THIS PLAN HAS BEEN AMENDED. SEE INSIDE.

CONDOMINIUM OFFERING PLAN

BLUE

105 NORFOLK STREET
NEW YORK, NEW YORK 10002

Total Purchase Price of Offering
(32 Residential Units)* $39,500,000

* The Condominium includes 1 Commercial Unit which is not being offered for sale at this time

---

SPONSOR	ATTORNEY FOR SPONSOR	SELLING AGENT
Norfolk Hudson LLC	**Martin Shaw, Esq.**	**The Corcoran Group**
c/o 58 Thomas Street	**350 Fifth Avenue, Suite 2816**	**490 Broadway**
New York, New York 10013	**New York, New York 10118**	**New York, New York 10012**
(212) 233-5450	**(212) 279-4490**	**(212) 941-2513**

THE PLAN CONTAINS CERTAIN SPECIAL RISKS TO PURCHASERS. PLEASE REFER TO PAGE (i). THE PRICES AND TERMS OF SALE FOR THESE CONDOMINIUM UNITS MAY BE CHANGESD SO THAT PURCHASERS MAY PAY DIFFERENT PRICES FOR SIMILAR INTERESTS. SEE SECTION ENTITLED CHANGES IN PRICES AND UNITS.

DATE OF ACCEPTANCE FOR FILING: November 15, 2005

The term of this initial offering is twelve (12) months from the above date and may be extended by amendment to the Offering Plan.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS OFFERING PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE CONDOMINIUM BOARD OF MANAGERS UNDER THE TERMS OF THIS OFFERING PLAN. (SEE SPECIAL RISKS SECTION OF THE PLAN).



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

TWELVE AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

THE BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED: 4-17-2009

TWELVE AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
OF THE
THE BLUE CONDOMINIUM

The Offering Plan for The Blue Condominium located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005 and amended on December 13, 2005, February 17, 2006, February 28, 2006, March 14, 2006, May 1, 2006, May 10, 2006, October 19, 2006, December 13, 2006, April 30, 2007, October 22, 2007 and March 13, 2008 is hereby further amended as follows:

The purpose of this post-closing amendment is to update the Offering Plan.

1. **UNSOLD UNITS:** The Sponsor owns the following Unsold Units:

Unit No.	Percentage of Common Interest	Monthly Common Charges	Real Estate Taxes (04/1/09-06/30/09)
Commercial	5%	$2,008.33	$181.75
PH	7.26%	$2,916.10	$335.82

2. **CONDOMINIUM WORKING CAPITAL FUND**: The Working Capital Fund was established by contributions from Purchasers at closing. The amount of the Working Capital Fund presently is $6,817.22 which account is held at HSBC Bank at 425 Fifth Avenue, New York, New York 10018. The name of the account is "The Blue Condominium Working Capital Fund".

3. **THE BOARD OF MANAGERS**: The Sponsor does not control the Board of Managers. The present members of the Board of Managers are as follows:

President:	Glenn Petry, Unit Owner
Treasure:	Michael Edwards, Unit Owner
Secretary	Jason Semmel, Unit Owner
Vice-President	Angelo Cosentini, principal of Sponsor
Board Member	Jeffrey Harmatz, agent for Sponsor

4. **OPERATING BUDGET FOR THE YEAR 2009**: The Board of Managers has not passed a new operating budget for the year 2009. Common Charges is based on the operating Budget set forth in the 9th Amendment.

5. **ACCOUNTANT'S STATEMENT OF INCOME AND EXPENSES FOR 2007**: Please see attached Exhibit 1 for a copy of the Accountant's statement of Income and Expenses for the Blue Condominium for the year 2007.

6. **SPONSOR'S FINANCIAL DISCLOSURE**:

(i) The Sponsor owns 2 Unsold Units, the Commercial Unit and the PH Unit, and makes monthly payments to the Condominium Association for Common Charges. Presently, the Sponsor pays the Condominium Association a combined monthly Common Charge total of $4,921.43 which is apportioned with Purchasers at closing of title.

(ii) The Sponsor receives rental income from the PH Unit of $10,750 per month.

(iii) The Sponsor's real estate tax liability for the Unsold Units for the fourth quarter of the fiscal year 2008/09 totals $517.57, which tax is apportioned with Purchasers at closing of title.

(iv) There are no financial obligations owed the Condominium Association that will become due in the next twelve (12) months other than payment of Common Charges, including but not limited to working capital/reserve fund payments, assessments, and payments for repairs and improvements promised in the offering plan.

(v) The Sponsor has a mortgage on the Unsold Units in the amount of approximately $3,475,000 which mortgage is payable monthly at $11,486.80, interest only, and matures on May 1, 2010. The loan is held by Alpine Capital Bank with an office at 680 Fifth Avenue, New York, NY 10019. The Sponsor is and has been current on its mortgage payments.

(vi) The Sponsor relies on its income and own financial resources to cover these expenses.

(vii) The Sponsor is current on all financial obligations relating to the Condominium, including, but not limited to, payment of common charges, taxes, reserve or working capital fund payments, assessments, and payments for repairs and improvements promised in the offering plan and is current on all payment obligations under mortgages relating to unsold units. Sponsor has been current on all such obligations during the twelve (12) months prior to the filing of the amendment.

(viii) The principal of Sponsor has ten percent or more interest in the following condominium/cooperative/homeowners associations as follows: 58 Thomas Street Condominium, New York, New York, Horatio House at 637 Hudson Street, New York, New York, 77 Hudson Condominium, New York, New York. A copy of the offering plan for each of these projects are on file with the Department of Law and are available for public inspection.

(ix) The Sponsor and all principals of the sponsor, as individuals, general partners, or principals of the sponsor or holder of unsold shares, are current in all obligations set forth above in subparagraph (vii) above in other cooperatives, condominiums, or homeowner associations in which they own more than ten percent of the units as individuals, general partners or principals.

7. **ACCOUNTANT'S STATEMENT OF INCOME AND EXPENSES**: The accountant statement of income and expenses for the Blue Condominium

covering the period from the inception of the Condominium, February 21, 2007, and ending December 31, 2007 is attached hereto as Exhibit 1.

8. There have been no material changes in the Plan except as set forth in this Amendment. The Plan, as hereby amended, does not knowingly omit any material fact and remains in full force and effect.

Dated: 4-17-2009

SPONSOR: Norfolk Hudson LLC

BLUE CONDOMINIUM
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2007

BLUE CONDOMINIUM

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ANTHONY M. BUZZEO, C.P.A., PLLC

INDEPENDENT AUDITOR'S REPORT

The Board of Managers and Unit Owners
BLUE CONDOMINIUM

I have audited the accompanying balance sheet of BLUE CONDOMINIUM as of December 31, 2007, and the related statements of operations and cash flows for the period from inception, February 21, 2007, through December 31, 2007. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BLUE CONDOMINIUM and the results of its operations and cash flows for the period then ended in conformity with generally accepted accounting principles.

Anthony M Buzzeo CPA PLLC

New York, New York
October 29, 2008

80 Fifth Avenue Suite 1404 New York, New York 10011 phone 212-242-5253 fax 212-242-5236

BLUE CONDOMINIUM
BALANCE SHEET
December 31, 2007

	2007
ASSETS	
Current assets:	
Cash, operating account	$ 25,583
Cash, security account	40,598
Receivables, unit owners	4,568
Prepaid insurance	5,086
Total current assets	75,835
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	25,131
Refundable deposits	1,000
Total current liabilities	26,131
MEMBERS' EQUITY	
Members' equity	49,704
Total liabilities and members' equity	$ 75,835

See Accompanying Notes to Financial Statements

BLUE CONDOMINIUM
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY
For the period from February 21 through December 31, 2007

		2007
Revenues:		
Common charges	$	391,425
Moving fees		17,000
Interest income		540
		408,965
Expenses:		
Salaries		178,002
Payroll taxes		17,187
Gas (heating and cooking)		35,817
Electric		59,942
Water and sewer		4,834
Supplies		27,585
Repairs and maintenance		19,212
Insurance		39,400
Management fee		25,000
Professional fees		5,200
Corporate taxes		455
Administrative		4,147
Telephone		7,826
Other operating		1,223
		425,830
Excess (deficiency) of revenue over expenses		(16,865)
Members' Equity:		
Members' Equity, beginning of year		-
Working capital contributions (Note 4)		73,999
Common property improvements		(7,430)
Members' Equity, end of year	$	49,704

See Accompanying Notes to Financial Statements

BLUE CONDOMINIUM
STATEMENT OF CASH FLOWS
For the period from February 21 through December 31, 2007

		2007
Cash Flows From Operating Activities		
Net income (loss) for the year	$	(16,865)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in assets:		
Receivables		(4,568)
Prepaid expenses		(5,086)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses		25,131
Security Deposits		1,000
Net Cash Provided (Used) By Operating Activities		(388)
Cash Flows From Investing Activities		
Common property improvements		(7,430)
Working capital contributions		73,999
Net increase (decrease) in cash and cash equivalents		66,181
Cash and cash equivalents, beginning of year		-
Cash and cash equivalents, end of year	$	66,181
Supplemental Disclosure		
Cash paid for:		
Income tax	$	-

See Accompanying Notes to Financial Statements

1. **Nature of Organization**

BLUE CONDOMINIUM (the "Condominium Association") was organized pursuant to Article 9B of the Real Property Law of the State of New York for the purpose of operating and maintaining the common property located at 105 Norfolk Street, New York, New York. The condominium consists of 30 residential units and one commercial unit. As of December 31, 2007, the Sponsor, Norfolk Hudson LLC, owned three units representing 18.35 of the common interest.

2. **Summary of Significant Accounting Policies**

Basis of Presentation - The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles prescribed by the *Audit and Accounting Guide for Common Interest Realty Associations* issued by the American Institute of Certified Public Accountants.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Association considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable, Common Charges - Association members are subject to monthly common charges based on an annual budget determined by the Board of Managers to provide funds for the Association's operating expenses. Any excess operating funds at year-end are retained by the Association for use in future years.

Property and Equipment - Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association.

Income Taxes - Condominium associations may be taxed as either a homeowners association or as a regular corporation. BLUE CONDOMINIUM has elected to be taxed as a regular corporation and as such is subject to tax on its net income at prevailing corporate rates. The Condominium is also subject to New York State Franchise Tax and New York City General Corporation Tax at the prevailing corporate tax rates.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

3. **Future Major Repairs and Replacements**

The Association has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future nor has the Board of Managers developed a plan to fund those needs. The Association has established cash reserves that it may draw on to provide funds for future major repairs and replacements to the common property.

When additional replacement funds are needed to meet future needs for major repairs and replacements, the Association has the right to increase regular common charges, authorize special assessments, borrow, or delay major repairs and replacements until funds are available. The effect on future maintenance assessments has not been determined at this time.

4. **Working Capital Contributions**

At the time of the first closing of title to each unit, the purchasers are required to make a contribution to the working capital fund of the Association in an amount equal to two months of common charges then payable for such unit. The working capital fund may be used for any purpose deemed appropriate by the Board of Managers. As of December 31, 2007, 28 units were sold and a total of $54,913 was contributed to the working capital fund. Also, the first two installments of the Association's insurance policy, totaling $16,086, paid by the Sponsor, are classified as working capital contributions. The Sponsor also paid an initial working capital contribution of $3,000 during February 2007.

SUPPLEMENTARY INFORMATION

ANTHONY M. BUZZEO, C.P.A., PLLC

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Board of Managers and Unit Owners

BLUE CONDOMINIUM

My report on my audit of the basic financial statements of BLUE CONDOMINIUM for the period ended December 31, 2007, appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The SCHEDULE OF COMMON PROPERTY IMPROVEMENTS AND REPAIRS AND MAINTENANCE presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited", on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Association has not presented the supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Anthony M Buzzeo CPA PLLC

New York, New York

October 29, 2008

80 Fifth Avenue Suite 1404 New York, New York 10011 phone 212-242-5253 fax 212-242-5236

BLUE CONDOMINIUM
SCHEDULE OF REPAIRS AND MAINTENANCE
AND COMMON PROPERTY IMPROVEMENTS
For the period from February 21 through December 31, 2007

	2007
Common Property Improvements	
Concierge system	$ 7,430
Repairs and Maintenance	
Sprinkler/fire alarm	$ 8,333
Elevator (service contract and repairs)	8,778
Permits and fees	1,367
Exterminating	303
Other	429
Totals	$ 19,212

ELEVENTH AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

THE BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED: MARCH 13, 2008

ELEVENTH AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
OF THE
THE BLUE CONDOMINIUM

The Offering Plan for The Blue Condominium located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005 and amended on December 13, 2005, February 17, 2006, February 28, 2006, March 14, 2006, May 1, 2006, May 10, 2006, October 19, 2006, December 13, 2006, April 30, 2007 and October 22, 2007, is hereby further amended as follows:

1. COMMERCIAL UNIT OFFERED FOR SALE: Pursuant to the terms of the Offering, as amended, Sponsor is now offering the Commercial Unit for sale to the public.

Unit Number	Unit Location	Offering Price	Percentage of Common Interest	Monthly Common Charges	Real Estate Taxes (1/1/08-06/30/08)
Commercial	First Fl.	$3,000,000	5%	$2,083.33	$330.80*

*** Information regarding real estate taxes has been obtained from the Statement Billing Summary issued by the New York City Department of Finance.**

2. CERTIFICATE OF OCCUPANCY: The Property was issued a permanent Certificate of Occupancy, ("CO"), No. 103862893F, on November 9, 2007. See Exhibit 1 attached hereto.

3. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering. The Plan as amended remains in full force and effect.

Dated: March 13, 2008

SPONSOR: Norfolk Hudson LLC

NYC BUILDINGS

Certificate of Occupancy

CO Number: 103862893F

This certifies that the premises described herein conforms substantially to the approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified. No change of use or occupancy shall be made unless a new Certificate of Occupancy is issued *This document or a copy shall be available for inspection at the building at all reasonable times.*

A.

Borough:	Manhattan	**Block Number:**	00353	**Certificate Type:**	Final
Address:	103 - 105 NORFOLK STREET	**Lot Number(s):**	35	**Effective Date:**	11/09/2007
Building Identification Number (BIN):	1809541	**Building Type:**	New		

For zoning lot metes & bounds, please see BISWeb.

B.

Construction classification:	1-C	**Number of stories:**	16
Building Occupancy Group classification:	J2:	**Height in feet:**	169
Multiple Dwelling Law Classification:	HAEA	**Number of dwelling units:**	30

C. **Fire Protection Equipment:**
Standpipe system, Fire alarm system, Sprinkler system

D. **Type and number of open spaces:**
None associated with this filing.

E. **This Certificate is issued with the following legal limitations**
None

Borough Comments: None

Christopher M Santalli
Borough Commissioner

Borough Commissioner

Commissioner

B Form 54 (Revised 03/05)

DOCUMENT CONTINUES ON NEXT PAGE

NYC BUILDINGS

Certificate of Occupancy

CO Number: 103862893F

Permissible Use and Occupancy

Floor From To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code habitable rooms	Building Code occupancy group	Zoning dwelling or rooming units	Zoning use group	Description of use
CEL		OG		B-2 J-2		2	ACCY STORAGE, BOILER RM, GAS METER RM, ELECT. METER RM, TRASH RM, ACCY USES
001	74	140		C J-2		6	RETAIL STORE, RESIDENTIAL LOBBY, BIKE ROOM STORAGE
002		40	4	J-2	2	2	TWO (2) APARTMENTS
003		40	5	J-2	2	2	TWO (2) APARTMENTS
004		40	5	J-2	2	2	TWO (2) APARTMENTS
005		40	6	J-2	2	2	TWO (2) APARTMENTS
006		40	6	J-2	3	2	THREE (3) APARTMENTS
007		40	6	J-2	3	2	THREE (3) APARTMENTS
008		40	6	J-2	3	2	THREE (3) APARTMENTS
009		40	6	J-2	2	2	TWO (2) APARTMENTS
010		40	7	J-2	3	2	THREE (3) APARTMENTS
011		40	7	J-2	3	2	THREE (3) APARTMENTS
012		40	6	J-2	2	2	TWO (2) APARTMENTS

Christopher M Santulli
Borough Commissioner

Borough Commissioner

Commissioner

B Form 54 (Revised 03/05)

DOCUMENT CONTINUES ON NEXT PAGE

NYC BUILDINGS

Certificate of Occupancy

CO Number: 103862893F

Permissible Use and Occupancy

Floor From To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code habitable rooms	Building Code occupancy group	Zoning dwelling or rooming units	Zoning use group	Description of use
013		40	4	J-2	1	2	ONE (1) APARTMENT
014		40	4	J-2	1	2	ONE (1) APARTMENT
015		40	2	J-2	0.5	2	ONE-HALF (1/2) APARTMENT
016		40	2	J-2	0.5	2	ONE-HALF (1/2) APARTMENT
ROF		40		J-2		2	ELEVATOR BULKHEAD, STAIR BULKHEAD THESE PREMISES 103/105 NORFOLK ST AND 126 130 DELANCEY ST CONSISTING OF TAX LOTS #35,38,40&41 HAVE BEEN DECLARED ONE ZONING LOT AS PER SECTION 12-10 OF THE ZONING RESOLUTION & HAVE BEEN RECORD ED AR THE OFFICE OF THE CITY REGISTER UNDER CRFN#2006000313885.HEREAFTER ERECTED CLASS "A" APARTMENTS NEW CODE.

END OF SECTION

Christopher M Santelli
Borough Commissioner

Borough Commissioner

Commissioner

B Form 54 (Revised 03/05)

END OF DOCUMENT

TENTH AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

THE BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED:

October 22, 2007

TENTH AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
OF THE
THE BLUE CONDOMINIUM

The Offering Plan for The Blue Condominium located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005 and amended on December 13, 2005, February 17, 2006, February 28, 2006, March 14, 2006, May 1, 2006, May 10, 2006, October 19, 2006, December 13, 2006, and April 30, 2007 is hereby further amended as follows:

The purpose of this post-post closing amendment is to update the Offering Plan.

1. UNSOLD UNITS: The Sponsor owns the following Unsold Units:

Unit No.	Percentage of Common Interest	Monthly Common Charges	Real Estate Taxes (7/1/07-12/31/07)
Commercial	5%	$2,083.33	$352.71
Tower 15	5.37%	$2,156.95	$449.19
PH	7.26%	$2,916.10	$607.30

2. CONDOMINIUM WORKING CAPITAL FUND: The Working Capital Fund was established by contributions from Purchasers. The Working Capital Fund is funded by payments made at closings to date in the amount of $40,346.75 which account is held at HSBC Bank at 425 Fifth Avenue, New York, New York 10018. The name of the account is "The Blue Condominium Working Capital Fund". No disbursements from this Fund have been made by the Board of Managers.

3. THE BOARD OF MANAGERS: The Sponsor will control the Board of Managers until the first Unit Owners meeting is held on September 26, 2007. The present members of the Board of Managers are as follows:

President:	Angelo Cosentini, principal of Sponsor
Vice-President:	Jeffrey Harmatz, agent for Sponsor
Secretary/Treasurer	John Carson, principal of Sponsor

4. **SPONSOR'S FINANCIAL DISCLOSURE:**

(i) The Sponsor owns 3 Unsold Units and makes monthly payments to the Condominium Association for Common Charges. Presently, the Sponsor pays the Condominium Association a combined monthly Common Charge total of $7,156.38 which is apportioned with Purchasers at closing of title.

(ii) The Sponsor has no rental income from the Property.

(iii) The Sponsor's real estate tax liability for the Unsold Units for the second half of the fiscal year 2007/08 totals $1,409.20 or $234.86 monthly which tax is apportioned with Purchasers at closing of title.

(iv) There are no financial obligations owed the Condominium Association that will become due in the next twelve (12) months other than payment of Common Charges, including but not limited to working capital/reserve fund payments, assessments, and payments for repairs and improvements promised in the offering plan.

(v) The Sponsor has a mortgage balance on the unsold units in the amount of approximately $5,500,000 which matures on June 1, 2008. The loan is held by Alpine Capital Bank with an office at 680 Fifth Avenue, New York, NY 10019. Monthly payments are $41,440.97. The Sponsor is and has been current on its mortgage payments.

(vi) The Sponsor relies on its own financial resources to cover these expenses.

(vii) The Sponsor is current on all financial obligations relating to the Condominium, including, but not limited to, payment of common charges, taxes, reserve or working capital fund payments, assessments, and payments for repairs and improvements promised in the offering plan and is current on all payment obligations under mortgages relating to unsold units. Sponsor has been current on all such obligations during the twelve (12) months prior to the filing of the amendment.

(viii) The principal of Sponsor has ten percent or more interest in the following condominium/cooperative/homeowners associations as follows: 58 Thomas Street Condominium, New York, New York, Horatio House at 637 Hudson Street, New York, New York, 77 Hudson Condominium, New York, New York, 25 North Moore, New York, New York. A copy of the offering plan for each of these projects are on file with the Department of Law and are available for public inspection.

(ix) The Sponsor and all principals of the sponsor, as individuals, general partners, or principals of the sponsor or holder of unsold shares, are current in all obligations set forth above in subparagraph (vii) above in other cooperatives, condominiums, or homeowner associations in which they own more than ten percent of the units as individuals, general partners or principals.

5. TEMPORARY CERTIFICATE OF OCCUPANCY: The Property was issued a renewed Temporary Certificate of Occupancy, ("TCO") No. 103862893T004, on August 15, 2007. The TCO must be renewed every 90 days until a permanent Certificate of Occupancy is issued for the Building. See Exhibit 1 attached hereto.

6. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering. The Plan as amended remains in full force and effect.

Dated: October 22, 2007

SPONSOR: Norfolk Hudson LLC

Exhibit 1

DOB BUILDINGS

Certificate of Occupancy

CO Number: 103862893T004

This certifies that the premises described herein conforms substantially to the approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified. No change of use or occupancy shall be made unless a new Certificate of Occupancy is issued. *This document or a copy shall be available for inspection at the building at all reasonable times.*

A.

Borough: Manhattan **Address:** 103-105 NORFOLK STREET **Building Identification Number (BIN):** 1804654	**Block Number:** 00353 **Lot Number(s):** 35 **Building Type:** New	**Certificate Type:** Temporary **Effective Date:** 08/15/2007 **Expiration Date:** 11/13/2007

For zoning lot metes & bounds, please see BISWeb.

