THIS PLAN HAS BEEN AMENDED
SEE INSIDE COVER

CONDOMINIUM OFFERING PLAN

FOR

THE SHANGRI-LA CONDOMINIUM

132-15 41st Avenue
Flushing, N.Y. 11354

23 RESIDENTIAL UNITS	$12,371,400.00
8 COMMERCIAL UNITS	$7,879,920.00
12 PARKING UNITS	$720,000.00
TOTAL AMOUNT OF OFFERING	$20,971,320.00

Name & Address of
Sponsor & Selling Agent:

FLUSHING MANOR REALTY, LLC
20 Ground Pine Court, Dix Hills, N.Y. 11743

Date of Acceptance for Filing: October 15, 2014

Plan may not be used after October 14, 2015, unless amended.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

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

IT IS A SPECIAL RISK **THAT THE SPONSOR RESERVES THE RIGHT TO RENT RESIDENTIAL UNITS, WHICH CANNOT BE SOLD AT THE NINETY (90%) PER CENT OF THE OFFERING PRICE AFTER A PERIOD OF SIX (6) MONTHS. BECAUSE THE SPONSOR IS RETAINING THE RIGHT TO RENT RATHER THAN SELL UNITS THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM. THIS MAY RESULT IN A CONDOMINIUM IN WHICH A MAJORITY OF 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).

TABLE OF CONTENTS
PART I

	PAGE
Special Risks	1
Introduction	8
Certain Definitions	13
Description of the Property and Improvements	21
Location and Area Information	24
Offering Prices and Related Information	25
Estimated Property Taxes & Carrying Charges	25
Notes to Schedule A	27
Projected Budget for First Year Of Condominium Operation	31
Notes to Schedule B	33
Schedule B-1 Projected Budget for Individual Energy Costs	38
Compliance with Real Property Law 339 (i)	39
Commercial Units	41
Changes in Prices or Units	42
Interim Leases	44
Procedure to Purchase	45
Assignment of Purchase Agreements	53
Effective Date of Plan	54
Terms of Sale	56
Unit Closing Costs and Adjustments	59
Rights and Obligations of Sponsor	63
Control by Sponsor	68
Board of Managers	69
Rights and Obligations of Unit Owners and the Board of Managers	73
Real Estate Taxes & Tax Status of Condominium	83
Opinions of Counsel	85
Counsel's Sec. 421a Tax Exemption Opinion	88
Reserve Fund	92
Working Capital Fund	92
Management Agreement	93
Identity of Parties	94
Report to Unit Owners	96
Documents on File	97
Sponsor's Statement of Building Condition Pursuant to Section 13N.Y.C.R.R. Part 20.3 gg	98
General	99
Sponsor's Statement of Building Condition	100

TABLE OF CONTENTS
PART 2

	PAGE
Agreement	102
Power of Attorney	114
Unit Deed	116
Description of Property & Building Description	120
Floor Plans	138
Escrow Agreement	176
Declaration of Condominium	182
Schedule A to the Declaration of Condominium	193
Schedule B to the Declaration of Condominium	194
Schedule C to the Declaration of Condominium	202
Schedule D to the Declaration of Condominium	204
By-Laws of the Condominium	205
Addendum to By-Laws of the Condominium	257
Housing Merchant Implied Warrant	264
Certifications	
Sponsor & Principals	266
Sponsor's Architect	268
Sponsor's Expert Concerning Adequacy of Budget	270
Sponsor's Expert Concerning Adequacy of Common Charges Payable by Commercial Unit Owners	272

SPECIAL RISKS

1. *It is a special risk* that the sponsor reserves the right to rent residential units, which cannot be sold at the ninety (90%) per cent of the offering price after a period of six (6) months. Sponsor shall at all times market the units through a duly licensed real estate broker and if they cannot be sold at the offering price within eighteen (18) months, Sponsor shall resume sales at market prices, even if lower than ninety (90%) of the disclosed offering price. A purchaser of a previously occupied unit takes title to the unit in "as is" condition. See Section titled *"Introduction" and "Rights and Obligations of Sponsor".*

2. This Offering Plan provides that time is of the essence for Purchaser to cure any default under the Purchase Agreement within the applicable grace period. For further discussion, please see the section titled *"Procedure to Purchase."* Time is of the essence means that if any default is not cured within the applicable grace period, Sponsor may elect (but is not obligated) to cancel the Purchase Agreement and retain the Down Payment, with interest, if any, as liquidated damages. In the event that the Purchase Agreement is cancelled, the Sponsor will have the right to sell the Unit to others as though the Purchase Agreement had never been made.

3. Purchaser's obligation to purchase his Unit is not contingent on securing financing, unless Purchaser and Sponsor execute a Financing Rider. Accordingly, each purchaser should inquire about the amounts, terms, costs, availability, and purchaser's eligibility for financing before signing and returning the Purchase Agreement in order to avoid the risk of losing his down payment.

4. *It is a special risk that deposits in excess of $250,000.00 will not be federally insured in excess of $250,000.00.* No representation is made as to the amounts, terms, conditions, or availability of such financing. See Section titled "*Procedure to Purchase.*"

5. This Offering Plan provides that at the first annual meeting of the Condominium all Unit Owners, including Sponsor and Sponsor-designees, shall elect a new Board of Managers. Sponsor may have voting control of the Board of Managers if Sponsor and Sponsor-designee's as Unit Owners of Unsold Units are able to cast more than fifty (50%) percent of the votes. See Section titled "*Control by Sponsor.*"

Notwithstanding the foregoing, Sponsor and Sponsor-designees shall not control the Board of Managers upon the earlier of: (i) two (2) years from the date of the First Unit Closing; or (ii) whenever the unsold units constitute less than fifty (50%) percent of the Common Interest. A meeting shall be held to elect a new board unrelated to the Sponsor within 30 days after expiration of the control period. After two year period or the period when more than 50% of the units are sold, a majority of the board of managers must be owner occupants, or members of an owner occupant's household, who are unrelated to the Sponsor or its principals. For further discussion, please see the section titled "*Control by Sponsor and Summary of By-Laws.*"

Owner-occupants and non-resident owners, including sponsor, may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing units whether the units are purchase as a home as opposed to as an investment. See Section Titled "*Rights and Obligations of Unit Owners*".

6. This Offering Plan provides that until Sponsor and Sponsor-designees convey title to all Units but in no event later than two (2) years after the date of the First Unit Closing, Sponsor or Sponsor-designees have the right to veto any action of the Board of Managers to: (i) make any addition, alteration, improvement or change in or to the Common Elements, any Unit or the Building; (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; (iii) hire or replace any employee (in addition to the employees referred to in the Offering Plan); (iv) enter into, modify or terminate prior to the end of the term any management, service or maintenance contract; (v) borrow money on behalf of the Condominium; (vi) add to, delete from, modify or amend the Declaration, By-Laws, or Rules and Regulations of the Condominium, or; (vii) exercise a right of first refusal to lease or purchase a Unit; provided, however, that 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. The Sponsor may not exercise veto power over expenses described in Schedule "B" or for any repair or replacement necessary for the preservation or safety of the buildings or for the safety of occupants of the buildings or required to avoid the suspension of any necessary service to the buildings. Sponsor's power to veto other expenses ends 5 years after the closing of the first unit, or whenever the unsold units are less than 25% of the common interest, whichever is sooner. See Section titled "*Control by Sponsor.*"

7. Sponsor may, at any time before and/or after the Declaration is recorded, change the layout, size, or number of the Units, and reapportion, among the Units affected by any such changes, their 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. Sponsor reserves the right at any time, except to the extent prohibited by law, before and/or after the filing of the Declaration, without prior notice and without consent of any Board, prospective Unit Owner or Mortgagee to change the layout of, the number of rooms in the use of, or the size of (by combining Units or subdividing them into two or more separate Units) Units and to reapportion the Common Interest among the Units affected by any such changes. 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. 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 the Sponsor for that unit. Unless all purchasers consent, no material change will be made in the size, and no material adverse change will be made in the quality of the common elements. See Sections titled "*Rights and Obligations of Sponsor*" and "*Changes in Prices and Units.*"

8. The plan may not be declared effective unless bona fide purchasers (including investors) have signed purchase agreements for at least fifteen (15%) per cent of the units offered under the plan. In addition, Sponsor has the right to make bulk sales of Units and to sell any Unit to a Purchaser who does not intend to occupy same, but intends to lease such Unit to others. However, any lease made by a purchaser shall be subject to the right of first refusal in favor of the Board of Managers . Purchasers need not occupy the Units they purchase. The Sponsor would need to amend the Offering to disclose any material changes such as the Sponsor's decision to offer less than the current number of Units or withhold one or more units for its own use. See Section titled "*Rights and Obligations of Sponsor.*"

9. *It is a special risk that,* the square footage of the units are not based upon measurements from the interior surfaces of the interior walls of rooms and therefore, the usable area comprising the unit may be significantly less than the area listed in schedule A.

10. The Sponsor will apply for a partial tax exemption under Section 421-A of the Real Property Tax Law. While it is anticipated that a reduction in real property taxes will result from this application, there is no assurance or guarantee of the approval of the tax exemption benefits, the amount of the reduction or the time frame of when the reduction will go into effect and it is possible that the tax reduction obtained could be less than the amount of the reduction for which application was made. See Section titled "*Real Estate Taxes.*"

11. The Sponsor is transferring to the Purchaser the obligation to pay New York City and New York State Real property Transfer Taxes. For a further discussion, see the Section entitled "*Closing Costs and Adjustments.*"

12. No bond or other security is given to secure the Sponsor's obligations under this Offering Plan. For a further discussion, see Section titled "*Rights and Obligations of Sponsor.*"

13. *It is a special risk that,* it is a New York City Requirement that all owners of multiple dwellings must install carbon monoxide detectors at the unit owner's cost and expense.

14. *It is a special risk that,* the Unit Owner must notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides temporarily or permanently in the unit. Each Residential Unit Owner shall install at the Residential Owner's expense, the required Window Guards in all windows of the unit and shall not remove them until permitted by applicable law in any event, without the full knowledge of the Managing Agent.

15. Pursuant to existing law and regulation, the Sponsor may declare the plan effective by entering into a contract for a minimum of 15% of the units in the building. In the event purchase agreements counted towards the minimum number of unit sales required to declare the plan effective fail to close, it is possible that the building will be converted to

condominium status with less than 15% of the units actually sold to Purchasers. See section titled "*Effective Date of Plan*".

16. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. It may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the Sponsor or holder of unsold shares has not sold a substantial percentage of apartments in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See Section titles "*Rights and Obligations of Sponsor and* "*Procedure to Purchase*".

17. The Condominium Board does not have the right to approve or disapprove purchasers. There is no limit on the number of owners who may purchase for investment rather than personal occupancy, and there may always be a substantial percentage of owners who are non-residents. There is an inherent conflict between purchasers for investment and purchasers who will occupy units because of their different needs and objectives. See section titled "*Introduction*".

18. *It is a Special Risk* that all expenses incurred by the Board of Managers in performance of its duties will be reimbursed by the Unit Owners as a Common Expense. See Section Titled "Management Agreement".

19. *It is a Special Risk* that insurance coverage for Officers and Director's liability is not included in the Budget. For a further discussion, see section tilted *"Notes to Schedule "B"*.

20. Balconies and Terraces may not be used for any type of occupancy - including but not limited to: sleeping, living room, recreation room, office, storage, etc. To do so may result in a violation against the building being issued by the NYC Department of Buildings. Unit Owners shall be responsible for payment of any charges incurred as a result of such violations.

21. Accessory rooms in the cellar may not be used for bedrooms, dining rooms, or any other use considered to be a "habitable space" as defined by the New York State Building Code. Additionally, spaces in the cellar may not be rented independently. Rental or use as living or sleeping quarters may result in an Environmental Control Board (ECB) violation being issued by The New York City Department of Buildings, which would be the responsibility of the unit owner to cure.

22. Accessory spaces/areas may not be used for storage of Combustible Items as defined in the Building Code. No storage of furniture, books, papers or any combustible items will be permitted.

23. The Storage/Janitor closet may not be used for any type of occupancy-including but not limited to: sleeping, dining, living room, recreation room, office, etc. To do so may result in a violation against the building being issued by the NYC Department of Buildings.

24. The Storage/Janitor closet may not be used for storage of Combustible Items as defined in the Building Code. No storage of furniture, books, papers, or any combustible items will be permitted.

25. *It is a special risk that,* the condominium will have no employees. Sponsor is providing janitorial services and the superintendent free of charge during the first two years of operation, and after two (2) years common charges will likely increase to cover those expenses._After two (2) years the building will not have any employees and the unit owners have a choice of hiring a part time super or porter at an additional expense, or performing the duties ordinarily performed by such people themselves. The duties would include taking out the trash, cleaning the common areas, shoveling the snow, and performing minor maintenance tasks such as changing light bulbs. More substantial repair work would have to be performed by outside contractors at additional expense. See section titled *"Notes to Schedule B."*

26. It is a "*Special Risk*" that the condominium will have no manager and be self-managed. For the first year the Sponsor shall act as the managing agent at no cost to the Condominium. After the one year period the Condominium will have to either hire a Managing Agent at an additional expense or self manage. If the unit owners decide to hire a manager, the common charges would increase. See sections titled "*Notes to Schedule "B*" and "*Management Agreement*".

27. It is a *"Special Risk"* that any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard, a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish applicable building code standard, or locally accepted building practice as the warranty standard; In addition, any exception, exclusion or standard that fails to ensure that a home is habitable by permitting conditions to exist which render the home unsafe, shall be considered void as well.

28. The Sponsor may rent any off-street parking spaces to non-residents of the building, for periods of not less than one week and not more than one month. All off-street parking spaces shall be made available to residents within 30 days after written request made to the sponsor, by such residents.

29. Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO") and sometimes with several successive temporary certificates of occupancy. Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both FCOs and

TCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the building is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extended each TCO received prior to the expiration thereof, and ultimately for obtaining a FCO covering the entire building within two years of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two year period. Notwithstanding the foregoing, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings.

Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf

30. Please be advised, the sponsor is not providing a NDL manufacturer's warranty for the new roof. The absence of a NDL manufacturer's warranty may indicate that the roof membrane and appurtenances were not inspected for compliance with the manufacturer's specifications for installation. As such, premature deterioration, roof leaks and replacement of the roof membrane may be anticipated and therefore should be budgeted for.

31. The Sponsor has applied for and received a preliminary certificate of eligibility for a partial tax exemption under section 421-a of the Real Property Tax Law. The building is not located within the 421-a statute's geographic exclusion area. No restrictive declaration is recorded since there is no necessity for affordable units. There is no required staffing and/or salary floor under the 421-a program, because the building has less than 50 (fifty) Residential Units.

If, prior to consummation, Sponsor rents any residential unit (or portion thereof) to any person other than an interim lessee, Sponsor is obligated to abandon the offering plan in accordance with the provisions of 13 N.Y.C.R.R. sections 20.1(1)(2) and 20.5(g).

Although the Sponsor is applying for real estate tax benefits, it is possible that the Sponsor will not obtain those benefits. Sponsor will use best efforts to obtain a final certificate of eligibility for 421-a benefits. The benefits are for 15 years. After the eleventh year, the amount of the partial tax exemption will progressively decrease in value and after the fourteenth year, it will be eliminated. The Sponsor does not and cannot guarantee that the

Condominium will actually receive tax exemption or abatement benefits. See Section titled "*Real Estate Taxes.*"

The Sponsor intends that the building be exempted from the statutory obligation to register units as rent-stabilized by reason of condominium status.

The Sponsor has 15 months from the date of issuance of a Final Certificate of Eligibility from the New York City Department of Housing Preservation & Development ("HPD") to declare its offering plan effective.

For further discussion of 421-a benefits, see page 89 of the Offering Plan entitled "Counsel's Tax Exemption Opinion".

It is a Special Risk that 421-a real estate tax exemption benefits may vary in future years due to changes in real property taxes resulting from the expiration (or phasing out) of real estate tax benefits, or from changes in assessed value, the tax rate or the method of assessing real property. The projected tax deduction may also vary in future years due to changes in the interest rate on the unit owner's mortgage or from changes in the allocation of constant debt service payments to interest and principal. For a further discussion, see "*Notes to Schedule "A"*.

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTION

1. The Property:

Sponsor presents this offering Plan with the intention of setting forth herein the material terms of the offering relating to the offering of condominium units at the premises located at 132-15 41st Avenue, Flushing, N.Y. 11368 on the east side 41st Avenue. (The Land, Building, and Appurtenant Interests are hereinafter sometimes referred to as the Property and/or the Condominium.) The Offering Plan may be amended from time to time to reflect changes in the terms of the offering by filing an amendment with the New York State Department of Law and serving the amendment on Purchasers and Unit Owners.

The Condominium will be organized pursuant to, is subject to and complies with Article 9B of the New York Real Property Law, as amended, commonly known as the New York Condominium Act.

The Sponsor is FLUSHING MANOR REALTY, LLC, a New York Limited Liability Company, with an address at 20 Ground Pine Court, Dix Hills, N.Y. 11446. The Sponsor acquired title to the property on May 4, 2012.

The Plan delivered to prospective purchasers contains all of the material terms of the transaction. Copies of the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the plan will be available for inspection without charge, as for copying at a reasonable charge to prospective purchasers and their Attorneys at the site whenever the onsite sales office is open and at the office of the Selling Agent or Sponsor.

2. The Building:

Sponsor is constructing the Building, which will consist of 5 floors and a cellar. Twenty-three Residential Units, eight commercial units and twelve parking units are being offered for sale.

There are Thirteen Parking Spaces of which one is designated as Handicapped Parking it is part of the common elements and not for sale. The remaining twelve parking spaces are being offered for sale.

The Common Areas are not offered for sale. The prices of the Units are stated in Schedule A. Sponsor shall obtain a temporary or permanent Class A residential Certificate of Occupancy, which shall cover each Unit prior to the closing of title to such unit. In the event that a permanent Certificate of Occupancy has not been obtained by such closing, Sponsor is subsequently obligated to obtain same, unless excused from such requirement pursuant to the provisions of this Offering Plan.

The Building will be of Class 1-D fireproof construction. The Building will contain a lobby vestibule and twenty-three (23) Residential Units, eight (8) commercial units and thirteen (13) parking spaces. Prices of the Units are set forth on Schedule A of the Plan. The estimated completion date is January 1, 2015.

Sponsor reserves the right from time to time to amend the Offering Plan to offer such Units for sale.

3. The Units:

The Units are being offered as condominium units in accordance with this Offering Plan at the prices noted in the section titled "*Schedule A.*" These prices have been established solely by Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

It is the Sponsor's intent to sell all residential units. The Sponsor represents that it will endeavor in good faith to sell all units, rather than rent. If the Sponsor makes a bulk sale of some or all of its unsold units, the transferee successor Sponsor is bound by Sponsor's representation regarding its commitment to sell units. The Sponsor reserves the right to rent residential units which cannot be sold at ninety (90 %) percent of the offering price after a period of six (6) months. Sponsor shall at all times market the units through a duly licensed real estate broker and if they cannot be sold at the offering price within eighteen (18) months, Sponsor shall resume sales at market prices, even if lower than ninety (90%) of the disclosed offering price.

The Purchaser of a Unit (Unit Owner) owns his or her Unit outright and is entitled to exclusive possession of that unit together with an interest in and right to use the common elements, and exclusive right to use limited common elements. Each Purchaser will own his or her Unit similarly in many respects to the manner in which a private homeowner owns a home. (References to gender in the Offering Plan shall be deemed to be plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in State of New York.) A Unit owner owns the Unit outright in fee and is entitled to the exclusive possession of the Unit. A Unit owner is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the Land upon which the Units are built, the exterior walls and the roofs (collectively, called Common Elements). Each Unit Owner's proportionate share (Common Interest) of the Common Elements has been determined pursuant to New York Real Property Law Sections 339-i and 339-m. Unit Owners must pay Common Charges in accordance with the New York Condominium Act, Real Property Law Sections 319(i) & (m). Any portion of the Land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others are known as Limited Common Elements. Unit Owners have the exclusive right to use the limited Common Elements, (the accessory spaces, balconies and terraces-*see Schedule "CA"*) which are appurtenant to their Unit. The storage/janitor closet in the cellar is a common element.

Each Unit Owner must comply with the Declaration, By-Laws, Rules & Regulations, and other requirements of the Condominium Board of Managers.

The Board of Managers has authority to manage the condominium, and Unit Owners vote for the Board of Managers.

Each Unit Owner is generally permitted to mortgage his or her Unit on the terms and in such amount as he or she chooses. A Unit is not subject to the lien of any mortgage placed by any other Unit Owner on his or her Unit.

A Unit Owner can sell or lease the Unit to anyone without or limitation, subject only to a right of first refusal by the Board of Managers of the Condominium to purchase such Unit at the same price and on the same terms such Unit Owner has been offered. However, Unit Owner can sell or lease their interest in their Unit to their Family Members or their Affiliates, as the case may be, without being subject to the right of first refusal. In the event of a proposed sale or lease, the Unit Owner shall give the Board of Managers (i) written notice of his or her intention to sell or lease the Unit and whether the purchaser or lessee is a Family Member or Affiliate, (ii) a fully executed copy of the contract of sale or lease, and (iii) a fee to the Board of Managers and/or Managing Agent to cover reasonable legal and other expenses in connection with the sale or lease of the Unit. The sale or lease of a Unit owned by Sponsor, any Sponsor-designee, or any partner of any entity affiliated directly or indirectly with Sponsor, shall be exempt from such right of first refusal and from the notification and fee requirements. This right of first refusal is further described in the section titled "*Rights and Obligations of Board of Managers and Summary of By-Laws.*"

A Unit can be occupied by the Purchaser of the Unit and/or any Family Member, principal, or employee of Purchaser or its Affiliates.

A Unit Owner can alter and decorate the interior of the Unit as he or she desires, subject to local codes. A Unit Owner is obligated for the cost of his or her own interior decoration, maintenance, and repair after closing.

The Condominium Board does not have the right to approve or disapprove purchasers. There is no limit on the number of owners who may purchase for investment rather than personal occupancy, and there may always be a substantial percentage of owners who are non-residents.

After each Unit has been separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes. A Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of counsel for Sponsor, a Unit Owner, like a home owner, may deduct from his or her income for income tax purposes his or her real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by him or her provided such Unit is used by the Owner as a principal or second home. Any purchaser who does not intend to use the Unit as a principal or second home should consult with his or her own tax adviser. The Board of Managers of the Condominium will assess

charges (called Common Charges) against each Unit Owner for the Maintenance of the Common Elements and for the operating costs of the Property (called Common Expenses), as provided in New York Real Property Law Section 339-i and 339-m and as described in the subsection titled "*Notes to Schedule B.*"

Electricity, supplied to each Unit shall be individually metered. All charges for electricity consumed or used in each unit shall be payable directly to the utility company.

As previously stated, each Unit Owner will be responsible for maintaining his or her own Unit and for making repairs within his or her own Unit. Each Unit Owner may obtain, at his or her own cost, casualty, and liability insurance in connection with his or her respective Unit subject to the terms of the By-Laws. As described in the Notes to Schedule B, the cost of maintaining and repairing the Common Elements shall be shared by all Unit Owners. Each Unit Owner shall have the same rights of access to, use of and benefit of the Common Elements. The cost of maintaining and repairing the Limited Common Elements, other than structural repairs, shall be paid by the Unit Owner or Unit Owners with exclusive access to the Limited Common Element. The Board of Managers shall have the duty of obtaining casualty and liability insurance on behalf of the Condominium.

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 Department of Law in connection with the filing of the plan will be available for inspection and copying at a reasonable charge at the Department of Law, 120 Broadway, 23rd Floor, New York, NY 10271. Also, the plan will be available 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.

A Unit may be purchased by a natural person, corporation, partnership or limited liability company.

4. Board of Managers:

The Board of Managers of the Condominium shall be elected by the Unit Owners (including Sponsor and Sponsor designees as to Units owned by them) with the number of votes allocated to each Unit Owner determined by his or her percentage of Common Interest. The Board of Managers shall have authority to manage and administer the affairs of the Condominium, including, without limitation, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Sponsor shall control the Board until the aggregate include fifty (50%) percent or more of the common interest are sold, or for two years from the first unit closing, whichever event first occurs. Until Sponsor and Sponsor-designees convey title to all Units, but in no event later than five (5) years after the date of the First Unit Closing, Sponsor has the right to veto certain actions of the Board of Managers. Please see the section titled "*Rights and Obligations of the Board of Managers/Summary of By-Laws*" for further discussion.

5. Miscellaneous:

Units may be purchased either by natural persons 18 years of age or older or by a duly formed limited liability company, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York.

Parts I and II of the Offering Plan, including all Schedules, and Parts A, B, C and D of the Exhibits submitted to the Department of Law, constitute the entire offering of these condominium units and are intended to disclose all the material terms of the transaction. Parts A, B, C and D of the Exhibits will be available for inspection without charge and for copying at a reasonable charge by prospective Purchasers and their attorneys at the Department of Law, 120 Broadway, 23rd Floor, New York, NY 10271 also at the on site sales office at all times such office is open. All documents forming a part of this Offering Plan are important. It is suggested that you consult your own attorney or financial advisor before purchasing a Unit and provide such person with a copy of this Offering Plan.

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

CERTAIN DEFINITIONS:

Affiliate	- An Affiliate of, or Affiliated with, a specified corporation or partnership, shall mean a corporation or partnership that directly or indirectly, through one or more intermediaries, controls or is controlled by, or in under common control with, the corporation or partnership specified.
Appurtenant Interest	- With respect to any Unit, the undivided interest of the owner thereof, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers 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.
Board of Managers	- The governing board of the Condominium that represents the Unit Owners and manages the Condominium pursuant to the provisions of the By-Laws and of the Offering Plan. The Board is composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
Building	- The structure known as The Shangri-la Condominium constructed or being constructed at 132-15 41st Avenue, Flushing, New York, which is on the east side of 41st Ave. about 75 feet north of the intersection with 132nd Street.
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.
Closings	- Refers to the time, place and procedure by which fee title to the unit in question is conveyed to the Purchaser pursuant to a Purchase Agreement.
Closing Date	- Refers to date on which Closing occurs.
Common Charges	- Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.

Common Elements

- All portions of the Property other than the Units, including without limitations:

(a) The land on which the Buildings are located;

(b) All foundations, columns, girders, beams, supports, bearing walls, exterior walls and roofs, attics, concrete and masonry at the exterior face of the Building; (b) those portions of the walls and partitions dividing the Units from exterior walls, corridors, stairs or other Units located beyond the center line of partitions enclosing the Units; and (c) the concrete floor and beams, including any framing attached to the structure from which Drywall ceiling is attached on the first floor and cellar floor, (d) those portions of the exterior walls including and beyond the Unit side of the concrete block walls at the exterior face of the Building; and (e) the concrete floor to and including the underside of the concrete floor to and including the foundation; roofs, corridors, halls, stairs and stairway areas; lobbies; the area designated as Superintendent's storage area; storage and utility areas; all portions of the cellar which are not included within a particular Unit; laundry facilities not located within a Unit and entrances to and exits from the Building; all other areas of the first floor;

(c) Central and appurtenant installations for services such an electricity, steam, gas, hot and cold water, telephone, and refrigeration which are not included in a particular Unit;

(d) Any tanks, pumps, motors, fans, compressors, ducts sewer pipes and drainage pipes and in general all apparatus and installations existing for common use;

(e) Such facilities as may be designated as Common Elements in the Declaration; and

(f) All other parts of the Property necessary or convenient to its existence, maintenance, and safety, or normally in common use;

Common Expenses

(a) Expenses of operation of the Property, and

(b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

Common Interest - The (i) proportionate, undivided interest in fee simple absolute or (ii) proportionate undivided leasehold interest in the Common Elements appertaining to each Unit, as expressed in the Declaration.

Condominium - A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple, with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, Condominium specifically refers to The Shangri-la Condominium Condominium.

Condominium Act - Article 9-B, Section 339-d to Section 339-ii of the Real Property Law of the State of New York, and the same may be amended from time to time.

Condominium Documents - The Declaration, the By-Laws and the Rules and Regulations.

Declaration - The instrument creating the Condominium, as may be amended from time to time, by which the Property is submitted to the provisions of the New York Condominium Act, the form of which is set forth in Part II of the Offering Plan.

Down Payment - Refers to the money that a person desiring to purchase a Unit must deliver to the Sponsor at the time such person delivers an executed Purchase Agreement to the Sponsor.

Family Members - The spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law, grandparents, great-grandparents, aunts, uncles, nephews and nieces of a Unit Owner who reside in such Unit Owner's Unit.

First Unit Closing - The first closing of title with a bona fide Purchaser of a Unit.

Floor Plans	- The floor plans of the Units certified by Anthony Ng Architect, 66-00 Long Island Expressway, L.I.C., N.Y. and filed with the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.
Inspection Statement	- A memorandum of work in which the Sponsor and Purchaser agree to the work Sponsor must perform or complete in or to the Purchaser's Unit and which obligations of Sponsor shall survive the closing of title to such Unit, the form of which is attached to the form of Purchase Agreement which is set forth in Part II.
Institutional Mortgage	- Any first mortgage covering any Unit that in a Permitted Mortgage and the initial holder of which in either Sponsor or a Sponsor designee or an institutional lender.
Insurance Trustee	- A bank or a trust company, in either event having both an office in the City of New York and a capital surplus of $500,000,000.00 or more, from time to time appointed to serve as such by the Board of Managers.
Land	- All that certain tract, plot, piece and parcel of land situated, lying and being in the City of New York, County of Queens and State of New York, as more particularly described in Exhibit A to the Declaration.
Law	- The laws and ordinances of any or all of the Federal, New York State, New York City, Queens County and Borough of Queens, 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.
Limited Common Elements	- Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner. These include, but are not limited to the balconies and terraces.

Majority	- As may be specified herein or in the Declaration or by the By-Laws with respect to any matter or matters, a majority of Unit Owners means more than fifty percent in Common Interest in the aggregate. As may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, any specified percentage of Unit Owners means such percentage in Common interest in the aggregate.
Managing Agent	- Refers to FLUSHING MANOR REALTY, LLC, , with an office at 20 Ground Pine Court, Dix Hills, N.Y. 11746 or its successor in such capacity.
Mortgage Representatives	- The representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of paragraph (B) of Section 8.6 of the By-Laws.
Offering Plan	- The document, as may be amended from time to time, filed with the New York State Department of Law which describes the Property and pursuant to which individual Units in the Condominium are offered for sale.
Operation of the Property-	The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
Permitted Mortgage	- Any mortgage covering a unit that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws.
Permitted Mortgagee	- Any holder of a Permitted Mortgage at the time in question.
Person	- A natural person, corporation, partnership, association, trustee or other legal entity.
Power of Attorney	- The document which is set forth in Part II of the Offering Plan, signed by Unit Owners, which appoints:

(i) the Board of managers as attorney-in-fact to acquire or lease, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon, together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine and to amend the Declaration, and By-Laws as authorized therein, and

(ii) the Sponsor as attorney-in-fact to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney.

Property

- Includes the Land, the Building and all other improvements thereon, owned (subject to the title exceptions described herein) 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, which have been or are intended to be submitted to the provisions of the New York Condominium Act.

Purchase Agreement

- Refers to the contract of purchase and sale for a Unit as set forth in Part II of the Offering Plan.

Purchaser

- Any Person who has entered into an agreement with Sponsor to purchase any Unit and in not in default thereunder.

Recording Officer and Recording or Recorded

- Shall have the meanings stated in Section 290 of the New York Real Property Law.

Rules and Regulations

- 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.

Selling Agent

- FLUSHING MANOR REALTY, LLC, with an office at 20 Ground Pine Court, Dix Hills, N.Y. 11746

Special Assessments	- The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata in accordance with their respective interests (except as otherwise provided in the Declaration or in the By-Law), in accordance with paragraph (c) of Section 6.1 of the By-Laws.
Sponsor	- FLUSHING MANOR REALTY, LLC, with an office at 20 Ground Pine Court, Dix Hills, N.Y. 11746
Sponsor-designee	- Any Person designated by Sponsor to hold title to any Unsold Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a Sponsor-designee.
Unavoidable Delays	- Shall mean delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, shortage of or failure or inability to secure materials or labor, or lightning, earthquake, fire, storm, hurricane, flood washout, explosion, act of God or any cause whatsoever beyond the reasonable control of Sponsor whether or not similar to any of the causes hereinabove stated; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond the control of Sponsor.
Unit	- Any apartment in the Building designated as a Unit and owned in fee simple absolute.
Units	- The Condominium consist of one building containing a total of twenty-three Residential Units eight (8) commercial units and thirteen parking units defined and located on floors numbered one (1) through six (6) , which Units are more particularly

described in Article 5 of, and Exhibit B to, the Declaration and in the Floor Plans.

Unit Deed - The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.

Unit Designation - The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.

Unit Owner - The Person or Persons owning a Unit in fee simple absolute. Collectively, Unit Owners means the respective owners of the Units.

Unsold Units - Any Unit owned by Sponsor or Sponsor-designee at the time in question.

DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS:

1. The Property:

The Property consists of 23 residential units, eight commercial units and 13 parking spaces of which 1 is designated for Handicapped Parking. It is a newly constructed building consisting of six (6) floors, and a cellar. The Property was acquired by the Sponsor on May 4, 2012. A detailed description of the property with specifications prepared by Anthony Ng, Architect is included in Part II of the Offering Plan.

The Property will be improved and the building constructed in accordance with all applicable building and zoning laws and requirements, which apply. The applicable zoning resolutions are the zoning resolutions of the City of New York and the Building Code of the Building Department of the City of New York.

The entire project including all the units and the common elements will be completed on or about January 1, 2015.

The Property has a ground area of approximately 7,500 square feet. It is located on the south side of 41st Avenue, about 93 feet east of College Point Blvd.. It consists of approximately 75 feet of frontage along the south side of 41st Avenue and the depth of the property is approximately 100 feet. No roads are being constructed by the Sponsor. It is designated as Tax Block 5037 Lots 104 and 105 of the Borough of Queens on the Tax Map of the City of New York. Prior to construction, the lot was improved by a two 2 family houses.

The handicapped Parking Space is a Common element. It is for the use of a handicapped Unit Owner, or the handicapped guest of a Unit Owner.

Parking Unit Owners must maintain the surfaces of their parking space. The Condominium must maintain the common elements adjacent to the parking units, such as the maneuvering space.

2. The Building:

Sponsor is constructing the Building, which each will contain a cellar and six (6) floors. Portions of the first floor will be used as a lobby. The Building will contain twenty-three (23) residential apartments, and eight commercial spaces, which will be located on floors numbered one (1) through six (6). There are thirteen (13) parking spaces, of which 1 is designated for handicapped parking and it is part of the common elements. The building has one elevator.

The main entrance to the Building is at the first floor level which fronts onto 41st Avenue. The mail will be delivered to mail boxes inside the building. Deliveries will be made through the main entrance.

The Building will be heated by individual gas boiler/burner, which is provided by Keyspan. Electricity supplied by Con Edison to each Unit shall be individually metered and billed. All charges for electricity consumed or used in the Common Areas and for gas used in the common areas and water shall be collected by and payable to, the Board of Managers or its agent, as and when billed as part of Common Charges.

The Building is being constructed in accordance with all applicable zoning and building laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

The approximate construction timetable for completion of the first Unit and substantial completion of the Common Elements is January 1, 2015.

3. The Units:

The floors in the Units will be hardwood. The bathroom floors and the area around the bathtubs in a Unit will be ceramic tile and the bathroom sink will be marble top or its equivalent. The individual units will have no washer/dryer hook-ups.

Each kitchen in a Unit shall contain ceramic tile flooring, cabinets and counters, stove, refrigerator and dishwasher as set forth in greater detail in the section titled "*Description of Property and Specifications.*"

Except as otherwise provided in the Offering Plan, Sponsor shall obtain either a temporary or permanent Class A. Certificate of Occupancy, which shall cover each Unit prior to the closing of title to such Unit. If a permanent Certificate of Occupancy has not been obtained by such closing, Sponsor is subsequently obligated to obtain same. For further discussion, see section titled "*Rights and Obligations of Sponsor.*"

If, at the time of closing of title to a Unit, Sponsor has only obtained a temporary Class A Certificate of Occupancy covering such Unit, then Sponsor shall retain in the special escrow account required by GBL Section 352-e(2) (b) an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost for such Unit of obtaining a permanent Class A residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent Class A residential Certificate of Occupancy covering such Unit and may be reduced from time to time based upon such architect's opinion of the remaining costs. Alternatively, Sponsor shall have the options of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined, if previously disclosed in an amendment to the Plan.

4. Security:

The Building will be secured an intercom, buzzers and door releases. No representation, guaranty or warranty is made, nor assurance given, that the security systems and procedures will prevent personal injury or damage to or loan of personal property. While Unsold Units are being offered for sale or lease by Sponsor, there will be a greater number of visitors to the Building than may otherwise be the case. No representation is made as to when such selling or leasing activities will terminate. Neither Sponsor nor Managing Agent shall be liable or responsible for any personal injury or for any loss of or damage to personal property or any Unit or the Common Elements, which may result from a failure of the security systems and procedures.

LOCATION AND AREA INFORMATION:

The property is located in Flushing section of Queens, City and State of New York. It is situated about 93 feet from the corner of College Point Blvd..

The surrounding area is a mixture of small residential buildings, small businesses and medium sized apartment buildings and retail stores. The property is in close proximity to public transportation and main roadways. Neighborhood amenities include shopping, schools and public transportation.

The closest subway line is the "7" train which stops at Roosevelt Avenue and Main Street, 4 blocks away. There is bus service along College Point Blvd., 1 block away. The nearest hospital is St. John's (Queens) Hospital, 90-02 Queens Boulevard, Elmhurst, N.Y. 11373.

The following schools are in the neighborhood of the condominium:
Elementary: P.S. 16, 41-15 104th Street, Flushing, N.Y. 11368; P.S. 143 Louis Armstrong, 34-74 113th Street, Flushing, N.Y. 11368.

Junior High: IS 061 Leonardo Da Vinci, 98-50 50th Avenue, Flushing, N.Y. 11368; IS 227 32-02 Junction Boulevard, E. Elmhurst, N.Y. 11369.

High School: High School of Business & Arts, 105-25 Horace Harding Expressway, Flushing, N.Y. 11368.

New York City remains one of the financial and cultural capitals of the world. The property is within easy access to numerous restaurants, food markets, banks, retail establishments and houses of worship. It is within easy access of a variety of medical, educational and recreational facilities.

As the property is located within the City of New York, all municipal services are provided by the City of New York. These include police, fire, water, sanitation, snow removal and road maintenance services.

The property is located within R-6 zoning district. In an R-6 zoning district residential uses are permitted.

Neither sponsor nor any of Sponsor's principals own, in whole or in part, or have an option or right to acquire, in whole or in part, any adjoining areas that are not fully developed.

THIS PAGE INTENTIONALLY LEFT BLANK

The Shangri-La Condominium
Offering Prices Related Information
For the Period from January 1, 2015 - December 31, 2015

Unit	Approx.	%	%	Offering	# Br &	Common Charges		Estimated Taxes		Estimated Taxes		Est. Carrying Charges		Est. Carrying	
No.:	Sq.Ft.(1)	Common	Common	Price (2)	Baths	PerMonth(4)	Per Year (4)	without 421-a	or ICAP	with 421-a	or ICAP	without 421-a	or ICAP	Charges with 421-a or ICAP	
		Elmts.(3)	Charges					Per Mo. (5)	Per Yr. (5)	PerMo.(5)	Per Yr. (5)	Per Mo. (6)	Per Yr. (6)	Per Mo. (6)	Per Yr. (6)
CA	4,298	15.04%	37.46%	$2,149,000	n/a	$602.72	$7,232.69	$750.00	$9,000.00	$300.00	$3,600.00	$1,352.72	$16,232.69	$902.72	$10,832.69
CB	766	2.67%	6.68%	$383,000	n/a	$107.42	$1,289.03	$400.00	$4,800.00	$200.00	$2,400.00	$507.42	$6,089.03	$307.42	$3,689.03
1A	527	1.83%	4.59%	$474,300	1B	$73.90	$886.84	$400.00	$4,800.00	$200.00	$2,400.00	$473.90	$5,686.84	$273.90	$3,286.84
1B	1,261	4.40%	10.99%	$1,134,900	1B	$176.83	$2,122.02	$600.00	$7,200.00	$300.00	$3,600.00	$776.83	$9,322.02	$476.83	$5,722.02
2A	1,137	3.97%	9.91%	$966,450	1B	$159.45	$1,913.35	$400.00	$4,800.00	$200.00	$2,400.00	$559.45	$6,713.35	$359.45	$4,313.35
2B	771	2.69%	6.72%	$655,350	1B	$108.12	$1,297.44	$600.00	$7,200.00	$300.00	$3,600.00	$708.12	$8,497.44	$408.12	$4,897.44
2C	1,350	4.72%	11.77%	$1,053,000	1B	$189.32	$2,271.79	$650.00	$7,800.00	$300.00	$3,600.00	$839.32	$10,071.79	$489.32	$5,871.79
2D	1364	4.76%	11.89%	$1,063,920	1B	$191.28	$2,295.35	$500.00	$6,000.00	$250.00	$3,000.00	$691.28	$8,295.35	$441.28	$5,295.35
ST*	11,474	40.08%	100%	$7,879,920		$1,609.04	$19,308.50	$4,300.00	$51,600.00	$2,050.00	$24,600.00	$5,909.04	$70,908.50	$3,659.04	$43,908.50
3A	613	2.15%	4.50%	$490,400	2 & 1	$252.66	$3,031.90	$500.00	$6,000.00	$50.00	$600.00	$752.66	$9,031.90	$302.66	$3,631.90
3B	556	1.95%	3.75%	$444,800	1 & 1	$210.55	$2,526.58	$500.00	$6,000.00	$50.00	$600.00	$710.55	$8,526.58	$260.55	$3,126.58
3C	582	2.04%	3.90%	$465,600	1 & 1	$218.97	$2,627.64	$500.00	$6,000.00	$50.00	$600.00	$718.97	$8,627.64	$268.97	$3,227.64
3D	536	1.88%	3.70%	$428,800	1 & 1	$207.74	$2,492.89	$500.00	$6,000.00	$50.00	$600.00	$707.74	$8,492.89	$257.74	$3,092.89
3E	844	2.95%	5.05%	$675,200	2 & 2	$283.54	$3,402.46	$500.00	$6,000.00	$50.00	$600.00	$783.54	$9,402.46	$333.54	$4,002.46
3F	819	2.87%	5.00%	$655,200	2 & 2	$280.73	$3,368.78	$500.00	$6,000.00	$50.00	$600.00	$780.73	$9,368.78	$330.73	$3,968.78
4A	613	2.15%	4.50%	$490,400	2 & 1	$252.66	$3,031.90	$500.00	$6,000.00	$50.00	$600.00	$752.66	$9,031.90	$302.66	$3,631.90
4B	556	1.95%	3.75%	$444,800	1 & 1	$210.55	$2,526.58	$500.00	$6,000.00	$50.00	$600.00	$710.55	$8,526.58	$260.55	$3,126.58
4C	582	2.04%	3.90%	$465,600	1 & 1	$218.97	$2,627.64	$500.00	$6,000.00	$50.00	$600.00	$718.97	$8,627.64	$268.97	$3,227.64
4D	536	1.88%	3.70%	$428,800	1 & 1	$207.74	$2,492.89	$500.00	$6,000.00	$50.00	$600.00	$707.74	$8,492.89	$257.74	$3,092.89
4E	844	2.95%	5.05%	$675,200	2 & 2	$283.54	$3,402.46	$550.00	$6,600.00	$55.00	$660.00	$833.54	$10,002.46	$338.54	$4,062.46
4F	819	2.87%	5.00%	$655,200	2 & 2	$280.73	$3,368.78	$550.00	$6,600.00	$55.00	$660.00	$830.73	$9,968.78	$335.73	$4,028.78
5A	613	2.15%	4.50%	$496,530	2 & 1	$252.66	$3,031.90	$500.00	$6,000.00	$50.00	$600.00	$752.66	$9,031.90	$302.66	$3,631.90
5B	556	1.95%	3.75%	$450,360	1 & 1	$210.55	$2,526.58	$500.00	$6,000.00	$50.00	$600.00	$710.55	$8,526.58	$260.55	$3,126.58
5C	582	2.04%	3.90%	$471,420	1 & 1	$218.97	$2,627.64	$500.00	$6,000.00	$50.00	$600.00	$718.97	$8,627.64	$268.97	$3,227.64
5D	536	1.88%	3.70%	$434,160	1 & 1	$207.74	$2,492.89	$500.00	$6,000.00	$50.00	$600.00	$707.74	$8,492.89	$257.74	$3,092.89
5E	844	2.95%	5.05%	$683,640	2 & 2	$283.54	$3,402.46	$550.00	$6,600.00	$55.00	$660.00	$833.54	$10,002.46	$338.54	$4,062.46
5F	819	2.87%	5.00%	$663,390	2 & 2	$280.73	$3,368.78	$550.00	$6,600.00	$55.00	$660.00	$830.73	$9,968.78	$335.73	$4,028.78
6A	727	2.54%	4.81%	$654,300	2 & 1	$270.06	$3,240.76	$500.00	$6,000.00	$50.00	$600.00	$770.06	$9,240.76	$320.06	$3,840.76
6B	580	2.03%	3.91%	$475,600	1 & 1	$219.53	$2,634.38	$500.00	$6,000.00	$50.00	$600.00	$719.53	$8,634.38	$269.53	$3,234.38
6C	535	1.87%	3.71%	$438,700	1 & 1	$208.30	$2,499.63	$500.00	$6,000.00	$50.00	$600.00	$708.30	$8,499.63	$258.30	$3,099.63
6D	845	2.96%	5.06%	$692,900	2 & 2	$284.10	$3,409.20	$550.00	$6,600.00	$55.00	$660.00	$834.10	$10,009.20	$339.10	$4,069.20
6E	720	2.52%	4.81%	$590,400	2 & 1	$270.06	$3,240.76	$500.00	$6,000.00	$50.00	$600.00	$770.06	$9,240.76	$320.06	$3,840.76
ST*	15257	53.44%	100%	$12,371,400		$5,614.63	$67,375.50	$11,750.00	$141,000.00	$1,175.00	$14,100.00	$17,364.63	$208,375.50	$6,789.63	$81,475.50
P1	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50
P2	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50

The Shangri-La Condominium
Offering Prices Related Information
For the Period from January 1, 2015 - December 31, 2015

P3	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50
P4	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50
P5	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50
P6	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50
P7	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50
P8	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50
P9	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50
P10	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50
P11	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$71.88	$862.50	$71.88	$862.50
P12	153	0.54%	8.33%	$60,000	n/a	$21.88	$262.50	$50.00	$600.00	$50.00	$600.00	$95.41	$862.50	$95.41	$862.50
P13			0.00%	n/a	n/a	$0.00	$0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ST*	1836	6.48%	100%	$720,000		$262.50	$3,150.00	$600.00	$7,200.00	$600.00	$7,200.00	$886.04	$10,350.00	$886.04	$10,350.00
Total	28,567	100%		$20,971,320		$7,486.17	$89,834.00	$16,650.00	$199,800.00	$3,825.00	$45,900.00	$24,159.70	$289,634.00	$11,334.70	$135,734.00
ST* Sub-Total															

NOTES TO SCHEDULE A

1. It is a *Special Risk* that floor area as shown in Schedule "A" is measured from the center line of unit demising walls and the outside face of perimeter walls therefore, usable square feet would be significantly less than the square footage disclosed in Schedule "A".

2. Offering prices are negotiable and subject to change. See section titled "*Changes in Prices or Units.*" In addition to the purchase price, Purchaser will be responsible at Closing for certain other expenses as explained in the section titled "*Closing Costs and Adjustments*." While general guidelines to certain expenses of Purchaser are approximated in such section, Sponsor in unable to approximate the total amounts which will be incurred by Purchasers because these will vary according to such factors as the cost and size of a particular Unit, whether mortgage financing is obtained and Purchaser's attorney's fees. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur in purchasing their Unit.

3. The percentage of Common Interest allocated to each Unit is based upon the floor space, which allocation is provided for in Section 339-i(1)(iv) of the Real Property Law. The aggregate Common Interest of all Units equals 100%.

4. These estimates are based upon the Projected Budget for First Year of Condominium Operation, which was prepared for the fiscal year commencing January 1, 2015, and which appears in Schedule B of the Offering Plan. The actual first year of operation may be earlier or later than that year. These estimates include the cost of heat which is consumed in each Unit but not electricity. Electricity used by each Unit shall be individually metered and billed to the Unit Owner by the utility company. Please see Schedule B-1 for individual utility charges.

In addition to these estimated Common Charges, each Unit Owner will be responsible for paying: (i) mortgage payments under any loan or loans obtained to finance the acquisition of his or her Unit; (ii) the cost of electricity and heat, supplied to his or her Unit; which electricity, shall be individually metered and billed by and payable to the utility company; (iii) the cost of painting and decoration of his or her Unit: (iv) the cost of interior repairs to and the maintenance of his or her Unit, including but not limited to, repairs to and maintenance of the exposed face of all walls, ceilings and floors and all kitchen and bathroom fixtures and appliances installed therein by the Sponsor pursuant to this Offering Plan; (v) the cost of any insurance that he or she obtains covering (a) furniture, belongings, equipment and other personal property and (b) liability to others for personal injury or property damage as a result of occurrences in his or her Unit; (vi) real estate taxes; and (vii) internet and cable TV service. Unit Owners of Units with appurtenant Limited Common Elements are also responsible for the non-structural maintenance and repairs of such Limited Common Elements.

5. Projected Monthly Real Estate Taxes:

After the condominium is divided into separate tax lots, each unit will be taxed as a separate tax lot for real estate purposes and the unit owner will not be responsible for the payment of, nor will the unit be subject to, any lien arising from the nonpayment of taxes on other units. The projection assumes that the real estate taxes will be apportioned to the Units according to the proportion that each Unit's percentage of Common Interest bears to the aggregate Common Interest of all Units. No assurances can be given that this method of apportionment of real estate taxes will be used by the City of New York taxing authorities. The real estate taxes are based on a taxable and aggregate assessed valuation of the premises for the 2014/2015 tax year of $245,790. The tax liability from July 1, 2014 to June 30, 2015 is estimated at $46,500 assuming 421-a benefits and $205,000 without them. The tax rate used to calculate projected real estate taxes is 13.5%.

As set forth in, greater detail in the Section of the Offering Plan entitled "*Tax Exemption Benefits*" and in Part II, Exhibit I, Sponsor applied for a Preliminary Certificate of Eligibility under Section 421-a of the Real Property Tax Law for a 15 year tax exemption. Sponsor anticipates that it will complete construction on or before February 1, 2010 and that the tax exemption benefits. Sponsor anticipates that the 421-a tax exemption benefits will be approved but by no means guaranteed. If the benefits are approved it is by no guarantee that it will be in effect for the first year of the condominium's operation. The benefits will be retroactive.

The assessed valuation after completion of improvement is estimated to be $1,577,000 without a 421-a exemption and $245,790 with one.

The 421-a tax exemption will continue for a period of fifteen (15) years from the completion of construction, to be phased out at 20% per year for the last four years.

The real property tax reduction will be progressively phased out. The progressive decrease in tax benefits will take place in years 11, 12, 13, 14 and 15 as follows:

Year 11	80% of tax exemption benefits
Year 12	60% of tax exemption benefits
Year 13	40% of tax exemption benefits
Year 14	20% of tax exemption benefits
Year 15	full tax

Please consult the sections of the Plan titled *"Tax Exemption Benefits"* and *"Counsel's Real Estate Tax Benefits Opinion"* for further discussion.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, Sponsor will escrow with the Board of Managers an amount sufficient to pay real estate taxes for all units for six months from the first unit closing, or until the units are separately assessed, whichever is shorter. The Board of Managers will pay the real

estate taxes from this escrow account as they become due and payable. At each Unit closing, real estate taxes will be adjusted between Sponsor and the Unit Purchaser through the end of the tax payment period within which the Closing occurs. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. See section titled "*Closing Costs and Adjustments*" for further discussion. It is *a Special Risk* that the Condominium may not receive real estate tax benefits.

The Sponsor has applied for and received a preliminary certificate of eligibility for a partial tax exemption under section 421-a of the Real Property Tax Law. The building is not located within the 421-a statute's geographic exclusion area. No restrictive declaration is recorded since there is no necessity for affordable units. There is no required staffing and/or salary floor under the 421-a program, because the building has less than 50 (fifty) Residential Units.

If, prior to consummation, Sponsor rents any residential unit (or portion thereof) to any person other than an interim lessee, Sponsor is obligated to abandon the offering plan in accordance with the provisions of 13 N.Y.C.R.R. sections 20.1(1)(2) and 20.5(g).

Although the Sponsor is applying for real estate tax benefits, it is possible that the Sponsor will not obtain those benefits. Sponsor will use best efforts to obtain a final certificate of eligibility for 421-a benefits. The benefits are for 15 years. After the eleventh year, the amount of the partial tax exemption will progressively decrease in value and after the fourteenth year, it will be eliminated. The Sponsor does not and cannot guarantee that the Condominium will actually receive tax exemption or abatement benefits. See Section titled "*Real Estate Taxes.*"

As required by the 421-a Rules and Regulations issued by the New York City Department of Housing and Preservation ("HPD"), if the Plan has not been declared effective for filing at a time fifteen (15) months after HPD has issued the Final 421-a Certificate of Eligibility, as of such date, the Building and all Units as they become occupied shall become rent stabilized and subject to the rent stabilization laws applicable thereto for the entire period during which the Property is receiving 421-a Tax Benefits. As of such date, the Sponsor must register the Building and all Residential Units as they become occupied with the New York State Department of Housing and Community Renewal ("DHCR"). Any leases and renewals thereof to a Residential Unit that is required to be registered with DHCR shall contain a notice at least twelve (12) point type informing any such tenant that the Residential Unit shall be subject to deregulation upon the expiration of the 421-a Tax Benefit period and stating the approximate date on which such benefit period is expected to expire. If each lease and renewal thereof does not contain the aforementioned notice, then, the Unit shall remain rent stabilized after the expiration of the 421-a Tax Benefits until the Unit becomes vacant. During such rent stabilization period, the Unit shall not be subject to luxury decontrol. After any such registration of the Building and applicable Units with DHCR, the Plan shall be amended to disclose the rights of existing tenants.

