

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2014

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-25991

MANHATTAN BRIDGE CAPITAL, INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation or organization)

11-3474831

(I.R.S. Employer Identification No.)

60 Cutter Mill Road, Great Neck, New York 11021

(Address of principal executive offices)

(516) 444-3400

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 13, 2014, the Issuer had a total of 6,059,576 shares of Common Stock, \$.001 par value per share, outstanding.

MANHATTAN BRIDGE CAPITAL, INC.
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Forward Looking Statements

This report contains forward-looking statements within the meaning of section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements are typically identified by the words “believe,” “expect,” “intend,” “estimate” and similar expressions. Those statements appear in a number of places in this report and include statements regarding our intent, belief or current expectations or those of our directors or officers with respect to, among other things, trends affecting our financial condition and results of operations and our business and growth strategies. These forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those projected, expressed or implied in the forward-looking statements as a result of various factors (such factors are referred to herein as “Cautionary Statements”), including but not limited to the following: (i) we may not qualify as a REIT; (ii) we have a no operating history as a REIT; (iii) our loan origination activities, revenues and profits are limited by available funds (iv) we operate in a highly competitive market and competition may limit our ability to originate loans with favorable interest rates; (v) our chief executive officer is critical to our business and our future success may depend on our ability to retain him; (vi) if we overestimate the yields on our loans or incorrectly value the collateral securing the loan, we may experience losses; (vii) we may be subject to “lender liability” claims; (viii) our loan portfolio is illiquid; (ix) our due diligence may not uncover all of a borrower’s liabilities or other risks to its business; (x) borrower concentration could lead to significant losses; (xi) our management has no experience managing a REIT; and (xii) we may choose to make distributions in our own stock, in which case you may be required to pay income taxes in excess of the cash dividends you receive. The accompanying information contained in this report, including the information set forth under “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, identifies important factors that could cause such differences. These forward-looking statements speak only as of the date of this report, and we caution potential investors not to place undue reliance on such statements. We undertake no obligation to update or revise any forward-looking statements. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the Cautionary Statements.

All references in this Form 10-Q to “Company,” “we,” “us,” or “our” refer to Manhattan Bridge Capital, Inc. and its wholly-owned subsidiaries DAG Funding Solutions, Inc., MBC Funding I, Inc. and 1490-1496 Hicks, LLC unless the context otherwise indicates.

PART I. FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

**MANHATTAN BRIDGE CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

	<u>June 30, 2014</u>	<u>December 31, 2013</u>
	(unaudited)	(audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 135,495	\$ 1,021,023
Short term loans receivable	11,415,967	10,697,950
Interest receivable on loans	200,245	171,483
Other current assets	50,428	18,540
Total current assets	11,802,135	11,908,996
Investment in real estate	146,821	146,821
Long term loans receivable	5,505,000	3,997,000
Other assets	204,429	—
Security deposit	6,637	6,637
Investment in privately held company	65,000	65,000
Total assets	\$ 17,730,022	\$ 16,124,454
Liabilities and Stockholders' Equity		
Current liabilities:		
Short term loans	\$ 1,319,465	\$ 1,319,465
Line of credit	6,600,000	5,350,000
Accounts payable and accrued expenses	49,416	57,066
Deferred origination fees	174,889	132,017
Income taxes payable	130,224	373,219
Total liabilities, all current	8,273,994	7,231,767
Commitments		
Stockholders' equity:		
Preferred shares - \$.01 par value; 5,000,000 shares authorized; no shares issued	—	—
Common shares - \$.001 par value; 25,000,000 authorized; 4,482,190 and 4,433,190 issued; 4,305,190 and 4,256,190 outstanding	4,482	4,433
Additional paid-in capital	9,807,261	9,745,249
Treasury stock, at cost – 177,000 shares	(369,335)	(369,335)
Retained earnings (accumulated deficit)	13,620	(487,660)
Total stockholders' equity	9,456,028	8,892,687
Total liabilities and stockholders' equity	\$ 17,730,022	\$ 16,124,454

The accompanying notes are an integral part of these consolidated financial statements.

MANHATTAN BRIDGE CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Interest income from loans	\$ 518,065	\$ 447,522	\$ 1,025,436	\$ 892,301
Origination fees	112,017	106,273	213,556	195,855
Total Revenue	630,082	553,795	1,238,992	1,088,156
Operating costs and expenses:				
Interest and amortization of debt service costs	122,906	101,560	239,329	204,206
Referral fees	275	334	384	929
General and administrative expenses	175,812	204,857	351,808	377,725
Total operating costs and expenses	298,993	306,751	591,521	582,860
Income from operations	331,089	247,044	647,471	505,296
Other income (Note 4)	6,887	6,887	13,774	13,774
Income before income tax benefit (expense)	337,976	253,931	661,245	519,070
Income tax benefit (expense)	83,000	(96,000)	(32,000)	(188,000)
Net Income	\$ 420,976	\$ 157,931	\$ 629,245	\$ 331,070
Basic and diluted net income per common share outstanding:				
—Basic	\$ 0.10	\$ 0.04	\$ 0.15	\$ 0.08
—Diluted	\$ 0.10	\$ 0.04	\$ 0.15	\$ 0.08
Weighted average number of common shares outstanding				
—Basic	4,283,805	4,274,562	4,270,074	4,278,868
—Diluted	4,323,026	4,289,134	4,303,742	4,289,988

The accompanying notes are an integral part of these consolidated financial statements.

MANHATTAN BRIDGE CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30,	
	2014	2013
Cash flows from operating activities:		
Net Income	\$ 629,245	\$ 331,070
Adjustments to reconcile net income to net cash provided by operating activities -		
Amortization of deferred financing costs	—	23,538
Non cash compensation expense	6,832	8,518
Changes in operating assets and liabilities:		
Interest receivable on loans	(28,762)	(76)
Other current and non current assets	(31,888)	(32,202)
Accounts payable and accrued expenses	(7,651)	(50,638)
Deferred origination fees	42,873	54,523
Income taxes payable	(242,995)	(86,120)
Net cash provided by operating activities	<u>367,654</u>	<u>248,613</u>
Cash flows from investing activities:		
Issuance of short term loans	(9,764,000)	(8,430,500)
Collections received from loans	7,537,983	7,871,866
Net cash used in investing activities	<u>(2,226,017)</u>	<u>(558,634)</u>
Cash flows from financing activities:		
Proceeds from loans and line of credit, net	1,250,000	1,260,000
Purchase of treasury shares	—	(76,053)
Capital raising costs	(204,429)	—
Proceeds from exercise of stock options	55,230	22,540
Dividend paid	(127,966)	(42,786)
Net cash provided by financing activities	<u>972,835</u>	<u>1,163,701</u>
Net (decrease) increase in cash and cash equivalents	(885,528)	853,680
Cash and cash equivalents, beginning of period	1,021,023	240,693
Cash and cash equivalents, end of period	<u>\$ 135,495</u>	<u>\$ 1,094,373</u>
Supplemental Cash Flow Information:		
Taxes paid during the period	\$ 274,995	\$ 274,120
Interest paid during the period	\$ 239,329	\$ 180,667

The accompanying notes are an integral part of these consolidated financial statements.

MANHATTAN BRIDGE CAPITAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2014

1. THE COMPANY

The accompanying unaudited consolidated financial statements of Manhattan Bridge Capital, Inc. (“MBC”), a New York corporation, and its wholly-owned subsidiaries DAG Funding Solutions, Inc. (“DAG Funding”), MBC Funding I, Inc. (“MBC Funding”) and 1490-1496 Hicks, LLC (“Hicks LLC”) (collectively referred to herein as the “Company”) have been prepared by the Company in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and with instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. However, in the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The accompanying unaudited consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2013 and the notes thereto included in the Company’s Form 10-K. Results of consolidated operations for the interim period are not necessarily indicative of the operating results to be attained in the entire fiscal year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base our use of estimates on (a) a preset number of assumptions that consider past experience, (b) future projections and (c) general financial market conditions. Actual amounts could differ from those estimates.

The consolidated financial statements include the accounts of MBC, DAG Funding, MBC Funding, and Hicks LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company is a New York-based real estate finance company that specializes in originating, servicing and managing a portfolio of first mortgage loans. The Company offers short-term secured, non-banking loans (sometimes referred to as “hard money” loans) to real estate investors to fund their acquisition, renovation, rehabilitation or improvement of properties located in the New York metropolitan area.

The Company believes it currently satisfies all of the requirements to be taxed as a Real Estate Investment Trust and intends to elect REIT status beginning with its 2014 tax year.

The Company recognize revenues in accordance with ASC 605, which provides guidance on the recognition, presentation and disclosure of revenue in financial statements. ASC 605 outlines the basic criteria that must be met to recognize revenue and provides guidance for disclosure related to revenue recognition policies. In general, we recognize revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery of the product has occurred or services have been rendered, (iii) the sales price charged is fixed or determinable and (iv) collectability is reasonably assured.

Interest income is recognized, as earned, over the loan period.

Origination fee revenue is amortized over the term of the respective note.

2. RECENT TECHNICAL ACCOUNTING PRONOUNCEMENTS

In July 2013, the FASB issued ASU 2013-11, “*Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists.*” The objective of this guidance is to clarify the balance sheet presentation of an unrecognized tax benefit and to resolve the diversity in practice that had developed in the absence of any on-point GAAP. This ASU applies to all entities with unrecognized tax benefits that also have tax loss or tax credit carryforwards in the same tax jurisdiction as of the reporting date. For public entities, ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. For nonpublic entities, the amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2014. Early adoption is permitted. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

In January 2014, the FASB issued ASU 2014-04 , “ *Receivables—Troubled Debt Restructurings by Creditors (Subtopic 310-40): Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure (A Consensus of the FASB Emerging Issues Task Force).*” The purpose of the update is to define an in substance repossession or foreclosure for purposes of determining whether or not an entity should derecognize a residential real estate collateralized consumer mortgage loan if the entity has foreclosed on the real estate. The ASU is effective for public entities for fiscal years beginning after December 15, 2014, and interim periods therein. For nonpublic entities, the ASU is effective for annual periods beginning after December 15, 2014, and interim and annual periods thereafter. The adoption of this guidance is not expected to have a material impact on the Company’s consolidated financial statements.

In May 2014, the FASB and IASB jointly issued ASU 2014-09 , “ *Revenue from Contracts with Customers (Topic 606).*” The intent of this guidance is to provide greater comparability for financial statement users by eliminating inconsistencies in current revenue recognition GAAP. Specifically, an entity should recognize revenue based on the transaction price, which is the amount of consideration the entity expects to be entitled to in exchange for transferring promised goods or services. A single principles-based, five-step revenue model must be applied to all contracts with customers. For public entities, the ASU is effective for annual and interim periods beginning after December 15, 2016. Early application is not permitted. The adoption of this guidance is not expected to have a material impact on the Company’s consolidated financial statements.

In June 2014, the FASB issued ASU 2014- 12, “ *Compensation—Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force)*”). The ASU clarifies that entities should treat performance targets that can be met after the requisite service period of a share-based payment award as performance conditions that affect vesting. Therefore, an entity would not record compensation expense (measured as of the grant date without taking into account the effect of the performance target) related to an award for which transfer to the employee is contingent on the entity’s satisfaction of a performance target until it becomes probable that the performance target will be met. No new disclosures are required under the ASU. The ASU is effective for all entities for reporting periods beginning after December 15, 2015. Early adoption is permitted. The adoption of this guidance is not expected to have a material impact on the Company’s consolidated financial statements.

