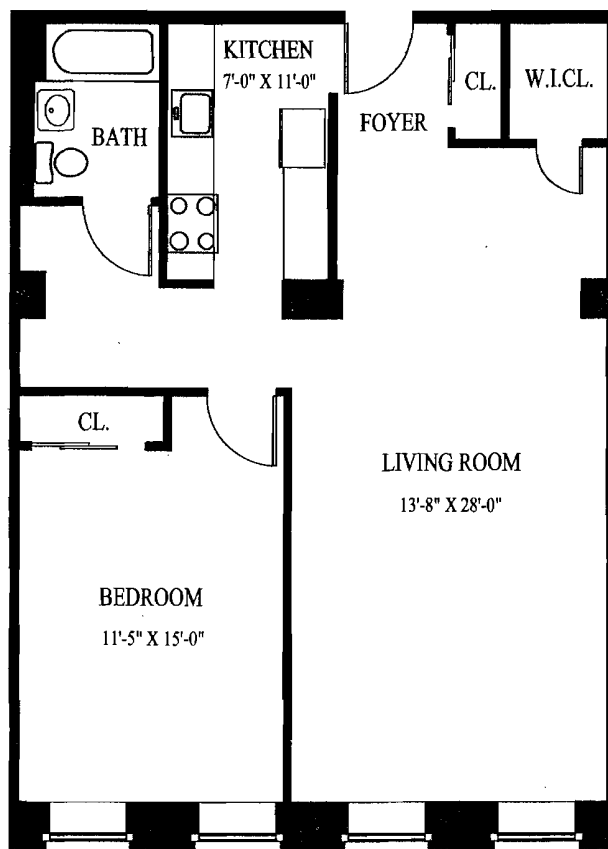
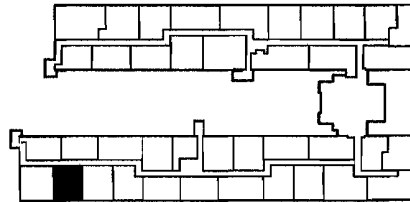
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1037 THRU 5037

1 BR 1 BATH
APPROX. AREA: 791 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



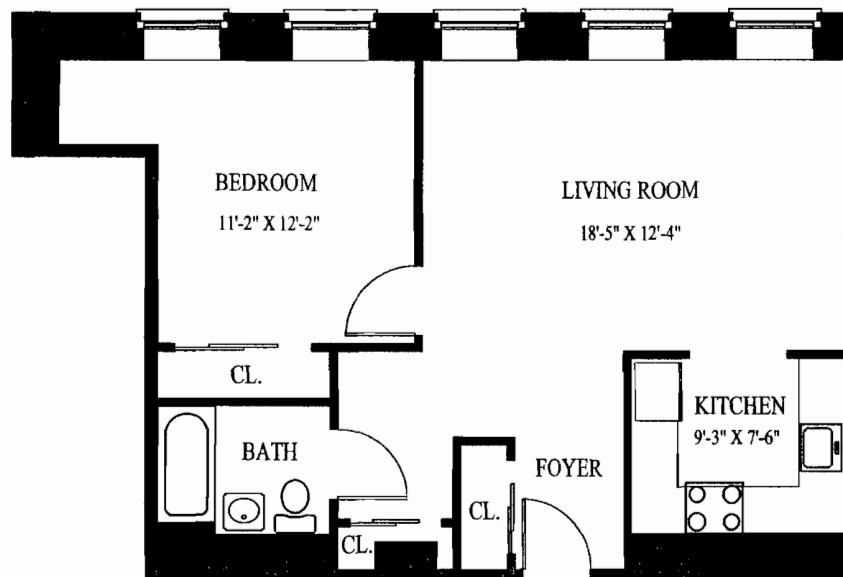
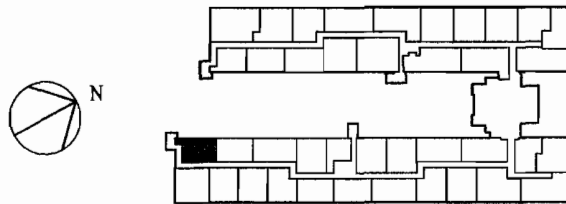
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1038 THRU 5038

1 BR 1 BATH
APPROX. AREA: 929 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



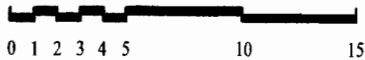
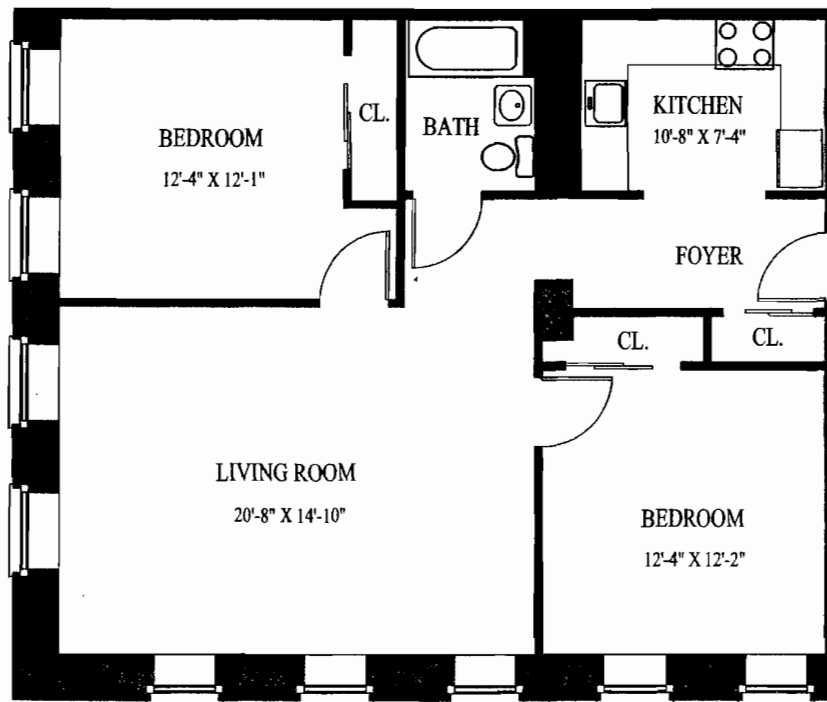
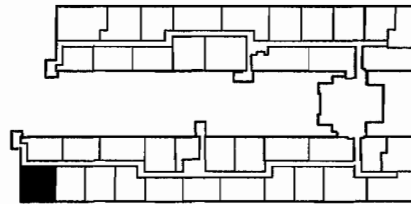
All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT 1039 THRU 5039

1 BR 1 BATH
APPROX. AREA: 781 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

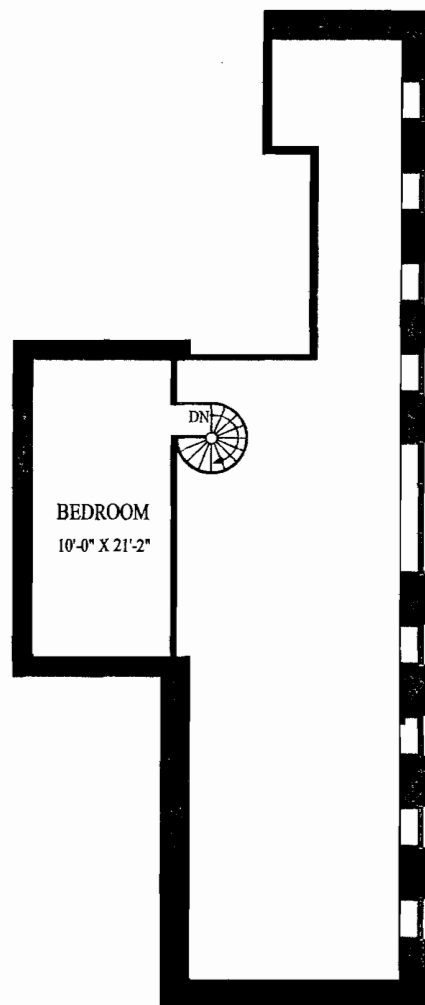
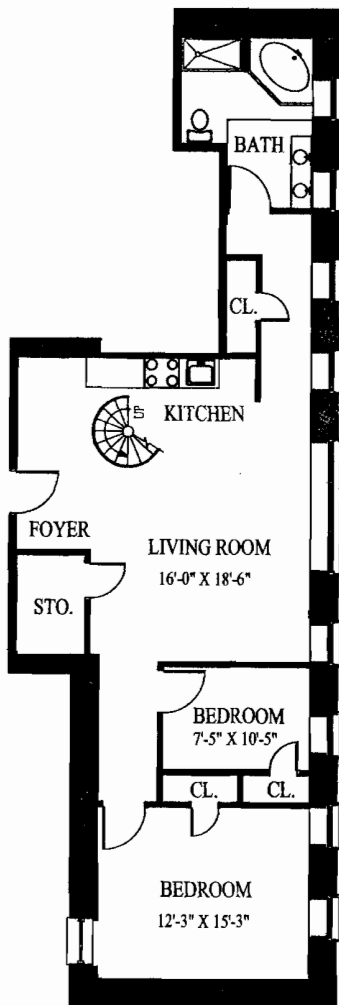
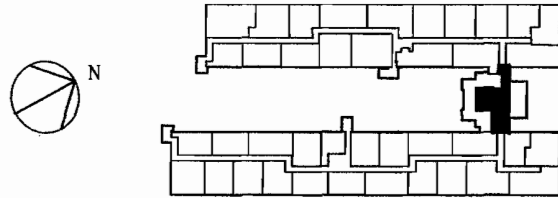
APARTMENT UNIT 1040 THRU 5040

2 BR 1 BATH

APPROX. AREA: 1,073 SF

Pistilli Grand Manor Condominium

45-02 DITMARS BOULEVARD
ASTORIA, NY 11105



All areas and dimensions are approximate and also subject to normal construction variations and tolerances. Sponsor reserves the right to make changes in accordance with the Offering Plan.

APARTMENT UNIT PENTHOUSE

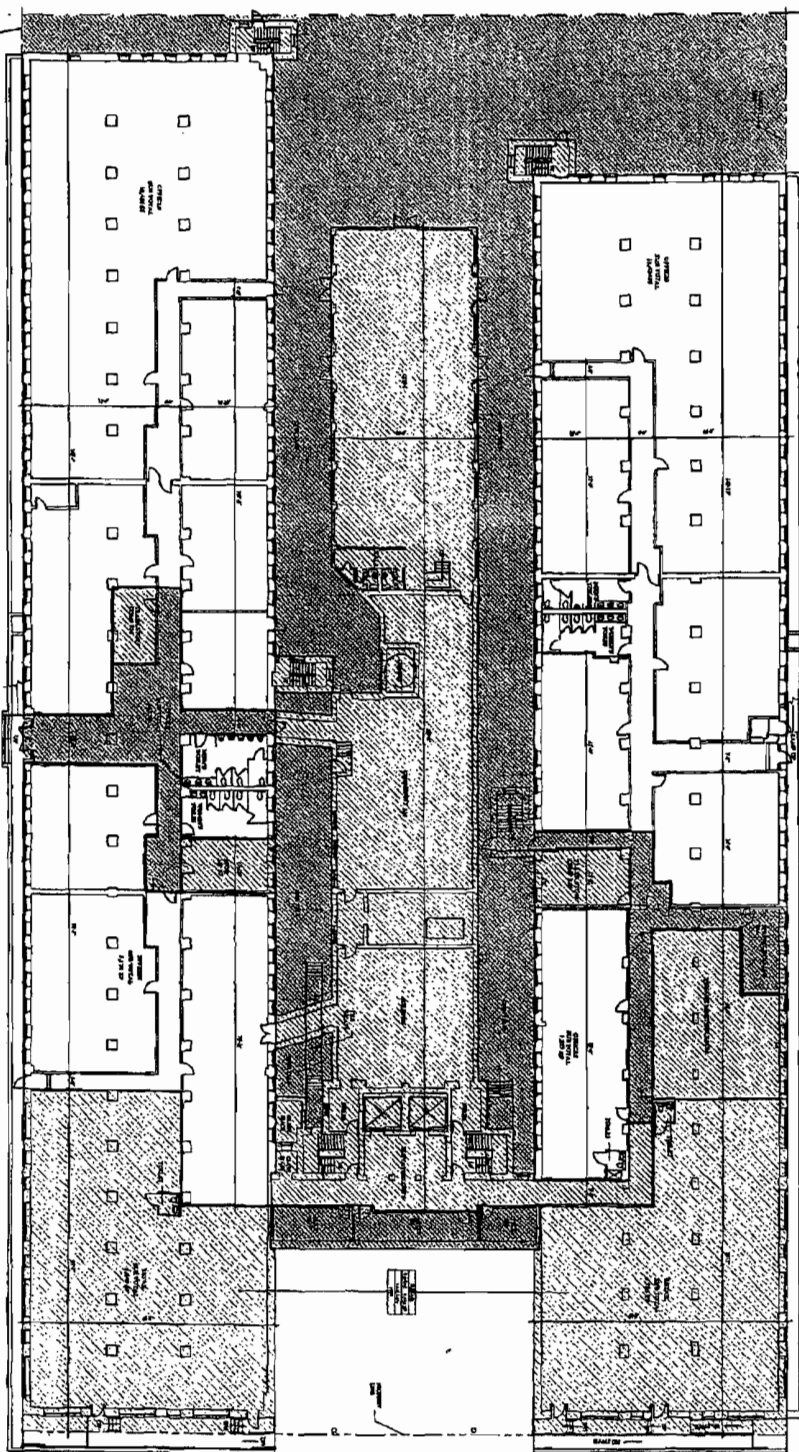
3 BR 1 BATH
APPROX. AREA: 1,496SF

BASMENT

100' 0"



100' 0"



DITMAR BLVD

- LEGEND
- ROOM
 - COMMON
 - OFFICE
 - STAIR
 - RETAIL

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CONDOMINIUM NO. _____

DECLARATION

Establishing a Plan for Condominium Ownership
of Premises known as

Pistilli Grand Manor Condominium

**45-02 Ditmars Boulevard
Astoria, NY 11105**

Pursuant to Article 9-B of the Real Property Law
of the State of New York

Name: **PISTILLI GRAND MANOR CONDOMINIUM**

Sponsor: **TEX DEVELOPMENT CO., LLC**

The land affected by the within instrument
lies in Section 5, Block 769, FKA Lots 1 and 20
NKA Lots ____ - ____
on the tax map of the Borough of Queens
County of Queens, City and State of New York

Date: _____, 200__

Record and return to:

CUTLER MINIKES & ADELMAN LLP
708 Third Avenue, 17th Floor
New York, NY 10017
Attn: Richard B. Adelman, Esq.

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DECLARATION OF CONDOMINIUM

of

PISTILLI GRAND MANOR CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

TEX DEVELOPMENT CO., LLC, a New York limited liability company maintaining an office at 37-08 28th Avenue, Suite 300, Astoria, NY 11103(hereinafter referred to as “Sponsor”), does hereby declare as follows:

1. Submission of Property. Sponsor hereby submits the Land, more particularly described in Exhibit A annexed hereto, together with the Building and improvements thereon erected owned by Sponsor in fee simple absolute, (the “Property”) to the provision of Article 9-B of the Real Property Law of the State of New York (the “Condominium Act”) in order to establish a regime of condominium ownership as more particularly set forth herein and in the By-Laws of the Condominium annexed hereto and made a part hereof.

2. Location of Land. The Land on which the Building is situated is located at 45-02 Ditmars Boulevard at the south side of Ditmars Boulevard between 45th and 46th Street in the Borough of Queens in the County of Queens in the City and State of New York.

3. Description of Building. The site contains two buildings: the north portion occupied by a multiple dwelling consisting of a cellar, basement through fifth full floors and a partial sixth floor (penthouse); and the southern portion occupied by a three level (two stories plus roof) accessory parking structure. The multiple dwelling building has retail stores (constituting the one (1) “Retail Unit”) and offices (constituting the one (1) “Office Unit”) on the ground floor (basement) level. The first floor through fifth floor and partial sixth floor contain, in the aggregate two hundred one (201) Residential Units. The height of the multiple dwelling building is approximately 58' from the sidewalk to the fifth floor roof. The penthouse roof is a gabled roof approximately 18' above the fifth floor roof at its high point. The entrance to the residential section is located on a concrete platform facing Ditmars Boulevard. The entrance to the Office Unit and Retail Unit is on the basement level facing 45th and 46th Streets. The accessory parking structure (constituting the one (1) Garage Unit) consists of three parking levels on the cellar, basement and roof levels. The main entrance driveway to the parking structure is off 46th Street. The height of the accessory parking structure is approximately 9' from the average sidewalk grade to the roof level. The Retail Unit, the Office Unit and the Garage Unit, and any Units resulting from the subdivision thereof, are collectively referred to as the “Commercial Units.”