B.

Construction classification: 1-C **Building Occupancy Group classification:** J-2 **Multiple Dwelling Law Classification:** HAEA		**Number of stories:** 16 **Height in feet:** 169 **Number of dwelling units:** 30	

C. **Fire Protection Equipment:**
Standpipe system, Fire alarm system, Sprinkler system

D. **Type and number of open spaces:**
None associated with this filing.

E. **This Certificate is issued with the following legal limitations:**
None

Outstanding requirements for obtaining Final Certificate of Occupancy:

There are 20 outstanding requirements. Please refer to BISWeb for further detail.

Borough Comments: None

Christopher M Santelli
Borough Commissioner

Borough Commissioner

Commissioner

DOCUMENT CONTINUES ON NEXT PAGE

NYC BUILDINGS

Certificate of Occupancy

CO Number: 103862893T004

Permissible Use and Occupancy

Floor From	To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code habitable rooms	Building Code occupancy group	Zoning dwelling or rooming units	Zoning use group	Description of use
CEL			OG		B-2 J-2		2	ACCESSORY STORAGE, BOILER ROOM, GAS METER ROOM, ELECTRICAL METER ROOM, TRASH ROOM, ACCESSORY USES
001		74	140		C J-2		6	RETAIL STORE, RESIDENTIAL LOBBY, BIKE ROOM STORAGE
002			40	4	J-2	2	2	TWO (2) APARTMENTS
003			40	5	J-2	2	2	TWO (2) APARTMENTS
004			40	5	J-2	2	2	TWO (2) APARTMENTS
005			40	6	J-2	2	2	TWO (2) APARTMENTS
006	008		40	6	J-2	3	2	THREE (3) APARTMENTS PER FLOOR
009			40	7	J-2	2	2	TWO (2) APARTMENTS
010	011		40	7	J-2	3	2	THREE (3) APARTMENTS PER FLOOR
012			40	7	J-2	2	2	TWO (2) APARTMENTS
013			40	4	J-2	1	2	ONE (1) APARTMENT
014			40	4	J-2	1	2	ONE (1) APARTMENT
015			40	2	J-2	0.5	2	ONE-HALF (1/2) APARTMENT

Christopher M Santelli
Borough Commissioner

Borough Commissioner

Commissioner

DOCUMENT CONTINUES ON NEXT PAGE

NYC BUILDINGS

Certificate of Occupancy

CO Number: 103862893T004

Permissible Use and Occupancy

Floor From	To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code habitable rooms	Building Code occupancy group	Zoning dwelling or rooming units	Zoning use group	Description of use
016			40	2	J-2	0.5	2	ONE-HALF (1/2) APARTMENT
ROF			40		J-2		2	ELEVATOR BULKHEAD, STAIR BULKHEAD
								THESE PREMISES 103/105 NORFOLK STREET AND 128 130 DELANCEY STREET CONSISTING OF TAX LOTS #35,39,40&41 HAVE BEEN DECLARED ONE ZONING LOT AS PER SECTION 12-10 OF THE ZONING RESOLUTION AND HAVE BEEN RECORDED AT THE OFFICE OF THE CITY REGISTER UNDER CRFN#2006000313885.HEREAFTER ERECTED CLASS "A" MULTIPLE DWELLING, NEW CODE.

END OF SECTION

Christopher M Santelli
Borough Commissioner

Borough Commissioner

Commissioner

END OF DOCUMENT

103862893/004 08/15/2007 02:14:46 PM

B Form 54 (Revised 03/05)

NINTH AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

THE BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED: APRIL 30, 2007

NINTH AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
OF THE
THE BLUE CONDOMINIUM

The Offering Plan for The Blue Condominium located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005 and amended on December 13, 2005, February 17, 2006, February 28, 2006, March 14, 2006, May 1, 2006, May 10, 2006, October 19, 2006 and December 13, 2006 is hereby further amended as follows:

1. CHANGE OF CLOSET DOOR: In Unit 12C, the swinging bathroom door was replaced with a pocket door in order to provide handicap clearance. Please see a copy of the Floor Plan, Exhibit 1, attached hereto.

2. COMBINATION OF UNITS 12B AND 12C: Units 12B and 12C were combined to form one Residential Unit, now known as Unit 12B, to which has been assigned tax lot number 28. Consequently, the total number of Units in the Building has been reduced from thirty-one (31) to thirty (30) Residential Units and one (1) Commercial Unit. The Floor Plan for the combined Unit is attached hereto as Exhibit 2. The Architect's addendum to his Report regarding the distribution of Units is attached hereto as Exhibit 3. The particulars of the newly combined Unit 12B are as follows:

Unit No.	SF	Percentage Of Residential Common Interest	Percentage of Common Interest	Limited Common Elements
12B	2,186 SF	6.29%	5.97%	30 SF (storage #21) 51 SF (storage #23)

3. AMENDMENT TO THE DECLARATION: The Sponsor amended the Declaration to the Blue Condominium, recorded on January 11, 2007, in order to disclose the combination of Units 12B and 12C. The First Amendment to the Declaration was filed with the New York City Register's Office on March 29, 2007. The combined Units will be known as Unit 12B. The Sponsor's right to amend the Declaration is set forth in Articles 12 and 19 of the Declaration. Consequently Schedule B of the Declaration, description of Units, has been amended setting forth the combined Unit, 12B. The revised Schedule B to the Declaration is attached hereto as Exhibit 4 to this Amendment.

4. POST CLOSING DATA: The first title closing to a Condominium Unit for the Blue Condominium was held on February 21, 2007 at the Law Office of Shaw & Associates, attorneys for Sponsor, 350 Fifth Avenue, Suite 2816, New York, New

York 10118, subsequent to the filing of the Declaration and the issuance of a Temporary Certificate of Occupancy. To this date, the Sponsor has closed title to 25 Residential Units of the thirty (30) Residential Units at the Building or 83%. A list of the Unsold Units is attached hereto as Exhibit 5.

a. CONDOMINIUM WORKING CAPITAL FUND: The Working Capital Fund was established by contributions from Purchasers. The Working Capital Fund is funded by payments made at closings to date in the amount of $28,566.64 which account is held at HSBC Bank at 425 Fifth Avenue, New York, New York 10018. The name of the account is "The Blue Condominium Working Capital Fund". No disbursements from this Fund have been made by the Board of Managers.

b. REVISED BUDGET (SCHEDULE B): The Budget set forth on page 31 in the Offering Plan has been increased to reflect increases to certain items in the operating Budget, namely, payroll, insurance and energy projection. The revised Budget will be increase by a total of 21% primarily due to an increase in services that will result in an increase to the Common Charges payable by Unit Owners commencing May 1, 2007. The increase in energy projection is due to an increase in the rates for gas and electricity. The increase in payroll is due to a resolution by the Board of Managers authorizing 24-hour doormen service at the Building. The Sponsor will pay its share of the increased cost in doormen service from two shifts to three shifts daily during the period of construction at the Building from February 21, 2007 thru April 30, 2007. The increase cost in insurance premium is due to additional all-risk coverage for the Building and for an umbrella liability policy. See Schedule B, revised Budget, attached hereto as Exhibit 6. The mechanical engineer's projection of energy consumption and costs is attached hereto as Exhibit 7. Schedule A, financial details setting forth the revised Common Charges for the Units, is set forth as Exhibit 8, attached hereto. The certification of Budget is attached hereto as Exhibit 9.

The bank account for the operating income and expenses of the Condominium is held at HSBC Bank at 425 Fifth Avenue, New York, New York 10018. The name of the account is the "Blue Condominium Operating Account". Andrews Building Corporation with an office at 666 Broadway, New York, New York 10012 is the Managing Agent.

c. THE BOARD OF MANAGERS:

The Sponsor controls the Board of Managers until such time as 80% of the Units are sold. The Sponsor will relinquish control of the Board of Managers at the first annual meeting of the Unit Owners scheduled for August 1, 2007. The present members of the Board of Managers are as follows:

President:	Angelo Cosentini, principal of Sponsor
Vice-President:	Jeffrey Harmatz, agent for Sponsor
Secretary/Treasurer	John Carson, principal of Sponsor

d. **SPONSOR'S FINANCIAL DISCLOSURE:**

(i) **The Sponsor owns 6 Unsold Units and makes monthly payments to the Condominium Association for Common Charges. Presently, the Sponsor pays the Condominium Association a combined monthly Common Charge total of $9,833.40 which is apportioned with Purchasers per closing of title.**

(ii) **The Sponsor has no rental income from the Property.**

(iii) **The Sponsor's real estate tax liability for the Unsold Units for the second half of the fiscal year 2006/07 totals $942.60 monthly which tax is apportioned with Purchasers per closing of title.**

(iv) **There are no financial obligations owed the Condominium Association that will become due in the next twelve (12) months other than payment of Common Charges, including but not limited to working capital/reserve fund payments, assessments, and payments for repairs and improvements promised in the offering plan.**

(v) **The Sponsor has a construction mortgage balance in the amount of approximately $1,490,000 which matures on May 1, 2007 or the mortgage will be extended until it is satisfied from the proceeds of the next Unit closing. The loan is held by Doral Bank, FSB with an office at 387 Park Avenue South, New York, NY 10016. The Sponsor is and has been current on its mortgage payments.**

(vi) **The Sponsor relies on its own financial resources to cover these expenses.**

(vii) **The Sponsor is current on all financial obligations relating to the Condominium, including, but not limited to, payment of common charges, taxes, reserve or working capital fund payments, assessments, and payments for repairs and improvements promised in the offering plan and is current on all payment obligations under mortgages relating to unsold units. Sponsor has been current on all such obligations during the twelve (12) months prior to the filing of the amendment.**

(viii) **The principal of Sponsor has ten percent or more interest in the following condominium/cooperative/homeowners associations as follows: 58 Thomas Street Condominium, New York, New York, Horatio House at 637 Hudson Street, New York, New York, 77 Hudson Condominium, New York, New York. A copy of the offering plan for each of these projects are on file with the Department of Law and are available for public inspection.**

(ix) **The Sponsor and all principals of the sponsor, as individuals, general partners, or principals of the sponsor or holder of unsold shares, are current in all obligations set forth above in subparagraph (vii) above in other cooperatives, condominiums, or homeowner associations in which they own more than ten percent of the units as individuals, general partners or principals.**

5. TEMPORARY CERTIFICATE OF OCCUPANCY:

The Property was issued a Temporary Certificate of Occupancy, ("TCO") No. 103862893T001, on February 15, 2007. The TCO must be renewed every 90 days until a permanent Certificate of Occupancy is issued for the Building. See Exhibit 10 attached hereto.

6. PERMANENT TAX LOTS:

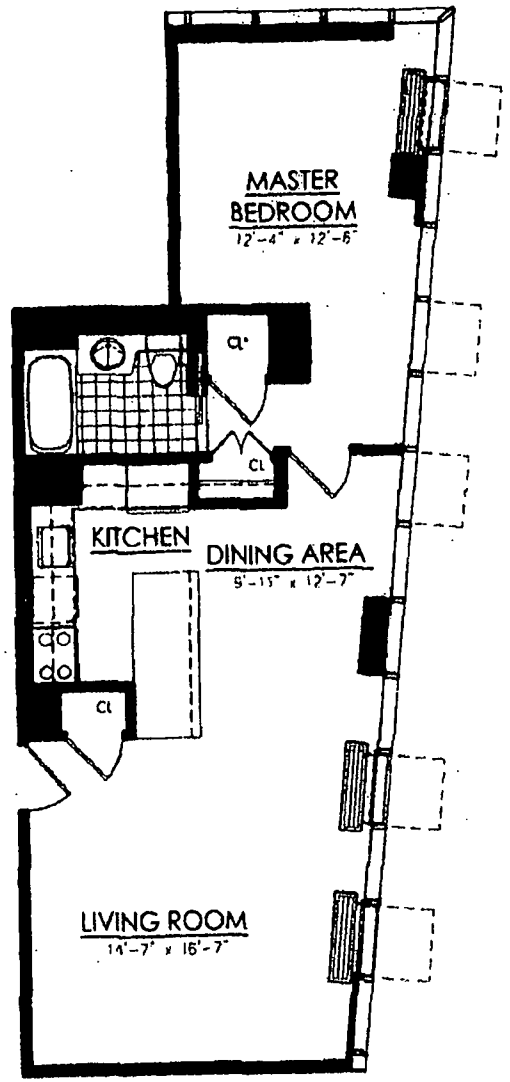
The permanent tax lots were recorded at the New York Surveyor's office on January 8, 2007. Unit Owners will receive notice of their individual tax lots and real estate tax bills six (6) to twelve (12) months from the date the tax lots were recorded.

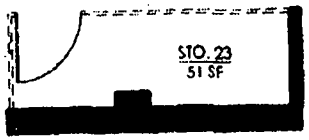
7. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering. The Plan as amended remains in full force and effect.

Dated: April 30, 2007

SPONSOR: Norfolk Hudson LLC

EXHIBIT 1





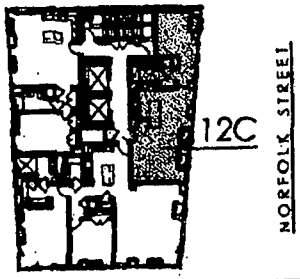
REGISTERED ARCHITECT
SAKY YAKAS
No. 018047
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



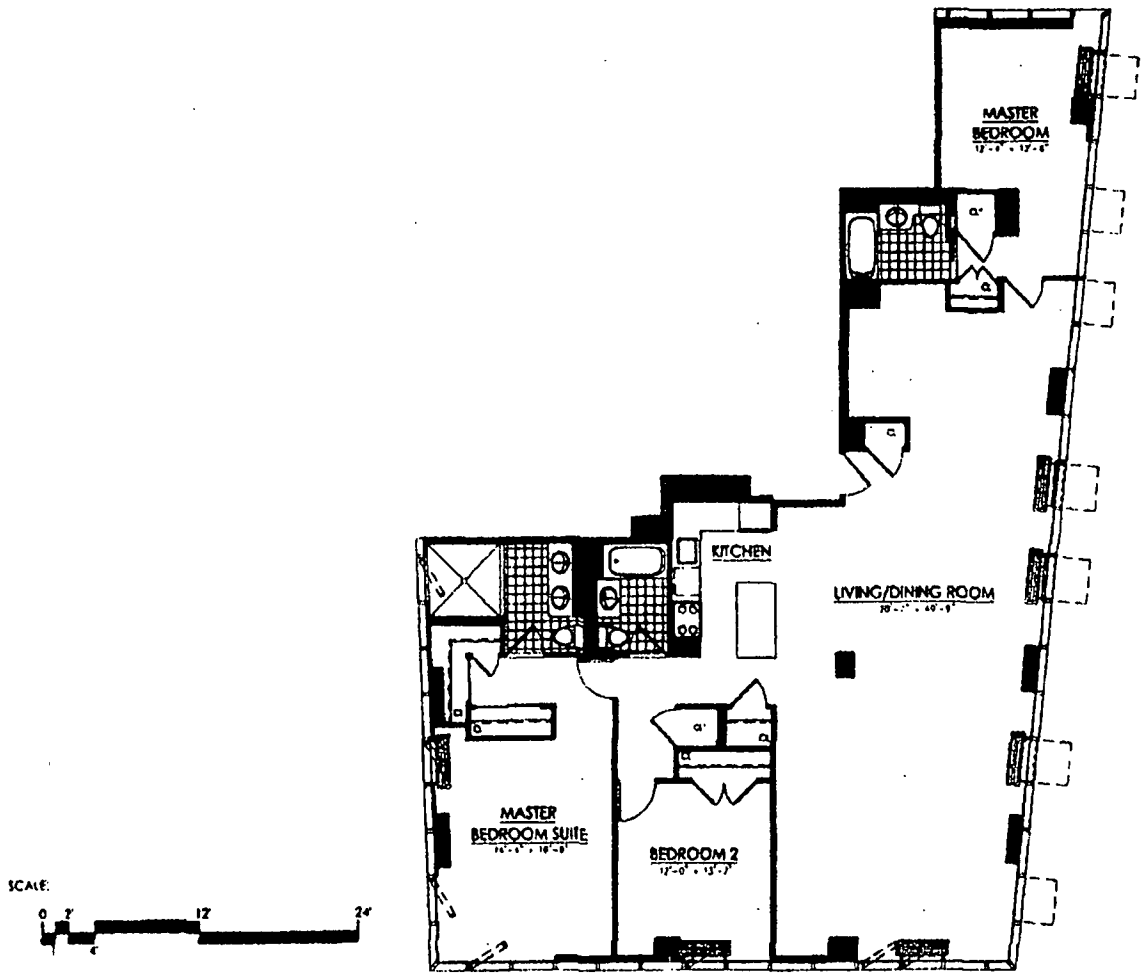
NORTH

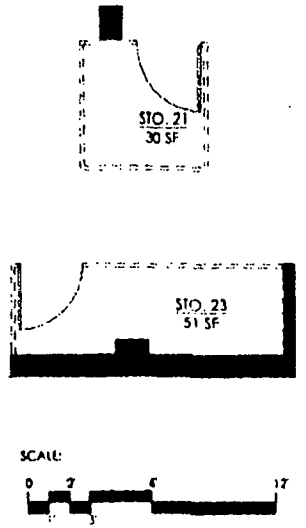
12TH FLOOR

APARTMENT '12C'
AREA = 785 SQ. FT.
+51 SQ. FT. STORAGE
836 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:

EXHIBIT 2





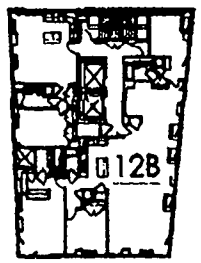
7

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



NORTH

NORFOLK STREET

12TH FLOOR

APARTMENT '12B'
AREA = 2,186 SQ. FT.
+51 SQ. FT. STORAGE
+30 SQ. FT. STORAGE
2,267 SQ. FT.

3 BEDROOMS, 3 BATHS
LIVING ROOM, DINING AREA

REGISTERED ARCHITECT
SAKY YAKAS
No. 016047
STATE OF NEW YORK

EXHIBIT 3

103-105 Norfolk Street
(AMENDMENT #9 TO ATTORNEY GENERAL'S REPORT)

Outline Specifications
103-105 Norfolk Street
New York, New York

February 27, 2007

G. Occupancy

1. Apartment Unit Distribution

2nd Floor	2 One Bedroom
3rd Floor and 4th Floors	1 Two Bedroom 1 One Bedroom
5th Floor	2 Two Bedrooms & Terrace
6th and 7th Floors	3 One Bedrooms
8th Floor	2 One Bedroom 1 One Bedroom
9th Floor	1 One Bedroom 1 Two Bedroom
10th and 11th Floors	2 One Bedrooms 1 Two Bedroom
12th Floor	1 One Bedroom 1 Three Bedroom
14th Floor	1 Two Bedroom & Terrace
15th Floor	1 Two Bedroom
PH Upper, PH Lower Floors	1 Two Bedroom & Terrace
TOTAL NUMBERS OF *DWELLING UNITS*	**30 Units**

REGISTERED ARCHITECT
SAKY YAKAS
No. 018047
STATE OF NEW YORK

H:\Attorney General Reports\\Sherry\ \103-105 Norfolk Street
4/4/05

1

Exhibit 4

REVISED SCHEDULE B
TO THE DECLARATION
DESCRIPTION OF UNITS

103-105 Norfolk Street
New York, New York 10002

UNIT #	INTERIOR SQ. FT.	PERCENTAGE RESIDENTIAL COMMON INTEREST	PERCENTAGE COMMON INTEREST	LIMITED COMMON ELEMENTS	TENTATIVE TAX LOTS
COMM.	2,690	N/A	5.00%	429 (Storage)	1001
2A	972	2.76%	2.62%		1002
2B	841	2.39%	2.27%		1003
3A	759	2.15%	2.05%		1004
3B	1,218	3.46%	3.28%		1005
4A	764	2.17%	2.06%		1006
4B	1,216	3.47%	3.30%		1007
5A	1,386	3.95%	3.76%	240 (Terrace)	1008
5B	991	3.02%	2.87%	131 (Terrace)	1009
6A	787	2.26%	2.14%	35 (Storage 15)	1010
6B	957	2.74%	2.60%	35 (Storage 14)	1011
6C	766	2.20%	2.09%	----	1012
7A	782	2.25%	2.14%	30 (Storage 20)	1013
7B	1,052	3.02%	2.86%	31 (Storage 19)	1014
7C	766	2.20%	2.09%	35 (Storage 16)	1015
8A	786	2.26%	2.15%	45 (Storage 22)	1016
8B	1,129	3.23%	3.07%	45 (Storage 11)	1017
8C	785	2.26%	2.15%	41 (Storage 4)	1018
9A	782	.25%	2.14%	45 (Storage 10)	1019

9B	2,004	5.75%	5.47%	46 (Storage 6) 47 (Storage 7)	1020
10A	785	2.26%	2.15%	47 (Storage 3)	1021
10B	1,315	3.76%	3.58%	47 (Storage 2)	1022
10C	783	2.25%	2.14%	41 (Storage 1)	1023
11A	786	2.27%	2.15%	44 (Storage 12)	1024
11B	1,401	4.01%	3.81%	52 (Storage 9)	1025
11C	786	2.27%	2.15%	45 (Storage 18)	1026
12A	779	2.25%	2.13%	47 (Storage 5)	1027
12B	2,186	6.29%	5.97%	30 (Storage 21) 51 (Storage 23)	1028
Tower 14	2,168	7.55%	7.18%	956 (Terrace) 51 (Storage 17)	1030
Tower 15	1,975	5.65%	5.37%	52 (Storage 8)	1031
PH	2,494	7.65%	7.26%	375 (Terrace 13) 56 (Storage)	1032
TOTALS	**36,891**	**100%**	**100%**		

Exhibit 5

SPONSOR'S UNSOLD UNITS AT THE BLUE CONDOMINIUM

UNIT	PERCENTAGE OF COMMON INTEREST
COMM.	5.00%
6C	2.09%
10A	2.15%
Tower 14	7.18%
Tower 15	5.37%
PH	7.26%
Totals	29.05

EXHIBIT 6

103-105 NORFOLK STREET

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

May 1, 2007 to April 30, 2008

Income:

	TYPE OF INCOME	PROJECTED RESIDENTIAL	PROJECTED COMMERCIAL	PROJECTED TOTAL
(1)	Residential Common Charges	457,900	0	457,900
(2)	Commercial Common Charges	0	24,100	24,100
(3)	**Total Income:**	**457,900**	**24,100**	**482,000**

Expenses:

	TYPE OF EXPENSE	PROJECTED RESIDENTIAL	PROJECTED COMMERCIAL	PROJECTED TOTAL
(4)	Labor	212,405	11,179	223,584
(5)	Gas - Heating & Hot Water	34,390	1,810	36,200
(6)	Gas - Cooking	4,054	213	4,267
(7)	Electricity	46,199	2,432	48,631
(8)	Water Charges & Sewer Rents	11,115	585	11,700
(9)	Service Contracts	23,750	1,250	25,000
(10)	Repairs, Maintenance & Supplies	23,750	1,250	25,000
(11)	Insurance	30,875	1,625	32,500
(12)	Management Fees	28,500	1,500	30,000
(13)	Legal Fees & Audit Fees	10,450	550	11,000
(14)	Administrative Expenses	9,500	500	10,000
(15)	Miscellaneous Expenses (Permits, Fees, Taxes)	7,600	400	8,000
(16)	Contingency	15,623	822	16,445
	Total Expense:	**457,900**	**24,100**	**482,000**
	Net Difference:	0	0	0

3/21/07

Footnotes to Revised Budget Items, Exhibit 6:

a. **Labor: ($223,584)**

Labor costs include wages for a full time non-resident superintendent who shall be responsible for doing minor repairs in the Common Elements, cleaning the common areas, putting out garbage, removing snow in the winter and general duties of a superintendent. The superintendent shall reside within 200 feet of the Property. The Budget estimates wages of $26.44 an hour for the superintendent. The Building will benefit from 24-hour doormen service. There will be three (3) full time doormen and two (2) part-time doormen at wages raging from $15 to $12 an hour. Total wages are projected at $181,128.77. Approximately $42,400.99 is projected for employee related costs including such items as health insurance, FICA, disability and workers comp. Wages will meet NY State minimum wage law.

b. **Gas Heating & Domestic Hot Water for Units & Common Areas: ($36,200)**

Projections for energy consumption and costs and water charges & sewer rents projected in this Budget were based on an analysis Report prepared by Ettinger Engineering Associates, consulting Engineers, with an office at 505 Eighth Avenue New York, NY 10018. Costs projections, summarized below, include NYC sales tax and a 5% allowance for possible increases to energy costs. See Ettinger's Report as Exhibit 7 attached hereto.