A property which is granted a partial real estate tax exemption under Section 421-a of the New York Real Property Tax Law and is to be converted to condominium use subject to an offering plan which is not declared effective within fifteen (15) months of the issuance by HPD of the 421-a final certificate of eligibility becomes subject to rent regulations under the Rent Stabilization Laws and Code ("Code"). The Code imposes registration requirements on owners and grants tenants the right to reside in the premises, provided that they abide by their lease terms, for the duration of the 421-a partial real estate taxes exemption. Leases given to tenants must contain language advising of when the 421-a partial real estate exemption will expire. Tenant's rents cannot be increased over and above Rent Guidelines Board restrictions plus 2.2% annually. Further, an individual who takes possession pursuant to a lease with the Sponsor will have the aforementioned rights of continued possession and rent increase protection but a tenant of a unit purchaser unrelated to the Sponsor would not enjoy these protections.

The Sponsor intends that the building be exempted from the statutory obligation to register units as rent-stabilized by reason of condominium status.

The Sponsor has 15 months from the date of issuance of a Final Certificate of Eligibility from the New York City Department of Housing Preservation & Development ("HPD") to declare its offering plan effective.

For further discussion of 421-a benefits, see page 89 of the Offering Plan entitled "Counsel's Tax Exemption Opinion".

The projected tax deduction may vary in future years due to changes in the interest rate on the unit owner's mortgage or from changes in the allocation of constant debt service payments to interest and principal. 421-a real estate tax exemption benefits may vary in future years due to changes in real property taxes resulting from the expiration (or phasing out) of real estate tax benefits, or from changes in assessed value, the tax rate or the method of assessing real property.

6. Monthly Carrying Charges:

This figure is the sum of (i) projected monthly Common Charges and (ii) the projected monthly real estate taxes. In addition to the projected monthly Common Charges and any real estate taxes, the Unit Owner will be responsible for repairs to the interior of the Unit and separately metered electricity. If a Unit Owner obtains financing, the debt service on such financing will be an additional monthly expense. Under present law each Unit Owner, (if he or she itemizes deductions), will be entitled to a deduction for the interest component of any such debt service if the Unit is used as a primary or secondary home as well as for his or her real estate taxes. Any Purchaser who does not intend to use the Unit as a principal or second home should contact his or her tax advisor See section titled "*Opinion of Counsel.*"

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
SCHEDULE B
BEGINNING JANUARY 1, 2015

PROJECTED INCOME

(1) Common Charges	$89,834.00
Commercial Units (CU)	$19,308.50
Residential Units (RU)	$67,375.50
Parking Spaces (PS)	$ 3,150.00

PROJECTED EXPENSES		**CU[1]**	**RU[2]**	**PS[3]**
(2) Labor	$ 0.00			
(3,4) Heating & Electricity in Hallway,	$32,600.00	$6,520.00	$24,450.00	$1,630.00
(5) Water/Sewer	$26,834.00	$6,708.50	$20,125.50	$ 0.00
(6) Repair/Maintenance	$ 6,400.00	$1,280.00	$4,800.00	$ 320.00
(7) Legal/Audit	$ 6,000.00	$1,200.00	$4,500.00	$ 300.00
(8) Insurance	$10,000.00	$2,000.00	$7,500.00	$ 500.00
(9) Management Fee	$ 0.00	$ 0.00	$ 0.00	$ 0.00
(10) Contingency	$ 8,000.00	$1,600.00	$6,000.00	$ 400.00
TOTAL	$89,834.00	$19,308.50	$67,375.50	$3,150.00

Note: Sponsor represents that if at a future date prior to the First Unit Closing the Offering Plan must be amended to include a revised projected budget and such amended projections exceed the projections set forth above by twenty-five (25%) percent or more, each Purchaser shall have the right, for fifteen (15) days subsequent to the date of mailing or personal delivery of a copy of such amendment to him or her, to rescind his or her Purchase Agreement, and, if not otherwise in default, have his or her Down Payment refunded. If the anticipated commencement date of the condominium operation is delayed more than 6 months, the plan must be amended to include the revised budget. 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 estimate set forth herein.

Purchasers should also note that even if the first closing occurs on or before January 1, 2015 (or such other date projected as the date of commencement of operation at the time the purchase agreement was entered into) or within the twelve (12) month period thereafter, the closing of subsequent units may be substantially delayed beyond such dates if a temporary certificate of occupancy has not been issued for such units or for the floor on

[1] The commercial units pay 20% of the common charges except for the water/sewer for which they pay 25%.
[2] The residential units pay a total of 75% of the common charges.
[3] The parking spaces pay 5% of the common charges except for the water/sewer, which they do not pay.

which such units are located. In such case, provided that the Sponsor is diligently pursuing completion of construction and issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, a Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price of the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. In the event, however, Sponsor cannot convey title to the Unit on or before twelve (12) months from the date of the Purchase Agreement, affected Purchasers will be offered a right of rescission.

THE ACCOMPANYING NOTES, WHICH FOLLOW THIS SCHEDULE B, ARE AN INTEGRAL PART HEREOF AND SHOULD BE READ IN CONJUNCTION HEREWITH.

NOTES TO SCHEDULE B

1. Common Charges: ($89,834)

Common Charges represent each Unit's proportionate share of the Common Expenses.

2. Labor: ($0)

The condominium will have no employees. During the first two years, part-time super services will be provided by the Sponsor, free of charge. The Superintendent will be available not less than 4 hours per day, Monday through Friday, from 9:00 a.m. to 1:00 p.m. The superintendent will perform routine maintenance and cleaning.

In addition, Sponsor shall provide, free of charge, for not less than two years, janitorial services as required by law. New York City Administrative Code Section 27-2052 requires one of the following when a building has nine or more residential rental units: (1) that the owner performs janitorial services; (2) that there be a full-time superintendent who resides in the building or within 200 feet of the building; or (3) that there be a janitorial service approved by the Department of Buildings available 24 hours per day, 7 days per week. Shun-Qian Liu will be a superintendent, and the initial post-closing amendment will identify him and dislclose whether the superintendent lives within 200 feet of the property.

There is no amount budgeted for the part time super. After two years, should the condominium require a super, they would have to hire one, resulting in additional expense and a common charges increase. . This level of staffing complies with applicable housing and labor laws.

3. Heating and Hot Water: ($0)

This includes the cost of heat, hot water and electricity for the hallways and common arrears. Heat and hot water for the Units are paid for by the individual unit owners. See Schedule B-1 for individual heating and hot water charges.

4. Utilities Gas $10,047.00 & Electric $22,500.00 (approximately $32,600)

The cost of electricity for the lobby and hallways, stair landings and exterior of the building will be a common expense. It assumes electrical usage of 102,273 kilowatt hours per year at a rate of $.22 per kilowatt hour. It assumes gas usage of 6,880 therms at $1.46 per therm. These estimates were provided by Kon-Ho Lee Consulting Engineer, PLLC., 728 Bay Ridge Avenue, Brooklyn, NY 11220 based on rates in effect on January 15, 2014. This projection includes sales taxes and a 10% inflation factor.

For projections of unit Owner's cost, see Schedule B-1 of this Offering Plan. Electricity will be supplied to the building by Con Edison.

It is not possible to predict how closely the budgeted figure or the estimated electric energy cost for each Unit will reflect the actual expenses for electricity to be incurred during the first year of condominium operation because such expenses will vary with the level of consumption and the cost of electricity. Electricity is generated by the utility company by means of fuel oil as the primary energy source. In view of fluctuations in oil production by certain nations of the Organization of Petroleum Exporting Countries (OPEC) and unpredictable rate increases imposed from time to time by one or more members of OPEC, it is likely that the cost of fuel oil used to generate electricity will increase in the future. Consequently, it is likely that electric rates will increase, although it is not possible to forecast the amount or timing of such increase. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity resulting from the foregoing during the first year of condominium operation.

5. Water and Sewer: ($ 26,834)

This figure is based upon the water and sewer metered formula provided by the City of New York based on the rate in effect in January 15, 2014. This formula is based upon the number of families, tubs/shower stalls, toilets, and hose bibs. The charge for sewer frontage is based on 159% of the water charge. The estimate for water and sewer charges is $21,281.00. This estimate was provided by Kon-Ho Lee Consulting Engineer, PLLC., 728 Bay Ridge Avenue, Brooklyn, NY 11220 based on rates in effect on January 15, 2014 but no inflation factor.

6. Repairs and Maintenance: ($6,000)

The figure does not include maintenance and repair expenses within each Unit. Such expenses are the obligation of the Unit Owner. The budgeted amount is based on normal maintenance and repairs and is designed to cover normal maintenance and repair costs associated only with the Common Elements, such as interior repairs, roof repairs, repairs to exterior walls, foundations, windows, doors and locks, plumbing repairs, electrical repairs, janitor supplies and painting of common areas. The amount is based on the experience of the budget expert, Robert Mozilo of Elite Management, 42-40 Bell Boulevard, Bayside, N.Y. 11360 in managing a new construction Building of comparable size, quality, and amenities. No provision has been made to cover the cost of any major capital expenditure. If such expenditure is required, each Unit Owner will be obligated to pay his or her pro rata share of such expenditure.

7. Legal and Accounting: ($6,000)

The legal and accounting expenses are for legal consultation, accounting and auditing. The accounting quotation is based on a fee quotation of $3,000 from Angus Wong, CPA, 128 Mott Street, Suite 709, New York, NY 10013dated January 7, 2010. $3,000 is budgeted for legal services in the event the corporation desires to retain an attorney to attend the annual meeting, and for the provision of minor legal services, taking no more that 15 hours to complete.

8. Insurance: ($10,000)

The Condominium must have public liability insurance at closing. The budgeted amount for insurance, provided by Chiriboga Services Inc., 44-29 College Point Boulevard, Flushing, NY 11355 is for the following coverage's and is based upon premium costs from July 1, 2014 to June 30, 2015.

Type of Coverage	Amount of Coverage
Building, All Risk $1,000.00 deductible	Replacement Cost
Comprehensive General Liability	$1,000,000 each occurrence $2,000,000 general aggregate

Total Premium of the above is estimated at $10,000 as of January, 2014.

The Sponsor represents that it shall initially provide on behalf of the Condominium at the Condominium's expense, to be effective at the First Unit Closing, insurance in the amounts and for the coverage as set forth above.

The following will be named insured on the afore-described property insurance: the Board of Managers, each officer thereof, each Unit Owner, each Permitted Mortgagee, Sponsor and Managing Agent. There will be no cancellation without notice to each of the named and additional insured.

Comprehensive general liability insurance includes coverage for bodily injury and property damage caused by objects falling from balconies or terraces, but does not cover Unit Owner for his or her own negligence.

Fire and casualty insurance includes coverage for damage to all Common Elements, including, without limitation, damage to all walls, ceilings and floors in the Units (other than those walls, ceilings and floors erected by a Unit Owner other than Sponsor) as finished by the Sponsor in accordance with the section titled "*Description of Property and Specifications*" and all kitchen and bathroom fixtures and appliances installed therein by Sponsor as described in said section. The property coverage will be written on a replacement cost agreed amount basis. This coverage will prevent the Condominium from becoming a co-insurer in the event of fire or other casualty.

Coverage for Officers and Director's liability, rent insurance, water damage, elevator collision, boilers and machinery, auto liability, garage keeper's liability and a fidelity bond is not included, and may be available for an extra cost.

The policy will contain a waiver of subrogation, a waiver of defense based upon the acts of the insured and Unit Owners and a waiver of any pro rata reduction if additional Unit

Owners obtain coverage. Sponsor represents that the amount of insurance described above is adequate to cover the replacement of the Building in the event of loss and is adequate to avoid the Condominium association from being a co-insurer.

No coverage is provided for such risks as fire and casualty losses to the contents of each individual Unit, except stated above, nor does the coverage take into account any future replacements, improvements or additions to either the Units or the fixtures and improvements contained therein. In addition, no liability coverage for an individual Unit Owner arising from any occurrence due to his or her negligence Unit is included in the coverage described above. PURCHASERS SHOULD OBTAIN THEIR OWN INSURANCE FOR RISKS OF FIRE AND CASUALTY LOSSES.

In recent years, premiums for insurance (especially fire and liability insurance) have increased significantly. It is not possible to predict whether future premiums will continue to escalate at the sum substantial rate or will level off. Although the projection is believed to be reasonable, no budget item is warranted. For further discussion of insurance coverage, please see the section titled "*Obligations of Unit Owners.*"

The terms of the insurance will provide that (1) each owner is an additional insured party, and (2) there will be no cancellation without notice to the Board of Managers.

9. Management Fees: ($0)

. For the first year, management company services (billing, collection, paying bills, bookkeeping, preventative maintenance and cleaning) will be provided free of charge by the sponsor. After the first year, those services will have to be provided by an outside manager at additional expense or the unit owners will have to elect to maintain building themselves. The prevailing cost for management services would be $10,000 per year for a building of this size. For further description, please see the section titled "*Management Agreement.*"

10. Contingency: ($8,000)

The contingency reserve, which is approximately eight (8%) of the budget, provides a fund for possible expenses not included in the projected budget or possible increases in one or more categories of operating expense beyond the projected amounts. The basis for this projection is the experience of the budget expert's experience in the management of comparable buildings. There can be no assurance that such fund will be sufficient to pay for major capital repairs or replacement items, which may be needed within the first five years of condominium operation. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners. In the event of any material change in the budget, this Offering Plan will be amended.

At the First Unit Closing, Sponsor and the Board of Managers will apportion various items of operating income and expenses. If as a result of these apportionment's the net credit is in favor of Sponsor, such amount shall be paid by the Board of Managers, pursuant to a promissory note by the Board of Managers to Sponsor bearing no interest. The

promissory note shall be paid by applying the one month's common charge paid by each Purchaser, at the closing of title to each respective Unit, as a contribution to working capital. Sponsor is hereby authorized to endorse the Working Capital Contribution checks payable to the Board of Managers over to Sponsor and to apply such payments to the promissory note without any further action of the Board of Managers. Because of this method of payment, these payments are not included in this projected budget, although they represent, in effect, payment of certain expenses reflected in this projected budget that have been prepaid by Sponsor. In the event that the funds in the contingency reserve are not sufficient to satisfy the promissory note, then the Condominium shall pay the promissory note in full no later than the first anniversary of the First Unit Closing. For further description, please see the section titled "*Closing Costs and Adjustments.*"

IN THE OPINION OF THE BUDGET EXPERT, Robert Mozilo, 42-40 Bell Boulevard, Bayside, N.Y. 11360(SET FORTH IN THE SECTION TITLED "*CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET,*" IN PART II OF THIS OFFERING PLAN), THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION FOR COMPARABLE UNITS SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE YEAR COMMENCING January 1, 2015. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE BOARD Of MANAGERS WILL BE AS SET FORTH IN THE SAID PROJECTED BUDGET. IT IS LIKELY THAT THE ACTUAL COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE PROJECTED BUDGET.

SPONSOR HAS RESERVED THE RIGHT TO ENTER INTO SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS THAT WILL BE BINDING ON THE BOARD OF MANAGERS ON COMMENCEMENT OF CONDOMINIUM OPERATION. HOWEVER, SPONSOR MAY NOT ENTER INTO ANY BINDING SERVICE OR MAINTENANCE CONTRACT THAT WILL MATERIALLY INCREASE THE FIRST YEAR'S ESTIMATED COMMON CHARGES.

SCHEDULE B-1
Projected Budget for Individual Energy Costs.

The average yearly charge for electricity and heat for each Unit has been estimated by Kon-Ho Lee Consulting Engineer, PLLC., 728 Bay Ridge Avenue, Brooklyn, NY 11220 based on rates in effect on January 15, 2014 (which assumes sales tax and a 10% inflation factor) as follows:

*The cooking gas is included in the common charges.

	Electricity		*Gas	
Unit No.:	**Per Month**	**Per Year**	**Per Month**	**Per Year**
CA	$1,206	$14,472	0	0
CB	$210	$2,520	0	0
1A	$152	$1,824	0	0
1B	$317	$3,804	0	0
2A	$289	$3,468	0	0
2B	$211	$2,532	0	0
2C	$332	$3,984	0	0
2D	$336	$4,032	0	0
3A 4A 5A	$181	$2,172	$47	$564
3B 4B 5B	$153	$1,836	$39	$468
3C 4C 5C	$155	$1,960	$39	$468
3D 4C 5D	$152	$1,824	$39	$468
3E 4E 5E	$200	$2,400	$47	$564
3F 4F 5F	$200	$2,400	$47	$564
6A	$194	$2,328	$47	$564
6B	$155	$1,860	$39	$468
6C	$155	$1,860	$39	$468
6D	$200	$2,400	$47	$564
6E	$193	$2,316	$47	$564

COMPLIANCE WITH REAL PROPERTY LAW 339 (i).

The basis for projecting the share of expenses attributable to each unit is as authorized by Real Property Law Section 339i(1)(iv). The common element and share of expenses are based on floor space, subject to the location of such space and the 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 common charges payable by each unit owner are sufficient to cover the expenses attributable to such units.

SEE ATTACHED LETTER

ELITE MANAGEMENT, INC.
Licensed Real Estate Broker
250-04 Jericho Turnpike
Floral Park, NY 11001
Tel.: (718) 939-3988

September 22, 2014

Real Estate Financing Bureau
New York State Department of Law
120 Broadway
New York, NY 10271

RE: Shangri-la Condominium

Dear Sir/Madam

I am a licensed real estate broker and property manager. I have been in the real estate business and been involved with all classes of real property for over 10 years.

I manage over 2,000 residential apartments and condominium units for numerous buildings located largely in Brooklyn and Queens.

In my opinion, the method used for assigning percentage of common interest to each condominium unit is provided in Section 339-i of the New York Real Property Law.

Real Property Law Section 339-i(1)(iv) authorizes the percentage of Common Interest allocated to each Unit to be based upon floor space, "subject to the location of such space and the 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 Commercial units pay 20% of the common charges except for the water/sewer, for which they pay 25%; the Residential units pay a total of 75% of the common charges and the parking spaces pay 5% of the common charges except for the water/sewer, which they do not pay.

In my opinion, this method was properly used in determining percentage of common interest for the subject condominium.

Robert Mozzo, Licensed Real Estate Broker

COMMERCIAL UNITS

The common charges payable by the commercial unit owners are sufficient to cover expenses fairly attributable to such unit. The proposed uses of the Commercial Units are as community facility units. The method for projecting the share of expenses attributable to the Commercial Units are based on the ratio of the total square footage of all units divided by the square footage of the commercial units taking into consideration the location, etc. as authorized by RPL 339-i(1)(iv).

If any dispute arises between Commercial and Residential Owners concerning special allocation of assessment, it will be resolved through Arbitration, before the American Arbitration Association.

The commercial unit owners have certain rights or other obligations, which differ from those of residential unit owners.

Commercial unit owners may not reside in their units, and they may only be used for the uses set forth in their certificate of occupancy.

The intended uses of the commercial units are as medical offices or community facility spaces. *See "Special Risk Section."* This difference in rights and obligation of the commercial unit owner will not have a material adverse impact on the Condominium.

The commercial units pay 20% of the common charges except for the water/sewer, for which they pay 25%.

CHANGES IN PRICES OR UNITS

1. Changes in Prices:

Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without prior notice and without the consent of any Board, Unit Owner or mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect may be made without the consent of the Purchaser. As set forth in the Notes to Schedule A, offering prices are negotiable and subject to change. The offering prices set forth in Schedule A must be changed by a duly filed amendment to this Offering 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. Sponsor may, however, sell one or more Units to a Purchaser at prices lower than those set forth in Schedule A without filing an amendment to this Offering Plan. As a result of the negotiability of offering prices and the right to change them, certain Purchasers may pay or may have paid more or less than other Purchasers under this Offering Plan for similar Units. However, no change in price will affect the percentage of Common Interest allocated to a Unit.

2. Changes in Units:

Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before the recording of the Declaration, without prior notice and without the consent of any Board, Unit Owner or mortgagee, to (i) change the layout of, or number of rooms in, any Unsold Unit, (ii) change the size and/or number of Units or Unsold Units by subdividing one or more such Units into two or more separate Units, combining separate Units or Unsold Units including those resulting from such subdivision or otherwise) into one or more Units, altering any boundary walls between one or more Units or Unsold Units or otherwise and (iii) if appropriate, reapportion among the Units or unsold Units affected by any such change, their Common Interests. Notwithstanding the foregoing, unless the Purchaser consents thereto or unless such change will not alter the Common Interest of such Unit, no such change will be made with respect to any Unit for which a Purchase Agreement is then in effect provided, however, that all such changes to Units which are made shall be made only upon terms and conditions acceptable to Sponsor, in its sole discretion. The Common Interest of a Unit may change if there is a change in the ratio of the floor area of such Unit to the total floor area of all Units, reflecting, however, the substantially exclusive advantages, if any, enjoyed by one or more but not all Units in a part or parts of the Common Elements.

No changes will be made in the size or number of Units, and/or their respective percentage of Common Interest and no material change will be made in the size and quality of common elements, except by amendment to the plan, and when applicable, to the Declaration.

Unless an affected purchaser consents, no material change will be made in the size, layout or percentage of common interest if a Purchase Agreement has been executed and delivered to the Sponsor for that unit.

Unless all purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the Common Elements. If there is a material amendment to the Offering Plan that adversely affects the purchasers, the sponsor must grant purchasers a right of rescission and a reasonable period of time that is not less than fifteen (15) days after the date when an amendment to the Offering Plan disclosing such material change is presented to exercise the right of rescission. The Sponsor must return any deposit or down payment to purchasers who rescind.

Before changing the size or number of Units, Sponsor or its designee or such owner or lessee of an Unsold Unit shall comply with all laws, ordinances, and regulations of all governmental authorities having jurisdiction and shall first obtain the approval of all authorities whose approval is required by law.

So long as the layout and dimensions of a Unit conform substantially to the Floor Plans, a Purchaser who is a party to a binding Purchase Agreement will not be excused from purchasing a Unit and will not have any claim therefore against the Sponsor by virtue of any insubstantial change or discrepancy in the Floor Plans.

INTERIM LEASES

The Sponsor may, if he chooses, rent units that are vacant before the closing.

A property which is granted a partial real estate tax exemption under Section 421-a of the New York Real Property Tax Law and is to be converted to condominium use subject to an offering plan which is not declared effective within fifteen (15) months of the issuance by HPD of the 421-a final certificate of eligibility becomes subject to rent regulations under the Rent Stabilization Laws and Code ("Code"). The Code imposes registration requirements on owners and grants tenants the right to reside in the premises, provided that they abide by their lease terms, for the duration of the 421-a partial real estate taxes exemption. Leases given to tenants must contain language advising of when the 421-a partial real estate exemption will expire. Tenant's rents cannot be increased over and above Rent Guidelines Board restrictions plus 2.2% annually. Further, an individual who takes possession pursuant to a lease with the Sponsor will have the aforementioned rights of continued possession and rent increase protection but a tenant of a unit purchaser unrelated to the Sponsor would not enjoy these protections. If, prior to consummation, Sponsor rents any residential unit (or portion thereof) to any person other than an interim lessee, Sponsor is obligated to abandon the offering plan in accordance with the provisions of 13 N.Y.C.R.R. sections 20.1(1)(2) and 20.5(g).

The Sponsor intends that the building be exempted from the statutory obligation to register units as rent-stabilized by reason of condominium status.

The Sponsor has 15 months from the date of issuance of a Final Certificate of Eligibility from the New York City Department of Housing Preservation & Development ("HPD") to declare its offering plan effective.

Any uncured default under the purchase agreement would constitute a default under the lease. Any uncured default under the lease would constitute 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.

If the interim lessee has to vacate the unit after a default under the purchase agreement or rescission of the purchase agreement by the lessee, he must do so within thirty (30) days and simultaneous with the return of the down payment, in the case of rescission.

PROCEDURE TO PURCHASE:

1. Purchase Agreement; Down Payment:

A Person desiring to purchase a Unit in the Condominium, or the authorized parties thereof if the Person is other than a natural person, shall be required to execute a contract to purchase (Purchase Agreement), in the form contained in Part II, and return it to the Sponsor, together with a check in the amount of ten (10%) percent of the purchase price (Down Payment), drawn to the order of Thomas E. Berinato, ATTORNEY ESCROW ACCOUNT, THE SHANGRI-LA CONDOMINIUM. All checks delivered in payment of the Down Payment shall be subject to collection and if any check is returned for insufficient funds or any other reason, Sponsor shall have the right, but not the obligation, to cancel the Purchase Agreement. Within twenty (20) days of receiving three copies of a Purchase Agreement, executed by Purchaser, together with the required Down Payment, Sponsor must either accept the Purchase Agreement by returning to Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the Down Payment tendered. If Sponsor takes no action within said twenty (20) day period, the Purchase Agreement shall be deemed null and void and Sponsor shall return the Down Payment to Purchaser.

Within 10 business days after tender of the deposit submitted with the purchase agreement, the escrow agent shall notify the purchaser that such funds have been deposited in the bank indicated in the offering plan, and shall provide the account number and the initial interest rate. If the purchaser does not receive notice of such deposit within 15 business days after tender of the deposit, he or she may cancel the purchase and rescind within 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 these regulations and requisite notice was timely mailed to the purchaser.

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

The purchaser is required to sign a Power of Attorney to the Board of Managers of the Condominium, at the time of closing and deliver a copy of same to the Sponsor within two (2) business days. The Sponsor will not deliver a deed to any unit unless accompanied by a Power of Attorney in the form shown in part II of the Offering Plan.

The Sponsor must comply with Section 71-a(3) of the New York State Lien Law, which requires that the initial advance pursuant to a contract of sale which by its terms provides for or is incidental to a contract providing for the construction on the subject real property of residential condominium unit, on property to be purchased shall, at the vendee's option, be deposited within five business days thereafter by the recipient in an interest bearing escrow account in a bank, trust company, savings bank, state or federal savings and

loan association, located in this state. Such deposit, together with the interest accumulated thereon, shall remain the property of the vendee except as otherwise provided herein. The recipient shall advise the vendee in writing of the name of the depository where the funds have been placed within ten business days after such deposit has been made.

Section 71-a(3) of the Lien Law further provides that, instead of making such a deposit, the recipient may post a bond. However, the Sponsor will not be seeking to post a bond in connection with deposits received pursuant to purchase agreements received under this offering plan.

Sponsor expects the first closing of a unit to occur on or about January 1, 2015. If such date is delayed more than 12 months or more, purchasers will be offered rescission.

2. **The Escrow Agent**:

The law firm of Thomas E. Berinato, with an address at 123-40 83rd Avenue, Suite 1D, Kew Gardens, NY 11415, telephone number (718) 261-0510, shall serve as escrow agent ("Escrow Agent") for Sponsors and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Thomas E. Berinato, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsors, Selling Agents, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at The Chase Manhattan Bank, located at 81-35 Lefferts Boulevard, Kew Gardens, New York, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Thomas E. Berinato, Escrow Account for the Shangri-la Condominium ("Escrow Account"). Each purchaser will have a segregated sub-account. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in a sub-account in excess of $250,000 will not be insured.

All Deposits received from Purchaser shall be in the form of checks, money orders or wire transfers, (no cash accepted), and shall be made payable to or endorsed by the Purchaser to the order of Thomas E. Berinato, as Escrow Agent.

Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the

Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsors shall bear all costs associated with the maintenance of the Escrow Account.

The Purchase Agreement:

The Purchase Agreement is included in Part II of the Plan. The relevant escrow trust fund provisions are included in the Escrow Rider to the Purchase Agreement, which must be executed by the Escrow Agent.

The deposit shall be 10% of the Offering Price.

The Sponsor will not be applying for alternative security such as a surety bond or letter of credit.

Notification to Purchaser:

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsors, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Release of Funds:

All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

(a) pursuant to terms and conditions set forth in the Escrow Agreement upon closing of title to the Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the unit is located and shall give written notice to both parties of such deposit.

The Sponsor shall not object to the release of the Deposit to:

(a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

(b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

Waiver Void:

Any provision in the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow

Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

Sponsors expects the first closing of a unit to occur on or about January 1, 2015. If such date is delayed more than 12 months or more, purchasers will be offered rescission.

3. Right of Rescission:

Purchasers will be given an opportunity to review the Offering Plan and any filed amendments for at least three business (3) days prior to their executing a Purchase Agreement.

Purchasers will be afforded not fewer than seven days after delivery of an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the deposit refunded promptly. The purchaser must either personally deliver a notice of rescission to the Sponsor or Selling Agent within the seven day period, or mail the notice of rescission to the Sponsor or Selling Agent and have the mailing postmarked within the seven day period.

4. Mortgage Financing Contingency:

There is a financing contingency permitted under this Offering Plan. Thus, the failure to obtain financing will relieve Purchaser from his or her obligations under the Purchase Agreement, provided that the Purchaser complies with the terms and conditions of the Mortgage Financing Addendum. The purchaser must sign the Financing Contingency Rider in order to qualify for financing.

Under the terms of the Mortgage Financing Addendum, the Purchaser, shall have 45 days from the date of the Mortgage Financing Addendum to obtain mortgage financing. The maximum allowable financing is 80% of the purchase price. The Purchaser shall (i) make prompt application to an Institutional Lender for such mortgage loan; (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required; (iii) pay all fees, points and charges required in connection with such application and loan; (iv) pursue such application with diligence; (v) cooperate in good faith with such Institutional Lender to obtain such commitment and (vi) promptly give Notice to Seller of the name and address of each Institutional Lender to which Purchaser has made such application. Purchaser shall comply with all requirements of such commitment (or any other commitment accepted by Purchaser) and shall furnish Seller with a copy thereof promptly after receipt thereof. If such commitment is not issued on or before the Commitment Date, then, unless Purchaser has accepted a commitment that does not comply with the requirement set forth above, Purchaser may rescind the purchase agreement by giving Notice to Seller within 50 days after the date of the Mortgage Financing Addendum,

in which case this contract shall be deemed cancelled and thereafter neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Down payment shall be promptly refunded to Purchaser. The purchaser assumes the risk that a commitment may expire or that the terms of the commitment may change prior to actual closing. If the purchaser's obligations are contingent upon obtaining a financing commitment, and the financing commitment lapses or expires prior to closing, and the purchaser has made a good faith effort to extend the commitment, Sponsor shall grant to such purchaser a right of rescission and a reasonable period of time within, which to exercise the right. For purposes of this contract, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this State, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

The commencement of the contingency period will begin as of the date that a purchaser receives a fully executed purchase agreement.

5. Notice of Closing of Title; Balance of Purchase Price:

Purchasers shall be given not less than thirty (30) days' written notice of the closing of title to their Units. This notice period may be waived by Purchasers. The notice shall provide that the balance of the purchase price shall be due at closing of title. The notice to Purchaser shall also specify when Common Charges will be due and payable. AT THE CLOSING OF TITLE, THE BALANCE OF THE CASH PORTION OF THE PURCHASE PRICE MUST BE PAID BY (i) UNENDORSED CERTIFIED CHECK OF PURCHASER PAYABLE TO THE ORDER OF FLUSHING MANOR REALTY, LLC, or (ii) UNENDORSED TELLER'S OR CASHIER'S CHECK PAYABLE TO THE ORDER OF FLUSHING MANOR REALTY, LLC, FROM A BANK OR TRUST COMPANY, WHICH IS A MEMBER OF THE NEW YORK CLEARING HOUSE ASSOCIATION OR ANY SUCCESSOR ORGANIZATION. FUNDS DRAWN ON OUT OF STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED FOR PAYMENT OF THE PURCHASE PRICE FOR A UNIT.

6. Default:

If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he or she has thirty days from the mailing date such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. Time is of the essence, means that if Purchaser fails to make such payment when required under the Purchase Agreement, or fails to perform any of Purchaser's other obligations under the Purchase Agreement, than

Sponsor may give notice to Purchaser of Sponsor's intention to cancel the Purchase Agreement thirty (30) days thereafter if notice is by mail. If Purchaser fails to cure such default by the expiration of said period, Sponsor may, at its option, cancel the Purchase Agreement by notice of cancellation to Purchaser. In the event of such a cancellation, the Sponsor may retain as liquidated damages all payments, including the Down Payment plus accrued interest if any, made under the Purchase Agreement.

7. Entry Prior to Closing:

Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Sponsor. Purchaser shall have the right to enter and inspect such Unit within three (3) days prior to Closing but shall be obligated to make an inspection appointment with Sponsor. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the Closing.

8. Risk of Loss:

The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the Closing for the particular Unit. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of a Unit prior to the Closing, then Purchaser shall bear the risk of loss or other casualty with respect to that Unit. Accordingly, any Purchaser, or one claiming by or through Purchaser who takes possession of a Unit prior to the Closing should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, such Purchaser will remain obligated to purchase such Unit under the terms of the Purchase Agreement. PURCHASER SHOULD CONSULT WITH AN ATTORNEY AND/OR AN INSURANCE AGENT AS TO PURCHASER'S INSURANCE NEEDS.

Prior to the first closing the entire building will be insured by the sponsor, and after the first closing the entire building will be insured by the condominium. A person in possession who is not an owner cannot insure the unit since he or she has no ownership interest, and the unit cannot be doubly insured. Thus the risk of loss cannot, as a practical matter, be passed on to a person in possession. A person who takes possession prior to closing assumes the risk of losses not covered by insurance.

9. Floor Plans:

The dimensions and layout of the Units set forth on the Floor Plans are approximate within reasonable tolerances and may vary from the actual dimensions and layout of a Unit due to change in fenestration and/or other revisions deemed advisable by any governmental agency or as necessary due to job conditions. PURCHASERS ARE ADVISED TO EXAMINE AND MEASURE A UNIT PRIOR TO SIGNING A PURCHASE AGREEMENT FOR SUCH UNIT. Purchasers shall not be excused from purchasing a Unit pursuant to a Purchase Agreement so long as the dimensions and layout of such Unit substantially conform to the Floor Plans.

10. Notices:

Any notice or other communication required or permitted to be given under the Purchase Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or registered mail, return receipt requested. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the fifth day, after mailing.

11. Miscellaneous:

Any conflict between this Offering Plan and the Purchase Agreement will be resolved in favor of the Offering Plan. In no event may the Purchase Agreement contain, or be modified to contain, any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his or her right to thirty (30) days' written notice prior to the Closing. In no event may the Purchase Agreement contain, or be modified to contain, any provision abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Purchase Agreement is assignable without Sponsor's prior written consent.

EFFECTIVE DATE OF PLAN:

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Offering Plan. The Closing of any Unit may not occur until after the Offering Plan has been declared effective, an amendment has been filed substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

The Offering Plan may be declared effective when Purchase Agreements have been executed by bona fide purchasers and accepted by Sponsor for the sale a minimum of at least fifteen (15%) percent of the Units or five (5) residential units offered under the Offering Plan. Parking spaces are not counted toward effectiveness. The Offering Plan will not be declared effective based on Purchase Agreements (i) signed by purchasers who have been granted a right of rescission which has not expired or been waived; (ii) counting any purchaser who is the Sponsor, the Selling Agent, Managing Agent of a relative of the Sponsor, the Selling Agent or Managing Agent, or a relative of any principal of the Sponsor, Selling Agent or Managing Agent, by blood, marriage, or a business associate, employee or shareholder or limited partner of the Sponsor, Selling Agent or Managing Agent, except that a purchaser other than the sponsor a principal of the Sponsor may be included if the Sponsor submitted proof satisfactory to the Department of Law establishing that the purchase is bona fide; (iii) if the purchaser was not afforded the protections required by 13 NYCRR 20.3(0)(15) which requires that Purchasers shall have not fewer than three (3) business days to review the offering plan and all filed amendments prior to executing a purchase agreement.

The Offering Plan must be declared effective when Purchase Agreements have been executed and accepted by Sponsor for a minimum of at least eighty (80%) percent of the Units offered under the Offering Plan, or twenty four (24) units.

The Offering Plan will be declared effective by the mailing or personal delivery of written notice to all Purchasers. Within five (5) business days after such notice in given, an amendment to the Offering Plan will be submitted by Sponsor stating that the Offering Plan has been declared effective. Upon request of the Department of Law, Sponsor will submit to the Department of Law copies of all Purchase Agreements, together with any amendments or modifications to such Purchase Agreements, within five (5) business days after the request is received.

Sponsor also reserves the right to abandon the Offering Plan by duly filed amendment and by filing a notice of abandonment on Form RS-3 at any time prior to the First Unit Closing. Sponsor may not abandon the plan after effectiveness for any reason other than: (i) a defect in title which cannot be cured without litigation or cannot be cured for less than a stated amount which shall not be less than one-half of one percent of the total offering amount, or (ii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than a stated amount which shall not be less than one-half of one percent of the total offering amount, or (iii) the taking of any material portion of the property by condemnation or eminent domain. Sponsor must provide that any stated dollar

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

At Sponsor's sole option, the Offering Plan may be abandoned at any time before it is declared effective and before the Sponsor has accepted purchase agreements for eighty (80%) per cent of the Units. If abandoned, the Offering Plan shall be abandoned by amendment filed with the Department of Law in appropriate form and by filing with the Department of Law a notice of abandonment (Form RS-3). Such amendment and notice of abandonment shall explain the basis for abandonment and must state how any funds received pursuant to the Offering Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with any interest earned, within twenty (20) days of such abandonment.

TERMS OF SALE:

The Units, when sold by Sponsor, will be sold in fee simple to Purchasers who may be individuals, a limited liability company, a partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective sales prices set forth in Schedule A (as such prices may be changed by Sponsor), and will include the respective undivided interests in the Common Elements. Sponsor also reserves the right to make bulk sales of Units and to sell any Unit to a Purchaser who does not intend to occupy the same but intends to lease the Unit subject to the right of first refusal in favor of the Board of Managers. A form of the Unit Deed is annexed hereto in Part II of this Offering Plan. Sponsor will convey good and marketable title to the Unit, and its appurtenant interests, by bargain and sale deed with covenants against grantor's acts, containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, free and clear of all liens and encumbrances other than:

(a) 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 contemplated structures and use;

(b) The terms, burden, conditions, covenants, restrictions, easements and provisions of the Declaration, By-Laws and Rules and Regulations thereunder, maps and Floor Plans of the Condominium, as same may be amended from time to time to be recorded or filed in the Register's Office and the Power of Attorney from Purchaser to the Board of Managers and Sponsor;

(c) Any state of facts that an accurate survey would show, provided they do not make title unmarketable;

(d) Any additional state of facts, which an updated and accurate survey would show, provided such survey does not render title unmarketable;

(e) Easements in favor of adjoining units and in favor 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 the construction of the Building, or construction of the Units, or which may have come or 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 portion thereof, or of any adjoining Unit or of 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 any alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long an the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit

shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

(f) Revocability of the right to maintain street vaults and other areas, if any, under sidewalks;

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

(h) Any easement or right of use created in favor of a cable TV company or any public utility company for electricity, steam, gas, telephone, water or other 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;

(i) Service, maintenance and license agreements and union contracts and agreements, if any;

(j) Party walls and party wall agreements, if any;

(k) The lien of any unpaid real estate tax, and the lien of any water charges or sewer rents generally (which shall be apportioned at closing);

(l) The lien of any unpaid assessment payable in installments (other than assessments levied by the Board of Managers) except that Sponsor shall pay all such assessments due prior to the Closing Date and the Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be apportioned at Closing Date);

(m) Any other declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning, resolution or requirement of the Department of Building, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building; provided, however, that such declaration or other instrument does not adversely affect the right of the Unit Owner to utilize the Unit as herein described;

(n) Violations noted or issued of record after the First Unit Closing by any governmental authority. Any violation, which Sponsor is obligated to remove, will not be an objection to closing, provided Sponsor agrees in writing with the Board of Managers to remove same of record;

(o) Any other encumbrance, covenant, easement, agreement or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for residential purposes;

(p) Variations between record lines and fences, hedges, retaining walls and tax lots;

(q) Standard printed exceptions contained in the form of title insurance policy then issued by Commonwealth Land Title Insurance Company of New York, (or such other New York Board of Title Underwriters member title insurance company insuring the Purchaser s title to the Unit).

(r) The Declaration, By-Laws and Floor Plans of THE SHANGRI-LA CONDOMINIUM.

(s) The closing will take place only concurrently with the issuance of a temporary or permanent Certificate of Occupancy.

The declaration, by-laws and floor plans for the condominium and such other documents as required by law will be recorded or filed in the Queens County Office of the City Register prior to the first conveyance of title to a unit in accordance with the New York Condominium Act and other applicable state and local laws.

Purchaser may select his or her title insurance company and may not be required to use any particular company. A Purchaser is required to accept title to the Property provided that Purchaser's duly licensed Title Insurance Company authorized to do business in New York State agrees to insure fee title in the Purchaser subject only to the provisions set out above or agrees to insure against collection out of or enforcement against the Unit and the Common Elements.

Sponsor shall convey each unit free and clear of all liens, encumbrances, and title exceptions at closing. The Sponsor is building the project with financing through PNC Bank.

If existing mortgages or construction loans will not be satisfied at or prior to the closing of the first unit, each mortgagee will release its lien on the condominium unit being conveyed and its interest in the common elements. The existence of mortgages, liens and encumbrances, other than the Permitted Encumbrances, shall not be objections to title, provided that properly executed instruments, in form for recording, necessary to satisfy or release Units from such impermissible liens or encumbrances are delivered at Closing and proper adjustments made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments.

UNIT CLOSING COSTS AND ADJUSTMENTS:

1. General Costs and Adjustments:

In addition to Purchaser's own legal fees, Purchaser will pay the following closing costs, expenses and adjustments at the closing of title to Purchaser's Unit. SUCH COSTS AND CATEGORIES ARE ONLY ESTIMATES AND ARE SUBJECT TO CHANGE WITHOUT NOTICE.

(a) If Purchaser elects to obtain fee title insurance, Purchaser may order such insurance from Federal Standard Abstract, (telephone (718) 888-7778 as authorized agent of Commonwealth Land Title Insurance Company. Purchaser shall pay Federal Standard Abstract the cost of fee title insurance, which will vary depending on the Purchase Price of the Unit. A Purchaser shall be free to order title insurance from any other title insurer licensed to do business in New York. However, failure by such title company to insure title shall not excuse performance by Purchaser under the Purchase Agreement if Commonwealth Land Title Insurance Company would insure title as provided herein. As of the date of this Offering Plan, fee title insurance rates as quoted by Federal Standard Abstract Corp., are as follows: $371 for the first $35,000 of the purchase price, plus $6.16 for each additional $1,000 or fraction thereof up to $50,000 and $5.02 for each additional $1,000 or fraction thereof of the purchase price, up to $100,000; plus $4.03 for each additional $1,000 or fraction thereof of the purchase price; up to $500,000; plus $3.68 for each additional $1,000 of purchase price up to $1,000,000; plus $3.38 for each additional $1,000 of purchase price or fraction thereof up to $5,000,000.

(b) The combined recording fee of approximately $400 for recording the Unit Deed and Power of Attorney;

(c) Real estate taxes apportioned from midnight preceding the date of the Closing through the end of the tax payment period within which the Closing occurs, which shall be either a quarter of a year or one-half of a year, provided, however, that Sponsor shall be reimbursed at closing by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in Closing by Purchaser.

(d) New York State Transfer Tax and New York City Real Property Transfer Tax computed as follows:

$$\text{Tax Liability} = \frac{\text{tax rate}}{100\% - \text{tax rate}} \times \text{Purchase Price}$$

The New York State Transfer Tax is computed at the rate of $2.00 per each $500.00 of consideration or any fraction thereof that is $100 or more and New York City Real Property Transfer Tax at the rate of 1% of the purchase price of the Unit, if the price is

under $500,000 and 1.425% of the price if the price is above or equal to $500,000 plus a recording fee of $75.00 for the New York City Real Property Tax Form.

It is customary in real estate transactions, other than condominium transactions, for seller to pay these transfer taxes. In condominium transactions, either the seller or the purchaser can pay these transfer taxes. The obligation is assumed by a purchaser if such obligation is imposed on the purchaser by the terms of the sale. Under the Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a closing cost.

Payment of transfer tax by the Purchaser is an additional consideration on which tax is based.

(e) Contribution to working capital fund in the amount of $500.00 per Unit payable to the Board of Managers.

(f) If a mortgage loan is obtained from a lending institution, Purchaser will be responsible for the following costs, if any:

(i) Legal fees of the lending institution's attorney;

(ii) Mortgagee insurance policy costs for a mortgage title insurance policy naming lending institution as the insured, if applicable. Mortgagee insurance rates as quoted by Federal Standard Abstract as of the date of this Offering Plan are as follows: thirty (30%) per cent of the amount paid for the owners title insurance provided lenders coverage is procured simultaneous with owners coverage; if not purchased together with owners coverage, then $318 for the first $35,000 of the purchase price, plus $5.13 for each additional $1,000 or fraction thereof up to $50,000 and $4.19 for each additional $1,000 or fraction thereof of the purchase price, up to $100,000; plus $3.36 for each additional $1,000 or fraction thereof of the purchase price, up to $500,000; plus $3.06 for each additional $1,000 of purchase price up to $1,000,000; plus $2.82 for each additional $1,000 of purchase price or fraction thereof up to $5,000,000;

(iii) Mortgage recording tax of 1.8% percent of the amount of the mortgage actually executed by Purchaser if that mortgage is under $500,000 and 2.8% of the amount of the mortgage if the mortgage is equal to or exceeds $500,000. Purchaser is required to pay the above specified rate of tax less $30 and the lending institution is required to pay ¼ of the tax. Purchaser will reimburse Sponsor at closing a sum equal to the entire mortgage tax credit pursuant to Section 339-ee(2) of the New York Real Property Law;

(iv) Recording fee of approximately $200.00 for recording the mortgage;

(v) Commitment fee, origination fee, Appraisal fee, application fee, credit fee, and other closing costs and expenses, if any, charged by the lending institution;

(g) Attorney's fees; and

(h) $600 fee to the Sponsor's attorney for preparation of closing documents and attendance at closing, with an additional $150 fee if the closing occurs outside of such attorney's office;

(i) mortgage tax credit equivalent to Sponsor equal to the amount that the Purchaser's mortgage tax, if any, is reduced by virtue of the credit Purchaser receives by virtue of the Sponsor's construction loan.

Purchaser will pay to the Board of Managers, in advance, the monthly Common Charges allocable to Purchaser's Unit. Common Charges assessed during the month in which title closes shall be adjusted with Sponsor as of midnight preceding the Closing, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which Sponsor was obligated to pay to the Board of Managers as a result of any unauthorized delay in Closing by Purchaser. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers. Common Charges to be initially assessed are expected to conform to those shown on Schedule A.

Purchaser will not pay water and sewer charges. Water and sewer charges will be adjusted between Sponsor and the Board of Managers as of midnight preceding the First Unit Closing.

If the Units have not been separately assessed for real estate tax purposes prior to the first Unit Closing, Sponsor shall determine the amount equal to the unpaid real estate taxes which will be levied against the Units for the period of six months from the first Unit Closing and shall place such amount in escrow with the Board of Managers for such six-month period or until the Units are separately assessed, whichever is shorter. The Board will pay the real estate taxes from this escrow account as they become due and payable. Sponsor is entitled to reimbursement from Unit Owners (i) on the basis of Common Interest attributable to their respective interests if no separate Unit apportionment has occurred or (ii) on the basis of actual apportionment if tax lots have been apportioned. When the Units are separately assessed, any balance, with interest, in the escrow account will be returned to the Board. At Unit closings each Purchaser shall adjust real estate taxes with Sponsor from midnight preceding the date of the Unit closing through the end of the tax payment period within which the closing date occurs. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. When the tax lots are apportioned, if a subsequent adjustment needs to be made to correct any discrepancy between adjustment on the basis of the percentage of Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

The following is a numerical example of the closing costs for a typical unit. Assuming that the purchaser pays $750,000.00 for Unit 5A and obtains a $400,000.00 mortgage from a lender, he or she would pay the following:

Buyer's Title Insurance	$ 2,951.00
Lender's Title Insurance	886.00
Recording Deed & Power of Attorney	400.00
City Transfer Tax	10,500.00
State Transfer Tax	3,000.00
Filing fee	75.00
Working Capital Contribution	500.00
Legal fee to Lender's Attorney	750.00
Mortgage Tax	7,200.00
Origination fee	1,000.00
Credit Report Fee	50.00
Appraisal Fee	250.00
Application Fee	250.00
Fee to Sponsor's Attorney	600.00
Fee to Buyer's Attorney	1,000.00
Recording Mortgage	+ 200.00
Total	$29,614.00

The amount of the real estate tax escrow will be disclosed in the first post-closing amendment.

RIGHTS AND OBLIGATIONS OF SPONSOR:

Sponsor has certain rights and obligations under this Offering Plan and applicable Law, and all Purchasers, upon execution of their respective Purchase Agreements, will be deemed to have accepted, approved and agreed to abide and be bound by the following:

It is the sponsor's obligation to defend any suits or proceedings arising out of sponsor's acts or omissions and to indemnify the board of managers and the unit owners.

Prior to the first closing the entire building will be insured by the sponsor, and after the first closing the entire building will be insured by the condominium. A person in possession who is not an owner cannot insure the unit since he or she has no ownership interest, and the unit cannot be doubly insured. Thus the risk of loss cannot, as a practical matter, be passed on to a person in possession. A person who takes possession prior to closing assumes the risk of losses not covered by insurance.

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

Sponsor may not Disclaim or limit Sponsor's liability or that of its principals for failure to perform any obligation imposed by applicable statute or regulation.

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. The means by which it will fund its financial obligations to the condominium are from the sale of units and the personal funds of the Sponsor and its principals.

No bond or other security has been posted to secure sponsor's obligations. See section titled "Special Risks".

The sponsor is obligated to completely repair any damage from a casualty or other cause that occurs before the closing of a purchaser's unit, even if that damage occurs while the purchaser is in possession pursuant to an interim lease prior to closing. If such damage is not repaired the Purchaser may rescind the Purchase agreement and receive a refund of the down payment.

The sponsor shall procure fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance, as reflected in Schedule B.

In the event of the dissolution or liquidation of the sponsor or the transfer of ten (10) or more units or twenty percent (20%) or more of the total number of units in the

condominium, whichever is less, the principals of the sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the sponsor for those units under the offering plan, applicable laws or regulations.

The sponsor is not using construction financing to construct the buildings.

The sponsor must build and complete the condominium in accordance with the building plans and specifications identified in the plan. The sponsor has the right to substitute equipment or materials and make modifications of layout or design, provided however, that sponsor may not: (i) substitute equipment or materials of lesser quality or design; or (ii) change the size, location of buildings or units other improvements or common elements if such changes affect the percentage of common interests or adversely affect the value of any unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected unit owners and contract vendees consent in writing to such change.

Prior to closing the first unit, sponsor must obtain a permanent certificate of occupancy for the property or, alternatively, obtain a temporary or partial certificate of occupancy for the unit or the building in which the unit to be closed is located. The sponsor and its principals must obtain a permanent certificate of occupancy for the property within three months after closing the first unit. Sponsor must obtain the permanent certificate of occupancy before the partial or temporary certificate of occupancy expires, unless extended.

It has been customary for units in new constructed and gut rehab co-ops and condos to close after a temporary certificate of occupancy ("TCO") covering such units has been issued. Sponsor will send closing notices for units covered by TCOs and purchasers will be required to close with a TCO, rather than a permanent certificate of occupancy in place. TCOs are issued for three months at a time and must be extended for up to two years after which they must be succeeded by a permanent certificate of occupancy. The NYC Department of Buildings advises purchasers of houses and apartment, who close with only a TCO in place to consult with their attorneys or engineers to assure that sufficient funds are escrowed or otherwise secured for sponsor to obtain a permanent certificate of occupancy. Any utilization of alternate security will be previously disclosed in an amendment to the plan.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO") and sometimes with several successive temporary certificates of occupancy. Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both FCOs and TCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the building is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required

documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extended each TCO received prior to the expiration thereof, and ultimately for obtaining a FCO covering the entire building within two years of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two year period. Notwithstanding the foregoing, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings.

Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf

If the first closing takes place prior to the issuance of a permanent certificate of occupancy for the property;

Sponsor is required to maintain all deposits and funds in the special escrow account required by GBL Section 352-e(2-b) unless the sponsor's engineer, architect or other qualified expert certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, in which case the sum exceeding the amount so certified by the sponsor's engineer, architect or other qualified expert may be released from the special escrow account. Alternatively, sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Office of the Attorney General. Sponsor is required to maintain all deposits and funds in the special escrow account required by GBL Section 352-e(2-b) unless the sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete all alterations and improvements to the public portions and common areas of the building. In such case the sum exceeding the amount so certified by the sponsor's engineer or architect may be released from the special escrow account. Alternatively, sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Office of the Attorney General. The amount of any escrow retained for the issuance of a

permanent certificate of occupancy and the architect's certification certifying such amount shall be disclosed in the post-closing amendment.

The use of any alternate security will be previously disclosed in an amendment to the Plan.

The sponsor agrees to warrant the materials or workmanship of each unit (and limited common elements) or common elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) applies to the offering. A copy of the Housing Merchant Implied Warranty Law is included in Part II of the Plan. According to this law, a housing merchant implied warranty shall mean that: (a) one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner; (b) two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and (c). six years from and after the warranty date the home will be free from material defects. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to: (a). any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or (b). any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any lawsuit. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

At or prior to the closing of the unit, sponsor must assign any manufacturer's warranties with respect to equipment and appliances installed in the unit to the unit owner and assign any warranties with respect to equipment and appliances installed in the common elements to the board of managers.

The sponsor agrees to pay for the authorized and proper work involved in the construction and establishment and sale of the condominium and 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.

The sponsor agrees to deliver a set of "as-built" plans to the board of managers.