Management does not believe that any other recently issued, but not yet effected, accounting standards if currently adopted would have a material effect on the Company's consolidated financial statements.

3. COMMERCIAL LOANS

Short Term Loans Receivable

The Company offers short-term secured, non-banking loans (sometimes referred to as "hard money" loans) to real estate investors to fund their acquisition, renovation, rehabilitation or improvement of properties located in the New York metropolitan area.

The properties securing the loans are generally classified as residential or commercial real estate and, typically, are not income producing. Each loan is secured by a first mortgage lien on real estate. In addition, each loan is also personally guaranteed by the principal(s) of the borrower, which may be collaterally secured by a pledge of the guarantor's interest in the borrower.

The loans are generally for a term of one year. The short term loans are initially recorded, and carried thereafter, in the financial statements at cost. Most of the loans provide for receipt of interest only during the term of the loan and a balloon payment at the end of the term. Sometimes we have renewed or extended our loans to enable the borrower to avoid premature sale or refinancing of the property. When we renew or extend a loan we receive additional "points" and other fees.

At June 30, 2014, we were committed to an additional \$1,555,500 in construction loans that can be drawn by the borrowers when certain conditions are met.

At June 30, 2014, no one entity has loans outstanding representing more than 10% of the total balance of the loans outstanding.

At June 30, 2014, three of the loans in the Company's portfolio were jointly funded by the Company and unrelated entities, for aggregate loans of \$2,275,000. The accompanying balance sheets include the Company's portion of the loans in the amount of \$1,450,000.

Long Term Loans Receivable

Long term loans receivable comprise the loans that were extended beyond the original maturity dates, unless it is clear that the loan will be paid back by June 30, 2015. At June 30, 2014, the Company's loan portfolio consists of \$11,415,967 short term loans receivable and \$5,505,000 long term loans receivable.

Credit Risk

Credit risk profile based on loan activity as of June 30, 2014 and 2013:

Performing loans	Developers-Residential	Developers-Commercial	Developers Mixed Used	Other	Total outstanding loans
June 30, 2014	\$ 15,019,000	\$ 1,350,000	\$ 525,000	\$ 26,967	\$ 16,920,967
June 30, 2013	\$ 12,043,000	\$ 1,510,000	\$ 630,000	\$ —	\$ 14,183,000

At June 30, 2014, the Company's commercial loans include loans in the amount of \$290,000, \$100,000, \$135,000 and \$1,155,000, originally due in 2009, 2010, 2011 and 2013, respectively. In all instances the borrowers are currently paying their interest and, generally, the Company receives a fee in connection with the extension of the loans. Accordingly, at June 30, 2014, no loan impairments exist and there are no provisions for impairments of loans or recoveries thereof included in operations.

Subsequent to the balance sheet date, \$990,000 of the Company's commercial loans, of which \$180,000 is included in long-term loans receivable at June 30, 2014, have been paid off.

4. INVESTMENT IN REAL ESTATE

On March 21, 2011, the Company purchased three 2-family buildings located in the Bronx, New York for \$675,000, including related costs, and sold to the seller a one year option to buy back the properties for the same price (the "Buy Back Option"). The Buy Back Option was sold for \$3,900, plus a monthly fee of \$10,530 payable to the Company by the option holder for the life of the option.

On September 28, 2011, the option holder partially exercised the Buy Back Option with respect to one of the properties for \$380,679. On October 1, 2011, the Company issued a new one year option for the two remaining properties at an aggregate exercise price of \$294,321 with a monthly option fee of \$4,591 (the "New Option"). On October 21, 2011, the option holder partially exercised the New Option to buy back one of the two remaining properties for \$147,500 and had a continuing option, through October 1, 2012, to purchase the one remaining property at an exercise price of \$146,821 with a monthly option fee of \$2,296. Subsequently, the New Option's expiration date was extended twice, on October 1, 2012, which extended the expiration date through March 30, 2013, and again on April 1, 2013, which extended the expiration date through September 30, 2013.

The New Option expired on September 30, 2013, and the Company continues to receive option fee payments on a month-to-month basis from the former option holder. On June 19, 2014, the Company entered into a Contract of Sale for this property with a third-party for a purchase price of \$415,000. Prior to consummation of this sale the Company will refuse to allow the option to be renewed or reach an agreement with the option holder to allow the sale to be consummated.

Other income for each of the six month periods ended June 30, 2014 and 2013 in the amount of \$13,774 represents the fees generated from the seller buy back options.

5. EARNINGS PER SHARE OF COMMON STOCK

Basic and diluted earnings per share are calculated in accordance with ASC 260 "Earnings Per Share". Under ASC 260, basic earnings per share is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding for the period. The computation of diluted earnings per share is similar to basic earnings per share, except that the denominator is increased to include the potential dilution from the exercise of stock options and warrants for common shares using the treasury stock method. The numerator in calculating both basic and diluted earnings per common share for each period is the reported net income.

The denominator is based on the following weighted average number of common shares:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Basic	4,283,805	4,274,562	4,270,074	4,278,868
Incremental shares for assumed conversion of options	39,221	14,572	33,668	11,120
Diluted	4,323,026	4,289,134	4,303,742	4,289,988

For the three and six month periods ended June 30, 2014, 47,779, and 53,332, stock options were not included in the diluted earnings per share calculation, respectively, because their effect would have been anti-dilutive.

For the three and six month periods ended June 30, 2013, 270,428, and 273,880, stock options were not included in the diluted earnings per share calculation, respectively, either because their effect would have been anti-dilutive, or because they are being held in escrow (See Note 7).

6. STOCK – BASED COMPENSATION

The Company measures and recognizes compensation awards for all stock option grants made to employees and directors, based on their fair value in accordance with ASC 718 “Compensation - Stock Compensation”, which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. A key provision of this statement is to measure the cost of employee services received in exchange for an award of equity instruments (including stock options) based on the grant-date fair value of the award. The cost will be recognized over the service period during which an employee is required to provide service in exchange for the award (i.e., the requisite service period or vesting period). The Company accounts for equity instruments issued to non-employees in accordance with the provisions of ASC 718 and ASC 505-50, “Equity Based Payment to Non-Employees”. All transactions with non-employees, in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more appropriately measurable.

Share based compensation expense recognized under ASC 718 for the three and six months ended June 30, 2014 were \$3,416 and \$6,832, respectively. Share based compensation expense recognized under ASC 718 for the three and six months ended June 30, 2013 were \$5,102 and \$8,518, respectively.

The exercise price of options granted under our stock option plan may not be less than the fair market value on the date of grant. The options may vest over a period not to exceed ten years. Stock options under our stock option plan may be awarded to officers, key-employees, consultants and non-employee directors of the Company. Under our stock option plan, every non-employee director of the Company is granted 7,000 options upon first taking office, and then 7,000 upon each additional year in office. The objectives of our stock option plan include attracting and retaining key personnel, providing for additional performance incentives and promoting the success of the Company by increasing the efforts of such officers, employees, consultants and directors. Our stock option plan is the only plan that the Company has adopted with stock options available for grant.

The fair value of each option is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average share assumptions used for grants in 2013: (1) expected life of 5 years; (2) annual dividend yield of 2.61%; (3) expected volatility 75%; (4) risk free interest rate of 1.07%.

The following summarizes stock option activity for the six month period ended June 30, 2014:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2013	285,000	\$ 0.97		
Granted	—	—		
Exercised	(49,000)	1.13		
Forfeited or expired	(147,000)	0.75		
Outstanding at June 30, 2014	89,000	\$ 1.26	2.55	\$ 64,519
Vested and exercisable at June 30, 2014	87,000	\$ 1.27	2.56	\$ 63,321

The weighted-average fair value of each option granted during the six month period ended June 30, 2013, estimated as of the grant date using the Black-Scholes option valuation model was \$0.78 per option. There was no grant of options during the six month period ended June 30, 2014.

7. RESTRICTED STOCK GRANT

On September 9, 2011, we granted 1,000,000 shares of restricted common shares (the “Restricted Shares”) to Mr. Ran, our chief executive officer. Under the terms of the restricted shares agreement (the “Restricted Shares Agreement”), Mr. Ran agreed to forfeit options held by him exercisable for an aggregate of 280,000 common shares with exercise prices above \$1.21 per share and agreed not to exercise additional options held by him for an aggregate of 210,000 shares of common stock with exercise prices below \$1.21 per share all of which expired unexercised in March 2014. In addition, Mr. Ran may not sell, convey, transfer, pledge, encumber or otherwise dispose of the Restricted Shares until the earliest to occur of the following: (i) September 9, 2026, with respect to one-third of the Restricted Shares, September 9, 2027 with respect to an additional one-third of the Restricted Shares and September 9, 2028 with respect to the final one-third of the Restricted Shares; (ii) the date on which Mr. Ran’s employment is terminated for any reason other than for “Cause” (as such term is defined in his employment agreement); or (iii) the date on which Mr. Ran’s employment is terminated on account of (A) his death; or (B) his disability, which, in the opinion of his personal physician and a physician selected by us prevents him from being employed by us on a full-time basis (each such date being referred to as a “Risk Termination Date”). If at any time prior to a Risk Termination Date Mr. Ran’s employment is terminated by us for Cause or by Mr. Ran voluntarily for any reason other than death or disability, Mr. Ran will forfeit that portion of the Restricted Shares which have not previously vested. Mr. Ran will have the power to vote the Restricted Shares and will be entitled to all dividends payable with respect to the Restricted Shares from the date the Restricted Shares are issued.

In connection with the Compensation Committee’s approval of the foregoing grant of Restricted Shares, the Compensation Committee consulted with and obtained the concurrence of independent compensation experts and informed Mr. Ran that it had no present intention of continuing its prior practice of annually awarding stock options to Mr. Ran as chief executive officer. Also Mr. Ran advised the Compensation Committee that he would not seek future stock option grants.

The grant of Restricted Shares was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended. The stock certificates for the Restricted Shares were imprinted with restrictive legends and are held in escrow until vesting occurs.

8. LOANS AND LINE OF CREDIT

Short Term Loans

At June 30, 2014, the Company owed an aggregate of \$1,319,465 under six separate short term loans, bearing interest at rates ranging from 8% to 10% per annum. One of the loans in the amount of \$160,000, bearing interest at the rate of 10% per annum, is from a parent of a former member of the board of directors. Interest expense on this loan amounted to \$8,000 for the six months ended June 30, 2014. The loans are secured by certain of the Company's short term loans pursuant to a security agreement, and two of the loans are also personally guaranteed by the Company's CEO.

Subsequent to the balance sheet date, the Company received two separate short-term loans from two different entities, in the aggregate amount of \$1,100,000, bearing interest at rates ranging from 12% to 14%, per annum. In addition, Mr. Ran made a bridge loan to the Company in the amount of \$200,000, at an interest rate of 6%, per annum. On July 31, 2014, the Company repaid in full one of the short-term loans in the amount of \$700,000 as well as the bridge loan from Mr. Ran in the amount of \$200,000.

Line of Credit

On May 2, 2012, the Company entered into a one-year revolving Line of Credit Agreement with Sterling National Bank pursuant to which the Bank agreed to advance up to \$3.5 million (the "Sterling Credit Line") against assignments of mortgages and other collateral. The Sterling Credit Line was conditioned on an unlimited personal guarantee from Assaf Ran, the Company's CEO, and requires the maintenance of certain non-financial covenants including limitations on the percentage of loans outstanding in excess of one year, loans made to affiliated groups and the extent of construction loans made by the Company. The interest rate on the Sterling Credit Line is 2% in excess of the Wall Street Journal prime rate (3.25% at June 30, 2014), but in no event less than 6%, per annum, on the money in use. Total initiation costs for the Sterling Credit Line were approximately \$16,000. These costs are being amortized over one year, using the straight-line method. The amortization costs for the three and six month periods ended June 30, 2013 were \$1,335 and \$5,341, respectively.