4. Name of the Condominium. The Condominium shall be know as the “**PISTILLI GRAND MANOR CONDOMINIUM.**”

5. The Units. Annexed hereto and made a part hereof as Exhibit B is a list of the Units in the Building, the Unit designations, tax lot numbers, locations, percentage of interest in the Common Elements, approximate areas, number of rooms and Common Elements to which each has immediate access, all as shown on the floor plans of the Building certified by Jeffrey J. Wittenstein Architect, P.C. (the “Floor Plans”) filed in the office of the City Register, Queens County, simultaneously with the recording of this Declaration as Condominium Plan No. ____.

6. Dimensions of the Units.

- A. Retail Unit. The Retail Unit consists of the two spaces shown and designated on the Basement Plan. The Retail Unit is measured horizontally from the exterior surface of the exterior walls of the Building and the exterior face of the storefronts to the exterior finished surface of the demising walls which separate the Retail Unit from stairs, elevators, corridors and other mechanical equipment spaces and to the center line of the demising walls which separate the Retail Unit from the Residential Units. Vertically, the Retail Unit consists of the space between the top of the floor slab and the underside of the ceiling wood joists. The Retail Unit includes: (a) the interior walls, partitions, floors, floor coverings and ceilings within, affixed, attached or appurtenant to such Unit; (b) any and all equipment, fixtures and appliances (including without limitation, heating and cooling units, plumbing, plumbing facilities, sinks, toilets, refrigerators, ovens, ranges, dishwashers and any other appliances) affixed, attached or appurtenant to such Unit and benefitting only that Unit; (c) all doors appurtenant to that Unit; (d) doors, windows and storefronts appurtenant to the exterior of the Unit, including panes, casements and frames, and (e) all other facilities in the Building which exclusively serve or benefit or are exclusively necessary for the existence, maintenance, operation or safety of the Retail Unit.
- B. Office Unit. The Office Unit consists of the three spaces shown and designated on the Basement Plan. The Office Unit is measured horizontally from the exterior surface of the exterior walls of the building and the exterior face of the of the storefronts to the exterior finished surface of the demising walls that separate the Office Unit from the Residential Unit. Vertically, the Office Unit consists of the space between the top of the floor slab and the underside of the ceiling wood joists. The Office Unit includes: (a) the interior walls, partitions, floors, floor coverings and ceilings within, affixed or appurtenant to such Unit; (b) any and all equipment, fixtures and appliances (including without limitation, heating and cooling units, plumbing, plumbing facilities, sinks, toilets, refrigerators, ovens ranges, dishwashers and any other appliances) affixed, attached or appurtenant to such Unit and benefitting only that Unit; (c) all doors appurtenant to that Unit, including panes, casements and frames, and (e) all other facilities in the Building that exclusively serve or benefit or are exclusively for the existence, maintenance, operation or safety of the Office Unit.
- C. Garage Unit. The Garage Unit consists of the three levels shown and designated on the Cellar, Basement and Roof Plans. The Garage Unit is free-standing and is measured horizontally from the exterior surface to exterior surface of the exterior walls of the structure. Vertically, the Garage Unit consists of the space between the top of the cellar slab and the top of the roof slab. The Garage Unit includes: (a) the entrance and exit ramps and stairs; (b) the interior walls, partitions, and railings within, affixed or appurtenant to such Unit; (c) any and all equipment, fixtures and appliances (including without limitation, heating and cooling units, plumbing, plumbing facilities, sinks, toilets and any other appliances) affixed, attached or appurtenant to such Unit and benefitting only that Unit; (d) all doors appurtenant to that Unit; (e) doors, windows and storefronts appurtenant to the exterior of the Unit, including panes, casements and frames, and (f) all other facilities in the Building that exclusively serve or benefit or are exclusively for the existence, maintenance, operation or safety of the Garage Unit.
- D. Residential Units. Each Residential Unit consists of the area measured horizontally from the exterior surface of the exterior walls of the Building to the exterior side of the finished surface of the walls and partitions separating such Unit from stairs, elevators, corridors and other mechanical equipment spaces and the centerline of walls and partitions separating such Unit from other Units. Vertically, each Residential Unit consists of the space between the

top of the finish floor and the underside of the wood joists at the ceiling. Each Residential Unit includes: (a) the interior walls, partitions, floors, floor coverings and ceilings within, affixed, attached or appurtenant to such Unit; (b) any and all equipment, fixtures and appliances (including without limitation, heating and cooling units, plumbing, plumbing facilities, sinks, bathtubs, toilets, refrigerators, ranges, dishwashers and any other appliances) affixed, attached or appurtenant to such Unit and benefitting only that Unit; (c) the doors leading to such Unit from the vestibule or hallway and all other interior doors appurtenant to the Unit and (d) doors and windows appurtenant to the exterior of the Unit, including panes, casements and frames.

7. Common Elements. The Common Elements of the Condominium consist of the entire Property, including the Land and all parts of the Building, other than the Residential Units and the Commercial Units. The Common Elements include General Common Elements and Residential Common Elements.

A. General Common Elements. Unless they are expressly included as part of a Unit, or as Residential Common Elements, the following will be included in the General Common Elements:

- i. the Land on which the Building is erected and all other Land within the boundaries of the Property, including but not limited to the sidewalks contiguous to the Building all other improved and unimproved areas not within the Units together with all easements, rights and privileges appurtenant thereto;
- ii. all foundations, retaining walls, columns, girders, joists, concrete slabs, beams and supports and load bearing partitions, whether or not shown as cross-hatched on the Floor Plans;
- iii. all exterior walls of the Building, including any columns or other structural elements embedded therein, but excluding any lath and rough or finished plaster or any sheet rock surface on the Unit side of such walls;
- iv. all cement block walls and partitions separating a Commercial Unit from elevator shafts, stairs and other mechanical equipment spaces, except the lath and/or plaster or sheet rock or other facing material on the Unit side thereof; the block work or studs (as the case may be) of all walls and partitions separating a Commercial Unit from any Residential Units and the plaster and lath or sheet rock on the face of such wall within any corridor, elevator shaft, stair or mechanical equipment space, as the case may be;
- v. all wood framed floors, concrete floors and concrete ceilings;
- vi. all roofs, bulkheads, leaders and roof drains, except roof areas that are Residential Common Elements or part of the Garage Unit;
- vii. all central and appurtenant installations for services such as power, light, gas, hot and cold water, and heat (including all pipes, ducts, chutes, wires, cables and conduits used in connection therewith, whether located in common areas or in Units but excluding installations made by the owner or tenant of a Commercial Unit for their exclusive use) and all other mechanical equipment which service a

Commercial Unit as well as the Residential Units;

- viii. all central and appurtenant installations for services such as telephone, television and compacting (including all pipes, ducts, chutes, wires, cables and conduits used in connection therewith, whether located in common areas or in Units but excluding installations made by the owner or tenant of a Commercial Unit for their exclusive use) and all other mechanical equipment which service a Commercial Unit as well as the Residential Units;
- ix. all sewer pipes;
- x. 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.

B. Residential Common Elements. Certain portions of the Common Elements are limited and restricted in use and benefit to the Residential Unit Owners, subject to the right of the Board of Managers to enter upon any Residential Common Element to make structural repairs, improvements or replacements to said Residential Common Elements and subject to the By-Laws and Rules and Regulations of the Condominium. The Residential Common Elements include, without limitation, the following:

- i. all cement block walls and partitions separating Residential Units from elevator shafts, stairs and other mechanical equipment spaces, except the lath and/or plaster or sheet rock or other facing material on the Unit side thereof; the block work or studs (as the case may be) of all walls and partitions separating Residential Units and the plaster and lath or sheet rock on the face of such wall within any corridor, elevator shaft, stair or mechanical equipment space, as the case may be;
- ii. the two (2) passenger elevators (including elevator component parts, shafts, pits, equipment and machine rooms and equipment);
- iii. the laundry rooms, compactor and trash rooms and storage rooms;
- iv. Community Room, gymnasium and Owner's Meeting Room on the basement level;
- v. all central and appurtenant installations for services such as power, light, telephone, television, gas, hot and cold water, heat and compacting (including all pipes, ducts, chutes, wires, cables and conduits used in connection therewith, whether located in common areas or in Units but excluding installations made by the owner or tenant of a Commercial Unit for their exclusive use) and all other mechanical equipment which exclusively service the Residential Units;
- vi. the residential section entrance and concrete platform to said entrance on Ditmars Boulevard, the exterior canopy, residential lobby, package rooms, passages, corridors, stairs and stairways, including all fire stairs located on the cellar and first floor and above of the Building;
- vii. all roof areas and yards, except roof areas or yards that are used exclusively by the Residential Unit Owners for recreational purposes or otherwise; and

viii. all other apparatus, installations, systems, equipment and facilities in the Building which serve or benefit the Residential Units solely.

C. Costs of Maintenance of Common Elements. The cost of maintenance, repair and replacement of Common Elements, including, but not limited to Residential Common Elements, shall be borne by all Unit Owners as a Common Expense of the Condominium, in proportion to their respective interest in the Common Elements and will be included in the Common Charges. Notwithstanding the foregoing, pursuant to Section 339-m of the Condominium Act, certain costs and expenses, including costs and expenses relating to Residential Common Elements, have been specially allocated and apportioned based on special or exclusive use or availability or exclusive control of common areas by particular Unit Owners, as set forth in Article V of the By-Laws.

D. Limits on Use of the Common Elements. The Common Elements may not be divided. There shall be no partition or division of any Common Element, except as provided in this Declaration and the By-Laws, nor shall there be any alteration of the Common Interest appurtenant to each Unit without the unanimous consent of all affected Unit Owners.

8. Determination of Common Interest. The respective percentage interest of each Unit in the Common Elements has been determined based upon floor space subject to location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for the exclusive or shared use and the overall dimensions of the particular Unit. The aggregate common interest for all Units is 100%.

9. Use of the Units. As more particularly set forth in the By-Laws, the Residential Units may be used only as residences and professional and ancillary business uses as permitted by law, except that Sponsor or its designee may, without the permission of the Board of Managers, use one or more Units as model apartments and offices for selling, renting, management, operation and promotion of the Units owned by Sponsor or its designee or for any lawful purpose. The Commercial Units and any Units resulting from the subdivision thereof may be used for retail business, commercial and professional purposes or for any other lawful purpose in the sole discretion of Sponsor or other owners of the Commercial Units.

10. Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements as a result of construction of the Building, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent (when required by the By-Laws) of the Board of Managers or made by a Unit Owner in accordance with this Declaration or the By-Laws, or (c) repair or restoration of the Building (or any portion thereof) of a Unit or of the Common Elements after damage or destruction by fire or other casualty, or (d) condemnation or eminent domain proceedings of all or any portion of the Building or a Unit or the Common Elements, then in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand, provided that the creation of such encroachment was not intentional and that it does not materially impair the utilization of the portion of the Building encroached upon for its intended and assigned purpose.

11. Easements for the Enjoyment of the Common Elements. Subject to the terms of the By-Laws and the Rules and Regulations:

A. Each Unit Owner (including Sponsor, as long as Sponsor owns any Unit, and Sponsor's

designees) shall have an easement, in common with all the other Unit Owners, for ingress and egress through, and for the reasonable use and enjoyment of, all the Common Elements, and the Common Elements shall be subject to such easement, for the reasonable purposes for which they are intended but without encroaching upon the rights of other persons to do so.

- B. Each Residential Unit Owner (including Sponsor, as long as Sponsor owns any Residential Unit, and Sponsor's designees) shall have an easement, in common with all the other Residential Unit Owners, for ingress and egress through, and for the reasonable use and enjoyment of, all the Residential Common Elements, and such Residential Common Elements shall be subject to such easement, for the reasonable purposes for which they are intended but without encroaching upon the rights of other persons to do so.
- C. Each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements, and all Facilities, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Element and Facilities, or is necessary to the service of, his Unit, and each Unit and all of the Common Elements shall be subject to such easement.
- D. The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access.
- E. Each Unit shall have an easement of subjacent support and necessity and such easements shall be subject to the same easements in favor of all of the other Units and the Common Elements.
- F. The Sponsor as to the Unsold Units and the Owners of the Commercial Units shall have an easement, without the permission of the Board of Managers, to erect upon the Common Elements and maintain Facilities from any Unsold Unit or any space within any Commercial Unit or installation within a Commercial Unit which may be necessary or desirable in connection with any lawful use of such Unsold Unit or Commercial Unit, and any replacement thereof, provided that such Facilities comply with all applicable laws and municipal regulations. All costs for such Facilities and any necessary permits therefore shall be the responsibility of such Unit Owner.
- G. The Owners of the Commercial Units shall have an easement, without the permission of the Board of Managers, to use the sidewalks surrounding portions of the Building for purposes permitted by law, provided that such use of the sidewalk complies with all applicable laws and municipal regulations, and neither the Board of Managers nor any other Unit Owner shall have any interest in any rent or other compensation that the Commercial Unit Owners may receive in connection therewith. All costs for such use of the sidewalk shall be the responsibility of such Commercial Unit Owner.
- H. The Owners of the Commercial Units shall have the right to maintain, erect, alter, repair or replace from time to time, at its sole discretion and without the permission of the Board of Managers, exterior signage in the customary form used for such commercial establishments provided that such signs comply with all applicable laws and municipal regulations. All

costs for such signs and any necessary permits therefore shall be the responsibility of such Commercial Unit Owner.

- I. Sponsor and its designee and the Commercial Unit Owners shall have an easement without being subject to any fee or charge (i) to maintain a sales office and/or model Units, (ii) to erect, maintain, repair and replace from time to time, including but not limited to the right, to the extent not prohibited by law, to use one or more portions of the Common Elements, as designated by Sponsor, in its discretion, one or more freestanding and other selling, directional and informational signs on the Property as it deems necessary for the purposes of advertising the sale or lease of Units of such size and content as Sponsor shall determine, in, on about and adjacent to the Building (including on the exterior walls thereof) and the Property, (iii) to use any Amenity Facilities for exhibitions, events, promotional functions in connection with its sales programs for Unsold Units, (iv) to compel the Condominium and its Board of Managers to maintain and make available the community room on the basement level (which shall be maintained at a size of at least 750 sq. ft.) for use by the local community association, but such use shall be subject to the Condominium Board's reasonable rules and regulations, and (v) for access to Units and Common Elements consistent with the purposes of the Plan, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, reconfigure, renovate, maintain repair, refurbish, offer, sell and lease Units, together with their interest in the Common Elements, and such easement shall continue until such time as all Units have been conveyed to purchasers thereof.
- J. Sponsor and its designee, assignee and licensees shall have, and the Units and Common Elements shall be subject to, an easement, (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace communications antennas, satellite dishes, switchgear and similar equipment on the roofs, facade and cellar of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto, other than those portions of the roof which constitute Limited Common Elements and to retain any and all income derived therefrom, and (b) to maintain any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof. Sponsor shall be entitled to assign, lease, license or otherwise transfer its rights with respect to the foregoing easements and neither the Condominium nor any other Unit Owner shall be entitled to any portion of fees, compensation or other profits received by Sponsor, its designees, assignees, tenants, licensees or transferees for the use of the aforesaid easements or equipment. Any communications antennas, satellite dishes, switchgear, equipment or other facilities placed upon the roof, facade and cellar of the Building and elsewhere on the Common Elements by Sponsor, its designees, assignees, tenants, licensees or transferees shall be the exclusive property of Sponsor, its designees, assignees, tenants, licensees or transferees and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto.
- K. The easements and rights of access granted in this Section 11 shall be exercised in such manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one (1) day's notice, except that no such notice shall be required in the event of any repair or replacements immediately necessary for the preservation or safety of the Building, for the safety of the occupants therein, or to avoid the suspension of necessary service of the Building. The user of any easement granted in this Section 11 shall have the responsibility of repairing any damage

resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.

- L. The Board of Managers shall have the right to grant such additional electric, gas, steam and other utility easements or relocate any existing utility easements as it shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof; provided that such additional utilities or the relocation of existing utilities will not unreasonably interfere with the permitted uses of the Units.

