

## ANSWERS TO FREQUENTLY ASKED QUESTIONS

### 1. DEVELOPMENT PLAN

#### WHAT IS THE INTERNATIONAL GEM TOWER AND WHAT MAKES IT UNIQUE FROM OTHER CLASS A OFFICE TOWERS?

The International Gem Tower will be New York City's only 21st century commercial condominium designed specifically for the gem and jewelry trade. The 34-story tower is under construction on West 47th Street between Fifth Avenue and Sixth Avenue in the heart of New York's Diamond District.

Full floors, half floors and suites on Floors 8 through 20 are now available for purchase.

Current plans for the building podium (Floors 1-6) include retail, dining, one or more industry associations, and an executive club for condominium owners featuring meeting, conference and arbitration rooms, exhibition space, a trading floor and a private health and fitness center. The below grade floors will include additional retail/industry services, a vault operation, parking and secure loading docks.

#### WILL THERE BE AN EXCHANGE IN THE BUILDING?

It is anticipated that a portion of the ground and second floors will include an Exchange.

#### IS MANUFACTURING PERMITTED IN THE BUILDING AND TO WHAT EXTENT?

Light jewelry manufacturing, including diamond cutting and polishing, laser engraving, drilling and welding, jewelry finishing and diamond setting are permitted by zoning. The building's mechanical systems have been specifically designed to accommodate such use and include special ventilation and filtration.

#### WILL THERE BE A VAULT IN THE BUILDING?

The developer has designed a state-of-the-art vault operation to be located on the first basement level of the building which will contain a UL rated, Class 3 (highest) vault, coupon booths, and meeting rooms.

#### ARE PARKING SPACES INCLUDED WITH THE PURCHASE OF A COMMERCIAL UNIT? IF NOT, WHAT ARE THE DETAILS FOR GETTING A PARKING SPACE?

Parking spaces are not included with the purchase of a Unit. Purchasers may, for a fee, reserve a parking space.

#### I HAVE HEARD THE DEVELOPER IS PLANNING TO HAVE THE BUILDING DESIGNATED AS A FOREIGN TRADE ZONE. WHAT DOES THIS MEAN?

The Developer is working with New York City and the federal government to designate the International Gem Tower as a Foreign Trade Zone (FTZ). For details on how operating within an FTZ may be beneficial to certain businesses, please see our detailed FTZ Information Sheet.

#### WILL THE BUILDING ALSO CONTAIN RESIDENTIAL CONDOS OR A HOTEL COMPONENT?

No, the building will be exclusively commercial (offices and retail).

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### 2. PROJECT SCHEDULE

#### WHEN WILL THE BUILDING BE COMPLETED?

Delivery of the lower tower floors is anticipated between the Q2 of 2011 and Q1 of 2012.

#### HOW CAN THE PROJECT STAY ON SCHEDULE IF THE DEVELOPER HAS NOT YET SECURED CONSTRUCTION FINANCING?

The development is being funded through partner equity until financing is secured. Excavation and foundations are complete and as of August 2009, a crane has been delivered to the site and construction has commenced.

### 3. PURCHASING PROCESS

#### THE SALES TEAM HAS PROVIDED ME WITH A LETTER OF INTENT (LOI). IS THIS SOMETHING I SHOULD REVIEW WITH MY ATTORNEY BEFORE SIGNING?

The Developer recommends having an attorney review all condominium documentation including the LOI.

#### HOW MUCH OF A DEPOSIT IS REQUIRED ONCE I AM READY TO SIGN A CONTRACT?

In general, a deposit of 15% of the purchase price is required upon signing of the contract; an additional 10% of the purchase price is required six months following the signing of the contract; a final 10% deposit is required once the building has been structurally enclosed. Purchasers are directed to the Offering Memorandum for the specific details.