No bond or other security other than those required by this Part has been furnished to secure sponsor's obligations including sponsor's obligations to complete construction of the condominium. See section titled "Special Risks"

Sponsor has a right of access to complete construction of the condominium or repair damage to the condominium at reasonable times and upon prior reasonable notice to affected unit owners. If Sponsor causes any damage to a unit while performing construction, Sponsor must fully repair that damage. Sponsor's access may interfere with the unit owner's use. Any access shall occur between the hours of 9:00 a.m. to 5:00 p.m., Monday to Friday, and the unit owner must receive at least 72 hours prior written notice.

The Sponsor intends to sell all units. The Sponsor will endeavor in good faith to sell all units offered to sell in a reasonably timely manner. Sponsor retains the right to rent any residential units, which cannot be sold at least 90% of the offering price listed in schedule "A" at the time of effectiveness within a period of six (6) months of the date that this offering is declared effective.

Sponsor has applied for a Preliminary Certificate of Eligibility for partial tax exempti0on benefits under Section 421-a of the New York Real Property Tax Law. Sponsor, at its sole cost and expense, shall take all steps necessary to obtain a Final Certificate of Eligibility for 421-a partial tax exemption benefits. All documentation supplied or caused to be supplied by Sponsor is true and complete. Purchaser shall be obligated to execute any document or instrument required in connection with obtaining such tax abatement and exemption benefits.

Sponsor shall keep copies of the Offering Plan exhibits and documents referred to in the Offering Plan on file at Sponsor's offices for six (6) years from the date the Declaration is recorded.

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

Sponsor has the right to make bulk sales of Units and to sell any Unit to a Purchaser who does not intend to occupy same, but intends to lease such Unit to others.

CONTROL BY SPONSOR:

Sponsor and Sponsor-designees shall not control the Board of Managers upon the earlier of (i) two (2) years from the date of the First Unit Closing, or (ii) whenever the unsold units constitute less than fifty (50%) percent of the Common Interest. (See Special Risks Section and By-Laws.)

Until the first annual meeting of the Condominium, the Board of Managers shall consist of three persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have voting control of the Board of Managers and will thus control maintenance, facilities and services to be provided, as well as determine the Common Charges to be paid by the Unit Owners. In the event a sponsor-controlled board does not undertake the enforcement of the Sponsor's obligations that the unit owners may have to independently raise funds to pursue such enforcement and any other causes of action against the sponsor.

At the first annual meeting of the Condominium, all Unit Owners, including Sponsor and Sponsor-designees, shall elect a new Board of Managers. Sponsor may have voting control of the Board of Managers if Sponsor and Sponsor-designees as Unit Owners of Unsold Units are able to cast sufficient votes to establish such control. Notwithstanding the foregoing Sponsor and Sponsor-designees shall not control the Board of Managers upon the earlier of (i) two (2) years from the date of the First Unit Closing or (ii) whenever the unsold units constitute less than fifty (50%) percent of the Common Interest. A meeting shall be held to elect a new board unrelated to the Sponsor within 30 days after expiration of the control period. After two year period or the period when more than 50% of the units are sold, a majority of the board of managers must be owner occupants, or members of an owner occupant's household, who are unrelated to the Sponsor or its principals. (See Special Risks Section and By-Laws.)

In addition to the right of Sponsor and Sponsor-designees to vote the Common Interests attributable to Units owned by them, Sponsor and Sponsor-designees shall, so long as the Common Interests attributable to such Units shall constitute, in the aggregate, fifteen percent (15%) or more of the Common Interests of all Units, have the right to designate one member of the Board of Managers unless such right is waived in writing.

Sponsor may exercise veto power over expenses for a period ending not more than five (5) years after the closing of the first unit or whenever the unsold units constitute less than twenty-five per cent (25%) of the common interest, whichever is sooner, except that Sponsor may not veto any expenses described in Schedule "B" and provided further however, that Sponsor may not veto any expense if such expense that is necessary to enable the Board of Managers to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium to remedy any notice of violation, or to remedy any work order by an insurer or for any repair or replacement necessary for the preservation or safety of the buildings or for the safety of occupants of the buildings or required to avoid the suspension of any necessary service to the buildings.

BOARD OF MANAGERS

Principal provisions of the By-Laws are summarized below. Purchasers should refer to the full By-Laws, a copy of which is set forth in Part II of this Offering Plan.

1. Condominium Board of Managers:

The affairs of the Condominium shall be governed by the Board of Managers, which shall consist initially of three members designated by Sponsor. The three initial Board Members will be Shun-Qian Liu, Chih Ming Wong, and Li Yi Wu. After the end of an initial sponsor control period, the majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to sponsor and its principals. The first annual meeting of the Unit Owners shall be held approximately two years after the First Unit Closing, at which meeting the incumbent three member Board of Managers shall resign and a successor five-member Board of Managers shall be elected by the Unit Owners and designated by Sponsor or its designees, as provided Section 4.1 of the By-Laws. Thereafter, annual meetings of the Unit Owners shall be held on or about the last Tuesday in June of each year, unless such data shall occur on a legal holiday, in which event the meeting will be held on or about the succeeding business day. At each such subsequent meeting, the Unit Owners shall elect or the Sponsor or its designee shall designate, as the case may be, successors to the members of the Board of Managers. (See the subsection below entitled Meetings and Votes of Unit Owners for further discussion).

Members of the Board of Managers 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, the member designated by Sponsor and Sponsor-designees need not be a Unit Owner or interested party in a Unit Owner, as specified in the first sentence of this paragraph. Other than members designated by Sponsor and Sponsor-designees, no member shall continue to serve on the Board of Managers after he or she ceases to be a Unit Owner or an interested party in a Unit Owner, as specified in the first sentence of this paragraph.

Members of the Board of Managers are subject to removal, without cause, by vote of Unit Owners owning a majority of the Common Interest attending a meeting at which a quorum is present. Members of the Board designated by the Sponsor and Sponsor-designees may be removed by Unit Owners for cause. However, members designated by Sponsor and Sponsor-designees may be removed, without cause, only by Sponsor and Sponsor-designees, who alone will have the right to designate a replacement.

The number of members of the Board of Managers may not be increased without the consent of Sponsor and Sponsor-designees as owners of Unsold Units for so long as there remain two unsold Units.

All members of the Board of Managers shall serve without compensation.

Until Sponsor and Sponsor-designees no longer own Units with a sufficient percentage of the Common Interest attributable to such Units to elect two members of the Board of Managers, Sponsor will, through its control of the Board of Managers (by electing two members and designating one), have control of the maintenance and operation of the Condominium, including the Common Expenses described in Schedule B, capital repairs, and expenses required to comply with applicable laws or regulations Notwithstanding the foregoing Sponsor and Sponsor-designees shall not control the Board of Managers upon the earlier of (i) two (2) years from the date of the First Unit Closing, or (ii) whenever units are sold that in the aggregate include fifty (50%) percent or more of the common Interest. A meeting shall be held to elect a new board unrelated to the Sponsor within 30 days after expiration of the control period.

Sponsor may exercise veto power over expenses (other than those described below) for a period ending not more than five years after the closing of the first unit or whenever the unsold units constitute less than 25 percent of the common interest, whichever is sooner. However, this veto power shall not be used to veto 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 or for any repair or replacement necessary for the preservation or safety of the buildings or for the safety of occupants of the buildings or required to avoid the suspension of any necessary service to the buildings.

2. Powers and Duties of the Board of Managers:

The Board of Managers shall have the powers and duties necessary for administration of the affairs of the Condominium (subject to the limitations set forth in the By-Laws including Sponsor's right to veto certain actions of the Board of Managers), including, without limitation, the following: (a) operation, care upkeep and maintenance of the Common Elements; (b) determination of the Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property; (c) collection of the Common Charges from the Unit Owners, including charges for gas and water used or consumed in the Unit, (d) employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements; (e) adoption and amendment of the Rules and Regulations covering the details of the operation and use of the Property (subject to the right of the Unit Owners to overrule the Board of Managers as provided in the By-Laws); (f) maintaining bank accounts on behalf of the Condominium and designating the signatories required therefor; (g) purchasing, leasing, or otherwise acquiring in the name of the Board of Managers or its designees, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Board of Managers; (h) purchasing Units at foreclosure or other judicial sales, in the name of the Board of Managers or its designee, on behalf of all Unit Owners; (i) selling, leasing, mortgaging, or otherwise dealing with (but not voting the votes appurtenant to) Units acquired by, and subleasing Units leased by, the Board of Managers or its designees on behalf of all Unit Owners; (j) obtaining and renewing insurance for the Property, including the Units; (k) making repairs, additions and improvements to, or alterations of, the Property and repairing and restoring the Property after damage or destruction by fire or other

casualty, or an a result of condemnation or eminent domain proceedings; (l) enforcing obligations of the Unit Owners; (m) levying fines against the Unit Owners, excluding Sponsor and any Sponsor-designee and any partner of any entity affiliated directly or indirectly with Sponsor (so long as such Persons own one or more Units), for violations of the Rules and Regulations (no fine may exceed $25.00 for any one violation, but, for each day a violation continues after notice, it shall be considered a separate violation); (n) 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) the consent of at least 66-2/3% of all Unit Owners, both in number and in Common Interests, shall be required for the borrowing of any sum in excess of $125,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the Unit Owner); and (o) adjusting and settling insurance claims and executing and delivering releases in connection therewith.

The Board of Managers shall be responsible for maintaining and repairing the Common Elements as set forth in the Declaration and in the By-Laws, regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other occupant.

Until the first meeting of the Unit Owners, the Board of Managers shall consist of the following three persons, who shall hold the offices listed next to their names:

Shun-Qian Liu	President
Thomas E. Berinato	Secretary

Mr. Liu is a principal of the Sponsor. Mr. Berinato is the attorney for the Sponsor.

Unit owners' voting rights are computed in accordance with the percentage of common interest of their unit(s).

According to Section 2.20 of the By-Laws, the members of the Board of Managers shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Board of Managers shall be liable thereto for his or her own bad faith or willful misconduct. Said Section further provides that the Unit Owners shall severally indemnify and hold each of the Board of Managers harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was a member of the Board of Managers, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such Member.

In Order to amend the condominium's by-laws and to change the declaration of condominium after it has been filed 66 2/3% vote of unit owners must approve the amendment of change.

3. Officers of the Condominium:

The officers of the Condominium shall consist of the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers at its annual meeting. The Board of Managers may also appoint additional officers. All officers shall serve without compensation from the Condominium. None of the officers need be Unit Owners until the five member Board of Managers is elected at the first meeting of the Unit Owners. Thereafter, both the President and the Vice President must 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, the member designated by Sponsor and Sponsor-designees need not be a Unit Owner or interested party in a Unit Owner. Any officer may be removed, without cause, by vote of a majority of the Board of Managers at a meeting called for such purpose.

The President shall be the chief executive officer of the Condominium and preside over meetings of the Unit Owners and Board of Managers. The Vice President shall take the place of the President when necessary and perform such other duties as may be imposed on him or her by the Board of Managers or the President. The Secretary shall keep minutes of all meetings of the Unit Owners and the Board of Managers and shall have charge of the books and papers of the Condominium. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping financial records and books of account. All agreements, contracts, deeds, leases, checks and other instruments of the Board of Managers shall be signed by any two officers or by such lessor number of officers or by such other person or persons as may be designated from time to time by the Board of Managers.

4. Amendments to the Condominium Documents:

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% of all Unit Owners, both in number and in common Interests. However, the Declaration, the By-Laws and the Rules and Regulations may not be amended or modified so as to be effective in any respect against Sponsor or any Sponsor-designee, or any Affiliate, and Unsold Unit or any mortgage, pledge, lien or security agreement covering such Units without the prior written consent of Sponsor, Sponsor-designees any partner of any entity affiliated directly or indirectly with Sponsor. In addition, the provisions of the Declaration and By-Laws relating to (i) the use of Units or each Unit's Common Interest may not be amended without the unanimous prior written consent of every Unit Owner, or (ii) the rights, benefits and exemptions of the Unsold Units may not be amended without the prior written consent of Sponsor.

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

1. Sale or Lease of Units:

Each Unit Owner may sell or lease his or her Unit to either a Family Member or an Affiliate, without presenting to the Board of Managers an opportunity to purchase or lease such Unit except that if such sale or lease is to a non-Family Member or non-Affiliate, then such Unit owner must first give the Board of Managers, acting on behalf of all other Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered by the proposed Purchaser or lessee as more specifically provided for in the By-laws of the Condominium. The Board will notify the Unit Owner of its intention to exercise its right of first refusal with respect to the sale and/or leasing of a Unit within 15 business days of receipt of a notice from the Unit Owner of the intended sale or lease. The Board of Managers must thereafter exercise such right of first refusal within an additional 30 days. The Board may obtain mortgage financing or use Common Charges for the acquisition and maintenance of a Unit by the Board of Managers on behalf of all Unit Owners. The Unit so owned or leased shall be used only for residential purposes. A Unit purchased or leased by the Board of Managers may be sold or leased in any name that the Board deems in the best interest of the Condominium. The proceeds of the disposition of any such Unit sold shall be the property of the Condominium and shall be deposited into the reserve fund and used solely for Capital improvements. The Board of Managers may not discriminate against any person based on race, creed, color, national origin, sex, age, disability or other grounds prohibited by Law. The Board of Managers shall have the right to require a Unit Owner to pay a fee to the Board of Managers and/or the Managing Agent to cover reasonable legal and other expenses of the Board of Managers and the Managing Agent in connection with the sale or lease of a Unit. Any lease for a Unit shall be substantially in the form prepared by the Real Estate Board of New York, Inc., for apartment leases except as otherwise provided in the By-laws and except for such changes thereto as are recommended by counsel to the Board of Managers.

Notwithstanding any provision to the contrary in this Offering Plan, Sponsor, any Sponsor-designee, any partner of any entity affiliated directly or indirectly with Sponsor, or any mortgages acquiring title to a Unit in a foreclosure shall have the right to sell or lease any Unit owned by them without any requirement that (i) the same be offered to the Board of Managers prior to such sale or lease or (ii) a charge or fee be paid to the Board of Managers or any other entity or person.

Sponsor, Sponsor-designees and partners of any entity affiliated directly or indirectly with Sponsor hereby reserve the right to lease a Unit to the Purchaser of said Unit prior to the conveyance of title. In addition, Sponsor, Sponsor-designees and partners of any entity affiliated directly or indirectly with Sponsor reserve the right to lease Units to non-purchasers without limitation as to the rental to be charged therefor except such rents shall not be in violation of any applicable law. No amount paid as either rent or security under the lease will be credited towards the purchase price. If in fact, prior to the sale of a Unit, such Unit is leased to any person or entity who does not purchase, the initial Purchaser

thereof will purchase a Unit that has been previously occupied. In all such cases, at closing such Units will be delivered free and clear of any tenancy or occupancy unless Purchaser expressly approves such tenancy. Notwithstanding the foregoing, if, prior to the sale of a Unit, Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor leases such Unit to any person or entity claiming by, through or under the Purchaser of such Unit, than such Purchaser shall be obligated to purchase such Unit subject to such lease, or the occupancy, of such Unit.

No lease shall be entered into by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor having a commencement date, which is prior to the issuance of a certificate of occupancy, which permits lawful use of the leased Unit.

Every sale or lease of a Unit must include a similar sale or lease of such Unit's undivided interest in the Common Elements.

A Unit Owner may, without restriction, make a gift of his or her Unit to anyone during his or her lifetime, devise such Unit by will or pass same by intestacy.

The Handicapped Parking Space is a Common element. It is for the use of a handicapped Unit Owner, or the handicapped guest of a Unit Owner.

The Board must allow the handicapped space to be unused unless and until a handicapped owner or lessee or a handicapped guest of an owner or lessee requests it.

The Board will not rent the Handicapped Parking Space (HS) since it is a Common element.

Parking Unit Owners must maintain the surfaces of their parking space. The Condominium must maintain the common elements adjacent to the parking units, such as the maneuvering space.

2. Mortgage of Units:

Each Unit Owner is free to mortgage his or her Unit subject to the restrictions contained in the By-laws. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearages for any unpaid Common Charges and Special Assessments owed by such Unit owner and discharge any liens therefor.

3. Common Charges and Assessments:

Each Unit Owner shall have an obligation to pay Common Charges and Special Assessments when due. Except as set forth in the Notes to Schedule B and as otherwise provided in the By-Laws, Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses

incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with the By-Laws of the Condominium. Common Charges will be established by the Board of Managers on an annual basis, at least, and be paid in equal monthly installments, due and payable on the first day of each mouth. The Board of Managers, in accordance with the By-Laws, impose Special Assessments an it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The Special Assessments to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest, as determined by the Board of Managers. Notwithstanding, the foregoing, however the Board of Managers shall not reduce the Common Charges payable during any year occurring within a period when Sponsor or Sponsor-designees own Units having more than 50% of the Common Interest of all Units solely an a result of either reducing the number of employees of the Condominium below the numbered employees for the Condominium on the date of recording the Declaration or reducing or eliminating any service or reducing the insurance coverage below that provided for the Buildings on such date, except with the concurrence of a majority of the members of the Board of Managers elected by Unit Owners other than Sponsor or Sponsor-designees.

Under the provisions of Section 339-z of the New York Real Property Law, the Board of Managers, on behalf of the Unit Owners, will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof at the Register's Office, Queens County and until all sums secured thereby with the interest thereon shall have been fully paid or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against such Unit Owner's Unit for the unpaid Common Charges, as set forth above. Failure of the Board of Managers to place such a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time. The failure to make prompt payment of Common Charges or Special Assessments when due shall subject the Unit Owner to a late charge as described in the By-Law. Notwithstanding the foregoing, the Sponsor, any Sponsor-designee and any partner of any entity affiliated directly or indirectly with Sponsor shall not be subject to the late charge. The Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than 30 days in arrears of Common Charges while it is in control of the Board of Managers.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale, transfer, or other conveyance made by him or her of his or her Unit, with appurtenant Common Elements, in accordance with the Declaration and By-Laws.

All Unit owners shall be required to comply with the Declaration, By-Laws, Rules and Regulations of the Condominium and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include, without limitation, placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

4. Repairs:

Except as otherwise provided in the Declaration or By-Law, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary in or to any Unit and all portions of both, including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors and their frames and saddles (except painting the exterior side of a Unit entrance doors and door bucks), all interior staircases exposed plumbing, gas and heating fixtures and equipment. Lighting and electrical fixtures (but excluding any Common Elements contained therein) shall be performed by the owner of such Unit at such Unit Owners cost and expense.

All painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, to the Common Elements, as defined in the Declaration, and the painting of the exterior side of Unit entrance doors and door backs shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. All painting, decorating, maintenance, repair and replacements in or to the Limited Common Elements, as defined in the Declaration, will be performed by (a) the Board of Managers if it involves structural or extraordinary maintenance, repairs or replacements (including, without limitation, repairs that are not caused by the acts or omissions of the Unit Owner having direct and exclusive access thereto), or (b) subject to the restrictions set forth in the By-Laws and the Rules and Regulations by the Unit Owner having direct and exclusive access thereto, at such Unit Owner's sole cost and expense, if it involves nonstructural, ordinary maintenance, repairs or replacements or it is as a result of the Unit Owner's acts or omissions.

Each Unit Owner shall have an easement in common with the other Unit owners to use, maintain, repair, alter and replace all pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements located in other Units and serving his or her Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by the Unit on any adjoining Unit or on any Common Element, now existing or which may come into existence hereafter as a result of the settling or shifting of Buildings or as a result

of repair or restoration of Buildings or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by or with the consent of the Board of Managers or the Sponsor to the Common Elements so that any such encroachment may remain undisturbed so long as Buildings stand. As more fully set forth in the By-laws and the Rules and Regulations, the Sponsor, the Board of Managers and the Managing Agent, and all designees thereof, shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

5. Additions, Alterations and Improvements:

A non-structural alteration to a Unit or its appurtenant Limited Common Element that does not adversely affect the structure of the Buildings or the value of other Units or the Common Elements, that cannot be sighted from the Common Elements or another Unit or from a public street, and that complies with all laws, may be made by any unit owner without consent of the Board of Managers. No Unit Owner (other than Sponsor or Sponsor-designees) may make a structural alteration in a Unit without the prior written approval of the Board of Managers. Upon such approval, the Unit Owner in question shall agree that (i) such structural alteration shall be at the Unit Owner's sole cost and expense, (ii) all work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, (iii) all work shall be done by reputable contractors with adequate to liability, property damage and workmen's compensation insurance (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), (iv) the Unit Owner shall procure and maintain during the course of such work such other insurance as the Board of Managers may reasonably prescribe, and (v) any additions shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such additions, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration. Such Unit Owner shall further agree to indemnify and held harmless the Board of Managers and its officers, the Managing Agent, Sponsor, and all other Unit Owners from and against any liability cost and cost arising from such work. Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration. Such expenses may include, without limitation, any fees of an attorney and/or fees of an architect consulted by the Board of Managers in connection with the request by a Unit Owner for approval of a structural alteration.

Sponsor, the Board of Managers and/or the Managing Agent shall have a permanent right of access to any Unit for the purpose of inspecting or making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Buildings, remedying any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of

any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws.

Balconies and terraces and any other Limited Common Elements shall be maintained and repaired and shall be kept free and clear of snow, ice and any other accumulations, by the Unit Owner at Unit Owner's own cost and expense.

6. Insurance:

The insurance policies obtained by the Board of Managers shall provide, that Sponsor, each Unit Owner, each Permitted Mortgage of a Unit and Managing Agent shall be named insured, as their interests may appear. These policies shall provide All Risk Building Insurance, Comprehensive General Liability and Board of Managers and Officers Liability. The specific amounts of coverage are noted in the section titled "*Notes to Schedule B.*"

The insurance does not include any coverage for (i) losses due to fire, theft or other casualty to the personal property of a Unit Owner contained with in the Unit or a Limited Common Element, (ii) the cost of living elsewhere if a Unit is greatly damaged, or (iii) liability coverage for a Unit Owner for occurrences within a Unit or a Limited Common Element. The insurance does include coverage for losses due to fire or other casualty to the walls, ceilings and floors in the Units (other than those walls, ceilings and floors erected by a Unit Owner other than Sponsor), as finished by Sponsor in accordance with the section titled "*Description of Property and Specifications*" and all kitchen and bathroom fixtures and appliances installed therein by Sponsor an described in said section, but the insurance will only pay to restore, the walls, ceilings and floors as finished by the Sponsor under the Offering Plan and will not pay for any improvements, alterations or decorations thereto made by the Unit Owner or for any kitchen or bathroom fixtures and appliances installed by the Unit Owner. UNIT OWNERS SHOULD CONSULT THEIR INSURANCE AGENT AS TO THE AVAILABILITY OF INSURANCE TO COVER ALL OF THE AFOREMENTIONED AND ANY ADDITIONAL COVERAGE, WHICH MIGHT BE RECOMMENDED.

7. Use of Units:

The Residential Units may be used only for private residential use, except that a Unit Owner may use a portion of his or her Unit for any home occupation use including as a professional office, provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering the Buildings and such Unit or applicable zoning laws and ordinances, building codes or other rules and regulations of governmental authorities having jurisdiction. No illuminated or other sign may be used in connection with the aforementioned use without the prior written consent of the Board of Managers.

Except as set forth above, no industry, business, trade, occupation or otherwise, designated for profit, altruism, or otherwise shall be conducted, maintained or permitted in any part of the Units or Common Elements. No for sale, For Rent or For Lease signs or

other similar window displays or advertising shall be maintained or permitted in any Unit or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. Notwithstanding the foregoing, Sponsor and Sponsor-designees reserve the right to place For Sale, For Rent or For Lease or similar signs on any unoccupied Units or Unsold Units.

Notwithstanding the foregoing Sponsor and Sponsor-designees, reserve the right to place For Sale, For Rent or For Lease or similar signs on the Buildings. Additionally, Sponsor and Sponsor-designees reserve the right to maintain and staff one or more vacant and Unsold Units as a sales office and/or model Unit.

No Unit Owner shall be allowed to put his or her name on any entry to the Buildings or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

Except as provided in this section, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of a Unit or adjoining Common Element, nor shall anything be projected out of any window of the Buildings.

No exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any Unit Owner in any manner or without prior written consent of the Board of Managers or except as provided in the By-laws.

No personal articles (including but not limited to, garbage cans, bicycles, motorcycles, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, as other Common Elements, except as approved by the Board of Managers. No Unit Owner shall change or alter in any way the design, layout or color scheme or furnishings in entrances, hallways, stairways or other Common Elements.

Decorating and furnishing of Limited Common Elements by the Owner of the Unit which has the exclusive right to use and occupancy of such Limited Common Elements shall not require the consent of the Board of Managers if it does not adversely affect the structure of the Buildings or the value of other Units or Common Elements and complies with all laws. No fences or permanent barriers are allowed in the patios. Where there are fences, the Unit Owners of the Limited Common Elements shall not install lockable gates, in order to permit the superintendent to go through the patios to maintain the Common Elements. Any laundry lines installed in the patios shall not interfere with exit passage at the gates. The patios may not be used to store commercial goods or animals. Loud music, noise or bright lights, which may disturb neighbors, are prohibited. The existing trees shall not be removed. There shall be no painting of the exterior walls adjacent to the Limited Common Elements except as approved by the Board of Managers. The fire escapes and the area below the drop ladder of the fire escapes shall be kept clear of objects at all times.

The Board of Managers or the Managing Agent shall retain a passkey to each Unit. No Unit Owner shall change any lock on any door leading into his or her Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his or her Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Unit for emergency purposes and a Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Unit Owner shall be liable and responsible for any damage to the Common Elements or such Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under the 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 the 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).

No Unit owner shall make or permit any noise or objectionable odor that will disturb or annoy the occupants in the Buildings or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit any dirt or other substances to be swept or thrown therefrom, or from the doors, windows or fire escapes of a Unit.

Unit Owners shall be permitted to keep animals as pets provided that any pet does not interfere with the use and enjoyment of the Buildings by the other Unit Owners. In no event shall dogs or cats be permitted in any of the public portions of the Buildings unless carried or on a leash. Each Unit Owner who keeps an animal in the Buildings shall indemnify the Board of Managers and held it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having an animal in the Property. Notwithstanding the foregoing, the Board of Managers shall have the right to limit the number of animals kept by a Unit Owner or to prohibit any animal which the Board of Managers determines to be interfering with the use and enjoyment of the Buildings by the other Unit Owners.

Unit Owners shall not be permitted to hang radio or television aerials from the exterior of the Buildings without written approval of the Board of Managers.

No 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 eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers. Whichever shall have the obligation to maintain or repair such portion of the Property.

Sponsor or its designee, the agents of the Board of Managers, and any authorized contractor or workman may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of this Offering Plan, the Declaration, By-Laws, or Rules and Regulations of the Condominium.

All damage to the Buildings or Common Elements caused by moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

Any damage to the Buildings or equipment caused by Unit Owners, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

Complaints regarding the management of the Property or regarding the actions of other Units Owners shall be made in writing to the Board of Managers. Only the Board of Managers shall have the right to enforce the Rules and Regulations of the Condominium; the Board of Managers may in its, absolute discretion waive any violation.

The Rules and Regulations of the Condominium are set forth in Part II of this Offering Plan as an addendum to the By-Laws. The Rules and Regulations govern the use of the Units and Limited Common Elements and may be amended from time to time by the Board of Managers.

8. Miscellaneous:

In certain instances, Sponsor, Sponsor-designees, and any partner of any entity affiliated directly or indirectly with Sponsor, are not required to obtain the approval of the Board of Managers or meet requirements imposed upon other Unit Owners. These instances include, without limitation, the right to use a Unit as a model and display For Sale, For rent, For Lease or similar signs, the right to transfer or lease a Unit without offering the Board of Managers the right of first refusal or paying a fee therefor, the right to alter a Unit without obtaining the prior consent of the Board of Managers (but only in accordance with the other terms of this Offering Plan), and the right to amend the Declaration without a vote for the sole purpose of filing the Floor Plans as required by Section 339-p of the Real Property Law. FOR AS LONG AS SPONSOR OR ANY SPONSOR-DESIGNEE OR ANY PARTNER OF ANY ENTITY AFFILIATED DIRECTLY OR INDIRECTLY WITH SPONSOR OWNS TITLE TO ONE OR MORE UNITS, THE RULES AND REGULATIONS OF THE CONDOMINIUM THE BY-LAWS OR DECLARATION MAY NOT BE AMENDED IN A MANNER WHICH WOULD, IN THE SOLE DISCRETION OF SPONSOR OR ANY SPONSOR-DESIGNEE, OR ANY PARTNER OF ANY ENTITY AFFILIATED DIRECTLY OR INDIRECTLY WITH SPONSOR IN ANY WAY, IMPOSE

ANY RESTRICTION UPON THE SALE OF ANY UNIT, OR IMPOSE A RIGHT OF FIRST REFUSAL OR PAYING A FEE THEREFOR UNLESS SPONSOR OR EACH SPONSOR-DESIGNEE OR EACH PARTNER OF ANY ENTITY AFFILIATED DIRECTLY OR INDIRECTLY WITH SPONSOR GIVES ITS PRIOR WRITTEN CONSENT TO SUCH AMENDMENT.

To cover administrative expenses, any Unit Owner who fails to pay any sum, charge or assessment within ten days of its due date shall be liable for any expenses incurred by the Condominium in collecting such sum, charge or assessment, including, but not limited to, reasonable attorneys' fees, plus a late charge of 5% and interest at the rate of 2% per month.

The Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on units in which Sponsor is more than 30 days in arrears of common charges while it is in control of the Board of Managers.

If a non-occupying owner, including the Sponsor, rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with Real Property Law Section 339-kk, all rental payments from the tenant shall be directly payable to the condominium association. If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim. Payment by a rental tenant to the condominium association made in connection with section 339-kk shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

REAL ESTATE TAXES &
TAX STATUS OF CONDOMINIUM

After the units are separately assessed, each unit will be taxed as a separate tax lot for real estate tax purposes, and that unit owner will not be responsible for the payment of, nor will the unit be subjected to, a lien arising from the nonpayment of taxes on other units.

If units have not been separately assessed for real estate tax purposes, prior to the closing of title to the first unit, unit owners will make payment of taxes to the Board of Managers. The amount to be paid by each unit owner shall be calculated by multiplying the percentage of the common elements by the real estate tax bill for the period in question. This money shall be paid to the Board of Managers not later than 15 days before the taxes are due to the Taxing Authority. The Board of Managers will establish a separate escrow account for this purpose.

Real estate taxes for the units will be assessed by the New York City Department of Finance. The current tax rate for residential condominiums is .14%. The assessed valuation for the building for the fiscal year 2014/2015 is $245,790. At current rates, the real property tax for the entire building would be $46,500.

The estimated recorded assessed value for the building when completed at $1,577,000. Estimated tax obligations assuming 421-a benefits and no 421-a benefits are set forth in Schedule A. Carrying charges for Units will be higher if 421-a tax benefits are not granted.

The basis for calculating the amount payable by units owners in the first year of condominium operation as set forth in schedule "A" is determined based upon the proportionate square foot of each unit relative to the total square footage. The tax assessment for each unit may be allocated on a basis that differs from the allocation of common interests. The figures given in Schedule A are only estimates.

No tax certiorari proceedings are currently pending.

Section 5.11 of the By-Laws provides that the Board of Managers may act as an agent of each Unit Owner who has given his or her written authorization to complain or apply to the board of assessment review or the assessing agency by filing a single complaint on behalf of all such Unit Owners and to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and may charge all such Unit Owners a pro-rata share of expenses, disbursements and legal fees, for which charges the Board of Managers shall have a lien pursuant to the terms of these By-Laws.

The Sponsor applied for and received partial tax exemption benefits under Section 421-a of the Real Property Tax Law ('421-a' Benefits).

There will be a partial reduction in real property taxes for 15 years after closing. The real property tax reduction will be progressively phased out. The progressive decrease in tax benefits will take place in years 11, 12, 13, 14 and 15 as follows:

Year 11	80% of tax exemption benefits
Year 12	60% of tax exemption benefits
Year 13	40% of tax exemption benefits
Year 14	20% of tax exemption benefits
Year 15	full tax

Carrying charges with and without 421-a benefits are disclosed in Schedule "A". Carrying charges will be 40% to 50% more in the event that 421-a benefits are not granted.

The Sponsor shall keep all records required by HPD and make them available to HPD whenever requested to do so.

HPD routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not provided.

Upon closing, the Sponsor will make all the benefit documents available to the Board of Managers for inspection and copying for the life of the benefits.

The Sponsor will file all applications and timely comply with all procedures required to properly process and maintain 421-a Benefits.

OPINIONS OF COUNSEL

THOMAS E. BERINATO
Attorney At Law
123-40 83rd Avenue
Suite #1D
Kew Gardens, New York 11415
Tel.: (718) 575-3400
Tberinato@verizon.net

September 22, 2014

Flushing Manor Realty, LLC
20 Ground Pine Court
Dix Hills, N.Y. 11478
Attention: Mr. Shun Qian Liu, President

Re: The Shangri-la Condominium
132-15 41st Avenue
Flushing, New York

Dear Mr. Liu:

I am counsel to the FLUSHING MANOR REALTY, LLC, in connection with the preparation and processing of its offering plan for the sale of the apartment units, ('units') in the building located at 132-15 41st Avenue, Flushing, New York to be known as The Flushing Manor Condominium ("Condominium").

In so acting, we have examined the form of the Declaration of the Condominium, the By-Laws and all exhibits thereto contained in the offering plan for the Units, and such other documents as we have deemed appropriate.

Based upon such examination, I am of the opinion that:

1. The condominium regime, when created pursuant to the Declaration of Condominium, By-Laws and other related documents, will be validly formed and the provisions of the Declaration of Condominium and By-Laws will be legal and valid and the Condominium regime will comply with the rules against perpetuities and all other laws regarding the restrictions against alienation.

I have, in rendering this part of our opinion, relied upon (a) certain municipal, departmental and information search reports issued by Federal Standard Abstract as well as

the opinion of Federal Standard Abstract that a valid condominium will be formed upon recordation of the floor plans, declarations and by-laws; and (b) the description of Property, dated May 25, 2014, prepared by Anthony Ng, Architect.

2. Each owner of a residential Unit 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 him on account of interest of any mortgage indebtedness covering such Unit provided such Unit is used by the owner thereof as a principal or second home (see Rev. Rul. 64-31, 1964-1 C.B. [Part 1] 300). No opinion is rendered as to the deductibility of real estate taxes and mortgage interest with respect to Units not used by the owner as a principal or second home. The owner of a residential Unit who is a veteran of the United States Armed Forces may be entitled to a veteran's exemption covering part of the real estate taxes otherwise assessed against his Unit. N.Y. Real Property Tax Law Section 458.

Assessments from Unit owners received by the Board of Managers of the Condominium will not be taxable to the Condominium for Federal income tax purposes if the Condominium elects special tax treatment under Section 528 of the Internal Revenue Code and (a) the Condominium is organized and operated to provide for the acquisition, construction, management, maintenance and care of the property; (b) at least 80% of the Condominium's annual gross income consists solely of membership dues, fees or assessments from Unit owners; (c) at least 90% of the Condominium s annual expenditures are for the acquisition, construction, management, maintenance and care of the Condominium property; (d) at least 80% of the total square footage of all Units are used by individuals for residential purposes; and (e) no part of the net earnings of the Condominium inures to the benefit of any Unit owner or other private individual. Other income, including income from the sale or leasing of Units owned by the Board of Managers of the Condominium on behalf of all Unit owners, will be taxable to the Condominium. If the Condominium does not elect to be treated under Section 528 or if it does not meet the requirements of Section 528, each Unit owner's proportionate share of all income received by the Condominium may be includable by the Unit owner as taxable income for Federal and New York State income tax purposes, or the Condominium itself may be taxed therefor.

I am of the opinion that the Condominium's income will not be taxable for Federal Income Tax purposes provided that the Condominium is operated in the matter envisioned by this Offering Plan.

In my opinion, the condominium will be eligible for tax exempt status, if it elects such status, and unit owners will be entitled to income tax deductions (or unit owners will be eligible for the real estate tax benefits described above). However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the sponsor, the sponsor's counsel, the board of managers of the condominium, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the

applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the condominium to cease to meet the requirements of Section 528 of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, and cause the unit owners not to be entitled to income tax deductions (or which cause unit owners not to be or to cease to be entitled to the benefits or the level or duration of benefits described above).

Sincerely,

THOMAS E. BERINATO

TEB/mh

THOMAS E. BERINATO
Attorney At Law
123-40 83rd Avenue
Suite #1D
Kew Gardens, New York 11415
Tel.: (718) 575-3400
Tberinato@verizon.net

September 22, 2014

Flushing Manor Realty, LLC
20 Ground Pine Court
Dix Hills, N.Y. 11478
Attention: Mr. Shun Qian Liu, President

RE: The Shangri-la Condominium
132-15 41st Avenue
Flushing, New York

Dear Mr. Liu:

You have requested that I advise you with respect to the applicability of New York's program for partial real estate tax exemption under Section 421-a of the Real Property Tax Law with respect to the above-referenced building.

You have represented to me that:

1. You commenced construction on the site of the Building based on approved New Building permit issued by the City of New York before June 30, 2013.
2. After completion of construction, the Building was classified as a multiple dwelling pursuant to the Multiple Dwelling Law.
3. The site was deemed "underutilized" 36 months prior to the commencement of construction as defined in the site requirements of section 2.6(1)(a) of HPD's Regulations.
4. The building will be substantially used for dwelling purposes as a condominium building for a period of at least ten years following its completion.
5. Construction of the building will be completed on or before December 31, 2014.
6. Upon completion, the building will consist of 23 residential and eight commercial condominium units.
7. No former tenant was harassed, intimidated or required to vacate his or her apartment except by lawful Court or Administrative Order.

8. The Sponsor will make application to HPD for a Final Certificate of Eligibility for the building to indicate that the building will be used as a condominium within 90 days after issuance of a certificate of occupancy.

Based solely on the above representations then it would appear that the Building, when operated as a condominium, is eligible to participate in the 421-a partial tax exemption program as a condominium for a 15 year period after the completion of construction.

The units of the condominium should be entitled to full exemption of the improvements from taxation during the present period and up to and including the eleventh anniversary after completion of construction as determined by HPD, (a). followed by one year of exemption from 80% of such taxation; (b). followed by one year of exemption from 60% of such taxation; (c). followed by one year of exemption from 40% of such taxation; (d). followed by one year of exemption from 20% of such taxation. Thereafter, commencing fifteen years after the completion date, Unit owners will pay real estate taxes based on the full assessed valuation for their units and the tax rate then in effect without any exemption.

I have been retained to obtain the Preliminary and Final Certificate of Eligibility in order that the condominium units to be created may have the benefit of the partial tax exemption. I consent to the inclusion of this letter in the offering plan. In no event will my firm, the sponsor, the condominium or any other person be liable if the assessed valuation made is lesser or greater than predicted, or if the Administrative Code, HPD Regulations are changed, or if the facts as represented prove to be untrue.

The aggregate assessed value of the property for the 2006/2007 tax year is $39,754. Assuming that the building obtains the 421-a tax exemption and a tax rate of 14% the annual real property taxes would be taxes would be $37,750. It is assumed that the assessed value is $1,432,000 for 2014/2015, and the tax rate is 14%, so the taxes would be $200,400.

It should be noted that the Building already obtained Preliminary Certificate of Eligibility. Estimates for the real estate property taxes with or without a 421-a partial tax exemption were based on the following assumption:

a) The base real-estate tax year is 2006-2007 for purposes of a 421-a exemption;
b) The assessed value was $39,754 in 06/07;
c) The real-estate tax rate will be 14%, and the assessed value of the Building when completed will be $1,050,000.00.

Based on the foregoing assumption, it is my estimate that the real-estate taxes for Residential Units within/without a 421-a tax exemption will be as follows:

Unit	Monthly w/o 421-a	Yearly w/o 421-a	Monthly w 421-1	Yearly w 421a
3A	$500.00	$6,000.00	$50.00	$600.00
3B	$500.00	$6,000.00	$50.00	$600.00
3C	$500.00	$6,000.00	$50.00	$600.00

3D	$500.00	$6,000.00	$50.00	$600.00
3E	$500.00	$6,000.00	$50.00	$600.00
3F	$500.00	$6,000.00	$50.00	$600.00
4A	$500.00	$6,000.00	$50.00	$600.00
4B	$500.00	$6,000.00	$50.00	$600.00
4C	$500.00	$6,000.00	$50.00	$600.00
4D	$500.00	$6,000.00	$50.00	$600.00
4E	$550.00	$6,600.00	$55.00	$660.00
4F	$550.00	$6,600.00	$55.00	$660.00
5A	$500.00	$6,000.00	$50.00	$600.00
5B	$500.00	$6,000.00	$50.00	$600.00
5C	$500.00	$6,000.00	$50.00	$600.00
5D	$500.00	$6,000.00	$50.00	$600.00
5E	$550.00	$6,600.00	$55.00	$660.00
5F	$550.00	$6,600.00	$55.00	$660.00
6A	$500.00	$6,000.00	$50.00	$600.00
6B	$500.00	$6,000.00	$50.00	$600.00
6C	$500.00	$6,000.00	$50.00	$600.00
6D	$550.00	$6,600.00	$55.00	$660.00
6E	$500.00	$6,000.00	$50.00	$600.00

The percentage interest of each Unit in the common elements shown in Schedule "A" of the Offering Plan is assigned in the approximate proportion that the floor are of the Unit at the date of the Declaration bears to the aggregate floor areas of all Units. In my Opinion, this method if assigning the percentage of common interest to each Unit is in compliance with Real Property Law Section 339-i.(1)(iv). This opinion is based on other expert factual determinations as required by Section 20.1(i) of Part 20 of the regulations regarding Vacant, Newly Constructed and Non-Residential condominiums issued by the Attorney General. (See letter dated September 22, 2014 at p. 40 herein).

Very truly yours,

Thomas E. Berinato

TEB/mh

Department of Housing Preservation & Development
nyc.gov/hpd

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
MATHEW M. WAMBUA, Commissioner
421-a Partial Tax Exemption Program
Office of Development-Division of Housing Incentives
100 GOLD STREET, NEW YORK, N.Y. 10038
(212) 863-8540

Preliminary Certificate of Eligibility

Docket #: TEO10523

Owner : FLUSHING MANOR REALTY LLC

Owner Address : 20 GROUND PINE COURT
DIX HILLS, NY 11746

Address	Borough	Block	Lot	Permit Date	Construction Start Date
132-15 41 Avenue	Queens	05037	0105	03/27/2013	03/27/2013

Total Number of Units: 23
Preliminary Initial Adjusted Monthly Rent Per Room: Condo
Ineligible AFA: 0.00%

91

Comments: 1. FORMERLY LOTS 104 & 105 2. 23 RESIDENTIAL UNITS + RESIDENTIAL PARKING (1ST FLOOR & OFF - STREET) & COMMUNITY FACILITY (CELLAR, 1ST & 2ND FLOORS) 3. COMMUNITY FACILITY APPLIED FOR TAX EXEMPTION UNDER THE I.C.I.P. PROGRAM (APPLICATION #17830) AND IS NOT THE SUBJECT OF THIS APPLICATION

This Certificate is for construction benefits only. Upon issuance of a Final Certificate of Eligibility, this project will be entitled to: 15 Year Tax Exemption. Subject to the Exemption Cap.

Based upon the information contained in the Application for Preliminary Certificate of Eligibility for Partial Tax Exemption filed 05/08/2013 and a determination by the Commissioner, the applicant, pursuant to Section 421-a of the Real Property Tax law and the 421-a Rules of the Department of Housing Preservation and Development issued pursuant thereto, is hereby granted this Preliminary Certificate of Eligibility for Partial Tax Exemption for the above premises, except as to those portions of the new building, if any, which are non-residential and which exceed the allowable 12% of Commercial, Community Facility and Accessory Use Space.

This Certificate is conditioned upon the filing and approval of a Final Application to be submitted to the Department of Housing Preservation prior to initial occupancy (for multiple dwellings owned as a rental), and prior to the first taxable status date following the completion of construction (for multiple dwellings owned as a co-op or condo), and the submission of the temporary or permanent certificate of occupancy issued by the Department of Building as evidence of the fact that the structure was completed. It entitles the property to benefits while under construction for up to three years. It is the applicant's responsibility to complete the necessary filing in order to obtain a Final Certificate of Eligibility. This Certificate must be filed with the New York City Department of Finance immediately upon issuance.

Date of Issuance: AUG 14 2013

Elaine R. Toribio
Director, Tax Incentive Programs

AUG 14 2013

[Rep Id:486]

RESERVE FUND:

This Offering Plan makes no provision for a Reserve Fund.

WORKING CAPITAL FUND:

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay the sum of $500 to the Board of Managers for its working capital (the Working Capital Fund).

If the result of the Closing adjustments is a net credit in favor of the Condominium, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion.

For such period as Sponsor retains control of the Board of Managers, the Working Capital Fund shall not be used to reduce estimated Common Charges.

If the Condominium requires financing for need Capital Improvement, such as renewal or replacement of building components or systems, to remedy major building defects, it has two options. One option would be to make an assessment of all Unit Owners in proportion to Common Elements. Another option would be for the Board to apply for an unsecured loan from a bank or other lender.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

MANAGEMENT AGREEMENT:

At or prior to the First Unit Closing, the Sponsor shall undertake to manage the building for a minimum of one year at no compensation.

The obligation will be for a term of one (1) year. During that year, Sponsor must manage the building free of charge, even if Sponsor has sold 50% or more of the units, and no longer controls the board of managers. If the Sponsor still controls the Board after one year, Sponsor may not charge a fee if Sponsor elects to continue managing the building. After the first year and after Sponsor gives up control of the Board, the board may, if it elects, retain the services of a management company and pay that management company.

During the initial Sponsor control period (two years, or until Sponsor sells 50% or more of the units, whichever is sooner) sponsor could effectively prevent the hiring of a managing agent because of Sponsor's control of the Board.

The services to be performed by the managing agent include bookkeeping, payroll and collection of common charges, supervision of the building super and preventative maintenance.

After one year and after Sponsor gives up control of the Board, the Board may cancel the agreement with the Sponsor, with or without cause.

The Board of Managers under the terms of the Sponsor's management obligation must indemnify and hold the sponsor harmless against liability for acts properly performed by it under the management obligation.

IDENTITY OF PARTIES:

1. Sponsor.

FLUSHING MANOR REALTY, LLC, the Sponsor, is a Limited Limited Liability entities formed in 2012. The principal office of Sponsor is 20 Ground Fine Court, Dix Hills, N.Y. 11748. There are three members of Sponsor: they are Shun-Qian Liu, who is the owner of a construction company named Kenneth Construction, Inc. in Roslyn, N.Y. and formerly of Clean City Laundry in Jamaica, N.Y.; Chih Ming Wong who resides at [redacted] and who operates a restaurant supply businesss in Pennsylvania; and Li Yi Wu, who resides at [redacted] who operates an garment wholesale business in Brooklyn, N.Y.

No member has, any prior felony convictions, bankruptcies, judgments, or injunctions against them of any kind. Shun Qian Liu, have taken part in the following condominium offerings: the 37-17 111th Street Condominium, 37-17 111th Street, Corona, N.Y. 11368, File No. 0121; and the Wenzhou Towers Condominium, 104-48 37th Drive, Corona, N.Y. file No. CD08-0457. Both of these projects sold out. Other than as stated, none of the other principals have not taken part in any real estate syndication's of securities consisting of participation interest or investments in real estate, including limited partnership interest, or private or public offerings of co-operative interest in realty, including condominiums in or from New York at any time.

The Sponsor's principals have no relationship to the engineer or the attorney for the sponsor other than with respect to this offering.

2. Architect.

The architect is Anthony Ng. Mr. Ng is a registered architect in the State of New York. There is no other relationship between Mr. Ng and the Sponsors, except that Mr. Ng has acted in the capacity of architect for other projects for the principals of the sponsor. Mr. Ng has over 15 years of experience in the design and construction of multifamily residential buildings in Manhattan, Brooklyn and Queens.

3. Managing Agent.

The Managing Agent is the Sponsor with offices at 20 Ground Pine Court, Dix Hills, N.Y. 11748. The officers of Sponsor are Shun-Qian Liu has involved in the management of multi-family residential buildings in the New York area for over 5 years. A list of other properties managed by the Sponsor is as follows:

111-17 37th Avenue, Corona, N.Y. 11368. (30 units).

The principals of the managing agent have no prior felony convictions.

4. Counsel

Sponsor has retained the law firm of Thomas E. Berinato, with offices at 123-40 83rd Avenue, Kew Gardens, New York 11415, to represent it in connection with the Offering Plan. Mr. Berinato prepared Parts I and II of this Offering Plan, together with the Declaration, the By-Laws, and the forms of Purchase Agreement, Unit Owner's Power of Attorney and Condominium Unit Deed contained in Part II of this Offering Plan. Mr. Berinato's fee is being paid by Sponsor.

5. Selling Agent

The Selling Agent is the sponsor. The information about the sponsor's principals is stated above. The Sponsor's principals have no prior experience as Selling Agents.

REPORT TO UNIT OWNERS:

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 months after the end of each fiscal year of the Condominium. While the Sponsor is in control of the Board, the financial statement must be certified.

Written notice of each annual or special meeting of Unit Owners shall be given to all Unit Owners who are then the record owners entitled to vote or designate members of the Board of Managers at such meeting. Such notice shall set forth the purpose, time and place of such meeting and may be given to any Unit Owner by personal delivery, mail or telegram not later than ten (10) business days prior to the day fixed for the meeting. If the business to be conducted at the meeting shall include the consideration of a proposed amendment to the Declaration or the By-Laws, the notice shall be mailed to all Unit Owners at least thirty (30) days prior to the day fixed for the meeting and shall be accompanied by a copy of the text of such proposed amendment.

The books of account and record of the Condominium may be examined by Unit Owners during regular business hours. True copies of the Floor Plans, the Declarations, the By-Laws and the Rules and Regulations shall be kept on file in the office of the Board of Managers and shall be available for inspection during regular business hours by persons having an interest therein.

A copy of the proposed annual budget of the condominium shall be given annually by the Board of Managers to all unit owners within fifteen days prior to the date set for its adoption. While the Sponsor is in control of the Board of Managers, such budget shall be certified in compliance with 13 New York Code Rules and Regulations Part 20.4 of the Rules governing Newly Constructed, Vacant or Nonresidential Condominium.

DOCUMENTS ON FILE:

Sponsor shall keep copies of the Plan, all documents referred to in the Offering Plan, and all Exhibits submitted to the Department of Law in connection with the filing of the Offering Plan on file and available for inspection without charge at the office of the Managing Agent for a period of six years from the date of the first closing. Sponsor shall deliver to the Board of Managers of all documents filed with the appropriate recording office at the time of closing to the first unit.

SPONSOR'S STATEMENT
OF BUILDING CONDITION PURSUANT TO
SECTION 13 N.Y.C.R.R. PART 20.3(gg)

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

RE: The Shangri-la Condominium
132-15 41st Avenue
Flushing, New York

The Sponsor adopts the Description of Property and Building Condition contained in Part II of the Offering Plan. The 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 contemplated construction to the Property, as well as the time table for completion of the construction, are described in the Description of Property and Building Condition contained in Part II of the Offering Plan.

As stated in the Description of Property and Building condition, the number of units offered will be identical to the number of units indicated in the Certificate of Occupancy. All property interest offered, including basement facilities for storage are provided for in the Certificate of Occupancy.

Reference is made to the Official Inspection Reports reflecting upon the condition of the premises, such as notices of building code violations. All existing notices of building code violations are reproduced herein in Part II of the Plan. Sponsor shall remove and correct all such notices at or prior to the issuance of a new Certificate of Occupancy for the Property.

GENERAL:

1. There are no lawsuits or other legal proceedings pending which could materially affect this Offering, the Purchasers of Units, the Property, Sponsor's capacity to perform all its obligations under the Offering Plan, the Condominium or the operation thereof.

2. To the best of Sponsor's knowledge, the Property has not been the subject of any prior public offering.

3. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer, or will otherwise discriminate against any person or persons by reason of their race, religion, color or place of national origin in the sale, transfer or lease of Units described in this Plan.

4. The Sponsor has not entered into any contracts or oral agreements and has not accepted any deposits, advances of funds as of the date the plan is accepted for filing by the Department of Law.

5. Sponsor represents that all units offered in the plan are vacant.

6. A Purchaser who is not in default under the Purchase Agreement shall be afforded a right of rescission if there is a substantial amendment to the Offering Plan that adversely affects such Purchaser. Such right of rescission must be exercised by written notice within fifteen (15) days after receipt of the amendment. Sponsor will return the down payment promptly to any Purchaser entitled to rescind who exercises such right in accordance herewith. Changes in purchase prices for Units or an increase in the Total Projected Budget by less than 25% shall not be deemed substantial adverse amendments.

7. Sponsor will comply with the smoke and carbon monoxide detector laws.

8. This Offering Plan may not be changed or modified orally.

Dated: Kew Gardens, New York

SPONSOR'S STATEMENT OF BUILDING CONDITION:

The Sponsor adopts the Description of Property set forth in Part II of the Offering Plan and has no knowledge of any material defects or need for any repairs except as set forth therein.

PART TWO

AGREEMENT

AGREEMENT made as of _____, 201__, between FLUSHING MANOR REALTY, LLC, having offices at 20 Ground Pine Court, Dix Hills, N.Y. 11746 (Sponsor-Seller) and _____ having an address at _____ ("Purchaser").

WITNESSETH

1. **Purchase Price**

1.1 The Purchase price ("Purchase Price") is $

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

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

1.2 All checks shall be drawn on a New York bank or trust company, which is a member of the New York Clearing House Association. All checks in payment of the portion of the Purchase Price referred to in subsection 1.1 (a) hereof shall be made payable to the order of "THOMAS E. BERINATO, ESQ., Escrow Account for The Shangri-la Condominium" and all checks in payment of the portion of the Purchase Price referred to in subsection 1.1(b) hereof shall be made payable to the direct order of the Sponsor.