On January 31, 2013, the Company entered into an amendment to the Line of Credit Agreement with Sterling National Bank to increase the Sterling Credit Line from \$3.5 million to \$5 million, under the same terms as the original line of credit (the "Amendment"). In connection with the Amendment, Mr. Ran agreed to increase his personal guarantee to \$5 million. Effective on May 1, 2013 and July 1, 2013, the term of the Sterling Credit Line was extended through July 1, 2013 and July 1, 2014, respectively.

On December 13, 2013, the Company entered into another amendment to the Line of Credit Agreement with Sterling National Bank to increase the Sterling Credit Line from \$5 million to \$7 million, under the same terms as the original line of credit (the "Second Amendment"). In connection with the Second Amendment, Mr. Ran agreed to increase his personal guarantee to \$7 million. Effective on June 24, 2014, the term of the Sterling Credit Line was extended to October 29, 2014. At June 30, 2014, the outstanding amount under the Sterling Credit Line was \$6,600,000.

On July 15, 2014, the Company entered into another amendment to the Line of Credit Agreement with Sterling National Bank to temporarily increase the Sterling Credit Line from \$7 million to \$7.7 million for 30 days (the “Third Amendment”).

9. COMMITMENTS AND CONTINGENCIES

Operating Lease

On June 9, 2011, the Company entered into a new lease agreement (the “Lease”) to relocate its corporate headquarters to 60 Cutter Mill Road, Great Neck, New York. The Lease is for a term of five years and two months commencing June 2011 and ending August 2016. The rent increases annually during the term and ranges from approximately \$2,800 per month during the first year to approximately \$3,200 per month during the fifth year.

10. SUBSEQUENT EVENTS

The Company completed a public offering of 1,754,386 common shares at a price to the public of \$2.85 per share on July 31, 2014. Gross proceeds raised by the Company in the offering were \$5,000,000, before deducting underwriting discounts and commissions and other estimated offering expenses. The Company has granted the underwriters a 45-day option to purchase up to 263,157 additional common shares to cover over-allotments, if any.

The net proceeds from the issuance and sale of our common shares in this offering were approximately \$4.3 million (or approximately \$5.0 million if the representative exercises its over-allotment option in full), after deducting underwriting discounts and commissions and offering expenses payable by us.

As a result of the offering, the Company believes it currently satisfies all of the requirements to be taxed as a Real Estate Investment Trust and intends to elect REIT status beginning with its 2014 tax year. As a REIT, the Company will generally not be subject to income taxes on its income, including interest earned on its real estate secured loans, so long as it meets certain requirements, including distributing 90% of its taxable income to shareholders.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q. The discussion and analysis contains forward-looking statements based on current expectations that involve risks and uncertainties. Actual results and the timing of certain events may differ significantly from those projected in such forward-looking statements .

We are a New York-based real estate finance company that specializes in originating, servicing and managing a portfolio of first mortgage loans. We offer short-term secured, non-banking loans (sometimes referred to as “hard money” loans) to real estate investors to fund their acquisition, renovation, rehabilitation or improvement of properties located in the New York metropolitan area.

The properties securing the loans are generally classified as residential or commercial real estate and, typically, are not income producing. Each loan is secured by a first mortgage lien on real estate. In addition, each loan is also personally guaranteed by the principal(s) of the borrower, which may be collaterally secured by a pledge of the guarantor's interest in the borrower.

The loans are generally for a term of one year. Most of the loans provide for receipt of interest only during the term of the loan and a balloon payment at the end of the term. Loans ranging in size from \$30,000 to \$1,300,000 were concluded at stated interest rates of 12% to 15%, but often at higher effective rates based upon points or other up-front fees.

For the six month periods ended June 30, 2014 and 2013 the total amounts of \$9,764,000 and \$8,430,500 have been lent, offset by collections received from borrowers, under our commercial loans in the amount of \$7,537,983 and \$7,871,866, respectively.

The Company uses its own employees, outside lawyers and other independent professionals to verify titles and ownership, to file liens and to consummate the transactions. Outside appraisers are also used to assist the Company's officials in evaluating the worth of collateral. To date, the Company has not experienced any defaults and none of the loans previously made have been non-collectable, although no assurances can be given that existing or future loans may not go into default or prove to be non-collectible in the future.

The Company generally grants loans for a term of one year. In some cases, the Company has agreed to extend the term of the loans beyond one year. This was mainly due to the additional lending conditions generally imposed by traditional lenders and financial institutions as a result of the mortgage crisis, which has made it more difficult overall for borrowers, including the Company's borrowers, to secure long term financing. Prior to the Company granting an extension of any loan, it reevaluates the underlying collateral.

At June 30, 2014, we were committed to an additional \$1,555,500 in construction loans that can be drawn by the borrower when certain conditions are met.

The Company completed a public offering of 1,754,386 common shares at a price to the public of \$2.85 per share on July 31, 2014. Gross proceeds raised by the Company in the offering were \$5,000,000, before deducting underwriting discounts and commissions and other estimated offering expenses. The Company has granted the underwriters a 45-day option to purchase up to 263,157 additional common shares to cover over-allotments, if any.

The net proceeds from the issuance and sale of our common shares in this offering were approximately \$4.3 million (or approximately \$5.0 million if the representative exercises its over-allotment option in full), after deducting underwriting discounts and commissions and offering expenses payable by us.

As a result of the offering, the Company believes it currently satisfies all of the requirements to be taxed as a Real Estate Investment Trust and intends to elect REIT status beginning with its 2014 tax year. As a REIT, the Company will generally not be subject to income taxes on its income, including interest earned on its real estate secured loans, so long as it meets certain requirements, including distributing 90% of its taxable income to shareholders.

Results of Operations

Three Months Ended June 30, 2014 compared to Three Months Ended June 30, 2013

Revenue

Total revenues for the three month period ended June 30, 2014 were approximately \$630,000 compared to approximately \$554,000 for the three month period ended June 30, 2013, an increase of \$76,000, or 13.7%. The increase in revenue represents an increase in lending operations. For the three month periods ended June 30, 2014 and 2013, approximately \$518,000 and \$448,000, respectively, of our revenues were attributable to interest income on the secured commercial loans that we offer to small businesses, and approximately \$112,000 and \$106,000, respectively, of our revenues were attributable to origination fees on such loans. Our loans are principally secured by collateral consisting of real property and, generally, accompanied by personal guarantees.

Interest and amortization of debt service costs

Interest and amortization of debt service costs for the three month period ended June 30, 2014 were approximately \$123,000 compared to approximately \$102,000 for the three month period ended June 30, 2013, an increase of \$21,000, or 20.6%. The increase in interest and amortization of debt service costs was primarily attributable to our use of the Sterling Credit Line to increase our lending capacity, offset by the repayment of Senior Secured Notes. (See Note 8 to the financial statements included elsewhere in this report.)

General and administrative expenses

General and administrative expenses for the three month period ended June 30, 2014 were approximately \$176,000 compared to approximately \$205,000 for the three month period ended June 30, 2013, a decrease of \$29,000, or 14.1%. This decrease was primarily attributable to decreases in travel and meal expenses, in Board member fees and in public relations cost.

Other income

Other income for each of the three month periods ended June 30, 2014 and 2013 was approximately \$7,000, which represents the fees generated from the seller buy back options. (See Note 4 to the financial statements included elsewhere in this report.)

Income tax expense

The Company reversed \$83,000 of its income tax accrual at June 30, 2014, because the Company believes it currently satisfies all of the requirements to be taxed as a Real Estate Investment Trust and intends to elect REIT status beginning with its 2014 tax year. For the three month period ended June 30, 2013 we had income tax expense of \$96,000.

Six Months Ended June 30, 2014 compared to Six Months Ended June 30, 2013

Revenue

Total revenues for the six month period ended June 30, 2014 were approximately \$1,239,000 compared to approximately \$1,088,000 for the six month period ended June 30, 2013, an increase of \$151,000, or 13.9%. The increase in revenue represents an increase in lending operations. For the six month periods ended June 30, 2014 and 2013, revenues of approximately \$1,025,000 and \$892,000, respectively, were attributable to interest income on the secured commercial loans that we offer to small businesses, and approximately \$214,000 and \$196,000, respectively, were attributable to origination fees on such loans. Our loans are principally secured by collateral consisting of real property and, generally, accompanied by personal guarantees.

Interest and amortization of debt service costs

Interest and amortization of debt service costs for the six month period ended June 30, 2014 were approximately \$239,000 compared to approximately \$204,000 for the six month period ended June 30, 2013, an increase of \$35,000, or 17.2% . The increase in interest and amortization of debt service costs was primarily attributable to our use of the Sterling Credit Line to increase our lending capacity, offset by the repayment of Senior Secured Notes . (See Note 8 to the financial statements included elsewhere in this report.)

General and administrative expense

General and administrative expenses for the six month period ended June 30, 2014 were approximately \$352,000 compared to approximately \$378,000 for the six month period ended June 30, 2013, a decrease of \$26,000. This decrease was primarily attributable to decreases in travel and meal expenses, in Board member fees and in public relations cost.

Other income

Other income for each of the six month periods ended June 30, 2014 and 2013 was approximately \$14,000, which represents the fees generated from the seller buy back options. (See Note 4 to the financial statements included elsewhere in this report.)

Income tax expense

The Company reversed \$83,000 of its income tax accrual at June 30, 2014, because the Company believes it currently satisfies all of the requirements to be taxed as a Real Estate Investment Trust and intends to elect REIT status beginning with its 2014 tax year.

For the six month period ended June 30, 2014 we had income tax expense of \$32,000, compared to approximately \$188,000 for the six month period ended June 30, 2013.

Liquidity and Capital Resources

At June 30, 2014, we had cash and cash equivalents of approximately \$135,000 and working capital of approximately \$3,528,000 as compared to cash and cash equivalents of approximately \$1,021,000 and working capital of approximately \$4,677,000 at December 31, 2013. The decrease in cash and cash equivalents primarily reflects the increase in lending operations. The decrease in working capital is primarily attributable to the reclassification of a portion of the Company's short-term loans to long-term loans receivable, offset by a decrease in income taxes payable.

For the six month periods ended June 30, 2014 and 2013, net cash provided by operating activities were approximately \$368,000 and \$249,000, respectively. The increase in net cash provided by operating activities primarily results from an increase in net income, offset by a decrease in income taxes payable and an increase in interest receivable on loans.

Net cash used in investing activities was approximately \$2,226,000 for the six month period ended June 30, 2014, compared to approximately \$559,000 for the same period ended June 30, 2013. Net cash used in investing activities for the six month period ended June 30, 2014 consisted of the issuance of our short term commercial loans of \$9,764,000, offset by collection of these loans of approximately \$7,538,000. In the period ended June 30, 2013, net cash used in investing activities consisted of the issuance of our short term commercial loans of approximately \$8,431,000, offset by collection of these loans of approximately \$7,872,000.

Net cash provided by financing activities for the six month period ended June 30, 2014 was approximately \$973,000, compared to \$1,164,000 for the period ended June 30, 2013. Net cash provided by financing activities for the six month period ended June 30, 2014 reflects the use of the Sterling Credit Line of \$1,250,000 and the proceeds from exercise of stock options of approximately \$55,000, offset by the capital raising costs in the amount of approximately \$204,000 and the dividend payment of approximately \$128,000. In the period ended June 30, 2013, net cash provided by financing activities reflects the use of the Sterling Credit Line of \$1,500,000 and the proceeds from exercise of stock options of approximately \$23,000, offset by the repayment of one of our short term loans of \$240,000, the purchase of treasury shares of approximately \$76,000 and the dividend payment of approximately \$43,000.