Gas consumption and cost for heat as projected are as follows: the average consumption of gas used for heating, which varies during winter and summer months, is projected at 27,150 therms annually at an average current rate of $1.40 per therm including sales tax and a 5% increase over the current approximate cost for gas. Please refer to Exhibit 7.

It is not possible to predict how closely the estimated figures will reflect the actual expenses for gas during the first years of building operation since such expenses will vary with the occupancy ratio, level of consumption by individuals, fluctuations in the price of gas, fuel cost adjustments and State and City surcharges and variations in annual climate conditions.

c. **Gas Used for Cooking by Residential Units: ($4,267)**

This estimate is based on an approximate consumption of 3,048 therms at $1.40 per therm including a 5% increase over the current cost for gas. See Exhibit 7.

d. **Utilities (Electricity for Common Areas and Equipment): ($48,631)**

Based on the average lighting in the Residential Common Elements including elevators, building motors, exhaust fans, lighting for corridors, lobby and stairways. Consumption is estimated at 256,000 kilowatt hours annually at $.19 per kilowatt hour. See Exhibit 7.

The electrical energy consumption for each individual Unit for general lighting consumption, power appliances and air conditioning is billed directly to Unit Owners. See Exhibit 7.

It is not possible to predict how closely the estimated figures will reflect the actual expenses during the first years of condominium operation since such expenses will vary with the occupancy ratio, temperature setpoints, or fluctuations in energy cost adjustments and State and City surcharges.

e. **Water Charges and Sewer Rents: ($11,700)**

The Residential and Commercial Units are separately metered for water consumption. Projected consumption for the Residential Units is 234,000 cubic feet of water per year at the current rate of $0.05 per cubic foot including a 5% increase above the present approximate cost for water and sewer.

f. **Insurance: ($32,173)**

Insurance coverage increased for all risk coverage from $16,000,000 to $23,000,000 and for an umbrella liability of $50,000,000. The policy was issued by One Beacon Insurance Company of Melville, New York. The broker represents that the building coverage of $23,000,000 would be adequate to cover replacement as the policy is for an agreed amount which waives co-insurance.

Coverage	Limits
Building: (all risk)	$23,000,000
General Commercial Liability:	$1,000,000/$2,000,000
Hired and non-owned auto Liability:	$1,000,000
Rents (Common Charges):	Included
Directors and Officers Liability:	$1,000,000/50,000,000 umbrella
Agents Fidelity Coverage:	$ 50,000
Additional Employee Dishonesty:	$ 250,000
Boiler and Machinery:	covered
Umbrella Liability	$50,000,0000

EXHIBIT 7

ETTINGER ENGINEERING
ASSOCIATES

Robert Ettinger, P.E., M.M.E.
Eric Ettinger, P.E.

March 13, 2007

On The Level Enterprises, Inc.
58 Thomas Street
New York, NY 10013

Attn: Mr. John Carson

Re: 103 Norfolk Street
New York, NY
Cost Estimates

Dear John:

The following are the utility budget cost estimates for the central and owners utility usage for the above mentioned project as requested:

1. Electricity - (Budget - $48,630.95)

The Projection of Residential Area electricity costs contained in this budget includes the cost of electricity to the Residential Common Elements and covers the operation of such items as elevators, building motors, exhaust fans, and lighting for corridors, elevator lobbies and stairways. The projections contained herein are based on consumption estimates made by Eric Ettinger of 256,000 kilowatt hours per year with the average summer and winter rate of $.19 per kilowatt hour. This cost per kilowatt hour represents a 5% increase above the current approximate cost for electricity. The total estimated annual electricity cost for the Residential Common Elements is $48,630.95.

505 Eighth Avenue
New York, NY 10018
Ph. 212.244.2410
Fax. 212.643.1606
eeo@ettingerengineering.com
www.ettingerengineering.com

2. A. Cooking Gas - (Budget $4,266.66)

Gas cooking in the Residential Units will be supplied by the Condo. The gas projections were made by Eric Ettinger, based upon a consumption of 3,048 therms at a cost of $1.40 therm for a total of $4,266.66. This cost per therm represents a 5% increase over the current approximate cost for gas.

B. Residential Heating & Domestic Hot Water - (Gas Budget $36,199.99)

Heat and hot water for the Condominium will be fueled by gas fired boilers. The budgeted amount for the first year of operation of the entire residential portion including public spaces serving the residential condominium is based on estimated total consumption for heat and hot water of 27,150 therms at an estimated cost of $1.40 per therm gas including sales tax, or an estimated cost of $12,104.77 for heat and $24,095.22 for domestic hot water. This cost per therm represents a 5% increase over the current approximate cost for gas.

It is not possible to predict how closely the budgeted figure will reflect the actual cost of heat and hot water during the first year of operation of the Condominium, in part because such costs will vary with the level of consumption and the price per therm. Consumption of gas for heat will be affected by the weather.

3. Water Charges and Sewer Rents (Budget - $11,700.23)

The Residential Area and the Non-Residential Unit are separately metered for water consumption. The amount budgeted for the both areas is predicated upon an estimate prepared by Eric Ettinger. Based upon projected residential consumption of 234,000 cubic feet of water per year

Ettinger Engineering Associates
Ph. 212.244.2410
Fax. 212.643.1606
eea@ettingerengineering.com
www.ettingerengineering.com

and the current rate of $0.05 per cubic foot, the total cost of $11,700.22/year. This cost per cubic foot represents a 5% increase above the current approximate cost for water and sewer.

Sincerely,

Eric S. Ettinger, P.E.

ESE/kr

cc: Carlos Palacios - SLCE Architects

C854-06.WPD

Ettinger Engineering Associates
Ph. 212.244.2410
Fax. 212.643.1606
eea@ettingerengineering.com
www.ettingerengineering.com

ETTINGER ENGINEERING
ASSOCIATES

Robert Ettinger, P.E., M.M.E.
Eric Ettinger, P.E.

March 13, 2007

On The Level Enterprises, Inc.
58 Thomas Street
New York, NY 10013

Attn: Mr. John Raine

Re: 103 Norfolk Street
New York, NY
Apartment Electric Usage - Estimates

Dear John:

In accordance with your request, we list below estimates of annual electric energy costs for lighting, heating and air conditioning, and for operating the typical electrical appliances located in each apartment.

The estimated KWHR per year per square foot and annual cost of electricity per square foot utilized by individual apartments are 10.18 KWHR/Sq.Ft/Year and $1.71 per square foot, based on Con Edison rate of $0.168 per KW hour. This cost per kilowatt hour represents a 5% increase above the current approximate cost for electricity. The following table lists annual costs of electricity for all apartments individually:

Unit	SF	Total Annual KWH	Total Annual Cost
2A	972	9895	1662
2B	841	8561	1438
3A	759	7727	1298
3B	1218	12399	2083

505 Eighth Avenue
New York, NY 10018
Ph. 212.244.2410
Fax. 212.643.1606
eea@ettingerengineering.com
www.ettingerengineering.com

Unit	SF	Total Annual KWH	Total Annual Cost
4A	764	7777	1306
4B	1216	12379	2080
5A	1386	14109	2370
5B	991	10088	1695
6A	787	8012	1346
6B	957	9742	1636
6C, 7C	766	7798	1310
7A	782	7960	1337
7B	1052	10709	1799
8A,11A,11C	786	8001	1344
8B	1129	11493	1931
8C	785	7791	1309
9A	782	7960	1337
9B	2004	20400	3427
10A	785	7991	1342
10B	1315	13387	2249
10C	783	7971	1339
11B	1401	14262	2396
12A	779	7930	1332
12B	2186	22253	3738
13A	2168	22070	3708
14A	1975	20105	3378
15/16PH	2494	25389	4265

Ettinger Engineering Associates
Ph. 212.244.2410
Fax. 212.643.1606
eea@ettingerengineering.com
www.ettingerengineering.com

The projected rates are not guaranteed and it must be expected that these rates will increase with the passage of time and may be affected by many factors which are beyond the control of the Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of occupants and weather conditions.

Sincerely,

Eric S. Ettinger, P.E.

ESE/kr

cc: Carlos Palacios - SLCE Architects

C854-07.WPD

Ettinger Engineering Associates
Ph. 212.244.2410
Fax. 212.643.1606
eea@ettingerengineering.com
www.ettingerengineering.com

EXHIBIT 8

SCHEDULE A
103-105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project's First Year of Condominium Operation
May 1, 2007 - April 30, 2008

Unit #	BR (1)	BATH (1)	Gross Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Offering Price (5)	Percentage Residential Common Interest (6)	Percentage Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per Month with 421-A (12)	Projected RE Taxes & Common Charges per Month w/o 421-A (13)
COMM			2,690	429	281	Not for Sale		5%	$24,100.00	$2,008.33		$1,693.91	$2,008.33	$3,360.58
2A	1	1	972			$1,025,000	2.76%	2.62%	$12,628.40	$1,052.37	$37.95	$715.88	$1,090.32	$1,768.25
2B	1	1	841			$960,000	2.39%	2.27%	$10,941.40	$911.78	$32.84	$619.91	$944.62	$1,531.69
3A	1	1	759			$895,000	2.15%	2.05%	$9,881.00	$823.42	$29.63	$557.66	$853.05	$1,381.08
3B	2	2	1,218			$1,405,000	3.46%	3.28%	$15,809.60	$1,317.47	$47.55	$897.44	$1,365.02	$2,214.91
4A	1	1	764			$915,000	2.17%	2.06%	$9,929.20	$827.43	$29.83	$562.85	$857.26	$1,390.28
4B	2	2	1,216			$1,435,000	3.47%	3.30%	$15,906.00	$1,325.50	$47.77	$900.04	$1,373.27	$2,225.54
5A	2	2	1,386	240		$1,700,000	3.95%	3.76%	$18,123.20	$1,510.27	$54.42	$1,024.54	$1,564.69	$2,534.80
5B	2	2	991	131		$1,500,000	3.02%	2.87%	$13,833.40	$1,152.78	$41.54	$783.32	$1,194.32	$1,936.10
6A	1	1	787		35	$965,000	2.26%	2.14%	$10,314.80	$859.57	$31.07	$586.19	$890.64	$1,445.76
6B	1	1	957		35	$1,145,000	2.74%	2.60%	$12,532.00	$1,044.33	$37.71	$710.69	$1,082.04	$1,755.03
6C	1	1	766			$975,000	2.20%	2.09%	$10,073.80	$839.48	$30.25	$570.63	$869.73	$1,410.11
7A	1	1	782		30	$1,025,000	2.25%	2.14%	$10,314.80	$859.57	$30.93	$583.60	$890.50	$1,443.16
7B	1	1	1,052		31	$1,225,000	3.02%	2.86%	$13,785.20	$1,148.77	$41.50	$783.32	$1,190.27	$1,932.08
7C	1	1	766		35	$990,000	2.20%	2.09%	$10,073.80	$839.48	$30.31	$570.63	$869.79	$1,410.11
8A	1	1	786		45	$1,000,000	2.26%	2.15%	$10,363.00	$863.58	$31.13	$586.19	$894.71	$1,449.77
8B	1/study	2	1,129		45	$1,350,000	3.23%	3.07%	$14,797.40	$1,233.12	$44.52	$837.79	$1,277.64	$2,070.90
8C	1	1	785		41	$1,010,000	2.26%	2.15%	$10,363.00	$863.58	$31.09	$586.19	$894.67	$1,449.77

SCHEDULE A
103-105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project's First Year of Condominium Operation
May 1, 2007 - April 30, 2008

Unit #	BR (1)	BATH (1)	Gross Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage (4)	Offering Price (5)	Percentage Interest		Common Charges Per Month (7)	Real Estate Taxes Per Month (8)	Insurance Per Month (9)	Projected Monthly Common Charges (10)	Projected Monthly Expenses (11)
9A	1	1	782		45	$1,025,000	2.25%	2.14%	$10,314.80	$859.57	$30.97	$583.60	$890.54	$1,443.16
9B	2	2.5	2,004		46-47	$2,645,000	5.75%	5.47%	$26,365.40	$2,197.12	$79.15	$1,491.42	$2,276.27	$3,688.53
10A	1	1	785		47	$1,045,000	2.26%	2.15%	$10,363.00	$863.58	$31.11	$586.19	$894.69	$1,449.77
10B	2	2	1,315		47	$1,695,000	3.76%	3.58%	$17,255.60	$1,437.97	$51.80	$975.26	$1,489.77	$2,413.22
10C	1	1	783		41	$1,055,000	2.25%	2.14%	$10,314.80	$859.57	$31.03	$583.60	$890.60	$1,443.16
11A	1	1	786		44	$1,080,000	2.27%	2.15%	$10,363.00	$863.58	$31.19	$588.78	$894.77	$1,452.37
11B	2	2	1,401		52	$1,785,000	4.01%	3.81%	$18,364.20	$1,530.35	$55.21	$1,040.10	$1,585.56	$2,570.45
11C	1	1	786		45	$1,095,000	2.27%	2.15%	$10,363.00	$863.58	$31.19	$588.78	$894.77	$1,452.37
12A	1	1	779		47	$1,225,000	2.25%	2.13%	$10,266.60	$855.55	$30.92	$583.60	$886.47	$1,439.15
12B	3	3	2,186		30-51	$2,575,000	6.29%	5.97%	$28,775.40	$2,397.95	$55.36	$1,631.48	$2,453.31	$4,029.43
Twr14	2	2	2,168	956	51	$3,725,000	7.55%	7.18%	$34,607.60	$2,883.97	$103.97	$1,958.29	$2,987.94	$4,842.26
Twr15	2	2	1,975		52	$2,695,000	5.65%	5.37%	$25,883.40	$2,156.95	$77.78	$1,465.48	$2,234.73	$3,622.43
PHDup	2	2.5	2,494	375	56	$3,985,000	7.65%	7.26%	$34,993.20	$2,916.10	$105.37	$1,984.23	$3,021.47	$4,900.33
TOTALS			36,891	2,131	1,279	$45,150,000	100.00%	100.00%	$482,000.00	$40,166.67	$1,345.09	$27,631.57	$41,511.76	$67,456.57

EXHIBIT 9

ANDREWS BUILDING CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

CERTIFICATION BY EXPERT OF THE ADEQUACY OF SCHEDULE B PURSUANT TO SECTION 20.4 (d)

March 20, 2007

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

Re: *Blue Condominium*
103-105 Norfolk Street
New York, New York

Dear Sirs:

The Sponsor of the Condominium Offering Plan for the captioned property, has retained this firm to review Schedule B, containing projections of income and expenses of the first year of condominium operation. Our experience in this field includes management of the operation of comparable condominium and cooperative and rental properties in Manhattan for over 19 years. Andrews Building Corporation is a licensed real estate brokerage and management firm actively involved in the management of over 200 cooperative, condominium, and rental properties since 1987.

I understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule.

I have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying them with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential buildings.

I certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

I further certify that our firm is not owned or controlled by the sponsor, although we do have a contractual arrangement with the Sponsor for the management of the building after the conversion, the terms of which are described in the Offer Plan. I understand that a copy of this certification is intended to be incorporated into the Offering Plan. This Statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operating. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,
ANDREWS BUILDING CORP.

By: Eugene Andrews, Pres.

Sworn to before me this
21 day of March, 2007

Notary Public

CATHERINE BUSH
Notary Public - State of New York
No. 5015816
Qualified in Kings County
My Comm. Expires Jul. 26, 2009

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

PART 20: CERTIFICATION BY EXPERT
CONCERNING ADEQUACY OF COMMON CHARGES
PAYABLE BY THE COMMERCIAL UNIT OWNER

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

Re: Blue Condominium Offering Plan
103-105 Norfolk Street
New York, New York

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B containing projections of common charges payable by the owners of the commercial unit. Andrews Building Corporation is a licensed real estate broker which has been engaged in the real estate brokerage and management business for over 19 years. During this entire period our firm has been involved in the cooperative/condominium field as an agent for approximately 200 established and newly formed cooperatives/condominiums.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

We have prepared Schedule B as it impacts upon the commercial unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience more fully set forth above.

We certify that the projections in Schedule B for the common charges payable by the owners of the commercial unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit for the projected first year of condominium operation, and that the allocation of common charges attributable to commercial unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owner of the commercial unit:

(i) sets forth in detail the projected common charges for the commercial unit for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the commercial unit;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor and we have no financial interest in this offering other than our fee for services rendered in connection with the preparation of Schedule B. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges attributable to the commercial unit for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: Eugene Andrews
Andrews Building Corporation, President

Sworn to before me this
21 day of March, 2007

Notary Public

CATHERINE BUSH
Notary Public - State of New York
No. 5015816
Qualified in Kings County
My Comm. Expires Jul. 26, 2009

EXHIBIT 10

NYC BUILDINGS

Certificate of Occupancy

CO Number: 103862893T001

This certifies that the premises described herein conforms substantially to the approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified. No change of use or occupancy shall be made unless a new Certificate of Occupancy is issued. *This document or a copy shall be available for inspection at the building at all reasonable times.*

A.

Borough:	Manhattan	**Block Number:**	00363	**Certificate Type:**	Temporary
Address:	103 NORFOLK STREET	**Lot Number(s):**	35	**Effective Date:**	02/15/2007
Building Identification Number (BIN):	1804654	**Building Type:**	New	**Expiration Date:**	05/16/2007

For zoning lot metes & bounds, please see BISWeb.

B.

Construction classification:	1-C	**Number of stories:**	16
Building Occupancy Group classification:	J-2	**Height in feet:**	169
Multiple Dwelling Law Classification:	HAEA	**Number of dwelling units:**	28

C. **Fire Protection Equipment:**
Standpipe system, Fire alarm system, Sprinkler system

D. **Type and number of open spaces:**
None associated with this filing.

E. **This Certificate is issued with the following legal limitations:**
None

Outstanding requirements for obtaining Final Certificate of Occupancy:

There are 20 outstanding requirements. Please refer to BISWeb for further detail.

Borough Comments: None

Christopher M Santulli
Borough Commissioner

Borough Commissioner

Commissioner

B Form 54 (Revised 03/05)

DOCUMENT CONTINUES ON NEXT PAGE

NYC BUILDINGS

Certificate of Occupancy

CO Number: 103862893T001

Permissible Use and Occupancy

Floor From	To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code habitable rooms	Building Code occupancy group	Zoning dwelling or rooming units	Zoning use group	Description of use
CEL			06		B-2 J-2		2	ACCESSORY STORAGE, BOILER ROOM, GAS METER ROOM, ELECTRICAL METER ROOM, TRASH ROOM, ACCESSORY USES
001			140					RESIDENTIAL LOBBY
002			40	4	J-2	2	2	TWO (2) APARTMENTS
003			40	5	J-2	2	2	TWO (2) APARTMENTS
004			40	5	J-2	2	2	TWO (2) APARTMENTS
005			40	5	J-2	2	2	TWO (2) APARTMENTS
006	008		40	6	J-2	3	2	THREE (3) APARTMENTS PER FLOOR
009			40	7	J-2	2	2	TWO (2) APARTMENTS
010	012		40	7	J-2	3	2	THREE (3) APARTMENTS PER FLOOR
								THESE PREMISES 103/105 NORFOLK STREET AND 126 130 DELANCEY STREET CONSISTING OF TAX LOTS #35,39,40&41 HAVE BEEN DECLARED ONE ZONING LOT AS PER SECTION 12-10 OF THE ZONING RESOLUTION AND HAVE BEEN RECORDED AT THE OFFICE OF THE CITY REGISTER UNDER CRFN#2006000313885.HEREAFTER ERECTED CLASS "A" MULTIPLE DWELLING, NEW CODE.