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

2. **The Offering Plan.** Purchaser acknowledges having received and read a copy of the Offering Plan for Condominium ownership of the premises located at 132-15 41st Avenue, Flushing, NY and all amendments thereto filed with the Department of Law of the State of New York (hereinafter collectively referred to as the "Plan") within a 72 hour period immediately preceding the execution of this Agreement by Purchaser. The Plan is incorporated hereby by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern.

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

4. **Architectural Plan.** Purchaser has been given an opportunity to examine the architectural plans and specifications for the above-numbered Unit and for the building in which it is located ("the Building"), prepared by the Registered Architect, Anthony K. Ng, R.A. ("the Architect").

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

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

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

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

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

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

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

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

10. **Expenses of closing and closing Adjustments.** Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Closing Costs and Adjustments", including New York State and City Real Property transfer taxes and the amount of any credit for mortgage recording tax as set forth in such Section. Purchaser shall make the contribution to the working capital of the Condominium referred to in such Section. Real estate taxes and common charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of $500.00 will be paid by certified check or bank check. Recording charges, fees and taxes, as set forth in the Plan, are based on the rates in effect on the date of the Plan and are subject to change without notice.

11. **Escrow of Deposits.**

A. The law firm of Thomas E. Berinato, Esq., with an address at 123-40 83rd Avenue, Suite 1D, Kew Gardens, NY 11415, telephone number 718-575-3400, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: _Thomas E. Berinato, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

B. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

C. The Escrow Agent has established the escrow account at JP Morgan Chase Bank, located at 81-35 Lefferts Boulevard, Kew Gardens, NY 11415, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled_Thomas E. Berinato, Escrow Account for the SHANGRI-LA Condominium ("Escrow Account"). The Escrow Account is not an IOLA account. The Escrow Account is federally

insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions.

D. All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Thomas E. Berinato, as Escrow Agent.

E. The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

F. Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

G. The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

H. All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

I. Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

J. The Escrow Agent shall release the Deposit if so directed:

(a) pursuant to terms and conditions set forth in the Purchase Agreement in Paragraphs 7 and 11 upon closing of title to the Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the [unit/building] is located and shall give written notice to both parties of such deposit.

The Sponsor shall not object to the release of the Deposit to:

(a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

(b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

K. Any provision of the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

L. Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

M. A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e(2-b) and 352(h).

N. Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution, or validity thereof.

O. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e(2-b) and 352-(h) and the New York State Department of Law's regulations.

P. Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

Q. Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

R. Sponsor agrees to defend, indemnify, and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

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

13. **Agreement Subject to Mortgage.** No encumbrances shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date unless

Purchaser assumes such mortgages. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of his other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration and the Unit is released from the lien of such mortgage. Purchaser may make his obligations under the Agreement contingent upon obtaining a mortgage loan by executing the Mortgage Addendum to Purchase Agreement attached hereto and compliance with the terms therein. In the event Purchaser does not comply with the terms set forth in the Mortgage Addendum to Purchase Agreement, Seller shall be entitled to declare this Agreement in default and retain the Down Payment and interest as liquidated and agreed upon damages. Should Purchaser comply with the terms set forth in the Mortgage Addendum to Purchase Agreement and fail to obtain a mortgage loan, Seller shall return the Down Payment and interest, if any, to Purchaser and thereafter the parties shall be released from any obligation under this agreement.

14. **Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel.**

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

15. **Default by Purchaser.** In the event Purchaser shall fail to make any payment on the date hereinbefore provided or on such later date as the parties hereto shall agree upon, shall fail to close title on the closing date, or shall fail to perform any of the purchaser's other obligations hereunder, Sponsor may send notice to Purchaser of Sponsor's intention to cancel this Agreement if such default shall not be cured within thirty days thereafter. TIME IS OF THE ESSENCE TO CURE SUCH DEFAULT WITHIN THE SAID THIRTY-DAY PERIOD. If within said thirty day period Purchaser shall fail to cure such default, Sponsor may, at its option, cancel this Agreement by notice of cancellation to Purchaser sent within 30 days after the sending of the said notice of intention to cancel, and thereupon this agreement shall be deemed canceled. In the event that Sponsor shall elect to cancel this Agreement, Sponsor shall certify to its attorney, Thomas E. Berinato, Esq., that Purchaser has defaulted and that Sponsor has elected to cancel this Agreement by reason thereof. If, within three days after the sending of notice of cancellation, Purchaser shall have failed to object thereto by Notice to THOMAS E. BERINATO, 123-40 83rd Avenue, Suite 1D, Kew Gardens, N.Y. 11415 by certified mail, return receipt requested, all payments made by Purchaser pursuant to this Agreement, together

with all other sums theretofore paid by Purchaser hereunder, shall be retained by Sponsor as liquidated damages. In no event shall liquidated damages exceed 10% of the purchase price plus the cost of any special work ordered. If this Agreement shall be canceled by Sponsor pursuant to the provisions of this Paragraph, Sponsor may sell the Unit to any third party and Sponsor shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. If Purchaser shall have objected to Sponsor's Notice of cancellation within the aforesaid three day period, Sponsor will retain all payments made by Purchaser pursuant to this Agreement until the dispute is resolved, but Sponsor shall nevertheless have the right to sell the Unit to any third party without any obligation to account to Purchaser for any part of the proceeds of such sale. THOMAS E. BERINATO, Esq. may rely on the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same. In the event of Purchaser's default, no funds will be released to Seller without the signature of Seller's attorney, THOMAS E. BERINATO, 123-40 83rd Avenue, Suite 1D, Kew Gardens, N.Y. 11415.

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

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

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

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

(ii) Purchaser represents to sponsor that he has examined the Unit and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date.

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

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

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

Prior to the first closing the entire building will be insured by the sponsor, and after the first closing the entire building will be insured by the condominium. A person in possession who is not an owner cannot insure the unit since he or she has no ownership interest, and the unit cannot be doubly insured. Thus the risk of loss cannot, as a practical matter, be passed on to a person in possession. A person who takes possession prior to closing assumes the risk of losses not covered by insurance.

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

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

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

Purchaser should note that:

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

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

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

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

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

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

g. Seller will provide Purchaser with the same warranties provided under the Housing Merchant Implied Warranty, Section 777-a of the General Business Law. The provisions of this Paragraph shall survive the delivery of the deed.

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

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

23. **Notices.** Any notices, request or other communication hereunder or under the Plan shall be in writing and sent, postage prepaid, by registered or certified mail, return receipt requested, to Purchaser at the address given at the beginning of this Agreement, with a copy to his/her/their Counsel or to the seller at the address given at the beginning of this Agreement, with a copy to Thomas E. Berinato, Esq., 123-40 83rd Avenue, Suite 1D, Kew Gardens, N.Y.

11415, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of giving if any notice of change of address.

24. **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.

25. **No Oral Changes:** This Agreement cannot be changed or terminated orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY ALL PARTIES. YOU, AS THE PURCHASER OF THIS UNIT, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

THE TERMS OF THE PLAN GOVERN IF THERE ARE ANY INCONSISTENCIES BETWEEN THE PURCHASE AGREEMENT AND THE PLAN.

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

SPONSOR-SELLER:

By:_____

By:_____

By: _____

By: _____

ESCROW AGENT:

_____
By: Thomas E. Berinato

PURCHASER:

_____

_____

MORTGAGE ADDENDUM

The obligations of Purchaser hereunder are conditioned upon issuance on or before **forty-five (45) days from a fully executed contract received by Purchaser's Attorney,** (the "Commitment Date") of a written commitment from any Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, of _____ or such lesser sum as Purchaser shall be willing to accept, at the prevailing fixed rate ~~of interest not to exceed of interest not to exceed or initial adjustable rate~~ for a term of at least **30** years and on other customary commitment terms, whether or not conditional upon any factors other than an appraisal satisfactory to the Institutional Lender. For purposes of this contract, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans. Purchaser shall (i) make application within ten business days to an Institutional Lender for such mortgage loan, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan. (iv) Pursue such application with diligence, (v) cooperate in good faith with such Institutional Lender to obtain such commitment and (vi) give Notice within ten business days to Seller of the name and address of each Institutional Lender to which Purchaser has made such application. Purchaser shall comply with all requirements of such commitment (or any other commitment accepted by Purchaser) and Seller with a copy thereof promptly after receipt thereof. If such commitment is not issued on or before the Commitment Date, then, unless Purchaser has accepted a commitment that does not comply with the requirements set forth above, Purchaser may cancel this contract by giving Notice to Seller within 5 business days after the Commitment Date, in which case this contract shall be deemed cancelled and thereafter neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be refunded to Purchaser within five business days. If Purchaser fails to give notice of cancellation or if Purchaser shall accept a commitment that does not comply with the terms set forth above, then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Downpayment by reason of the contingency contained in this paragraph. (Delete if inapplicable) (b) Purchaser and Seller agree that the submission of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") shall constitute full compliance with the terms and conditions set forth in paragraph 8(a)(i) of this contract, and that Purchaser's cooperation in good faith with such Mortgage Broker to obtain a commitment from an Institutional Lender (together with Purchaser's cooperation in good faith with any Institutional Lender to which Purchaser's application has been submitted by such Mortgage Broker), and the giving of Notice by Purchaser to Seller within ten business days of the name and address of each Mortgage Broker to which Purchaser has submitted such an application shal constitute full compliance with the terms and conditions set forth in this contract.

SPONSOR-SELLER:

By:_____

By:_____

By: _____

By: _____

PURCHASERS:

_____

_____

POWER OF ATTORNEY

The undersigned, _____, (residing)(having an office) at _____ _____, the Owner of Unit No. _____ in the Condominium known as THE SHANGRI-LA CONDOMINIUM, located at 132-15 41st Avenue, Flushing, Borough of Queens, State of New York, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 200__, and recorded in the Register's Office, Queens County on _____, 200__ in CRFN _____, and shown on the Floor Plans on file in said office as Map No. _____, do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of THE SHANGRI-LA CONDOMINIUM, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to (1) acquire in their own names, as Members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in the Condominium, in accordance with their respective Common Interests, (a) any Unit whose Owner desires to abandon or sell the same, together with the undivided interest in the Common Elements appurtenant thereto, (b) the interests of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, (c) the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale; or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) and to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leaned by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, and (2) to amend from time to time the Declaration, By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment shall be authorized by the Declaration or By-Laws.

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

The undersigned do hereby nominate, constitute and appoint FLUSHING MANOR REALTY, LLC (Sponsor) as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or Sponsor's designee in accordance with Article 16 of the Declaration or (2) shall be required by (a) an Institutional Lender procured by Sponsor 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 Sponsor to insure title to any Unit, or (3) shall be authorized pursuant to Article 15 of the Declaration provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to

the Undersigned 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 Sponsor or Sponsor-designees shall cease to own any Units in the Condominium.

This power of attorney shall be irrevocable.

All capitalized items in this Power of Attorney shall have the same meaning as in the Declaration or the By-Laws of the Condominium.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this ____ day of _____, 200__.

_____

_____

STATE OF NEW YORK)ss.:

COUNTY OF _____)

On the ___ day of _____, in the year 20___, the undersigned a Notary Public in and for said State, personally appeared _____ known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(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 DEED

THIS INDENTURE, made the ___, day of _____, 201__, between FLUSHING MANOR REALTY, LLC, entities formed under the Laws of the State of New York, having an office at 20 Ground Pine Court, Dix Hills, N.Y. 11746 (the Grantor), and _____, residing at _____ (the Grantee).

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration, paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Unit (the Unit) known as Unit No. _____ in the premises known as THE SHANGRI-LA CONDOMINIUM and by the street address of 132-15 41st Avenue, Borough of Queens, Queens County, State of New York, said Unit being designated and described as Unit No. _____, in the declaration (Declaration) establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the New York Condominium Act), dated _____ and recorded in the Register's Office, Queens County, (the Register's Office) on _____, CRFN _____, and also designated as Tax Lot ____ in Block 5037 of the Borough of Queens on the Tax Map of the Real Property Assessment Department and on the Floor Plans for said premises, certified by ANTHONY K. NG, R.A., on _____, and filed in the Register's Office on _____, as Condominium Plan No. _____. The premises within which the Unit is located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to these terms in the Declaration or in the By-Laws of THE SHANGRI-LA CONDOMINIUM. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the By-Laws.)

Together with an undivided _____% interest in the Common Elements;

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, 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, assessments, restrictions, and other matters of record as pertain to the Unit and/or to 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 New York Condominium Act, or if any provision which is Necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

Except as otherwise specifically permitted by the Board of Managers or provided in the Declaration or 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 aforesaid.

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 held the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the 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.

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.

GRANTORS:
FLUSHING MANOR REALTY, LLC

By:_____
SHUN QIAN LIU, Member

GRANTEES:

_____ _____

STATE OF NEW YORK)ss.:

COUNTY OF _____)

On the ___ day of _____, in the year 20___, the undersigned a Notary Public in and for said State, personally appeared SHUN QIAN LIU known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their/ capacity(ies) and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____

Notary Public

STATE OF NEW YORK)ss.:

COUNTY OF _____)

On the ___ day of _____, in the year 20___, the undersigned a Notary Public in and for said State, personally appeared _____ known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(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

CONDOMINIUM
BARGAIN AND SALE DEED
WITH COVENANT AGAINST GRANTOR'S ACT

Title No.:

SHANGRI-LA CONDOMINIUM

Section
Block 5037
Lot
City/Town Flushing, NY

County Queens

TO

RETURN BY MAIL TO:

DESCRIPTION OF THE PROPERTY (THE REPORT)

THE Shangri-la Condominium

132-15 41st Avenue

FLUSHING, NEW YORK

PREPARED BY

ANTHONY K. NG, R.A.

IN ACCORDANCE WITH

THE PLANS AND SPECIFICATIONS

AND OTHER INFORMATION SUPPLIED BY THE SPONSOR

SHANGRI-LA CONDOMINIUM
FLUSHING, NEW YORK

Architect's Report

Description of Property and Specifications

(a) THE SUBJECT PROPERTY IS LOCATED IN FLUSHING, BOROUGH OF QUEENS, CITY OF NEW YORK and will be used for Twenty (23) condominium residential units and 8 (Eight) Community Facility Use Units known as Shangri-La Condominium .The proposed use will comply with all zoning requirements as approved by the New York City Department of Buildings.

(1) The address is 132-15 41st Avenue.

(2) The property will be known as Tax Block 5037, Tax Lot 105

(3) The Zoning District is R6.The sponsor will obtain at least a Temporary Certificate of Occupancy prior to first closing.

(4) Permissible use is residential units, and community facility use. The proposed Uses comply with all applicable Zoning and Use requirements.

(b) STATUS OF CONSTRUCTION- Building is currently under construction and estimated completion will be summer of 2014.

(1) Construction started March 28, 2013.

(2) Construction class is II-A (Non-Combustible, 1 hour protected building) Exterior walls and all structural members are made of non-combustible materials. Vertical enclosures are of 2 hour rated. Floor construction including beams are of 1 hour rated.

(3) Certificate of Occupancy has not yet been issued as the project is completed.

(4) Building plans have been approved by the Building Department of the City of New York on October 19 2012, under new building application #420581524.

(5) As per NYC Zoning Resolution, permissible use is only for residential units and community facilities.

(6) Proposed building complies with all applicable sections of Quality Housing Program, such as street tree planting, outdoor recreation space ,refuse storage area,minimum size of dwelling units...etc.

(c) SITE

(1) The area of the site is 7,500 square feet

(2) One building for (23) condominium residential units, (8) condominium community facility units.

(3) No private street is owned by this condominium. The property is fronting 41st Avenue, which is a public, City owned street with one way traffic. Street is paved with asphalt. Curbs and sidewalks are concrete. The streets are well illuminated with pole mounted lights.

(4) Drives, walks and ramps

(i) Paving will be asphaltic concrete

(ii) Walks and City sidewalk will be new poured concrete, free of tripping hazard & ponding. Condominium board shall be responsible for maintaining the sidewalks per the requirements of NYC DOT.

(iii) Trench drain and area drain shall be connected to house sewer. All sidewalks, curb cuts and ramps will be sloped so as to drain water away from the foundation of the building.

(iv) Street pole mounted lighting is provided by City of New York; driveway and yard areas will have lighting attached to building.

(v) All elements shall be in conformance with NYC Building Code and Department of Transportation regulations, and shall be ADA compliant.

(d) UTILITIES

Water -is obtained from tap to water main in street maintained by N.Y.C. Department of Environmental Protection. There will be one water meter served collectively for both residential and commercial units. Charges for water will be a common payment.

Sewer -There is a 4'-0" diameter Storm City Sewer and a 10" diameter Sanitary sewer in the street, maintained by the N.Y.C. Department of Environmental Protection. Connection shall be made to this sewer for disposal of all sanitary sewage and storm water.

Gas - Gas service will be from a tap to a gas main in the street owned and maintained by Con Edison. There will be a meter for each unit and one for common areas.

Electric-Electric service will be by overhead connection to electric main in street, owned and maintained by Con Edison. There will be a meter for each unit, and one for common areas.

Telephone-Telephone service is provided by Verizon Telephone Co. Phone jacks will be installed at kitchenette areas, and in all bedrooms.

Cable - Cable jacks will be installed at living areas, and in all bedrooms.

All residential units owners shall be responsible for the costs of services of common areas, based on the percentage of the units that each owner owns.

(e) SUB-SOIL CONDITIONS –1- Soil test borings were taken by Regional Testing Corp. dated 7-10-12 which indicates the load bearing capacity of the soil is sufficient to support the building. Soil classification is classified as NYC DOB class 3b, Brown Sand with little pebbles and traces of silty sand . The soil bearing capacity is averaged to be 3 Tons/SF, and it is structurally appropriate. Condition of the soil is to be confirmed by means of a Special Inspection by Special Inspector prior to placement of the foundation.

2- No water table was found on at a level of 28 ft. deep as per the boring test result. No moisture or seepage has been noted through the foundation. There is no danger of seepage or flooding due to the water table, or from other bodies of water. No sub-grade drainage system is provided.

(f) LANDSCAPING AND ENCLOSURES

(1) Grass cover - there will be no grass at front of building along 41st Ave.
(2) Planting - there will be no planting at front of building along 41st Ave.
(3) Trees – (3) proposed trees within City sidewalk area shall be planted along 41st Avenue as required under the Quality housing Zoning.
(4) Fence – A masonry fence at least 3 feet high at rear of building, enclosing outdoor parking lot.
(5) Gate - there is a garage gate in front of the driveway, as manufactured by USP model 300 roll up steel door with flat open slats(20ga.) and lift master GH motor.
(6) There are no garden walls proposed for this project
(7) There are no fountains proposed for this project
(8) Sidewalks and curbing where required will be new poured concrete
(9) The main entry to residential units shall be handicapped accessible
(10) There is an existing reinforced concrete retaining wall at the rear property that belong the Long Island Railroad and it is in excellent structural condition.

(g) BUILDING SIZE The proposed building consists of a cellar, First thru Sixth floors.

(1) Total height of building is approximately 55' measured to the top of roof.
(2) There are no crawl spaces
(3) There is one cellar level.
(4) There are Four (4) habitable floors.
(5) Equipment rooms - the mechanical room, sprinkler room, gas meter room, electric room and compactor room are located in the cellar. Elevator machine room is located at roof level. Gas meter room is exiting to the exit corridor and it is permitted by Code. Electrical room will have door that swing outward.
(6) There are parapets and/or metal railings for this proposed building at all terraces, balconies and accessible roof areas at least 3'-6" high as required.

(h) STRUCTURAL SYSTEM Foundation for the building is poured in place reinforced concrete walls resting on reinforced poured spread concrete footings. Building is supported by a Concrete Poured in place reinforced two-way flat plate system. All floors including roof are constructed of poured in place 8 inches reinforced concrete slab support by concrete columns. Reinforced masonry wall is utilized along the side lot lines. Front and rear wall are comprised of non-load bearing of 6 inches 18 gauge Metal Studs framing system located in between the concrete columns at third floor thru sixth floor. At First and second floor there will be 6 inches cmu non load bearing backup walls.

1) Exterior of Buildings:
a) Walls –Front and Rear Exterior walls at Third through Sixth floor are constructed of 6 inches 18 gauge galvanized non- load bearing metal studs walls with R-13 batt insulation installed inside the studs cavity and a continuous 1 inch rigid insulation (R-9) installed over the exterior gypsum sheeting ,total U value is 0.045. Exterior finish will be aluminum panels at Third thru Sixth floor in the front and rear of the

building. Granite panels will be installed over 6 inches cmu backup wall at the first floor and second floor at front of the building. At first and second floor level rear wall , and along the two side lot line walls will be constructed of 4" face brick and 6" concrete block with 2 ½" steel studs furring and R-11 batt insulation. Local Law 10 of 1980 and Local Law 11 of 1998 do not apply to this project since building is less than seven stories.

All side walls have a minimum of 2-hr fire rating, front and rear wall have minimum of 1-hr fire rating as complied with NYC Building Code.

Waterproof membrane in addition to membrane flashing at each floor level are used in the front and rear 3rd floor thru 6th floor.

b) Windows - Exterior windows manufactured by "Gamco Windows" or equal, with double pane insulated glass meeting or exceeding NYS Energy Code minimum requirements and as required by Quality Housing Zoning. Screens are to be provided at residential units only. Finish shall be anodized aluminum at exterior and interior. All windows will be caulked from the outside. Windows have a 5 years warranty from manufacturer and one year warranty on workmanship and installation by window subcontractor.

Thermal break is in each window provided with polyurethane gasket.

All habitable rooms comply with the minimum light and air requirement mandated by Code.

2) Parapets and coping: parapets are minimum of 3'-6" high made of reinforced masonry. Copings are made of aluminum. Modified bitumen membrane extend all of the way to the underside of copings.

3) Chimneys and caps: The chimney for the gas fired systems requiring ducting to exterior shall consist of a NYC approved metal flue chimney installed in a two hour shaft enclosure at every floor and will be extended above roof at the height as required by NYC Building Code. Chimney is of double walls by "Amerivent" or equal.

4) Balconies and terraces: there are balconies on the Third, Fourth, Fifth and Sixth floors for units 3A, 3B, 3F, 4A, 4B, 4C, 4D, 4E, 4F, 5A, 5B, 5C,5D, 5E ,5F, 6B, 6C and 6d There are terraces on the Second, Third and Sixth floor units 2C, 2D, 3C, 3D, 3E, 6A, and 6E. Balconies are made of cantilevered poured reinforced concrete slab. All Balconies are protected by 3'-6" high painted steel railing with tempered glass panels, and all terraces are protected by 3'-6" high masonry wall with precast coping. All metal fasteners will be corrosion resistant.

Aluminum framed glass swing and sliding doors with tempered glass by "Gamco Windows" will be used for all terraces and balconies. Thermal break is provided in each balcony and terrace door with thermal break inso bar.

Drainage of terrace is provided with area drains, connected to building storm sewer line.

Insulations underneath each terraces are provided in compliance with continuous rigid insulation of R-20 average.

All balconies and terraces will have granite floor finish. All exterior metal fasteners will be corrosion resistant.

5) Exterior entrances: the main entrance to the residential portion of the building is aluminum and glass. Vestibule door will be installed with an electric door release on the inside door which can be operated from the individual units to allow entry into the residential portion of the building. Authorized mail boxes which meet Post Office specifications will be installed in the vestibule. The main entrance area will be illuminated by a light fixture, they will be adequate as required by Multiple Dwelling Law. All exterior entrances are to be free of tripping hazards and with surface sloped away from building for positive drainage.

Doors with the provided with weather strip. All fasteners are made of corrosion resistant metals.

6) Service entrance: There is an exterior entrance from the front of the building adjacent to the main lobby leading to 41st Avenue via an indoor stair down to the cellar level. This door will be hollow metal.

Lighting levels are adequate illuminated, provided by fluorescent light fixtures in the landing and stair

7) Roof and roof structure:

i) Type

a) Material – Roof are constructed of reinforced flat plate poured concrete.

b) Insulation – all roofs shall be continued insulation with rigid tapered insulation so as to provide a minimum "R" value of 20.

c) Surface finish: Modified Bitumen roofing membrane by Firestone

d) Bond or Guarantee – There will be one (1)year warranty from the contractor for labor and material. However, no NDL manufacturer's warranty will be provided.

e) Flashing - All roof penetrations (ie: vent stacks, vents and fans, etc) will be flashed and waterproofed and include aluminum cap or base flashing where necessary.

All rooftop mounted mechanical equipment are supported by vibration isolator. Shop prime coat of paint will be provided for dunnage beams.

Lighting protection is not provided at the roof area.

ii) Drains

a) General - Roof shall be pitched towards multiple drainage points to permit collection and disposal of storm water in accordance with NYC DEP requirements.

b) Drains and Leaders – Roof drains, area drains at terraces to continuous internal leaders to building to building storm line.

iii) Skylights: not applicable.

iv) Bulkheads: There is a bulkhead at scissor stair with windows and fixed louvers providing required light and air to each stair. Walls consists of 6 inches metal studs wall with aluminum panels and membrane waterproofing system.

v) Metal work at roof level: there is no metal work at roof level.

vi) Rooftop facilities: There are open terrace areas in front of building at the Sixth floor accessible only to the unit opening upon each terrace. There is a common recreation space on roof accessible from scissor stair and elevator, to be used as an open area serving all the tenants of the building. Rubber tile pavers will be installed to protect roofing surface and it does not affect contractor's roof warranty.

9) Fire escapes: not applicable

10) Yards and Courts: The rear yard is used for accessory parking spaces, and it is fully paved and provided with bumper guards. There are adequately provided with area drains connected to the building storm sewer line. 30 foot minimum required rear yard is provided as per NYC Zoning Resolution. There are adequate exterior weatherproofed flood lighting fixtures with 42 Watts compact fluorescent lamps with automatic motion sensor serving the rear yard.

11) Interior stairs:

i) Number of stairs: two interior fire exit stairs are provide for the every floors cellar thru Roof. An additional interior stair from second floor to ground level is also provided servicing the community facility units.

ii) Enclosure: 2 hr rated enclosure is provided with 8" concrete.

iii) Stair construction: Stairs are constructed of structural steel with concrete filled treads and platforms.

iv) Stringers: Structural steel

v) Risers: Solid sheet steel

vi) Guard Rail: painted steel

vii) Balustrade: painted steel, installed where required.

(12) Interior doors & frames-

i) Unit entrances: Hollow metal doors and steel frames, 1 ½ hr fire rating self closing hinges, peephole, chime, and keyed lockset.

ii) Corridor doors and frames: hollow metal and steel frames

iii) Stair hall doors: hollow metal and steel frames, 1 ½ hr. fire rating with self closing hinges.

iv) Unit interior doors: 1 3/8" thick hollow core wood with masonite or equal with wooden frames. Closet doors are to be swing type, sliding type, or bi-fold type hollow core wood masonite or equal. Style as selected by builder/owner. Finishes will be wood veneer. Hardware finish will be chrome finish.

(13) Elevators- There is one (1) elevator in this building.

i) 16 Passengers in one (1) elevator

ii) Manufacturer is Kone. These elevators have been manufactured for over ten (10) years. Maximum weight capacity is 2000 pounds and withholds 16 passengers.

iii) Gearless, machine room – less, traction passenger elevator. A control space is needed; (4'-4" x 5'-0") which will be located in the control room adjacent to the elevator.

iv) Automatic controls
v) There will be 8 stops, (cellar, 6 floors and roof)
vi) Automatic, single speed side sliding doors
vii) DC motor is no longer manufactured
viii) AC motor –generator set is no longer manufactured.
xi) An one year full maintenance contract that cover parts and labor is provided for this building.
xii) Elevator is common space, to be used in common by both commercial and residential unit owners. This is in compliance with NYC Building Code. There is no requirement for easement rights from residential portion for the use of the cellar space and lobby.
Elevator access to the residential portion will be limited by providing access card for the residential unit owners. It will be controlled by dry contact access card and Honeywell access control model NETAX-123.

(14) Elevator cabs- Cabs shall be equipped with automatic sliding doors. The floor will be tile finish, wall will be limited with wooden panel. Fire Phase 1 ,2 recall system and mechanical /electrical overspeed governor will be provided as per NYC Building Code and FDNY requirements
(15) Garage Doors- Doors shall be constructed of insulated metal panels with locking mechanism. Color as selected by sponsor.
(16) Laundry Equipment- There will be two (2) commercial gas dryers by "Alliance", coin operated Model # SWFT71WN or equal. Direct exhaust vents for gas dryers are provided at rear exterior wall with 6" dia, 25 gauge galvanized steel round pipe. There will be three (3) Washer by "Alliance " coins operated Model # SSG909DRBW. The laundry room is located at the cellar level.
(17) Building is considered to be non-combustible.

(i) AUXILIARY FACILITIES:

Laundry room – Public laundry facility is located at cellar. See (h) (16) for list of equipments. Laundry room will be ADA compliant is provided for access and with minimum 5 ft. diameter turnaround space.
Laundry facility will be used in common by both commercial and residential unit owners. This is in compliance with NYC building Code.

(1)
(2) Refuse disposal – A refuse disposal system is provided consisting of a metal refuse chute with an approved metal hopper door located at each residential floor. The method of disposal is compaction. One compactor unit is provided and installed in the Compactor Room located in the Cellar. The manufacturer of the compactor is by "Chutes Enterprises Model CE 150" ,capacity 150 apartment, 4.1 ratio. Refuse room is Wheelchair accessible as per NYC code.
i) Approvals: Compactor shall have New York City MEA approval.
ii) Refuse Storage: Refuse will be taken from the compactor room located in the Cellar to the curb in front of the building for pick up by the NYC Department of Sanitation. Refuse will be temporarily stored within the compactor room prior to pick up day. Compactor room to be kept as clean as possible to prevent foul odors in the common

corridor.Janitor hired by the managing board will be responsible to bring the stored garbage to the curbside for pick-up.

iii) Schedule of pick up: Refuse will be collected be the NYC Department of Sanitation according to their schedule.

(j) PLUMBING AND DRAINAGE

(1) Water supply: domestic water system is provided by NYC Water Board, Department of Environmental Protection. Water is metered by a single meter located in the Cellar obligated to the owners in common. There are no pumps, storage tanks, etc. Water supply is at street pressure. Water distribution piping throughout building is copper.

There will be a 3 inches diameter copper pipe water takeoff from 6 inches diameter combined water service. Main shut-off valve, backflow preventer is located in the sprinkler room at cellar level.

All hot water piping will be insulated by 1.5 inches fiberglass tubular pipe insulation.

(2) Fire Protection System: Residential portions of building will be fully sprinklered in accordance with applicable codes. Sprinkler piping is black steel and consists of 6 inches diameter combined service.

(i) Stand pipes: not required

(ii) Hose racks: not applicable

(iii) Sprinkler heads: fully recessed pendant sprinkler heads with ceiling plots are located in all units. Sprinkler piping is black steel.

(iv) Siamese connection: One Fire Department connection shall be located at front of building.

(3) Water storage tanks – (2) American Standard gas water heater-Mod. D-100-250-AS 100 gals.

(4) Water pressure: 57 psi static pressure, 55 psi residual pressure at 500 gpm

(5) Sanitary sewage system - sanitary disposal is by gravity to the City sanitary sewer in street for all floors .

(i) Piping: extra heavy cast iron

(ii) Sewage disposal: City owned combined sewer

(6) Permits Required: Plumbing Permit
Sprinkler Permit

(7) Storm Drainage System - The storm drainage system consist of area drains, trench drains, and roof drains to internal leaders connected to the storm sewer line by gravity to the City sewer.

(i) Catch Basin: not applicable

(ii) Trench drain: (2) which will discharge to storm sewer line

(iii) Area Drain: (2) which will discharge to storm sewer line

(iv) Piping: no hub cast iron

(v) Sump pumps: there is a sump pump in the elevator pit, by "Flotec",model FPSC2200A , 1/3 HP. Warranty is one (1) year.

vi) Storm water disposal: city owned Storm sewer.
vii) Overflow scuppers will be located at the top roof level.

(k) HEATING

(1) Heating and distribution of domestic hot water - the heating system is designed to maintain 72 degrees Fahrenheit indoor temperature, and at an outdoor temperature of 8 degrees Fahrenheit as per New York State Energy Code. The domestic hot water for each apartment is provided by two (2) 150 Gallons hot water heaters located in the cellar. The managing board will be responsible for costs of the maintenance and replacement of the domestic hot water heater and space heating for all public spaces. Operation and Maintenance (O&M) manuals and original balance report will be provided by sponsors for all equipments. Energy efficiency of every equipment will meet or exceed with the minimum of 80 percent efficiency.

(2) Number of devices - There will be electrical split unit conditioning and heating unit in each bedroom and living room of the residential units .(See section (m) for specifications) .

(3) Manufacturer of Hot Water Heaters – There will be (2) Hot water heaters by " A O Smith" each of 150 Gals, 400,000 Btuh located in cellar level . It will be sufficient to supply building needs. Warranty of Hot water heaters is 5 years. No instant hot water devices are to be provided.

(4) Manufacturer of HVAC –

Two (2) 5 tons package unit by "Carrier" model no. 25HCD36013 is serving the cellar community facility units. One (1) split unit heat pump by "Fujitsu" model AOU36RLXFZ 36,000 Btuh and (1) split unit heat pump by "Fujitsu" model AOU24RLXFZ 24,000 Btuh are serving the First floor community facility units. (3) split unit heat pump by "Fujitsu" model AOU36RLXFZ 36,000 Btuh and (1) "Fujitsu" model AOU24RLXFZ 24,000 Btuh are serving the second floor community facility use units. One Rooftop Package unit by "Carrier" 93,000 Btuh is serving all the common corridors and lobby area. the The managing board will be responsible for costs of the maintenance and replacement of HVAC units. Each individual residential units will be served by its own split HVAC units (see section m for specifications)

(5) Gas piping, electrical service and all related equipment will be installed in each unit.
(6) Fuel - natural gas provided by Con Edison.
(7) Location of oil tank - not applicable
(8) Capacity of oil tank - not applicable

(l) GAS SUPPLY

(1) Type: Natural Gas
(2) Meters: Gas meters provided as per utility company specifications
(3) Piping: Black iron
(4) There will be 32 gas meters: 1 for each residential and commercial unit and 1 for common uses.

(m) AIR CONDITIONING

All Cooling system are designed to maintain confortable conditions based on minimum indoor design temperature of 75 degrees F. Individual electrical heat pump split units will be installed by the sponsor in each bedroom and living room of the residential units. Each unit's owners are responsible for the costs of maintenance and replacement of the A/C and heating equipment. Vibration isolators will be installed under each rooftop outdoor condensing units. All metal fasteners will be corrosion resistant. All related pipe Insulation will be provided from manufacturer of the split unit assembly with ½ inch foam insulation.

(Outdoor unit)

Bedroom
Fujitsu split unit
Model# AOU15RLS2
Serial# JSN011387
BTU Cooling 14500/ Heat 18000

Living Room and Kitchen Bathroom
Fujitsu split unit
Model# AOU24RLXFZ
Serial# LUN024951
BTU Cooling 24000/ Heat 27000

(Indoor unit)

Fujitsu split unit
Model# ASU15RLS2
Serial# JSA014214
BTU 15000
Model# ASU12RLF
Serial# KRA060318
BTU 24000

(n) VENTILATION

(1) Kitchenettes and bathrooms of each apartment will have exhaust ductwork leading to the roof or through the wall with exhaust fan. The minimum rate of ventilation shall be 50 cfm for the bathrooms and 120 cfm for the kitchenettes as required by the NYC Building Code. Gas meter room will have fresh air intake louver to outside.
(2) Kitchen exhaust fan is by "Pacific" model no. CR930
(3) Bathroom exhaust fan is by " GNN" model no. BPT12-02A/50

(o) ELECTRICAL SYSTEM

(1) Service: 3 Phases, 1800 AMPS, 120/208V, 4W copper detailed service end-box.
(2) Service to common uses: There will be a separate meter servicing and obligating to the condominium owners for common service public areas.
(3) Service to individual units: Each unit is individually metered with a single phase, 100 AMP, 120/208V circuit breaker panel each unit has a minimum of 24 circuit space.

(4) Unit Service: see above

(5) Adequacy: The electrical service provided shall be adequate for a full compliment of modern appliances and is to be installed as per NEC electrical code and best industry practices by a NYC licensed electrician.

i) Service: There are an average number of 24 circuit space per unit and capacity to handle modern appliances including AC units, dishwashers, and other devices as installed in each unit.

ii) Lighting and fixtures: Light fixtures will be selected by the sponsor and located within the unit according to anticipated uses of individual spaces.

iii) Outlets: Receptacles will be placed throughout the unit according to the NEC electrical code.

(1) Each of the apartments will have individual electrical meter, total of 23 electrical meters for the apartments, and 6 of commercial meters, one for Public lighting and power, one for the washing & dryer machines. All the meters will be located inside the building's cellar meter room. All electrical wiring will be copper wires, each of the apartments will have a dedicated circuit for all A/C units, Appliance circuit, Kitchen circuit; all Bathrooms, Kitchens will be provided with ground fault outlet; all bedroom circuits will be AFCI protected. All work will be done according to the NEC Code, and the electrical contractor will provide the certificate of electrical inspection after work done.
Arc Fault Circuit Interrupters (AFCI) & Ground Fault Circuit Interrupters (GFCI) will be provided as per latest applicable NEC requirements.
All exterior outlet shall be provided with water-resistant receptacles.
All lighting fixtures of interior residential units to be equipped with compact fluorescent light bulbs.

(2) Light Fixture Schedule

Kitchen	1 Fixture	26W	Total 1
(surface ceiling mounted by ""Commercial Electric" model EFG8012A or equal)			
Living/Dining Area	1 Fixture	26W	Total 1
(surface ceiling mounted by "Sunlite" model DBN11 or equal)			
Bedroom	1 Fixture	26W	Total 1
(surface ceiling mounted by "Sunlite" model DBN11 or equal)			
Bathroom & Toilet	1 Fixture	26W	Total 1
(Recessed downlight by " All-Pro" Model ERT713 or equal)			
Balcony/Terrace	1 Fixture	26W	Total 1
(surface ceiling mounted by" Hampton Bay" Model WB0325)			

(3) Light Fixture Schedule for Common Areas

Boiler Room	1 Fixture	75W	Total 1
Stairs - All floors	2 Fixtures	32W	Total 12
Laundry Room	3 Fixtures	75 W	Total 3
All Floor Corridors	3 Fixtures	28W	Total 18
Lobby Area(4 high hats)	8 Fixtures	(8) 28W	Total 6
Vestibule Area	3 Fixture	12W	Total 3

(4) Receptacles for each Apartment as following

Unit #	Liv/Din Rm.	Kitchen	Bedrooms	Bathrooms	Balconies	

3A						
3B	5	5	10	2	1	
3C	7	5	5	2	1	
3D	7	5	5	2	1	
3E	6	5	6	2	1	
3F	7	7	11	2	1	
	7	7	10	2	1	
4A	5	5	10	2	1	
4B	7	5	5	2	1	
4C	7	5	5	2	1	
4D	6	5	6	2	1	
4E	7	7	11	2	1	
4F	7	7	10	2	1	
5A	5	5	10	2	1	
5B	7	5	5	2	1	
5C	7	5	5	2	1	
5D	6	5	6	2	1	
5E	7	7	11	2	1	
5F	7	7	10	2	1	
6A	7	5	10	2	2	
6B	6	7	4	2	1	
6C	7	5	5	2	1	
6D	6	5	6	2	1	
6E	3	5	9	2	1	

Emergency lighting will be in all stairs and corridors.
Electrical contractor will supply and have installed emergency lights – 6 volts, twin heads – as follows: Vestibule Hall – Total 1
Stairs -- Total 15

Lobby – Total 2
The electrical contractor states the electrical system is adequate for modern usage.

(p) INTERCOMMUNICATION

The building lobby will be provided with an approved low voltage intercommunication system which consists of a voice call system between each apartment and the lobby panel with button assigned to each apartment number. Intercom is to be manufactured by BPT Ophera model or equal , and has an one (1) year warranty.

(q) PUBLIC AREA LIGHTING

Lighting levels for all public areas including entrances, corridors, stairs, garage, outdoor parking area, etc. will be provided to meet with the minimum required standards as determined by electrician in accordance to NEC Building Code and all applicable rules and regulations. Outdoor lighting to consist of - 4 wall pack metal halide lights with timers 100 watts, at each corner of building. There will be a surface mounted 100 watts rated fixture over the side entrance door, and one over garage door. Two (2) 100 watts each coach lights at front entry or equal, and one (1) surface mounted light fixture at the area of handicap parking. All lighting, including exterior lighting and night lighting in public parts of the building, are to comply with the New York State Multiple Dwelling Laws and the NYC Housing Maintenance Code.
Public hallway lighting is by "Kimma" model #H4LINEW. Lobby lighting is by "Deep Roof" model Dl3N.

(r) GARAGES AND PARKING AREAS

(1) Location of parking area - there is an open parking area in the rear yard at first floor level.
(2) The parking area has (12) parking spaces, (1) parking space for handicap (not to be sold) A total of (13) parking spaces.
(3) The parking area surface in rear yard will be concrete and will be lighted with fluorescent lighting fixtures.
(4) Parking will be unattended.
(5) Yard drains will be provided at all parking areas.
(6) There will be 6 inches wide epoxy striping paint or equal for each space.
(7) There will be a 1/2 inches fiberboard expansion joint at the perimeter edge of concrete slabs.

(s) Swimming Pool - not applicable

(t) Recreation Facilities –

(1) Recreation Space: This space is required as per Quality Housing Zoning program and provided at the roof level and will be available for condominium usages and may be reserved for unit owner use as per sponsor/unit owner agreement. The rooftop recreation space is paved with rubber tile and it is located towards the rear of the building. The pavers is non-intrusive to the roofing system, and does not affect the contractor's warranty.
There will be flood light mounted on the stair bulkhead to provide adequate lighting for the space.
There will be no fence separation used at the rooftop recreational area.
There will be no additional equipment, outdoor electrical receptacles and water hose connection installed in this area.

(u) Permits & Certificates -

(1) Permits: Before starting any work, builder is to obtain all necessary work permits from the NYC Building Department or other applicable municipal agency.
New building permits 420581524
(2) Inspections: Inspections by NYC Dept. of Buildings officials and other agencies having jurisdiction will be on-going during and upon completion of construction. All controlled inspections as required by the NYC Building Code including but not limited to borings, sub grade, soil percolation tests, storm drainage, fire-stopping, shoring, Cast in place concrete, concrete test cylinders, concrete design mix,

sprinkler test, etc. shall be performed in accordance applicable requirements by a licensed architect or engineer hired by builder or sponsor.

(3) Violations –None

(w) Unit Information:

LEGEND

CT Ceramic tile
SR Sheetrock
VCT Vinyl composite tile
C Concrete
CPT Carpet
W Wood – ¾" thick Oak no. 2 Select with ¾" plywood underlayment.
M Marble
GT Granite

Note: All paint finish to have one coat primer and one coat finish paint.

	SUBFLOOR	FLOORS	WALLS	CEILING	REMARKS
3rd, 4th, & 5th, 6th Floor Living & Dining Rooms	C	CT	SR	SR	Walls & Ceiling Painted
3rd, 4th, 5th & 6th Floor Bedrooms	C	W	SR	SR	Walls & Ceiling Painted
3rd, 4th, 5th & 6th Floor Bathrooms	C	CT	CT	SR	Ceiling Painted
3rd, 4th, 5th & 6th Floor Kitchenettes	C	CT	SR	SR	Walls & Ceiling Painted
3rd, 4th, 5th & 6th Floor Closets	C	W	SR	SR	Walls & Ceiling Painted
3rd, 4th, 5th & 6th Floor Corridors	C	CT	SR	SR	Walls & Ceiling Painted

BATHROOMS:

Bathrooms shall have the following:

A) Ceramic tile at floors and walls for full height.
B) Ceilings shall have Gypsum Board and paint finish
C) 5'-0" recessed steel bathtub by Americast or equal
D) Lavatory bowl is culture marble by "Home Decorated Collection" or equal
E) Melamine vanity with cultured marble top
F) Medicine cabinet, towel bar, soap dish at tub and toilet paper holder.
G) Shower doors will not be provided.
H) Faucet by Delta Model #2522 or equal
I) Shower body by Delta Model # 1348 or equal

KITCHENS:

Kitchens shall have the following:

A) Flooring shall be ceramic tile

B) Walls shall be sheetrock and painted
C) Ceiling painted
D) Kitchens cabinets shall be plastic laminate or wood selected by owner/builder
E) 24" x 21" steel sink by Elkay Model #CR2522 or equal
F) Appliances:
30" gas stove - "General Electric", Model #JGB280SEN4SS or equal
18 cu.ft.to 22 cu-ft. refrigerator - "Fridgidaire",or equal
1 - 20" dishwasher - "General Electric", Model #GSD2000JWW or equal
G) Kitchen faucet by Delta , Model #400 or equal

FINISH OF OTHER SPACES

FLOOR/ SPACE	SUBFLOOR	FLOOR	WALLS	CEILING	REMARKS
Cellar/Electric Rm	C	C	SR/C	SR	Floor, Wall & Ceiling Painted
Cellar/Sprinkler Rm	C	C	SR/C	SR	Floor, Wall & Ceiling Painted
Cellar/Gas Meter Rm	C	C	SR/C	SR	Floor, Wall & Ceiling Painted
Roof/Elevator Rm	C	C	SR/C	SR	Floor, Wall & Ceiling Painted
Cellar/Bicycle Rm	C	C	SR	SR	Floor, Wall & Ceiling Painted
Cellar/Compactor Rm	C	C	SR/C	SR	Floor, Wall & Ceiling Painted
Cellar/Janitor Rm	C	C	SR/C	SR	Floor, Wall & Ceiling Painted
Cellar/Corridor Rm	C	C	SR/C	SR	Floor, Wall & Ceiling Painted
Cellar/Stair Hall	C	C	SR	SR	Floor, Wall & Ceiling Painted
First Floor / Commercial Lobby	C	CT/GT	SR	SR	Walls Painted
First Floor / Residential Vestibule	C	CT/GT	SR	SR	Walls Painted
First Floor/ Residential Lobby	C	CT/GT	SR	SR	Walls Painted
Stair Halls	C	CT	SR	SR	Walls & Ceiling Painted

(x) Safety and warning devices

(1) The entire building will be provided with an automatic sprinkler system .

(2) Smoke and carbon monoxide detectors to be provided in each dwelling unit as per Local Law 7 of 2004 and the NYC Building and Electrical Codes.

(y) Additional information

(1) Local Law 58/1987 Handicapped Access Law: The proposed building is in full compliance with the LL 58/87 by providing accessible routes handicap adaptable units on all floors. One handicap parking space is located at the rear parking area.

(2) Plans attached:

i) Site plan attached shows landscape features, street, and the outside dimensions of the building and designated common areas.

ii) Floor plan for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries.

iii) Floor to ceiling heights of units are approximately 8'-0".

iv) Approximate total area of each unit is set forth on the unit layout.

v) A master floor plan showing units, boundaries and the relationship of units to each other.

vi) The sponsor does not intend to add additional units to the building.

(3) Asbestos: This statement is to disclose that there will be no asbestos made products, partially or in whole, specified for the construction of this condominium as per approved plans.

(4) Construction Timeframe: The construction of the building began in the spring of 2013. Plans and applications have been approved and a permit has been obtained from the Department of Buildings on March 27 2013. The construction of the building is expected to be completed in the Fall of 2014.

The building and site will be constructed in accordance with the New York City Building Code, the Multiple Dwelling Code, the New York City Zoning Resolution and all other applicable authorities and in accordance with plans and applications on file with the Department of Buildings of the City of New York. The sponsor represents to the best of its knowledge that the plans and specifications herein accurately describe the building units, common elements and equipment as the same which will be delivered upon the completion of construction.

Any permits or inspections required by the City of New York will be furnished and updated prior to the first closing.

As of the date of the first closing, the sponsor represents that it will have a Temporary or Final Certificate of Occupancy for the building prior to the first closing, and deliver title without violations or liens on the premises and in accordance with the sponsor's undertakings elsewhere as set forth in this offering.

(5) COMMON ELEMENTS: The common elements of the property are all areas of the land and building less the deed description of the sum of the individual units. Examples of common elements are the land, foundation, walls, floors, roof, halls, stairs, entrances, and exits, parking area, storage, laundry, recreation rooms, meter and boiler rooms. All installation for services such as power, light, telephone, hot and cold water, sewer, including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in the common elements or in the Units, and all other mechanical equipment. In general, all parts of the property for common use or necessary or convenient to the existence, maintenance or safety of the property.

(6) Safety and warning devices:

A manual, automatic ,smoke C/O , sprinkler alarm system will be provided for this building. Central station will be located in the electrical room at cellar. A Semi-annual maintenance is required.

(7) The following will be transmitted to the Condo management upon transfer of control:

i) Final as-built architectural drawings;

ii) Operation & maintenance manuals for mechanical equipment;

iii) Electronic system manual;

iv) Equipment warranties;

v) Major equipment start-up sheets;

(8) Particular Concern

There will be no implementation to negate ad-freezing stresses at foundation walls.

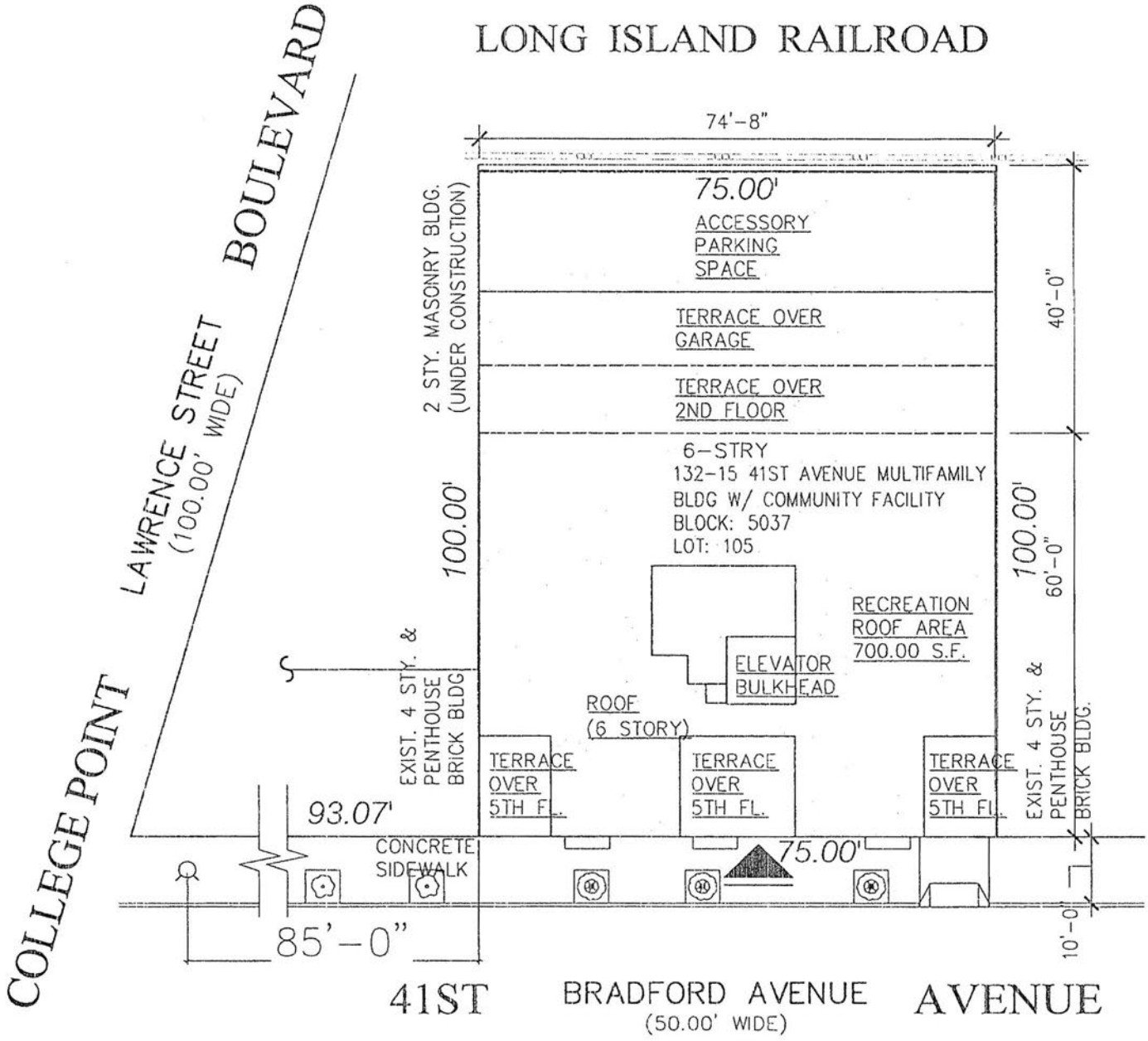
(9) Corrosive drywall materials

There will be no drywall materials that contain sulfide installed in this building.

Respectfully submitted,
Angelo Ng & Anthony Ng, Architects Studio, P.C.