On May 2, 2012, the Company entered into a one-year revolving Line of Credit Agreement with Sterling National Bank pursuant to which the Bank agreed to advance up to \$3.5 million (the "Sterling Credit Line") against assignments of mortgages and other collateral. The interest rate on the Sterling Credit Line is 2% in excess of the Wall Street Journal prime rate (3.25% at June 30, 2014), but in no event less than 6%, per annum, on the money in use. On January 31, 2013, the Company entered into an amendment to the Line of Credit Agreement with Sterling National Bank to increase the Sterling Credit Line from \$3.5 million to \$5 million, under the same terms as the original line of credit (the "Amendment"). Effective on May 1, 2013 and July 1, 2013, the term of the Sterling Credit Line was extended through July 1, 2013 and July 1, 2014, respectively. On December 13, 2013, the Company entered into a second amendment to the Line of Credit Agreement with Sterling National Bank to increase the Sterling Credit Line from \$5 million to \$7 million, under the same terms as the original line of credit (the "Second Amendment"). Effective on June 24, 2014, the term of the Sterling Credit Line was extended to October 29, 2014. (See Note 8 to the financial statements included elsewhere in this report.) At June 30, 2014, the outstanding amount under the Sterling Credit Line was \$6,600,000.

The Company completed a public offering of 1,754,386 common shares at a price to the public of \$2.85 per share on July 31, 2014. Gross proceeds raised by the Company in the offering were \$5,000,000, before deducting underwriting discounts and commissions and other estimated offering expenses. The Company has granted the underwriters a 45-day option to purchase up to 263,157 additional common shares to cover over-allotments, if any.

The net proceeds from the issuance and sale of our common shares in this offering were approximately \$4.3 million (or approximately \$5.0 million if the representative exercises its over-allotment option in full), after deducting underwriting discounts and commissions and offering expenses payable by us.

We have not entered into any off-balance sheet transactions, arrangements or other relationships with unconsolidated entities or other persons that are likely to affect liquidity or the availability of our requirements for capital resources.

We anticipate that our current cash balances, the proceeds of our public offering, and the Sterling Credit Line together with our cash flows from operations will be sufficient to fund the operations for the next 12 months.

Changes to Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 4. CONTROLS AND PROCEDURES

(a) Evaluation and Disclosure Controls and Procedures

Our management, namely our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2014 (the "Evaluation Date"). Based upon that evaluation, the chief executive officer and the chief financial officer concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act (i) are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) are accumulated and communicated to our management, namely our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) identified in connection with the evaluation required by Rules 13a-15(d) or 15d-15(d) that occurred during the fiscal quarter ended June 30, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 5. OTHER INFORMATION

Effective May 2014, our Board approved and adopted Amended and Restated Bylaws which amended Section 1. – Annual Meeting of Article II and Section 11. – Committees of Article III. A copy of the Amended and Restated Bylaws has been included as Exhibit 3.2 to this report.

Item 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
3.1	Restated Certificate of Incorporation filed with the Secretary of State of New York in July 2014 (filed herewith)
3.2	Amended and Restated Bylaws effective in May 2014 (filed herewith)
31.1	Chief Executive Officer Certification as required under section 302 of the Sarbanes Oxley Act (filed herewith)
31.2	Chief Financial Officer Certification as required under section 302 of the Sarbanes Oxley Act (filed herewith)
32.1*	Chief Executive Officer Certification pursuant to 18 U.S.C. section 1350 as adopted pursuant to section 906 of the Sarbanes Oxley Act (furnished herewith)
32.2*	Chief Financial Officer Certification pursuant to 18 U.S.C. section 1350 as adopted pursuant to section 906 of the Sarbanes Oxley Act (furnished herewith)
101.INS	XBRL Instance Document
101.CAL	XBRL Taxonomy Extension Schema Document
101.SCH	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Furnished, not filed, in accordance with item 601(32)(ii) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Manhattan Bridge Capital, Inc. (Registrant)

Date: August 13, 2014

By: /s/ Assaf Ran

Assaf Ran, President and Chief Executive Officer
(Principal Executive Officer)

Date: August 13, 2014

By: /s/ Vanessa Kao

Vanessa Kao, Chief Financial Officer
(Principal Financial and Accounting Officer)

RESTATED CERTIFICATE OF INCORPORATION
OF
MANHATTAN BRIDGE CAPITAL, INC.

(Pursuant to Section 807 of the Business Corporation Law)

FIRST: The name of the corporation is Manhattan Bridge Capital, Inc.

SECOND: The Certificate of Incorporation of the corporation was filed with the Department of State on February, 22 1999, under the name DAG Media, Inc.

THIRD: The certificate of incorporation, as heretofore amended, is hereby further amended to effect changes authorized by the Business Corporation Law, namely:

1. To change the corporate purpose;
2. To change the location and the address for mailing process against the corporation; and
3. To change and limit the rights and power of shareholders.

FOURTH: To accomplish the foregoing amendments, Articles **SECOND**, **THIRD** and **FIFTH** of the certificate of incorporation of the corporation, relating to corporate purposes, office location and address for mailing a copy of process against the corporation, are hereby amended to read as set forth in the same numbered articles of the certificate of incorporation of the corporation as hereinafter restated, and a new Article **TWELFTH** changing and limiting the rights of shareholders is hereby added.

FIFTH: The restatement of the certificate of incorporation of the corporation herein provided for was authorized by the unanimous written consent of the corporation's board of directors and a vote of the holders of at least a majority of all of the outstanding shares of the corporation entitled to vote on the restatement of the certificate of incorporation.

SIXTH: The text of the certificate of incorporation of the corporation is hereby restated as amended or changed herein to read as follows:

FIRST: The name of the corporation is **Manhattan Bridge Capital, Inc.**

SECOND: The corporation is formed for the following purpose or purposes:

To engage in any lawful act or activity for which corporations may be organized under the Business Corporation Law, including, without limitation or obligation, engaging in business as a real estate investment trust, or REIT, under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, or any successor statute (the "Code"), as now or hereafter in force, provided that the corporation is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

To have, in furtherance of the corporate purposes, all of the powers conferred upon corporations organized under the Business Corporation Law subject to any limitations thereof contained in this certificate of incorporation or in the laws of the State of New York.

If the corporation elects to qualify for U.S. Federal income tax treatment as a REIT, the Board of Directors, in its sole and absolute discretion, shall take such actions as it determines are necessary or appropriate to preserve the status of the corporation as a REIT; *provided, however*, if the Board of Directors determines, in its sole and absolute discretion, that it is no longer in the best interests of the corporation to attempt to, or continue to, qualify as a REIT, the Board of Directors may revoke or otherwise terminate the corporation's REIT election pursuant to Section 856(g) of the Code. The Board of Directors also may determine, in its sole and absolute discretion that compliance with any restriction or limitation on stock ownership and transfers set forth in Article TWELFTH is no longer required.

THIRD: The office of the corporation is to be located in the County of Nassau, State of New York.

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is 30,000,000 of which 25,000,000 shall be common shares, par value \$.001 per share (the "Common Shares") and 5,000,000 shall be preferred shares, par value \$.01 per share (the "Preferred Shares"). The Preferred Shares may be issued, from time to time, in one or more series with such designations, preferences and relative participating optional or other special rights and qualifications, limitations or restrictions thereof including but not limited to preemptive rights (notwithstanding anything contained to the contrary in Article TENTH hereof), as shall be stated in the resolutions adopted by the Board of Directors providing for the issuance of such Preferred Shares or series thereof; and the Board of Directors is hereby expressly vested with authority to fix such designations, preferences and relative participating optional or other special rights or qualifications, limitations or restrictions for each series, including, but not by way of limitation, the power to affix the redemption and liquidation preferences, the rate of dividends payable and the time for and the priority of payment thereof and to determine whether such dividends shall be cumulative or not and to provide for and affix the terms of conversion of such Preferred Shares or any series thereof into Common Shares of the corporation and fix the voting power, if any, of Preferred Shares or any series thereof and to provide for preemptive rights (notwithstanding anything contained to the contrary in Article TENTH hereof).

FIFTH: The Secretary of State is designated as the agent of the corporation upon whom process against the corporation may be served. The post office address within the State of New York to which the Secretary of State shall mail a copy of any process against the corporation served upon him is: Morse, Zelnick, Rose & Lander, LLP, 825 Third Avenue, New York, New York 10022, Attn: Stephen A. Zelnick, Esq.

SIXTH: The duration of the corporation is perpetual.

SEVENTH: Any action required or permitted to be taken by the Board of Directors of the corporation or of any committee thereof may be taken without a meeting if all members of the Board of Directors or of any committee thereof consent in writing to the adoption of a resolution authorizing the action. Any one or more members of the Board of Directors or of any committee thereof may participate in a meeting of said Board or of any such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, and participation by such means shall constitute presence in person at the meeting.

EIGHTH: Whenever under the Business Corporation Law shareholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

NINTH: No holder of any of the shares of any class of the capital stock of the corporation shall be entitled as of right to subscribe for, purchase, or otherwise acquire any shares of any class of the capital stock of the corporation that the corporation proposes to issue or any rights or options which the corporation proposes to grant for the purchase of any shares, bonds, securities, or obligations of the corporation which are convertible into or exchangeable for, or which carry any rights to subscribe for, purchase, or otherwise acquire shares of any class of capital stock of the corporation; and any and all of such shares, bonds, securities or obligations of the corporation, whether now or hereafter authorized or created, may be issued, or may be reissued or transferred if the same have been reacquired and have treasury status, and any and all of such rights and options may be granted by the Board of Directors to such persons, firms, corporations and associations, and for such lawful consideration, and on such terms, as the Board of Directors, in its sole and absolute discretion may determine, without first offering the same, or any thereof, to any said holder. Without limiting the generality of the foregoing stated denial of any and all preemptive rights, no holder of shares of any class of the capital stock of the corporation shall have any preemptive rights in respect of the matters, proceedings, or transaction specified in subparagraphs (1) to (6), inclusive, of paragraph (e) of Section 622 of the Business Corporation Law.

TENTH: (a) **Right to Indemnification** . Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigation (hereinafter a "Proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer, of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such Proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Business Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall incur to the benefit of his or her heirs, executors and administrators; *provided, however*, that, except as provided in paragraph (b) hereof, the corporation shall indemnify any such person seeking indemnification in connection with a Proceeding (or part thereof) initiated by such person only if such Proceeding (or part thereof) was authorized by the Board of Directors of the corporation. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such Proceeding in advance of its final disposition; *provided, however*, that if the Business Corporation Law requires, the payment of such expenses incurred by a director or officer (in his or her capacity as a director or officer and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a Proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise. The corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

(b) **Right of Claimant to Bring Suit** . If a claim under paragraph (a) of this Section is not paid in full by the corporation within thirty days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any Proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Business Corporation Law for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Business Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the claimant has not met such applicable standard or conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) **Non-Exclusivity of Rights** . The right to indemnification and the payment of expenses incurred in defending a Proceeding in advance of its final disposition conferred in this Article TENTH shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Restated Certificate of Incorporation, by-law, agreement, vote of shareholders or disinterested directors or otherwise.

(d) **Insurance** . The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Business Corporation Law.