12. Alterations, Additions, Improvements and Changes to the Units.

- A. Each Unit Owner will be responsible at his sole cost and expense for maintaining and repairing his Unit. Except as set forth in Section 12B and 12C below, no Unit Owner shall make any structural alteration, addition or improvement in or to his Unit, whether structural or nonstructural, including subdividing the Unit and altering the boundary walls between any two Units, and if appropriate, reapportioning among the subdivided Unit affected by such subdivision their percentage interests in the Common Elements without the prior written approval of the Condominium Board and further provided that (a) the Unit Owner shall comply with all applicable laws, ordinances and regulations, and the By-Laws, (b) the percentage interest in the Common Elements of any other Unit is not affected unless Sponsor or the owner of such affected Unit shall consent thereto and (c) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom. All responsibility with respect to any such alteration, addition or improvement shall remain with the Unit Owner until conveyance of the Unit, at which time such responsibility shall pass to and be assumed by the transferee and the successors and assignees of such transferee.
- B. Sponsor or its designees and every subsequent owners of the Commercial Units shall have the right, without the consent of the Board of Managers or other Unit Owners or the holders of Unit mortgages to: (i) make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to and upon the Commercial Unit; (ii) subdivide the Commercial Unit into separate Units and combine Units resulting from the subdivision of the Commercial Unit into single Units; (iii) alter boundary walls between one or more of the subdivided Commercial Units; and (iv) apportion among the subdivided or combined Commercial Unit their appurtenant interest in the Common Elements; provided, however, that in each instance the Commercial Unit Owner(s) 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. The provisions of this subparagraph (B) may not be amended, added to or deleted, without the consent of the Owners of the Commercial Units and, if applicable, the Owners of the Units arising from the subdivision of the Commercial Units. All responsibility with respect to any such alteration, addition or improvement shall remain with the Commercial Unit Owners until conveyance of the Unit, but shall not pass to or be assumed by the transferee and the successors and assignees of such transferee.
- C. Sponsor or its designee shall have the right, without the consent of the Board of Managers, other Unit Owners or holders of Unit mortgages, to: (i) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Residential Unit owned by it; (ii) change the layout and/or

number of rooms in such Residential Units (iii) change the size and/or number of such Residential Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, altering the boundary walls between Units or otherwise; and (iv) reapportion among such Residential Units affected by such change their appurtenant interests in the Common Elements; provided, however, that in each instance Sponsor or its designee shall comply with all laws and ordinances having jurisdiction and shall agree to hold the Board of Managers and all other Units Owners harmless from any liability arising therefrom. All responsibility with respect to any such alteration, addition or improvement shall remain with Sponsor until conveyance of the Unit, but shall not pass to or be assumed by the transferee and the successors and assignees of such transferee.

13. Acquisition of Units by the Condominium Board. If (a) any Unit Owner surrenders his Unit, together with its Appurtenant Interests, to the Condominium Board pursuant to the terms of the By-Laws or of section 339-x of the Condominium Act; or (b) the Condominium Board, pursuant to the terms of the By-Laws or otherwise, either (i) acquires or leases a Unit, together with its Appurtenant Interests, or (ii) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, in and to any such Unit and its Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

14. Power of Attorney to the Condominium Board.

- A. Each Unit Owner, by acceptance of a deed or otherwise, succeeding to title to a Unit shall be deemed to have nominated, constituted and appointed the Condominium Board as such Unit Owner's attorney-in-fact, which power is irrevocable and coupled with an interest and with power of substitution, (a) to acquire any Unit, together with its Appurtenant Interest, whose Owner desires to sell, convey, transfer, assign, or surrender the same or which becomes the subject of a foreclosure or other similar sale, in the name of the Board or its designees on behalf of all Unit Owners; (b) to convey, sell, lease, mortgage or otherwise deal with any such Unit so acquired; and (c) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium which the Condominium Board deems necessary or appropriate to comply with any law or regulation applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (ii) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate or as may be required under this Declaration or the By-Laws, or (iii) any tax protests or tax certiorari proceedings affecting the Units.
- B. In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth as Exhibit E to this Declaration.

15. Termination of the Condominium. The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws or (b) such time as withdrawal of the Property from the provisions of the Condominium Act if authorized by a vote of

eighty (80%) percent or more in aggregate Common Interest of all Unit Owners. No such vote under clause (b) in the preceding sentence shall be effective without the written consent (which consent shall be not unreasonably withheld or delayed) of the Mortgage Representatives, if any. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interest, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens of his Unit, in the order of priority of such liens.

16. Covenant of Further Assurances.

- A. Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Condominium Board or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration 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, including to effectuate rights or easements reserved to Sponsor or its designee or the Commercial Unit Owners, whether with or without consent of the Board of Managers.
- B. If any Unit Owner or any other party subject to the terms of this Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action which such Unit Owner or party is required to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other party, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party, and such document or action shall be binding on such Unit Owner or other party.

17. Covenants to Run with the Land.

- A. All provisions of this Declaration and By-Laws including, without limitation, the provisions of this Section 17 shall, to the extent applicable and unless otherwise expressly herein or herein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein, and all or any part thereof, or interest therein, and his or her heirs, executors, administrators, legal representatives, successor and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future Owners and occupants of Units shall be subject to and shall comply with the provisions of this Declaration and the By-Laws, as they may be amended from time to time. The acceptance of title or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration and By-Laws, as they may be amended from time to time, are accepted and ratified by such Owners or occupants, and all of such provisions shall be deemed and taken to be covenants running with the land and 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 or conveyance or lease thereof.

- B. If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provisions shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon and inure to the benefit of the Owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns as covenants running with the land and with every part thereof and interest therein under other applicable laws to the extent permitted under such applicable laws with the same force and effect as if immediately after the recording of this Declaration and the By-Laws, such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

18. Amendments to this Declaration.

- A. Subject to the provisions contained herein or in the By-Laws, including those affecting Sponsor and its designees and Unsold Units and the Commercial Unit Owners, any provision of this Declaration may be amended, modified, added to, or deleted by the vote of sixty-six and two-thirds (66-2/3%) percent or more in aggregate Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws.
- B. Notwithstanding anything herein to the contrary, in the event that the interest of Sponsor or its designee or the Commercial Unit Owners is adversely affected by any such proposed amendment, modification, addition or deletion, or any of the rights, powers, easements, privileges or benefits reserved to Sponsor or its designee or the Commercial Unit Owners are eliminated, changed or impaired thereby, then this Declaration shall not be amended without the written consent of Sponsor, its designee or the Commercial Unit Owners. In the event the allocation of Common Interest appurtenant to a Unit Owner's Unit is altered, then this Declaration shall not be amended without the consent of the affected Unit Owner.
- C. Except as provided in this Section 18 with regard to the right of Sponsor or its designee or the Commercial Unit Owners to amend this Declaration: (i) in the event that the interest any Unit Owner is otherwise adversely affected by any such proposed amendment, modification, addition or deletion, or any of the rights, powers, easements, privileges or benefits reserved to a Unit Owner are eliminated, changed or impaired thereby, then this Declaration shall not be amended without the written consent of the affected Unit Owner, and (ii) no amendment, modification, addition, or deletion pursuant to Section 18A which adversely affects the lien of any mortgage on a Unit shall be effective without the written consent of the affected Permitted Mortgagees, if any, which consent shall not be unreasonably withheld or delayed.
- D. No amendment, modification, addition, or deletion shall be effective until recorded in the Register's Office. Any such amendment, modification, addition or deletion shall be executed by the Condominium Board as attorney-in-fact for the Unit Owners, which power shall be deemed to be coupled with an interest, and the Condominium Board is hereby authorized by the Unit Owners so to act as their attorney-in-fact. Any amendment to this Declaration, whether on behalf of the Unit Owners or by the Condominium Board, may be executed by any President, Vice President and the Secretary or an Assistant Secretary of the Condominium. If the Amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the

requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

- E. Sponsor or its designee or the Commercial Unit Owners hereby reserves the right to amend or (on request of Sponsor or its designee or the Commercial Unit Owners) to require the Board of Managers to duly execute and record, in the City Register's Office, and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plans and maps as may be required to effectuate same), at any time, without the requirement of a vote and without the approval or consent of any Unit Owner, mortgagee or Mortgage Representatives, for the purposes of: (i) changing the designation, the approximate square foot area and the number of rooms in an unsold Unit, (ii) documenting any changes to the Commercial Unit or any Residential Unit permitted pursuant to Sections 12B or 12C of this Declaration, or (iii) making insubstantial changes to this Declaration. All expenses in connection with the preparation, recording and filing of any such amendment shall be paid by Sponsor or its designee or the Commercial Unit Owners, as applicable.
- F. The provisions of this Section 18 of the Declaration may not be amended or deleted in whole or in part without the consent of Sponsor or its designee or the Commercial Unit Owners so long as Sponsor or its designee or the Commercial Unit Owners owns any Unit.

19. Consents of Sponsor, Commercial Unit Owner and the Condominium Board. Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee no longer owns any Units. All consents required to be given by Sponsor or the Condominium Board shall be given in writing. Wherever the consent, approval, satisfaction or permission of Sponsor or its designee, or the Commercial Unit Owners is required, the granting of such consent, approval, permission or acknowledgment of satisfaction shall be solely in the discretion of the party whose consent, approval, satisfaction or permission is required and no standard of reasonableness shall be imposed on such party.

20. Persons to Receive Service. The Secretary of State of the State of New York is hereby designated as agent to receive service of process in any action which may be brought against the Condominium.

21. Incorporation by Reference. The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

22. Waiver. No provision 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.

23. Severability. Subject to the provisions of Section 17B, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this

Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

24. Successors and Assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with consent of Sponsor, any transferee of all of the then Unsold Units. Subject to the foregoing, Sponsor shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment, or otherwise.

25. Definitions; Certain References.

- A. All terms used in this Declaration and the By-Laws shall have the meanings set forth on Exhibit C annexed hereto.
- B. A reference in this Declaration 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.
- C. The terms "herein" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used.
- D. Unless otherwise stated, all referenced herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

26. 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 undersigned have caused this Declaration to be executed as of _____, 2007.

TEX DEVELOPMENT CO., LLC

By: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

On the ____ day of _____ in the year 2007 before me, the undersigned, a notary public in and for said state, 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 A to
The Declaration of

Pistilli Grand MANOR CONDOMINIUM

45-02 Ditmars Boulevard
Astoria, NY 11105

PROPERTY DESCRIPTION

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Queens, County of Queens, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southwesterly side of Ditmars Boulevard (80 feet wide) with the southeasterly side of 45th Street (70 feet wide);

RUNNING THENCE, southeasterly along the southwesterly side of Ditmars Boulevard, 200 feet to the northwesterly side of 46th Street;

THENCE, southwesterly along the northwesterly side of 46th Street, 525 feet;

THENCE, northwesterly and parallel with the southwesterly side of Ditmars Boulevard, 200 feet to the southeasterly side of 45th Street;

THENCE, northeasterly along the southeasterly side of 45th Street, 525 feet to the corner at the point or place
BEGINNING

SAID Premises known as 45-02 Ditmars Boulevard, Astoria, NY 11105.

Exhibit B to
The Declaration of

PISTILLI GRAND MANOR CONDOMINIUM

DESCRIPTION OF THE UNITS

Unit Designat ion	Tax Lot No.	Location	Approx. Unit Unadjusted No. of Bed- Sq. Ft. rooms	No. of Bath- rooms	Common Elements to which Unit has Immediate Access	Percentage Interest in Common Elements
Residential						
Subtotal						
<i>To be Completed Prior to Recording of Condominium Declaration</i>						
Retail						
Office						
Garage						
Commercial						
Subtotal						
Total						

Exhibit C to
The Declaration of

PISTILLI GRAND MANOR CONDOMINIUM

DEFINITIONS

1. "Amenity Facilities" shall mean portions of the Building, including the Common Elements and any areas of the building that have been designated to provide services or benefits to unit owners and residents.
2. "Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof pursuant to the terms of Section 339-x of the Condominium Act in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
3. "Building" shall mean the building situated on the Land and any structures attached thereto and known as 45-02 Ditmars Boulevard, Astoria, NY 11105.
4. "By-Laws" shall mean the By-Laws of the Condominium, which are annexed to the Declaration, as the same may be amended from time to time pursuant to the terms thereof.
5. "Closing of Title" shall mean the date upon which a deed for a Unit is first issued and/or the date a Unit and its appurtenant Common Interest are conveyed pursuant to a Purchase Agreement.
6. "Commercial Unit" shall mean any of the three (3) "Units", as such term is defined in the Condominium Act (or Units resulting from the subdivision thereof) located in the Building, which Units are more particularly described in Article 6A, 6B or 6C, and Exhibit B to, the Declaration and in the Floor Plans.
7. "Commercial Unit Owner" shall mean the Person who holds fee title, of record, to a Commercial Unit at the time in question.
8. "Common Elements" shall mean, collectively, the General Common Elements and the Residential Common Elements, and shall consist of all parts of the Property other than the Units.
9. "Common Charges" or "Assessments" shall mean the charges allocated and assessed by the Condominium Board to all the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), to meet the Common Expenses.
10. "Common Expenses" shall mean all cost and expenses to be incurred generally by the Unit Owners, pursuant to the Declaration and/or the By-Laws, and except as specially allocated pursuant to the Declaration and/or the By-Laws, in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale and (iv) generally, the conduct of the affairs of the Condominium.

11. “Common Interest” shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements, appertaining to each Unit, as determined in accordance with the Declaration. The Common Interest attributable to each Unit is set forth on Exhibit B to this Declaration.

12. “Condominium” shall mean Pistilli Grand Manor Condominium, which was established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.

13. “Condominium Act” shall mean Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

14. “Condominium Board” shall mean the governing body of the Condominium, whose members shall be selected pursuant to the terms of Articles 2 and 3 of the By-Laws.

15. “Condominium Documents” shall mean the Declaration, the By-Laws and the Rules and Regulations.

16. “Declaration” shall mean the declaration executed by Sponsor for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof.

17. “Facilities” shall mean central and appurtenant installations for services such as power, light, gas, hot and cold water, and heat, ventilation and air conditioning, compacting, telephone, television and other means of communications (including all pipes, ducts, chutes, wires, cables, conduits and public utility lines used in connection therewith), chimneys and exhaust flues, and telecommunications switchgear, conduits and lines and all other utility distribution systems.

18. “Family Members” shall mean the spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law, grandparents, sons-in-law or daughters-in-law of a Person.

19. “First Closing” shall mean the first date upon which title to a Residential Unit is conveyed to a purchaser pursuant to the terms of the Plan.

20. “Floor Plans” shall mean the floor plans of the Units certified by Jeffrey J. Wittenstein Architect, P.C. and filed in the Register’s Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

21. “Garage Unit” shall mean the “Unit”, as such term is defined in the Condominium Act (or Units resulting from the subdivision or combination thereof) located on the cellar, basement and roof levels of the Building, which Unit is more particularly described in Article 6C, and Exhibit B to, the Declaration and in the Floor Plans.

22. “Initial Control Period” shall mean the period ending on the earlier of: (i) the closing of title with purchasers under the Plan to Residential Units having more than fifty percent of the aggregate Common Interests appertaining to all Residential Units or (ii) two years after the First Closing.

23. “Institutional Lender” shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust, or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher’s or union employee, welfare, pension or retirement fund or system or (iii) any lender that holds a mortgage of any Unsold Unit.

24. "Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or its designee or an Institutional Lender.

25. "Insurance Trustee" shall mean a bank or a trust company, in either event having both an office in the City of New York and a capital surplus or undivided profits of \$250,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

26. "Land" shall mean all that certain tract, plot, piece and parcel of land situate, lying and being in the County of Queens, City and State of New York, as more particularly described in Exhibit A to the Declaration.

27. "Law" shall mean the laws and ordinances of any or all of the federal, state or municipal governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

28. "Majority of Unit Owners" shall mean those Unit Owners having more than fifty (50%) percent of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 3.8 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

29. "Managing Agent" shall mean a Person employed by the Condominium Board pursuant to Section 2.3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in Section 2.3 of the By-Laws.

30. "Mortgage Representatives" shall mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of Section 6.6 of the By-Laws.

31. "Office Unit" shall mean the "Unit", as such term is defined in the Condominium Act (or Units resulting from the subdivision or combination thereof) located on the basement level of the Building, which Unit is more particularly described in Article 6B, and Exhibit B to, the Declaration and in the Floor Plans.

32. "Permitted Mortgage" shall mean any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in Sections 6 and 7 of the By-Laws.

33. "Permitted Mortgagee" shall mean any holder of a Permitted Mortgage at the time in question.

34. "Person" shall mean any natural person, partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

35. "Plan" shall mean that certain plan pursuant to which the Property is converted to condominium ownership and which was accepted for filing by the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.

36. “Property” shall mean the Land, the Building (and any structures attached thereto), all other improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property real, personal or mixed, used or intended to be used in connection therewith.

37. “Register’s Office” shall mean the Queens County office of the Register of the City of New York.

38. “Residential Common Element” shall mean those certain portions of the Land and the Building (other than the Units) that are limited and restricted in use and benefit to the Residential Unit Owners to the exclusion of the Commercial Unit Owners, as more particularly described in Section 7B of the Declaration.

39. “Residential Common Expenses” shall mean all cost and expenses specially allocated pursuant to the Declaration and/or the By-Laws to be shared by Residential Unit Owners.