END OF SECTION

Christopher M Santulli
Borough Commissioner

Borough Commissioner

Commissioner

B Form 54 (Revised 03/05)

END OF DOCUMENT

103862893/001 2/16/2007 9:30:46 AM

EIGHTH AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

THE BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED: DECEMBER 13, 2006

EIGHTH AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
OF THE
THE BLUE CONDOMINIUM

The Offering Plan for The Blue Condominium located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005 and amended on December 13, 2005, February 17, 2006, February 28, 2006, March 14, 2006, May 1, 2006, May 10, 2006 and October 19, 2006 is hereby further amended as follows:

1. VERIZON TELECOMMUNICATION SERVICE: The Sponsor will enter into an exclusive and permanent easement agreement, summarized below, with Verizon, New York, Inc., ("Verizon"), for the installation and maintenance of equipment in the Equipment Space located in the basement level to enable Verizon to provide telecommunications service to the Building and surrounding properties. Verizon intends to install and maintain equipment in the Equipment Space, including, but not limited to, fiber optics, electronics, pedestals, conduits, and such cables, wires and fixtures that Verizon may from time to time deem reasonably necessary to provide such service to the Building and surrounding properties.

Sponsor grants to Verizon, its permitted successors and permitted assigns the right, privilege and authority to use the space shown as the cross-hatched area on the floor plan for the basement of the Building, which plan is attached hereto as Exhibit 1 to this amendment and made a part hereof, as the Equipment Space and to construct, place, operate, replace, remove, repair and maintain the Equipment within the Equipment Space, together with the right of ingress and egress from the Equipment Space to the street for conduit and cable and access by Verizon's representatives as may be reasonably required in connection therewith.

Sponsor may not interfere or damage the operation and maintenance of the Equipment Space and Equipment without the prior written consent of Verizon but Sponsor is not prohibited from entering the Equipment Space or from running beams, pipes, conduits, cables, wires and other property through the Equipment Space in connection with the construction, alteration, operation and maintenance of the Building provided same does not damage or unreasonably interfere with or prohibit the full use of the Easement.

It is a condition of this Easement that Verizon shall pay the cost of equipping the Equipment Space and pay the cost to restore or repair any damage done by Verizon or its representatives to Sponsor's property and/or any tenant or occupancy of the Building or the owner, tenant or occupant of any property adjacent to or around the Building and Verizon shall indemnify and hold Sponsor harmless from any injury, claim, damages, to persons or property which may at any time occur through the negligent act or omission of Verizon or its representatives in the Building; provide, however, that the foregoing indemnity does not apply to

damage or expense arising from the loss of telecommunication service, which liability is governed by tariff.

Verizon or its representatives shall repair all damage to the residential common areas, caused by the negligent act or omission of Verizon during the course of any work pursuant to this Easement Agreement. Sponsor or its representatives shall not be liable for any damage to the equipment or any other property of Verizon or representatives, by theft or otherwise, unless caused by or due to the willful acts of Sponsor or its representatives.

Easement rights granted to Verizon shall terminate automatically, without cost to Sponsor, if (i) the Building is demolished or (ii) is substantially damaged or destroyed by fire or other casualty or other cause whatsoever, and Sponsor elects not to restore the Building or (iii) Verizon, its successors or assigns permanently ceases to operate the Equipment or any replacement Equipment or ceases to provide telecommunication service to the Building. In that case, Verizon shall remove all of the Equipment from the Building on or about the termination date, at no cost to Sponsor, in a good and workmanlike manner, and, in the case of termination due to clause (iii) hereof, Verizon shall repair any damage to the Building or any part thereof cause by such removal.

Sponsor or its representatives shall not be liable for any damage to the Equipment or any other property of Verizon or its representatives, by theft or otherwise, nor for any injury or damage to persons or property resulting from any cause of what any nature, unless caused by or due to the willful acts of Grantor or its representatives.

Sponsor grants unto Verizon, its successors and assigns, the right to permit the attachment of the communications equipment, wires and facilities of other telecommunication service providers within the Equipment Space and to convey to such other providers an interest in the rights granted under the Easement.

If the rights granted by this Easement shall terminate or the Equipment Space shall be relocated in accordance with the Easement, the parties shall promptly upon the request of any of them, execute and deliver in recordable form, an agreement evidencing such termination or relocation of the Equipment Space, together with any documents necessary to record such agreement.

The Agreement shall be recorded in the Office of the City Register, New York County, City and State of New York. The covenants contained in the Agreement shall run with the land and inure to the benefit of the Sponsor and Verizon, and to their respective successors and assigns, heirs and legal representatives, as the case may be.

In the event of conveyance or divestiture of title to the Building or portion thereof, the party that is divested of title shall be entirely free and relieved of all covenants and obligations accruing thereunder from and after such conveyance or divestiture. In the event of any conveyance or divestiture of title, the transferee or

the person or persons, who otherwise succeed to title shall be deemed to have assumed all of the covenants and obligations of the owner thereof as the case may be, thereafter accruing hereunder until such transferee or successor is freed and relieved therefrom.

The Agreement may not be modified except by written Amendment to the Agreement executed by the Condominium and the Commercial Unit Owner, respectively.

2. EASEMENT AGREEMENT ADDED TO THE DECLARATION: The Easement Agreement, attached hereto as Exhibit 1, is added to the Declaration, Article 10 (L) and made a part thereof.

3. CONSIDERATION FOR GRANTING EASEMENT: Verizon will pay the Sponsor a one time fee of $25,000 for such Agreement to compensate for partial use of the Commercial Unit space.

4. CHANGE IN UNIT 6B: The purchase agreement between Sponsor and purchaser of Unit 6B provides that the Unit's bathtub shall be replaced by a shower. See Exhibit 2, floor plan of Unit 6B, attached hereto.

5. SITE PLAN: The Site Plan has been added to this Amendment. The Site Plan was inadvertently omitted from the Floor Plans in Part II of the Offering Plan. See Exhibit 3 attached hereto.

6. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering. The Plan as amended remains in full force and effect.

Dated: December 13, 2006 **SPONSOR: Norfolk Hudson LLC**

EXHIBIT 1

EASEMENT AGREEMENT

THIS EASEMENT, made on October 17, 2006, between **Norfolk Hudson LLC**, having an office at c/o Angelo Cosentini, 58 Thomas Street, New York, N.Y. 10013 (hereinafter referred to as "Grantor") and **Verizon New York Inc.**, a New York corporation, having an office at 140 West Street, New York, New York 10013 (hereinafter referred to as "Grantee").

WHEREAS, Grantor owns in fee a certain parcel of land situated at **103-05 Norfolk Street (Block 353, Lot 35)**, in the County of New York, State of New York; and

WHEREAS, Grantor owns in fee the building upon the aforesaid land (the "Building"); and

WHEREAS, Grantee has requested that Grantor make available to Grantee space to be used by Grantee for a dedicated and secured telecommunications equipment area (the "Equipment Space") to enable Grantee to provide telecommunications service to the Building and surrounding properties; and

WHEREAS, Grantee has advised Grantor that Grantee intends to install and maintain equipment in the Equipment Space, including, but not limited to, fiber optics, electronics, pedestals, conduits, and such cables, wires and fixtures as the Grantee may from time to time deem reasonably necessary to provide telecommunications service (the "Equipment") to enable Grantee to provide said telecommunications service to the Building and surrounding properties and that Grantee is unwilling to install the Equipment unless Grantor is willing to grant to Grantee the rights conferred by this Easement.

NOW, THEREFORE, for Twenty Five Thousand Dollars ($25,000.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee, for themselves, their successors and assigns, covenant and agree as follows:

FIRST: Grantor hereby grants unto Grantee, its permitted successors and permitted assigns, and Grantee hereby accepts, subject to the terms and conditions herein set forth, the right, privilege and authority to use the space shown as the cross-hatched area on the floor plan for the basement of the Building, which plan is attached hereto as Exhibit A and made a part hereof, as the Equipment Space and to construct, place, operate, replace, remove, repair and maintain the Equipment within the Equipment Space, together with the right of ingress and egress from the Equipment Space to the street for conduit and cable and access by Grantee's representatives as may be reasonably required in connection therewith.

SECOND: The exclusive and permanent easement above described and herein conveyed is intended to prohibit others, including Grantor, from damaging or interfering with the operation and maintenance of Grantee's Equipment Space and Equipment without the prior written consent of Grantee; but this is not intended to prohibit Grantor or its representatives, upon reasonable prior notice to Grantee, from occupying or entering the Equipment Space or from running beams, pipes, conduits, cables, wires, and other property through the Equipment Space in connection with the construction, alteration, operation and maintenance of the Building provided the same does not damage or unreasonably interrupt the operation of the Equipment or unreasonably interfere with or prohibit the full use of this Easement.

THIRD: It is a condition of this Easement that Grantee shall pay the cost of equipping the Equipment Space and pay the cost to restore or repair any damage done by Grantee or its representatives to the property of the Grantor and/or any tenant or occupant of the Building or the owner, tenant or occupant of any property adjacent to or around the Building, and Grantee shall indemnify and hold Grantor harmless from any injury, claim, damages, to persons or property which may at any time occur through the negligent act or omission of Grantee or its representatives in the Building; provided, however, that the foregoing indemnity does not apply to damage or expense arising from the loss of telecommunications service, which liability is governed by tariff.

The Grantee or its representatives shall repair all damage to the residential common areas, caused by the negligent act or omission of Grantee during the course of any work pursuant to this Easement Agreement Grantor or its representatives shall not be liable for any damage to the equipment or any other property of Grantee or its representatives, by theft or otherwise, unless caused by or due to the willful acts of Grantor or its representatives.

FOURTH: Notwithstanding any other provision hereof to the contrary:

(a) All of the rights hereby granted to Grantee shall come to an end and terminate automatically, without any cost to Grantor, if (i) the Building shall be demolished, (ii) the Building shall be substantially damaged or destroyed by fire or other casualty or any other cause whatsoever, and Grantor elects not to restore or rebuild the Building, or (iii) Grantee or its successors or assigns permanently ceases to operate the Equipment or any replacement Equipment or ceases to provide telecommunications service to the Building. If the rights herein granted shall terminate as aforesaid, Grantee shall remove all of the Equipment from the Building on or about the termination date, at no cost to the Grantor, in a good and workmanlike manner, and, in the case of a termination due to clause (iii) hereof, Grantee shall repair any damage to the Building or any part thereof caused by such removal.

(b) Grantor or its representatives shall not be liable for any damage to the Equipment or any other property of Grantee or its representatives, by theft or otherwise, nor for any injury or damage to persons or property resulting from any cause of whatever nature, unless caused by or due to the willful acts of Grantor or its representatives.

(c) Grantor hereby grants unto Grantee, its successors and assigns, the right to permit the attachment of the communications equipment, wires and facilities of other telecommunications service providers within the Equipment Space and to convey to such other providers an interest in the rights granted under this Easement.

(d) If the rights granted hereby shall terminate or the Equipment Space shall be relocated in accordance herewith, the parties shall, promptly upon the request of any of them, execute and deliver in record able form, an agreement evidencing such termination or relocation of the Equipment Space, together with any other documents necessary to record such agreement.

FIFTH: The provisions of this Agreement are severable and the invalidity of one or more provisions shall not affect the validity or enforceability of any provision. This Agreement shall be construed and interpreted in accordance with, and governed by, the laws of the State of New York notwithstanding the application of the principles of conflicts of laws.

SIXTH: This Agreement shall be recorded in the Office of the City Register, New York County, City and State of New York. The covenants contained within this Agreement shall run with the land and inure to the benefit of the Grantor and Grantee and to their respective successors and assigns, heirs and legal representations, as the case may be.

In the event of any conveyance or divestiture of title to the Building or portion thereof, the party that is divested of title shall be entirely freed and relieved of all covenants and obligations accruing hereunder from and after such conveyance or divestiture. In the event of any conveyance or divestiture of title, the transferee or the person or persons, who otherwise succeed to title shall be deemed to have assumed all of the covenants and obligations of the owner thereof as the case may be, thereafter accruing hereunder until such transferee or successor is freed and relieved therefrom.

SEVENTH: This Agreement may not be modified except by a written Amendment to this Agreement executed by the Condominium and the Commercial Unit Owner, respectively.

EIGHTH: Miscellaneous.

The headings of this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Each of the parties shall take such actions, and sign and deliver such other instruments and documents, as may be reasonable, necessary or appropriate to effectuate the transactions contemplated under this Agreement.

Nothing in this Agreement is intended, nor shall anything herein be construed, to deem the parties hereto, or any person, to be joint venturers, partners or associates with respect to the Premises, Building or any other activity.

The attached Exhibits are parts of this Agreement as though fully set forth in this Agreement.

The failure of either party at any time to enforce any provision hereunder shall in no way affect the right of such party thereafter to enforce the same or any other provision of this easement agreement; nor shall the waiver by either party of the breach of any provision hereof be taken or held to be a waiver of any subsequent breach of any such provision or as a waiver of any other provision hereof.

All the terms of this Agreement, whether so expressed or not, shall run with the land, be binding upon the respective successors, assigns and legal representatives of the parties hereto and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns and legal representatives.

Each of the parties hereto represent and warrant that this easement agreement has been duly authorized by all necessary action on their respective parts, has been duly executed and delivered by a duly authorized person, and constitutes the respective parties' valid and legally binding agreement in accordance with its terms.

IN WITNESS WHEREOF, this Easement has been duly executed on the date first above written.

Norfolk Hudson LLC, Grantor

By: Angelo Corentini
Its: Manager

Federal Tax ID# 20-2099780

Verizon New York Inc., Grantee

By: Bill Stein
Its: Right of Way Manager

Federal Tax ID# 13-5275510

STATE OF NEW YORK)
) ss.:
COUNTY OF New York)

On the 30 day of November in the year 2006 before me, the undersigned, personally appeared ANGELO CORENTINI

Personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

JOHN RAINE
Notary Public State of New York
No. 01RA5022080
Qualified in New York County
Commission Expires 01/03/10

STATE OF NEW YORK)
) ss.:
COUNTY OF New York)

On the 31st day of October in the year 2006 before me, the undersigned, personally appeared BILL STEIN

Personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

JOHN RAINE
Notary Public State of New York
No. 01RA5022080
Qualified in New York County
Commission Expires 01/03/10

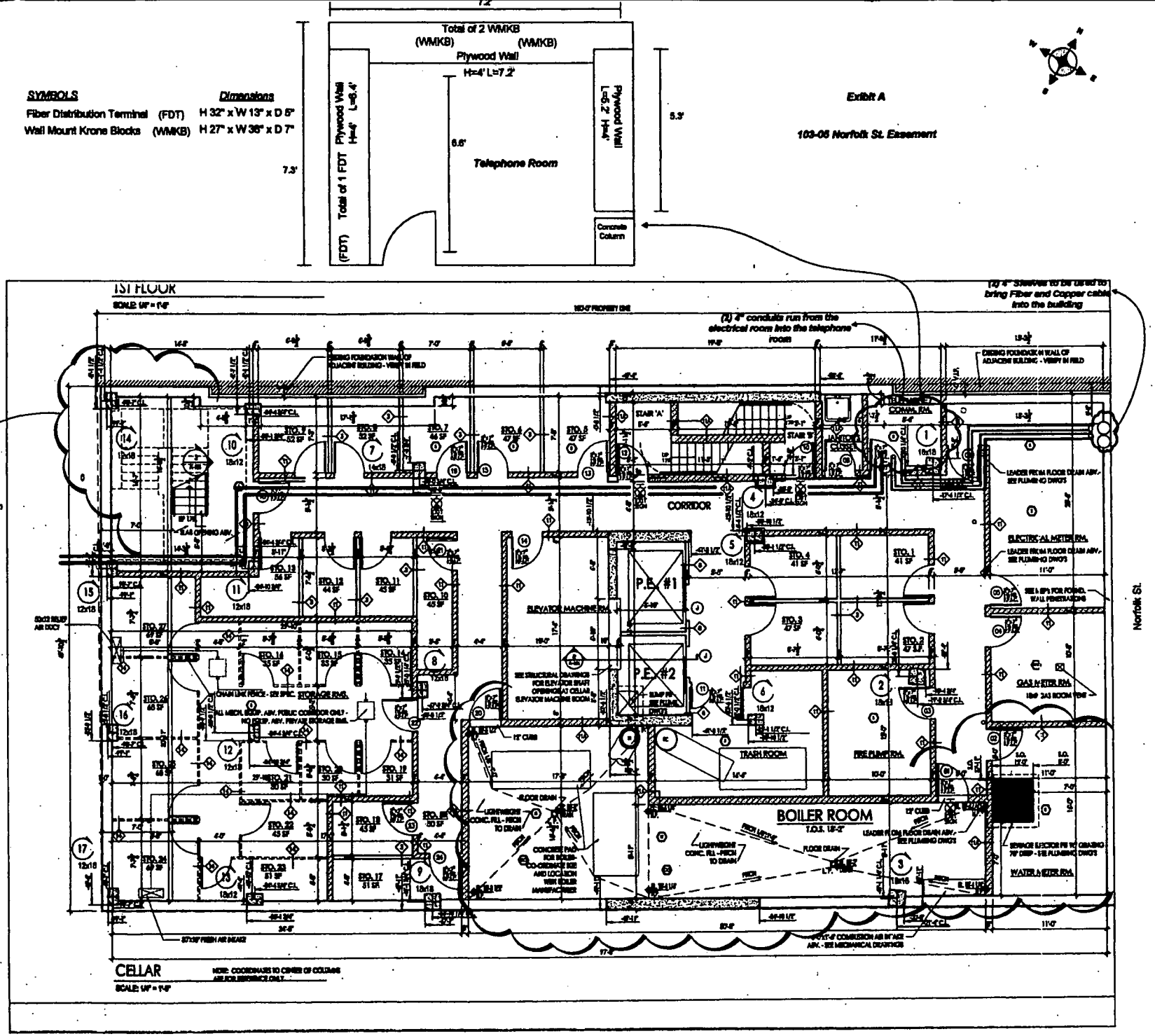
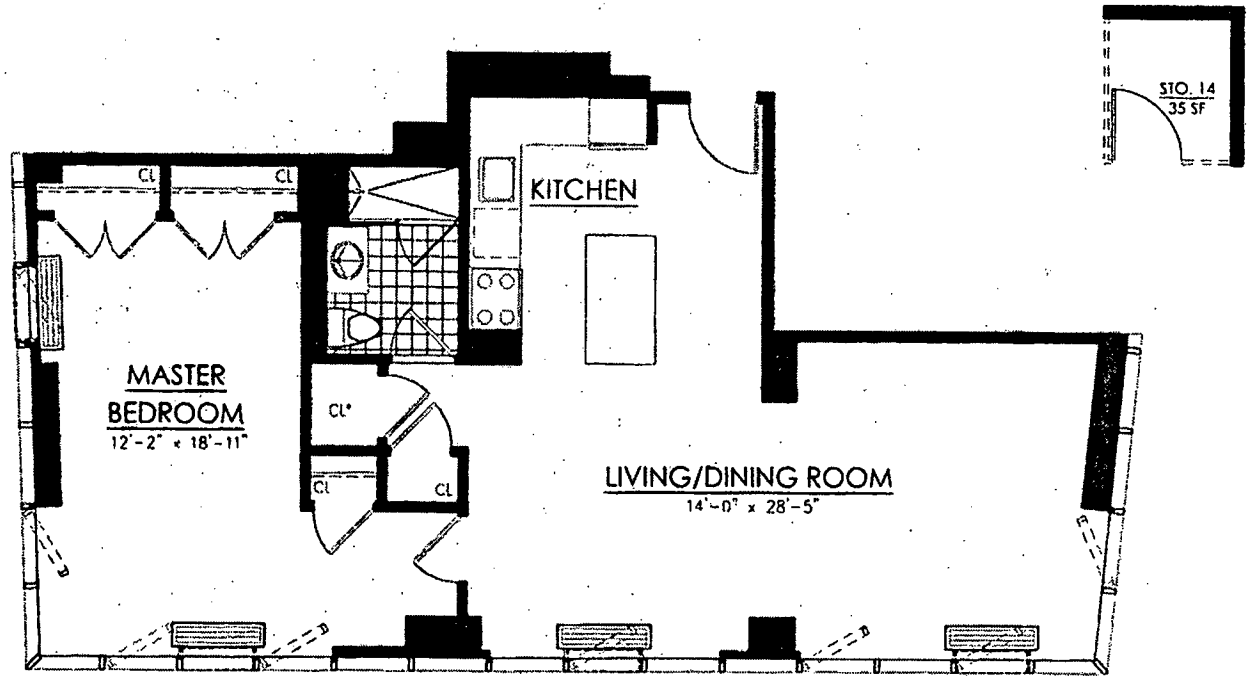

Total of 2 WMKB
(WMKB)
(WMKB)
Plywood Wall
H=4' L=7.2'
Plywood Wall H=4' L=6.4'
Total of 1 FDT (FDT)
Plywood Wall L=5.2' H=4'
6.6'
Telephone Room
7.3'
5.3'
Concrete Column
SYMBOLS
Dimensions
Fiber Distribution Terminal (FDT) H 32" x W 13" x D 5"
Wall Mount Krone Blocks (WMKB) H 27" x W 36" x D 7"
Exhibit A
103-06 Norfolk St. Easement
1ST FLOOR
SCALE: 1/8" = 1'-0"
(1) 4" Conduits run from the electrical room into the telephone room
(2) 4" Sleeves to be used to bring Fiber and Copper cable into the building
(1) 4" Conduit run from telephone room through stairwell and then outside to feed additional buildings
CORRIDOR
ELEVATOR MACHINE RM.
P.E. #1
P.E. #2
TRASH ROOM
BOILER ROOM
FIRE PUMP RM.
ELECTRICAL METER RM.
GAS METER RM.
WATER METER RM.
Norfolk St.
CELLAR
SCALE: 1/8" = 1'-0"