ELEVENTH: A director of the corporation shall not be personally liable to the corporation or its shareholders for damages for any breach of duty in such capacity, except for the liability of any director if a judgment or other final adjudication adverse to him establishes that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled or that his acts violated Section 719 of the New York Business Corporation Law.

TWELFTH: RESTRICTIONS ON TRANSFER AND OWNERSHIP OF SHARES OF CAPITAL STOCK

Section 12.1. Definitions. For the purpose of this Article TWELFTH, the following terms shall have the following meanings:

Aggregate Stock Ownership Limit. The term “Aggregate Stock Ownership Limit” shall mean four (4.0%) percent in value or number, whichever is more restrictive, of the aggregate of the outstanding shares of Capital Stock, or such other percentage determined by the Board of Directors in accordance with Section 12.2.8 of this Restated Certificate of Incorporation. The value of the outstanding shares of Capital Stock shall be determined by the Board of Directors, which determination shall be final and conclusive for all purposes hereof. For purposes of determining the percentage ownership of Capital Stock by any Person, shares of Capital Stock that may be acquired upon conversion, exchange or exercise of any securities of the corporation directly or constructively held by such Person, but not shares of Capital Stock issuable with respect to the conversion, exchange or exercise of securities of the corporation held by other Persons, shall be deemed to be outstanding prior to conversion, exchange or exercise.

Beneficial Ownership. The term “Beneficial Ownership” shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code. The terms “Beneficial Owner,” “Beneficially Owns” and “Beneficially Owned” shall have the correlative meanings.

Business Day. The term “Business Day” shall mean any day, other than a Saturday or Sunday, that is not a legal holiday or a day on which banking institutions in the State of New York are authorized or required by law, regulation or executive order to close.

Capital Stock. The term “Capital Stock” shall mean all classes or series of stock of the corporation, including, without limitation, Common Shares and Preferred Shares.

Charitable Beneficiary. The term “Charitable Beneficiary” shall mean one or more beneficiaries of the Trust as determined pursuant to Section 12.3.6 of this Restated Certificate of Incorporation, provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Common Stock Ownership Limit. The term “Common Stock Ownership Limit” shall mean four (4.0%) percent (in value or in number of Common Shares, whichever is more restrictive) of the aggregate of the outstanding Common Shares, or such other percentage determined by the Board of Directors in accordance with Section 12.2.8 of this Restated Certificate of Incorporation. The number and value of the outstanding Common Shares of the corporation shall be determined by the Board of Directors, which determination shall be final and conclusive for all purposes hereof. For purposes of determining the percentage ownership of Common Shares by any Person, Common Shares that may be acquired upon conversion, exchange or exercise of any securities of the corporation directly or constructively held by such Person, but not Common Shares issuable with respect to the conversion, exchange or exercise of securities of the corporation held by other Persons, shall be deemed to be outstanding prior to conversion, exchange or exercise.

Constructive Ownership. The term “Constructive Ownership” shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms “Constructive Owner,” “Constructively Owns” and “Constructively Owned” shall have the correlative meanings.

Excepted Holder. The term “Excepted Holder” shall mean Assaf Ran and any other shareholder of the corporation for whom an Excepted Holder Limit is created by this Article TWELFTH or by the Board of Directors pursuant to Section 12.2.7.

Excepted Holder Limit. The term “Excepted Holder Limit” shall mean, provided that the affected Excepted Holder agrees to comply with the requirements established by the Board of Directors pursuant to Section 12.2.7 of this Restated Certificate of Incorporation and subject to adjustment pursuant to Sections 12.2.7 of this Restated Certificate of Incorporation and 12.2.8 of this Restated Certificate of Incorporation, the percentage limit established by the Board of Directors pursuant to Section 12.2.7 of this Restated Certificate of Incorporation.

Initial Date. The term “Initial Date” shall mean the date of the closing of the issuance of Common Shares pursuant to the S-11 Registration Statement, SEC File No. 333-196167, filed with the Securities and Exchange Commission on May 22, 2014.

Market Price. The term “Market Price” on any date shall mean, with respect to any class or series of outstanding shares of Capital Stock, the Closing Price for such Capital Stock on such date. The “Closing Price” on any date shall mean the last sale price for such Capital Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Capital Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on Nasdaq or, if such Capital Stock is not listed or admitted to trading on Nasdaq, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the principal automated quotation system that may then be in use or, if such Capital Stock is not quoted by any such system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Capital Stock selected by the Board of Directors or, in the event that no trading price is available for such Capital Stock, the fair market value of the Capital Stock, as determined by the Board of Directors.

Nasdaq. The term “Nasdaq” shall mean any of the Nasdaq Capital Market, the Nasdaq Global Market or the Nasdaq Global Select Market.

Person. The term “Person” shall mean an individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and a group to which an Excepted Holder Limit applies.

Prohibited Owner. The term “Prohibited Owner” shall mean, with respect to any purported Transfer, any Person who, but for the provisions of this Article TWELFTH, would Beneficially Own or Constructively Own shares of Capital Stock in violation of Section 12.2.1 of this Restated Certificate of Incorporation, and if appropriate in the context, shall also mean any Person who would have been the record owner of the shares that the Prohibited Owner would have so owned.

Restriction Termination Date. The term “Restriction Termination Date” shall mean the first day after the Initial Date on which the Board of Directors determines, in its sole and absolute discretion, that it is no longer in the best interests of the corporation to attempt to, or continue to, qualify as a REIT or that compliance with any or all of the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of shares of Capital Stock set forth herein is no longer required.

Transfer. The term “Transfer” shall mean any issuance, sale, transfer, redemption, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire or possess Beneficial Ownership or Constructive Ownership, or any agreement to take any such action or cause any such event, of Capital Stock or the right to vote or receive dividends on Capital Stock, including (a) the granting or exercise of any option (or any disposition of any option), (b) any disposition of any securities or rights convertible into or exchangeable for Capital Stock or any interest in Capital Stock or any exercise of any such conversion or exchange right and (c) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of Capital Stock; in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms “Transferring” and “Transferred” shall have the correlative meanings.

Trust. The term “Trust” shall mean any trust provided for in Section 12.3.1 of this Restated Certificate of Incorporation.

Trustee. The term “Trustee” shall mean a Person unaffiliated with the corporation and a Prohibited Owner that is appointed by the corporation to serve as trustee of the Trust.

Section 12.2. Capital Stock.

Section 12.2.1. Ownership Limitations. During the period commencing on the Initial Date and prior to the Restriction Termination Date, but subject to Section 12.4 of this Restated Certificate of Incorporation:

(a) Basic Restrictions.

(i) No

- (1) Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Aggregate Stock Ownership Limit;
- (2) Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Common Stock in excess of the Common Stock Ownership Limit; and
- (3) Excepted Holder shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Excepted Holder Limit for such Excepted Holder.

(ii) No Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership of Capital Stock would result in the corporation being “closely held” within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year), or otherwise failing to qualify as a REIT (including, but not limited to, Beneficial Ownership or Constructive Ownership that would result in the corporation owning (actually or Constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the corporation from such tenant would cause the Corporation to fail to satisfy any of the gross income requirements of Section 856(c) of the Code).

(iii) Any Transfer of shares of Capital Stock that, if effective, would result in the Capital Stock being beneficially owned by fewer than 100 Persons (determined under the principles of Section 856(a)(5) of the Code) shall be void *ab initio*, and the intended transferee shall acquire no rights in such shares of Capital Stock.

(iv) No Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership of Capital Stock could result in the corporation failing to qualify as a “domestically controlled qualified investment entity” within the meaning of Section 897(h)(4)(B) of the Code.

(b) Transfer in Trust. If any Transfer of shares of Capital Stock occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning shares of Capital Stock in violation of Section 12.2.1(a)(i), (ii) or (iv) of this Restated Certificate of Incorporation, then that number of shares of the Capital Stock the Beneficial Ownership or Constructive Ownership of which otherwise would cause such Person to violate Section 12.2.1(a)(i), (ii) or (iv) of this Restated Certificate of Incorporation (rounded up to the nearest whole share) shall be automatically transferred to a Trust for the benefit of a Charitable Beneficiary, as described in Section 12.3, effective as of the close of business on the Business Day prior to the date of such Transfer, and such Person shall acquire no rights in such shares; *provided, however*, if the transfer to the Trust described in first clause of this first sentence of this Section 12.2.1(b) would not be effective for any reason to prevent the violation of Section 12.2.1(a)(i), (ii) or (iv) of this Restated Certificate of Incorporation, then the Transfer of that number of shares of Capital Stock that otherwise would cause any Person to violate Section 12.2.1(a)(i), (ii) or (iv) of this Restated Certificate of Incorporation shall be void *ab initio*, and the intended transferee shall acquire no rights in such shares of Capital Stock. To the extent that, upon a transfer of shares of Capital Stock to a Trust pursuant to this Section 12.2.1(b), a violation of any provision of this Article TWELFTH would nonetheless be continuing (for example where the ownership of shares of Capital Stock by a single Trust would violate the 100 stockholder requirement applicable to REITs), then shares of Capital Stock shall be transferred to that number of Trusts, each having a distinct Trustee and a Charitable Beneficiary or Charitable Beneficiaries that are distinct from those of each other Trust, such that there is no violation of any provision of this Article TWELFTH.

Section 12.2.2. Remedies for Breach. If the Board of Directors shall at any time determine that a Transfer or other event has taken place that results in a violation of Section 12.2.1 of this Restated Certificate of Incorporation or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any shares of Capital Stock in violation of Section 12.2.1 of this Restated Certificate of Incorporation (whether or not such violation is intended), the Board of Directors or a committee thereof shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the corporation to redeem shares, refusing to give effect to such Transfer on the books of the corporation or instituting proceedings to enjoin such Transfer or other event; *provided, however*, that any Transfer or attempted Transfer or other event in violation of Section 12.2.1 of this Restated Certificate of Incorporation shall automatically result in the transfer to the Trust described above, and, where applicable, such Transfer (or other event) shall be void *ab initio* as provided above irrespective of any action (or non-action) by the Board of Directors.

Section 12.2.3. Notice of Restricted Transfer. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock that will or may violate Section 12.2.1(a) of this Restated Certificate of Incorporation or any Person who would have owned shares of Capital Stock that resulted in a transfer to the Trust pursuant to the provisions of Section 12.2.1(b) of this Restated Certificate of Incorporation shall immediately give written notice to the corporation of such event or, in the case of such a proposed or attempted transaction, give at least fifteen (15) days prior written notice, and shall provide to the corporation such other information as the corporation may request in order to determine the effect, if any, of such Transfer on the corporation's status as a REIT.

Section 12.2.4. Owners Required To Provide Information. From the Initial Date until prior to the Restriction Termination Date:

(a) every owner of four (4.0%) percent or more (or such lower percentage as required by the Code or the U.S. Treasury Department regulations promulgated thereunder) of the outstanding shares of Capital Stock, within thirty (30) days after the end of each taxable year, shall give written notice to the corporation stating the name and address of such owner, the number of shares of Capital Stock Beneficially Owned and a description of the manner in which such shares are held. Each such owner shall provide to the corporation such additional information as the corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the corporation's status as a REIT and to ensure compliance with the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit; and

(b) each Person who is a Beneficial Owner or Constructive Owner of Capital Stock and each Person (including the shareholder of record) who is holding Capital Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information as the corporation may request, in order to determine the Corporation's status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit.

Section 12.2.5. Remedies Not Limited. Nothing contained in this Article TWELFTH shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the corporation in preserving the corporation's status as a REIT.