40. “Residential Unit” shall mean any of the two hundred one (201) “Units”, as such term is defined in the Condominium Act (or Units resulting from the subdivision or combination thereof) located in the Building, which Unit is more particularly described in Article 6D, and Exhibit B to, the Declaration and in the Floor Plans.

41. “Residential Unit Owner” shall mean any Person who holds fee title, of record, to one or more Residential Units at the time in question.

42. “Retail Unit” shall mean the “Unit”, as such term is defined in the Condominium Act (or Units resulting from the subdivision or combination thereof) located on the basement level of the Building, which Unit is more particularly described in Article 6A, and Exhibit B to, the Declaration and in the Floor Plans.

43. “Rules and Regulations” shall mean the rules and regulations of the Condominium which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

44. “Selling Agent” shall mean any Person employed by Sponsor or its designee in connection with the sale or leasing of the Unsold Units or the Commercial Unit.

45. “Sponsor” shall mean shall mean Tex Development Co., LLC or any of Sponsor’s successors or assigns.

46. “Sponsor-designee” (alternatively referred to as “designee of Sponsor”) shall mean any person or entity designated by Sponsor to acquire title to a Unit. A “Sponsor-designee” shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a “Sponsor-designee.”

47. “Unit” shall mean any of the Residential Units or Commercial Units.

48. “Unit Owner” shall mean any of the Residential Unit Owners or the Commercial Unit Owners, at the time in question.

49. "Unsold Unit" shall mean any Residential or Commercial Unit owned by Sponsor or its designee at the time in question.

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BY-LAWS
OF
Pistilli Grand Manor Condominium

(Part II of the Declaration)

[Date]

Prepared by:
CUTLER MINIKES & ADELMAN LLP
708 Third Avenue, 17th Floor
New York, NY 10017
Attn: Richard B. Adelman, Esq.

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**BY-LAWS
OF
PISTILLI GRAND MANOR CONDOMINIUM**

**ARTICLE I
GENERAL**

Section 1.1 Unit Ownership. The Land situated at 45-02 Ditmars Boulevard, Borough of Queens, City of New York, State of New York more particularly described on Exhibit A of the Declaration recorded in the Office of the Register of the City of New York, Queens County 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 recording of the Declaration simultaneously herewith. The Condominium thereby created shall hereafter be known as Pistilli Grand Manor Condominium. The two hundred one (201) Residential Units, one (1) Retail Unit, one (1) Office Unit, and one (1) Garage Unit are more fully described in the Declaration and are hereinafter referred to as the "Unit(s)." The Retail Unit, the Office Unit and the Garage Unit, and any Units resulting from the subdivision thereof, are collectively referred to as the "Commercial Units." Unless otherwise provided herein, all terms used in these By-Laws shall have the same meaning as ascribed thereto in the Declaration.

Section 1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. The term "Property" as used herein shall include the Land, the Building 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 1.3 Application. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and their employees and guests, as well as all other Persons who may use the Property in any manner, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.4 Office. The office of the Condominium and of the Board of Managers shall be located at the Property or at such other place in the City of New York reasonably convenient thereto as may be designated from time to time by the Board of Managers.

**ARTICLE 2
BOARD OF MANAGERS**

Section 2.1 Number and Qualification. The affairs of the Condominium shall be governed by the Board of Managers. The initial Board of Managers shall consist of two individuals to be designated from time to time by Sponsor until their successors shall have been elected by the Unit Owners at the first meeting of Unit Owners held pursuant to Section 3.1 of these By-Laws, at which time the Board shall be comprised of nine (9) members. The number of members of the Board of Managers may not be increased without the

consent of the owner of the Unsold Units for so long as there remains one (1) Unsold Unit. Except for members designated or elected by Sponsor or its designee or the Commercial Unit Owners, all members of the Board of Managers shall be either: (i) individual Unit Owners; (ii) individual Permitted Mortgages; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing. Six Members of the nine member Board of Managers will be designated or elected by Residential Unit Owners, one Member by the Retail Unit Owner(s), one Member by the Office Unit Owner(s) and one Member by the Garage Unit Owner(s). The Commercial Unit Owners will not otherwise participate, as owner of the Commercial Units, in the election of other members of the Board of Managers. However, no Unit Owner may be elected to serve on the Board of Managers if the Board of Managers has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such election.

Section 2.2 Powers and Duties. The Board of Managers shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium and may do all such acts and things on behalf of the Condominium except those which by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. The powers and duties of the Board of Managers include, but shall not be limited to:

(A) Operation, care, upkeep and maintenance of the Common Elements, including but not limited to (i) entering Units, when necessary, provided that an effort is made to minimize inconvenience to the Unit Owner, in connection therewith, and (ii) purchasing supplies and equipment, entering into contracts and generally having the powers of a manager in connection with the operation of the Property.

(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 common charges and assessments from the Unit Owners and imposition and collection of reasonable late charges for late payment thereof.

(D) Employment and dismissal of the personnel necessary for the maintenance and operation of the Property.

(E) Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property.

(F) Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property. Such fines may be collected as if they were additional Common Charges owed by the Unit Owner against whom such fines were levied.

(G) Opening and maintaining bank accounts on behalf of the Condominium and designating the signatories required therefor. The Condominium may authorize a manager or Managing Agent to be the signatory on such accounts.

(H) Purchasing, leasing or otherwise acquiring in the name of the Board of Managers or its designee, corporate or otherwise, and on behalf of all Unit Owners, or producing purchasers to acquire or tenants to lease, for such party's own account, Units offered for sale or lease or Units surrendered by their owners to the Board of Managers.

(I) Purchasing Units at foreclosure or other judicial sale in the name of the Board of Managers,

or its designee, corporate or otherwise, on behalf of all Unit Owners.

(J) Acquiring, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of the Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property.

(K) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Managers) or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

(L) Organizing corporations to act as the designees of the Board of Managers in acquiring title to, or leasing of, Units and in acquiring rights, title and interest in real and personal property for use in connection with the ownership and operation of the Property, on behalf of all Unit Owners.

(M) Leasing laundry rooms and other portions of the Common Elements, leasing, setting rules, regulations and fees for access to and use of Amenity Facilities and granting licenses for vending machines.

(N) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the terms of Section 5.2 hereof;

(O) Adjusting and settling claims under insurance policies obtained pursuant to the terms of Section 5.2 hereof, and executing and delivering releases on such adjustment and settlement on behalf of all Unit Owners, all holders of mortgages and other liens on Units and all holders of any other interest in the Property;

(P) Representing the Unit Owners in any proceedings, negotiations, settlements or agreements relating to losses or proceeds from condemnation, destruction or liquidation of all or part of the Condominium or from termination of the Condominium.

(Q) Making repairs, additions and improvements to, or alterations of, the Property, including but not limited to 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, and applying, as necessary, for construction, alteration or other approvals, to any and all municipal authorities having jurisdiction over the Condominium.

(R) Borrowing 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) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit Owner; and (ii) any borrowing of any sum in excess of \$25,000 for any one purpose must be approved by a majority of the Unit Owners present and voting at a meeting at which a quorum is present. If any sum borrowed by the Board of Managers pursuant to this Section is not repaid by the Board of Managers, a Unit Owner who pays to the creditor thereunder such proportion thereof as its interest in the Common Elements bears to the aggregate Common Interests of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit. The other Unit Owners shall cooperate in all ways necessary in order to obtain such release.

(S) Provided the prior consent of at least 66-2/3% in Common Interest of all Unit Owners is obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, the Board of Managers shall have the power to convert General Common Elements to Residential

Limited Common Elements or to convert Residential Limited Common Elements to General Common Elements.

(T) Enforcing by legal means the terms, covenants and conditions contained in the Condominium Documents and bringing and defending actions pertinent to the operation of the Property.

(U) Applying to the Tax Commission of the City of New York for a reduction in the assessed valuation of Units, prosecuting and settling as it may deem advisable any such action, including payment of any costs which may be incurred in such proceedings, on behalf of all Unit Owners as part of a single application.

(V) Establishing a reserve fund to be used only for capital expenditures and establishing such other working capital funds for such uses as the Board of Managers, in its discretion, may establish.

(W) Establishing reasonable fees for the processing of sale, lease or lease renewal applications, applications for consent to alterations by Residential Unit Owners, Certificates of Termination of the Right of First Refusal and for other services agreed to by the Board of Managers.

(X) Enforcing obligations of the Unit Owners, allocating profits and expenses, carrying out any other duties imposed upon the Board of Managers pursuant to the Declaration and these By-Laws, and doing anything and everything else necessary and proper for the sound management of the Condominium.

Section 2.3 Managing Agent. The Board of Managers may employ a Managing Agent to serve at a compensation established by the Board of Managers and to perform such duties and services as the Board of Managers shall authorize or direct, including, but not limited to, the duties listed in Sections 2.2(A), (C), (D) and (Q) hereof. The Board of Managers may delegate to the Managing Agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in Sections 2.2(B), (E), (G), (H), (I) (J), (K), (L), (M), (O), (P), (R), (S) and (W) hereof.

Section 2.4 Limitations on the Powers of the Board of Managers or Unit Owners.

(A) Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor or its designee or both shall continue to collectively own Units representing 25% or more in aggregate Common Interest, but not longer than five (5) years from the First Closing, neither the Board of Managers, nor the Unit Owners nor the Managing Agent shall take any of the following actions: (i) make any additions, alterations, or improvement to the Common Elements or to any Unit, except those required by Law; (ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency, or surplus fund in excess of five (5%) percent in the aggregate of the estimated Common Expenses for any year of operation; (iii) increase the number or change the type of employees from that described in the "Budget for the First Year of Condominium Operation," Schedule B to the Plan (the "Offering Plan Budget"); (iv) enter into any service or maintenance contracts for work not required by law or contemplated in the Offering Plan Budget set forth in the Plan; (v) borrow money on behalf of the Condominium; or (vi) amend the Declaration or these By-Laws except as specifically permitted by such document.

(B) Notwithstanding the foregoing, Sponsor or its designee may not exercise such veto power over expenses described in the Offering Plan Budget or over expenses reasonably 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.

Section 2.5 Election and Term of Office; Special Representation.

(A) The terms of office of two members of the Board of Managers designated by Sponsor prior to the first annual meeting of the Unit Owners held pursuant to Section 3.1 of these By-Laws shall expire when the nine individuals to be designated or elected at such meeting are so designated or elected and qualified. The term of office of each of the nine individuals designated or elected and qualified at the first annual meeting of the Unit Owners and at all subsequent annual meetings of Unit Owners shall be for one year or until their successors are elected and qualified.

(B) At all times, the Retail Unit Owner, the Office Unit Owner and the Garage Unit Owner shall each be entitled to designate one (1) member of the Board of Managers or, in the event any such Commercial Unit is subdivided, to elect one (1) member of the Board of Managers as provided in Section 3.8 hereof.

(C) During the Initial Control Period, and assuming a nine (9) member Board of Managers, Sponsor or its designee as owner of Unsold Residential Units shall have the right to designate the following minimum number of members of the Board of Managers: four of the six Residential Unit Members.

(D) After the Initial Control Period, Sponsor or its designee shall have the right to designate the following minimum number of members of the Board of Managers, for so long as Sponsor or its designee owns one (1) Residential Unit: (a) one (1) member assuming a nine (9) member Board of Managers, or (b) more than one (1) member if the Board of Managers is increased to more than nine members to the extent that the total number of members designated or elected by Sponsor or its designee and the Commercial Unit Owners is one less than a majority.

(E) Sponsor or its designee shall not exercise voting control of the Board of Managers, either through its right of designation or through its voting its interests, beyond the Initial Control Period. Neither the exercise of the right of designation or to vote for Board of Managers members under the control of Sponsor or its designee nor any other provision of these By-Laws shall impair the right of Sponsor or its designee or the Commercial Unit Owners to vote for any other candidates for the Board of Managers provided such votes by the Sponsor or its designee do not constitute an exercise of voting control as provided at law. If at any time it is determined to increase or decrease the size of the Board of Managers, the representation of Sponsor or its designee shall be changed proportionally. The right of the Sponsor or its designee to designate members of the Board of Managers as provided in Sections 2.5(C) and (D) above are in addition to the right of the Sponsor or other Owners of the Commercial Units to elect a member of the Board of Managers as provided in these By-Laws.

(F) If at the expiration of the Initial Control Period, a majority of members of the Board of Managers serve by reason of the designations or votes cast by Sponsor or its designee, a special meeting of Unit Owners shall be called within thirty (30) days after the expiration of the Initial Control Period for the purpose of electing a new Board of Managers.

(G) In addition to its right to designate members of the Condominium Board as provided herein, Sponsor also has the right to vote for all candidates for the Condominium Board, including nominees who are not related to Sponsor.

Section 2.6 Removal or Resignation of Members of the Board of Managers. Any member of the Board of Managers may be removed with cause by an affirmative vote of a Majority of Unit Owners. A member of the Board of Managers who has not been designated by Sponsor or its designee or the Commercial Unit Owners may also be removed without cause by an affirmative vote of a Majority of Unit Owners. Any member of the Board of Managers whose proposed removal is to be acted upon at a meeting

of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard at the meeting. Any member of the Board of Managers may resign his membership at any time by giving written notice thereof to the Board of Managers and, with respect to members of the Board of Managers designated as such or elected by Sponsor or its designee or the Commercial Unit Owners, to Sponsor or such designee or the Commercial Unit Owners. In addition, any member of the Board of Managers who shall cease to be qualified for membership pursuant to the terms of Section 2.1 hereof shall be deemed to have resigned his membership effective as of the date upon which such qualification shall cease.

Section 2.7 Vacancies. Any vacancy on the Board of Managers that is caused by removal, whether with or without cause, or as a result of resignation, shall be filled by an individual who is qualified to be a Manager pursuant to the terms of Section 2.1 hereof by a vote of a majority of the remaining Managers at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the Managers present at such meeting may constitute less than a quorum. Notwithstanding the foregoing, any vacancy on the Board of Managers that is caused by the removal, resignation, or death of a member who was designated as such or elected by Sponsor or its designee shall be filled by an individual designated by Sponsor or such designee; any vacancy on the Board of Managers that is caused by the removal, resignation, or death of a member who was designated or elected as such by the Commercial Unit Owners shall be filled by an individual designated or elected by the Commercial Unit Owners. Each member of the Board of Managers who is elected thereto or designated as such to fill a vacancy pursuant to the terms of this Section 2.7 shall serve as a member of the Board of Managers for the remainder of the term of the member he replaced and until his successor shall be selected and qualified at the appropriate annual meeting of the Unit Owners.

Section 2.8 Organization Meeting. The first meeting of the Board of Managers following each annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers 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 2.9 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 Managers, but at least four (4) such meetings shall be held during each fiscal year. Notice of all regular meetings of the Board of Managers shall be given to each Manager by personal delivery, mail, facsimile or overnight delivery service, at least three (3) business days prior to the day named for such meeting.

Section 2.10 Special Meetings. Special meetings of the Board of Managers may be called by the President or Secretary on written request of any of the Managers on three (3) business days' notice to each Manager, given by personal delivery, mail, facsimile or overnight delivery service, which notice shall state the time, place and purpose of the meeting.

Section 2.11 Waiver of Notice. Any Manager 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 notice. Attendance by a Manager at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. Any one or more of the Board of Managers or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all person participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all of the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 2.12 Quorum of Board of Managers. At all meetings of the Board of Managers, a

majority of the Managers shall constitute a quorum for the transaction of business, and subject to the provisions of Section 2.2, the votes of a majority of Managers 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. Any action required or permitted to be taken by the Board of Managers may be taken without a meeting if all Managers consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the proceedings of the Board.

Section 2.13 Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all officers and employees of the Condominium and of the Managing Agent handling or responsible for Condominium funds. The premium on such bonds shall constitute a Common Expense.

Section 2.14 Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 2.15 Liability of the Board of Managers.

(A) No member of the Board of Managers or officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his capacity as Manager or officer provided that this provision does not eliminate or limit the liability of a Manager or officer if a judgment or other final adjudication adverse to him or her establishes (i) that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (ii) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

(B) The Condominium, through the Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of any corporation of any type of kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any Manager or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Manager or officer of the Condominium or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Manager or officer if a judgment establishes that his acts were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

(C) The Unit Owners shall indemnify and hold harmless each of the 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 Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by Sponsor, to contract with Sponsor and affiliated corporations and entities without incurring any liability for self-dealing, provided that (i) the connection is disclosed in the Offering Plan, or is disclosed to, or known by, the Board or a majority of members thereof or noted in the minutes thereof and the Board shall authorize, approve or ratify such contract or transaction in good faith by a vote of a majority of the Board, excluding such Manager, and (ii) the contract or transaction is upon commercially reasonable terms and condition at the time that the same is authorized, approved, ratified, executed or otherwise consummated. 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 Manager 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 on behalf of the Condominium shall provide that the Manager or the Managing Agent, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners.)