EXHIBIT 2

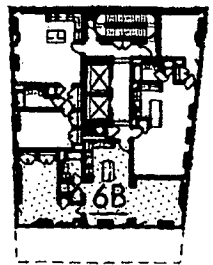


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



NORTH

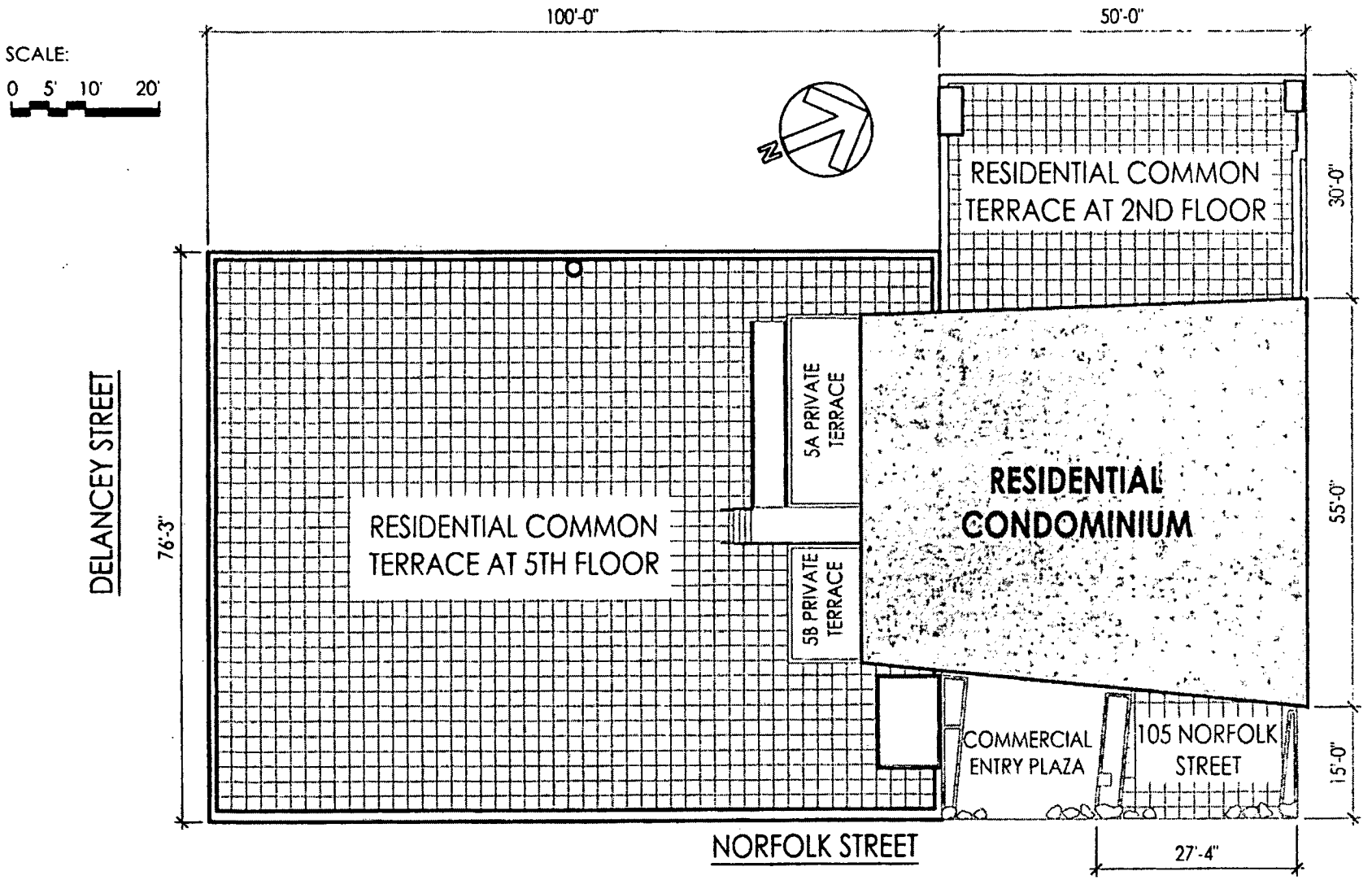
6TH FLOOR

APARTMENT '6B'
AREA = 957 SQ. FT.
+35 SQ. FT. STORAGE
992 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:
0 2' 6' 12'

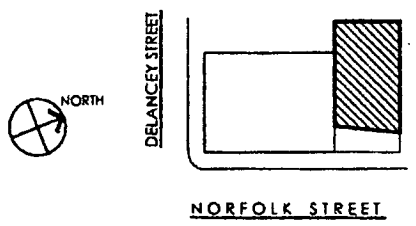
REGISTERED ARCHITECT
SAKY YAKAS
No. 018047
STATE OF NEW YORK

EXHIBIT 3



105 Norfolk Street
New York, New York

KEY PLAN:



BLUE CONDOMINIUM SITE PLAN

REGISTERED ARCHITECT
SAKY YAKAS
No. 018047
STATE OF NEW YORK

SEVENTH AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

THE BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED: OCTOBER 19, 2006

SEVENTH AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
OF THE
THE BLUE CONDOMINIUM

The Offering Plan for The Blue Condominium located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005 and amended on December 13, 2005, February 17, 2006, February 28, 2006, March 14, 2006, May 1, 2006 and May 10, 2006, is hereby further amended as follows:

The purpose of this Amendment is to disclose that Sponsor declared the Plan effective by notice to purchasers pursuant to the terms of the Plan that requires that at least 15% of the Units in the building be sold to bona fide purchasers.

1. NOTICE OF EFFECTIVENESS: Sponsor declared the Plan effective by Notice of Effectiveness dated September 13, 2006 that was mailed to all purchasers by certified mail. The Effective Date section of the Offering Plan provides that the Plan may be declared effective upon bona fide purchasers executing purchase agreements for at least fifteen (15%) percent of the Units offered for sale. Sponsor has accepted purchase agreements from bona fide purchasers for twenty-four (24) Units or seventy-seven (77%) percent of the thirty-one Units offered for sale.

The Units being counted for effectiveness are: 2A, 2B, 3A, 3B, 4A, 4B, 5A, 5B, 6A, 6B, 7A, 7B, 8A, 8B, 9A, 9B, 9C, 10A, 10B, 10C, 11A, 11B, 11C, 12B.

2. SPONSOR'S AFFIDAVIT: Please refer to Sponsor's affidavit regarding the Plan and the Units being counted for effectiveness set forth in Exhibit 1 attached hereto.

3. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering. The Plan as amended remains in full force and effect.

Dated: October 19, 2006

SPONSOR: Norfolk Hudson LLC

Exhibit 1 to Amendment #7

SPONSOR'S AFFIDAVIT

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

The undersigned, Angelo Cosentini, a principal of the Sponsor for the Condominium Offering Plan known as the Blue Condominium located at 105 Norfolk Street, New York, New York 10002, being duly sworn deposes and says:

That I am the managing partner of the Sponsor and state as follows:

That the Condominium Offering Plan was accepted for filing on November 15, 2005 and subsequently amended.

That I represent that all purchasers counted for purposes of declaring the Plan effective:

(a) are bona fide purchasers and

(b) are not purchasing as an accommodation to, or for the account or benefit of the sponsor or principals of sponsor; and

(c) have duly executed purchase agreements and have paid the down payment as required in the Offering Plan or amendments thereto.

That there are no material changes to the projected annual budget for the first year's operation which have not been disclosed in a duly filed amendment to the Plan.

That no purchaser counted for the purposes of declaring the Plan effective is the sponsor, the selling agent or the managing agent, or is a principal of the sponsor, the selling agent, or the managing agent or is related to the sponsor, the selling agent or the managing agent by blood, marriage, or adoption, or as a business associate, an employee, a shareholder, or a limited partner.

The Units being counted to meet the minimum percentage needed under the terms of the Plan to declare the Plan effective are as follows:

Unit No.	Date of Purchase Agreement
2A	December 22, 2005
2B	March 15, 2006
3A	March 24, 2006
3B	April 13, 2006
4A	September 06, 06
4B	March 21, 2006
5A	April 10, 2006
5B	April 12, 2006
6A	March 6, 2006
6B	February 10, 2006
7A	April 7, 2006
7B	July 14, 2006
8A	February 23,2006
8B	March 3, 2006
9A	May 24, 2006
9B	February 6, 2006
9C	February 6, 2006
10A	May 12, 2006
10B	January 17, 2006
10C	April 13, 2006
11A	March, 17, 2006
11B	January 3, 2006
11C	March 17, 2006
12B	February 1, 2006

Norfolk Hudson LLC

By: _____

Angelo Cosentini, Manager

Sworn to be fore me this

11th date of September, 2006

Notary

JOHN RAINE
Notary Public State of New York
No. 01RA5022080
Qualified in New York County
Commission Expires 01/03/10

SIXTH AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED: MAY 10, 2006

SIXTH AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
BLUE CONDOMINIUM

The Offering plan for **Blue Condominium** located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005, was amended on December 14, 2005, February 17, 2006, February 28, 2006, May 1, 2006 and is hereby further amended.

PRICE INCREASE

1. The total offering price for the Offering Plan increased from $44,110,000 as per the Fourth Amendment to $45,635,000 by this Amendment. This represents an increase in price of $1,525,000. Please see Schedule A, Exhibit 1 attached hereto.

2. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering. The Plan as amended remains in full force and effect.

Dated: May 10, 2006

SPONSOR:
Norfolk Hudson LLC

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project's First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Gross Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Offering Price (5)	Percentage Residential Common Interest (6)	Percentage Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per Month with 421-A (12)	Projected RE Taxes & Common Charges per Month w/o 421-A (13)
COMM			2,690	429	281	Not for Sale		5%	$20,000.00	$1,666.67		$1,693.91	$1,666.67	$3,360.58
2A	1	1	972			$1,025,000	2.76%	2.62%	$10,480.00	$873.33	$37.95	$715.88	$911.28	$1,589.21
2B	1	1	841			$960,000	2.39%	2.27%	$9,080.00	$756.67	$32.84	$619.91	$789.51	$1,376.58
3A	1	1	759			$895,000	2.15%	2.05%	$8,200.00	$683.33	$29.63	$557.66	$712.96	$1,240.99
3B	2	2	1,218			$1,405,000	3.46%	3.28%	$13,120.00	$1,093.33	$47.55	$897.44	$1,140.88	$1,990.78
4A	1	1	764			$915,000	2.17%	2.06%	$8,240.00	$686.67	$29.83	$562.85	$716.50	$1,249.51
4B	2	2	1,216			$1,435,000	3.47%	3.30%	$13,200.00	$1,100.00	$47.77	$900.04	$1,147.77	$2,000.04
5A	2	2	1,386	240		$1,700,000	3.95%	3.76%	$15,040.00	$1,253.33	$54.42	$1,024.54	$1,307.75	$2,277.87
5B	2	2	991	131		$1,500,000	3.02%	2.87%	$11,480.00	$956.67	$41.54	$783.32	$998.21	$1,739.98
6A	1	1	787		35	$965,000	2.26%	2.14%	$8,560.00	$713.33	$31.07	$586.19	$744.40	$1,299.52
6B	1	1	957		35	$1,145,000	2.74%	2.60%	$10,400.00	$866.67	$37.71	$710.69	$904.38	$1,577.36
6C	1	1	766			$975,000	2.20%	2.09%	$8,360.00	$696.67	$30.25	$570.63	$726.92	$1,267.30
7A	1	1	782		30	$1,025,000	2.25%	2.14%	$8,560.00	$713.33	$30.93	$583.60	$744.26	$1,296.93
7B	1	1	1,052		31	$1,225,000	3.02%	2.86%	$11,440.00	$953.33	$41.50	$783.32	$994.83	$1,736.65
7C	1	1	766		35	$990,000	2.20%	2.09%	$8,360.00	$696.67	$30.31	$570.63	$726.98	$1,267.30
8A	1	1	786		45	$1,000,000	2.26%	2.15%	$8,600.00	$716.67	$31.13	$586.19	$747.80	$1,302.86
8B	1/study	2	1,129		45	$1,350,000	3.23%	3.07%	$12,280.00	$1,023.33	$44.52	$837.79	$1,067.85	$1,861.12
8C	1	1	785		41	$1,010,000	2.26%	2.15%	$8,600.00	$716.67	$31.09	$586.19	$747.76	$1,302.86

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project's First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Gross Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Offering Price (5)	Percentage Residential Common Interest (6)	Percentage Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per Month with 421-A (12)	Projected RE Taxes & Common Charges per Month w/o 421-A (13)
9A	1	1	782		45	$1,025,000	2.25%	2.14%	$8,560.00	$713.33	$30.97	$583.60	$744.30	$1,296.93
9B	2	2.5	2,004		46-47	$2,645,000	5.75%	5.47%	$21,880.00	$1,823.33	$79.15	$1,491.42	$1,902.48	$3,314.75
10A	1	1	785		47	$1,045,000	2.26%	2.15%	$8,600.00	$716.67	$31.11	$586.19	$747.78	$1,302.86
10B	2	2	1,315		47	$1,695,000	3.76%	3.58%	$14,320.00	$1,193.33	$51.80	$975.26	$1,245.13	$2,168.59
10C	1	1	783		41	$1,055,000	2.25%	2.14%	$8,560.00	$713.33	$31.03	$583.60	$744.36	$1,296.93
11A	1	1	786		44	$1,080,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
11B	2	2	1,401		52	$1,785,000	4.01%	3.81%	$15,240.00	$1,270.00	$55.21	$1,040.10	$1,325.21	$2,310.10
11C	1	1	786		45	$1,095,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
12A	1	1	779		47	$1,225,000	2.25%	2.13%	$8,520.00	$710.00	$30.92	$583.60	$740.92	$1,293.60
12B	2	2	1,401		30	$1,835,000	4.02%	3.82%	$15,280.00	$1,273.33	$55.36	$1,042.69	$1,328.69	$2,316.03
12C	1	1	785		51	$1,225,000	2.27%	2.15%	$8,600.00	$716.67	$31.20	$588.78	$747.87	$1,305.45
Twr14	2	2	2,168	956	51	$3,725,000	7.55%	7.18%	$28,720.00	$2,393.33	$103.97	$1,958.29	$2,497.30	$4,351.63
Twr15	2	2	1,975		52	$2,695,000	5.65%	5.37%	$21,480.00	$1,790.00	$77.78	$1,465.48	$1,867.78	$3,255.48
PHDup	2	2.5	2,494	375	56	$3,985,000	7.65%	7.26%	$29,040.00	$2,420.00	$105.37	$1,984.23	$2,525.37	$4,404.23
TOTALS			36,891	2,131	1,279	$45,635,000	100.00%	100.00%	$400,000.00	$33,333.33	$1,376.29	$27,631.57	$34,709.62	$60,964.91

FIFTH AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR THE

BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED:

FIFTH AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
BLUE CONDOMINIUM

The Offering plan for the **Blue Condominium** located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005, was amended on December 14, 2005, February 17, 2006, February 28, 2006, and March 14, 2006, is hereby further amended.

1. SCHEDULE A REVISED:

(a) Schedule A has been revised to show that Residential Units 9B and 9C will be combined into one Unit that shall henceforth be known as Residential Unit 9B with a combined percentage of Common Interests of 5.47%. The Unit will have a combined square footage of 2,004. Unit 9B shall consist of 2 bedrooms and 2.5 baths and will retain storage units Nos. 6 and 7.

(b) Schedule A also shows revised dimensions of certain storage units.

(c) Storage units previously allocated to Units 4B, 5A, 5B and 6C have been eliminated.

(d) Storage units 24-27 shall be common elements for use by the Building's staff for cleaning items and supplies.

(e) Storage unit #21 has been allocated to Unit 12B.

(f) The total number of Residential Units at the Blue Condominium is 31 Residential Units instead of 32 Residential Units due to the combination of Units 9A and 9B ("Unit 9B").

Please refer to Schedule A attached hereto as Exhibit 1 setting forth these changes.

2. SCHEDULE B TO THE DECLARATION REVISED:

Schedule B to the Declaration has been revised to incorporate the combination of Units 9B and 9C that resulted in one tax lot, No. 1020, and the revisions to the storage units. Please refer to Exhibit 2 attached hereto.

3. ARCHITECT'S ADDENDUM:

Attached hereto as Exhibit 3 is the Architect's Addendum and Floor Plans reflecting clarifications to items in the original Report and Floor Plans. All such clarifications are underlined in the Addendum.

4. PRELIMINARY CERTIFICATE OF ELIGIBILITY:

The Sponsor's preliminary application to the Department of Housing Preservation and Development ("HPD") for a 421-a partial tax exemption for the Property has been approved pursuant to Section 421-a of the Real Property Tax Law and the 421-a Rules of HPD issued pursuant thereto. This Certificate is conditioned upon the filing and approval of a Final Application to be submitted to HPD. Please refer to Exhibit 4 attached hereto.

5. LOT LINE WINDOWS:

The following Residential Units at the Building have lot line windows: (a) all "A" line Units from floors 2 through 12; (b) all "C" line Units from floors 6 through 12; (c) Units 3B, 4B, 5B and Unit Tower 14. Each of such lot line windows has temperate glass and a sprinkler protection, and, furthermore, the area of lot line windows at the Building does not exceed ten percent (10%) of the area of the lot line wall at any story as permitted without a restrictive declaration by the New York City Building Code's Table 3-4 in Subchapter 3 of Title 27 of the NYC Administrative Code. Such protected limited-area openings are exempt from restrictions requiring the closing of such openings with fire-rated construction in the event of future construction within a distance of zero and sixty feet of such openings.

6. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering. The Plan as amended, remains in full force and effect.

Dated:

SPONSOR:
Norfolk Hudson LLC

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project's First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Gross Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Offering Price (5)	Percentage Residential Common Interest (6)	Percentage Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per Month with 421-A (12)	Projected RE Taxes & Common Charges per Month w/o 421-A (13)
COMM			2,690	429	281	Not for Sale		5%	$20,000.00	$1,666.67		$1,693.91	$1,666.67	$3,360.58
2A	1	1	972			$995,000	2.76%	2.62%	$10,480.00	$873.33	$37.95	$715.88	$911.28	$1,589.21
2B	1	1	841			$930,000	2.39%	2.27%	$9,080.00	$756.67	$32.84	$619.91	$789.51	$1,376.58
3A	1	1	759			$870,000	2.15%	2.05%	$8,200.00	$683.33	$29.63	$557.66	$712.96	$1,240.99
3B	2	2	1,218			$1,365,000	3.46%	3.28%	$13,120.00	$1,093.33	$47.55	$897.44	$1,140.88	$1,990.78
4A	1	1	764			$890,000	2.17%	2.06%	$8,240.00	$686.67	$29.83	$562.85	$716.50	$1,249.51
4B	2	2	1,216			$1,395,000	3.47%	3.30%	$13,200.00	$1,100.00	$47.77	$900.04	$1,147.77	$2,000.04
5A	2	2	1,386	240		$1,650,000	3.95%	3.76%	$15,040.00	$1,253.33	$54.42	$1,024.54	$1,307.75	$2,277.87
5B	2	2	991	131		$1,475,000	3.02%	2.87%	$11,480.00	$956.67	$41.54	$783.32	$998.21	$1,739.98
6A	1	1	787		35	$935,000	2.26%	2.14%	$8,560.00	$713.33	$31.07	$586.19	$744.40	$1,299.52
6B	1	1	957		35	$1,110,000	2.74%	2.60%	$10,400.00	$866.67	$37.71	$710.69	$904.38	$1,577.36
6C	1	1	766			$945,000	2.20%	2.09%	$8,360.00	$696.67	$30.25	$570.63	$726.92	$1,267.30
7A	1	1	782		30	$995,000	2.25%	2.14%	$8,560.00	$713.33	$30.93	$583.60	$744.26	$1,296.93
7B	1	1	1,052		31	$1,175,000	3.02%	2.86%	$11,440.00	$953.33	$41.50	$783.32	$994.83	$1,736.65
7C	1	1	766		35	$960,000	2.20%	2.09%	$8,360.00	$696.67	$30.31	$570.63	$726.98	$1,267.30
8A	1	1	786		45	$970,000	2.26%	2.15%	$8,600.00	$716.67	$31.13	$586.19	$747.80	$1,302.86
8B	1/study	2	1,129		45	$1,310,000	3.23%	3.07%	$12,280.00	$1,023.33	$44.52	$837.79	$1,067.85	$1,861.12
8C	1	1	785		41	$980,000	2.26%	2.15%	$8,600.00	$716.67	$31.09	$586.19	$747.76	$1,302.86

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project's First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Gross Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Offering Price (5)	Percentage Residential Common Interest (6)	Percentage Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per Month with 421-A (12)	Projected RE Taxes & Common Charges per Month w/o 421-A (13)
9A	1	1	782		45	$995,000	2.25%	2.14%	$8,560.00	$713.33	$30.97	$583.60	$744.30	$1,296.93
9B	2	2.5	2,004		46-47	$2,565,000	5.75%	5.47%	$21,880.00	$1,823.33	$79.15	$1,491.42	$1,902.48	$3,314.75
10A	1	1	785		47	$1,015,000	2.26%	2.15%	$8,600.00	$716.67	$31.11	$586.19	$747.78	$1,302.86
10B	2	2	1,315		47	$1,645,000	3.76%	3.58%	$14,320.00	$1,193.33	$51.80	$975.26	$1,245.13	$2,168.59
10C	1	1	783		41	$1,025,000	2.25%	2.14%	$8,560.00	$713.33	$31.03	$583.60	$744.36	$1,296.93
11A	1	1	786		44	$1,050,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
11B	2	2	1,401		52	$1,730,000	4.01%	3.81%	$15,240.00	$1,270.00	$55.21	$1,040.10	$1,325.21	$2,310.10
11C	1	1	786		45	$1,060,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
12A	1	1	779		47	$1,080,000	2.25%	2.13%	$8,520.00	$710.00	$30.92	$583.60	$740.92	$1,293.60
12B	2	2	1,401		30	$1,780,000	4.02%	3.82%	$15,280.00	$1,273.33	$55.36	$1,042.69	$1,328.69	$2,316.03
12C	1	1	785		51	$1,105,000	2.27%	2.15%	$8,600.00	$716.67	$31.20	$588.78	$747.87	$1,305.45
Twr14	2	2	2,168	956	51	$3,620,000	7.55%	7.18%	$28,720.00	$2,393.33	$103.97	$1,958.29	$2,497.30	$4,351.63
Twr15	2	2	1,975		52	$2,620,000	5.65%	5.37%	$21,480.00	$1,790.00	$77.78	$1,465.48	$1,867.78	$3,255.48
PHDup	2	2.5	2,494	375	56	$3,870,000	7.65%	7.26%	$29,040.00	$2,420.00	$105.37	$1,984.23	$2,525.37	$4,404.23
TOTALS			36,891	2,131	1,279	$44,110,000	100.00%	100.00%	$400,000.00	$33,333.33	$1,376.29	$27,631.57	$34,709.62	$60,964.91