#### WHAT HAPPENS TO MY DEPOSITS IF THE BUILDING IS NOT CONSTRUCTED?

Upon receipt, Purchaser deposits are placed into an interest bearing escrow account. If, for any reason, the Developer does not deliver the Unit in accordance with the terms of the contract, the Purchaser will be entitled to receive a complete refund of their deposit plus interest.

#### I AM PREPARED TO SIGN A CONTRACT BUT AM CONCERNED ABOUT FINANCING A MORTGAGE GIVEN THE CURRENT STATE OF THE ECONOMY. HAS THE DEVELOPER MADE ANY ARRANGEMENTS TO ASSIST ME WITH MY FINANCING NEEDS?

The Developer is working with multiple financial institutions who will work with those purchasers requiring financing. Information on lender options is available upon request and the Developer encourages Purchasers to discuss their needs with one or more of these institutions.

### 4. YOUR CONDOMINIUM UNIT

#### WILL I BE ABLE TO DESIGN MY OWN OFFICE SPACE OR DO I HAVE TO CHOOSE PRE-SELECTED LAYOUTS AND FINISHES?

Each Unit will be delivered in "white box" condition so that Purchasers may design and finish their offices to best suit their particular business needs.

#### DO THE BUILDING'S PLUMBING SYSTEMS ALLOW FOR PRIVATE PANTRIES AND BATHROOMS IN INDIVIDUAL UNITS?

Yes. Purchasers have flexibility to include kitchens and bathrooms in their Units.

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### WILL THE BUILDING HAVE A BACKUP POWER FOR MY UNIT'S SECURITY SYSTEM IN THE EVENT OF A POWER OUTAGE?

Yes. Subject to availability, Unit owners may purchase backup power from the building's emergency generators.

### 5. PRICING

#### WHAT IS THE CURRENT PRICE PER SQUARE FOOT (PPSF) OF THE UNITS BEING OFFERED?

The PPSF for each Unit varies depending upon the size, view, floor number and location on the floor. Purchasers are directed to Schedule A of the Offering Memorandum for a summary of the purchase prices for each Unit.

#### WHAT IS THE MINIMUM SQUARE FOOTAGE AVAILABLE FOR PURCHASE IN THE OFFICE TOWER?

Units range in size from 1,000 SF suites to half and full floor units.

#### IS A LOSS FACTOR APPLIED TO THE UNIT SQUARE FOOTAGES? HOW IS IT CALCULATED?

Consistent with the practice in the New York commercial real estate market, the loss factor is 27%, measured and calculated per the standards of the Real Estate Board of New York (REBNY).

#### HOW CAN I ENSURE THAT I AM GETTING THE BEST DEAL POSSIBLE ON MY UNIT? WHAT IF PRICES ARE DISCOUNTED AFTER I SIGN MY CONTRACT?

In order to ensure the best possible deal on the Unit of their choice, a purchaser is advised to enter into a contract as soon as possible, as the Developer intends to increase prices over the course of the project sell out. Naturally, the choice of available Units (smaller, lower priced Units in particular) will diminish as contracts are signed.

### 6. CARRYING COSTS

#### WHAT ARE THE MONTHLY MAINTENANCE COSTS FOR THE UNITS?

Common charges for the Units are projected to be approximately \$12 PSF per year. Purchasers are directed to Schedule A of the Offering Memorandum for a summary of the estimated common charges for each Unit.

#### WHAT ARE THE REAL ESTATE TAXES FOR THE UNITS?

Taxes are projected to be approximately \$12.50 PSF per year. Purchasers are directed to Schedule A of the Offering Memorandum for a summary of the estimated real estate taxes for each Unit.

#### ARE REAL ESTATE TAXES DEDUCTIBLE?

Yes, real estate taxes are a deductible business expense.

#### HOW WILL INDIVIDUAL UNITS BE CHARGED FOR ELECTRICAL USAGE?

Electricity consumed in each Unit (lighting, HVAC, office equipment etc...) will be individually sub-metered and charged directly to each Unit owner.