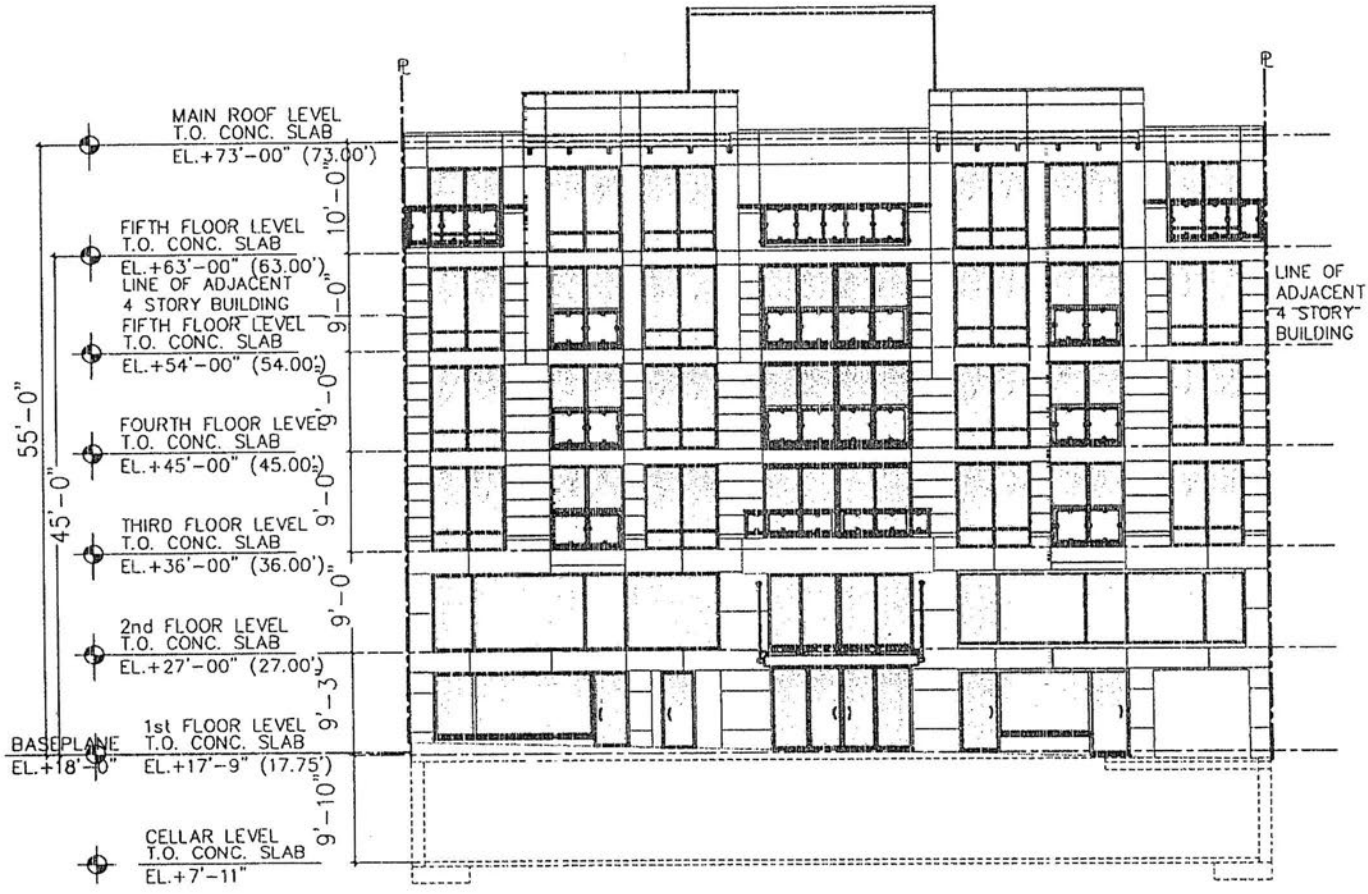
Anthony K. Ng, R.A. LEED AP
Principal
MAY 25 2014



PLOT PLAN

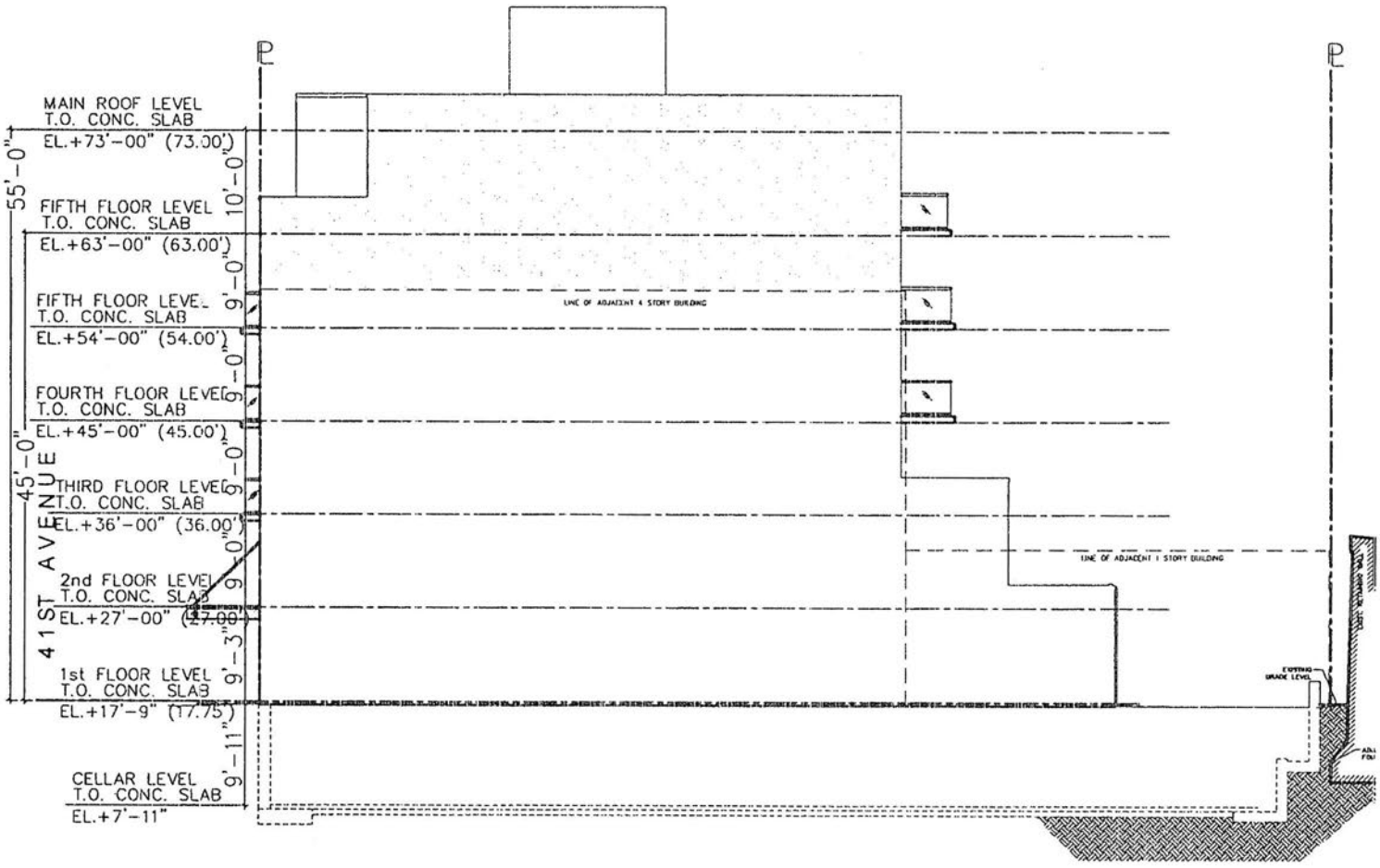
SCALE : 1/16"=1'-0"

MAIN ENTRANCE



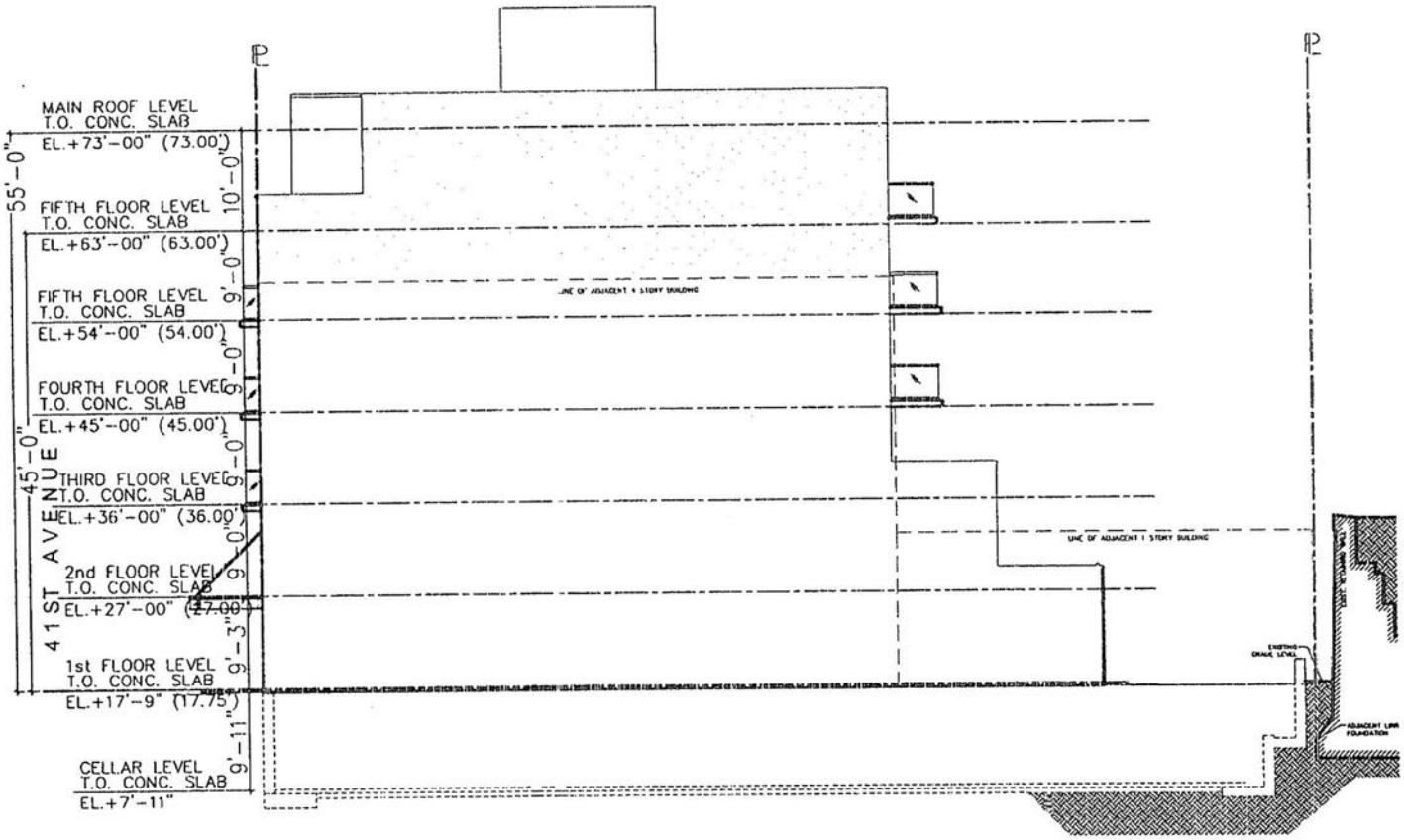
FRONT (SOUTH) ELEVATION

SCALE: 3/32"=1'-0"



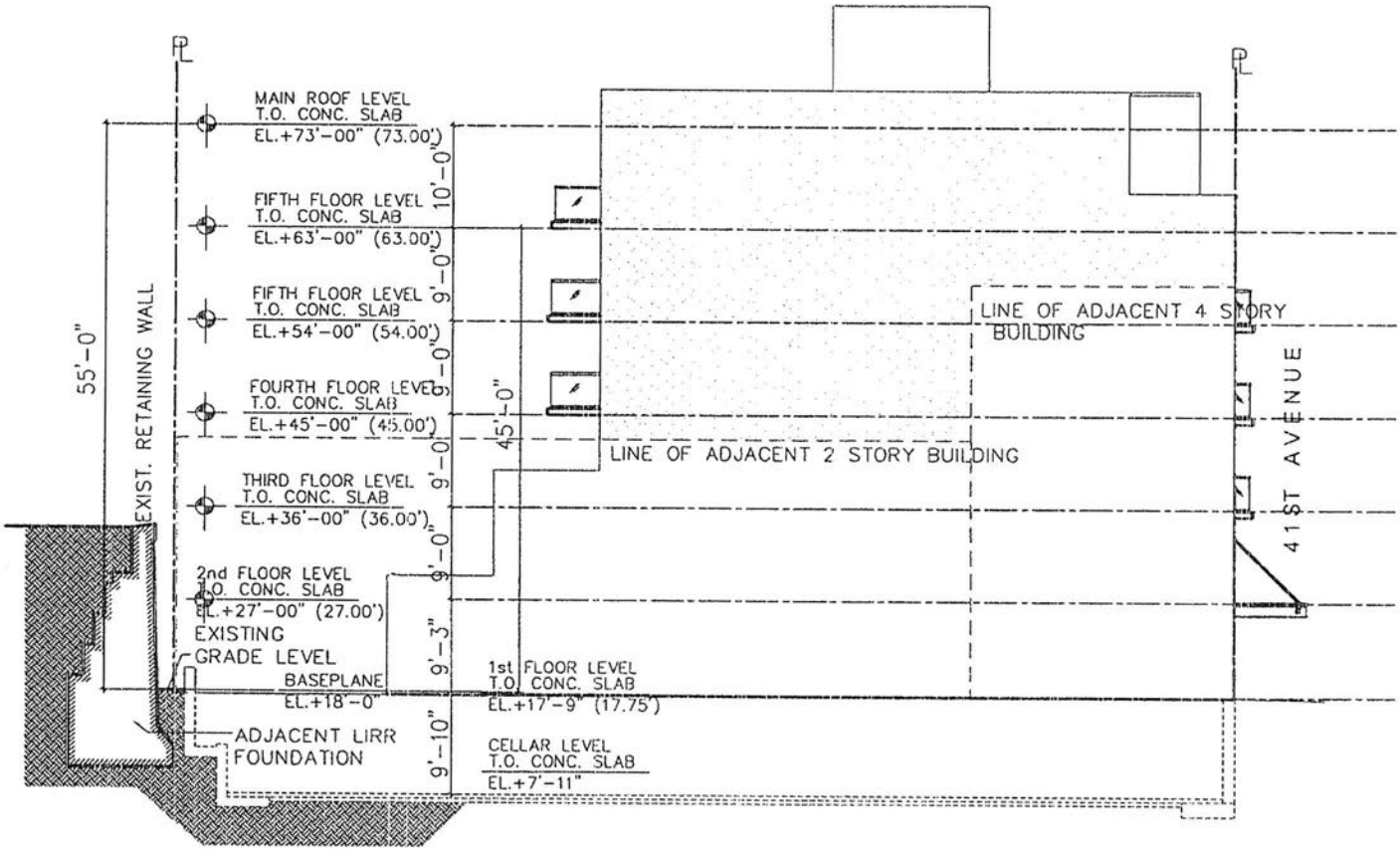
SIDE (EAST) ELEVATION

SCALE: 3/32"=1'-0"



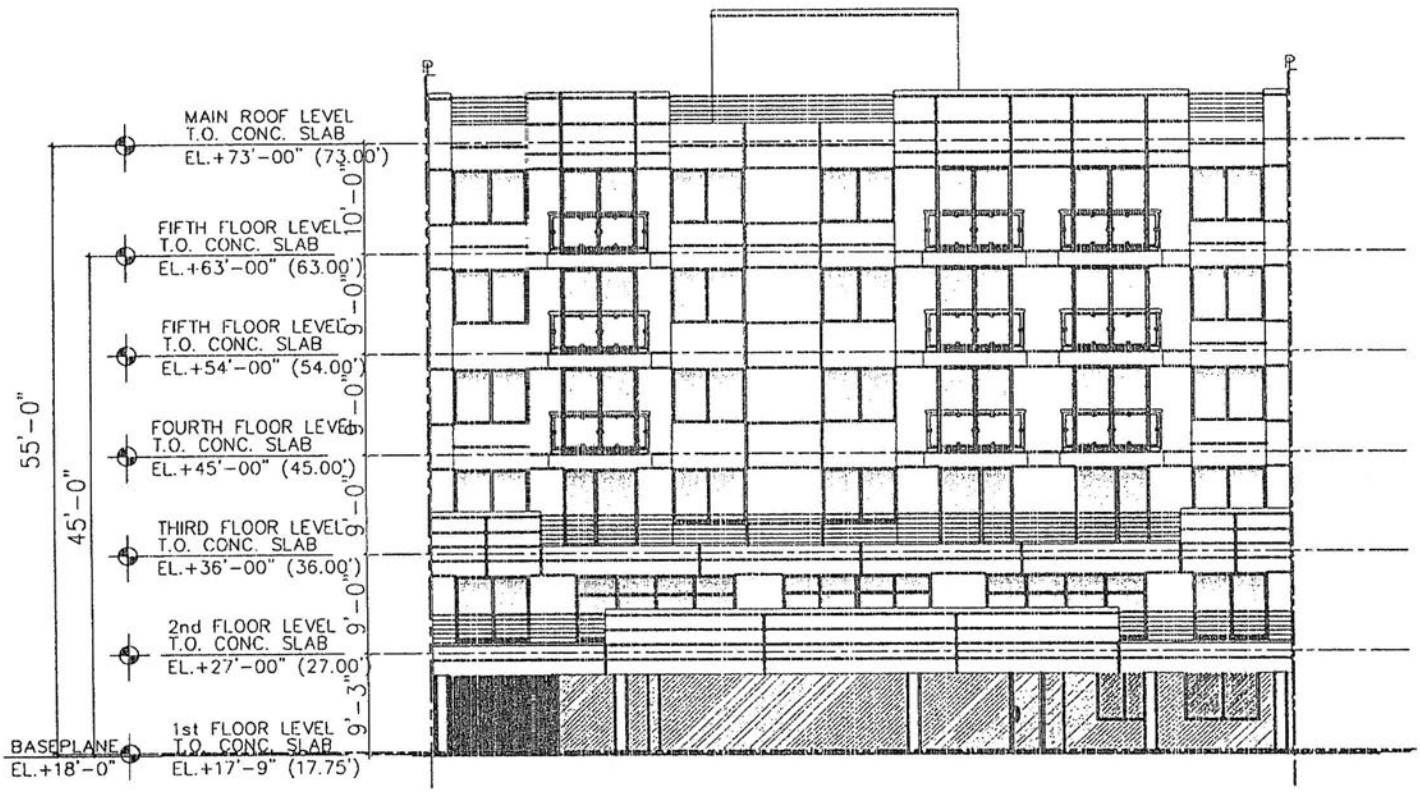
SIDE (EAST) ELEVATION

NOT TO SCALE



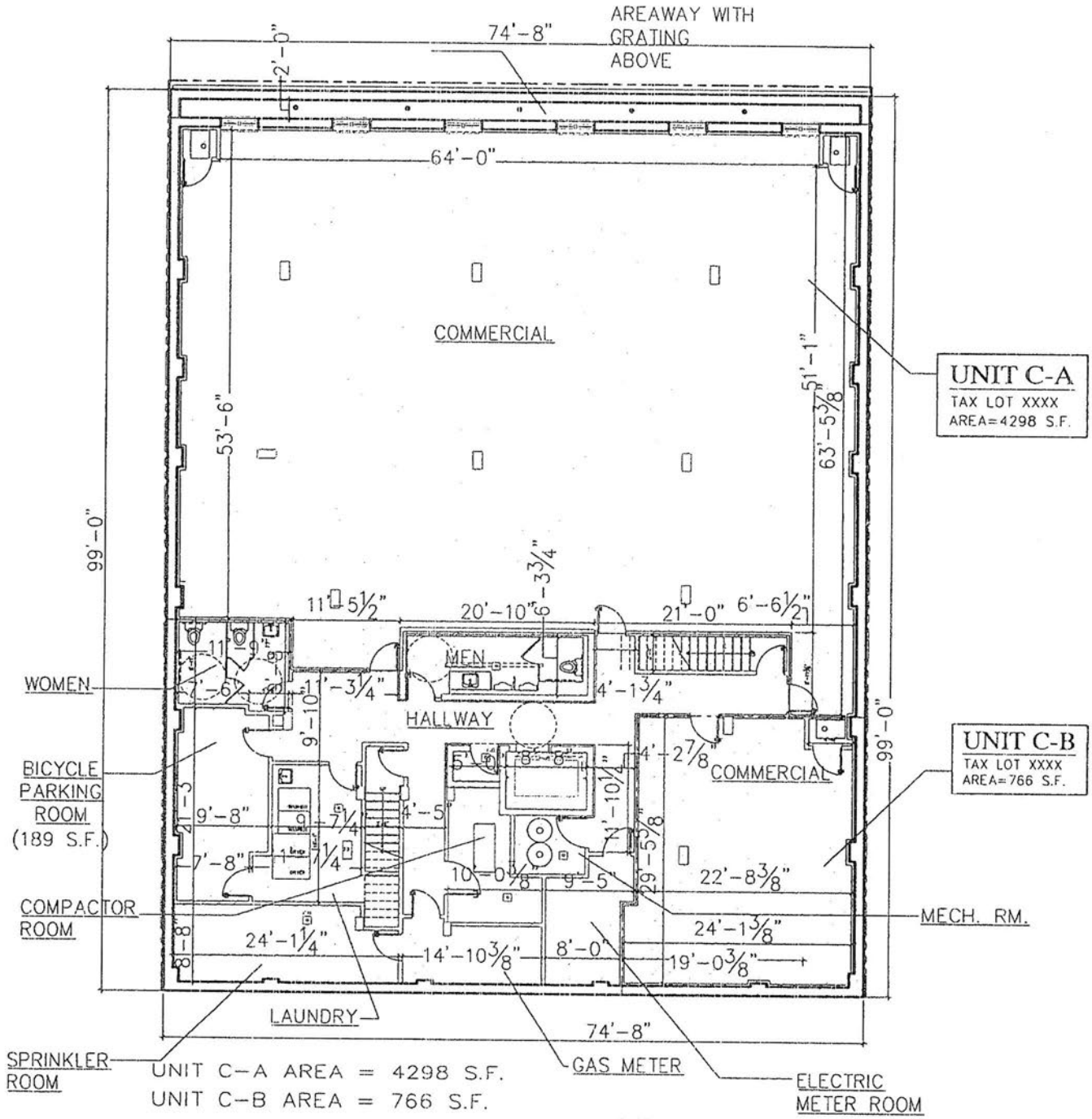
SIDE (WEST) ELEVATION

NOT TO SCALE



REAR (NORTH) ELEVATION

SCALE: 3/32"=1'-0"



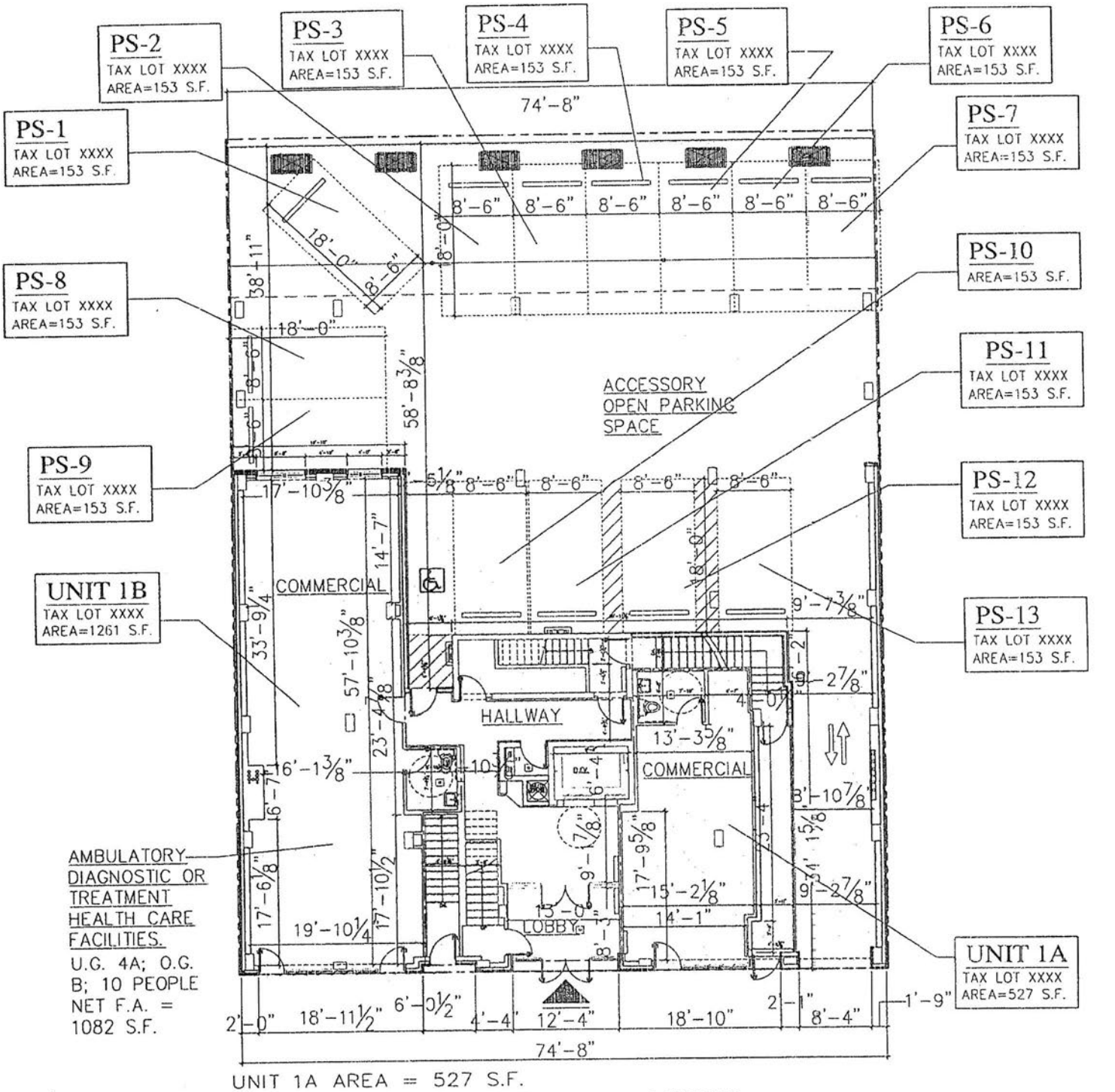
LEGEND

- COMMERCIAL/ COMMUNITY FACILITY SPACE
- RESIDENTIAL UNIT
- LIMITED COMMON ELEMEN
- COMMON ELEMENT
- MAIN ENTRANCE

CELLAR PLAN

1/16" = 1'-0"

132-15 41st AVENUE



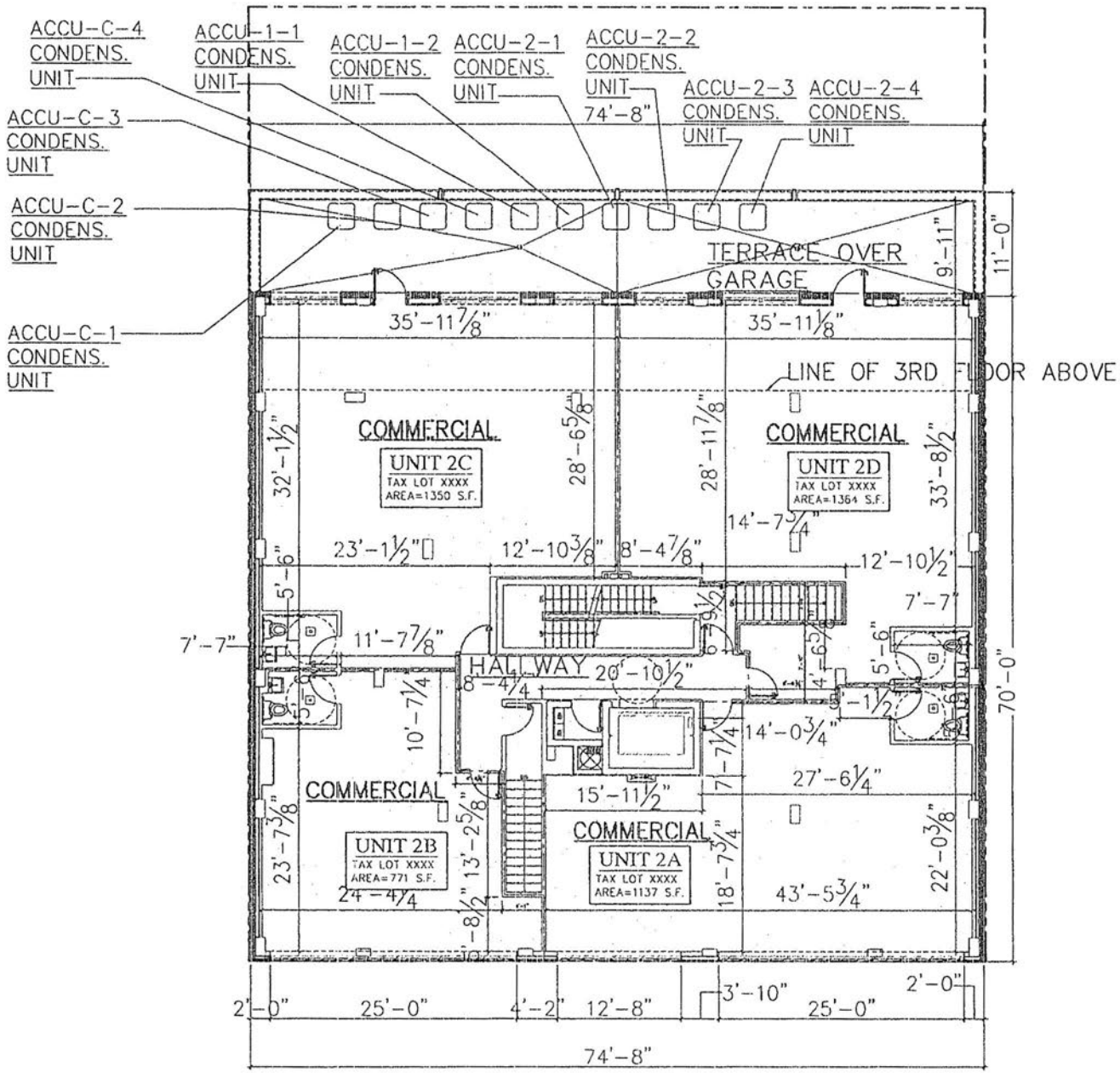
UNIT 1A AREA = 527 S.F.
UNIT 1B AREA = 1261 S.F.
COMMON AREA = 1135 S.F.

LEGEND

- COMMERCIAL/ COMMUNITY FACILITY SPACE
- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT
- MAIN ENTRANCE

FIRST FLR. PLAN

1/16" = 1'-0"



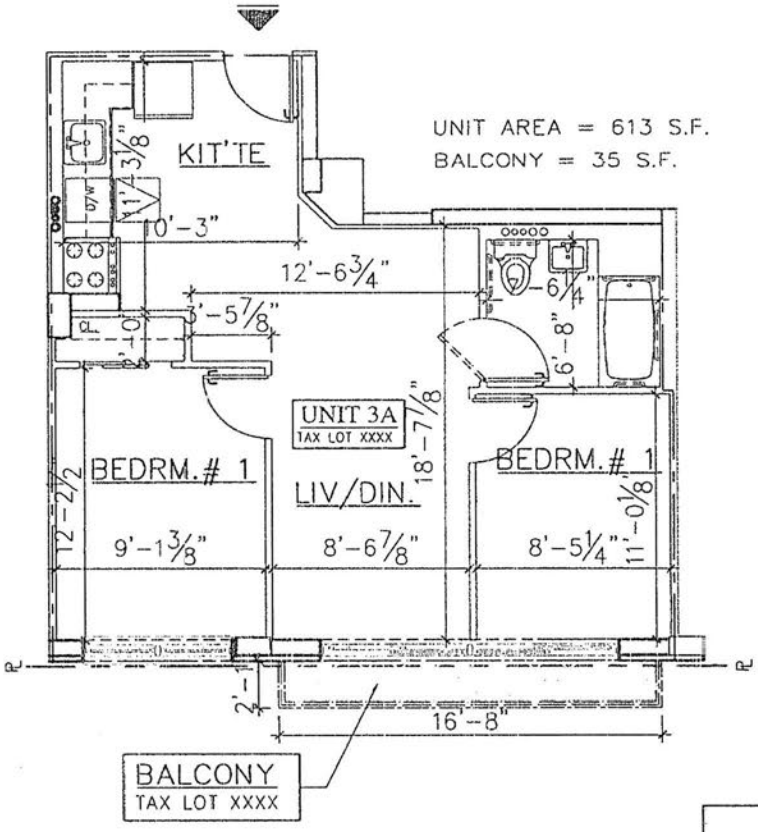
UNIT 2A AREA = 1137 S.F.
UNIT 2B AREA = 771 S.F.
UNIT 2C AREA = 1350 S.F.
UNIT 2D AREA = 1364 S.F.
COMMON AREA = 623 S.F.

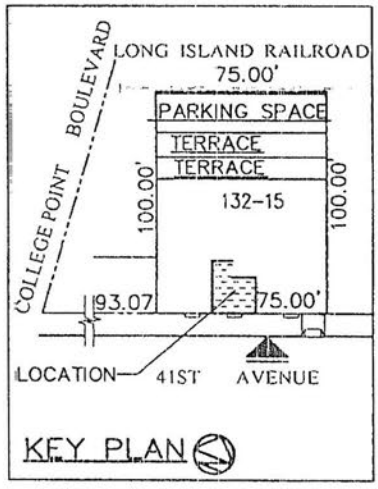
LEGEND

- COMMERCIAL/ COMMUNITY FACILITY SPACE
- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT
- MAIN ENTRANCE

SECOND FLR. PLAN

1/16" = 1'-0"





UNIT 3A PLAN

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

1' 10'

0 5' 15'

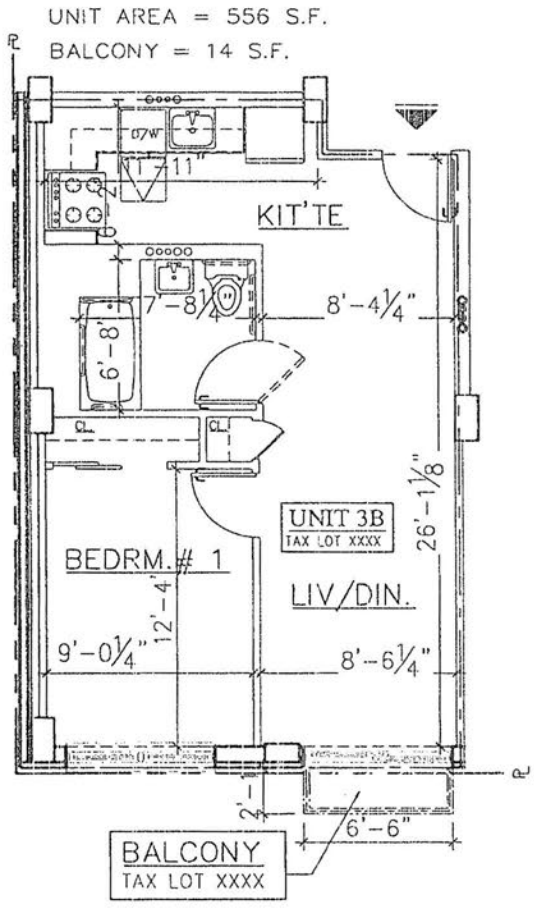
LEGEND

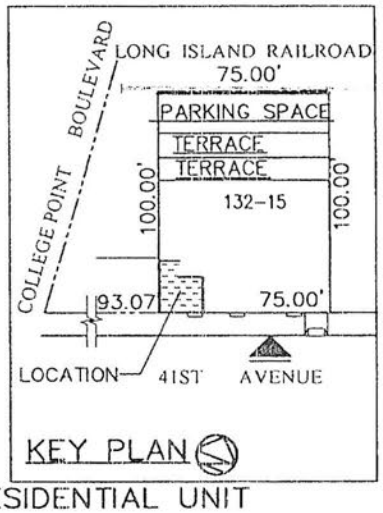
RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

147 MAIN ENTRANCE





LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

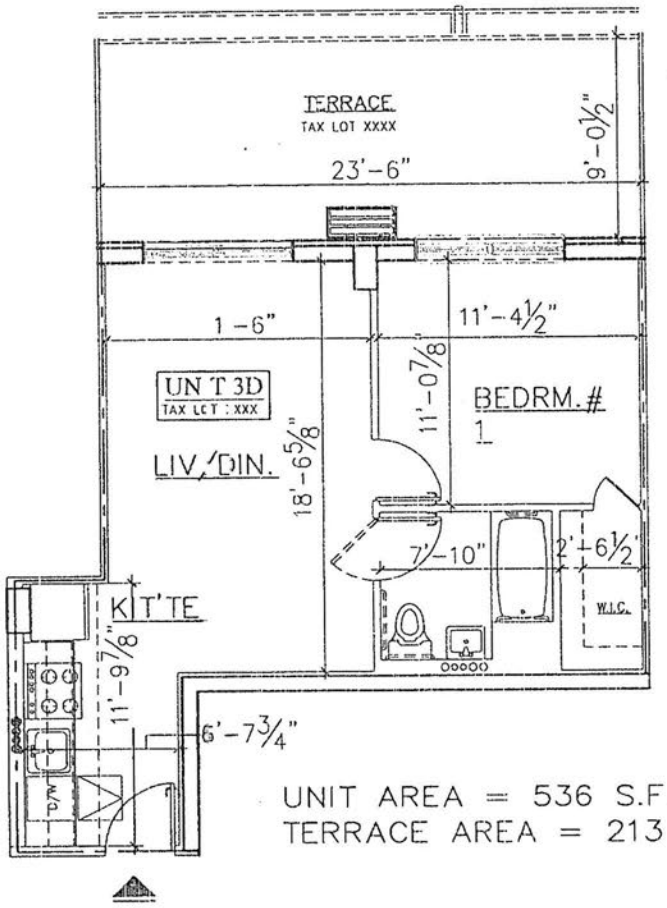
148 MAIN ENTRANCE

UNIT 3B PLAN

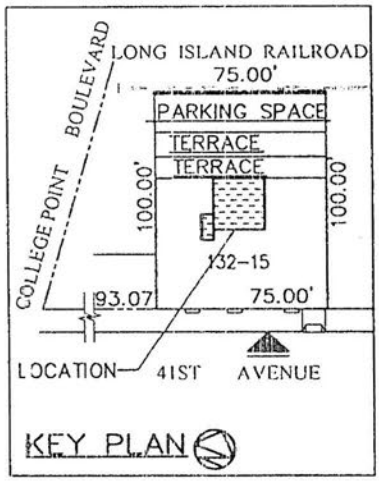
SCALE : 1/8" = 1'-0"

1' 10'

0 5' 15'



UNIT AREA = 536 S.F.
TERRACE AREA = 213 S.F.



UNIT 3D PLAN

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

1' 10'

0 5' 15'

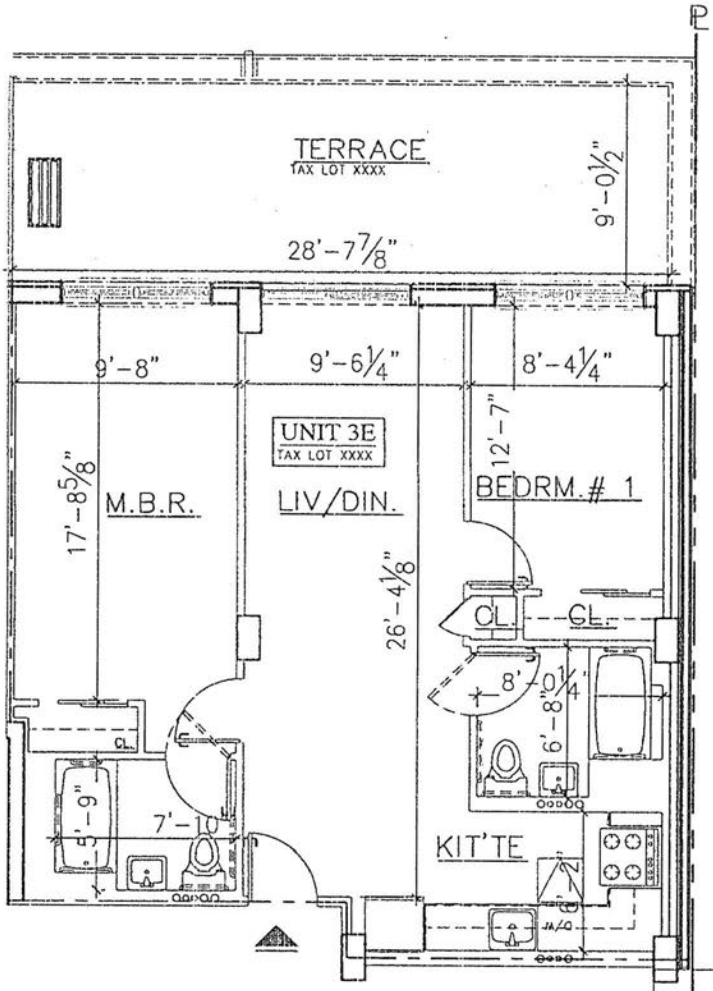
LEGEND

RESIDENTIAL UNIT

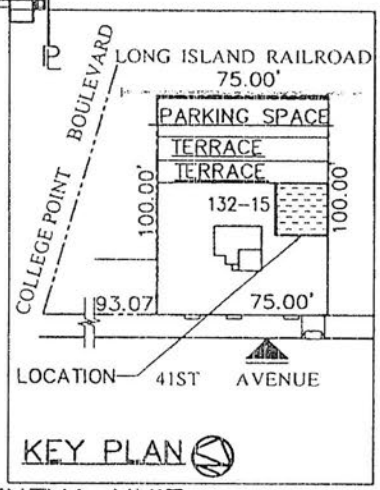
LIMITED COMMON ELEMENT

COMMON ELEMENT

149 MAIN ENTRANCE



UNIT AREA = 844 S.F.
TERRACE AREA = 259 S.F.



LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

150 MAIN ENTRANCE

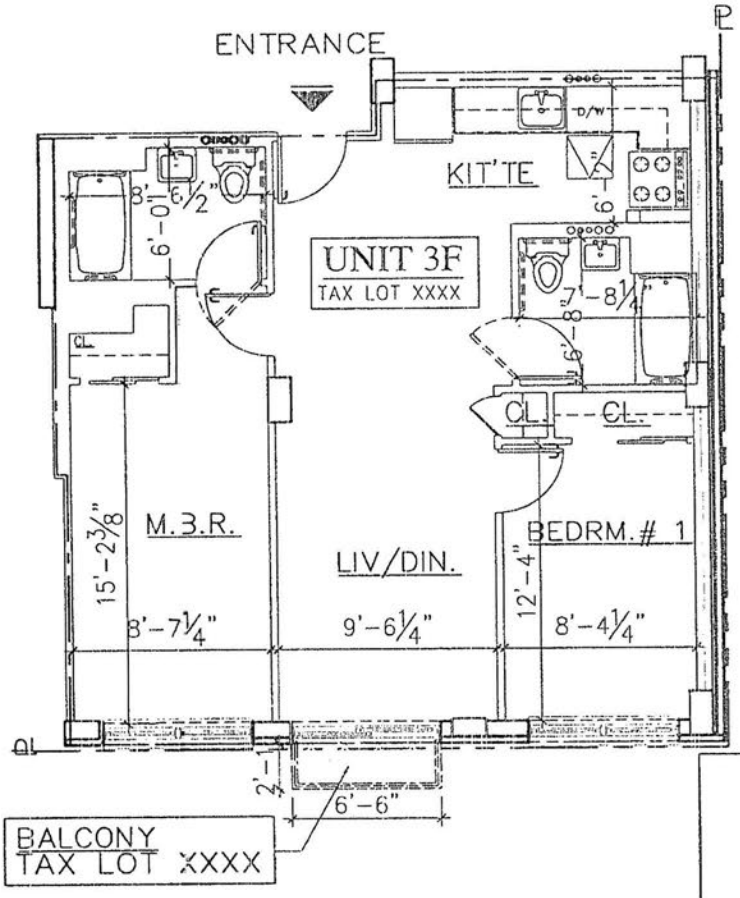
UNIT 3E PLAN

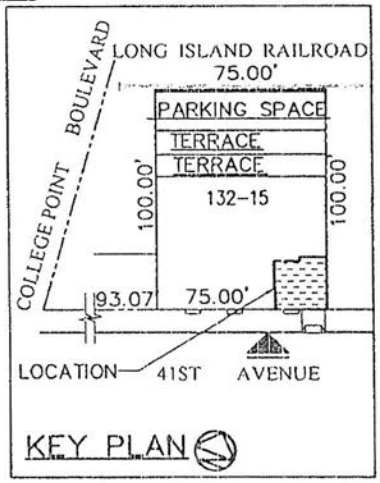
SCALE : 1/8" = 1'-0"

1' 10'

0 5' 15'

UNIT AREA = 819 S.F.
BALCONY = 14 S.F.





LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

151 MAIN ENTRANCE

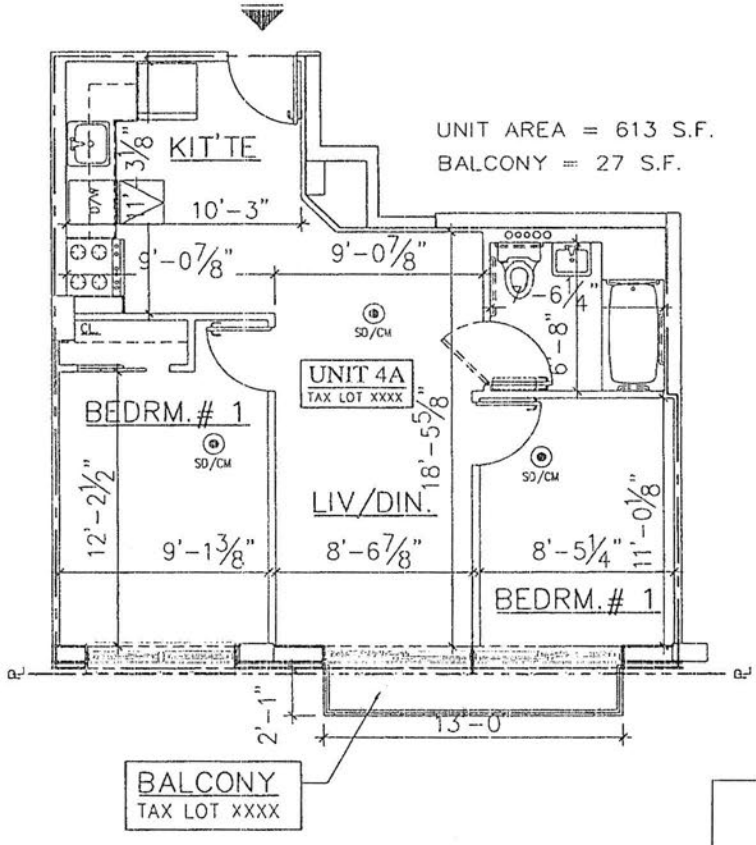
132-15 41st AVENUE

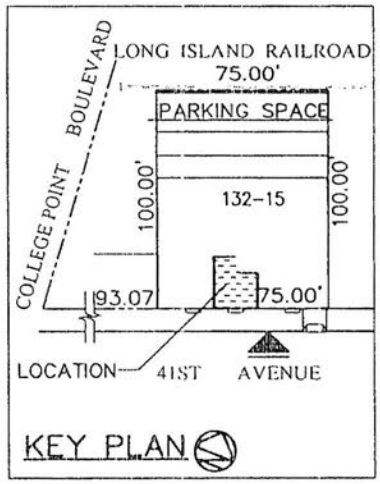
UNIT 3F PLAN

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

1' 10'

0 5' 15'





UNIT 4A PLAN

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

1' 10'

0 5' 15'

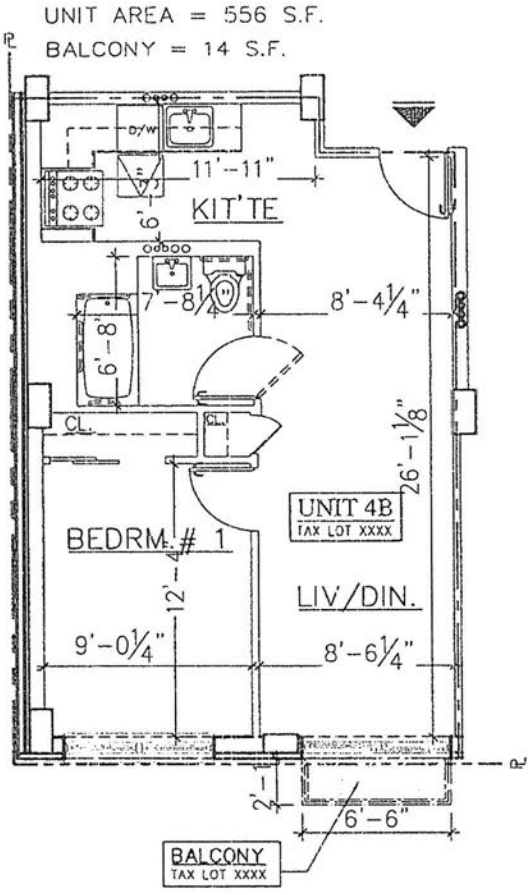
LEGEND

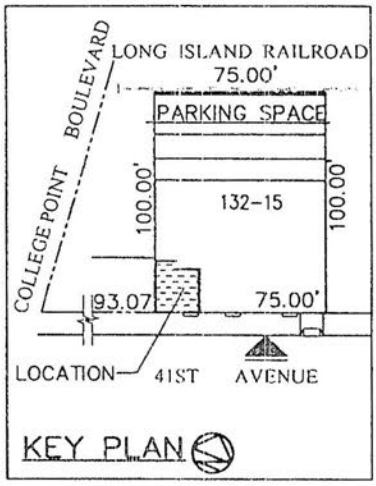
RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

152 MAIN ENTRANCE





UNIT 4B PLAN

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

1' 10'

0 5' 15'

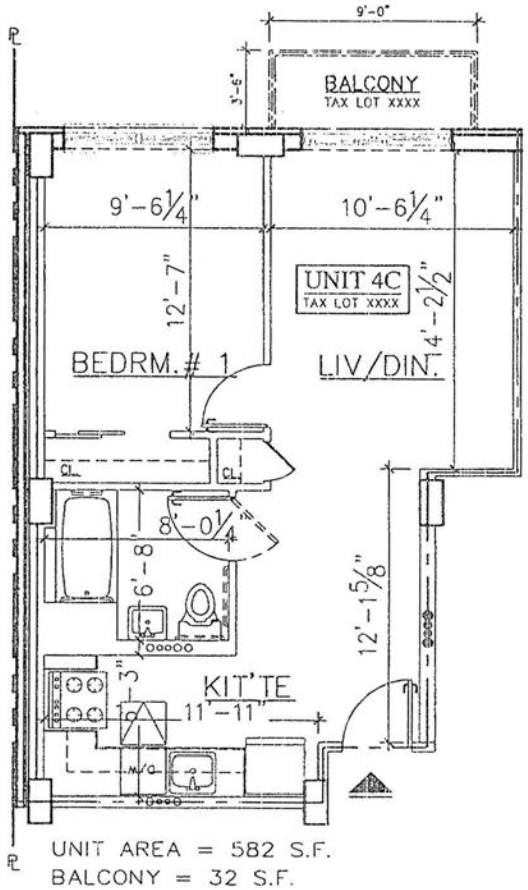
LEGEND

RESIDENTIAL UNIT

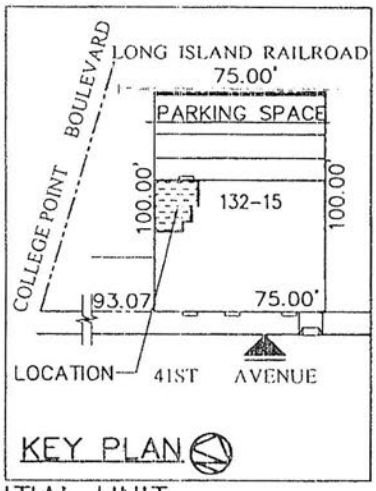
LIMITED COMMON ELEMENT

COMMON ELEMENT

153 MAIN ENTRANCE



UNIT AREA = 582 S.F.
BALCONY = 32 S.F.



LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

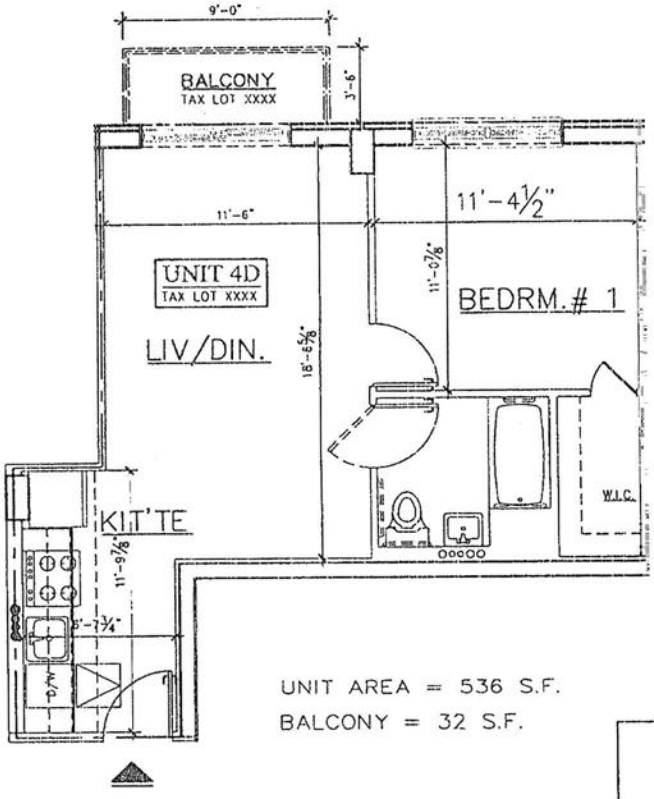
154 MAIN ENTRANCE

UNIT 4C PLAN

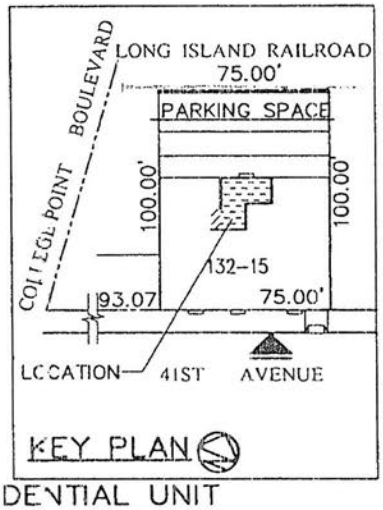
SCALE : 1/8" = 1'-0"'

1' 10'

0 5' 15'



UNIT AREA = 536 S.F.
BALCONY = 32 S.F.