Exhibit 2

SCHEDULE B
TO THE DECLARATION
DESCRIPTION OF UNITS

105 Norfolk Street
New York, New York 10002

UNIT #	INTERIOR SQ. FT.	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE COMMON INTEREST	LIMITED COMMON ELEMENTS	TENTATIVE TAX LOTS
COMM	2690	N/A	5.00%	429 (Front Yard) 281 (Storage)	1001
2A	972	2.76%	2.62%		1002
2B	841	2.39%	2.27%		1003
3A	759	2.15%	2.05%		1004
3B	1,218	3.46%	3.28%		1005
4A	764	2.17%	2.06%		1006
4B	1,216	3.47%	3.30%		1007
5A	1,386	3.95%	3.76%	240 (Terrace)	1008
5B	991	3.02%	2.87%	131 (Terrace)	1009
6A	787	2.26%	2.14%	35 (Storage)	1010
6B	957	2.74%	2.60%	35 (Storage)	1011
6C	766	2.20%	2.09%		1012
7A	782	2.25%	2.14%	30 (Storage)	1013
7B	1,052	3.02%	2.86%	31 (Storage)	1014
7C	766	2.20%	2.09%	35 (Storage)	1015
8A	786	2.26%	2.15%	45 (Storage)	1016
8B	1,129	3.23%	3.07%	45 (Storage)	1017

8C	785	2.26%	2.15%	41 (Storage)	1018
9A	782	2.25%	2.14%	45 (Storage)	1019
9B	2,004	5.75%	5.47%	46 (Storage) 47 (Storage)	1020
10A	785	2.26%	2.15%	47 (Storage)	1021
10B	1,315	3.76%	3.58%	47 (Storage)	1022
10C	783	2.25%	2.14%	41 (Storage)	1023
11A	786	2.27%	2.15%	44 (Storage)	1024
11B	1,401	4.01%	3.81%	52 (Storage)	1025
11C	786	2.27%	2.15%	45 (Storage)	1026
12A	779	2.25%	2.13%	47 (Storage)	1027
12B	1,401	4.02%	3.82%	30 (Storage)	1028
12C	785	2.27%	2.15%	51 (Storage)	1029
Tower 14	2,168	7.55%	7.18%	956 (Terrace) 51 (Storage)	1030
Tower 15	1,975	5.65%	5.37%	52 (Storage)	1031
PH	2,494	7.65%	7.26%	375 (Terrace) 56 (Storage)	1032
TOTALS	**36,891**	**100%**	**100%**		

Exhibit 3

103-105 Norfolk Street
(ADDENDUM #2 ATTORNEY GENERAL'S REPORT)
Outline Specifications
103-105 Norfolk Street
New York, New York

March 10, 2006

A. Location of Property

1.	Address:	103-105 Norfolk Street
2.	Block & Lot #:	Block: 353 Lot: 35
3.	Zoning:	R7-2/C6-1
4.	Permissible Uses:	J Residential – C Commercial

The following changes were made by SLCE Architects to the original Report and Addendum No. 1 thereto set forth in the Offering Plan, as amended, for the Blue Condominium:

1. Occupancy

1. Apartment Unit Distribution

2nd Floor	2 One Bedroom
3rd Floor and 4th Floors	1 Two Bedroom 1 One Bedroom
5th Floor	2 Two Bedrooms & Terrace
6th and 7th Floors	3 One Bedrooms
8th Floor	2 One Bedroom 1 One Bedroom
9th Floor	1 One Bedroom 1 Two Bedroom
10th thru 12th Floors	2 One Bedrooms 1 Two Bedroom
14th Floor	1 Two Bedroom & Terrace
15th Floor	1 Two Bedroom
PH Upper, PH Lower Floors	1 Two Bedroom & Terrace

2. Total Number of Dwelling Units: 31 Units

3. Aluminum and Glass Curtain Wall and Windows:

   a. The curtain wall shall be double-pane, insulated glass units in a thermally improved aluminum curtain wall system.

      1) Casement and awning windows (with factory glazed insulated glass).
      2) Aluminum swing doors (with factory glazed tempered insulated glass).

4. Interior Doors and Frames:

a. Unit entrances: Unit entrance shall be 3'-0" by 7'-0" hollow metal doors and hollow metal welded frames with 1-1/2 hour label that meets the New York City Building Code requirements.

b. Interior doors and frames: Interior apartment door frames shall be 2'-10" by 7'-0" painted wood frames with wood doors.

c. Other Locations: Boiler room, Trash Room, Electric Meter Room, Gas Meter Room, Stair A and Stair B, Fire Pump Room, Storage Rooms (#s 1 thru 13, 16 & 17), Retail Storage and Elevator Machine Room. Hollow Metal Doors and Frames. Storage Rooms 14, 15 and 18 through 27: "chain-link" with metal frame.

5. Apartment Interior

a. Drywall partitions shall be painted, and shall receive glass tile in bathrooms.

b. Woodwork shall be painted.

c. Ferrous metals shall have one prime coat and one finish coat of paint.

d. Ceiling – 'Skim-coat' on concrete, or prime-painted gypsum board.

e. Flooring.

(1) Living Room – Wood flooring.
(2) Kitchen – Wood flooring.
(3) Bathrooms – Ceramic tile, stone tile or stone set in resin tile.
(4) Bath tub surround – Ceramic tile, glass tile, or stone tile.

6. General: Heating and air conditioning, all year round, will be provided to the residential units by circulating hot water through (PTAC units) heating coils in incremental air conditioning units in each apartment.

The rated capacities of the various types PTAC units to be installed in the residential areas are as shown on drawings.

Units are manufactured by Skil-Aire or similar manufacturer and are adequate to maintain the temperatures described below.

Electric heaters will be provided at bathrooms with exterior wall exposures.

7. Unit Information

1. Finish Schedule for Apartment Interiors

Room or Space	Floor	Wall	Base	Ceiling
Living Rooms – 2nd through 12th Floor	Bamboo Strip Flooring	Painted Gypsum Board	Painted Wood Molding	'Skim-coat' on concrete and/or Painted Gyp Bd
Living Rooms – T14, T15 & PH	Coconut Palm Strip Flooring	Painted Gypsum Board	Painted Wood Molding	'Skim-coat' on concrete and/or Painted Gyp Bd
Bedrooms – 2nd through 12th Floor	Bamboo Strip Flooring	Painted Gypsum Board	Painted Wood Molding	'Skim-coat' on concrete and/or Painted Gyp Bd

Bedrooms – T14, T15 & PH	Coconut Palm Strip Flooring	Painted Gypsum Board	Painted Wood Molding	'Skim-coat' on concrete and/or Painted Gyp Bd
Kitchens – 2nd through 12th Floor	Bamboo Strip Flooring	Painted Gypsum Board and Glass Tile	Painted Wood Molding and/or Cabinetry Base	'Skim-coat' on concrete and/or Painted Gyp Bd
Kitchens – T14, T15 & PH	Coconut Palm Strip Flooring	Painted Gypsum Board and Glass Tile	Painted Wood Molding and/or Cabinetry Base	'Skim-coat' on concrete and/or Painted Gyp Bd
Master Bathrooms (Unit 9B's two full baths have these finishes)	Stone in Clear Resin Tile	Painted Gypsum Board and Glass Tile	Glass Tile	'Skim-coat' on concrete and/or Painted Gyp Bd
Non-Master Baths and Powder Rooms	Graphite-Grey Slate Tile	Painted Gypsum Board and Glass Tile	Glass Tile	'Skim-coat' on concrete and/or Painted Gyp Bd
Closets – 2nd through 12th Floor	Bamboo Strip Flooring	Painted Gypsum Board	Painted Wood Molding	'Skim-coat' on concrete and/or Painted Gyp Bd
Closets – T14, T15 & PH	Coconut Palm Strip Flooring	Painted Gypsum Board	Painted Wood Molding	'Skim-coat' on concrete and/or Painted Gyp Bd

2. Bathroom Fixtures for Apartments

Bath Tubs	Zuma Soaking Tub (Tub-Only option), Model # C6030; Acrylic
Master Bath Lavatories	Duravit "Vero" Deck-Mounted Lavatory; Vitreous China
Non-Master Bath & Powder Room Lavatories	Antonio Citerio Design "Lacava" Wall-Hung Lavatory, Model # DVC41020WHL2817-1; Vitreous China (Only in Units 3B, 4B, 5A, 5B, PH)
Non-Master Bath & Powder Room Lavatories	Antonio Citerio Design "Lacava" Wall-Hung Lavatory, Model # DVC41021WHL2817-1; Vitreous China (Only in Units 8B, 9B, 10B, 11B, 12B, T14, T15)
Water Closets	Toto, "Carolina", Model # MS884114; Vitreous China

3. Kitchen Appliances for Apartments

Refrigerators	Viking (w/ Freezer on Bottom), Model # VCBB363RSS; Stainless Steel
Under-Counter Wine Refrigerators	Viking Model # VUWC141DRAA; Stainless Steel & Glass (Only in Units 3B, 4B, 5A, 5B, 8B, 9B, 10B, 11B, 12B, T14, T15, PH)
Gas Ranges	Viking Model # VGIC305-4BSS; Stainless Steel
Stove Hoods	Viking Model # VWH3010SS (with VRK30 recirculating kit); Stainless Steel
Microwave Ovens	Sharp Model # R426HS; Stainless steel
Dishwashers	Viking Model # DFUD042PSS; Stainless Steel (Floors 2 thru 12); Model # DFUD042; Cabinetry-Matched Finish (T14,T15,PH)

8. Finish Schedule of Other Spaces

Cellar

Room or Space	Floor	Wall	Base	Ceiling
Storage Units	CONC	GWB/CL/CMU	-	CONC
All Non-Storage	CONC	GWB/CMU	-	CONC

1st Floor

Room or Space	Floor	Wall	Base	Ceiling
Lobby	ST	GWB	ST	GWB/SC
Elevator Lobby	ST	GWB	-	GWB/ SC
Bicycle Storage Rm.	CONC	GWB	V	GWB
Mail Room	ST	GWB	ST	GWB
Concierge	ST	GWB	ST	GWB
Vestibule	ST	GWB	V	GWB
Retail	CONC	CMU/GWB	-	-
Service Hall	CONC	CMU/GWB	V	GWB
Package Room	CONC	GWB	V	GWB

2nd – PH Upper Floor

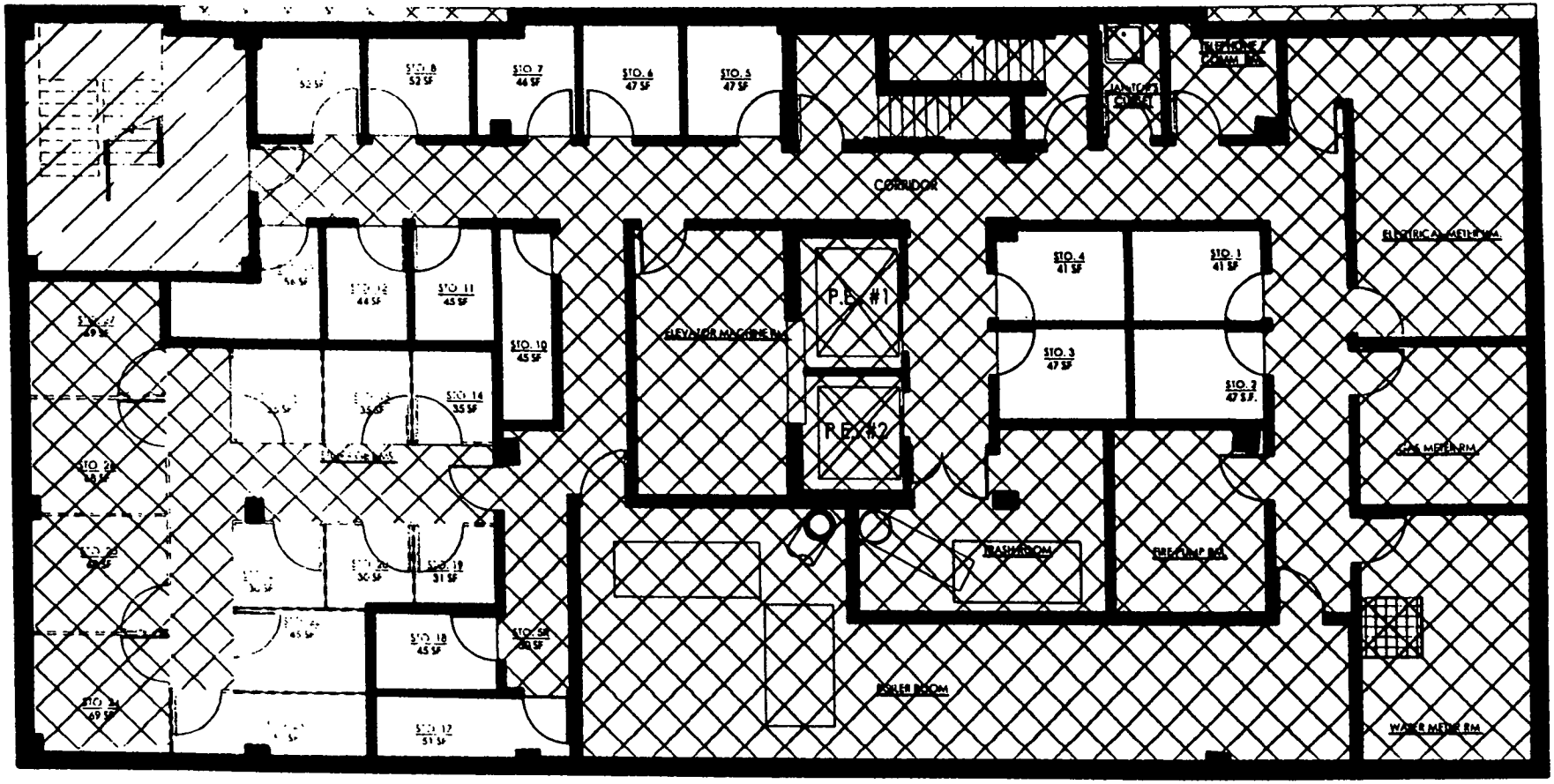
Room or Space	Floor	Wall	Base	Ceiling
Stairs	CONC	GWB/CONC	-	CONC
Public Corridor	CPT	GWB/GL	ST	GWB/ SC
Electrical Closets	CONC	GWB	-	CONC

ABBREVIATIONS FOR FINISHES

AT	ACOUSTICAL TILE
CL	"CHAIN-LINK" FENCING
CMU	CONCRETE MASONRY UNIT
CT	CERAMIC TILE
CP	CEMENT PLASTER
CPT	CARPET
CONC	CONCRETE
DP	DUSTPROOFING AND HARDENER
GL	GLASS IN METAL FRAME
GWB	GYPSUM WALLBOARD
HC	HUNG CEILING
LWP	LIQUID WATERPROOFING
SC	'SKIM-COAT' ON CONCRETE
SP	SPRAY PAINT
ST	STONE
V	VINYL
VCT	VINYL COMPOSITION TILE
WRWB	WATER RESISTANT GYPSUM WALLBOARD
WD	WOOD

SLCE ARCHITECTS:

By: _____

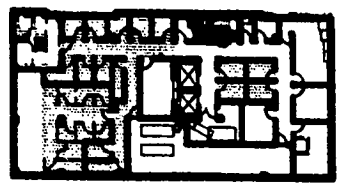


KEY	
GENERAL COMMON	
RESIDENTIAL LIMITED COMMON	
COMMERCIAL LIMITED COMMON	

105 Norfolk Street

New York, New York

KEY PLAN:

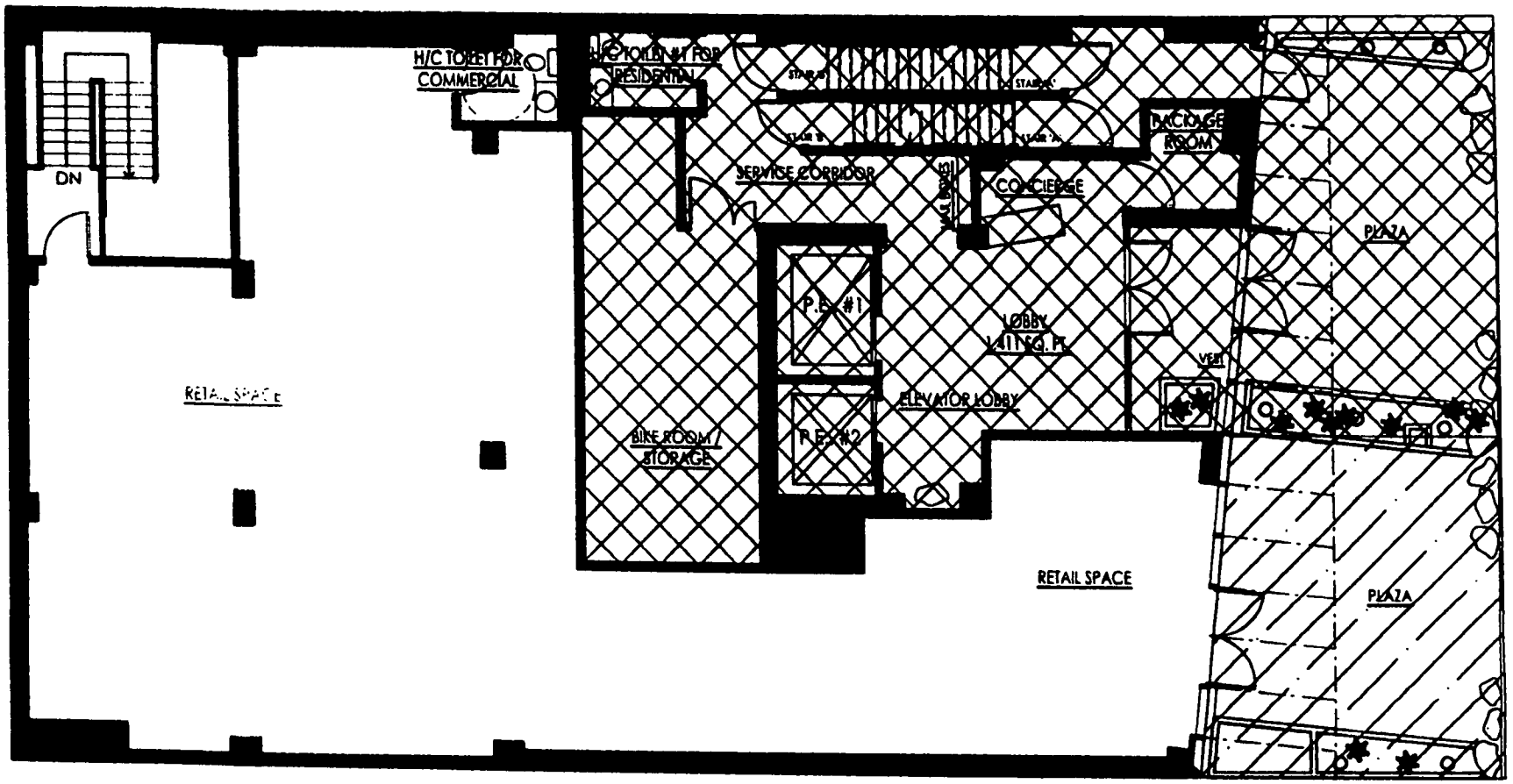


CELLAR

ACCESSORY RESIDENTIAL
TENANT STORAGE AREA = 998 S.F.