(D) Each Unit Owner's liability pursuant to this Section 2.15 shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 2.16 Executive Committee and Other Committees. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers. Such Executive Committee shall have, and may exercise, all of the powers of the Board of Managers subject to both the exceptions and limitations contained in this Section 2.16 and such additional exceptions and limitations as the Board of Managers may from time to time deem appropriate, during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have the power to (i) to determine the common charges and expenses required or payable by the Unit Owners for the affairs of the Condominium, (ii) to adopt or amend the rules and regulations covering the details of the operation and use of the Property, or (iii) to exercise any of the powers set forth in subdivisions (G), (I), (J), (K), (L) and (R) of Section 2.2. In addition, the Board of Managers may by duly adopted resolutions create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee shall be appointed by the President. Such committee shall not have the power to do any act which the Executive Committee may not do. The Executive Committee and each other committee shall consist of three or more members of the Board of Managers, at least one of whom shall be a member designated by Sponsor for so long as Sponsor shall have the right to designate or elect one or more members of the Board of Managers.

ARTICLE 3 UNIT OWNERS

Section 3.1 Annual Meetings. Within 30 days after the first anniversary of the First Closing, or at such earlier time as Sponsor deems in the best interest of the parties, Sponsor shall call the first annual meeting of the Unit Owners. At such meeting, the incumbent two-member Board of Managers shall resign and a new nine-member Board of Managers shall be elected by the Unit Owners and/or designated by Sponsor. Thereafter, annual meetings of the Unit Owners shall be held on or about the anniversary of such date each succeeding year. At such meetings the Board of Managers shall be elected by ballot of the Unit Owners and/or designated by Sponsor and the Commercial Unit Owners in accordance with the requirements of Article 2 of these By-Laws. The Unit Owners may also transact such other business of the Condominium as any properly come before them. Prior to the actual meeting at which the Unit Owners elect the Board of Managers as herein provided, Sponsor may call, in its discretion, meetings of the Unit Owners so that the Board of Managers designated by Sponsor can report to Unit Owners, or for such other purpose as the Board determines.

Section 3.2 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 3.3 Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed by Unit

Owners and presented representing, in the aggregate, not less than 25% of the Common Interests of all Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 3.4 Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners to each Unit Owner of record, at the Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary, at least ten (10) but not more than forty (40) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least twenty (20) days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 3.5 Adjournment of Meetings. If any meeting of the Unit Owners cannot be held because a quorum has not attended, a majority in Common Interest 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 48 hours from the time the original meeting was called. Proxies remain in effect for any such adjourned meeting.

Section 3.6 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 the minutes of the preceding meeting (unless waived);
- (d) Reports of officers;
- (e) Reports of the 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; and
- (j) New business.

Section 3.7 Title to Units. Title to any Unit may be taken by an individual, in the names of two (2) or more persons as joint tenants, tenants in common, or tenants by the entirety, or in the name of a corporation, partnership, limited liability company or in the name of a fiduciary.

Section 3.8 Voting.

(A) The owner or owners of each Unit (including Sponsor and its designee(s)), 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 votes appurtenant to such Unit at all meetings of the Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. In addition, if two or more Persons own a Unit, they shall designate one Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under one ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest

is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Each Unit Owner, including Sponsor or its designee or the Board of Managers if either shall then own title to one or more Units, and including the Commercial Unit Owners, shall be entitled to one vote for each .0001% of Common Interest applicable to their Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Board of Managers has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (b) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

Section 3.9 Majority of Unit Owners. As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having more 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 3.8 herein.

Section 3.10 Quorum of the Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 3.11 Majority Vote. Except when otherwise required by law or otherwise provided in the Declaration or in these By-Laws, whether as to the requirement for a higher percentage or as to the requirement for consent by Sponsor or its designee or the Commercial Unit Owners, the vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

Section 3.12 Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if Unit Owners sufficient in Common Interest, as applicable, to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or these By-Laws consent in writing to the adoption of a resolution authorizing such action and the writing is filed with the records of the Condominium.

ARTICLE 4 OFFICERS

Section 4.1 Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the 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 the Vice President, but no other officers, must be members of the Board of Managers. Except for Managers appointed by Sponsor or its designee or by the Commercial Unit Owners, or Assistant Secretaries or Assistant Treasurers who are employees of the Managing Agent, all officers must be Unit Owners, or spouses of Unit Owners, or officers, directors or principals of Unit Owners which are not natural persons.

Section 4.2 Election of Officers. Each of the officers of the Board of Managers shall be elected annually by vote of the Board of Managers taken at the organizational meeting of each new Board of Managers, and shall hold office at the pleasure of the Board of Managers.

Section 4.3 Removal of Officers. Upon the affirmative vote 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, provided notice of the proposed removal was given to the officer and in the notice of the meeting. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting. If the President or the Vice President of the Condominium shall cease to be a member of the Board of Managers during his term of office, such officer shall be deemed to have resigned his office effective upon the date upon which his membership shall cease.

Section 4.4 President. The President shall be 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 that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Condominium. The President shall be an ex-officio member of all committees of the Board of Managers.

Section 4.5 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 and shall have such other powers and duties as are usually vested in the office of vice president of a stock corporation organized under the BCL.

Section 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers shall direct; and he shall, in general, perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 4.7 Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping or supervising the keeping of full and accurate financial records and books of account showing all receipts and disbursements necessary for the preparation of all required financial data. He shall be responsible for the deposit of all funds and other securities 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 of the duties incident to the office of treasurer of a stock corporation organized under the BCL. He shall disburse Condominium funds in the manner directed by the Board of Managers, making proper vouchers for all disbursements. He shall submit to the President and Board of Managers, at regular meetings of the Board of Managers or whenever they may require it, an account of all his transactions as Treasurer, as well as the financial condition of the Condominium.

Section 4.8 Agreements, Contracts, Deeds, Checks, 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 from time to time by the Board of Managers.

Section 4.9 Compensation of Officers. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

ARTICLE 5
OPERATION OF THE PROPERTY

Section 5.1 Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, and at least annually, prepare a Budget for the Condominium and determine the amount of the common charges payable by the Unit Owners to meet the Common Expenses of the Condominium. In preparing such Budgets from time to time, the Board of Managers shall allocate and assess such Common Charges and expenses among the Unit Owners according to their respective Common Interests, but subject to such different method of allocation as is set forth in the Offering Plan Budget (as defined in Section 2.4(A)) or as may be determined by the Board of Managers to reflect exclusive use or the availability or control of particular Common Elements or services provided by the Condominium. The Board of Managers is authorized to specifically allocate expenses or specific expense items and apportion Common Charges of the Units resulting from changes in use or from changed circumstances. The Common Expenses shall include, without limitation 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 5.2, and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses may 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, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year. In addition, 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, on behalf of all Unit Owners, of any Unit whose owner had elected to sell or lease such Unit or of any Unit which is to be sold at 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 as determined by the Board of Managers as aforesaid and shall furnish copies of such budget on which such common charges are based, to all Unit Owners. All costs and expenses which are allocable solely to the repair, maintenance and operation of a particular Unit or Units, as the case may be, shall be borne solely by the owner(s) of such Unit(s). Notwithstanding this section, the power of the Board is subject to the provisions and restrictions contained in Sections 2.2, 5.10 and 5.11 hereof.

Section 5.2 Insurance. The Board of Managers shall be required to obtain and maintain to the extent obtainable, the following insurance: (a) fire insurance with extended coverage normal for a condominium of this type, vandalism and mischief endorsements insuring the Building, including each Unit and the equipment installed therein on the date of recordation of the Declaration or installed thereafter by Sponsor, or replacements thereof, partitions, floors, and ceilings within the Units, together with all service and other machinery contained therein (but not including wall, ceiling or floor decorations or coverings or fixtures, appliances, furniture, furnishings or other personal property supplied or installed by Unit Owners or tenants of Unit Owners) covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their respective interests may appear, in an amount equal to the agreed upon replacement value of the Building or such other amount as shall be adequate to prevent the Condominium from becoming a coinsurer in the event of casualty loss (exclusive of the costs of excavation and foundations) without deduction for depreciation, as determined by the Board of Managers. Each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee 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 or the Insurance Trustee, if any, as herein provided; (b) boiler and machinery insurance; (c) a fidelity bond or bonds in sufficient amounts to fully protect the interest of the Condominium, to be carried on each member of the Board of Managers, officers of the Condominium, managing agent, and any other employees who handle or are responsible for funds of the Condominium; (d) Officers and Directors liability insurance covering officers and members of the Board of Managers; (e) comprehensive general liability insurance covering all claims for bodily injury or property damage arising out of an occurrence in the Common

Elements and covering cross liability claims of one insured against another (but not covering the liability of a Unit Owner arising from occurrences within his own Unit); (f) workers, compensation insurance; (g) water damage legal liability; (h) rent insurance in an amount equal to the aggregate of the Common Charge payable to the Board of Managers; (i) elevator collision insurance; and (j) such other insurance as the Board of Managers may determine. The premium for such insurance shall be a Common Expense.

All such policies shall provide that adjustments shall be made by the Board of Managers and that the net proceeds, if \$250,000 or less shall be payable to the Board of Managers, and if more than \$250,000 shall be payable to the Insurance Trustee, to be applied for the purposes of the repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners.

All policies of physical damage insurance shall contain waivers (a) of subrogation, (b) of any defense based on coinsurance, (c) of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners, and (d) 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. The standard mortgagee loss payable clause shall be attached to all policies. Duplicate originals or certificates 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 who have requested same in writing, at least then (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers may obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building (exclusive of the cost of excavation and foundations) including all of the Units and all of the Common Elements therein, without deduction from depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

Unit Owners are advised to carry other insurance for their own benefit, provided that all such policies shall contain waivers or subrogation against the Condominium and the Board of Managers and further provide 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 5.3 Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty, if (a) 75% or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of the Unit Owners duly and promptly resolve to proceed with repair or restoration, or (b) less than 75% or more of the Building is destroyed or substantially damaged, then in either of such events, the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Units, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property or equipment of the Unit Owners or a tenant of a Unit Owner), and the Board of Managers shall disburse the proceeds of all insurance policies in appropriate progress payments to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the net insurance proceeds shall constitute a Common Expense and the Board of Managers shall assess all the Unit Owners for such deficit as part of the Common Charges.

In the event of a repair or restoration pursuant to the first paragraph of this Section 5.3 and in the event that the net proceeds of insurance received by or payable to the Board of Managers shall exceed the cost of such repair or restoration, then, at the option of the Board of Managers, the excess of such insurance proceeds shall be paid by the Board of Managers or the Insurance Trustee, as the case may be, either (a) in an amount not to exceed \$100,000 to the Board of Managers to be placed in the operating or working capital

reserves of the Condominium, and/or (b) to all Unit Owners in proportion to their respective interests in the Common Elements after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on any Unit in the order of priority of such liens.

If 75% or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property will not be repaired and 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 shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all 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 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 (60) days from the date the Board of Managers notifies the Unit Owner or Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated costs of such work, or not more than ninety (90) days from the date the Board of Managers notifies the Unit Owner or Owners that such proceeds of insurance are insufficient to pay said estimated costs of such work or, in the event the proceeds of insurance are insufficient to pay said estimated costs or such work or, in the event the proceeds of insurance are payable to the Board of Managers or the Insurance Trustee, no more than sixth (60) days from the date of receipt by the Board of Managers of proceeds of insurance on account of such damage or destruction, whether or not sufficient to pay the estimated costs of such work. Whenever the word “promptly resolve” are used it shall also mean not more than sixty (60) days from the date the Board of Managers notifies the Unit Owners that it holds proceeds of insurance on account of such damage or destruction and that such proceeds are or are not sufficient to pay the estimated costs of the work (as the case may be).

Section 5.4 Payment of Common Charges.

All Unit Owners shall be obligated to pay Common Charges assessed by the Board of Managers pursuant to the provisions of Section 5.1 hereof at such time or times as the Board of Managers shall determine. The Board of Managers may also impose a reasonable late charge for late payment of Common Charges, which shall be added to the Unit Owner’s Common Charges due on the first day of the following month, and which shall be a lien upon the Unit Owner’s Unit if not paid. Assessments for Common Charges are the personal obligation of the person owning the Unit at the time the assessment becomes due.

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 (made in accordance with the provisions of Section 7.1 hereof) of such Unit, together with the Appurtenant Interests. A purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition of such Unit, except that, to the extent permitted by law, 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. In the event of a foreclosure sale of a Unit by a mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges thereafter accrued prior to such sale.

In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, provided that is Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for the 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 Unit Owners, and in such event be exempt from Common Charges thereafter accruing.

Section 5.5 Collection of Assessments. The Board of Managers shall assess Common Charges against all Unit Owners from time to time and at least annually. An assessment roll relating to Common Charges and other assessments shall be maintained in a set of accounting books duly approved by a certified public accountant in which there shall be an account for each Unit. The Board of Managers shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days after the due date for payment thereof.

Section 5.6 Default in Payment of Common Charges. In the event any Unit Owner shall fail to make prompt payment of its Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such unpaid Common Charges computed from the due date thereof, in addition to any late charge which may have been imposed pursuant to Section 5.4 hereof, together with all expenses, including attorneys' fees, paid or incurred by the Board of Managers or the Managing Agent in connection with collecting such unpaid amounts, including but not limited to those paid or incurred in any proceeding brought to collect such unpaid Common Charges or assessments or in an action to foreclose the lien on such Unit arising from said unpaid Common Charges or assessments. The Board of Managers shall have the right and obligation to attempt to recover such Common Charges or assessments, 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 (in the event of Common Charges) by foreclosure of the lien on such Unit granted by Section 339-z of the Condominium Act, in the manner provided in Section 339-aa thereof. While Sponsor or its designee is in control of the Board of Managers, it will cause the Board to file a lien as provided for in Section 339-aa of the Condominium Act against Units with respect to which Sponsor or such designees is in arrears of Common Charges by more than thirty (30) days. A lien for non-payment of Common Charges granted pursuant to Section 339-z of the Condominium Act has priority over all other liens except (i) liens for taxes on the Unit in favor of the assessing unit, school district, special district, county or other taxing unit, and (ii) sums unpaid on a first mortgage of record.

Section 5.7 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, cast the votes appurtenant to (other than for the election of Members to the Board of Managers), 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. In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit.

Section 5.8 Statement of Common Charges. The Board of Managers (or Managing Agent on its behalf) shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefore from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 5.9 Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to

which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provision hereof (provided, however, that no prior notice shall be required in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 5.10 Maintenance and Repairs.

(A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary in or to the Common Elements (whether such Common Elements are located outside a Unit or within a Unit) shall be made by the Board of Managers and the cost and expense thereof shall be charged to the Unit Owners as a Common Expense. Notwithstanding the foregoing and the definition of Residential Units as set forth in the Declaration, solely for purposes of the obligation of the Board of Managers to make maintenance, repairs or replacements, whether structural or non-structural, ordinary or extraordinary, in or to the portion of the Residential Units consisting of the entire exterior envelope of the building of the building including but not limited to face brick, parapets, roof systems, other than those portions that are specifically part of the Commercial Unit, shall be considered Residential Common Elements and charged as a Residential Common Expense.

(B) Notwithstanding the provisions of Section 5.10(A), but except as set forth in Section 5.11 hereof, in the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner or any guest, agent licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner, (b) the Board, the entire cost thereof shall be charged to the Unit Owners as a Common Expense, except in such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

(C) (i) Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, in or to any Unit and the interior side of entrance doors thereto shall be made by the Owner of such Unit at such Unit Owner's sole cost and expense. Each Unit Owner shall be responsible for all damages to any and all other Units and/or to the Common Elements by reason of his failure to do the foregoing.

(ii) All normal maintenance of and repairs and replacement to all terraces and balconies appurtenant to and for the exclusive use of particular Units shall be made by the Unit Owner owning such Unit at his own cost and expense. Each Unit Owner shall be responsible for all damages to any and all other Units and/or to the Common Elements by reason of his failure to do the foregoing.

(iii) Any structural or extraordinary maintenance, repairs, or replacements to all terraces and balconies (including, but not limited to, any leaks in the terraces or balconies which are not caused by the acts or negligence of the Unit Owners which have the exclusive right to use such terraces or balconies, and cleaning and painting the sides of the terraces and balconies facing away from the usable portions of the terraces and balconies) shall be made by the Board of Managers and the cost and expense thereof shall be charged to all Residential Unit Owners as a Common Expense.

(iv) The interior glass surfaces of all windows located within any Unit must be washed and

cleaned by the Unit Owner thereof at such Unit Owner's sole cost and expense. Maintenance, painting and repair of all window frames within any Unit shall be done by the Unit Owner thereof at such Unit Owner's sole cost and expense.