UNIT 4D PLAN

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

1' 10'

0 5' 15'

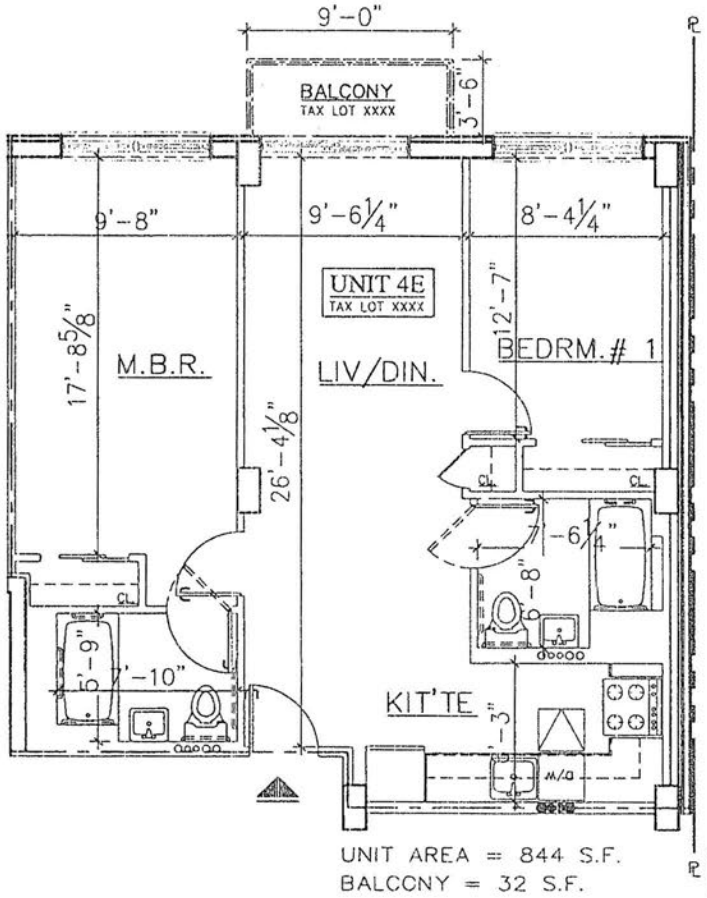
LEGEND

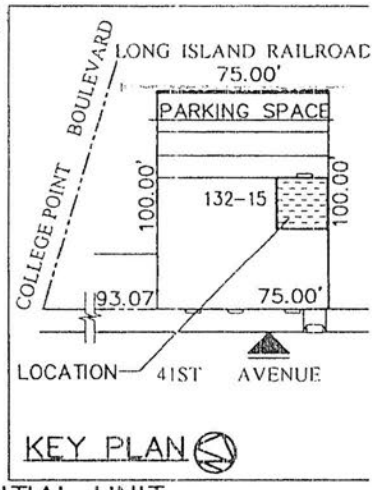
RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

155 MAIN ENTRANCE





LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

156 MAIN ENTRANCE

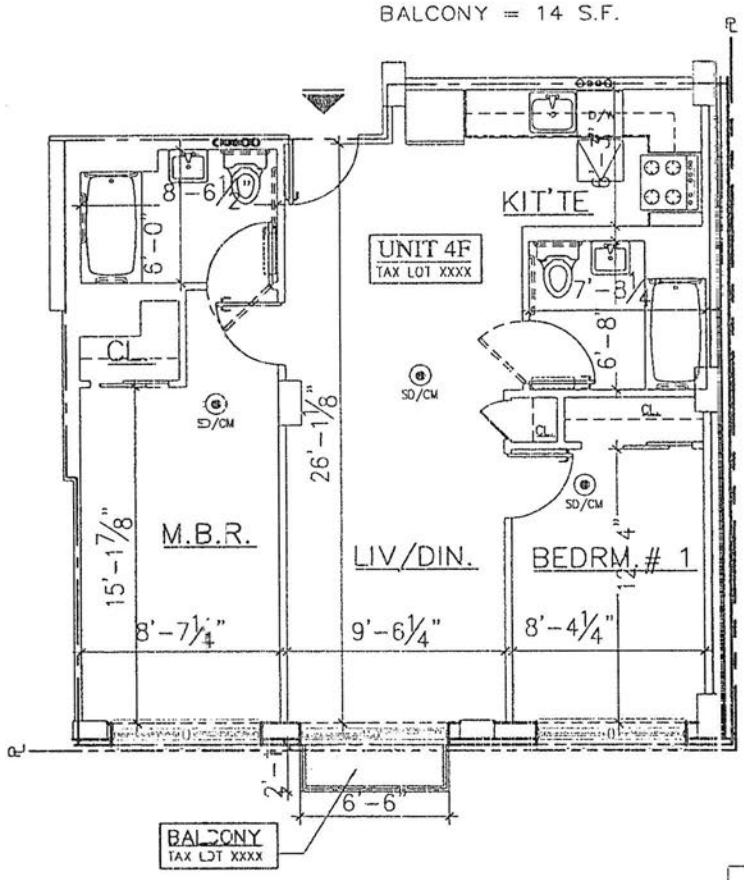
UNIT 4E PLAN

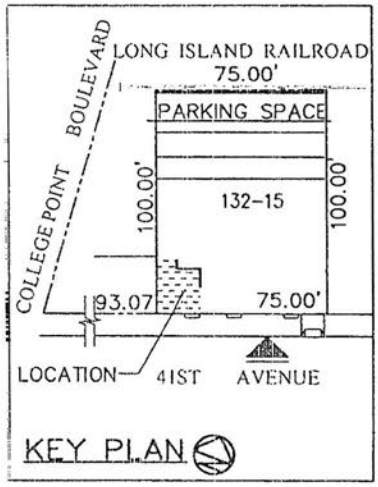
SCALE : 1/8" = 1'-0"

1' 10'

0 5' 15'

UNIT AREA = 819 S.F.
BALCONY = 14 S.F.





LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

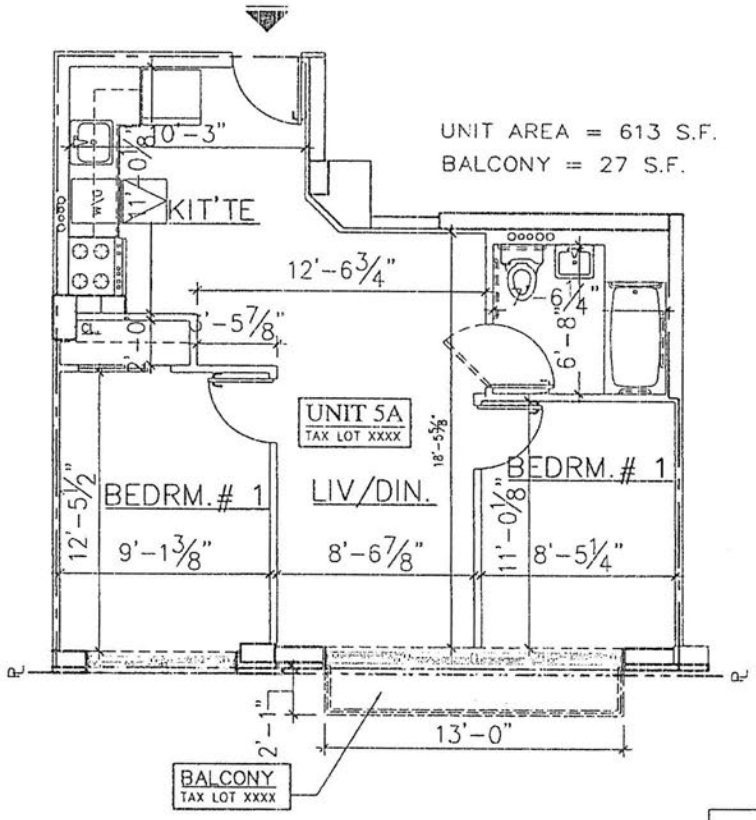
157 MAIN ENTRANCE

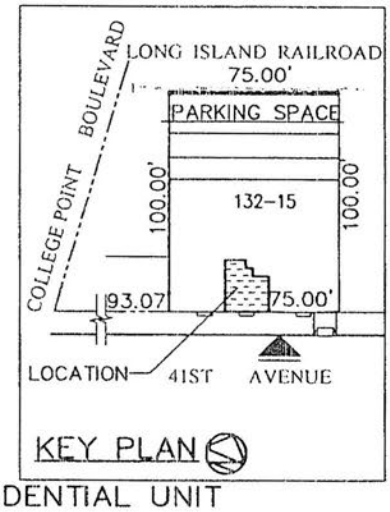
UNIT 4F PLAN

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

1' 10'

0 5' 15'





LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

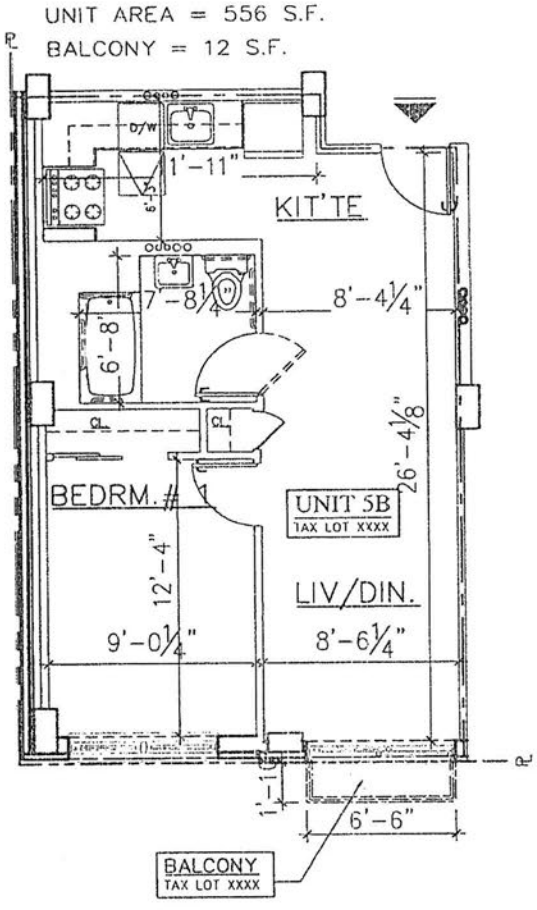
158 MAIN ENTRANCE

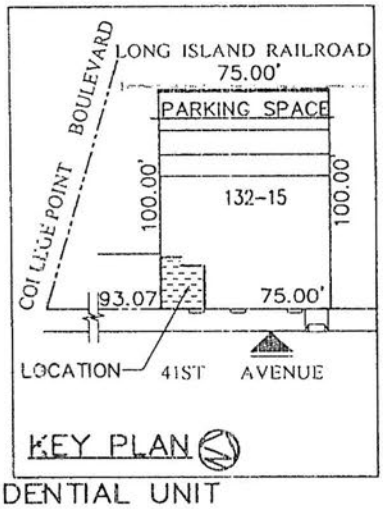
UNIT 5A PLAN

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

1' 10'

0 5' 15'





UNIT 5B PLAN

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

1' 10'

0 5' 15'

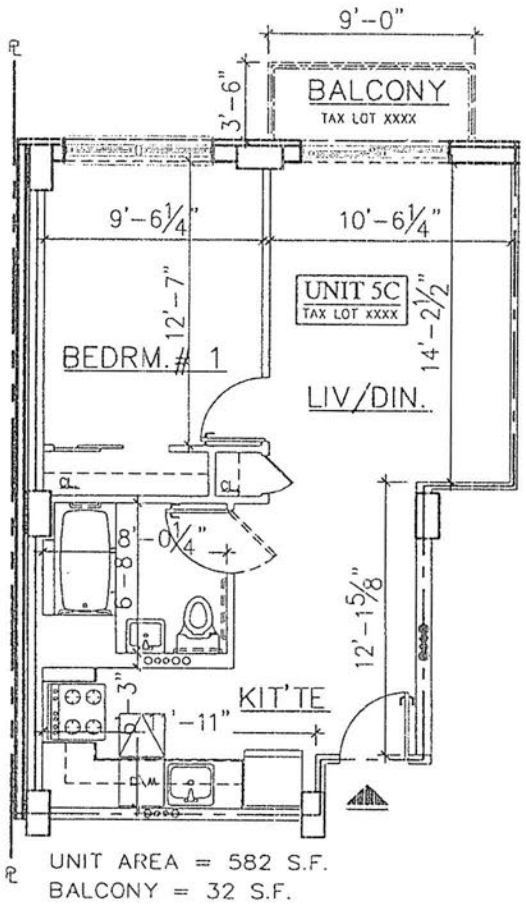
LEGEND

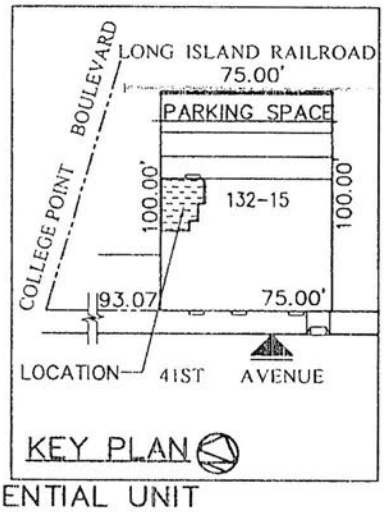
RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMCN ELEMENT

159 MAIN ENTRANCE





UNIT 5C PLAN

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

1' 10'

0 5' 15'

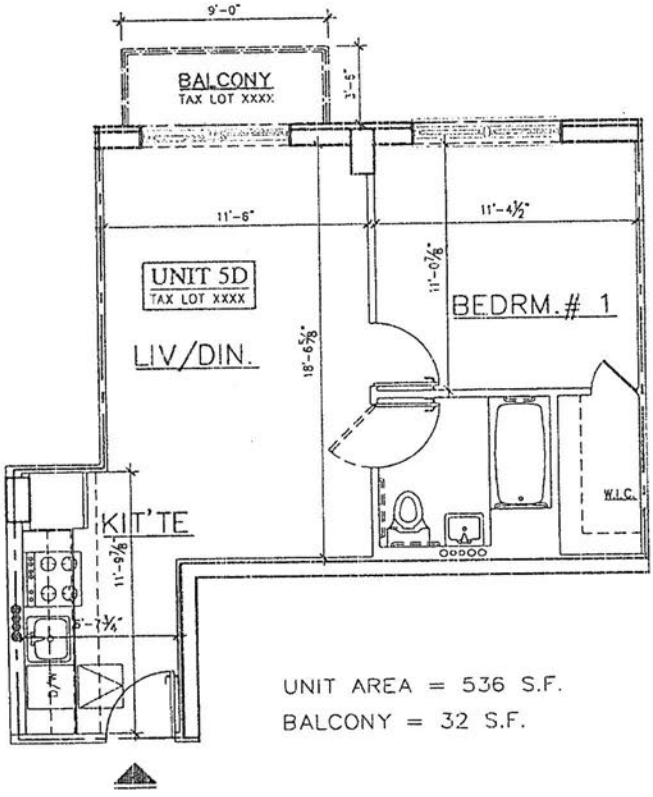
LEGEND

RESIDENTIAL UNIT

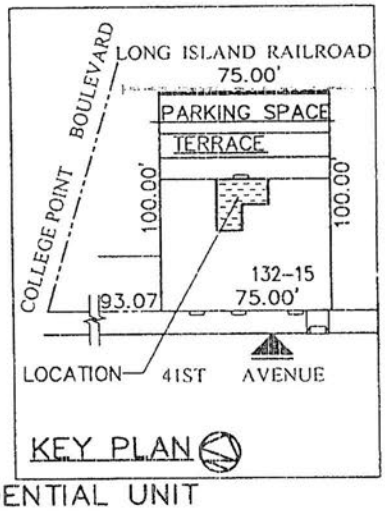
LIMITED COMMON ELEMENT

COMMON ELEMENT

160 MAIN ENTRANCE



UNIT AREA = 536 S.F.
BALCONY = 32 S.F.



LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

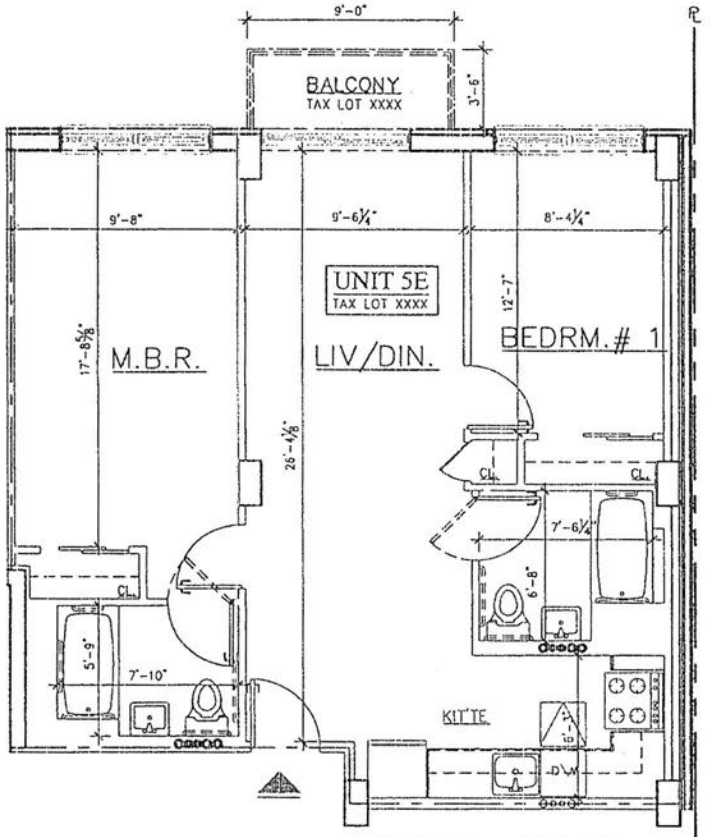
161 MAIN ENTRANCE

UNIT 5D PLAN

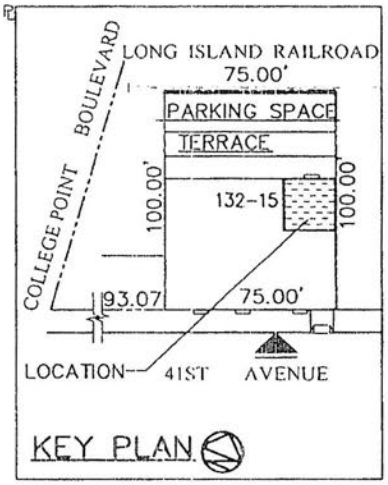
SCALE : 1/8" = 1'-0"'

1' 10'

0 5' 15'



UNIT AREA = 844 S.F.
BALCONY = 32 S.F.



UNIT 5E PLAN

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

1' 10'

0 5' 15'

LEGEND

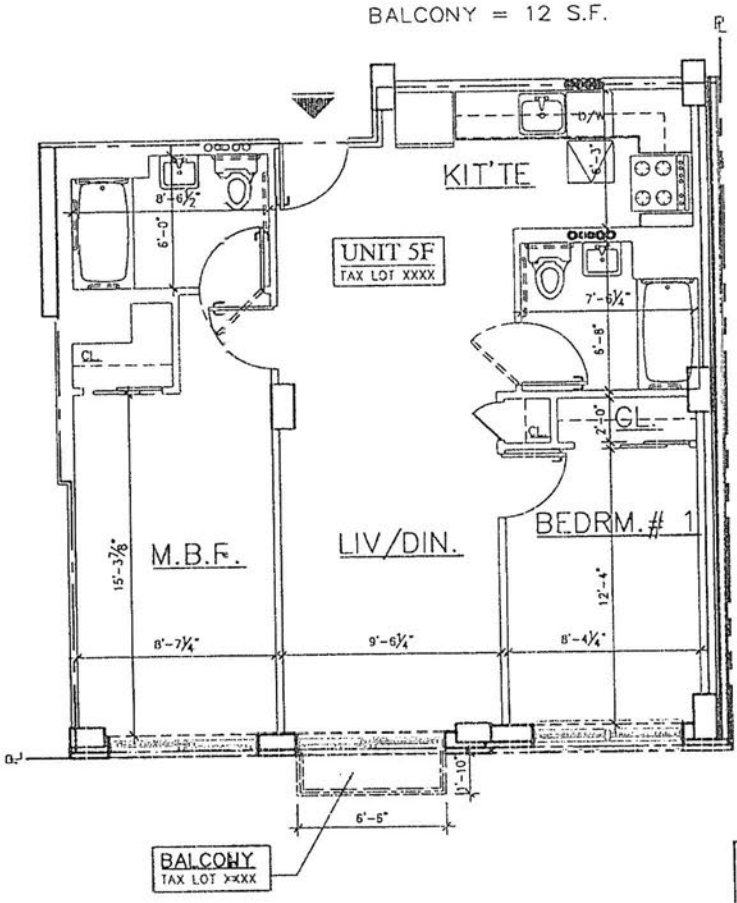
RESIDENTIAL UNIT

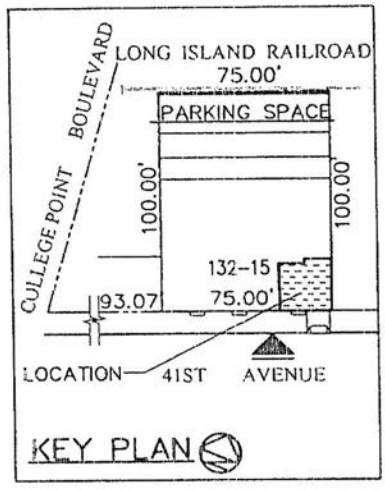
LIMITED COMMON ELEMENT

COMMON ELEMENT

162 MAIN ENTRANCE

UNIT AREA = 819 S.F.
BALCONY = 12 S.F.





UNIT 5F PLAN

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

1' 10'

0 5' 15'

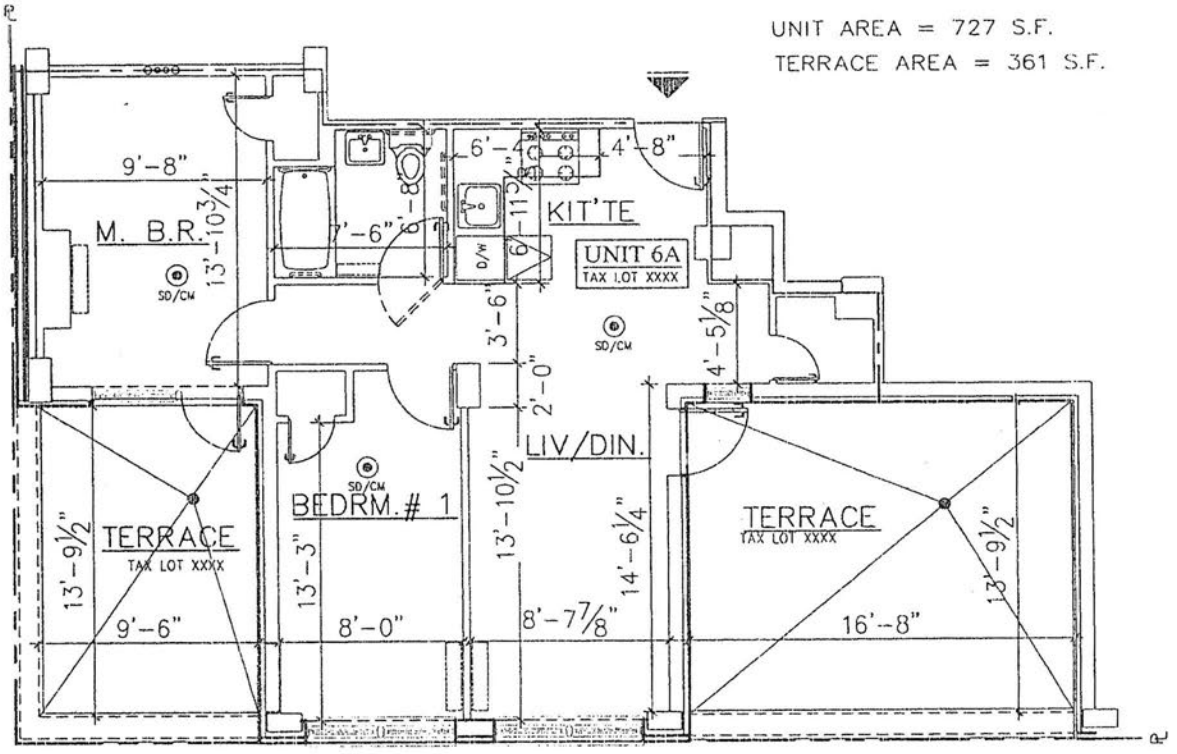
LEGEND

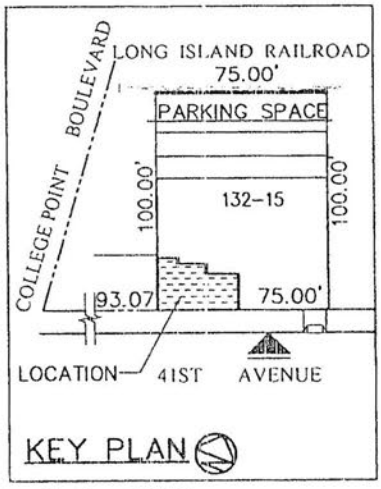
RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

163 MAIN ENTRANCE





LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

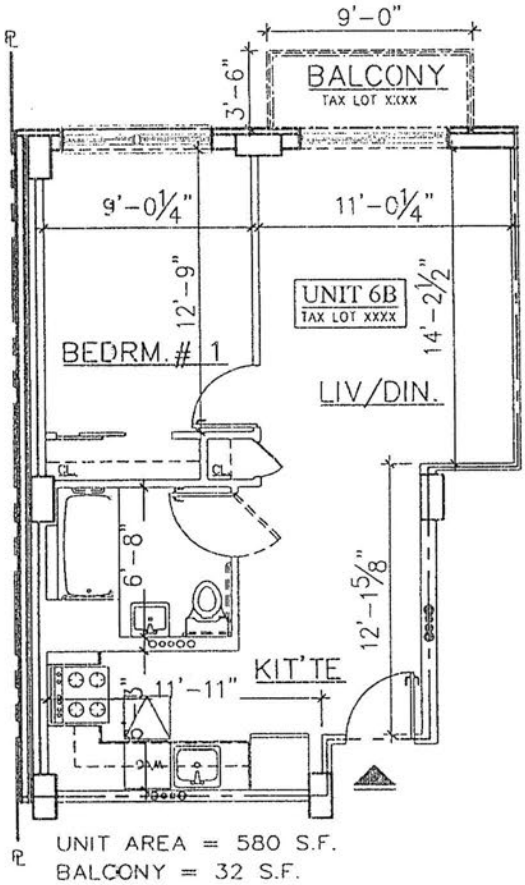
164 MAIN ENTRANCE

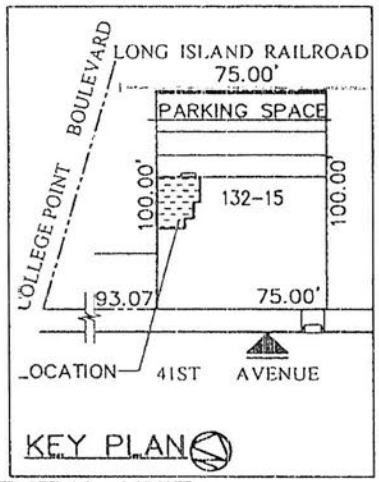
UNIT 6A PLAN

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

1' 10'

0 5' 15'





LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

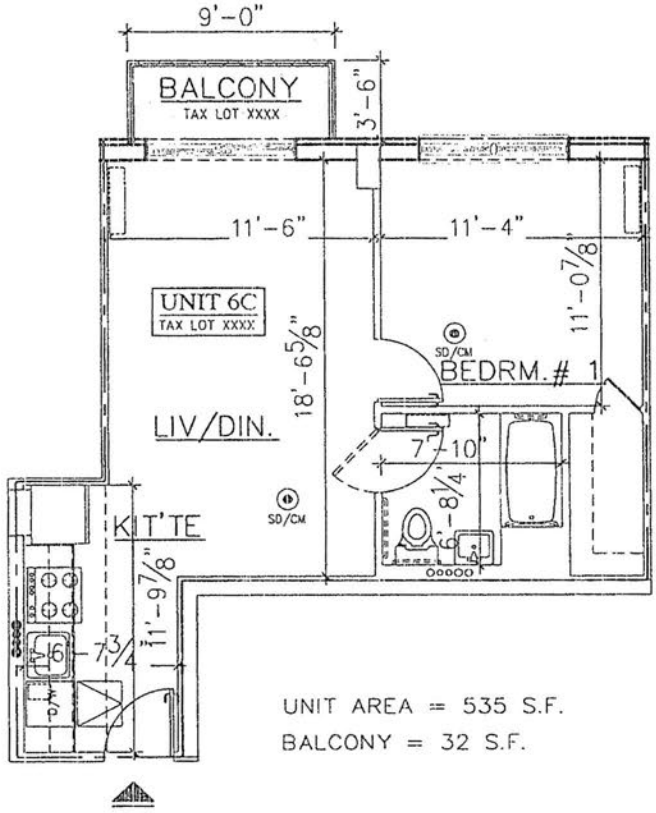
165 MAIN ENTRANCE

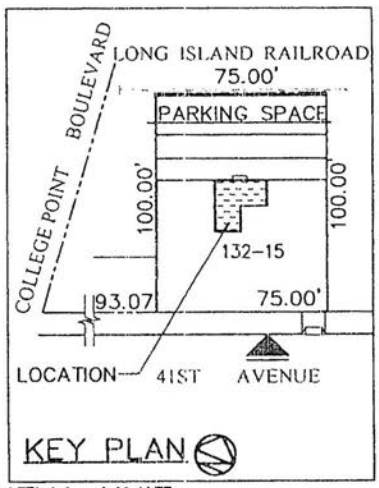
UNIT 6B PLAN

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

1' 10'

0 5' 15'





LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

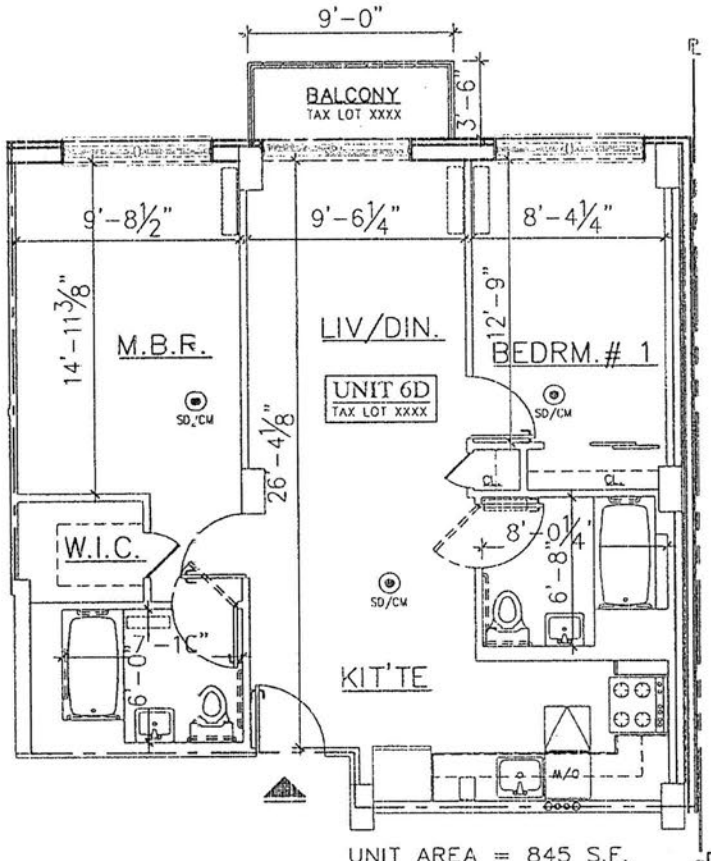
166 MAIN ENTRANCE

UNIT 6C PLAN

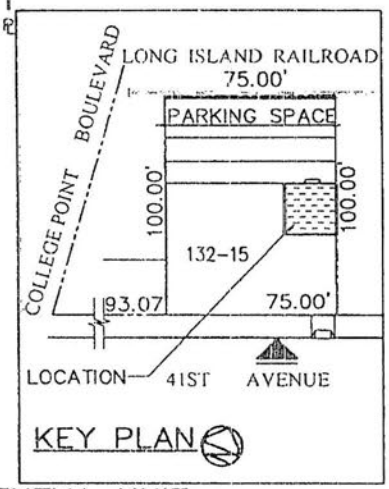
SCALE : 1/8" = 1'-0"

1' 10'

0 5' 15'



UNIT AREA = 845 S.F.
BALCONY = 32 S.F.



LEGEND

RESIDENTIAL UNIT

LIMITED COMMON ELEMENT

COMMON ELEMENT

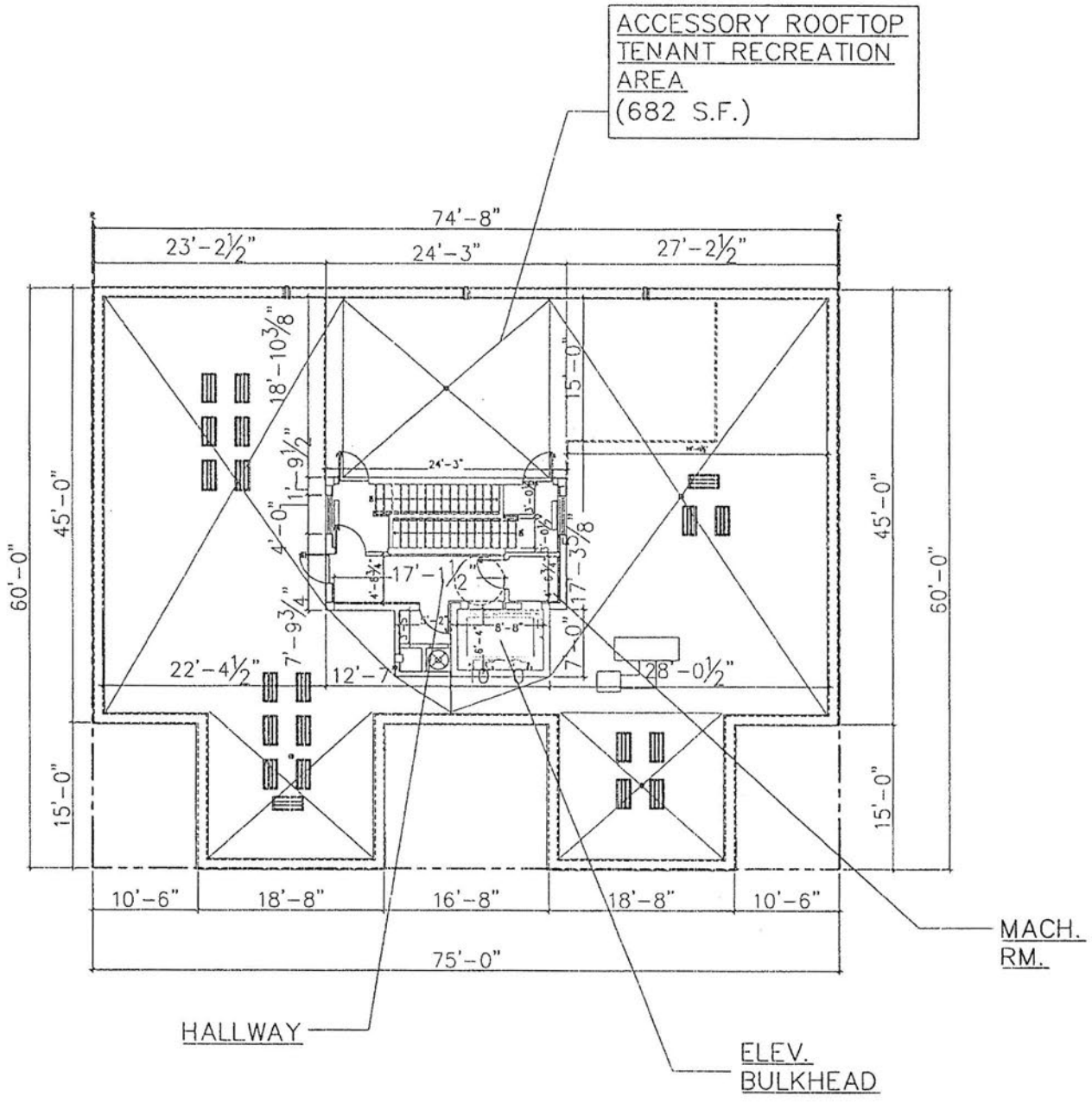
167 MAIN ENTRANCE

UNIT 6D PLAN

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

1' 10'

0 5' 15'

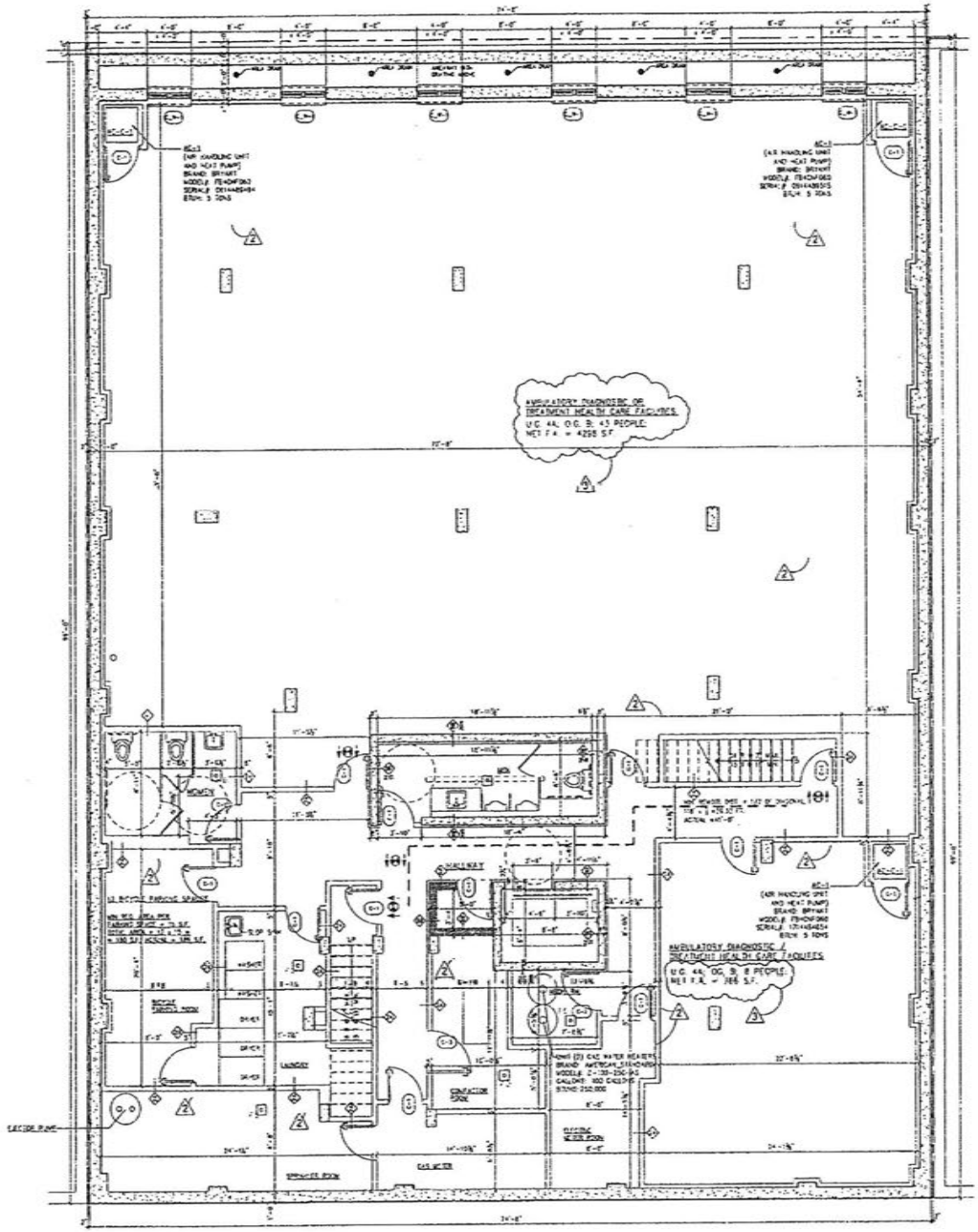


LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT
- MAIN ENTRANCE

ROOF PLAN

1/16" = 1'-0"



1 CELLAR PLAN
A-010 SCALE: 1/8"=1'-0"

AMENDED APPLICATION

ANGELO NG & ANTHONY NG
ARCHITECTS STUDIO, P.C.

01	8/01/14	DRAWING CHANGES
02	8/04/14	PLAN USE
03	10/06/2014	APPLICATION APPROVAL

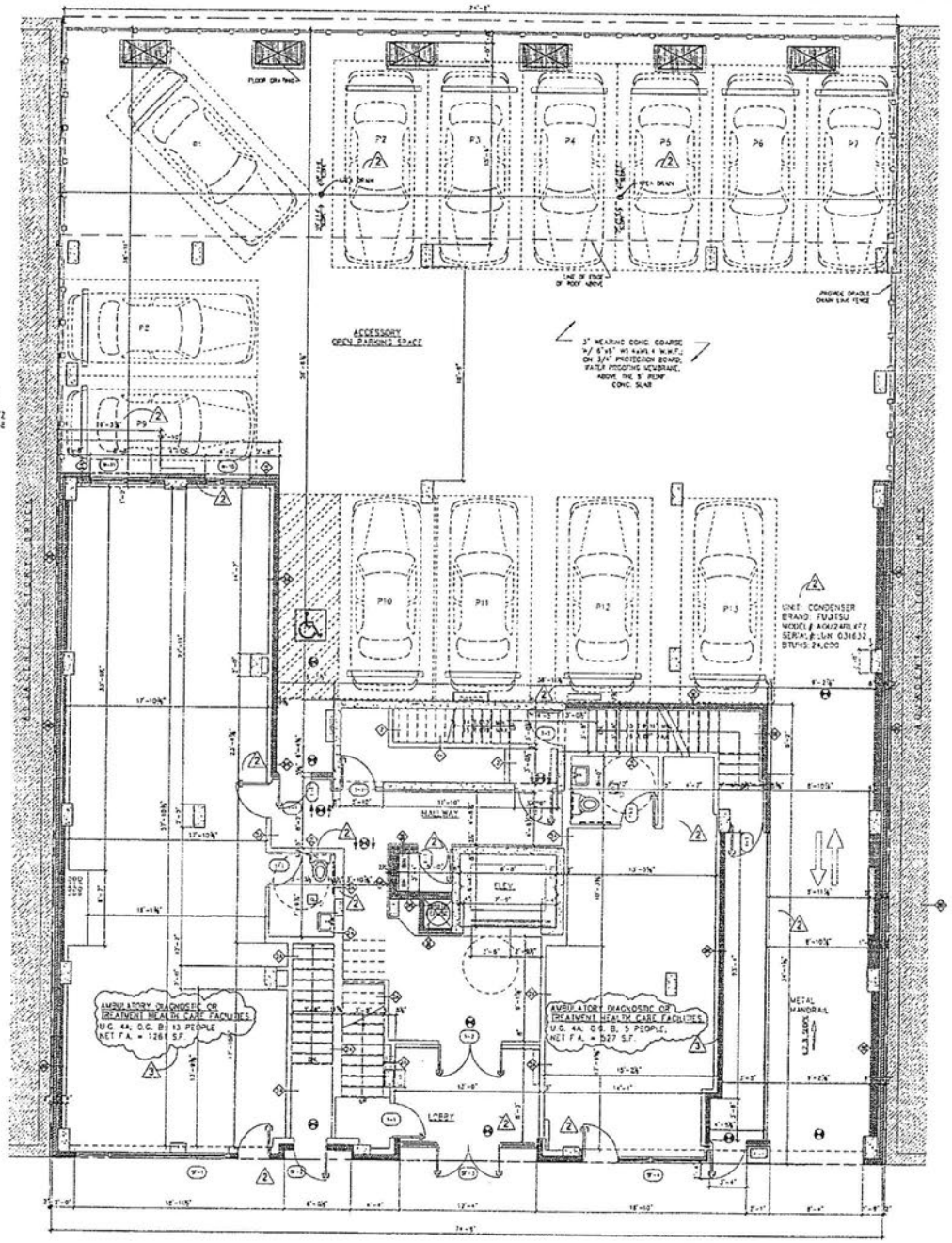
KENNY LIU

4 STORY MIXED USE COMM. FAC. AND RESIDENTIAL (MULTIFAMILY) BUILDING
133-15 41ST AVENUE
FLUSHING, NY

CELLAR FLOOR PLAN

A-010.03

THESE DRAWINGS ARE FOR THE EXPRESS USE OF ANGELO NG & ANTHONY NG ARCHITECTS STUDIO, P.C. NO REUSE OR REPRODUCTION PERMITTED BY LAW



1 1ST FLOOR PLAN
A-011 SCALE: 1/4"=1'-0"

170

ANGELO NG & ANTHONY NG
ARCHITECTS STUDIO, P.C.

03	8/11/14	DRAWING CHANGES
02	6/18/14	PAA-02
01	11/26/2013	PAA-01
00	10/29/2012	APPLICATION APPROVAL

KENNY LIU

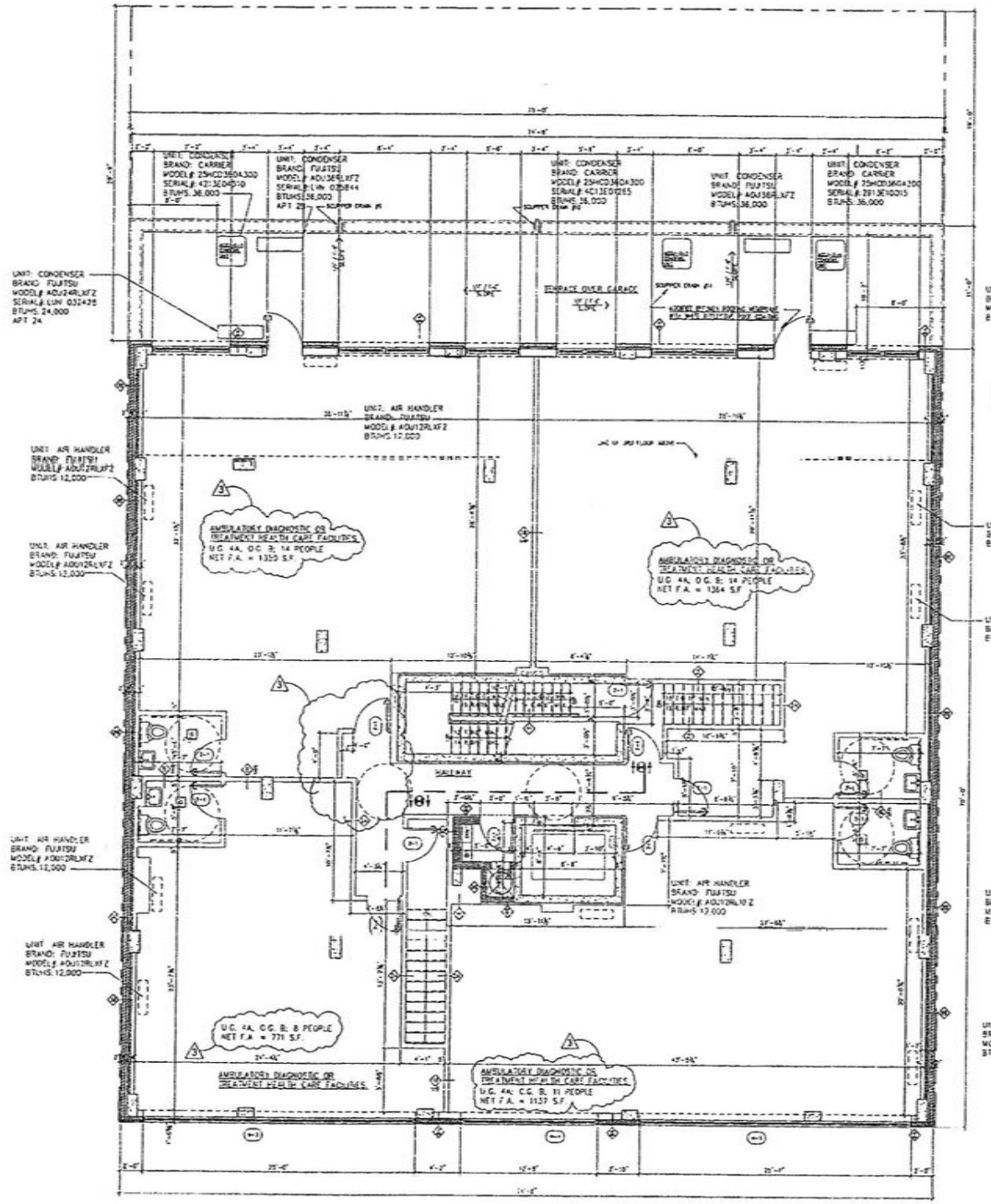
6 STORY MIXED USE COMM. FAC. AND RESIDENTIAL (MULTIFAMILY) BUILDING
133-13 41ST AVENUE
FLUSHING, NY

1ST FLOOR PLAN

Scale	AS NOTED
Date	5-13-13
Project No.	1125
Sheet No.	PAA

A-011.03

THESE DRAWINGS ARE FOR THE EXPRESS USE OF ANGELO NG & ANTHONY NG ARCHITECTS STUDIO, P.C. NO REUSE OR REPRODUCTION PERMITTED BY LAW



1 2ND FLOOR PLAN
A-012 SCALE: 1/4"=1'-0"

AMENDED APPLICATION

ANGELO NG & ANTHONY NG
ARCHITECTS STUDIO, P.C.

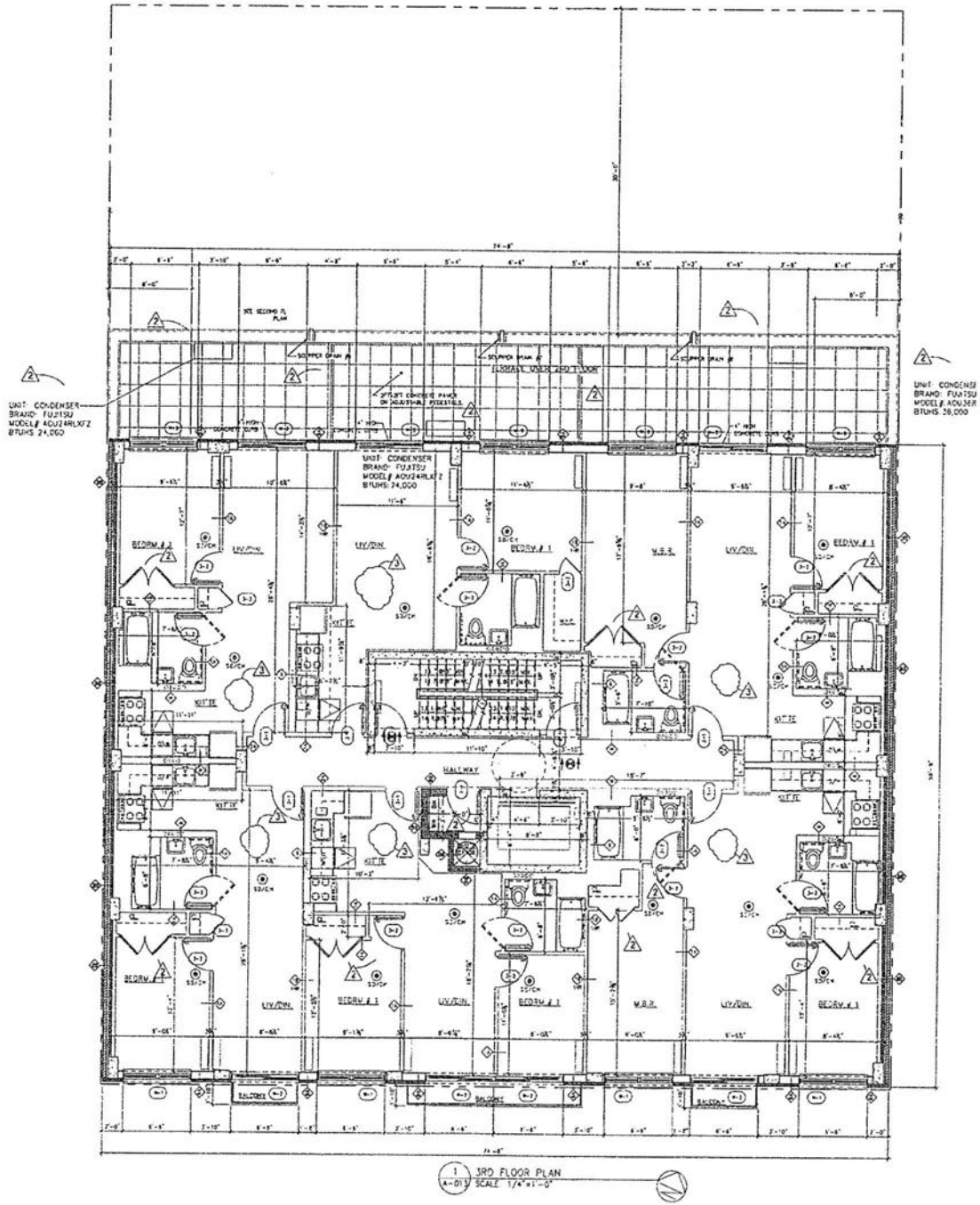
KENNY LIU

4 STORY MIXED USE COMM. FAC. AND RESIDENTIAL (MULTIFAMILY) BUILDING
153-15 41ST AVENUE
FLUSHING, NY

2ND FLOOR PLAN

A-012.03

171



1 A-013 3RD FLOOR PLAN
SCALE 1/4"=1'-0"

172

AMENDED APPLICATION

ANGELO NG & ANTHONY NG
ARCHITECTS STUDIO, P.C.