Section 12.2.6. Ambiguity. In the case of an ambiguity in the application of any of the provisions of Section 12.2, Section 12.3 or any definition contained in Section 12.1 of this Restated Certificate of Incorporation, the Board of Directors may determine the application of the provisions of such Section 12.2 or Section 12.3 or any such definition with respect to any situation based on the facts known to it. In the event Section 12.2 or Section 12.3 of this Restated Certificate of Incorporation requires an action by the Board of Directors and this Restated Certificate of Incorporation fails to provide specific guidance with respect to such action, the Board of Directors may determine the action to be taken so long as such action is not contrary to the provisions of Sections 12.1, 12.2 or 12.3 of this Restated Certificate of Incorporation. Absent a decision to the contrary by the Board of Directors (which the Board of Directors may make in its sole and absolute discretion), if a Person would have (but for the remedies set forth in Section 12.2.2 of this Restated Certificate of Incorporation) acquired Beneficial Ownership or Constructive Ownership of Capital Stock in violation of Section 12.2.1 of this Restated Certificate of Incorporation, such remedies (as applicable) shall apply first to the shares of Capital Stock that, but for such remedies, would have been actually owned by such Person, and second to shares of Capital Stock that, but for such remedies, would have been Beneficially Owned or Constructively Owned (but not actually owned) by such Person, pro rata among the Persons who actually own such shares of Capital Stock based upon the relative number of the shares of Capital Stock held by each such Person.

Section 12.2.7. Exceptions.

(a) Subject to Section 12.2.1(a)(ii) of this Restated Certificate of Incorporation, the Board of Directors, in its sole and absolute discretion, may, but is not required to, exempt (prospectively or retroactively) a Person from the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit, as the case may be, and may establish or increase an Excepted Holder Limit for such Person if the corporation obtains such representations and undertakings from such Person as are reasonably necessary for the Board of Directors to determine that:

(i) no Person's Beneficial or Constructive Ownership of such shares of Capital Stock will violate Section 12.2.1(a)(ii) of this Restated Certificate of Incorporation at the time the Board makes the determination; and

(ii) such Person does not and will not own, actually or Constructively, an interest in a tenant of the corporation (or a tenant of any entity owned or controlled by the corporation) that would cause the corporation to own, actually or Constructively, a 10% or more interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant (for this purpose, a tenant shall not be treated as a tenant of the corporation if the corporation (or an entity owned or controlled by the corporation) derives (and is expected to continue to derive) a sufficiently small amount of revenue from such tenant such that, in the determination of the Board of Directors, rent from such tenant would not, individually or in the aggregate with other revenues of the corporation , adversely affect the corporation 's ability to qualify as a REIT).

Any violation or attempted violation of any such representations or undertakings (or other action which is contrary to the restrictions contained in Sections 12.2.1 through 12.2.6 of this Restated Certificate of Incorporation) will result in shares of Capital Stock being automatically transferred to a Trust in accordance with Sections 12.2.1(b) and 12.3 of this Restated Certificate of Incorporation.

(b) Prior to granting any exception pursuant to Section 12.2.7(a) of this Restated Certificate of Incorporation, the Board of Directors may require a ruling from the Internal Revenue Service, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors, in its sole and absolute discretion, as it may deem necessary or advisable in order to determine or ensure the corporation's status as a REIT. Notwithstanding the receipt of any ruling or opinion, the Board of Directors may impose such conditions or restrictions as it deems appropriate in connection with granting such exception.

(c) Subject to Section 12.2.1(a)(ii) of this Restated Certificate of Incorporation, an underwriter or placement agent that participates in a public offering or a private placement of Capital Stock (or securities convertible into or exchangeable for Capital Stock) may Beneficially Own or Constructively Own shares of Capital Stock (or securities convertible into or exchangeable for Capital Stock) in excess of the Aggregate Stock Ownership Limit, the Common Stock Ownership Limit, or both such limits, but only to the extent necessary to facilitate such public offering or private placement.

(d) The Board of Directors may only reduce the Excepted Holder Limit for an Excepted Holder: (1) with the written consent of such Excepted Holder at any time, or (2) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder. No Excepted Holder Limit shall be reduced to a percentage that is less than the Aggregate Stock Ownership Limit or the Common Stock Ownership Limit, as the case may be.

Section 12.2.8. Increase or Decrease in Aggregate Stock Ownership and Common Stock Ownership Limits. Subject to Section 12.2.1(a)(ii) and this Section 12.2.8 of this Restated Certificate of Incorporation, the Board of Directors may, in its sole and absolute discretion, from time to time increase the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit for one or more Persons and decrease the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit for all other Persons. No decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit will be effective for any Person whose percentage ownership of Capital Stock is in excess of such decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit, as applicable, until such time as such Person's percentage ownership of Capital Stock equals or falls below the decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit, as applicable; *provided, however*, any further acquisition of Capital Stock by any such Person (other than a Person for whom an exemption has been granted pursuant to Section 12.2.7(a) of this Restated Certificate of Incorporation or an Excepted Holder) in excess of the Capital Stock owned by such person on the date the decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit, as applicable, became effective will be in violation of the Common Stock Ownership Limit or Aggregate Stock Ownership Limit. No increase to the Common Stock Ownership Limit or Aggregate Stock Ownership Limit may be approved if the new Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit would allow five or fewer Persons to Beneficially Own, in the aggregate more than 49.9% in value of the outstanding Capital Stock.

Section 12.2.9. Legend. Each certificate for shares of Capital Stock, if certificated, or the notice in lieu of a certificate, if any, shall bear substantially the following legend:

The shares [represented by this certificate] are subject to restrictions on Beneficial Ownership and Constructive Ownership and Transfer for the purpose, among others, of the corporation's maintenance of its status as a Real Estate Investment Trust under the Internal Revenue Code of 1986, as amended (the "Code"). Subject to certain further restrictions and except as expressly provided in the corporation's Restated Certificate of Incorporation, (i) no Person may Beneficially Own or Constructively Own shares of the corporation's Common Stock in excess of the Common Stock Ownership Limit, unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (ii) no Person may Beneficially Own or Constructively Own shares of Capital Stock of the corporation in excess of the Aggregate Stock Ownership Limit, unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (iii) no Person may Beneficially Own or Constructively Own Capital Stock that would result in the corporation being "closely held" under Section 856(h) of the Code or otherwise cause the corporation to fail to qualify as a REIT; (iv) no Person may Transfer shares of Capital Stock if such Transfer would result in the Capital Stock of the corporation being owned by fewer than 100 Persons; and (v) no Person may Beneficially Own or Constructively Own shares of Capital Stock that could result in the corporation failing to qualify as a "domestically controlled qualified investment entity" under Section 897(h)(4)(B) of the Code. Any Person who Beneficially Owns or Constructively Owns or attempts or intends to Beneficially Own or Constructively Own shares of Capital Stock which cause or will cause a Person to Beneficially Own or Constructively Own shares of Capital Stock in excess or in violation of the above limitations must immediately notify the corporation. If any of the restrictions on transfer or ownership provided in (i), (ii), (iii) or (v) above are violated, the shares of Capital Stock in excess or in violation of the above limitations will be automatically transferred to a Trustee of a Trust for the benefit of one or more Charitable Beneficiaries. In addition, the corporation may redeem shares upon the terms and conditions specified by the Board of Directors in its sole and absolute discretion if the Board of Directors determines that ownership or a Transfer or other event may violate the restrictions described above. Furthermore, if the ownership restriction provided in (iv) above would be violated, or upon the occurrence of certain events, attempted Transfers in violation of the restrictions described above may be void *ab initio*. All capitalized terms in this legend have the meanings given to them in the Restated Certificate of Incorporation of the corporation, as the same may be amended from time to time, a copy of which, including the restrictions on transfer and ownership, will be furnished to each holder of shares of Capital Stock of the Corporation on request and without charge. Requests for such a copy may be directed to the Secretary of the corporation at its principal office.

Instead of the foregoing legend, the certificate or notice may state that the corporation will furnish a full statement about certain restrictions on ownership and transferability to a shareholder on request and without charge.

Section 12.3. Transfer of Capital Stock in Trust.

Section 12.3.1. Ownership in Trust. Upon any purported Transfer or other event described in Section 12.2.1(b) of this Restated Certificate of Incorporation that would result in a transfer of shares of Capital Stock to a Trust, such shares of Capital Stock shall be deemed to have been transferred to the Trustee as trustee of a Trust for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Trust pursuant to Section 12.2.1(b) of this Restated Certificate of Incorporation. The Trustee shall be appointed by the corporation and shall be a Person unaffiliated with the corporation and any Prohibited Owner. Each Charitable Beneficiary shall be designated by the corporation as provided in Section 12.3.6 of this Restated Certificate of Incorporation.

Section 12.3.2. Status of Shares Held by the Trustee. Shares of Capital Stock held by the Trustee shall be issued and outstanding shares of Capital Stock of the corporation. The Prohibited Owner shall have no rights in the shares held by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any shares held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Trust.

Section 12.3.3. Dividend and Voting Rights. The Trustee shall have all voting rights and rights to dividends or other distributions with respect to shares of Capital Stock held in the Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid prior to the discovery by the corporation that the shares of Capital Stock have been transferred to the Trustee shall be paid by the recipient of such dividend or distribution to the Trustee upon demand, and any dividend or other distribution authorized but unpaid shall be paid when due to the Trustee. Any dividend or distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to shares of Capital Stock held in the Trust and, subject to New York law, effective as of the date that the shares of Capital Stock have been transferred to the Trust, the Trustee shall have the authority (at the Trustee's sole discretion) (i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the corporation that the shares of Capital Stock have been transferred to the Trust and (ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; *provided, however*, that if the corporation has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article TWELFTH, until the corporation has received notification that shares of Capital Stock have been transferred into a Trust, the corporation shall be entitled to rely on its stock transfer and other stockholder records for purposes of preparing lists of shareholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes and determining the other rights of shareholders.

Section 12.3.4. Sale of Shares by Trustee. Within twenty (20) days of receiving notice from the corporation that shares of Capital Stock have been transferred to the Trust, the Trustee of the Trust shall sell the shares held in the Trust to a person, designated by the Trustee, whose ownership of the shares will not violate the ownership limitations set forth in Section 12.2.1(a) of this Restated Certificate of Incorporation. Upon such sale, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 12.3.4 of this Restated Certificate of Incorporation. The Prohibited Owner shall receive the lesser of (1) the price paid by the Prohibited Owner for the shares or, if the Prohibited Owner did not give value for the shares in connection with the event causing the shares to be held in the Trust (*e.g.* , in the case of a gift, devise or other such transaction), the Market Price of the shares on the day of the event causing the shares to be held in the Trust and (2) the price per share received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the Trust. The Trustee may reduce the amount payable to the Prohibited Owner by the amount of dividends and distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 12.3.3 of this Restated Certificate of Incorporation of this Article TWELFTH. Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be retained by or immediately paid to the Charitable Beneficiary. If, prior to the discovery by the corporation that shares of Capital Stock have been transferred to the Trustee, such shares are sold by a Prohibited Owner, then (i) such shares shall be deemed to have been sold on behalf of the Trust and (ii) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 12.3.4, such excess shall be paid to the Trustee upon demand.

Section 12.3.5. Purchase Right in Stock Transferred to the Trustee. Shares of Capital Stock transferred to the Trustee shall be deemed to have been offered for sale to the corporation, or its designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in such transfer to the Trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) and (ii) the Market Price on the date the corporation, or its designee, accepts such offer. The corporation may reduce the amount payable to the Prohibited Owner by the amount of dividends and distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 12.3.3 of this Article TWELFTH. The corporation may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary. The corporation shall have the right to accept such offer until the Trustee has sold the shares held in the Trust pursuant to Section 12.3.4. Upon such a sale to the corporation, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner.