(v) The washing and cleaning of the exterior glass surfaces of all windows shall be done by the Board of Managers and shall be charged to all Residential Unit Owners as a Residential Common Expense. The replacement of all window frames shall be done by the Board of Managers and shall be charged to all Residential Unit Owners as a Residential Common Expense, unless the replacement of window frames is necessitated by the acts, negligence or misuse of any Unit Owner, in which case the entire cost thereof shall be borne by such Unit Owners.

(vi) Unit Owners shall be responsible for replacing broken window glass in their Units, unless the glass is broken through the negligence of the Board of Managers or its agents, in which case the cost of replacement shall be borne by all Residential Unit Owners as a Residential Common Expense.

Section 5.11 Residential Common Elements. Certain portions of the Common Elements are limited and restricted in use and benefit to the Residential Unit Owners, and are referred to as the Residential Common Elements. Such Residential Common Elements are set forth in Article 7 of the Declaration of the Condominium. The following provisions shall apply with respect to costs and expenses relating to Residential Common Elements:

(A) The Owner or Owners of the Commercial Units shall not pay any costs or expenses relating to normal, routine and ordinary maintenance, repair or replacement to the Residential Common Elements.

(B) The Owners of the Residential Units shall not pay any costs or expenses relating to normal, routine and ordinary maintenance, repair or replacement to the Common Elements limited in use to the Commercial Unit Owners.

(C) The Board of Managers shall not assess the Owner or Owners of the Commercial Units for any addition, alteration or enhancement to the Residential Limited Common Elements designated for the exclusive use of Residential Units.

(D) If Sponsor or its designees or any subsequent Owners of the Commercial Units (or the Owners of Units resulting from the subdivision thereof) exercises the right to alter or improve any Limited Common Element appurtenant to the Commercial Units, in accordance with Section 5.14 hereof, the cost and expense thereof shall be borne by Sponsor or its designee or any subsequent Owners of the Commercial Units.

Section 5.12 Restrictions on Use of Residential Units and Commercial Unit. 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 Residential Unit shall be used only as a residence and professional and ancillary business use as permitted by law, and not more than one natural person and his Family Members plus one additional occupant and the dependent children of such additional occupant may reside in a Residential Unit at any one time. A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including a director, officer, stockholder, or employee of a corporate fiduciary and a partner or employee of a partnership fiduciary), or by the beneficiary of said fiduciary, or by a principal or employee of such other

entity, respectively, or by Family Members or guests of any of the foregoing, and any other occupancy shall be considered a leasing subject to the requirements of Article 7 of the Declaration. Additionally, in no event shall a portion of the Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this Section 5.12(A)) may be accommodated therein.

Notwithstanding the foregoing or anything else contained in the Offering Plan, Sponsor or its designees may, without the consent of either the Board of Managers or the Unit Owners use any one or more Unsold Units as model apartments and offices for selling, renting, management, operation and promotion of the Units owned by Sponsor or its designee or for any lawful purpose.

(B) The Retail and Office Units and any Units resulting from the subdivision thereof may be used for retail business, commercial and professional purposes or for any other lawful purpose in the sole discretion of Sponsor or other owner of such Unit.

(C) The Garage Unit and any Units resulting from the subdivision thereof may be used for accessory parking and for any other lawful purpose in the sole discretion of Sponsor or other owner of the Garage Unit.

(D) 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.

(E) No nuisances shall be allowed on the Property nor shall any use or practice be allowed that either is a source of unreasonable annoyance to its residents or interferes with the peaceful possession or proper use of the property by its residents or occupants.

(F) 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 having jurisdiction thereof, relating to any portion of the Property, shall be complied with, 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.

(G) No portion of a Residential Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein.

(H) Dogs, cats or other common household pets may be kept in Residential Units, but only with the prior written consent of the Board of Managers, or as to purchasers from Sponsor, with the prior written consent of Sponsor delivered at the time of closing of title, and subject to the rules and regulations adopted by the Board of Managers from time to time, including those pertaining to the size of a pet and the permitted level of noise. In no event will any dog be permitted in any portion of the Common Elements unless carried or on a leash.

Section 5.13 Additions, Improvements or Alterations by the Board of Managers. All alterations, additions or improvements in or to any Common Elements shall be made either by the Board of Managers or Unit Owner required to maintain such Common Elements and the cost and expense thereof shall be charged either to all Unit Owners as a Common Expense or to all Residential Unit Owners as a Residential Common Expense, or to the Unit Owner responsible therefor, as the case may be. Whenever in the judgment of the Board of Managers the Common Element shall require additions, alterations or improvements costing in excess of \$250,000 in the aggregate in any calendar year, the making of such additions, alterations or

improvements shall require approval by a majority of the Unit Owners or Residential Unit Owners, as applicable, present and voting at a meeting at which a quorum is present (including Sponsor as owner of Unsold Units), and if so approved, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess the appropriate Unit Owners for the cost thereof as a common charge. Any additions, alterations or improvements costing in the aggregate \$250,000 or less in any calendar year 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 foregoing, for so long as Sponsor or its designee shall own Units representing at least 25% of the Common Interests, but not more than five (5) years from the First Closing, no additions, alterations or improvements shall be made to the Common Elements, regardless of the cost thereof, unless the consent of Sponsor or its designee is first obtained pursuant to Section 2.4 hereof, or such action is required by law.

Section 5.14 Additions, Alterations, or Improvements by Unit Owners. Subject to the terms of Article 12 of the Declaration:

(A) No Residential Unit Owner shall make any structural addition, alteration or improvement in or to his Unit or any Residential Limited Common Elements appurtenant thereto, without the prior written approval of the Board of Managers. The Board of Managers is required 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 receipt of a complete set of documents and information as to the proposed addition, alteration or improvement, and independent architectural review, if necessary, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers to the proposed addition, alteration or improvement. The Unit Owner can make any non-structural alterations or improvements to the Unit he desires without obtaining the consent of the Board of Managers, but with not less than ten (10) days prior written notice to the Board of Managers and compliance with the provisions of Section 5.14(B) below, so long as the alterations or improvements do not affect the Building or any Common Element, jeopardize the soundness or safety of the Property, reduce the value thereof or impair any easement therein.

(B) No Unit Owner shall make any structural addition, alteration or improvement in or to a Unit or Limited Common Element nor any non-structural addition, alteration or improvement, without first (i) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe, and (ii) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, and (iii) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from his alterations, additions or improvements. Unit Owners shall be responsible for paying to the Managing Agent a reasonable fee, as established by the Board of Managers, for the processing of applications for consent to alterations.

(C) 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 to any Unit or Limited Common Element will be executed by the Board of Managers without, however, 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. All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner until conveyance of the Unit, at which time such responsibility shall pass to and be assumed by the transferee and the successors and assigns of such transferee.

(D) The provisions of this Section 5.14 shall not apply to Units owned by Sponsor or its designee, including both Residential Units and Commercial Units, until such Units shall have been initially sold or conveyed, and any additions, alterations and improvements by Sponsor or its designee shall be governed solely by the applicable provisions of Article 12 of the Declaration. The provisions of this Section 5.14 shall also not apply to the Commercial Unit Owners (other than the Sponsor) except that the provisions of Sections 5.14(B)(i) and (iii) and 5.14(C) shall apply to a Commercial Unit Owner other than the Sponsor or its designee, and otherwise such additions, alterations and improvements by the Commercial Unit Owners other than the Sponsor or its designee shall be governed solely by the applicable provisions of Article 12 of the Declaration.

(E) In addition to the requirements set forth above in this Section 5.14, until a permanent Certificate of Occupancy is obtained for the Building, no Unit Owner shall make any alterations in or to its Unit without first notifying Sponsor of the same in writing and complying with Sponsor's requirements with respect to the same. Such requirements may include, without limitation, the following:

- (i) such work shall not include any change that would result in a delay in obtaining a temporary or permanent Certificate of Occupancy for the Building, or any amendment thereto, or extension of the same if theretofore issued;
- (ii) such Unit Owner shall post a bond or similar security that is reasonably acceptable to Sponsor in an amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with respect to such work and the completion of the same with all governmental authorities having jurisdiction;
- (iii) such work shall not be commenced until such Unit Owner causes all required plans, specifications, notices and/or certifications to be filed all governmental authorities having jurisdiction, processes all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices certifications, permits and licenses to Sponsor;
- (iv) such work shall be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;
- (v) Sponsor and its representatives shall be given reasonable opportunity from time to time, to inspect such work as it progresses;
- (vi) promptly after the completion of such work, all necessary inspections and approvals of the same shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certification;
- (vii) such Unit Owner shall indemnify, defend and hold Sponsor harmless from any cost, expense, claim or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim or liability incurred or suffered by Sponsor due to any violation of a legal requirement or due to any delay in obtaining a temporary or permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the same if theretofore issued) as a result of such work or the failure to timely make all appropriate governmental filings in connection with the same; and
- (viii) all contractors shall be duly licensed to the extent required by applicable legal requirements and, if required under any contract with any union whose members are performing services at the

Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Board), such work shall be performed solely by union member.

If any Unit Owner commences any such Alternations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the same, Sponsor shall be entitled to cause such work by such Unit Owner to be halted, including, without limitation, causing the Managing Agent to deny access to the Building to the Unit Owner's workers and suppliers, until such Unit Owner so complies. During the period until such Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to cause to be performed (whether by Sponsor, its designee or otherwise) any and all work in and to such Unit Owner's Unit as shall be necessary, in Sponsor's or its designee's sole judgement, in order to avoid any delay in obtaining a temporary or permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the same if theretofore issued), whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Unit Owner. The cost and expense of any such work so performed shall be borne by such Unit Owner and shall be paid to Sponsor within 15 days of Sponsor's written demand therefor.

Section 5.15 Use of Common Elements and Facilities. No furniture, packages or objects of any kind shall be placed on the grounds, walks, common entrances, common terrace, lobbies, public halls, service corridors or other public areas, or any other part of the Common Elements, other than areas which may be designated as storage areas. The lobbies, public halls, service corridors and other public areas shall be used only for the purposes established by the Board of Managers from time to time. Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator(s) designated by the Board of Managers for transporting packages, merchandise or any other objects which may affect the comfort or well being of the passengers of the elevators used for transportation of Unit Owners, residents and guests. The provisions of this Section 5.15 shall not apply to Sponsor or its designee until such time as all Units have been initially sold and conveyed by Sponsor or its designee. However, Sponsor or its designee shall not use the Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

Section 5.16 Right of Access. Each Unit Owner shall grant a right of access to his Unit to the Board of Managers, the Managing Agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections to determine if there exist conditions threatening another Unit or a Common Elements, or violations of the By-Laws or Rules and Regulations of the Condominium or any State or Municipal ordinances, or for the purpose of correcting any conditions originating in the Unit and threatening another Unit or a 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, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for such entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner, and further provided that such right shall be exercised in such manner as will not unreasonably interfere with the normal use of the Units. In case of an emergency where action is immediately necessary for the preservation or safety of the Building or residents or required to avoid the suspension of any necessary service to the Condominium, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In exercising any such emergency right of access to or entry to any Unit pursuant to the preceding sentence, the Board of Managers or its Managing Agent shall prior to entry upon such Unit the demised premises, except in case of emergency, make reasonable effort to give Tenant notice thereof, which notice may be by telephone, e-mail or other means other than as provided in Section 10.1 hereof. In the exercise of the right of access provided in this Section 5.16, any costs for repairs shall be borne in accordance with the provisions of Section 5.10 hereof.

Section 5.17 Rules and Regulations. Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A.

Section 5.18 Real Estate Taxes, Water Charges and Sewer Rents.

(A) In the event that the Units have not been separately assessed for real estate tax purposes prior to the First Closing, real estate taxes on the Property, until such time as the Units are separately assessed, shall be included as part of the Common Expenses of the Condominium. Accordingly, the Board of Managers will pay all real estate taxes with respect to the Condominium and will allocate the entire cost thereof among all Unit Owners in the proportion of each Unit's Common Interest and the Board will have a lien on each Unit for non-payment thereof, as if such charges were Common Charges. After the Units have been separately assessed: (i) each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment, nor will his Unit be subjected to any lien arising from the non-payment, of taxes on other Units, and (ii) Unit Owners will be reimbursed for any overpayment of taxes which they may have made to the Board of Managers or assessed for any underpayment of taxes, as the case may be.

(B) Water shall be supplied to all of the Units and the Common Elements through one or more Building meters. Unless Unit Owners are billed directly by the City Collector, the Board of Managers shall pay all water charges, together with all related sewer rents arising therefrom, as a Common Expense, provided that this charge shall be specially allocated and apportioned based on separate meters for the Commercial Unit and the Residential Units, if any.

(C) In the event of a proposed sale of any Unit, for so long as the Board of Managers is still paying such real estate taxes, water charges or sewer rents, the Board of Managers, or the Managing Agent on its behalf, shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing promptly to pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

Section 5.19 Heating; Gas and Electricity. Hot water and gas for heat shall be supplied to all of the Units and the Common Elements by the Condominium and the Board of Managers shall pay for the cost of providing hot water and gas for heat as a Common Expense, provided that this charge shall be specially allocated and apportioned as provided in the Section 5.1 hereof. Unit Owners shall be obligated, as provided below, to pay for all electric charges in connection with any heating equipment within the Units. Gas for cooking and laundry rooms shall be supplied to Residential Units by the Condominium and the Board of Managers shall pay for the cost of gas for cooking and laundry rooms to Residential Units as a Residential Common Expense. Electricity to the Units is separately metered and billed directly to respective Unit Owners by the utility company. Electricity to the Common Elements is provided through one or more Building meters. The Board of Managers shall pay all electricity charges as a Common Expense, provided that this charge shall be specially allocated and apportioned as provided in the Section 5.1 hereof to the Residential Unit Owners for electricity provided to the Residential Common Elements and among the Residential Unit Owners, Retail Unit Owner and Office Unit Owner for electricity to Common Elements shared only by such Unit Owners. The Board of Managers shall have the right to change the manner in which electricity is provided to Residential Units, whether through submetering or other manner of measuring electrical consumption within Residential Units, and in the event the Board of Managers may either continue to pay electricity charges, but specially allocate the cost of electricity to Unit Owners based on such method of measuring consumption or require Unit Owners to pay electricity charges to the utility

company, in either of which events electricity charges shall no longer be a Common Expense.

ARTICLE 6 MORTGAGES

Section 6.1 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 6.2 Notice of Unpaid Common Charges or Other Default. The Board of Managers, whenever requested in writing by a Permitted Mortgagee, shall promptly report to such Permitted Mortgagee any default by his mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Board of Managers has knowledge then exists.

Section 6.3 Notice of Default. When giving notice to a Unit Owner of any default in paying Common Charges or other default, the Board of Managers shall send a copy of such notice to each Permitted Mortgagee whose name and address has theretofore been furnished to the Board of Managers.

Section 6.4 Examination of Books. Each Unit Owner and each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, on not less than three (3) business days' prior written notice, but not more frequently than once a month.

Section 6.5 Consents by Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Board of Managers or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of Section 6.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

Section 6.6 Mortgage Representatives. The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than three (3) Mortgage Representatives by giving written notice thereof to the Board of Managers, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph 6.6 shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Board of Managers. Unless otherwise required by law, no holders of mortgages encumbering Units other than Institutional Lenders who hold Permitted Mortgages shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

ARTICLE 7 SALES, LEASES AND MORTGAGES OF UNITS

Section 7.1 Sales and Leases. Subject to the terms of Sections 7.7, 7.8 and 7.9 hereof, no Residential Unit Owner may sell or lease his Unit or any interest therein except by complying with the following provisions:

(A) Subject to By-Laws. Any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit shall contain the following language: “THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE BOARD OF MANAGERS OF PISTILLI GRAND MANOR CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF ARTICLE 7 OF THE BY-LAWS OF THE SAID CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED”. The time limits contained in this Section 7.1 with respect to Board action may be extended in the sole discretion of the Board of Managers.

(B) Notice of Outside Offer. Any Residential Unit Owner (an “Offeree Unit Owner”) who (i) receives a bona fide offer for the sale of his Unit together with its Appurtenant Interest, which he intends to accept, or who enters into any Contract of Sale for the sale of his Unit; or (ii) receives a bona fide offer to lease his Unit, which he intends to accept, or who enters into any Lease for his Unit (each instance of (i) or (ii) above hereinafter called an “Outside Offer”) shall give notice thereof to the Board of Managers within thirty (30) days from receipt of written notice thereof of such offer and of such intention, or within ten (days) from when such Contract of Sale or Lease shall be fully executed, which notice shall be accompanied by a fully executed, original counterpart of the Contract of Sale or Lease if one has been executed, the name and address of the proposed purchaser or tenant (the “Outside Offeror”), the terms of the proposed transaction and such other information as the Board of Managers may reasonably require.