SCALE:





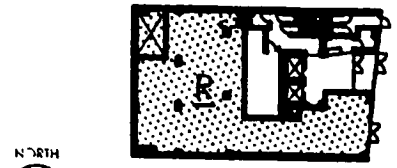
KEY

- RESIDENTIAL COMMON
- COMMERCIAL LIMITED COMMON
- COMMERCIAL UNIT

105 Norfolk Street

New York, New York

KEY PLAN:

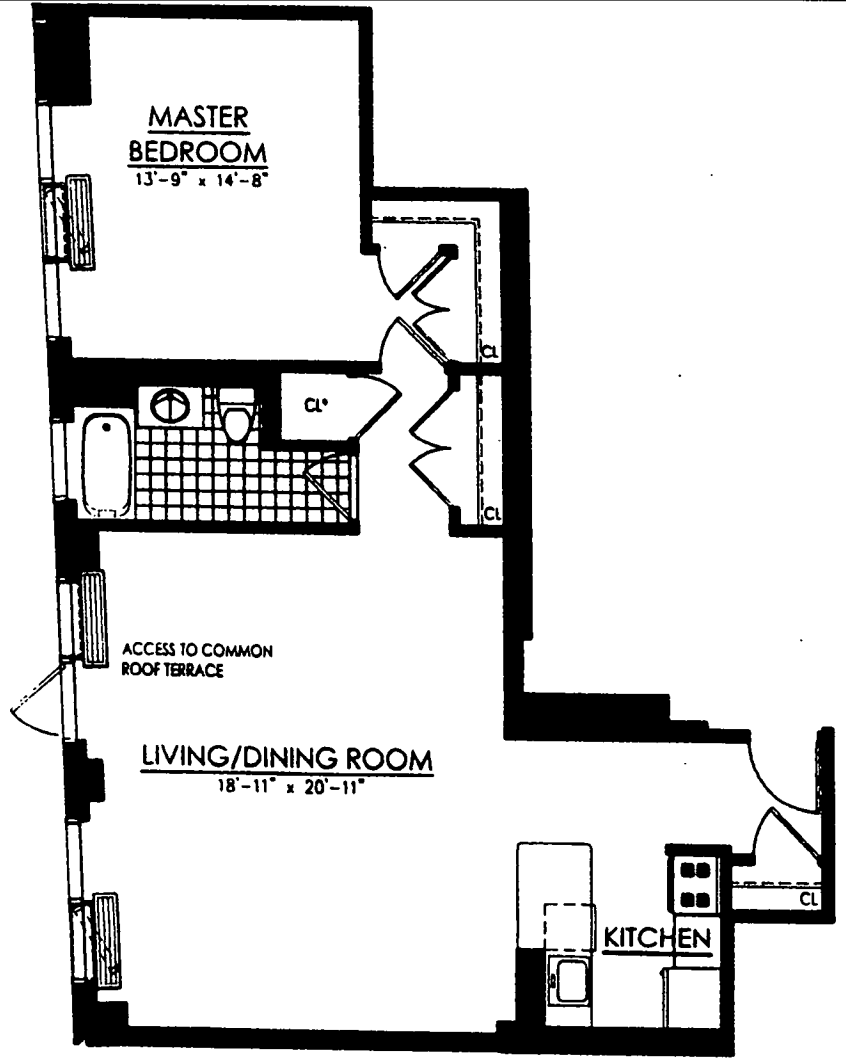


1ST FLOOR

RETAIL SPACE
AREA = 2,690 SQ. FT. (1ST FLR)
+281 SQ. FT.(BSMT)
2,971 SQ. FT.+ 429 SQ. FT.
FRONT YARD

SCALE:
0 2' 6' 12'
1' 3'



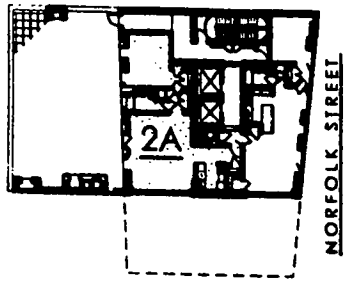


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



2ND FLOOR

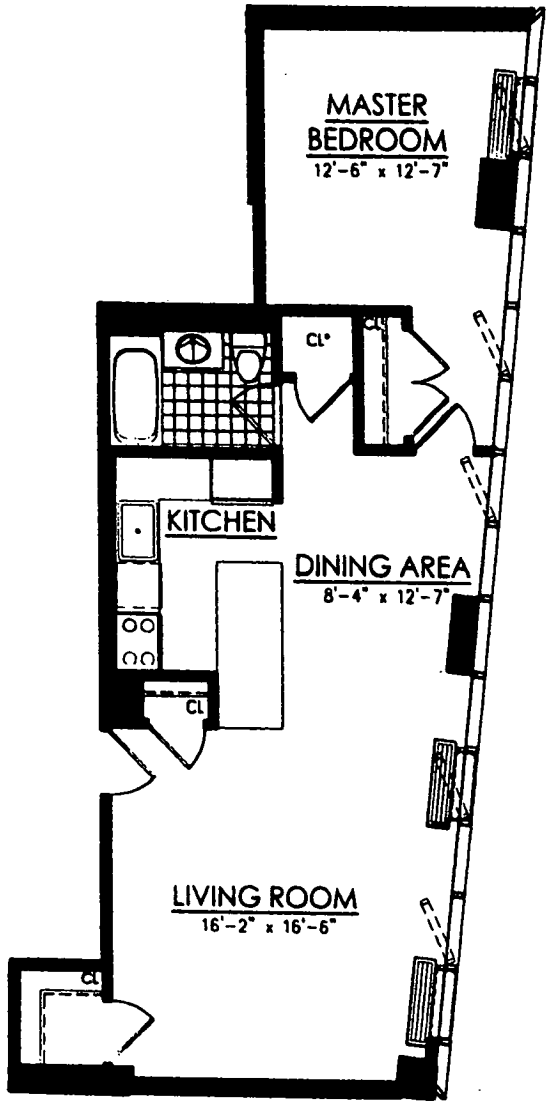
APARTMENT '2A'
AREA = 972 SQ. FT.

1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:



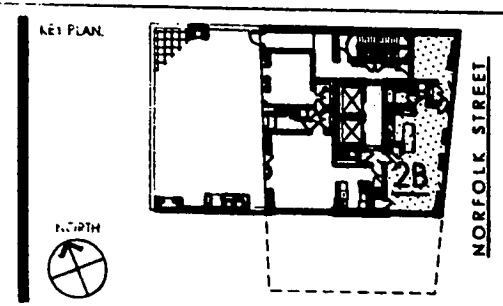




* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York



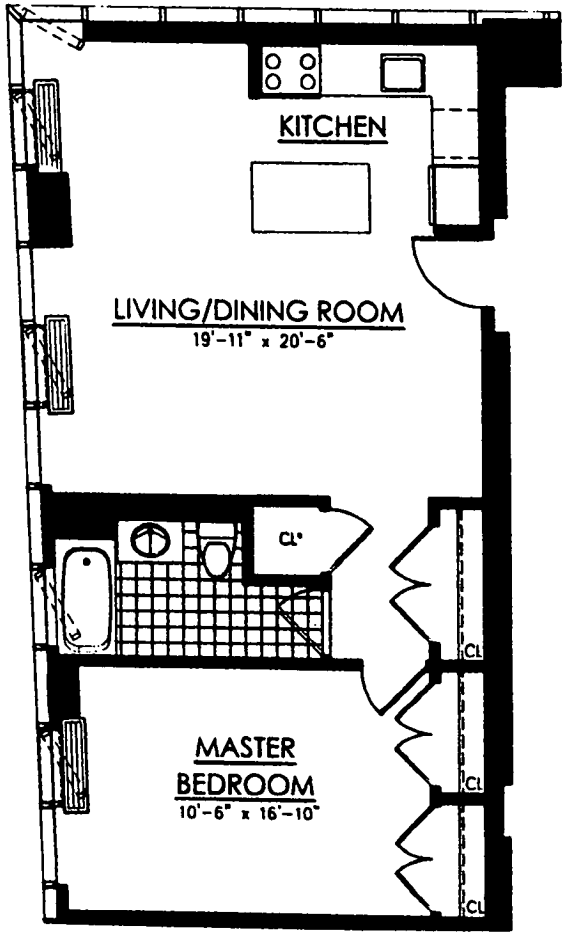
2ND FLOOR

APARTMENT '2B'
AREA = 841 SQ. FT.

1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:
0 2' 6' 12'
1' 3'



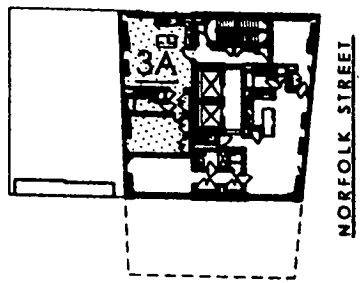


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



NORTH

3RD FLOOR

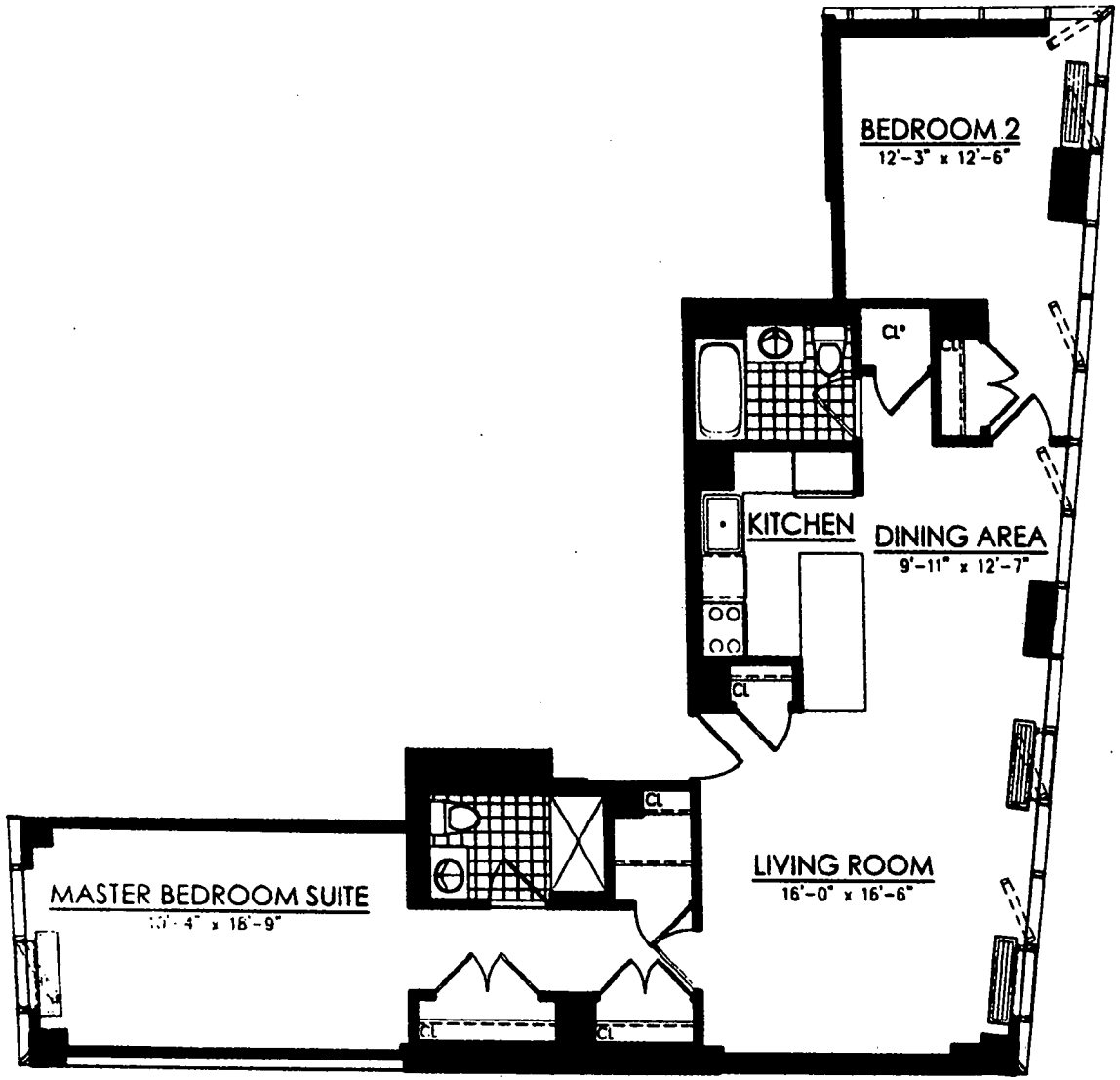
APARTMENT '3A'
AREA = 759 SQ. FT.

1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:





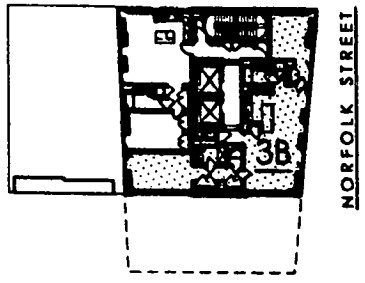


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN

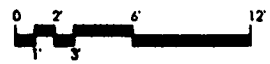


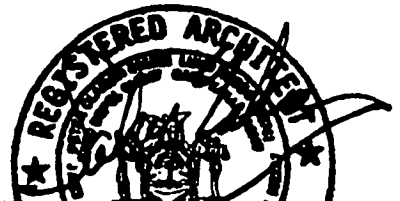
3RD FLOOR

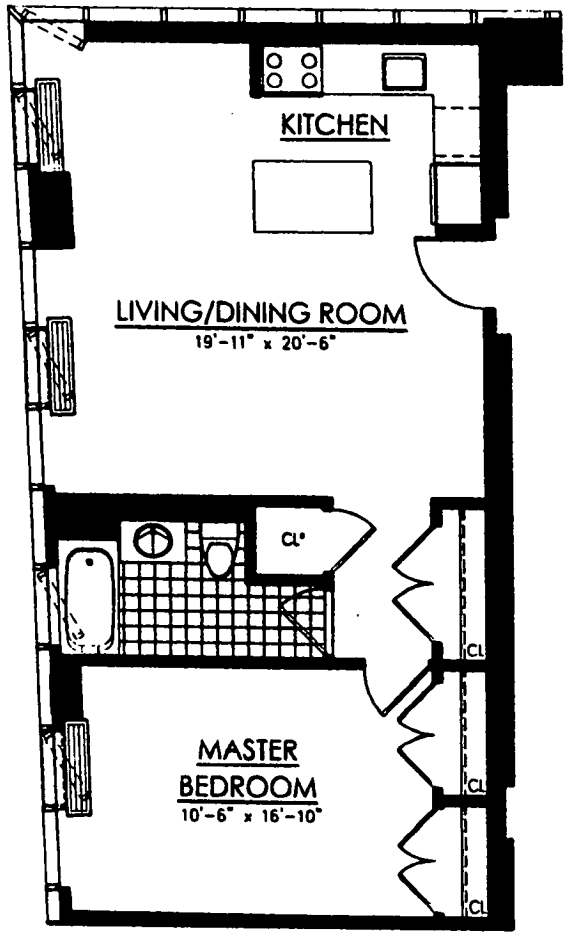
APARTMENT '3B'
AREA = 1,218 SQ. FT.

2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA

SCALE:





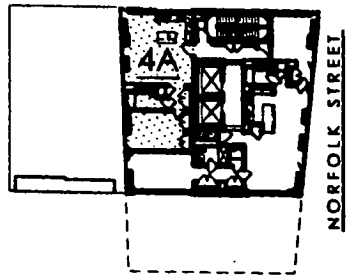


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



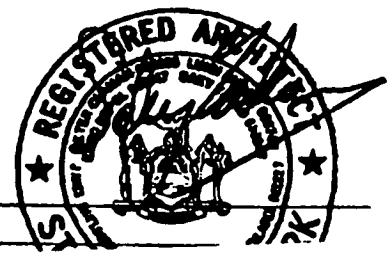
4TH FLOOR

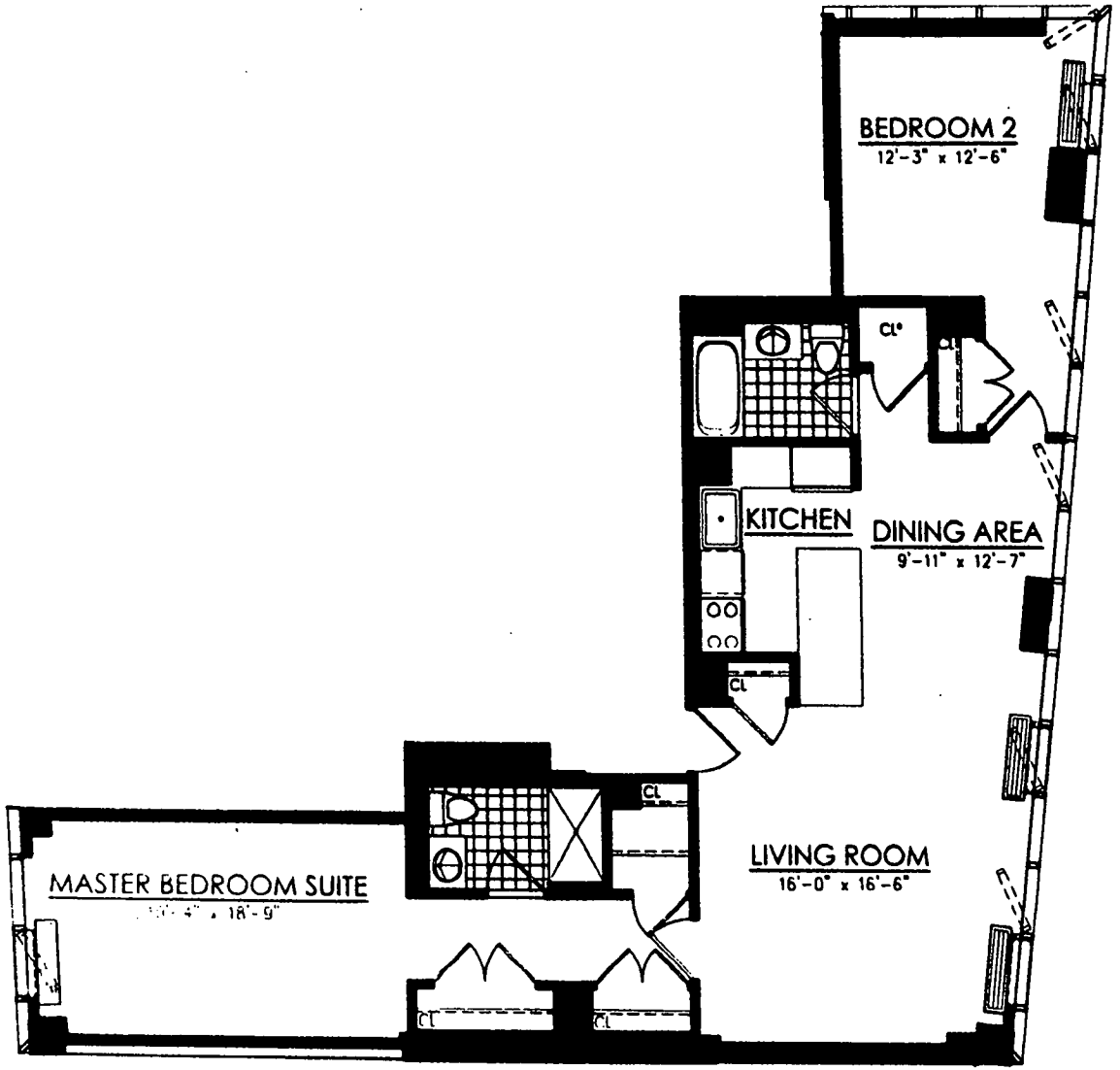
APARTMENT '4A'
AREA = 764 SQ. FT.

1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:





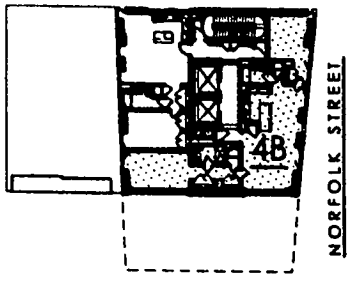


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



NORTH

4TH FLOOR

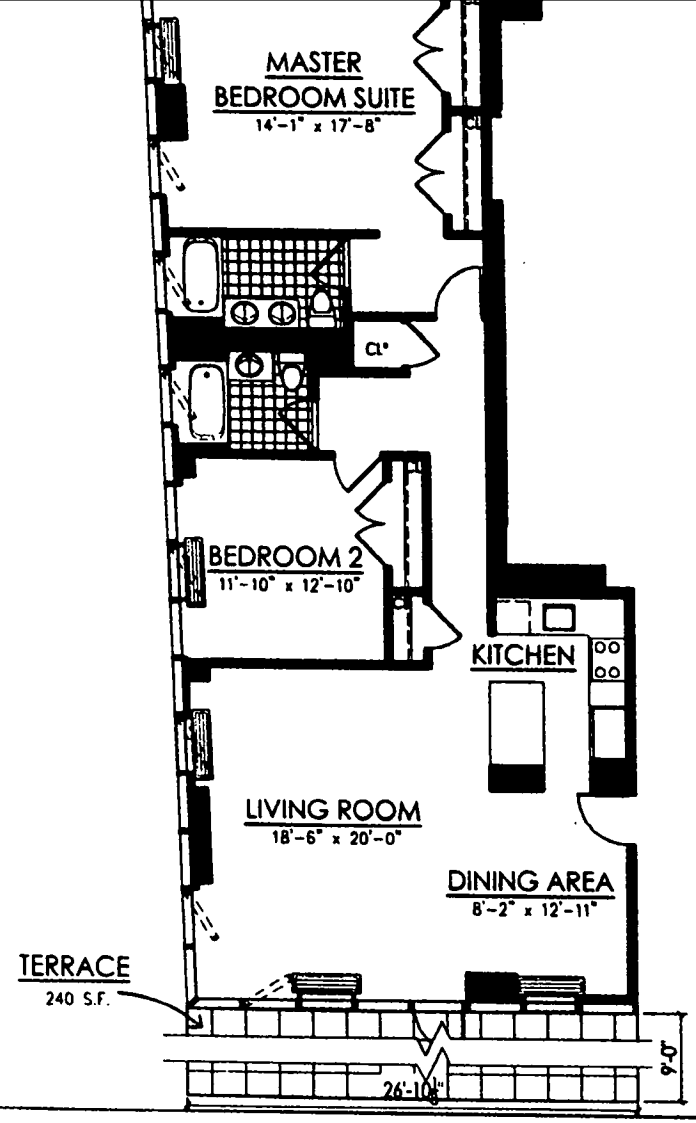
APARTMENT '4B'
AREA = 1,216 SQ. FT.