Section 12.3.6. Designation of Charitable Beneficiaries. By written notice to the Trustee, the corporation shall designate one or more nonprofit organizations to be the Charitable Beneficiary or Charitable Beneficiaries of the interest in the Trust such that the shares of Capital Stock held in the Trust would not violate the restrictions set forth in Section 12.2.1(a) of this Restated Certificate of Incorporation in the hands of such Charitable Beneficiary or Charitable Beneficiaries. Neither the failure of the corporation to make such designation nor the failure of the corporation to appoint the Trustee before the automatic transfer provided in Section 12.2.1(b) shall make such transfer ineffective, provided that the corporation thereafter makes such designation and appointment.

Section 12.4. Nasdaq Transactions. Nothing in this Article TWELFTH shall preclude the settlement of any transaction entered into through the facilities of Nasdaq or any other national securities exchange or automated inter-dealer quotation system. The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article TWELFTH and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article TWELFTH.

Section 12.5. Enforcement. The corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article TWELFTH.

Section 12.6. Non-Waiver. No delay or failure on the part of the corporation or the Board of Directors in exercising any right hereunder shall operate as a waiver of any right of the corporation or the Board of Directors, as the case may be, except to the extent specifically waived in writing.

IN WITNESS WHEREOF, I hereto sign my name and affirm that the statements made herein are true under the penalties of perjury, this 28th day of July, 2014.

Manhattan Bridge Capital, Inc.

By: /s/ Assaf Ran
Assaf Ran, President

RESTATED CERTIFICATE OF INCORPORATION

OF

MANHATTAN BRIDGE CAPITAL, INC.

(Pursuant to Section 807 of the Business Corporation Law)

Filer:

John C. Hui, Esq.
Morse, Zelnick, Rose & Lander LLP
825 Third Ave
New York, New York 10022

BY LAWS

of

MANHATTAN BRIDGE CAPITAL, INC.**ARTICLE I****OFFICES**

Section 1. **Principal Office** - The principal office of the Corporation shall be as set forth in its Certificate of Incorporation.

Section 2. **Additional Offices** - The Corporation may have such additional offices at such other place within or without the State of New York as the Board of Directors may from time to time determine or as the business of the Corporation may require.

ARTICLE II**SHAREHOLDERS' MEETING**

Section 1. **Annual Meeting** - An annual meeting of shareholders shall be held annually on such day during the period from May 1 through October 31, other than a Saturday, Sunday or a legal holiday in the state of New York, at the time and place (either within or without the State of New York) as shall be fixed by the Board of Directors and specified in the notice of meeting for the purpose of electing directors and transacting such other business as may properly be brought before the meeting.

Section 2. **Special Meeting** - A special meeting of shareholders may be called at any time by the President and shall be called by the President at the request in writing of a majority of the Board of Directors then in office or at the request in writing filed with the Secretary by the holders of a majority of the issued and outstanding shares of the capital stock of the Corporation entitled to vote at such meeting. Any such request shall state the purpose or purposes of the proposed meeting. Special meetings shall be held at such time and place (either within or without the State of New York) as shall be specified in the notice thereof. Business transacted at any special meeting of shareholders shall be confined to the purposes set forth in the notice thereof.

Section 3. **Notice of Meetings** - Written notice of the time, and place and purpose of every meeting of shareholders (and, if other than an annual meeting, indicating the person or persons at whose discretion the meeting is being convoked), shall be given by the President, a Vice-President or by the Secretary to each shareholder of record entitled to vote at such meeting and to each shareholder who, by reason of any action proposed at such meeting, would be entitled to have his stock appraised if such action were taken, not less than ten nor more than fifty days prior to the date set for the meeting, either personally or by mailing said notice by first class mail to each shareholder at his address appearing on the stock book of the Corporation or at such other address supplied by him in writing to the Secretary of the Corporation for the purpose of receiving notice. Notice by mail shall be deemed to be given when deposited, postage prepaid, in a post office or official depository under the exclusive care and custody of the United States Post Office Department. The record date for determining the shareholders entitled to such notice shall be determined by the Board of Directors in accordance with Section 6 of ARTICLE SIXTH of these Bylaws.

If the directors shall adopt, amend or repeal a by-law regulating an impending election of directors, the notice of the next meeting of shareholders for the election of directors shall set forth the by-law so adopted, amended or repealed together with a concise statement of the changes made as required by Section 601(b) of the Business Corporation Law. If any action is proposed to be taken which would, if taken, entitle shareholders to receive payment for their shares, the notice of meeting shall include a statement to such effect.

A written waiver of notice setting forth the purposes of the meeting for which notice is waived, signed by the person or persons entitled to such notice, whether before or after the time of the meeting stated therein, shall be deemed equivalent to the giving of such notice. The attendance by a shareholder at a meeting either in person or by proxy without protesting the lack of notice thereof shall constitute a waiver of notice of such shareholder.

All notice given with respect to an original meeting shall extend to any and all adjournments thereof and such business as might have been transacted at the original meeting may be transacted at any adjournment thereof; no notice of any adjourned meeting need be given if an announcement of the time and place of the adjourned meeting is made at the original meeting.

Section 4. **Quorum** - The holders of a majority of the shares of stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of shareholders for the transaction of business except as otherwise provided by statute or the Certificate of Incorporation. If, however, a quorum shall not be present or represented at any meeting of shareholders, the shareholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. When a quorum is once present to organize a meeting, such quorum is not deemed broken by the subsequent withdrawal of any shareholders.

Section 5. **Voting** - Every shareholder entitled to vote at any meeting shall be entitled to one vote for each share of stock entitled to vote and held by him of record on the date fixed as the record date for said meeting and may so vote in person or by proxy. At all elections of directors when a quorum is present, a plurality of the votes cast by the holders of shares entitled to vote shall elect and any other corporate action, when a quorum is present, shall be authorized by a majority of the votes cast by the holders of shares entitled to vote thereon except as may otherwise be provided by statute or the Certificate of Incorporation.

Section 6. **Proxies** - Every proxy must be signed by the shareholder entitled to vote or by his duly authorized attorney-in-fact and shall be valid only if filed with the Secretary of the Corporation or with the Secretary of the meeting prior to the commencement of voting on the matter in regard to which said proxy is to be voted. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise expressly provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing it except as otherwise provided by Section 609 of the Business Corporation Law. Unless the proxy by its terms provides for a specific revocation date and except as otherwise provided by statute, revocation of a proxy shall not be effective unless and until such revocation is executed in writing by the shareholder who executed such proxy and the revocation is filed with the Secretary of the Corporation or with the Secretary of the Meeting prior to the voting of the proxy.

Section 7. **Shareholders' List** - A list of shareholders as of the record date, certified by the Secretary of the Corporation or by a transfer agent appointed by the Board of Directors shall be prepared for every meeting of shareholders and shall be produced by the Secretary or some other officer of the Corporation thereat.

Section 8. **Inspectors at Meetings** - In advance of any shareholders' meeting, the Board of Directors may appoint one or more inspectors to act at the meeting or at any adjournment thereof and if not so appointed the person presiding at any such meeting may, and at the request of any shareholder entitled to vote thereat shall, appoint one or more inspectors. Each inspector, before entering upon the discharge of his duties as set forth in Section 611 of the Business Corporation Law, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability.

Section 9. **Conduct of Meeting** - All meetings of shareholders shall be presided over by the President, or if he is not present, by a Vice-President, or if neither the President nor any Vice-President is present, by a chairman thereby chosen by the shareholders at the meeting. The Secretary of the Corporation, or in his absence, an Assistant Secretary, shall act as secretary of every meeting but if neither the Secretary nor the Assistant Secretary is present, the chairman of the meeting shall appoint any person present to act as secretary of the meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 1. **Function and Definition** - The business and property of the Corporation shall be managed by its Board of Directors who may exercise all the powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the shareholders.

Section 2. **Number and Qualification** - The number of directors constituting the entire Board shall be not less than one nor more than nine, as may be fixed by resolution of the Board of Directors or by the shareholders entitled to vote for the election of directors, provided that any such action of the Board shall require the vote of a majority of the entire Board. The phrase "entire Board" as used herein means the total number of directors which the Corporation would have if there were no vacancies. Unless and until a different number shall be so fixed within the limits above specified, the Board shall consist of three directors. The term of any incumbent director shall not be shortened by any such action by the Board of Directors or by the shareholders.

Each director shall be at least twenty-one years of age. A director need not be a shareholder, a citizen of the United States or a resident of the State of New York.

Section 3. **Election Term and Vacancies** - Except as otherwise provided in this Section, all directors shall be elected at the annual meeting of shareholders and all directors who are so elected or who are elected in the interim to fill vacancies and newly created directorships, shall hold office until the next annual meeting of shareholders and until their respective successors have been elected and qualified.

In the interim between annual meetings of shareholders, newly-created directorships resulting from an increase in the number of directors or from vacancies occurring in the Board, but not, except as hereinafter provided, in the case of a vacancy occurring by reason of removal of a director by the shareholders, may be filled by the vote of a majority of the directors, then remaining in office, although less than a quorum may exist.

In the case of a vacancy occurring in the Board of Directors by reason of the removal of one or more directors by action of the shareholders, such vacancy may be filled by the shareholders at a special meeting duly called for such purpose.

In the event a vacancy is not filled by such election by shareholders, whether or not the vacancy resulted from the removal of a director with or without cause, a majority of the directors then remaining in office, although less than a quorum, may fill any such vacancy.

Section 4. **Removal** - The Board of Directors may, at any time, with cause, remove any director.

The shareholders entitled to vote for the election of directors may, at any time, remove any or all of the directors with cause.

Section 5. **Meetings** - The annual meeting of the Board of Directors for the election of officers and the transaction of such other business as may come before the meeting, shall be held, without notice, immediately following the annual meeting of shareholders, at the same place at which such shareholders' meeting is held.

Regular meetings of the Board of Directors shall be held at such time and place, within or outside the State of New York, as may be fixed by resolution of the Board, and when so fixed, no further notice thereof need be given. Regular meetings not fixed by resolution of the Board may be held on notice at such time and place as shall be determined by the Board.

Special meetings of the Board of Directors may be called on notice at any time by the President, and shall be called by the President at the written request of a majority of the directors then in office.

Section 6. **Notice of Meetings** - No notice shall be required for regular meetings for which the time and place have been fixed. Written, oral, or any other mode of notice of the time and place shall be given for special meetings in sufficient time for the convenient assembly of the directors thereat. Notice need not be given to any director or to any member of a committee of directors who submits a written waiver of notice signed by him before or after the time stated therein. Attendance of any such person at a meeting shall constitute a waiver of notice of such meeting, except when he attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors need be specified in any written waiver of notice.

Section 7. **Conduct of Meetings** - The President, if present, shall preside at all meetings of directors. At all meetings at which the President is not present any other director chosen by the Board shall preside.

Section 8. **Quorum, Adjournment, Voting** - Except as otherwise provided by the Certificate of Incorporation, a majority of the entire Board shall be requisite and shall constitute a quorum at all meetings of the Board of Directors for the transaction of business. Where a vacancy or vacancies prevents such majority, a majority of the directors then in office shall constitute a quorum.

A majority of the directors present at any meeting, whether or not a quorum is present, may adjourn the meeting to another time and place without further notice other than an announcement at the meeting.

Except as otherwise provided by the Certificate of Incorporation, when a quorum is present at any meeting, a majority of the directors present shall decide any questions brought before such meeting and the act of such majority shall be the act of the Board.