(C) Offer to Board of Managers. The sending of the notice referred to in this Section 7.1(B) shall constitute an offer by such Offeree Unit Owner to sell his Residential Unit, together with its Appurtenant Interests, or to lease his Unit on the same terms and conditions as are contained in the Outside Offer, subject, however, to any variance therefrom provided in Section 7.1(D), to: (i) the Board of Managers or to its designee, corporate or otherwise, on behalf of all Unit Owners (a “Board Designated Purchaser”), or (ii) to a purchaser produced by the Board of Managers who will purchase such Residential Unit together with its Appurtenant Interests for his or its own account (a “Produced Purchaser”), or in the case of a Lease, (iii) to a tenant produced by the Board of Managers. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Board of Managers, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Outside Offer, including any Contract of Sale or Lease, to be bona fide in all respects. Thereafter, upon the written demand of the Board of Managers, the Offeree Unit Owner shall submit to the Board of Managers, in writing, such further information with respect to the Outside Offeror and the Contract of Sale as the Board of Managers may reasonably request.

(D) Election by Board of Managers. Within thirty (30) days after receipt of a notice from an Offeree Unit Owner as set forth in Section 7.1(B), the Board of Managers may elect, by notice to such Offeree Unit Owner, (i) to purchase or lease such Residential Unit, together with the Appurtenant Interests (or to cause the same to be purchased or leased by a Board Designated Purchaser), on behalf of all Unit Owners, or (ii) to produce a Produced Purchaser or tenant who will purchase or lease such Residential Unit together with its Appurtenant Interests, and in either event on the same terms and conditions as are contained in the Outside Offer and as stated in the notice from the Unit Owner and modified by this Section 7.1(D). In the event the Board of Managers shall elect to purchase the Residential Unit or to have the Residential Unit purchased by a Board Designated Purchaser or a Produced Purchaser, title shall close at the office of the attorneys for the purchaser in accordance with the terms of the Outside Offer but not less than forty-five (45) days after the giving of notice by the Board of Managers of its election to purchase or have the Residential Unit so purchased. At the closing, the Offeree Unit Owner shall convey the Residential Unit and

Appurtenant Interests to the Board of Managers, the Board Designated Purchaser or the Produced Purchaser, as applicable, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Outside Offer or Contract of Sale to the contrary. Real estate taxes (including water charges and sewer rents, if separately assessed), mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Board of Managers, the Board Designated Purchaser or the Produced Purchaser as of the closing date, notwithstanding any terms of the Outside Offer or Contract of Sale to the contrary.

(E) Failure of Board of Managers to Accept Offer. In the event the Board of Managers shall fail to accept such offer or to produce a Board Designated Purchaser or a Produced Purchaser or a tenant within thirty days as aforesaid, or fails to act within said thirty-day period, the Offeree Unit Owner shall be free to contract to sell or lease such Residential Unit, together with the Appurtenant Interest, within sixty days after the expiration of the period in which the Board of Managers might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the Offeree Unit Owner to the Board of Managers of such Outside Offer. In the event the Offeree Unit Owner shall not, within such sixty day period, contract to sell or lease such Residential Unit, together with the Appurtenant Interests to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Offeree Unit Owner has contracted or shall so contract to sell or lease his Residential Unit and the Appurtenant Interests with such sixty-day period, but such sale shall not be consummated or such lease commence pursuant to the terms of such contract, then should such Offeree Unit Owner thereafter elect to sell or lease such Residential Unit, together with the Appurtenant Interest, to the same or another Outside Offeror on the same or other terms and conditions, the Offeree Unit Owner shall be required to again comply with all of the terms and provisions of this Section 7.1.

(F) Transferee's Assumption; Power of Attorney. Any deed or lease of a Unit and its Appurtenant Interests to a transferee shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner, upon the request of the Board of Managers, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney required in Article 14 of the Declaration in the form set forth as Exhibit E to the Declaration.

Section 7.2 Consent of Unit Owners to Purchase of Residential Units by Board of Managers. The Board of Managers shall not exercise any option set forth in Section 7.1 to purchase any Residential Unit or to produce a Board Designated Purchaser without the prior approval of a majority in Common Interests of the Unit Owners, but this restriction shall not apply to an election by the Board of Managers to produce a Produced Purchaser or to lease or produce a tenant to lease a Unit, which elections may be made by the Board of Managers.

Section 7.3 No Severance of Ownership. No Unit Owner shall execute any deed or any other instrument conveying title to his Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be 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, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.3, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.4 Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 7.1 hereof may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold or conveyed, free and clear of such Section 7.1.

Section 7.5 Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by the Secretary or other officer of the Condominium or the Managing Agent, stating that the provisions of Section 7.1 hereof have been met by a Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Board of Managers and that, as a result thereof, the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and all Unit Owners in favor of all persons who rely upon such certificate in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 7.1 hereof or in respect to whom the provisions of such section have been waived or do not apply upon request, at a reasonable fee payable to the Managing Agent.

Section 7.6 Financing of Purchase of Units by Board of Managers. Acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to his interest in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Sections 5.6 and 5.7, and/or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance on or a hypothecation of any property other than the Unit to be purchased together with its Appurtenant Interests so to be acquired by the Board of Managers.

Section 7.7 Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the provisions of this Article 7.

Section 7.8 Leases. In addition to the terms of Section 7.1 hereof and subject to the terms of Section 7.9 hereof, no Residential Unit Owner may lease his Residential Unit for any short-term or transient tenancy. For purposes hereof, the term "short-term" shall mean a term of less than one (1) year.

Section 7.9 Exceptions. The restrictions set forth in Sections 7.1 and 7.8 hereof shall not apply with respect to any lease, sale or conveyance of a Residential Unit, together with its Appurtenant Interests, by: (i) a Unit Owner to any of his adult Family Members, to any combination of the same, or to a trust for the benefit of any of them; (ii) Sponsor or its designee; (iii) the Board of Managers or a Board Designated Purchaser; (iv) a party conveying a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or (v) any Permitted Mortgagee or his nominee, who has acquired title to any Residential Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction, provided, however, that each succeeding Residential Unit Owner shall be bound by, and his Unit shall continue to be subject to, all of the terms and conditions of this Article 7. In addition, the terms and conditions contained in Sections 7.1 and 7.8 (other than 7.1(F) which shall apply) hereof shall in no event apply to a sale, lease or conveyance of all or a portion of the Commercial Unit, together with its Appurtenant Interest. Sponsor or its designee and the Commercial Unit Owners from time to time shall have the right to freely sell their Units or to freely lease all or any of them without having to offer the same for sale or lease to the Board of Managers or otherwise subject to the restrictions set forth in Sections 7.1 and 7.8 hereof. The provisions of this Section 7.9 may not be amended without the consent of Sponsor or its designee as to Unsold Units or the Commercial Unit Owners as to the Commercial Unit.

Section 7.10 Voidable Transactions. Any purported sale or lease of a Residential Unit consummated in violation of this Article 7 shall be voidable in the sole discretion of the Board of Managers.

Section 7.11 Payment of Assessments. No Residential Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless he shall have paid in full to the Board of Managers all unpaid Common Charges and Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

Section 7.12 Mortgage of Units. Subject to the Sections 6 and 7.11, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that any such mortgage shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional lender to make the mortgage loan.

ARTICLE 8 CONDEMNATION

Section 8.1 In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements (including but not limited to any Residential Limited Common Elements), the award made for such taking shall be payable to the Board of Managers if such award amounts to \$250,000 or less, and to the Insurance Trustee, if such award amounts to more than \$250,000. 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 or Insurance Trustee, as the case may be, 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 Elements, the Board of Managers or the Insurance Trustee, as the case may be, 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 5.3 of these By-Laws.

ARTICLE 9 RECORDS AND AUDITS

Section 9.1 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. A copy of a proposed annual budget of the Condominium shall be submitted by the Board of Managers to all Unit Owners, to be received not less than ten (10) days prior to the date set for adoption thereof by the Board of Managers. An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board of Managers to all Unit Owners within four and one-half (4-1/2) months after the end of each fiscal year. During any period in which Sponsor controls the Board of Managers, such report shall be certified by a certified public accountant. The cost of such report shall be paid by the Board of Managers as a Common Expense. The books and records of the Condominium, including copies of the Declaration and these By-Laws, shall be subject to inspection

by Unit Owners and by mortgagees of Units at reasonable times, during reasonable business hours, on not less than three (3) business days' prior written notice.

ARTICLE 10 MISCELLANEOUS

Section 10.1 Notices. All notices required or desired to be given hereunder (except notices of regular annual or special meetings of Unit Owners and except notices of all meetings of the Board of Managers) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed: (a) if to the Board of Managers, to the Board of Managers at its principal office as set forth in Section 1.4 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address; (b) if to a Unit Owner other than Sponsor or its designee, to such Unit Owner at his address at the Property or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers; (c) if to Sponsor or its designee, to Sponsor or such designee at c/o Tex Development Co., LLC, 37-08 28th Avenue, Suite 300, Astoria, NY 11103; and (iv) to Permitted Mortgagees at their respective addresses as designated by them from time to time in writing to the Board of Managers. Any of the foregoing parties may change the address to which notices and/or copies of notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 10.1 shall be deemed given when deposited in a United States Postal Service depository located in the State of New York enclosed a sealed, postage prepaid wrapper, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 10.2 Waiver of Service of Notice. Whenever any notice is required to be given by law pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 10.3 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 10.4 Captions. The index hereof and the captions herein inserted are included 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 hereof.

Section 10.5 Gender. A reference in these By-Laws 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.

Section 10.6 Waiver. No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 10.7 Insurance Trustee. The Insurance Trustee shall be a bank or trust company in either event having both an office in the City of New York and a capital surplus or undivided profits of \$250,000,000 or more from time to time appointed to serve as such by the Board of Managers. In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank or trust company having the same qualifications shall be designated by the Board of Managers. The Board of Managers shall

pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

Section 10.8 Sponsor or Commercial Unit Owner Rights and Remedies. Whenever, pursuant to any provision of these By-Laws, the consent, approval, satisfaction or permission of Sponsor or its designee or the Commercial Unit Owners is required, the granting of such consent, approval, permission or acknowledgment of satisfaction shall be solely in the discretion of the party whose consent, approval, satisfaction or permission is required and no standard of reasonableness shall be imposed on such party. If the Board of Managers, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Board of Managers; such Unit Owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor or its designee or the Commercial Unit Owners, then Sponsor or its designee or the Commercial Unit Owners is hereby authorized, as attorney in-fact for the Board of Managers, such Unit Owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other Person, and such document or action shall be binding on the Board of Managers, such Unit Owner or other Person.

ARTICLE 11 AMENDMENTS TO BY-LAWS

Section 11.1 Generally. Except as otherwise provided herein and in the Declaration, these By-Laws may be modified or amended by the vote of at least 66 2/3% in aggregate Common Interests of all Unit Owners cast in person or by proxy at a meeting duly held in accordance with the provisions of these By-Laws, or, in lieu of a meeting, by written amendment as provided in these By-Laws. Notwithstanding anything herein to the contrary: (a) no provision of these By-Laws, the Rules and Regulations or the Declaration relating thereto which adversely affects the lien of any mortgage on a Unit shall be effective without the written consent of the affected Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed, and (b) no provision of these By-Laws, the Rules and Regulations or the Declaration relating thereto relating to the use of a Unit Owner's Unit or the allocation of Common Interest appurtenant to a Unit Owner's Unit may be amended without the consent of the Unit Owner affected by such amendment. Further, these By-Laws, the Rules and Regulations or the Declaration may not be modified, added to or amended so as to eliminate, change or impair any rights, powers, easements, privileges or benefits reserved to a Unit Owner, or so as to adversely affect such Unit Owner, without the written consent of the affected Unit Owner.

Section 11.2 Commercial Unit Owner Amendments. Sponsor or its designees and every subsequent Owners of the Commercial Units shall have the right, to execute or (on request of the Commercial Unit Owners) to require the Board of Managers to duly execute and record, in the City Register's Office, and elsewhere if required by law, an amendment or amendments to these By-Laws (together with such other documents, plans and maps as may be required to effectuate same), at any time, without the requirement of a vote and without the approval or consent of any Unit Owner or Mortgage Representatives, for the purposes of (i) documenting any changes to the Commercial Unit permitted pursuant to Section 12B of the Declaration, or (ii) making insubstantial changes to these By-Laws as to the Commercial Unit. All expenses in connection with the preparation, recording and filing of any such amendment shall be paid by the Commercial Unit Owners.

Section 11.3 Sponsor Amendments. Sponsor or its designees shall have the right, to execute or (on request of Sponsor or its designee) to require the Board of Managers to duly execute and record, in the

City Register's Office, and elsewhere if required by law, an amendment or amendments to these By-Laws (together with such other documents, plans and maps as may be required to effectuate same), at any time, without the requirement of a vote and without the approval or consent of any Unit Owner or Mortgage Representatives, for the purposes of (i) documenting any changes to any Residential Unit permitted pursuant to Section 12C of the Declaration, or (iii) making insubstantial changes to these By-Laws as to any Unsold Residential Unit. All expenses in connection with the preparation, recording and filing of any such amendment shall be paid by Sponsor or its designee.

Section 11.4 Restrictions on Amendments. Notwithstanding anything herein to the contrary in these By-Laws, the following provisions of these By-Laws may not be amended, without the consent in writing of Sponsor or its designee so long as Sponsor or its designee owns any Unit, and without the consent in writing of Sponsor or its designee and all subsequent owners of the Commercial Unit or any Units resulting from the subdivisions thereof:

(A) Section 2.2 insofar as it provides that the Board of Managers may not exercise certain powers without Sponsor's prior written consent, so long as Sponsor or its designee shall continue to own 25% or more of the Common Elements for a period of five years from the First Closing;

(B) Section 2.16 insofar as it provides for representation of Sponsor or its designee on the Executive Committee or any other committee created by the Board of Managers so long as Sponsor may designate a member of the Board;

(C) Section 5.1 insofar as it provides that certain expenses shall be specially allocated and apportioned based on special or exclusive use or availability or exclusive control of the common areas by particular Units to the Unit Owners thereof and Sections 5.10 and 5.11 insofar as they provide which expenses have been specially allocated apportioned to Unit Owners of Units having special or exclusive use or availability or exclusive control of common areas;

(D) Section 5.14 insofar as it provides that the provisions of such Section shall not apply to any Units owned by Sponsor or its designee or the assignee as to the Commercial Units and that the owner(s) of the Commercial Units and the owners of any Units resulting from the subdivision thereof shall have the right to make alterations, additions and improvements thereto and to subdivide and combine Units and later the boundary walls thereof;

(E) Section 7.9 insofar as it provides that the provisions of Section 7.1 shall not apply with respect to a sale or lease of any Residential Unit owned by Sponsor or its designee or to a sale or lease of the Commercial Units or any Units resulting from the subdivision thereof;

(F) Any provision of these By-Laws, the Rules and Regulations or the Declaration relating thereto in the event if the interest of Sponsor or its designee is adversely affected by any such proposed amendment, modification, addition or deletion, or any of the rights, powers, easements, privileges or benefits reserved to Sponsor or its designee are eliminated, changed or impaired thereby;

(G) Any provision of these By-Laws, the Rules and Regulations or the Declaration relating thereto if the interest of the Commercial Unit Owners is adversely affected by any such proposed amendment, modification, addition or deletion, or any of the rights, powers, easements, privileges or benefits reserved to the Commercial Unit Owners are eliminated, changed or impaired thereby; and

(H) This Article 11.

ARTICLE 12
CONFLICTS

Section 12.1 The By-Laws and the Rules and Regulations are intended to comply with the requirements of the Condominium Act and all other applicable laws. In case any of these By-Laws or any provision of the Rules and Regulations conflict with the provisions of said statute, the Declaration or any other applicable law, the provisions of said statute, the Declaration or such other applicable law, as the case may be, shall control.

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SCHEDULE A

RULES AND REGULATIONS OF PISTILLI GRAND MANOR CONDOMINIUM

1. Except for the rights of the Commercial Unit Owners, the sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a Family Member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the building by another vehicle.

2. No tricycles, bicycles, scooters, or similar vehicles shall be taken into or from the Building through the main entrance or shall be allowed in any of the elevators of the Building other than the elevator designated by the Board of Managers or the Managing Agent for such purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways or other public areas of the Building.

3. All service and delivery persons will be required to use the service entrance or such other entrance of the Building designated by the Board of Managers. In addition, all messengers and tradespeople visiting the Building shall use the elevator designated by the Board of Managers or the Managing Agent for the purposes of ingress and egress, and shall not use any of the other elevators for any purpose.