03	8/11/14	DRAWING CHANGES
02	4/18/14	PAA-02
01	05/22/2013	PAA 01
00	10/28/2012	APPLICATION APPROVAL

KENNY LIU

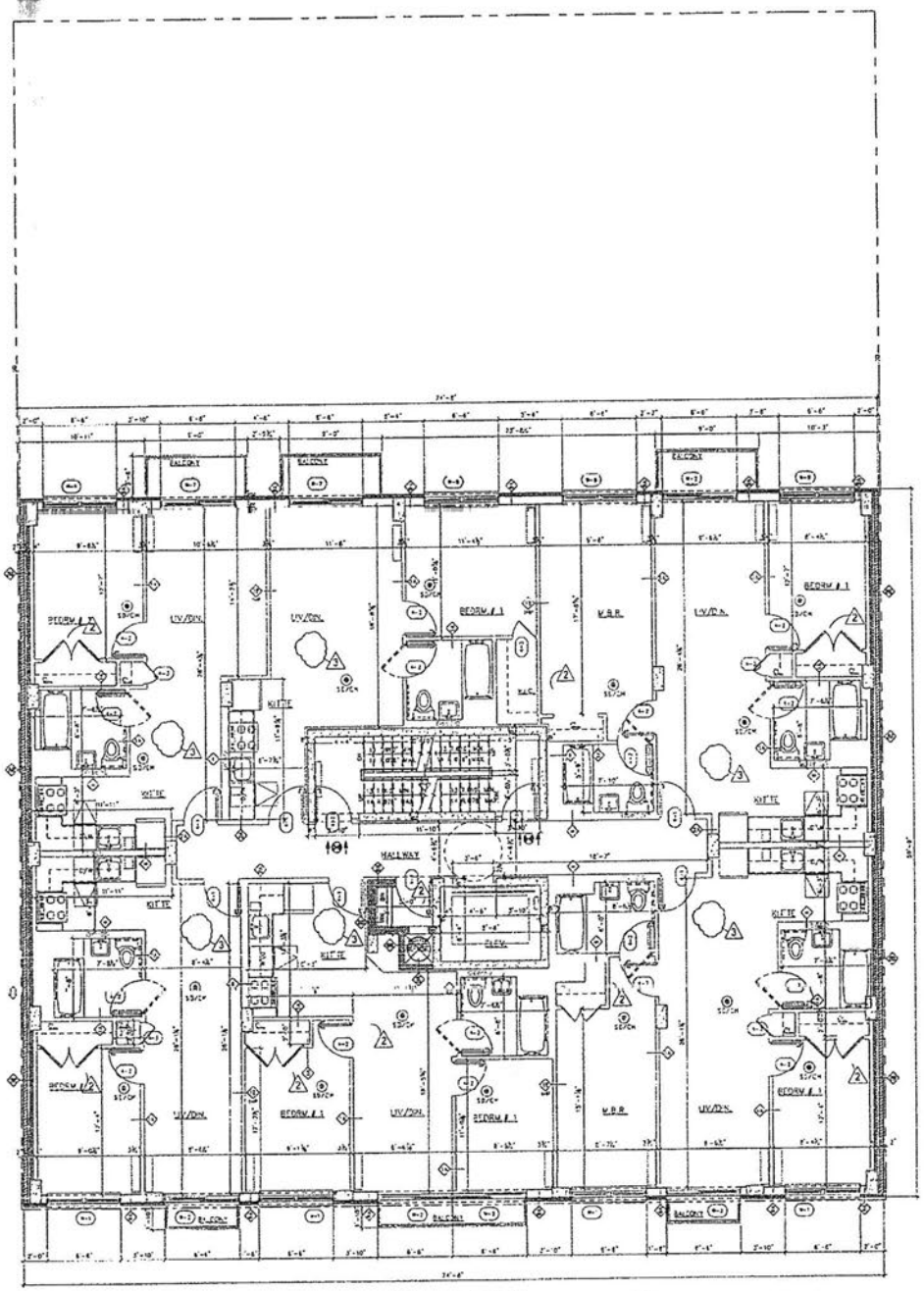
6 STORY MIXED USE COMM. FAC AND RESIDENTIAL (MULTIFAMILY) BUILDING
132-15 41ST AVENUE
FLUSHING, NY

3RD FLOOR PLAN

AS NOTED
5-13-12
11.123

A-013.03

THESE DRAWINGS ARE FOR THE EXPRESS USE OF ANGELO NG & ANTHONY NG, ARCHITECTS STUDIO, P.C. NO REUSE OR REPRODUCTION PERMITTED BY LAW



1 / A-014 4TH FLOOR PLAN
SCALE 1/4"=1'-0"

ANGELO NG & ANTHONY NG
ARCHITECTS STUDIO, P.C.

03	2/13/14	DRAWING CHANGES
02	1/13/14	PAA 02
01	08/28/2013	PAA 01
00	10/29/2012	APPLICATION APPROVAL

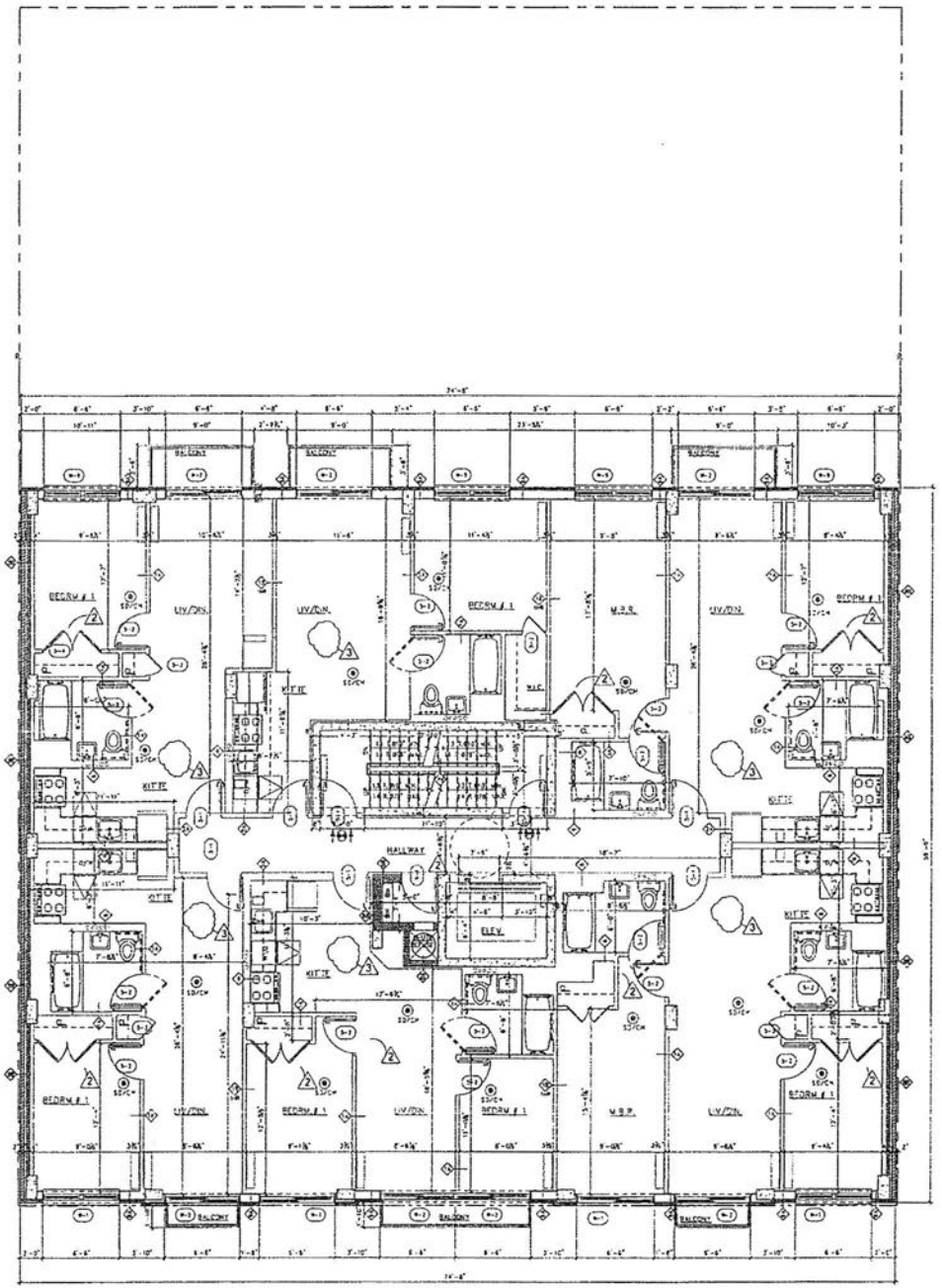
KENNY LU

6 STORY MIXED USE COMM. FAC. AND RESIDENTIAL (MULTIFAMILY) BUILDING
132-43 41ST AVENUE
FLUSHING, NY

4TH FLOOR PLAN

A-014.03

THESE DRAWINGS ARE FOR THE EXPRESS USE OF ANGELO NG & ANTHONY NG, ARCHITECTS STUDIO, P.C.. NO REUSE OR REPRODUCTION PERMITTED BY LAW



1 / A-01.4 5TH FLOOR PLAN
SCALE 1/4"=1'-0"

AMENDED APPLICATION

ANGELO NG & ANTHONY NG
ARCHITECTS STUDIO, P.C.

02	8/31/11	DRAWING CHANGES
02	8/19/11	FAA 02
01	05/22/2013	FAA 01
00	10/29/2012	APPLICATION APPROVAL

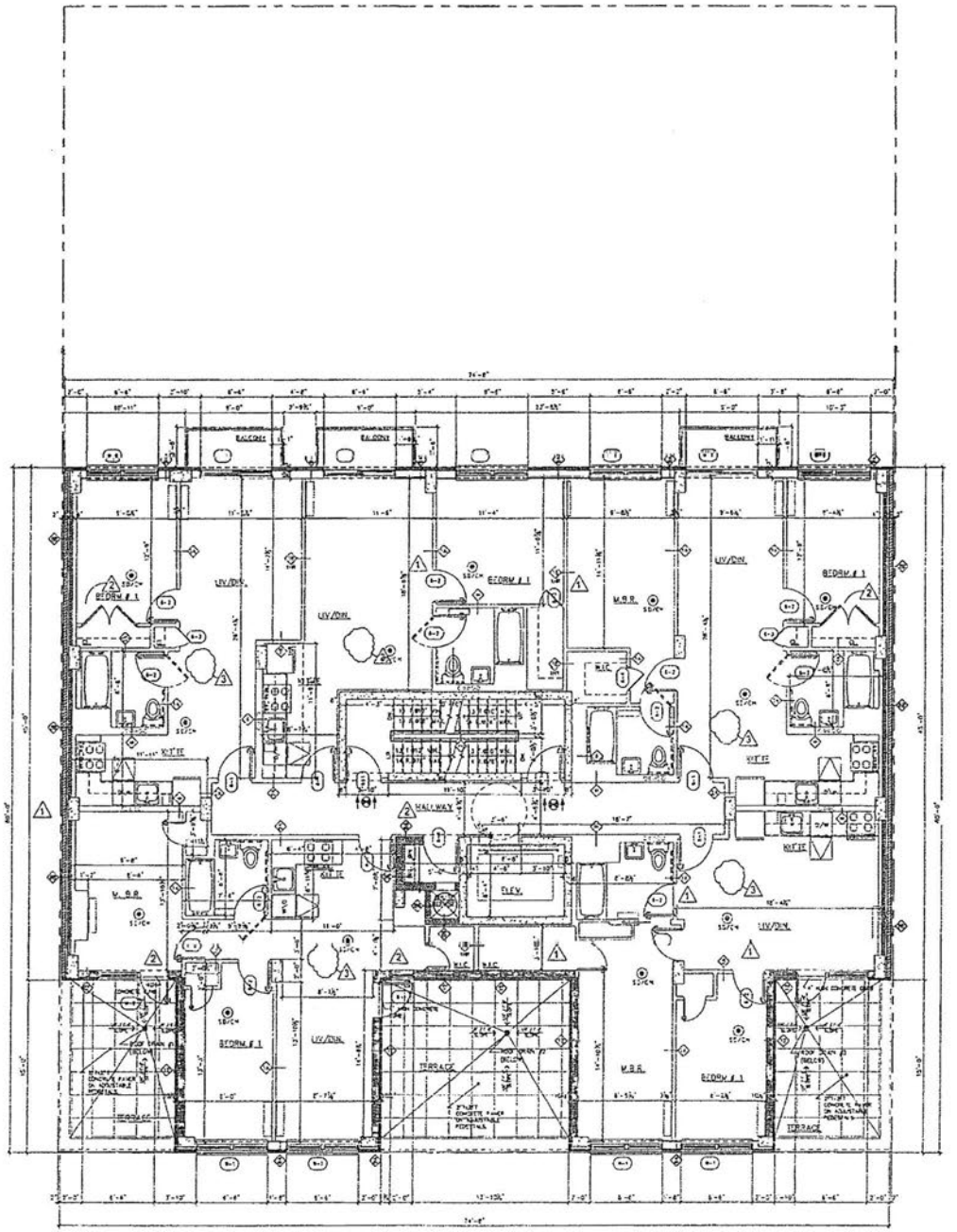
KENNY LIU

8 STORY MIXED USE COMM. FAC AND RESIDENTIAL (MULTIFAMILY) BUILDING
132-15 41ST AVENUE
FLUSHING, NY

5TH FLOOR PLAN

Scale	AS NOTED
Date	5-13-12
Project No.	11129
Drawing No.	A-015.03

THESE DRAWINGS ARE FOR THE EXPRESS USE OF ANGELO NG & ANTHONY NG, ARCHITECTS STUDIO, P.C., NO REUSE OR REPRODUCTION PERMITTED BY LAW



1 A-015 6TH FLOOR PLAN
SCALE 1/4"=1'-0"

APPLICATION

ANGELO NG & ANTHONY NG
ARCHITECTS STUDIO, P.C.

KENNY LIU

6 STORY MIXED USE COMM. FAC. AND RESIDENTIAL (MULTI FAMILY) BUILDING
133-15 41ST AVENUE
FLUSHING, NY

6TH FLOOR PLAN

A-016.03

THESE DRAWINGS ARE FOR THE EXPRESS USE OF ANGELO NG & ANTHONY NG, ARCHITECTS STUDIO P.C. NO REVISE OR REPRODUCTION PERMITTED BY LAW

ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 2013, by and among _____ ("PURCHASER"), FLUSHING MANOR REALTY, LLC. ("SPONSOR"), as sponsor of the SHANGRI-LA CONDOMINIUM offering plan ("Plan") and THOMAS E. BERINATO ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale condominium ownership interests at the premises located at 132-15 41st Avenue, Flushing, N.Y. 11354 , subject to the terms and conditions set forth in the Plan; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b), 352-(h) and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") 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. ESCROW AGENT has established an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of units (the "Purchase Agreement") at JP Morgan Chase Bank at 81-35 Lefferts Blvd, Kew Gardens, N.Y. 11415, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Thomas E. Berinato, Escrow Account for the SHANGRI-LA CONDOMINIUM ("Escrow Account"). The Master Account number is to be assigned. A separate segregated sub account will be established for each unit purchaser.

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: Thomas E. Berinato. All designated signatories are admitted to practice law in the State of New York.

All of the signatories on the Escrow Account have an address of 123-40 83rd Avenue Suite 1D, Kew Gardens, N.Y. 11415, and a telephone number of (718) 575-3400.

1.3 ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.4 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined

in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing .

1.5 The Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of Thomas E. Berinato, as ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 ESCROW AGENT is hereby obligated to send a notice of all Deposits received by ESCROW AGENT to PURCHASER within ten (10) business days of receipt of same. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-3(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the unit;

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the Deposit, then Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the [unit/building] is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

3.4 Sponsor shall not object to the release of the Deposit to:

3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the 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 New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon 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 Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT, and PURCHASER, and ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL§§ 352(e)(2-b) and 352(h).

5.3 ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the [unit/shares/membership interest/fractional interest] to a designated attorney who is a member of or employed by ESCROW AGENT, within two (2) business days of tender of the Deposit by PURCHASER, using such transmittal forms as required by ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

6.3 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 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 to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

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.

12. INDEMNIFICATION.

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of ESCROW AGENT. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

13. ENTIRE AGREEMENT.

This Agreement, read together with GBL §§ 352-e(2-b) and 352-(h)and the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

ESCROW AGENT:

_____
Thomas E. Berinato

SPONSOR

Flushing Manor Realty, LLC

By:_____
Shun Qian Liu

PURCHASER

By:_____

DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP FOR PREMISES LOCATED AT

132-15 41ST AVENUE, FLUSHING, NEW YORK,

BOROUGH OF QUEENS, QUEENS COUNTY, CITY OF NEW YORK,

THE LAND AFFECTED BY THE WITHIN INSTRUMENT LIES IN

BLOCK 5037 LOT 104 & 105

ON THE TAX MAP OF THE BOROUGH AND COUNTY OF QUEENS

CITY AND STATE OF NEW YORK

PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW

OF THE STATE OF NEW YORK.

NAME: **THE SHANGRI-LA CONDOMINIUM**

SPONSOR: FLUSHING MANOR REALTY, LLC
20 Ground Pine Court
Dix Hills, New York, 11746

DATE OF DECLARATION: day of _____, 2014

RECORD AND RETURN TO:

THOMAS E. BERINATO

123-40 83rd Avenue

Suite 1D

Kew Gardens, NY 11415

EXHIBIT F
PLAN OF CONDOMINIUM UNIT OWNERSHIP

DECLARATION OF THE Shangri-la Condominium
PURSUANT TO ARTICLE 9-B OF THE
REAL PROPERTY LAW OF THE STATE OF NEW YORK

In the City of New York, Queens County and State of New York, on this ___ day of ____ 201__, FLUSHING MANOR REALTY, LLC, whose principal offices and domicile is situated at 20 Ground Pine Court, Dix Hills, N.Y. 11746, hereinafter referred to as Sponsor represented in this Declaration by one of its Members, who is fully empowered and qualified to execute this Declaration on behalf of the Sponsor, does hereby declare:

1. Submission of Property.

Sponsor hereby submits the Property (a, defined in the Definitions set forth on Schedule B hereto) to the provisions of Article 9-B of the Real Property Law of the State of New York.

2. Area, Location and Description of Land.

The land (the Land) has an area of approximately 7,500 sq. ft. and consists of all that certain tract, plot, piece and parcel of land situated, lying and being in the Borough of Queens, Queens County and City of New York, more particularly described in Schedule A annexed hereto and made a part hereof. The Land is owned by Sponsor in fee simple absolute.

3. Definitions.

A. The owner of each Unit is hereinafter referred to as a Unit Owner. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common tenancy or by the entirety, and a majority vote of such owners shall be necessary to cast the Unit Owner's vote referred to in paragraph 14 of this Declaration.

B. A Unit as hereinafter referred to shall be defined as follows: The approximate physical dimensions of each Residential Unit consist of the area measured horizontally from the outside face of the exterior walls of the building defining the unit to (a) the outside face of the exterior walls of the building, or (b) the centerline of the interior partitions separating the Unit from another Unit, or (c) the corridor side of the partitions separating the unit from the corridor or any other spaces, if any. Each Unit will consist of the volume measured vertically from the wood subfloor or concrete floor to the hidden face of the ceiling posterboard supported by the structural system forming the floor of the Unit above or forming the roof above.

C. The Building as hereinafter referred to shall be defined as THE SHANGRI-LA CONDOMINIUM at 132-15 41st Avenue, Flushing, New York.

D. Condominium as hereinafter referred to shall mean THE SHANGRI-LA CONDOMINIUM which is composed of the Unit Owners.

E. Sponsor shall mean FLUSHING MANOR REALTY, LLC, and its successors and assigns.

F. Sponsor-designee as hereinafter referred to shall mean any person or entity designated by Sponsor to acquire title to a Unit. Sponsor-designee shall have the right to designate a person or entity, whether related or unrelated to Sponsor, to succeed to their rights, and any such designee shall be deemed to be a Sponsor-designee.

G. All capitalized terms used in this Declaration that is not defined herein shall have the meanings as set forth in Schedule B.

4. Description of Building and Units:

A. Sponsor is constructing a building upon the land, which will contain twenty-three residential units, eight commercial units and thirteen parking spaces of which one is designated as Handicapped parking and it is part of the common elements and not for sale. The Building has a total height of fifty-five (55'). The average height of the floor to the ceiling of the six floors and cellar is 8 feet. All existing foundation and footings are poured reinforced concrete. The structural system is masonry bearing walls and steel floor joists.

B. Schedule C annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof; Unit designation; the percentage of interest in the Common Elements tax lot number; approximate area without Limited Common Elements; the number of rooms and appurtenant Limited Common Elements. The location of each Unit is more clearly designated in the Floor Plans, and reference should be made thereto for the statement of the location of each Unit.

5. Common Elements.

The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon other than the Units, including without limitation:

(i) the land upon which the Buildings are located;

(ii) (a) All foundations, columns, girders, beams, supports, bearing walls, exterior walls and roofs, attics, concrete and masonry at the exterior face of the Building; (b) these portions of the walls and partitions dividing the Units from exterior walls, corridors. stairs or other Units located beyond the center line of partitions enclosing the Units; and (c) the concrete floor and beams, including any framing attached to the structure from which Drywall coiling is attached on the first floor and basement floor, (d) these portions of the exterior walls including and beyond the Unit side of the concrete block walls at the exterior face of the Building; and (e) the concrete floor to and including the underside of the concrete floor to and including the

foundation; roofs, corridors, halls, stairs and stairway areas; lobbies the area designated as Superintendent's storage area; storage and utility areas; all portions of the basement which are not included within a particular Unit; laundry facilities not located within a Unit and entrances to and exits from the Building; all other areas of the first floor.

(iii) All central and appurtenant installations for services such as electricity, steam, gas, hot and cold water, telephone and refrigeration which are not included in a particular Unit;

(iv) Any tanks, pumps, motor, fans, compressors, ducts, sewer pipes and drainage pipes and all apparatus and installations existing for common use.

Notwithstanding the foregoing, the following Common Elements shall be deemed Limited Common Elements and the use thereof shall be restricted to specified Unit Owners as set forth herein, subject to the right of the Board of Managers to enter upon the Limited Common Elements for maintenance, repair or improvement and to the rules and regulations of the Condominium:

Patios adjacent to, and with direct access from, the interior of a particular Unit as set forth on Schedule C hereto;

6. Use of Units.

Each of the Units may be used only for private residential use, except that a Unit Owner may use a portion of his Unit for any home occupation use, including as a professional office, provided that the nature and manner of such use complies with the Law and does not violate the then existing Certificate of Occupancy covering such Unit. Notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

7. Determination of Percentages in Common Elements.

The percentage of Common Interest allocated to each Unit is based upon appurtenant floor area pursuant to section 339-i (1)(iv) of the Real Property Law.

Real Property Law Section 339-i(1)(iv) authorizes the percentage of Common Interest allocated to each Unit to be based upon floor space, "subject to the location of such space and the 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 Commercial units pay 20% of the common charges except for the water/sewer, for which they pay 25%; the Residential units pay a total of 75% of the common charges and the parking spaces pay 5% of the common charges except for the water/sewer, which they do not pay.

8. 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, 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 of the Board of Managers or by the Sponsor or (c) as a result of original construction, or (d) as a result of repair or restoration of the Building or Unit after damage by fire or other casualty, or (e) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

9. Easements.

A. Each Unit Owner shall have an easement in common with the owners of all other Units to use, maintain, repair, alter and replace all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements (other than Limited Common Elements) located in any of the other Units or in the Common Elements and serving his Unit (including heat and hot water from the boiler). Each Unit shall be subject to an easement in favor of the Owners of all other Units to use, the pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving such other Units and located in such Units. The Board of Managers shall have a right of access to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in a Unit or Building. In addition, each Unit shall have, and shall be subject to, Easements of subjacent, support and necessity in favor of such Unit or in favor of other Units and the Common Elements.

B. The Sponsor and Sponsor-designees, their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose, including rehabilitation and sale of the Units, Building and Common Elements.

C. The Sponsor and Sponsor-designees, any partner of any entity affiliated directly or indirectly with Sponsor and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Offering Plan, as same may be amended. and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground electric, transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, if the Sponsor or Sponsor-designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner provided that such additional utilities or the relocation of existing utilities will not

prevent or unreasonably interfere with the use of the Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

D. No Unit shall have an easement for the use of any Limited Common Elements except the Unit to which such Limited Common Element is appurtenant.

E. The user of any easement granted by subparagraphs B, C and D of this paragraph 9 shall have the responsibility of repairing any damage resulting from such use. No fee or charge may be imposed by the Board of Managers for any easement granted herein.

10. Power of Attorney to Board of Managers.

Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to (i) acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, provided such sale or lease is to a non-Family Member or non-affiliate or which may be the subject of a 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, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers or (ii) amend this Declaration as provided herein and in the By-Laws.

11. Acquisition of Units by Board of Managers.

In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the Appurtenant Interests), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, and (iv) the exclusive right to use the appurtenant Limited Common Element or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests and apportioned Limited Common Element, pursuant to Section 1 of Article VIII of the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, 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. The lease covering any Unit leased by the Board of Managers, or its designees, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

12. Person to Receive Service.

For the period during which Sponsor is in control of the Board of Managers, Thomas E. Berinato, Esq. 123-40 83rd Avenue, Suite 1D, Kew Gardens, N.Y. 11415, is hereby designated to receive notice of process in any action, which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers, notice of process in any action, which may be brought against the Condominium shall be served on the person holding the office of President of the Board of Managers of the Condominium at the Office of the Condominium, located at 132-15 41st Avenue, Flushing, New York.

13. Units Subject to Declaration, By-Laws and Rules and Regulations.

All present and future Unit Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, 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.

14. Amendment to Declaration.

This Declaration may be amended, modified, added to or deleted from by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved in writing by 66-2/3% in number and in Common Interest of all Unit Owners, provided, however:

(a) No amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgages;

(b) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such units or Units, if any;

(c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor. any Sponsor-designee, or any partner of any entity affiliated directly or indirectly with Sponsor or any Unsold Unit, until Sponsor, Sponsor-designees, any partner of any entity affiliated directly or indirectly with Sponsor, shall consent thereto in writing; and

(d) The rights, benefits and exemptions of the Unsold Units may not be amended without the prior written consent of Sponsor.

Notwithstanding the foregoing, the Sponsor shall have and hereby reserves to itself and Sponsor-designee(s) the right to amend this Declaration at any time without the requirement of a vote and without the approval or consent of the Board of Managers or any Unit Owners or mortgages for the purposes of (i) filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Plans, the verified statement of a professional engineer or licensed professional engineer certifying that the Floor Plans being filed simultaneously with such amendment fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p and (ii) filing amendments to Schedule C to the Declaration and the Floor Plans resulting from changes in Unsold Units pursuant to paragraph 15 below. Sponsor may require the Board of Managers to execute and record any such amendment to this Declaration (together with any such other documents as may be required to effectuate such amendment) or may execute such amendment as attorney-in-fact for Unit Owners.

No such amendment shall be effective until recorded in the Register's Office of Queens County.

15. Changes in Unsold Units.

Except to the extent prohibited by law, Sponsor or Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor, shall have the right, without the vote, approval or consent of any Board, other Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Units (Unsold Units) at the time owned by Sponsor or Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor; (b) change the use or layout of, or number of rooms in, any Unsold Units from time to time; (c) change the size and/or number of Unsold Units into two or more separate Units, combining separate Unsold Units (including these resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Unsold Units, or otherwise, and (d) if appropriate, reapportion among the Unsold Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall reasonably consent thereto and, provided further, that Sponsor or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to held each Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article 15 may not be added to, amended, modified or deleted without the prior written consent of Sponsor or its designee. By the written permission of the Board any other Unit owner may be given, with respect to such owner's Unit, the same rights as are set forth in this Article 15 with respect to Unsold Units. Notwithstanding the other provisions of this Article

15, no reapportionment of the interests in the Common Elements appurtenant to any Units shall be made by a Unit Owner other than Sponsor unless there is first delivered to the Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such a reapportionment, will be in the approximate proportion which the fair value of each affected Unit bears to the aggregate fair value of all Units which are being reapportioned. The certification referred to in the preceding sentence shall be delivered by either the Managing Agent or any other person reasonably acceptable to the Board.

16. Invalidity.

(a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be 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 shall 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 the other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of 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.

(b) Subject to the terms of subparagraph (a) of this Article 16, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall 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 Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

17. Termination of Condominium.

The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in number and in Common Interest of the Units. The written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. Sponsor and Sponsor-designee will not vote its interests

appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event Sponsor and Sponsor-designees may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any unit owner or lien or as if owned in common, in which event the net proceeds of the sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit owner until there has first been paid off out of his share of such net proceeds all liens on his Unit, in order of priority of such liens.

18. Administration.

The Condominium shall be managed and administered by a Board of Managers in accordance with this Declaration and the By-Laws, which are attached hereto as Schedule D and made a part hereof.

19. 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.

20. 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 or the intent of any provision thereof.

21. Gender.

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the parties have caused this Declaration to be executed by their duly authorized representatives this ___st day of _____, 20____.

FLUSHING MANOR REALTY, LLC

By:_____
SHUN QIAN LIU, Member

STATE OF NEW YORK)ss.:

COUNTY OF QUEENS)

On the ____ day of _____, in the year 20__, the undersigned a Notary Public in and for said State, personally appeared SHUN QIAN LIU, known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(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

SCHEDULE A TO THE DECLARATION OF CONDOMINIUM OF THE PREMISES KNOWN AS THE SHANGRI-LA CONDOMINIUM

132-15 41ST AVENUE, FLUSHING, NEW YORK

DESCRIPTION OF LAND

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

BEGINNING at a point on the northerly side of 41st Avenue (Bradford Avenue), distant 93.07 feet easterly from the corner formed by the intersection of the new easterly side of College Point Boulevard (Lawrence Street), as widened 100 feet, with the northerly side of 41st Avenue;

RUNNING THENCE northerly at right angles to 41st Avenue, 100 feet;

THENCE easterly parallel with 41st Avenue, 75 feet;

THENCE southerly again at right angles to 41st Avenue, 100 feet to the northerly side of 41st Avenue;

THENCE westerly along the northerly side of 41st Avenue, 75 feet to the point or place of BEGINNING

SCHEDULE B TO THE DECLARATION OF CONDOMINIUM
OF THE PREMISES KNOWN AS
THE SHANGRI-LA CONDOMINIUM
132-15 41ST AVENUE, FLUSHING, NEW YORK

DEFINITIONS

B. CERTAIN DEFINITIONS

Affiliate	- An Affiliate of, or Affiliated with, a specified corporation or partnership, shall mean a corporation or partnership that directly or indirectly, through one or more intermediaries, controls or is controlled by, or in under common control with, the corporation or partnership specified.
Appurtenant Interest	- With respect to any Unit, the undivided interest of the owner thereof, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers 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.
Board of Managers	- The governing board of the Condominium that represents the Unit Owners and manages the Condominium pursuant to the provisions of the By-Laws and of the Offering Plan. The Board is composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
Building	- The structure known as The Shangri-la Condominium constructed or being constructed at 132-15 41st Avenue, Flushing, New York.
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.

Closings - Refers to the time, place and procedure by which fee title to the unit in question is conveyed to the Purchaser pursuant to a Purchase Agreement.

Closing Date - Refers to date on which Closing occurs.

Common Charges - Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.

Common Elements - All portions of the Property other than the Units, including without limitations:

(a) The land on which the Buildings are located;

(b) All foundations, columns, girders, beams, supports, bearing walls, exterior walls and roofs, attics, concrete and masonry at the exterior face of the Building; (b) those portions of the walls and partitions dividing the Units from exterior walls, corridors, stairs or other Units located beyond the center line of partitions enclosing the Units; and (c) the concrete floor and beams, including any framing attached to the structure from which Drywall ceiling is attached on the first floor and basement floor, (d) those portions of the exterior walls including and beyond the Unit side of the concrete block walls at the exterior face of the Building; and (e) the concrete floor to and including the underside of the concrete floor to and including the foundation; roofs, corridors, halls, stairs and stairway areas; lobbies; the area designated as Superintendent's storage area; storage and utility areas; all portions of the basement which are not included within a particular Unit; laundry facilities not located within a Unit and entrances to and exits from the Building; all other areas of the first floor;

(c) Central and appurtenant installations for services such an electricity, steam, gas, hot and cold water, telephone, and refrigeration which are not included in a particular Unit;

(d) Any tanks, pumps, motors, fans, compressors, ducts sewer pipes and drainage pipes and in general all apparatus and installations existing for common use;

(e) Such facilities as may be designated as Common Elements in the Declaration; and

(f) All other parts of the Property necessary or convenient to its existence, maintenance, and safety, or normally in common use.

Common Expenses

(a) Expenses of operation of the Property, and

(b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

Common Interest

- The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit, as expressed in the Declaration.

Condominium

- A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple, with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, Condominium specifically refers to The Shangri-la Condominium.

Condominium Act

- Article 9-B, Section 339-d to Section 339-ii of the Real Property Law of the State of New York, and the same may be amended from time to time.

Condominium Documents

- The Declaration, the By-Laws and the Rules and Regulations.

Declaration

- The instrument creating the Condominium, as may be amended from time to time, by which the Property is submitted to the provisions of the New York Condominium Act, the form of which is set forth in Part II of the Offering Plan.

Down Payment

- Refers to the money that a person desiring to purchase a Unit must deliver to the Sponsor at the time such person delivers an executed Purchase Agreement to the Sponsor.

Family Members

- The spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-

in-law, grandparents, great-grandparents, aunts, uncles, nephews and nieces of a Unit Owner.

First Unit Closing - The first closing of title with a bona fide Purchaser of a Unit.

Floor Plans - The floor plans of the Units certified by Anthony K. Ng, R.A., filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

Inspection Statement - A memorandum of work in which the Sponsor and Purchaser agree to the work Sponsor must perform or complete in or to the Purchaser's Unit and which obligations of Sponsor shall survive the closing of title to such Unit, the form of which is attached to the form of Purchase Agreement which is set forth in Part II.

Institutional Mortgage - Any first mortgage covering any Unit that in a Permitted Mortgage and the initial holder of which in either Sponsor or a Sponsor designee or an institutional lender.

Insurance Trustee - A bank or a trust company, in either event having both an office in the City of New York and a capital surplus of $500,000,000.00 or more, from time to time appointed to serve as such by the Board of Managers.

Land - All that certain tract, plot, piece and parcel of land situated, lying and being in the City of New York, County of Queens and State of New York, as more particularly described in Exhibit A to the Declaration.

Law - The laws and ordinances of any or all of the Federal, New York State, New York City, Queens County and Borough of Queens, 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.

Limited Common Elements - Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a

	single Unit Owner including balconies and roof terraces.
Majority	- As may be specified herein or in the Declaration or by the By-Laws with respect to any matter or matters, a majority of Unit Owners means more than fifty percent in Common Interest in the aggregate. As may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, any specified percentage of Unit Owners means such percentage in Common interest in the aggregate.
Managing Agent	- Refers to SHANGRI-LA CONDOMINIUM with an office at 132-15 41st Avenue, Flushing, N.Y. 11354, or its successor in such capacity.
Mortgage Representatives	- The representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of paragraph (B) of Section 8.6 of the By-Laws.
Offering Plan	- The document, as may be amended from time to time, filed with the New York State Department of Law which describes the Property and pursuant to which individual Units in the Condominium are offered for sale.
Operation of the Property-	The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
Permitted Mortgage	- Any mortgage covering a unit that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws.
Permitted Mortgagee	- Any holder of a Permitted Mortgage at the time in question.
Person	- A natural person, corporation, partnership, association, trustee or other legal entity.
Power of Attorney	- The document which is set forth in Part II of the Offering Plan, signed by Unit Owners, which appoints:

(i) the Board of managers as attorney-in-fact to acquire or lease, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon, together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine and to amend the Declaration, and By-Laws as authorized therein, and

(ii) the Sponsor as attorney-in-fact to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney.

Property - Includes the Land, the Building and all other improvements thereon, owned (subject to the title exceptions described herein) 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, which have been or are intended to be submitted to the provisions of the New York Condominium Act.

Purchase Agreement - Refers to the contract of purchase and sale for a Unit as set forth in Part II of the Offering Plan.

Purchaser - Any Person who has entered into an agreement with Sponsor to purchase any Unit and in not in default thereunder.

Recording Officer and Recording or Recorded - Shall have the meanings stated in Section 290 of the New York Real Property Law.

Rules and Regulations - 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.

Selling Agent - FLUSHING MANOR REALTY, LLC a New York Limited Liability Companies and Corporation with an office at 20 Ground Pine Court, Dix Hills, N.Y. 11746.

Special Assessments	- The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata in accordance with their respective interests (except as otherwise provided in the Declaration or in the By-Law), in accordance with paragraph (c) of Section 6.1 of the By-Laws.
Sponsor	- FLUSHING MANOR REALTY, LLC an entity formed in New York, 20 Ground Pine Court, Dix Hills, New York, 11746
Sponsor-designee	- Any Person designated by Sponsor to hold title to any Unsold Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a Sponsor-designee.
Unavoidable Delays	- Shall mean delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, shortage of or failure or inability to secure materials or labor, or lightning, earthquake, fire, storm, hurricane, flood washout, explosion, act of God or any cause whatsoever beyond the reasonable control of Sponsor whether or not similar to any of the causes hereinabove stated; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond the control of Sponsor.
Unit	- Any apartment in the Building designated as a Unit and owned in fee simple absolute.
Units	- The Condominium consist of one (1) building containing a total of twenty-three (23) Residential Units eight (8) Commercial Units and thirteen (13) parking spaces defined and located on floors numbered Cellar, one (1) through six (6), which Units are more

particularly described in Article 5 of, and Exhibit B to, the Declaration and in the Floor Plans.

Unit Deed - The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.

Unit Designation - The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.

Unit Owner - The Person or Persons owning a Unit in fee simple absolute. Collectively, Unit Owners means the respective owners of the Units.

Unsold Units - Any Unit owned by Sponsor or Sponsor-designee at the time in question.

SCHEDULE C TO THE DECLARATION OF CONDOMINIUM
OF THE PREMISES KNOWN AS
THE SHANGRI-LA CONDOMINIUM
132-15 41ST AVENUE, FLUSHING, NY 11354

BLOCK 5037 FKA LOT 105

Unit No.	Number of Rooms	Percentage of Common Interest	Tax Lot Number	Sq. Ft. Area Without Limited Common Elements	Common Elements To Which Unit Has Immediate Access	Sq. Ft. Limited Common Elements	Limited Common Elements to which unit has immediate access
CA	N/A	15.04%		4298	Cellar		
CB	N/A	2.67%		766	Cellar		
1A	N/A	1.83%		527	1st Floor		
1B	N/A	4.40%		1261	1st Floor		
2A	N/A	3.97%		1137	2nd Floor		
2B	N/A	2.69%		771	2nd Floor		
2C	N/A	4.72%		1350	2nd Floor		Terrace
2D	N/A	4.76%		1364	2nd Floor		Terrace
3A		2.15%		613	3rd Floor	35	Balcony
3B		1.95%		556	3rd Floor	14	Balcony
3C		2.04%		582	3rd Floor	188	Terrace
3D		1.88%		536	3rd Floor	213	Terrace
3E		2.95%		844	3rd Floor	259	Terrace
3F		2.87%		819	3rd Floor	14	Balcony
4A		2.15%		613	4th Floor	27	Balcony
4B		1.95%		556	4th Floor	14	Balcony
4C		2.04%		582	4th Floor	32	Balcony
4D		1.88%		536	4th Floor	32	Balcony
4E		2.95%		844	4th Floor	32	Balcony
4F		2.87%		819	4th Floor	14	Balcony
5A		2.15%		613	5th Floor	27	Balcony
5B		1.95%		556	5th Floor	12	Balcony
5C		2.04%		582	5th Floor	32	Balcony
5D		1.88%		536	5th Floor	32	Balcony
5E		2.95%		844	5th Floor	32	Balcony
5F		2.87%		819	5th Floor	12	Balcony
6A		2.54%		727	6th Floor	361	Terrace
6B		2.03%		580	6th Floor	32	Balcony
6C		1.87%		535	6th Floor	32	Balcony
6D		2.96%		845	6th Floor	32	Balcony
6E		2.52%		720	6th Floor	131	Terrace

SCHEDULE C TO THE DECLARATION OF CONDOMINIUM
OF THE PREMISES KNOWN AS
THE SHANGRI-LA CONDOMINIUM
132-15 41ST AVENUE, FLUSHING, NY 11354

BLOCK 5037 FKA LOT 105

Unit No.	Number of Rooms	Percentage of Common Interest	Tax Lot Number	Sq. Ft. Area Without Limited Common Elements	Common Elements To Which Unit Has Immediate Access	Sq. Ft. Limited Common Elements	Limited Common Elements to which unit has immediate access
P1		0.54%		153	1st Floor		
P2		0.54%		153	1st Floor		
P3		0.54%		153	1st Floor		
P4		0.54%		153	1st Floor		
P5		0.54%		153	1st Floor		
P6		0.54%		153	1st Floor		
P7		0.54%		153	1st Floor		
P8		0.54%		153	1st Floor		
P9		0.54%		153	1st Floor		
P10		0.54%		153	1st Floor		
P11		0.54%		153	1st Floor		
P12		0.54%		153	1st Floor		
P13*		0.00%		0	1st Floor		
Totals		100%		28567			
*P13 is handicapped parking, it is part of the common elements and not for sale.							

SCHEDULE D
TO THE DECLARATION

BY-LAWS

INTENTIONALLY OMITTED
(INCLUDED AS EXHIBIT
TO THIS OFFERING PLAN)

THIS PAGE INTENTIONALLY LEFT BLANK

BY-LAWS
OF
THE CONDOMINIUM
OF THE PREMISES KNOWN AS

THE SHANGRI-LA CONDOMINIUM

ARTICLE 1

GENERAL

Section 1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which lies in Block 5037 Lot 104-105 as shown on the Tax Map of the Borough of Queens, Queens County, City and State of New York; (ii) the Building, which includes, without limitation, the Units and the Common Elements; (iii) all easements, rights and appurtenances belonging thereto; and (iv) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of Article 9B of the New York Real Property Law, as amended, commonly known as the New York Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part.

Section 1.2 Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in the Declaration and Schedule B thereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 Applicability Of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1-4 Application of By-Laws. All present and future Unit Owners, Mortgagees, lessees sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, 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 1.5 Principal Office of the Condominium. The principal Office of the Condominium shall be located either at the Property or at such other place in the Borough of Queens reasonably convenient thereto as may be designated from time to time by the Board of Managers.

ARTICLE 2

BOARD OF MANAGERS

Section 2.1 General. As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Board of Managers. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Board of Managers shall act as, and shall be, the agent of the Unit owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws.

Section 2.2 Status of the Board of Managers. Unless and until the Board of Managers shall incorporate in accordance with the terms of Section 2.4 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board of Managers shall incorporate in accordance with the terms of Section 2.4 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board of Managers shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 Principal office of the Board of Managers. The principal office of the Board of Managers shall be located either at the Property or at such other place in the Borough of Queens reasonably convenient thereto as may be designated from time to time by the Board of Managers.

Section 2.4 Powers and Duties of the Board of Managers.

(A) 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, provided, however,

that the Board of Managers shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Board of Managers by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Board of Managers shall deem necessary or proper in connection therewith: (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;

(ii) to acquire, in the name of the Board of Managers or its designee, corporate or otherwise, and on behalf of the Unit owners, all rights, titles and interest in real and personal property deemed necessary or proper by the Board of Managers for use in connection with the ownership and operation of the Property as a residential condominium;

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property: (b) detailed books of account of the Board of Managers; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws, and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges And Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least two-thirds of the members of the Board of Managers shall be required for the borrowing of any sum in excess of $125,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of at least two-thirds, both in number and in

aggregate Common Interests, of all Unit Owners shall be required for the borrowing of any sum in excess of $125,000.00 in any one fiscal year regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of such Unit Owner; and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Board of Managers pursuant to this subparagraph (vi) shall not be repaid by the Board of Managers, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest 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;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well an other funds held by the Board of Managers or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements; to accumulate funds for use as a reserve fund for capital replacements or other purposes;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof. During the period that the Sponsor controls the Board, the insurance coverage shall not be less than that required by the regulations of the New York State Department of Law.

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) to obtain and keep in force officers' and Board of Managers Members' liability insurance, in amounts deemed appropriate by the Board of Managers, but in no event less than $1,000,000, for all members of the Board of Managers and all officers of the Condominium and the premiums on all such insurance shall constitute a part of the Common Expenses;

(xiii) to accept the surrender of any Unit pursuant to the terms of paragraph C of Section 6.2 hereof, in the name of the Board of Managers or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Board of Managers or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Board of Managers or its designees, corporate or otherwise, and on behalf of all Unit Owners;

(xvi) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Board of Managers or its designees shall in no event be entitled to vote the votes appurtenant to any such Unit;

(xvii) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners excluding Sponsor and any Sponsor-designee and any partner of any entity affiliated directly or indirectly with Sponsor for violation of the same (no fine may exceed $25.00 for any one violation, but, for each day a violation continues after notice, it shall be considered a separate violation);

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and By-Laws;

(xx) to organize corporations to act as the designees of the Board of Managers in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a residential condominium;

(xxi) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Board of Managers deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement or declaration affecting the Property that the Board of Managers deems necessary or appropriate;

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Board of Manager's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same; and

(xxiii) to carry out any other duties imposed upon the Board of Managers pursuant to the Declaration and these By-Laws.

(B) The Board of Managers shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the Owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 Certain Limitations on the Powers of the Board of Managers.

Notwithstanding anything to the contrary contained in these By-Laws, until Sponsor or Sponsor-designees convey title to all Units, but in no event later than five (5) years after the date of the First Unit Closing, Sponsor or Sponsor-designees have the right to veto any action of the Board of Managers to: (i) make any addition, alteration, improvement or change in or to the Common Elements, any Unit or the Building; (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; (iii) hire or replace any employee (in addition to the employees referred to in the Offering Plan); (iv) enter into, modify or terminate prior to the end of the term any management, service or maintenance contract; (v) borrow money on behalf of the Condominium; (vi) add to, delete from, modify or amend the Declaration, By-Laws, or Rules and Regulations of the Condominium, or; (vii) exercise a right of first refusal to lease or purchase a Unit; provided, however, that 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 (iv). for any repair or

replacement necessary for the preservation or safety of the building or the safety of its occupants. The Sponsor may not exercise veto power over expenses described in Schedule "B." Sponsor's power to veto other expenses ends 5 years after the closing of the first unit, or whenever the unsold units are less than 25% of the common interest, which ever is sooner.

Section 2.6 Exercise and Delegation of Powers and Duties.

(A) Any act within the power of the Board of Managers to perform, and deemed necessary or desirable to be performed by the Board of Managers, shall be performed by the Board of Managers or shall be performed on its behalf and at its direction by the agents, employees or designees of the Board of Managers.

(b) The Board of Managers may appoint an Executive Committee by duly adopted resolution, which 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 paragraph (D) of this Section 2.6 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. In addition, the Board of Managers may from time to time appoint, by duly adopted resolutions, such other committees as the Board of Managers may deem appropriate to perform such duties and services as the Board of Managers shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. 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.

(C) The Board of Managers may employ a Managing Agent to serve at a compensation to be established by the Board of Managers and to perform such duties and services as the Board of Managers shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Board of Managers may delegate to the Managing Agent any of the powers granted to the Board of Managers in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Board of Managers shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi). (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx) (xxi) and (xxii) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in Subsection (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Board of Managers, except to the extent permitted by Law.

Section 2.7 Number, Election and Qualification of Members. Until the first annual meeting of the Unit Owners held pursuant to the terms of Section 4 1 hereof, the Board of Managers shall consist of three individuals to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners, the Board of Managers shall consist of five individuals, four of whom are to be elected by the Unit Owners or designated by Sponsor or its designee pursuant to the terms of Section 4.9 hereof and one member shall be designated by Sponsor and Sponsor-designees at such meeting, if Sponsor so chooses. The number of members of the Board of Managers may not be increased without the consent of Sponsor or Sponsor-designees as owners of Unsold Units for so long as there remains two Unsold Units. Except for members designated by Sponsor or its designee pursuant to the terms of this Section 2.7 or of Section 2.10 or Section 4.9 hereof, all members of the Board of Managers 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 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. Other than members designated by Sponsor and Sponsor-designees. no member shall continue to serve on the Board of Managers after he or she ceases to be a Unit Owner or an interested party in a Unit Owner, as specified above.

Section 2.8 Term of Office of Members. The term of office of the three members of the Board of Managers prior to the first annual meeting of the Unit Owners shall expire when the five individuals to be elected or designated at such meeting are so elected or designated and qualified. The term of office of each of the five individuals elected or designated and qualified at the first annual meeting of the Unit Owners shall be for a period of one year. Notwithstanding anything to the contrary contained in this Section 2.8. however, each member of the Board of Managers shall serve until his or her successor shall be elected or designated and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Board of Managers may serve.

Section 2.9 Removal and Resignation of Members.

(A) Any member of the Board of Managers who was elected thereto either by the Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Board of Managers, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority in Common Interest of Unit Owners. Any member of the Board of Managers who was designated as such by Sponsor or its designee, pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed, with or without cause, only by Sponsor and Sponsor-designees, by giving written notice thereof to the Board of Managers. 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 thereat.

(B) Any member of the Board of Managers may resign his or her membership at any time by giving written notice thereof to the Board of Managers and, with respect to any member of the Board of Managers designated as such by Sponsor and Sponsor-designees, to Sponsor and Sponsor-designees. In addition, any member of the Board of Managers who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned his or her membership effective as of the date upon which such qualification shall cease.

Section 2.10 Vacancies.

(A) Any vacancy on the Board of Managers that is caused by the removal, resignation, or death of a member who was elected thereto by the Unit Owners shall be filled by an individual who is qualified to be a member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the members of the Board of Managers then in office. A special meeting of the Board of Managers shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Board of Managers that is caused by the removal, resignation, or death of a member who was designated as such by Sponsor and Sponsor-designees shall be filled by an individual designated by Sponsor and Sponsor-designees.

(C) Each member of the Board of Managers who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Board of Managers for the remainder of the term of the member he or she replaced subject to the provisions of Section 2.2 hereof, and until his or her successor shall be elected or designated and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 Organizational Meeting of the Board of Managers. The first meeting of the Board of Managers following each annual meeting of the Unit Owners shall be held within ten days of such annual meeting, at such time and place in Queens County as shall be both fixed informally by a majority of the members of the Board of Managers and designated in a written notice given to all members thereof by personal delivery, mail, or telegram not later than five business days prior to such date.

Section 2.12 Regular Meetings of the Board of Managers. Regular meetings of the Board of Managers may be held at such time and place in Queens County as shall be determined from time to time by a majority of the members thereof provided that at least four such

meetings shall be held during each fiscal year. Written notice of all regular meetings of the Board of Managers shall be given to each member thereof by personal delivery, mail, or telegram at least five business days prior to the day named for such meeting.

Section 2.13 Special Meetings of the Board of Managers. The President may call a special meeting of the Board of Managers whenever he or she deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of three or more members of the Board of Managers. Written notice of all special meetings shall be given to each member thereof by personal delivery, mail, or telegram at least five business days prior to the day named for such meeting, which notice shall state the time, place (in Queens County) and purpose of the meeting.

Section 2.14 Waiver of Notice of Meetings. Any member of the Board of Managers may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Board of Managers at any meeting shall constitute a waiver by his or her of notice of the time and place thereof. If all of the members of the Board of Managers are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 Quorum of the Board of Managers. For purposes of all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business. In connection therewith, one or more members of the Board of Managers may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at, the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Board of Managers, there shall be less than a quorum present, a majority of the members of the Board of Managers in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for lack of a quorum may be transacted without further notice.

Section 2.16 Conduct of Meeting. The President shall preside at all meetings of the Board of Managers, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full test of all resolutions duly adopted by the Board of Managers and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Board of Managers, shall govern the conduct of the meetings of the Board of Managers unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 Decisions by the Board of Managers. Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of a majority of the members of the Board of

Managers present at a meeting thereof at which a quorum is present shall constitute the decision of the Board of Managers. Alternatively, any decision that is required or permitted to be made by the Board of Managers may be made without a meeting thereof if all of the members of the Board of Managers shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Board of Managers.

Section 2.18 Compensation of Members. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 2.19 Common Interested Members of the Board of Managers. Each member of the Board of Managers shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Board of Managers and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Board of Managers are officers, directors employees, partners, fiduciaries. beneficiaries, or principals, or are otherwise interested, pecuniary or otherwise, shall be deemed either void or voidable because either (a) any such member of the Board of Managers was present at the meeting or meetings of the Board of Managers during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that the fact thereof is disclosed to, or known by, the Board of Managers or a majority of the members thereof or noted in the minutes thereof, and the Board of Managers shall authorize, approve, or ratify such contract or transaction in good faith by a vote of two-thirds of the entire Board of Managers, not counting the vote of such re. Any such member of the Board of Managers may be counted in determining the presence of a quorum of any meeting of the Board of Managers that authorizes, approves, or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 Liability of Managers.

(A) The members of the Board of Managers shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Board of Managers shall be liable thereto for his or her own bad faith or willful misconduct. In connection therewith, any member of the Board of Managers designated as such by Sponsor and Sponsor-designees shall not be deemed either to be in bad faith or to have committed willful misconduct by reason of any self-dealing in connection with any contract made, or other transaction entered into, between the Board of Managers and Sponsor or its agents, provided that any compensation paid, or to be paid, to Sponsor or its agents in connection with any such contract or transaction is disclosed in the Plan or an amendment thereto or in at competitive rates for goods sold or services rendered in Queens County.

(B) Every contract and other document executed, by or on behalf of the Board of Managers, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of the Board of Managers, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Board of Managers or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Board of Managers nor any member thereof shall be liable for:

(i) any failure or interruption of any services to be obtained by, or on behalf of, the Board of Managers or to be paid for as a Common Element; or

(ii) any injury, loss, or death to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) The Unit Owners shall severally indemnify and hold each of the Board of Managers harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was a member of the Board of Managers, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such Member. The liability of each Unit Owner on account of such indemnification will be limited to the extent specified in Section 4.12 hereof.