Section 9. **Action Without Meeting** - Any action required or permitted to be taken by the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or of any committee thereof consent in writing to the adoption of a resolution authorizing the action.

Any one or more members of the Board of Directors or of any committee thereof may participate in a meeting of said Board or of any such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, and participation by such means shall constitute presence in person at the meeting.

Section 10. **Compensation of Directors** - Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at any meeting of the Board of Directors or of any committee thereof. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving reasonable compensation therefor.

Section 11. **Committees** - The Board of Directors, by resolution of a majority of the directors present at a meeting or of all of the directors if acting by written consent, may designate from among its members one or more committees, each consisting of one or more directors, and each of which, to the extent provided in such resolution, shall have all the authority of the Board except that no such committee shall have authority as to any of the following matters:

- (a) the submission to stockholders of any action as to which stockholders' authorization or approval is required by statute, the Certificate of Incorporation or by these Bylaws;
- (b) the filing of vacancies in the Board of Directors or in any committee thereof;
- (c) the fixing of compensation of the directors for serving on the Board or on any committee thereof;
- (d) the amendment or repeal of these Bylaws or the adoption of new Bylaws; and
- (e) the amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

The Board may designate one or more directors as alternate members of any such committee who may replace any absent member or members at any meeting of such committee.

Each such committee shall serve at the pleasure of the Board. The Board of Directors shall have the power at any time to fill vacancies in, to change the membership of, or to discharge any such committee. Committees shall keep minutes of their proceedings and shall report the same to the Board of Directors at the meeting of the Board next succeeding, and any action by the committee shall be subject to revision and alteration by the Board of Directors, provided that no rights of a third party shall be affected in any such revision or alteration.

ARTICLE IV

OFFICES

Section 1. **Executive Officers** - The Officers of the Corporation shall be a President, one or more Vice-Presidents, a Treasurer and a Secretary and such Assistant Treasurers and Assistant Secretaries and other officers as the Board of Directors may determine. Any two or more offices may be held by the same person, except the offices of President and Secretary, unless all of the issued and outstanding shares of capital stock of the Corporation are owned by one person, in which event such person may hold all or any combination of offices.

Section 2. **Election** - The President, one or more Vice-Presidents, the Treasurer and Secretary shall be elected by the Board of Directors to hold office until the meeting of the Board held immediately following the next annual meeting of shareholders and shall hold office for the term for which elected and until their successors have been elected and qualified. The Board of Directors may from time to time appoint all such other officers as it may determine and such officers shall hold office from the time of their appointment and qualifications until the time at which their successors are appointed and qualified. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors.

Section 3. **Removal** - Any officer may be removed from office by the Board at any time with or without cause.

Section 4. **Delegation of Powers** - The Board of Directors may from time to time delegate the power or duties of any officer of the Corporation, in the event of his absence or failure to act otherwise, to any other officer or director or person whom they may select.

Section 5. **Compensation** - The compensation of each officer shall be such as the Board of Directors may from time to time determine.

Section 6. **Chief Executive Officer** - The Board of Directors shall designate the President as the chief executive officer of the Corporation who shall have general charge of the business and affairs of the Corporation, subject, however, to the right of the Board of Directors to confer specified powers on officers and subject generally to the direction of the Board.

Unless otherwise ordered by the Board of Directors, the Chief Executive Officer, or in the event of his inability to act, any other officer designated by the Board, shall have full power and authority on behalf of the Corporation to attend and to act and to vote at any meetings of security holders of corporations in which the Corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities, and which, as the owner thereof, the Corporation might have possessed and exercised, if present. The Board of Directors by resolution from time to time may confer like powers upon any other person or persons.

Section 7. **President** The President, if not designated as Chief Executive Officer, shall have such duties as the Board may prescribe.

Section 8. **Vice-President** - The Vice-President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe. In the absence or inability of the Chief Executive Officer to perform his duties or exercise his powers, the Vice-President or, if there be more than one, a Vice-President designated by the Board, shall exercise the powers and perform the duties of the President subject to the direction of the Board of Directors.

Section 9. **Secretary** - The Secretary shall keep the minutes of all meetings and record all votes of shareholders, the Board of Directors and committees in a book to be kept for that purpose. He shall give or cause to be given any required notice of meetings of shareholders, the Board of Directors or any committee, and shall be responsible for preparing or obtaining from a transfer agent appointed by the Board, the list of shareholders required by Article II, Section 7 thereof. He shall be the custodian of the seal of the Corporation and shall affix or cause to be affixed the seal to any instrument requiring it and attest the same and exercise the powers and perform the duties incident to the office of Secretary subject to the direction of the Board of Directors.

Section 10. **Treasurer** - Subject to the direction of the Board of Directors, the Treasurer shall have charge of the general supervision of the funds and securities of the Corporation and the books of account of the Corporation and shall exercise the powers and perform the duties incident to the office of the Treasurer. If required by the Board of Directors, he shall give to the Corporation a bond in such sum and with such sureties as may be satisfactory to the Board of Directors for the faithful discharge of his duties.

Section 11. **Other Officers** - All other officers, if any, shall have such authority and shall perform such duties as may be specified from time to time by the Board of Directors.

ARTICLE V

RESIGNATIONS

Any director or officer of the Corporation or any member of any committee of the Board of Directors of the Corporation may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time is not specified therein, upon the receipt thereof, irrespective of whether any such resignation shall have been accepted.

ARTICLE VI

CERTIFICATES REPRESENTING SHARES

Section 1. **Form of Certificates** - Each shareholder shall be entitled to a certificate or certificates in such form as prescribed by the Business Corporation Law and by any other applicable statutes, which Certificate shall represent and certify the number, kind and class of shares owned by him in the Corporation. The Certificates shall be numbered and registered in the order in which they are issued and upon issuance the name in which each Certificate has been issued together with the number of shares represented thereby and the date of issuance shall be entered in the stock book of the Corporation by the Secretary or by the transfer agent of the Corporation. Each certificate shall be signed by the President or a Vice-President and countersigned by the Secretary or Assistant Secretary and shall be sealed with the Corporate Seal or a facsimile thereof. The signature of the officers upon a certificate may also be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or an employee of the Corporation. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before the certificate is issued, such certificate may be issued by the Corporation with the same effect as if the officer had not ceased to be such at the time of its issue.

Section 2. **Consideration** - A certificate representing shares shall not be issued until the full amount of consideration therefor has been paid to the Corporation, except if otherwise permitted by Section 504 of the Business Corporation Law.

Section 3. **Lost Certificates** - The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation, alleged to have been lost, mutilated, stolen or destroyed, upon the making of an affidavit of that fact by the person so claiming and upon delivery to the Corporation, if the Board of Directors shall so require, of a bond in such form and with such surety or sureties as the Board may direct, sufficient in amount to indemnify the Corporation and its transfer agent against any claim which may be made against it or them on account of the alleged loss, destruction, theft or mutilation of any such certificate or the issuance of any such new certificate.

Section 4. **Fractional Share Interests** - The Corporation may issue certificates for fractions of a share where necessary to effect transactions authorized by the Business Corporation Law; or it may pay in cash the fair market value of fractions of a share as of the time when those entitled to receive such fractions are determined; or it may issue scrip in registered or bearer form over the manual or facsimile signature of an officer of the Corporation or of its agent, exchangeable as therein provided for full shares, but such scrip shall not entitle the holder to any rights of a shareholder except as therein provided.

Section 5. **Share Transfers** - Upon compliance with provisions restricting the transferability of shares, if any, transfers of shares of the Corporation shall be made only on the share record of the Corporation by the registered holder thereof, or by his duly authorized attorney, upon the surrender of the certificate or certificates for such shares properly endorsed with payment of all taxes thereon.

Section 6. **Record Date for Shareholders** - For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof or to express consent or dissent from any proposal without a meeting, or for the purpose of determining the shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board of Directors may fix, in advance, a date as the record date for any such determination of shareholders. Such date shall not be more than fifty nor less than ten days before the date of any meeting nor more than fifty days prior to any action taken without a meeting, the payment of any dividend or the allotment of any rights, or any other action. When a determination of shareholders of record entitled to notice of or to vote at any meeting of shareholders has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the Board fixes a new record date under this Section for the adjourned meeting.

Section 7. **Shareholders of Record** - The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of New York.

ARTICLE VII

STATUTORY NOTICES

The Board of Directors may appoint the Treasurer or any other officer of the Corporation to cause to be prepared and furnished to shareholders entitled thereto any special financial notice and/or statement which may be required by Sections 510, 511, 515, 516, 517, 519 and 520 of the Business Corporation Law or by any other applicable statute.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Corporation shall be fixed, and shall be subject to change from time to time, by the Board of Directors.

ARTICLE IX

CORPORATE SEAL

The Corporate seal shall have inscribed thereon the name of the Corporation, the year of its incorporation and the words "Corporate Seal" and "New York" and shall be in such form and contain such other words and/or figures as the Board of Directors shall determine. The Corporate seal may be used by printing, engraving, lithographing, stamping or otherwise making, placing or affixing, or causing to be printed, engraved, lithographed, stamped or otherwise made, placed or affixed, upon any paper or document, by any process whatsoever, an impression, facsimile or other reproduction of said Corporate seal.

ARTICLE X

BOOKS AND RECORDS

There shall be maintained at the principal office of the Corporation books of account of all the Corporation's business and transactions.

There shall be maintained at the principal office of the corporation or at the office of the Corporation's transfer agent a record containing the names and addresses of all shareholders, the number and class of shares held by such and the dates when they respectively became the owners of record thereof.

ARTICLE XI

**INDEMNIFICATION OF DIRECTORS, OFFICERS,
EMPLOYEES AND AGENTS**

Any person made or threatened to be made a party to an action or proceeding, whether civil or criminal, by reason of the fact that he, his testator or intestate, then is or was a director, officer, employee or agent of the Corporation, or then serves or has served any other corporation in any capacity at the request of the Corporation, shall be indemnified by the Corporation against reasonable expenses, judgments, fines and amounts actually and necessarily incurred in connection with the defense of such action or proceeding or in connection with an appeal therein, to the fullest extent permissible by the laws of the State of New York. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled.

ARTICLE XII

AMENDMENTS

The shareholders entitled at the time to vote in the election of directors and the Board of Directors by vote of a majority of the entire Board, shall have the power to amend or repeal these By-Laws and to adopt new By-Laws, provided, however, that any by-law adopted, amended or repealed by the Board of Directors may be amended or repealed by the shareholders entitled to vote thereon as herein provided.

EFFECTIVE: As amended on May 21, 2014

CERTIFICATION

I, Assaf Ran, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manhattan Bridge Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2014

/s/ Assaf Ran

Assaf Ran
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Vanessa Kao, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Manhattan Bridge Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2014

/s/ Vanessa Kao

Vanessa Kao

Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Manhattan Bridge Capital, Inc. (the "Company") for the period ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Assaf Ran, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to § 906 of the Sarbanes Oxley Act, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2014

/s/ Assaf Ran*

Assaf Ran
President and Chief Executive Officer
(Principal Executive Officer)

* A signed original of this written statement required by Section 906 has been provided to us and will be retained by us and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Manhattan Bridge Capital, Inc. (the "Company") for the period ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vanessa Kao, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to § 906 of the Sarbanes Oxley Act, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2014

/s/ Vanessa Kao*

Vanessa Kao

Chief Financial Officer

(Principal Financial and Accounting Officer)

* A signed original of this written statement required by Section 906 has been provided to us and will be retained by us and furnished to the Securities and Exchange Commission or its staff upon request.