4. Trunks and heavy baggage shall be taken in or out of the Building only by the elevator designated by the Board of Managers or the Managing Agent for that purpose and only through the service entrance.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

6. The storage rooms of the Building, if any, shall be used by all Unit Owners, in common, only for the storage of trunks, bags, suitcases and packing cases, all of which shall be empty, and for the storage of such other articles as the Board of Managers, in its sole discretion, may determine. Supervision, management and control of the storing in and removal of a Unit Owner's property from the storage rooms is vested in the Board of Managers. The use of the storage rooms shall be at the sole risk of the Unit Owner or other person using the same, and the Board of Managers, its agents or the Managing Agent shall not be liable for any injury to person, loss by theft or otherwise, or damage to property, whether due to the negligence of the Board of Managers, its agents, the Managing Agent or otherwise.

7. No refuse from the Units shall be sent to the cellar of the Building, except at such times and in such manner as the Board of Managers or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows or open terraces, or placed upon the window sills of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

8. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Board of Managers.

9. The Board of Managers or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Building.

10. Nothing shall be done or be kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his Family Members, agents, servants, employees, licensees or visitors shall, at any time, bring into or keep in his Unit or any Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or the Common Elements.

11. There shall be no barbecuing in the Units, in their appurtenant Residential Limited Common Elements, or in the General or Residential Common Elements, except for those areas (if any) specifically designated for barbecuing by the Board of Managers.

12. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Residential Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 a.m., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 p.m. and the following 9:00 a.m. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 a.m. and 5:00 p.m., unless such construction or repair work is necessitated by an emergency.

13. No Residential Unit Owner shall install any plantings on any terrace without the prior written approval of the Board of Managers. Plantings shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with a floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace, but shall stand, on supports at least two inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

14. No group tour or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the consent of the Board of Managers or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

15. No ventilator or air-conditioning device shall be installed in any Residential Unit without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers.

16. No radio or television aerial, satellite dish or related equipment shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limit "For Sale", "For Lease" or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of the Declaration and/or the By-Laws or shall have been approved in writing by the Board of Managers or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

17. All radio, television, computer, communications or other electrical 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, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, computer, communications or other electrical equipment.

18. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

19. Each Unit Owner shall keep his Unit and its appurtenant Limited Common Elements in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

20. The agents of the Board of Managers or the Managing Agent, and any contractor or workers authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

21. The Board of Managers or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit entry to his Unit at any time when entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

22. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall (except as provided in Rule 21 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

23. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roof of the Building.

24. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

25. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

26. Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to the Managing Agent.

ESCROW AGREEMENT

AGREEMENT made this 5th day of December, 2007, between **TEX DEVELOPMENT CO., LLC** having an address at 37-08 28th Avenue, Suite 300, Astoria, NY 11103("Sponsor") as holder of unsold shares under the plan and **CUTLER MINIKES & ADELMAN LLP** having an office at 708 Third Avenue, New York, New York 10017, ("Escrow Agent") as escrow agent.

WHEREAS, Sponsor is the sponsor an plan to convert to condominium ownership the premises located at 45-02 Ditmars Boulevard; and

WHEREAS, Escrow Agent is authorized 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; and

WHEREAS, Sponsor desires that Escrow Agent act as escrow agent for deposits and payments by purchasers and subscribers, 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 hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 Sponsor and Escrow Agent hereby establish an escrow account with Escrow Agent for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with New York Community Bank, 1400 Old Northern Boulevard, Roslyn, NY 11576. The account number is [to be obtained when account opened].

1.2 The name of the account is Cutler Minikes & Adelman LLP Pistilli Grand Manor Escrow Account.

1.3 Andrew N. Cutler, Jonathan Z. Minikes, and Richard B. Adelman are the signatories on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the Plan.

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of Cutler Minikes & Adelman LLP, as escrow agent. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the subscription of

purchase agreement, (unless otherwise requested by the purchaser), Escrow Agent shall notify the purchaser of the deposit of such funds in the bank indicated in the plan and provide the account number. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the 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. 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 Attorney General's regulations and requisite notice was timely mailed to the subscriber or purchaser. A deposit shall be deemed "tendered": (i) if the check is post-dated, on the date written on the check; (ii) if the check is submitted by mail, five days after the mailing is post-marked; and (iii) if the check is submitted together with a Contract of Sale which has been altered by the purchaser, on the date on which modifications are agreed to by all parties.

3. RELEASE OF FUNDS.

3.1 Escrow Agent shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve Sponsor of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 Escrow Agent shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both Sponsor and purchaser (the provision of the Contract of Sale authorizing release at the closing is sufficient for this purpose) or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or (d) a writing signed by the Sponsor pursuant to the provisions of paragraph 3.4 or (e) until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 Sponsor shall not object to the release of the escrowed funds to a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan.

3.4 If there is no written agreement between the parties to release the escrowed funds, Escrow Agent shall not pay the funds to Sponsor until Escrow Agent has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to Sponsor unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions.

4. RECORDKEEPING.

4.1 Escrow Agent shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the 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 transfer.

4.3 Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and Purchasers, and Escrow Agent acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

6.1 Sponsor agrees that Sponsor 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 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. RESPONSIBILITIES OF ESCROW AGENT.

7.1 Escrow Agent is acting as an accommodation to the Sponsor and shall not be liable for any action taken or omitted hereunder except for its gross negligence or willful misconduct. Escrow Agent shall incur no liability with respect to any action taken or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other paper or document reasonably believed by it to be genuine.

7.2 Escrow Agent shall not be bound by any modification, cancellation or rescission of this Agreement unless it is in writing and signed by both parties and delivered to it.

7.3 The Sponsor agrees to indemnify and hold Escrow Agent harmless from any liability, obligation, damage, claim, penalty, cost and expense, including reasonable attorneys fees (either paid to retain attorneys or representing the fair value of legal services rendered by Escrow Agent to itself) and disbursements, incurred by it by reason of this Agreement and the actions contemplated herein, except for Escrow Agent's gross negligence or willful misconduct.

7.4 Escrow Agent shall not be liable or responsible for the collecting of any check deposited into an account under its supervision and will not be liable for the amount of interest earned or collected on the funds in the escrow account or for any losses resulting from the failure of the institution holding the escrow funds. The escrowed funds will be maintained in an account insured by the Federal Deposit Insurance Corporation and subject to the rules and regulations governing such accounts.

7.5 Escrow Agent may act only upon instructions from either party to this Agreement or their attorney, or in the event of a dispute, upon the instructions of the Attorney General or a court of competent jurisdiction. In the event Escrow Agent is uncertain as to Escrow Agent's duties or doubts the genuineness of any document or signature, Escrow Agent may refrain from taking any action and continue to hold the escrowed funds and interest until the uncertainty or genuineness is resolved or deposit them (or the amount in question) in a court of competent jurisdiction.

7.6 Except for such obligations imposed by Section 352-e-(2-b) and 352(h) of the General Business Law of the State of New York, Escrow Agent is acting as a stakeholder only with respect to the escrowed funds. Upon payment of funds in accordance with the terms of this Agreement and the Plan, the Escrow Agent will be discharged from liability by the Sponsor of Escrow Agent's obligations under this Agreement and the Plan, and will be discharged by the Purchaser as to compliance with requirements under the Attorney General's regulations.

7.7 Escrow Agent may represent the Sponsor in the event of any dispute or lawsuit, whether or not related to the escrowed funds or a purchase agreement with a Purchaser.

8. TERMINATION OF AGREEMENT.

8.1 This Agreement shall remain in effect unless and until it is canceled, by either:

- (a) Written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or
- (b) The resignation of Escrow Agent upon giving notice to Sponsor of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or
- (c) All shares of units offered pursuant to the plan have been sold and all sales transactions have been consummated.

8.2 Upon termination of the duties of Escrow Agent as described in paragraph 7.1 above, Escrow Agent shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new escrow agent.

9. SUCCESSORS AND ASSIGNS.

9.1 This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

10. GOVERNING LAW.

10.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

11. ESCROW AGENT'S COMPENSATION.

11.1 Sponsor 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 circumstance.

12. SEVERABILITY.

12.1 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.

13. ENTIRE AGREEMENT.

13.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

14. CHANGES AND WAIVERS.

14.1 The provisions of this Agreement may be changed or waived only in writing signed by the party

to be charged, except the escrow and trust fund requirements of the Attorney General's regulations may not be changed or waived.

14.2 The failure to insist on strict performance of any provision will not mean that the provision has been waived or that the right to insist thereafter on strict performance of that or any other provision has been waived.

15. NOTICES.

15.1 Unless otherwise specifically provided for herein, any notice, demand or other communication (collectively called "notice") to be given or made under this Agreement shall be in writing and either delivered by hand or sent by telecopier, overnight delivery or by registered or certified mail, return receipt requested, postage prepaid.

15.2 Each notice is to be sent to the parties at their respective addresses stated on page 1 of this Agreement. A notice to a Purchaser shall be sent to Purchaser's address for notices in the purchase agreement. Each party may change the address to which, or person to whom, notices are to be sent by sending written notice to the other of such change.

15.3 Unless otherwise provided in this Agreement, each notice will be considered given on the date delivered by hand or sent by telecopier, or the following business day if sent by overnight delivery or the third business day following the date of mailing in any branch, station or depository maintained by the United States Postal Service. However, a notice of a change of address or person will be not be deemed given until received.

15.4 Failure to accept a notice if deemed receipt of its and does not invalidate the notice or excuse the performance of any obligation.

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

ESCROW AGENT: **CUTLER MINIKES & ADELMAN LLP**

By: _____ /s/ _____
Richard B. Adelman, Member

SPONSOR: **TEX DEVELOPMENT CO., LLC**

By: _____ /s/ _____
Joseph Pistilli, Member

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CERTIFICATION OF SPONSOR AND PRINCIPALS

Re: PISTILLI GRAND MANOR CONDOMINIUM
45-02 Ditmars Boulevard
Astoria, NY 11105

STATE OF NEW YORK)
) ss:
COUNTY OF QUEENS)

We are the sponsor and the principals of sponsor of the condominium plan for the captioned property.

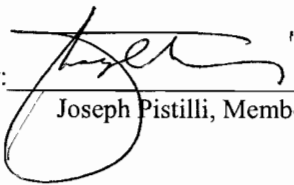
We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the 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 plan will:

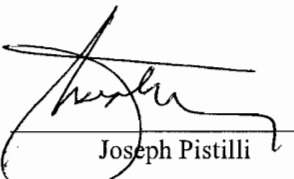
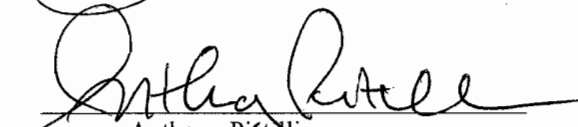
- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or 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 representation 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 violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

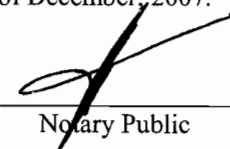
SPONSOR:
TEX DEVELOPMENT CO., LLC

By: 
Joseph Pistilli, Member

PRINCIPALS:


Joseph Pistilli

Anthony Pistilli

Sworn to before me this 5th
day of December, 2007.


Notary Public

PHILIP L. STRAUS
Notary Public, State of New York
No. 01ST3872150
Qualified in Nassau County
Commission Expires April 30, 2011

CERTIFICATION OF SPONSOR'S ENGINEER (OR ARCHITECT)

Re: PISTILLI GRAND MANOR CONDOMINIUM
45-02 Ditmars Boulevard
Astoria, NY 11105

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

The Sponsor of the offering plan to convert the captioned property to condominium ownership retained me/our firm to prepare a report disclosing the construction and/or renovation of the property (the "Report"). I/We visually inspected existing portions of the renovated property, if any, on November 30, 2006, and I/we examined the building plans and specifications prepared by Gerald J. Caliendo, R.A., A.I.A. dated April 18, 2003, and prepared the Report dated April 9, 2007 and revised November 19, 2007, a copy(ies) of which is (are) intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I/We understand that I am/we are 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.

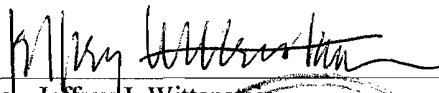
I/We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. I/we certify that the report and all documents prepared by me/us disclose all the material facts which were then discernible from a visual inspection of the property. This certification is made for the benefit of all persons to whom this offer is made. I/We certify that the Report based on my/our visual inspection:

- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/or construction provided that renovation and/or construction is in accordance with the plans and specifications that I/we examined;
- (ii) in my/our professional opinion affords 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 renovation and/or construction provided that renovation and/or construction is in accordance with the plans and specifications that I/we examined;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or 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/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/We further certify that I am/we are not owned or controlled by and have no beneficial interest in sponsor and that my/our 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.

Jeffrey J. Wittenstein Architect, P.C.

By: 
Name: Jeffrey J. Wittenstein
Title: Architect

Sworn to before me this 6th
day of December, 2007.


Notary Public

RICHARD B. ADELMAN
Notary Public, State of New York
No. 4711168
Qualified in Westchester County
Commission Expires August 31, 2010



Anne Teshima
New York State Certified General Real Estate Appraiser (lic. # 46-3236)
225 West 106th Street – Ste. 3H
New York, N. Y. 10025
(212) 223-1700 FAX: (212) 223-3867

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING
ADEQUACY OF BUDGET

Re: PISTILLI GRAND MANOR CONDOMINIUM
45-02 Ditmars Boulevard
Astoria, NY 11105

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

The sponsor of the condominium plan for the captioned property retained me/our firm to review or prepare Schedules B and B-1 and the footnotes thereto containing projections of income and expenses of the Condominium for the first year of operation. My/Our experience in this field includes consultation and appraisals for numerous cooperatives, condominiums, and rentals throughout the New York metropolitan area for over 22 years.

I/We understand that I/we am/are 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/We have reviewed the Schedule and investigated the facts underlying them with due diligence in order to form a basis for this certification. I/We also have relied on my/our experience in managing residential buildings.

I/We 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/We certify that the Schedules:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;

- (vi) does not contain any promise or 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/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.

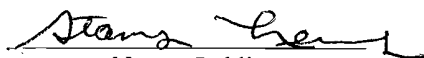
I/We further certify that I am/we are not owned or controlled by the sponsor. I/We understand that a copy of this certification is intended to be incorporated into the plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.



Anne Teshima
Certified General Real Estate Appraiser

Sworn to before me this 19th
day of November, 2007.


Notary Public

STANLEY LEIBOWITZ
Notary Public, State of New York
No. 31-2302825
Qualified in New York County
Cert. Filed in N.Y. Co. Clerk's Office
Commission Expires July 31, 2009

Anne Teshima
New York State Certified General Real Estate Appraiser (lic. # 46-3236)
225 West 106th Street – Ste. 3H
New York, N. Y. 10025
(212) 223-1700 FAX: (212) 223-3867

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING
ADEQUACY OF COMMON CHARGES PAYABLE
BY THE COMMERCIAL UNIT OWNER(S)

Re: PISTILLI GRAND MANOR CONDOMINIUM
45-02 Ditmars Boulevard
Astoria, NY 11105

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

The sponsor of the condominium offering plan for the captioned property retained me/our firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the commercial unit(s). My/Our experience in this field includes consultation and appraisals for numerous cooperatives, condominiums, and rentals throughout the New York metropolitan area for over 22 years.

I/We understand that I/we am/are 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 the commercial unit(s) listed in Schedule B.

I/We have reviewed the Schedule as it impacts upon the commercial unit(s) and investigated the facts underlying it with due diligence in order to form a basis for this certification. I/We also have relied on my/our experience in managing residential buildings.

I/We certify that the projections in Schedule B for common charges payable by the owners of commercial unit(s) appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit(s) also reflects special or exclusive use or availability or exclusive control of particular common areas.

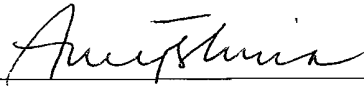
I/We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial unit(s):

- (i) set forth in detail the projected common charges for the commercial unit(s) for the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit(s);
- (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/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.

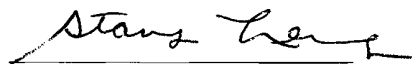
I/We further certify that I am/we are not owned or controlled by the sponsor. I/We understand that a copy of this certification is intended to be incorporated into the plan. This statement is not intended as a guarantee or warranty of the common charges attributable to the commercial unit(s) for the 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/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.



Anne Teshima
Certified General Real Estate Appraiser

Sworn to before me this 19th
day of November, 2007.



Notary Public

STANLEY LEIBOWITZ
Notary Public, State of New York
No. 31-2302825
Qualified in New York County
Cert. Filed in N.Y. Co. Clerk's Office
Commission Expires July 31, 2009