ARTICLE 3

OFFICERS

Section 3.1 General. The principal officers of the Condominium shall be the President, the Secretary and the Treasurer. The Board of Managers may appoint a Vice President, an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Board of Managers, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Board of Managers.

Section 3.2 President. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Board of Managers. The President shall have all of the general powers and duties that are incident to the office of President of a private 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 the members of all committees created by the Board of Managers from amongst the Unit Owners from time to time as he or she may decide, in his or her discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 Vice President. The Vice President, if any, shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable 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 be imposed upon him or her from time to time by the Board of Managers or by the President.

Section 3.4 Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers. The Secretary shall have charge of such books and papers and the Board of Managers shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Board of Managers or in the name of the Managing Agent in such depositories as may from time to time be designated by the Board of Managers and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 Election, Term of Office of Officers. Each of the officers of the Board of Managers shall be elected annually by a majority vote of the Board of Managers taken at the organizational meeting of each New Board of Managers and shall serve at the pleasure of the Board of Managers. The President and the Vice President, if any, shall be elected from amongst the members of the Board of Managers. The other officers of the Condominium, however, need not be Unit Owners or members of the Board of Managers and need not have any interest in the Condominium.

Section 3.7 Removal and Resignation of Officers. Any officer of the Condominium may be removed from office, with or without cause, by an affirmative vote of a majority of the members of the Board of managers at a meeting called for such purpose. In addition, any officer may resign at any time by giving written notice to the Board of Managers. Finally, if

the President or the Vice President of the Condominium shall cease to be a member of the Board of Managers during his or her term of office, such officer shall be deemed to have resigned his or her office effective upon the date upon which his or her membership shall cease.

Section 3.8 Vacancies. Any vacancy in an office shall be filled by a majority vote of the Board of Managers at any regular meeting of the Board of Managers or at a special meeting thereof called for such purpose.

Section 3.9 Compensation No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 Liability of Officers:(A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each officer of the Condominium shall be liable thereto for his or her own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Board of Managers and the Unit Owners pursuant to the terms of Sections 2.20 and 4.12 hereof, respectively) that the same is made or executed by such officers or persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for either: (i). any failure or interruption of any services to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense or (ii)any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to other arising from his or her acts or omissions an, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer.

ARTICLE 4

UNIT OWNERS

Section 4.1 Annual Meeting of the Unit Owners. The first annual meeting of the Unit Owners shall be held approximately one year after the First Unit Closing, at which meeting the incumbent three member Board of Managers shall resign and a successor five-member Board of Managers shall be elected by the Unit Owners and designated by Sponsor or its designees, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the last Tuesday in June of each year, unless such data shall occur on a legal holiday, in which event the meeting will be held on or about the succeeding business day. At each such subsequent meeting, the Unit Owners shall elect or the Sponsor or its designee shall designate, as the case may be, successors to the members of the Board of Managers.

Section 4.2 Special Meetings of Unit Owners The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Board of Managers or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than fifty (50%) percent of the Common Interests of all Unit Owners. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in Queens County as may be designated by the Board of Managers.

Section 4.4 Notice of Meetings.

(A) The Secretary of the Condominium shall give written notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote or designate members of the Board of Managers at such meeting which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, no later than ten business days prior to the day fixed for such meeting; however the mailing of such notice to any Unit Owner, addressed at the Property, at least fifteen days prior to the day shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than fifteen days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of 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 30 days prior to the day

fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 Quorum of the Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which more than fifty percent (50%) of the aggregate Common Interests appertain shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority in Common Interests of the Unit Owners 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 fixed for the original meeting.

Section 4.6 Conduct of Meetings. The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration these By-Laws, or the Condominium Act. All votes Of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(i) Roll call;

(ii) Proof of notice of meeting;

(iii) Reading of the minutes of the preceding meeting (unless waived);

(iv) Reports of officers of the Condominium;

(v) Reports of members of the Board of Managers;

(vi) Reports of committees;

(vii) Election of inspectors of election (when so required);

(viii) Election and designation of members of the Board of Managers (when so required); and

(ix) Unfinished business.

Section 4.8 Voting.

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own one or more

Unsold Units) shall be entitled to cast one vote at all Meetings of the Unit Owners for each .0001% of Common Interest attributable to his or her 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. In addition, neither the Board of Managers nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Board of Managers or such designee. 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.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two or more individuals, partnerships, corporations, associations, trustees or other entities (collectively 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 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 it takes. 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.

(D) The owner(s) of any Unit may designate any Person to act as a proxy on his or her behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designor and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no relocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the Secretary of such meeting. Except with respect to the designation of a permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as proxy shall be effective for a period in excess of six months after the date thereof.

(E) Except when otherwise required by Law or otherwise provided in the Declaration or in these By-Laws, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

Section 4.9. Election of Members of the Board of Managers

(A) Sponsor may have voting control of the Board of Managers if Sponsor and Sponsor-designees, as Unit Owners of Unsold Units, are able to cast more than fifty (50%) percent of the votes, or from two years from the date of the first unit closing, whichever occurs first.

(B) In addition to the right of Sponsor and Sponsor-designees under paragraph (A) above, so long as the Common Interests attributable to any Units owned by Sponsor or Sponsor-designees equals, in the aggregate, 15% or more of the Common Interests of all Units, Sponsor and Sponsor-designees shall have the right to designate one member of the Board of Managers. Sponsor and Sponsor-designees may waive such right in writing.

(C) Each Unit Owner entitled to vote for members of the Board of Managers pursuant to this Section 4.9 shall be entitled to cast one vote for each .0001% of Common Interest attributable to his or her Unit(s) par to be elected. However, nothing contained herein shall be deemed either to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one or more members to be elected. In addition, the terms of paragraphs (A) and (B) of Section 4.8 hereof shall apply to all elections of members of the Board of Managers.

(D) All elections of members of the Board of Managers shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation numbers(s) of the unit(s) owned by the voting Unit Owner; (iii) the amount of the Common Interest(s) appurtenant to such Unit(3); and (iv) the names of the candidates for whom such ballot in cast (the number of which names shall not exceed the number of members to be elected). Any ballot that is not cast in conformity with this paragraph (D) shall be discounted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election.

(E) All elections of members of the Board of Managers shall be determined by plurality vote.

Section 4.10 Action Without A Meeting: Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if Unit Owners, sufficient in number (both in absolute number and in aggregate Common Interests) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the

Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.11 Title to Units. Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.

Section 4.12 Contractual Liability of Unit Owners. Any contract made by the Board of Managers, by any officer of the Condominium, or by any superintendent or Managing Agent of the Property shall state (if obtainable and in addition to the limitation of liability of the members of the Board of Managers and the officers of the Condominium pursuant to the terms of Sections 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to (1) such proportionate shares of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners and (ii) such Unit Owner's interest in his or her Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 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:

(i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors and their frames and saddles (except painting the exterior side of Unit entrance doors and door backs), exposed plumbing, gas and heating fixtures and equipment, air conditioning units, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein) shall be performed by the owner of such Unit at such Unit Owner's cost and expense;

(ii) in or to the Common Elements (other than Limited Common Elements and any Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof), and the painting of the exterior of Units and Building and all entrance doors and door backs shall be performed by the Board of Managers as a Common expense; and

(iii) in or to the Limited Common Elements shall be performed (a) by the Board of Managers as a Common Expense, if involving structural or extraordinary maintenance, repairs, or. replacements (including, but not limited to. repairs not caused by the act or omission of the Unit Owner having direct and exclusive access thereto) or (b) by the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving nonstructural ordinary maintenance, repairs or replacements or if caused by the act or omission of such Unit Owner.

Promptly upon obtaining knowledge thereof, each Unit Owner shall report in writing delivered by certified mail to the Board of Managers or to the Managing Agent any defect or need for repairs for which the Board of Managers is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Board of Managers, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, repairs, or replacements to the Building or any part thereof, whether structural or non-structural, ordinary or extraordinary, if necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Board of Managers, the entire cost and expense thereof shall be borne by the Board of Managers as a Common Expense, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit, to the Buildings or to the Common Elements resulting from such Unit Owner's failure to maintain, repair or replace his or her Unit or any portion thereof as required herein.

(C) Each Unit in the Building and all other portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow , ice and accumulation of water with respect to any roofs or other part of the Property exposed to the elements) by the Unit Owner or the Board of Managers, whichever is responsible for the maintenance thereof as set forth herein and such Unit Owner or the Board of Managers, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas of the Building exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Board of Managers, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his or her .Unit.

Section 5.2 Alterations Additions, Improvements or Repairs in or to the Units in and to the Units and Limited Common Elements.

(A) A non-structural alteration to a Unit or its appurtenant Limited Common Element that does not adversely affect the structure of the Building or the value of other Units or the Common Element that cannot be sighted from 41st Avenue, and that complies with all laws, may be made by any Unit Owner without consent of the Board of Managers. Subject to the terms of paragraph (B) of this Section 5.2, no Unit Owner shall make any structural alteration, addition, improvement, or repair in or to his or her Unit or its appurtenant Limited Common Elements, without the prior written approval of the Board of Managers. In the event, however, that the Board of managers shall fail to answer any written, reasonably detailed request for such approval within 30 days after such request is received, such failure to respond shall constitute the Board of Manager's consent thereto. Prior to, and as a condition of, the granting of any such approval, the Board of Managers may, at its sole option, require that (i) all work shall be done by reputable contractors with adequate liability, property damage and workmens' compensation insurance (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction; (ii) the Unit Owner procure and agree to maintain during the course of such work such other insurance as the Board of Managers may reasonably prescribe; and (iii) the Unit Owner to execute an agreement, in form and substance satisfactory to the Board of Managers, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done and that any additions shall be maintained in their entirety by said Unit Owner who shall be responsible for any repairs, including structural repairs, to such additions in any event, and to the Unit and any Common Elements whose such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration. Anything contained herein to the contrary notwithstanding, until Sponsor or Sponsor-designees convey to all Units but in no event later than five (5) years after date of the First Unit Closing, Sponsor has the right to veto any action of the Board of Managers relating to any addition, alteration, improvement or change in or to the Common Elements, any Unit or any Building, provided, however, Sponsor may not veto such action if (1) such action is necessary to enable the Board of Managers of Managers or Unit Owner to comply with laws, rules regulations of any governmental authority having jurisdiction over the Condominium and (2) no other alternative is available after a discussion of the alternatives were considered at a meeting in which Sponsor was present, and further provided that Sponsor's veto is delivered by written notice within ten (10) days after Sponsor has notice of the proposed action.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor, any Sponsor-designee, any partner of any entity affiliated directly or indirectly with Sponsor, shall have the right pursuant to the terms of Article 15 of the Declaration, without the approval of the Board of Managers and without paying any cost

or charge to the Board of Managers to (i) make any alterations, additions, improvements, or repairs in or to any Units owned by them, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Units owned by them.

(C) All alterations, additions, improvements, and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Board of Managers shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereto for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit or its appurtenant Limited Common Elements, provided that, with respect to all such work of a structural nature (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Board of Managers pursuant to the terms of paragraph (A) hereof.

(D) Neither the Board of Managers nor any Unit owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her, or their Unit(s) and appurtenant Limited Common Elements shall incur any liability, cost or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor. materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property arising therefrom. Any Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her, or their Unit(s) and appurtenant Limited Common Elements shall agree (in a writing executed and delivered to the Board of Managers, if the Board of Managers shall request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Board of Managers, the members of the Board of Managers, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

Section 5.3 Alterations, Additions, or Improvements to the Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Board of Managers, and the cost and expense thereof shall constitute a Common Expense.

Section 5.4 Insurance

(A) If the same shall be obtainable, the Board of Managers shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk coverage, insuring the Property (including all Units, Limited Common Elements, Common Elements, the exterior face of all walls, ceilings and floors in Units (other than those walls, ceilings and floor

erected by a Unit Owner other than Sponsor) and finished by Sponsor in accordance with the action titled Description of Property and Specifications in the Offering Plan and all bathroom and kitchen fixtures and appliances installed therein by Sponsor but not including appliances or any furniture, fixtures, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners and excluding the Land and covering the interests of the Condominium, the Board of Managers, the officers thereof, all of the Unit Owners all Permitted Mortgagees, FLUSHING MANOR REALTY LLC, as the named insured, as their interests may appear, and the adjoining owner (to the extent required) as an additional insured. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Board of Managers and that all proceeds thereof shall be paid to either the Board of Managers or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee and its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either cancelled or substantially modified except upon at least 10 days, prior written notice to all of the insureds, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to all named insured and additional insured at least 10 days prior to expiration of the then current policies.

(B) The Board of Managers shall also obtain and maintain, to the extent practicable

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences due to his or her negligence; and

(ii) such other insurance as the Board of Managers shall from time to time determine.

(iii). During the period that the Sponsor controls the Board, the insurance coverage shall not be less than that required by the regulations of the New York State Department of Law.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another. Each of the aforementioned policies shall name the Persons described in paragraph (A) of Section 5.4 above as the named insured, an their respective interests may appear, or additional insured (to the extent required).

(C) All policies of insurance to be maintained by the Board of Managers shall contain such limits as the Board of Managers shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Board of Managers pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to the lessor of the full replacement cost of the Building, exclusive of excavation and foundations, without deduction for depreciation, or the amount of insurance necessary to avoid the effects of coinsurance an approved by a fire insurance company, a qualified insurance broker, or another qualified source; and

(ii) with respect to insurance policies maintained by the Board of Managers pursuant to subparagraph (i) of paragraph (3) hereof, such policies shall contain single limits of not less than $1,000,000 in the aggregate until the first regular meeting of the first five-member Board of Managers elected by the Unit Owners and will also cover cross-liability claims of one insurer against another.

Any insurance policies maintained by the Board of Managers may also provide for such deductible amounts as the Board of Manager shall determine. The Board of Managers shall review the limits of each insurance policy. as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Board of Managers pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trusts appointed by the Board of Managers pursuant to the terms of these By-Laws, shall be borne by the Board of Managers as a Common Expense, subject to the adjustment provided in Section 6.1 of these By-Laws.

(E) Unit Owners shall not be prohibited from carrying and are advised to carry other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing the insurance maintained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 5.5 Casualty or Condemnation.

(A) In the event that either (i) any portion of the Property is damaged or destroyed by fire or other casualty (hereinafter referred to as a Casualty Loss) or (ii) the Common Elements or any part thereof are taken in condemnation or by eminent domain (hereinafter referred to as a Taking), the net insurance proceeds payable under insurance policies maintained by the Board of Managers pursuant to the terms of Section 5.4 hereof by reason of Such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Board of Managers, if the same shall be $250,000.00 or less in the aggregate, or the Insurance Trustee, if the same shall exceed $250,000.00 or less in the aggregate. In either instance, all such monies actually received (hereinafter referred to as the Trust Funds) shall be held in trust for the-benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (k) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, its appurtenant Limited Common Elements, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he or she may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Board of Managers shall arrange for the prompt repair or restoration (hereinafter referred to as the Work) of: (I). In the event of a casualty loss, the portions of the Property (including all Units, the exposed face of all walls, ceilings and floors in the units, other than those walls ceilings and floors erected by a Unit owner other than the Sponsor) as finished by Sponsor in accordance with the Section of the Offering Plan entitled Description of Property and Specifications and all bathroom and kitchen fixtures installed therein by Sponsor, but not including appliances or any furniture, fixtures, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclosed Units and other Common Elements, or any combination of the foregoing, the Work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. In addition, each Unit Owner whose Unit, its appurtenant Limited Common Elements, or any portion thereof shall be the subject of all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any reconstruction of his or her Unit and/or such Limited Common Elements.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Board of Managers shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excesses shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of said Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph and for any projected deficiency in the amount of the Trust Funds available to the Board of Managers and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including. without limitation, any Permitted mortgagee).

(D) If either 75% or more of the Units are destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Sponsor or its designee, if Sponsor or such designee shall then own any Units), both in number and aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and 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 not proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered useable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the

Omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate Only to the extent of any proceeds of rent insurance actually collected by the Board of Managers with respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total fair value of such Unit after such taking bears to the total fair value of such Unit prior to such taking. The Board of Managers shall promptly prepare and record an amendment to the Declaration reflecting the New Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Units and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board of Managers and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

(G) As used in this Section 5.5, the terms:

(i) prompt repair or restoration shall mean that the Work is to be commenced not more than either: (a) 60 days after the date upon which the Insurance Trustee notifies the Board of Managers and the Unit Owners that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) 90 days after the date upon which the Insurance Trustee notifies the Board of Managers and the Unit Owners that it has received Trust insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust funds are payable to the Board of Managers pursuant to the terms of paragraph (A) of this Section 5.5, 60 days after the date upon which the Board of Managers notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) promptly resolve shall mean that a resolution shall be duly made not more than 60 days after the date upon which the Board of Managers or the Insurance Trustee, as the case may be, notifies the Unit Owners that it has received the Trust funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Board of Managers shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 Use of the Property.

(A) No nuisance or immoral activity shall be committed or permitted to occur in or about any Unit or upon any part of the Common Elements, nor shall any use or practice be allowed in a Unit that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit owners or the Board of Managers, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any unit or the Common Elements be altered or removed.

Section 5.7 Use of the Units.

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) Each Unit shall be used only as a residence. Notwithstanding the foregoing, however, a portion of a Unit may be used for any home occupation, including as a professional office, by the resident thereof provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Unit, applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. No illuminated or other sign may be used in

connection with the aforementioned use without the prior written consent of the Board of Managers.

(C) A 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 directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees or partnership fiduciaries), 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 (however, nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests). Additionally, in no event shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph © may be accommodated therein).

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Board of Managers or the Unit Owners;

(i) grant Permission for the use of any residential Unsold Unit for any home occupation, including as a professional office by the resident thereof provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such residential Unsold Unit; and

(ii) use any one or more residential Unsold Units as model units and offices for the sales, promotion, rental, at and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

Section 5.8 Use of the Common Elements.

(A) Subject to the terms of paragraphs (B) and (C) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Buildings) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, doormats, packages or objects of any kind shall be placed in or on any part of the Common Elements, including but not limited to the lobby vestibule, public hall and stairways, (except for those areas designated as storage areas, if any) without the prior written consent of the Board of Managers.

(B) The owner or owners of any two or more Units, if such Units are the only Units serviced or benefited by any Common Element adjacent or appurtenant to such Units or (for example, that portion at the end of any hallway that is directly adjacent to any such Units located on opposite sides of such hallway) shall, with the consent of the Board of

Managers (which consent shall not be unreasonably withheld or delayed), have the right to use such Common Elements exclusively, as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such event, however, such owner or owners shall, at his, her or their sole cost and expense, both (i) operate, maintain and repair such Common Elements for so long as such owner or owners exercise such exclusive right of use and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor or its designee for so long as there are any residential Unsold Units. So long as Sponsor any Unit, Sponsor or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Buildings or adjacent to any entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage or operate Unsold Units, to complete any work or repairs to the Buildings expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Offering Plan and the Condominium Documents. In addition, Sponsor and its designee shall be entitled to exercise the rights set forth in paragraph (B) of this Section 5.8 with respect to any residential Unsold Unit(s) without the necessity of obtaining the consent of either the Board of Managers or any other Unit Owners. In no event, however, shall Sponsor or such designee be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Section 5.9 Rights of Access.

(A) subject to the rights of existing tenants and other occupants of residential Unsold Units, each Unit Owner shall grant to the Sponsor, to the Board of Managers, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a permanent right of access to his or her Unit and its appurtenant Limited Common Elements for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions

originating in his or her Unit and threatening another Unit or all of a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his or her Unit or elsewhere in the Buildings;

(iv) reading, maintaining, or replacing utility motors relating to the Common Elements, to his or her Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Buildings or for the safety of the occupants of the Buildings or other individuals, or required to avoid the suspension of any necessary service in the Buildings), the foregoing rights of access shall be exercised only upon not less than one day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units and their appurtenant Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to his or her Unit and its appurtenant Limited Common Elements, and the Board of Managers shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Offering Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Limited Common Elements, in such a manner as will unreasonably interfere with the use of such Unit and Limited Common Elements for their permitted purposes.

Section 5.10 Modification of the Rules and Regulations. The Board of Managers shall have the right to amend, modify, add to, or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of a majority in Common interests of Unit owners. Notwithstanding the foregoing, as long as Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor owns title to one or more Units, the Rules and Regulations may not be amended in a manner which would, in the sole discretion of Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor, adversely affect such Persons in any way, unless each such Person gives its prior

written consent to such amendment. Copies of the text of any amendments, modifications, addition, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty days prior to the effective date thereof.

Section 5.11 Real Estate Taxes, Water Charges and Sewer Rents. Water for the Buildings shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, (i) the Unit Owners shall pay to the Board of Managers at least 15 days before same became due and payable the cost of any such taxes, charges and rents as a Special Assessment, (ii) the cost thereof shall be allocated among the owners of the Units in proportion to each Unit's Common Interest, and (iii) the Board of Managers shall collect such monies from the Unit Owners, hold such monies in trust and promptly pay such taxes, charges and rents before they are due, all as agent for the Unit Owners. In the event of a proposed sale of any Unit, the Board of Managers (for so long as the Board of Managers is still paying such real estate taxes, water charges and sewer rents as agent for the Unit Owners) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchasers title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

The Board of Managers may act as an agent of each Unit Owner who has given his or her written authorization to complain or apply to the board of assessment review or the assessing agency by filing a single complaint on behalf of all such Unit Owners and to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and may charge all such Unit Owners a pro-rata share of expenses, disbursements and legal fees, for which charges the Board of Managers shall have a lien pursuant to the terms of these By-Laws.

Section 5.12 Utilities Serving the Common Elements. The cost and expense of water, steam, electricity and gas serving or benefiting any Common Element shall be (i) considered part of the expense of maintaining such Common Element, (ii) determined by the Board and (iii) charged to the Unit Owners as a Common Expense.

Section 5.13 Records and Audits.

(A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of accounts shall include, without limitation, (i) a listing of all receipts of and expenditures by the Board of Managers and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within four months after the and of each fiscal year of the Condominium, the Board of Managers shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Board of Managers as a Common Expense.

(C) The books of account and records of the Condominium may be examined by Unit Owners at convenient hours on weekdays.

ARTICLE 6
COMMON CHARGES

Section 6.1 Determination of Common Expenses & Fixing of Common Charges.

(A) From time to time, but not less frequently than once a year, the Board of Managers shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the limitations set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges among the Unit Owners pro-rata, in accordance with their respective Common Interests. This allocation and assessment of Common Charges is based upon the exclusive use of Limited Common Elements by certain Unit Owners, in a manner different from common profits and expenses and is expressly authorized hereby in accordance with Section 339-m of the Real Property Law. The Board of Managers shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them and, not later than 10 days next preceding the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. The Board of Managers may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such now determination. Notwithstanding the foregoing, however, the Board of Managers shall not reduce the Common Charges payable during any year occurring within a period when Sponsor owns Units having more than 50% of the Common Interests of all Units solely as a result of either reducing the number of employees of the Condominium below the number employed for the Property on the date of recording the Declaration, or eliminating or reducing any service or reducing the insurance coverage below that provided for the Property

an such date, except with the concurrence of a majority of the members of the Board of Managers elected by Unit Owners other than Sponsor or its designee.

(B) The failure or delay of the Board of Managers to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be doomed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis Of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges Payable by the Unit Owners until a now determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Board of Managers shall have the right, subject, in all respects, to the limitations contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owners in proportion to their respective Common Interest and may be payable either in one lump sum or in installments, as the Board of Managers shall determine, provided, however, that the Board of Managers shall give each Unit Owner not less than 15 days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purposes thereof. The Board of Managers shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining 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 Board of Managers and applied against the Common Expenses for the year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Board of Managers against the Common Expenses for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Board of Managers shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interest. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue derived from the rental or use of any space in any Buildings be deemed to be derived from the rental or use of any floor slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

Section 6.2 Payment of Common Charges.

(A) All Unit Owners (including Sponsor and Sponsor-designees with respect to Unsold Units, for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Board of Managers pursuant to the terms of Section 5.1 thereof at such time or times (but not less than annually) as the Board of Managers shall determine. Unless otherwise determined by the Board of Managers, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Board of Managers shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and to any sums unpaid on a Permitted First Mortgage of record thereon.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his or her Units subsequent to a sale, transfer, or other conveyance by his or her of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his or her acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgage acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale hold with respect to a Permitted First Mortgage shall not be liable. and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise). the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessment that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his or her Unit, together with its Appurtenant Interests, to the Board of Managers or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefore and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit and (iv) at the time of conveyance, and in the event that the Unit Owner shall deposit with the Board of Managers an amount equal to the product of the then

current monthly debt service on the Permitted Mortgage multiplied by 24. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Board of Managers and thereby exempt itself from Common Charges and any Special Assessments attributable to such Unit thereafter accruing.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his or her Unit (except with respect to a conveyance of the same to the Board of Managers, without compensation, pursuant to the terms of paragraph (c) hereof. Except as expressly provided to the contrary in paragraph (3) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Section 5.1, 5.2 or 5.3 hereof; or (iii) any action taken by the Board of Managers or the officers of the Condominium to comply with Law.

(E) Notwithstanding anything to the contrary, until such time as Sponsor has substantially completed construction of all the Units and Common Elements, Sponsor's obligation to pay Common Charges and Special Assessments with respect to Unsold Units shall not exceed the amount by which the actual operating costs of the Condominium (including reserves authorized hereunder) shall exceed the sum of the Common Charges and Special Assessments levied on Unit owners (other than Sponsor).

Section 6.3 Statement of Common Charges. The Board of Managers shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine books of account of the Condominium at reasonable times on weekdays.

Section 6.4 Default in Payment of Common Charges.

(A) The Board of Managers shall take prompt action to collect any Common Charges due to the Board of Managers that remains unpaid for more than fifteen (15) days after the due date for the payment thereof. In connection therewith, the Board of Managers shall have the right to cause liens for all sums due and owing to the Board of Managers to be filed with the Register's Office pursuant to the terms of Section 399-s of the Condominium Act to cause such liens to be foreclosed in the manner provided in Section 399-aa of the Condominium Act and/or to institute all other proceedings necessary or desirable by the Board of Managers to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Board of Managers by reason of such nonpayment pursuant

to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges; however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges or Special Assessments, such Unit Owner shall be obligated to pay each month a late charge of five (5) cents for each dollar of such amounts which remain unpaid for more than five days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), together with all costs and expenses paid or incurred by the Board of Managers, the Managing Agent, or the member(if any) in connection with collecting such unpaid Common Charges or Special Assessment with interest at the rate of two (2%) percent per month (but in no event in excess of the maximum rate permitted by law) and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. The late charge shall be imposed for each month that the Common Charges shall remain unpaid for any portion of the month. In addition, if the Board of Managers shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of his or her Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges or Special Assessments payable by such Unit Owner.

(C) In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Board of Managers shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage. convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the Unit). 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. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1 General. Subject to the terms of Section 7.5 hereof, no Unit Owner may sell or lease his or her Unit except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Board of Managers, and, if the Board of Managers shall so elect, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Board of Managers to institute legal proceedings to eject the purported purchaser (in the

event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Board of Managers for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2 Right of First Refusal.

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Unit together with its Appurtenant Interests and apportioned Limited Common Element, if any, and any lease of a Unit (hereinafter collectively referred to as a Sale or Lease Agreement) 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 OR THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 and 7.3 OF THE BY-LAWS OF THE SAID CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED. Promptly after any such contract of sale or lease shall be fully executed, the Unit Owner executing the same (hereinafter referred to as the Offeree Unit Owner) shall send written notice thereof to the Board of Managers by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the contract of sale or the lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the Outside Offeror).

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his or her Unit, together with its Appurtenant Interests and apportioned Limited Common Element, if any, and, or to lease his or her Unit, as the case may be, to the Board of Managers or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section 7.3 hereof. 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 Sale or Lease Agreement 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 Sale or Lease Agreement as the Board of Managers may reasonably request.

(C) The Board of Managers may elect, by sending written notice thereof to the Offeree Unit owner by certified or registered mail not later than 15 business days after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests and apportioned Limited Common

Element, if any, or to lease such Unit, as the case may be (or to cause the same to be purchased or learned by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same term and conditions as were contained in the Sale or Lease Agreement at and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Board of Managers shall not exercise any option set forth in this Section 7.2 to purchase or lease any Unit without the prior approval of a Majority in Common Interests of Unit Owners.

Section 7.3 Acceptance of Offer.

(A) In the event that the Board of Managers shall elect, within the time provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant Interests and apportioned Limited Common Element, if anyone to lease such Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within 45 days after the day upon which the Board of Managers shall give notice of its election to accept such offer.

(B) If such Unit and its Appurtenant Interests and apportioned Limited Common Element, if any, are to be purchased by the Board of Managers or its designee on behalf of all Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Board of Managers may levy a Special Assessment against each Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Board of Managers may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interests and apportioned Limited Common Element, if any. In addition, if the Outside Offeror was to seems or to take title to the Unit subject to the Offeree Unit Owner's existing mortgage. or mortgages pursuant to the Sale or Lease Agreement, the Board of Managers may purchase the Unit and assume or take title thereto subject to such mortgage or mortgages, as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interests and apportioned Limited Common Element, if any, to the Board of Managers or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 399-0 of Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offerees Unit Owner who shall also pay all other transfer taxes, gains taxes and any other taxes arising out of such sale notwithstanding any terms of the Sale or Lease Agreement to the contrary. Real estate taxes (including water charges and sewer charges, if separately assessed), mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Board of Managers or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Unit shall be held, so long as the same is owned by the Board of Managers or its

designee, on behalf of all Unit Owners, as tenants-in-common, in proportion to their respective Common Interests, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit and the entire Property, as herein provided.

(C) In the event that such Unit is to be leased by the Board of Managers or its designee on behalf of all Unit Owners, the Offeree Unit Owner shall execute and deliver to the Board of managers or such designee a lease covering such Unit by and between the Offeres Unit Owner, as landlord, and the Board of Managers or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Sale or Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein and shall comply with paragraph (C) of Section 7.4. Notwithstanding anything to the contrary set forth hereinabove or in the Sale or Lease Agreement, however, such lease shall expressly provide that the Board of Managers or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 Failure to Accept Offer.

(A) In the event that the Board of Managers shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the time set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within one hundred and twenty days after (i) notice of refusal is sent to the Offeree Unit Owner by the Board of Managers or (ii) the expiration of the period within which the Board of Managers or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such 120-day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests and apportioned Limited Common Elements, if any or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2,7.3 and 7.4 hereof.

(B) Any deed of a Unit and its Appurtenant Interests and apportioned Limited Common Elements, if any to an Outside Offeror 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.

(C) Each lease of a Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Board of Managers. Notwithstanding the

foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be materially amended or modified, or extended without the prior written consent of the Board of Managers in each instance;

(ii). the tenant thereunder shall not assign his or her interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Board of Managers in each instance; and

(iii) the Board of Managers shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-x of the Condominium Act.

Section 7.5 Termination of and Exceptions to The Right of First Refusal

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a 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. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests and apportioned Limited Common Elements, if any may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Board of Managers shall furnish or cause the Managing Agent to furnish such certificate upon written request to any Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Board of Managers (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed acknowledged and issued by the Board of Managers or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Sections 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease, or conveyance of a Unit, together with its Appurtenant Interests and apportioned Limited Common Elements, if any by:

(i) the Owner of such Unit either to any of his or her adult Family Members, to any combination of the same, or to a trust for the benefit of any of them or, with respect to a Unit Owner that is not an individual, or to any affiliate of such Owner. Notwithstanding anything to the contrary contained in subsection (B) above, the Owner shall comply with the notice requirements of Section 7.2(A);

(ii) Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor;

(iii) the Board of Managers;

(iv) any proper officer conducting the sale of 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 or her nominee, who has acquired title to any Unit at any foreclosure sale of his or her Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction;

(vi) Owner of such Unit by gift, as a devise by will or through intestacy; provided, however, that each succeeding Unit owner shall be bound by. and his or her Unit shall continue to be subject to, all of the terms and conditions of this Article 7. The sale, lease or conveyance by any of the Persons described in this paragraph (B) shall be on such terms as such Persons shall determine and with respect to leasing, without limitation as to the rental to be charged therefor except such rents shall not be in violation of any applicable law.

(vii). The sale of lease of a unit by the Board of Managers must be approved by at least 50% of the unit owners, both in number and in common elements.

Section 7.6 No Severance of Ownership No Unit Owner shall execute any deed or other instrument conveying title to his or her Unit without including therein its Appurtenant Interests or its apportioned Limited Common Element, if any, 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 letter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests or its apportioned Limited Common Element, if any 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 and which such Limited Common Elements are included 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 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 Payment of Common Charges. No Unit Owner shall be permitted to convey or lease his or her Unit unless he or she shall have paid in full to the Board of Managers all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

Section 7.8 Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the now Unit Owner shall duly execute, acknowledge and deliver to the representative of his or her title insurance company (or, if no such representative is present, to Sponsor or its designee, or, if Sponsor or its designee in not then the owner of any Unsold Unit, to the Board of Managers) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form required by the Board of Managers.

Section 7.9 Gifts and Devises, Etc. Any Unit Owner shall be free to convey or transfer his or her Unit, together with its Appurtenant Interests and its apportioned Limited Common Element, if any, 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 or her Unit shall be subject to, the provisions of this Article 7.

Section 7.10 Fees and Charges. The Board of Managers shall have the right to require the Offeree Unit Owner to pay a fee to the Board of Managers and/or the Managing Agent to cover reasonable expenses of the Board of Managers and the Managing Agent in connection with the sale or lease of a Unit pursuant to the provisions of this Article 7 except such charges and fees shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor. Any other fees in connection with the sale or lease of a Unit may only be enacted by action of Unit Owners except any such fee shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor.

ARTICLE 8
MORTGAGING OF UNITS

Section 8.1 General. Each Unit Owner shall have the right to mortgage his or her Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his or her unit, or the holder of such mortgage, shall supply the Board of Managers at its request with the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. Any Unit Owner who

satisfies a mortgage covering his or her Unit shall so notify the Board of Managers and shall file a conformed copy of the satisfaction of mortgage with the Board of Managers. The Secretary of the Condominium shall maintain such information in a book entitled Mortgagees of Units.

Section 8.2 Restrictions on

(A) No Unit Owner shall be permitted to mortgage, pledge or hypothecate his or her Unit unless and until he or she shall have paid in full to the Board of Managers all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging or hypothecating title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including any such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

(C) Any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions thereto as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association, or other institutional or non-institutional lender to make the mortgage loan.

Section 8.3 Notice of Unpaid Common Charges Default. Whenever requested in writing by a Permitted Mortgagee, the Board of Managers shall promptly report to such Permitted Mortgagee any default by his or her 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 as then exists. The Board of Managers shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his or her Permitted Mortgagee, if so requested. however, the Board of Managers shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his or her mortgagor under the Condominium Documents. provided that (i) the Board of Managers shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Board of Managers shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Board of Managers shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Board of Managers pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 Performance by Permitted Mortgagees. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his or her Permitted Mortgagee, and the Board of Managers shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 Examination of Books. Each Permitted mortgagee 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 8.6 Consent of Mortgagees; Designation of Mortgage Representatives.

(A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgages 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 mortgages against his or her mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or those By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) 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 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 of these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) 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 Permitted Mortgagees who hold Institutional 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 9

CERTAIN REMEDIES

Section 9.1 Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed including, without limitation, any breach of his or her obligation to paint, decorate, maintain, repair, or replace his or her Unit or its appurtenant Limited Common Elements pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Board of Managers, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five-day period and, thereafter, to prosecute such cure with due diligence to completion), the Board of Managers shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common elements and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. in addition, in the event that the Board of Managers shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of a Building or the Property or for the safety of the occupants of a Building or the Property or other individuals or is required to avoid the suspension of any necessary service in a Buildings or to the Property, the Board of Managers may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to a notice to cure such violation or breach.

Section 9.2 Abatement and Enjoinment.

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, the Board of Managers shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

(B) The violation or breach of any of the terms of the Condominium documents with respect to any rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 Remedies Cumulative. The remedies specifically granted to the Board of Managers or to Sponsor or its designee in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Board of Managers or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by (i) the Board of Managers in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or broach of the Condominium documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Board of Managers or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Board of Managers or the Unit Owner) to Sponsor, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two (2%) percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Board of Managers pursuant to the terms of this Section 9.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 Procedure. Any matter permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any Successor organization thereto. In the event that the American Arbitration Association shall not than be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the Queens County. The decision of the arbitrator so chosen shall be given within 10 days after his or her selection or appointment.

Section 10.2 Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

If any dispute arises between Commercial and Residential Owners concerning special allocation of assessment, it will be resolved through Arbitration, before the American Arbitration Association.

Section 10.3 Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a

matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 4.1 hereof shall be non-binding.

Section 10.4 Costs and Expenses.

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Board of Managers in connection with any arbitration held hereunder, including without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE 11
NOTICES

Section 11.1 General. All notices required or desired to be given hereunder shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Board of Managers, to the Board of Managers at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor or its designee, to such Unit owner at his or her address at the Property;

(iii). if to Sponsor or its designee, to Sponsor or such designee, with a copy to Thomas E. Berinato, Esq., 123-40 83rd Avenue, Suite 1D, Kew Gardens, N.Y. 11415; or

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Board of Managers.

Any of the foregoing parties may change the address to which 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 term of this Section 11.1 shall be deemed given when deposited in a United States Postal Service depository located in the

State of New York enclosed in 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 11.2 Waiver of Service of Notice. Whenever any notice is required to be given by Law or 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.

ARTICLE 12

AMENDMENT TO BY-LAWS

Section 12.1 General.

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments (hereinafter referred to as "Special Amendments") affecting or in favor of Sponsor or its designee, any Unsold Unit(a), and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of not less than 66 2/3% in number and aggregate Common Interests or all Unit Owners either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the County Clerk's Office by or on behalf of the Board of Managers an attorney-in-fact of all Unit Owner, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. to such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the County Clerk's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

the provisions of the By-Laws relating to the Use Of Units or the Common Interest appurtenant to or Common Interest allocated to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in

paragraph (E) of Section 5.5 hereof; no amendment, modification, addition, or deletion agreed to pursuant to the terms of paragraph (A) hereof shall be effective without the prior written consent of the Mortgage Representatives, if any, provided, however, that no such consent shall be unreasonably withheld or delayed; and

(iii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted (in addition to the consent, if required, of the Mortgage Representatives as provided above) without the consent of more than eighty percent in number and in aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition, or deletion in writing.

Section 12.2 Special

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor or its designee without the consent of the Board of Managers or the Unit Owners shall be embodied in an instrument executed and recorded in the County Clerk's Office by Sponsor or such designee as attorney-in-fact of both the Board of Managers and all Unit owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or such designee, certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or such designee pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be set forth in the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the County Clerk's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws or the Rules and Regulations of the Condominium shall be effective in any respect against Sponsor or Sponsor-designee, any Unsold Unit or the holder of any present or future mortgage, pledge, lien, or security agreement covering any Unsold Unit, unless and until Sponsor, Sponsor-designee and/or such holder (as the case may be) shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to Section 5.4 or 5.5, paragraph (B) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5, or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 General. Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or subleasee of a Unit Owner, an occupant of a Unit, a member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 Failure to Refusal to Act.

(A) If 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 days after request therefor, to take any action that such Unit Owner or Person is required to deliver or to take pursuant to these By-Laws, then the Board of Managers is hereby authorized, as attorney-in-fact for 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 such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Board of Managers, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to make or deliver any instrument, or fails or refuses, within ten 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, then Sponsor 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 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 14

Miscellaneous

Section 14.1 Inspection of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Typical Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board of Managers and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2 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 14.3 Conflicts. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 Severability. If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 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 assigns of Sponsor or, with the consent of Sponsor, any transferee of all of the then Unsold Units.

Section 14.6 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 14.7 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 those By-Laws or the intent of any provision hereof.

Section 14.8 Real Estate Tax Assessments. Real estate tax assessments against each Unit may be appealed by the owner of such Unit. The Board of Managers, may, at its option, appeal the real estate assessments against one or more Units.

Section 14.9 Qualifications of Managers: After the initial Sponsor control period, a Majority of the board of managers must be owner occupants or members of an owner occupant's household who are unrelated to the sponsor or its principals.

Addendum to the By-Laws of

The Condominium of the

Premises Known as

THE SHANGRI-LA CONDOMINIUM

RULES AND REGULATIONS

1. The Units may be used only for private residential use, except that a Unit Owner may use a portion of his or her Unit for any home occupation use, including as a professional office, permitted under the then existing Certificate of Occupancy covering such Unit, applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. In the event that any 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. No illuminated or other sign may be used in connection with the aforementioned use without the prior written consent of the Board of Managers. Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise shall be conducted, maintained or permitted in any part of the Units or Common Elements.

2. No "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising shall be maintained or permitted in any Unit or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. Notwithstanding the foregoing, Sponsor and Sponsor-designees reserve the right to place "For Sale", "For Rent", "For Lease, or similar signs on any unoccupied Units or Unsold Units.

Notwithstanding the foregoing, Sponsor and Sponsor-designees also shall have the right to place 'For Sale", "For Rent", "For Lease" or similar signs on or in the vicinity of the Buildings. Additionally, as previously set forth, Sponsor, and its designees, reserves the right to maintain and staff one or more vacant and Unsold Units as a sales office and/or model Unit.

3. No window guards or other window decorations shall be used in or about any Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property be colored or painted.

4. No exterior shades, window guards, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any 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 nor shall anything be projected out of any window of any Unit without similar approval.

5. No radio or television aerial shall be attached to or hung by a Unit Owner from the exterior of the Buildings without written approval of the Board of Managers and nothing shall be projected from any window of a Unit without approval in writing by the Board of Managers or the Managing Agent. Upon request of any Unit Owner, the Board of Managers shall allow the installation of any hook up necessary to provide cable television service to the Units.

6. No Unit Owner shall be allowed to put his or her name on any entry to the Buildings or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes. Except as otherwise provided in the Condominium Documents, no sign, notice, lettering or advertisement shall be inscribed or exposed on or at any window, door, or other part of a Unit or adjoining Common Element without prior written approval of the Board of Managers, nor shall anything be projected out of any window of the Buildings without similar prior written approval.

7. No exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any Owner in any manner. No exterior walls adjacent to the patios shall be painted except as approved by the Board of Managers.

8. Plantings on any patio 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 patio 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 the 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 patio, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. Unit Owners may not remove nor permit to be removed any existing trees on the patios.

9. Each Unit Owner shall keep his or her Unit and its appurtenant Limited Common Elements in a good state of preservation, condition, repair and cleanliness.

10. No fences or permanent barriers are permitted on the patios.

11. No lockable gates where there are fences are allowed in order to permit egress through the patios and maintenance of the Common Elements by the Superintendent.

12. A Unit Owner with the exclusive right to a patio may not use the patio for cooking except for occasional barbecues.

13. The area of the patio beneath the fire escapes drop ladder shall be clear of any objects at all times.

14. All garbage and refuse from the Buildings shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose and placed in the garbage receptacles which have been provided by the Condominium.

15. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung or shaken from any doors, windows, fire escapes or backyards, or placed upon the window sills, of the Buildings, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom. Any laundry line installed in the patios shall not interfere with or hinder the exit passage at the gates in the patios.

16. Unit Owners shall be permitted to keep animals as pets provided that any pet does not interfere with the use and enjoyment of the Property or any Buildings by the other Unit owners. In no event shall dogs or cats be permitted in any of the public portions of the Property unless carried or on a leash. Each Unit Owner who keeps an animal in his or her Unit shall indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having an animal in the Buildings. Notwithstanding the foregoing, the Board of Managers shall have the right to limit the number of animals kept by a Unit Owner or to prohibit an animal, which the Board of Managers determines to be interfering with the use and enjoyment of the Property or Buildings by the other Unit Owners. Animals shall not be kept and perishable goods shall not be stored on the patios.

17. No unlawful use shall be made of the Property or any part thereof, and all valid law, 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 eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

18. No Unit shall be used or occupied in such manner as to constitute a nuisance and no immoral activity shall be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

19. 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 or her Unit or its appurtenant 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 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 repair work is necessitated by an emergency. No Unit Owner shall, make, cause or permit any loud music, noise or bright lights in the patios which may interfere with the rights, comforts or conveniences of the other Unit Owners or neighbors to the Buildings.

20. A11 damage to the Buildings or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such articles

21. Any damage to the Buildings or equipment caused by Unit Owners, Unit Owners' Family Members, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

22. No Unit Owner or any Unit Owner's family member, visitor, guest patient, employee or any client of a Unit owner shall be allowed in the heating, electrical or mechanical equipment areas (unless contained in the Units) without the express permission of the Board of Managers.

23. No Unit Owner shall interfere in any manner with any portion of the heating or lighting apparatus, which are part of the Common Elements and not part of the Unit Owner's Unit.

24. No Unit Owner shall use or permit to be brought into a Building any inflammable oils or fluids such as gasoline, kerosene, naptha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the prior written consent of the Board of Managers.

25. Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and for providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for

the purposes hereinabove recited. No part of the Common Elements shall be used for general storage purposes, unless specifically designated for such use by the Board of Managers.

26. The sidewalks, entrances, passages public halls, vestibules, corridors and stairways appurtenant to the Property 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 Buildings by another vehicle.

27. No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in Common Elements. No Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in Common Elements. No objects of any kind shall be placed below the drop ladders of the fire escapes at any time.

28. 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.

29. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Buildings, 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 or her Unit or in the Common Elements that will result in the cancellation of or increase in premiums for insurance on the Buildings, or the contents thereof, or that would be in violation of any Law.

30. Water-closets and other water apparatus in the Buildings shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, paper ashes or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus shall be repaired and paid for by the Unit Owner causing such damage.

31. Sponsor or its designee, the agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

32. The agents of the Board of Managers or the Managing Agent, and any contractor or workman 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 all 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.

33. The Board of Managers or the Managing Agent shall retain a pass-key to each Unit. No Unit Owner shall change any lock on any door, leading into his or her Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Unit Owner must provide the Board of Managers with a key to such changed lock-for their use. If a Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit, promptly after such Unit owner moves into his or her Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Unit for emergency purposes and a Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, than the affected Unit Owner shall be liable and responsible for any damage to the Common Elements or such Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Unit Owner is not personally present to open and to permit an entry to his or her Unit at any time when an 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).

34. If any key or keys are entrusted by a Unit Owner, by any Family or member thereof, or by his or her 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 be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

35. No Unit Owner or other occupant of the Buildings shall use any employee of the Condominium or of the Managing Agent for private business or send any employee of the Condominium or of the Managing Agent out of the Buildings on any private business without the written consent of the Board of Managers except as a real estate broker for the sale or lease of a Unit.

36. Any consent or approval given under those Rules and Regulations may be amended, modified or added to 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.

37. Complaints regarding the management of the Buildings and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

38. The Rules and Regulations govern the use of the Units and Limited Common Elements and may be amended from time to time by the Board of Managers. All complaints shall be made only to the Board of Managers, which alone may enforce the Rules and Regulations, and the Board of Managers may waive in its sole and absolute discretion any violation hereof.

THIS PAGE INTENTIONALLY LEFT BLANK

§777-a. HOUSING MERCHANT IMPLIED WARRANTY

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of

this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

(Added L.1988, c.709, §1.)

HISTORICAL AND STATUTORY NOTES

Effective Date; Applicability. Section effective Mar. 1, 1989, and applicable to contracts of sale for new homes entered into on or after such date, pursuant to Section 3 of L.1988, c. 709, set out as a note under General Business Law § 777.

WEST'S McKINNEY'S FORMS

Notice of claim for breach of housing merchant implied warranty on sale of new home, see RPP Forms § 2:105A.
Complaint for breach of housing merchant implied warranty on sale of new home, see RPP forms § 2:105B.
Judgment in action for breach of housing merchant implied warranty on sale of new home, see RPP Forms § 2:105C.

The following forms appear in Selected Consolidated Laws under General Business Law § 777-a:

Implied warranty on sale of new home-notice of claim for breach of housing merchant warranty, see SCL, GEN BUS § 777-a, Form 1.
Implied warranty on sale of new home-complaint for breach of housing merchant warranty, see SCL, GEN BUS § 777-a, Form 2.
Implied warranty on sale of new home-judgment in action for breach of housing merchant warranty, see SCL, GEN BUS § 777-a, Form 3.

EXHIBIT A-1

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPAL PURSUANT TO SEC. 20.4(b) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Attention: Real Estate Financing Bureau

RE: The Shangri-la Condominium
132-15 41st Avenue
Flushing, N.Y.

Dear Sir/Madam:

The undersigned certifies as follows:

We are the sponsor and the principals of Sponsor of the Condominium Offering Plan for the captioned property.

We understand that we have the 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 offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We severally certify that the offering plan does, and that documents submitted hereinafter by us to amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their 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 the existing circumstances;

(vii) not contain any representation or statement which is false, where I (a) knew the truth, (b) with reasonable effort could have known the truth, (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statements 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) Flushing Manor Realty LLC

By: _____
Shun Qian Liu, Member

By: _____
Chih Ming Wong, Member

By: _____
Li Yi Lu, Member

Principals of Sponsor

_____
Shun Qian Liu

_____
Chih Ming Wong

_____
Li Yi Liu

Sworn to before me this
20 day of March, 2014

_____
Notary Public

THOMAS E. BERINATO
Notary Public, State of New York
Qualified in Queens County
#02BE4930163
Commission Expires June 30, 2016

EXHIBIT A-2

CERTIFICATE OF ARCHITECT

**PURSUANT TO Section 20.2 (c) (3) (i) (b)
OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED**

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Attention: Real Estate Financing Bureau

RE: The Flushing Manor Condominium
132-15 41st Avenue
Flushing, New York

Dear Sir/Madam:

The Sponsor of the offering plan for the condominium ownership of the captioned property retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the building plans and specifications which we prepared, and which are dated October 19, 2012 and prepared the Report dated September 13, 2013, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are licensed architects in the State in which the property is located.

We understand that 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.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report does:

(i) set forth in narrative form the physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

(ii) in our professional opinion, afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of new construction, provided new construction is in accordance with the plans and specifications that 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;

(viii) does not contain any representation or statement which is false, where we: (a) knew the truth, (b) with reasonable effort could have known the truth, (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing the 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.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

Anthony Ng & Angelo Ng
Architects Studio, PC

Anthony K. Ng, RA

Seal

REGISTERED ARCHITECT
ANTHONY KING NG
024574
STATE OF NEW YORK

Sworn to before me this
20 day of March, 2014

Notary Public

THOMAS E. BERINATO
Notary Public, State of New York
Qualified in Queens County
#02BE4830163
Commission Expires June 30, 2015

EXHIBIT A-3

CERTIFICATION OF EXPERT
PURSUANT TO SECTION 20.4(d) and 22.2(c) (3) (i) (c)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A
AS AMENDED

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Attention: Real Estate Financing Bureau

RE: The Shangri-La Condominium
132-15 41st Avenue, Flushing, NY

Dear Sir/Madam:

The sponsor of the Condominium Offering Plan for the captioned property retained our firm to review Schedules B and B-1 containing projections of income and expenses for the first year of condominium operation. My experience in this field includes managing residential and commercial real estate in New York City since 1995 with Brooklyn and Queens, being primary arrears of concentration.

A representative list of other properties managed by the Managing Agent is as follows:

D.C. Ling Broadway, 84-02 Broadway, Elmhurst, NY (6 stores)
Mews at Roosevelt Owners, 147-15 Roosevelt Avenue, Flushing, NY (48 Units)
9944 Forest Corp., 99-44 67th Road, Forest Hills, NY (55 Units).

We understand that 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 Schedules B and B-1.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule 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.

We certify that Schedule B does:

(i) set 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 facts;

(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) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

ELITE MANAGEMENT, INC.

By _____
ROBERT MOZILO

Sworn to before me this
22 day of September, 2014

_____
Notary Public

CARRIE TONG
Notary Public, State of New York
No. 01TO4890607
Qualified in Queens County
Commission Expires July 18, 2015

EXHIBIT A-4

CERTIFICATION OF EXPERT PURSUANT TO SECTION 20.4(e) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

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

RE: The Shangri-La Condominium
132-15 41st Avenue, Flushing, NY

Dear Sir/Madam:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to review Schedule B, which includes projections of common charges payable by the owners of the commercial units. My own experience in this field includes managing residential and commercial real estate in New York City since 1995 with Brooklyn and Queens being primary areas of concentration; preparing annual budgets and financial reports for buildings; and early diagnosis of problems and preventative maintenance of buildings.

A representative list of other properties managed by the Managing Agent is as follows:

D.C. Ling Broadway, 84-02 Broadway, Elmhurst, NY (6 stores)
Mews at Roosevelt Owners, 147-15 Roosevelt Avenue, Flushing, NY (48 Units)
9944 Forest Corp., 99-44 67th Road, Forest Hills, NY (55 Units).

We understand that 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 the commercial units listed in Schedule B.

We have reviewed the Schedule as it impacts upon the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owners of commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of the condominium operation, and that the allocation of common charges attributable to the commercial unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

(i) set forth in detail the projected common charges for the commercial unit for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial units;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.

(vii) do not contain any representation or statement which is false, where we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units for the first year of operation.

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.

ELITE MANAGEMENT, INC.

By _____
ROBERT MOZILO
Licensed Real Estate Broker

Sworn to before me this
22 day of September, 2014

_____
Notary Public

CARRIE TONG
Notary Public, State of New York
No. 01TO4890607
Qualified in Queens County
Commission Expires July 18, 2015



COUNSEL PRESS
460 WEST 34TH STREET, NEW YORK, NEW YORK 10001
(212) 685-9800; (716) 852-9800; (800) 4-APPEAL
www.counselpress.com
(256325)