2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA

SCALE:





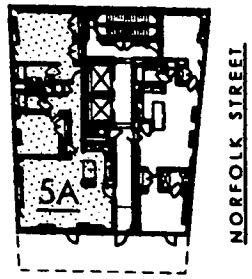


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



NORTH

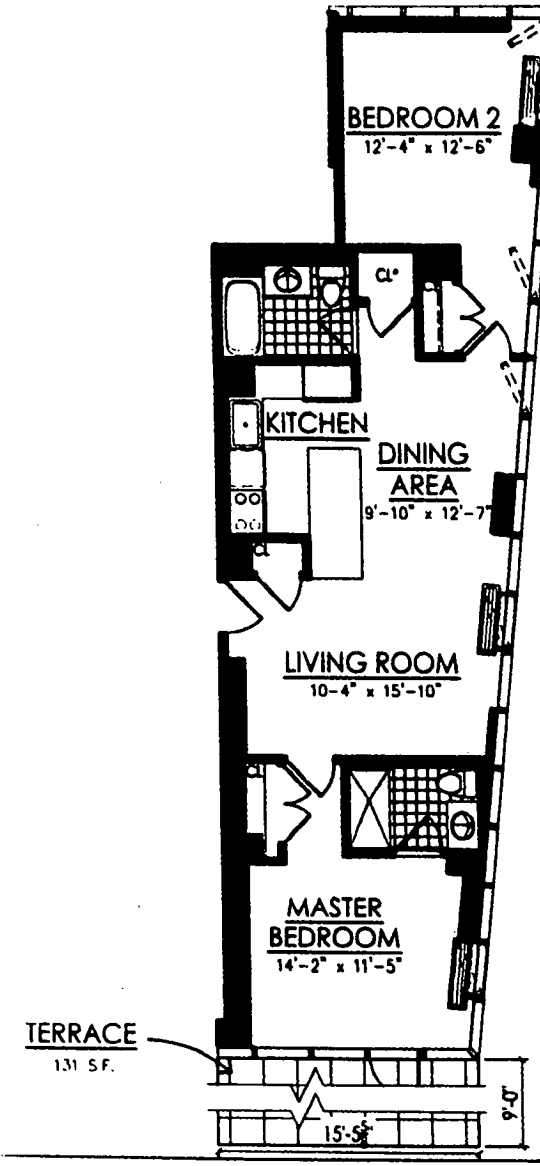
5TH FLOOR

APARTMENT '5A'
AREA = 1,386 SQ. FT.
+240 SQ. FT. TERRACE

2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA

SCALE:



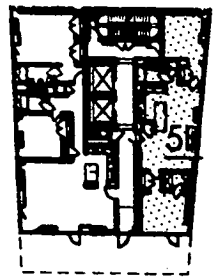


• WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



NORTH

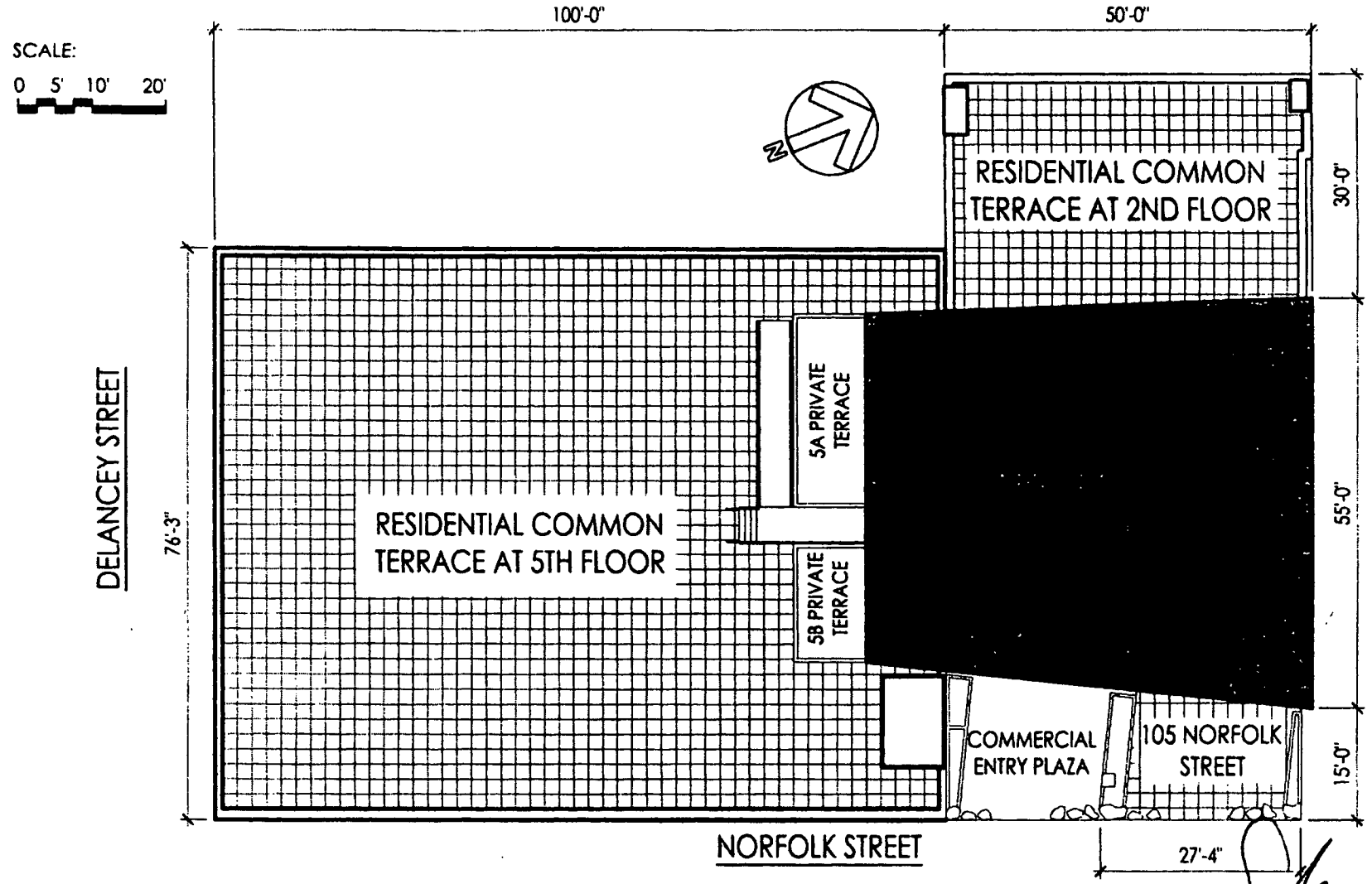
5TH FLOOR

APARTMENT '5B'
AREA = 991 SQ. FT.
+131 SQ. FT. TERRACE

2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA

SCALE:
0 2' 6' 12'
1" 3"

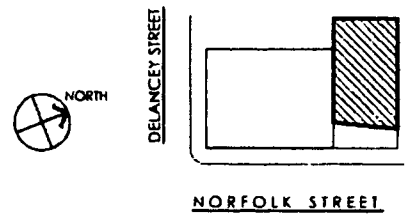




105 Norfolk Street

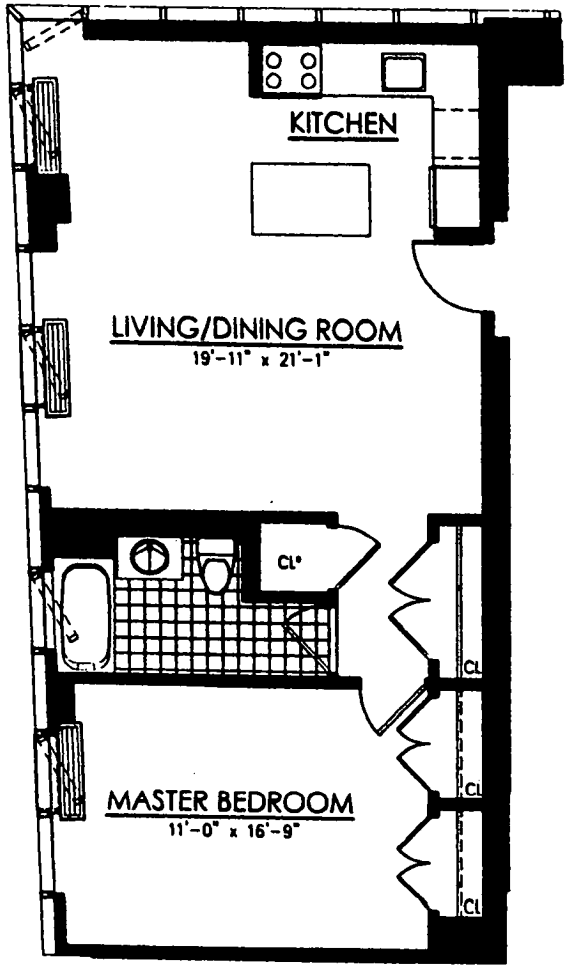
New York, New York

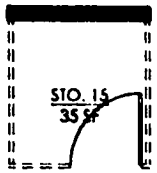
KEY PLAN:



BLUE CONDOMINIUM SITE PLAN

REGISTERED ARCHITECT
SAKY YAKAS
No. 018047
STATE OF NEW YORK



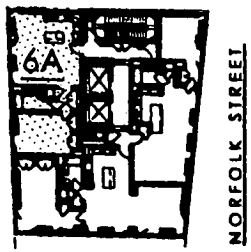


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN.

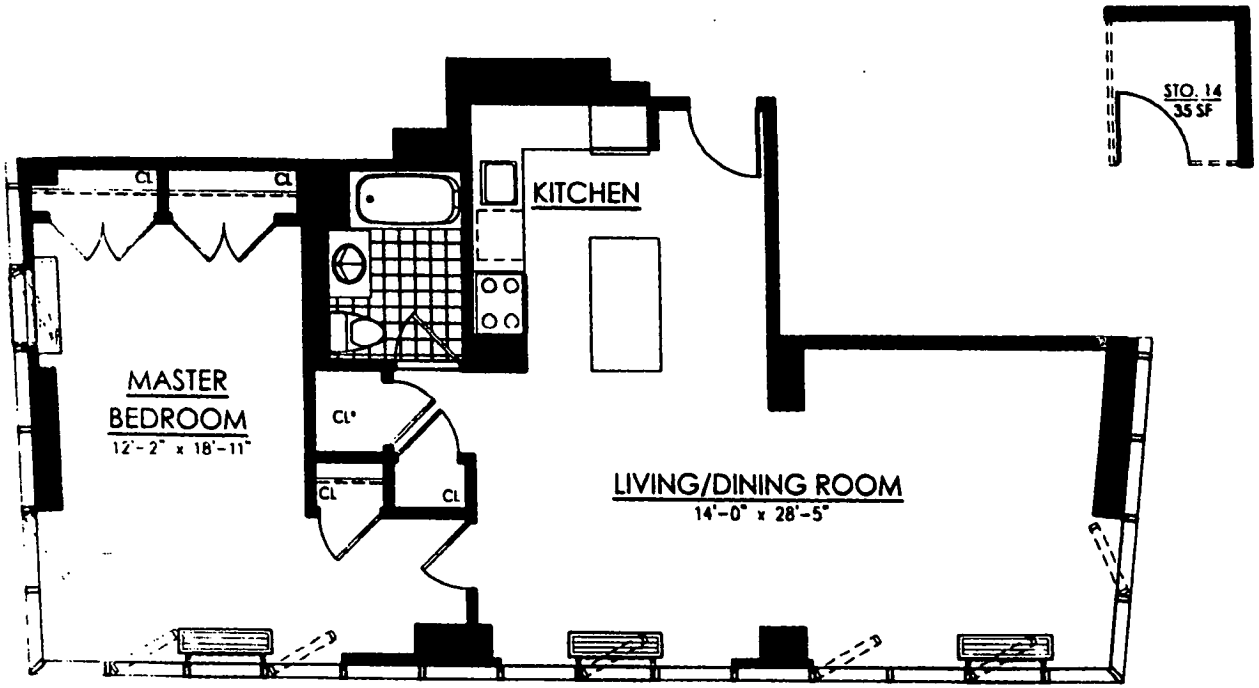


6TH FLOOR

APARTMENT '6A'
AREA = 787 SQ. FT.
+35 SQ. FT. STORAGE
822 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:



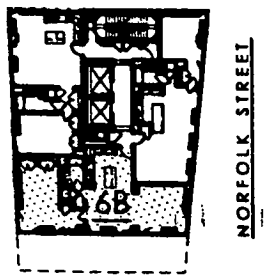


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN

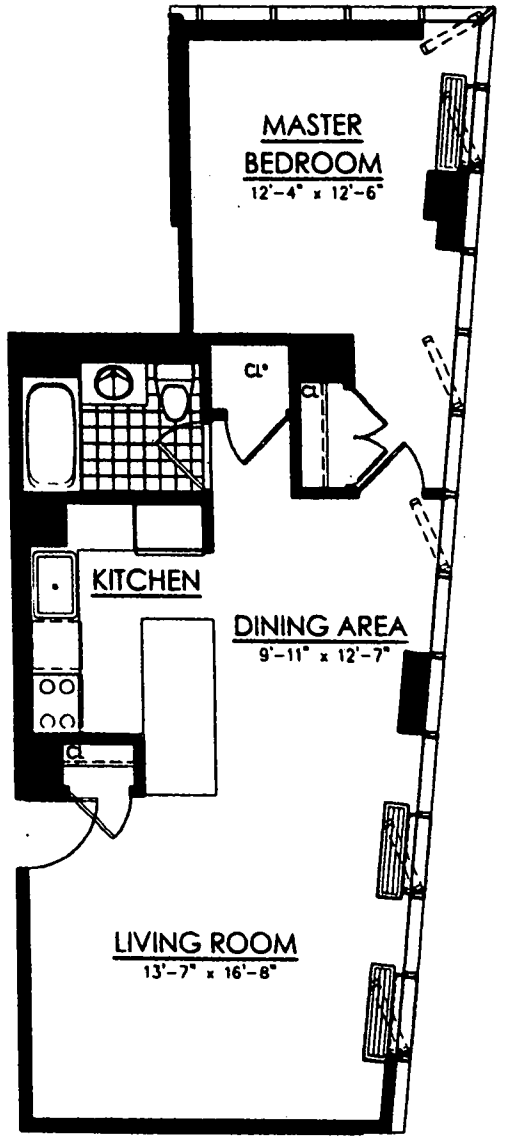


6TH FLOOR

APARTMENT '6B'
AREA = 957 SQ. FT.
+35 SQ. FT. STORAGE
992 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:
0 2' 6' 12'



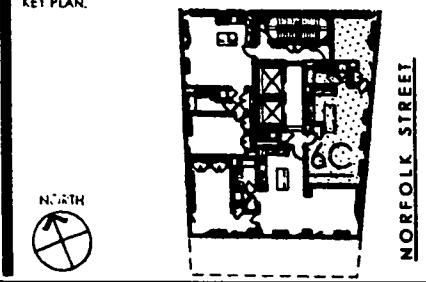


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN.



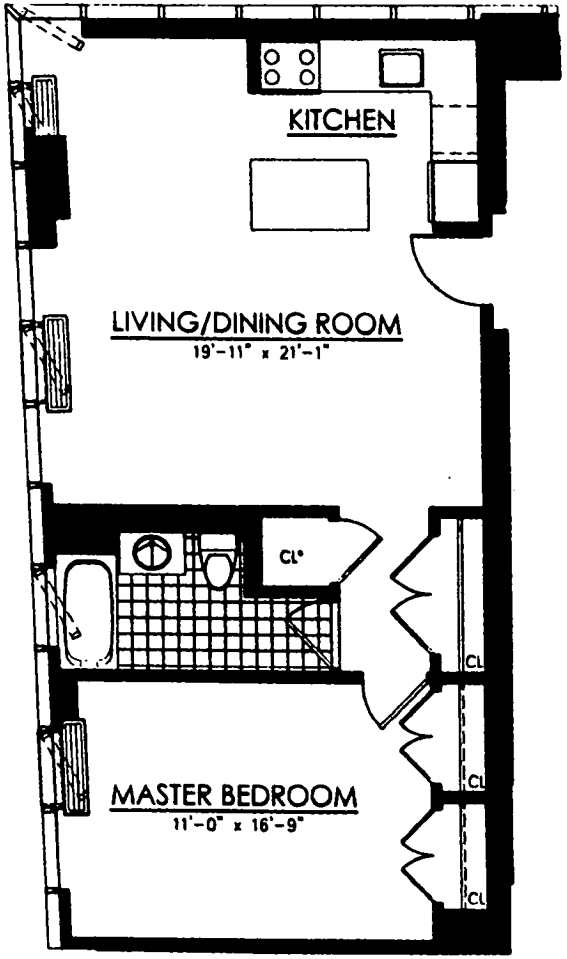
6TH FLOOR

APARTMENT '6C'
AREA = 766 SQ. FT.

1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:





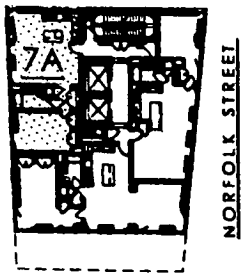


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN

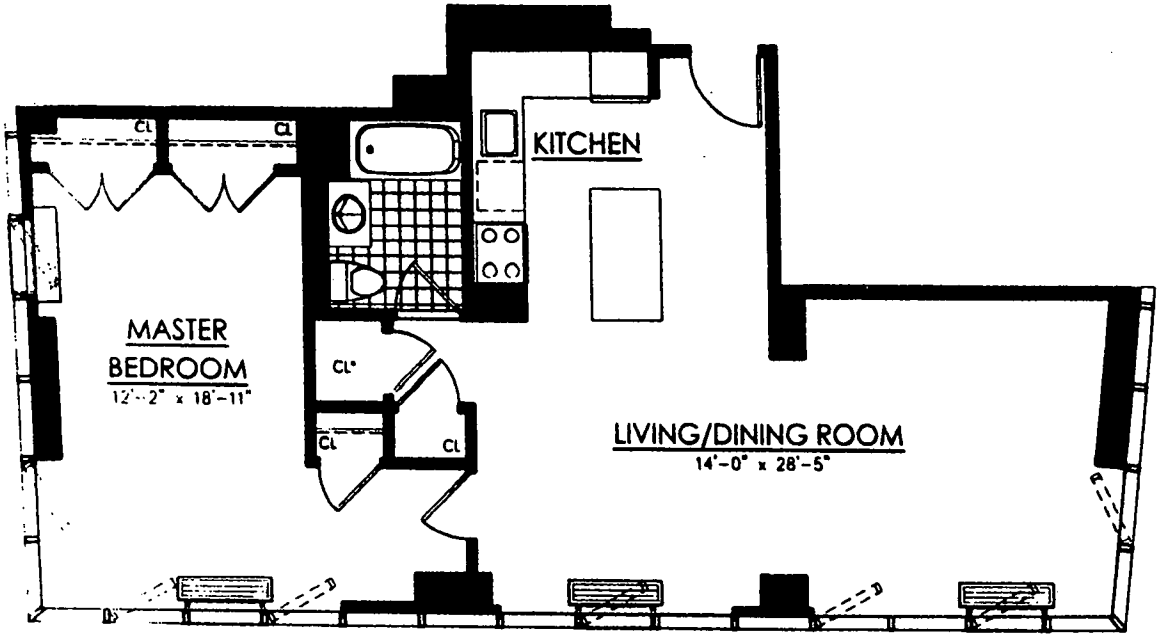


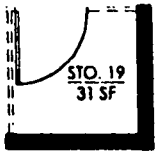
7TH FLOOR

APARTMENT '7A'
AREA = 782 SQ. FT.
+30 SQ. FT. STORAGE
812 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:
0 2' 4' 12'





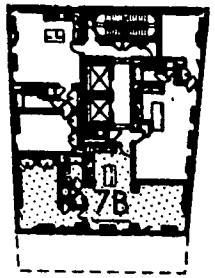


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



NORTH

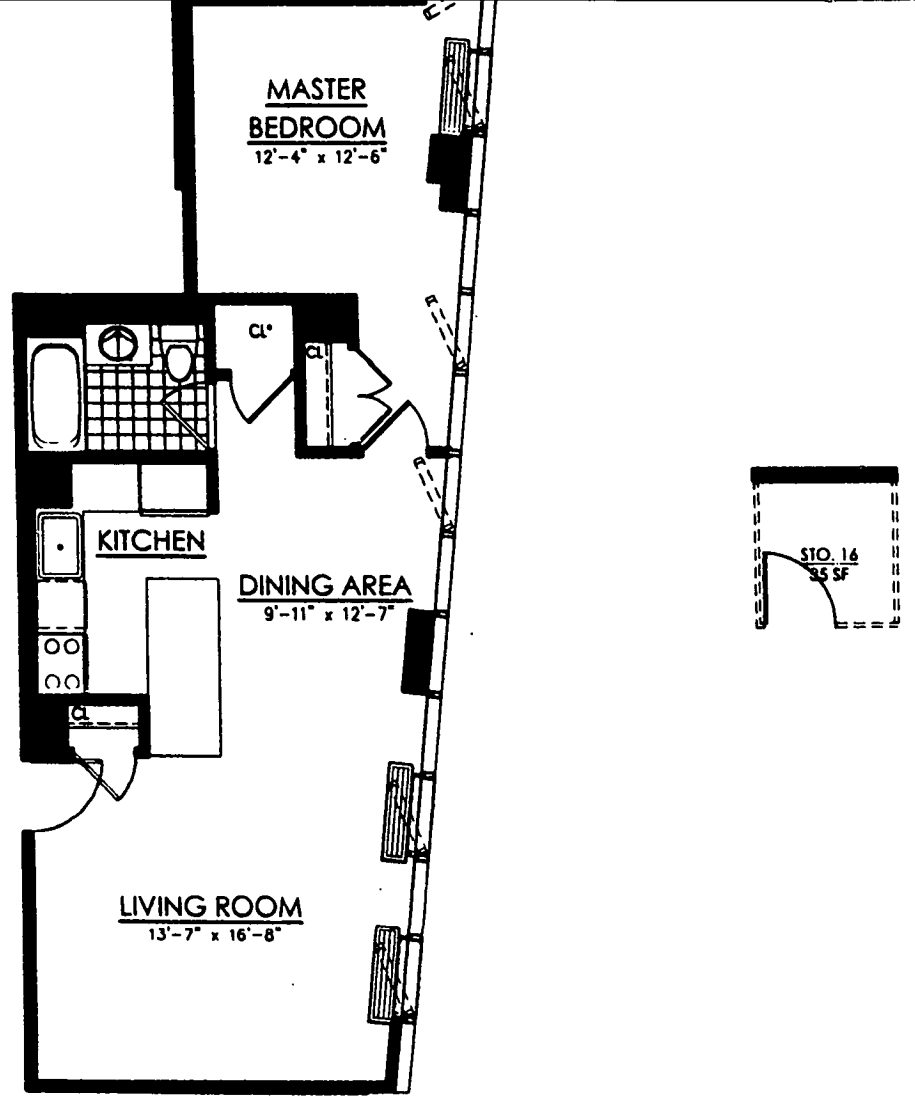
7TH FLOOR

APARTMENT '7B'
AREA = 1,052 SQ. FT.
+31 SQ. FT. STORAGE
1,083 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:





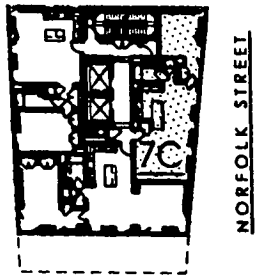


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

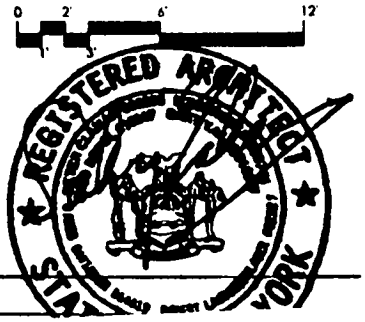


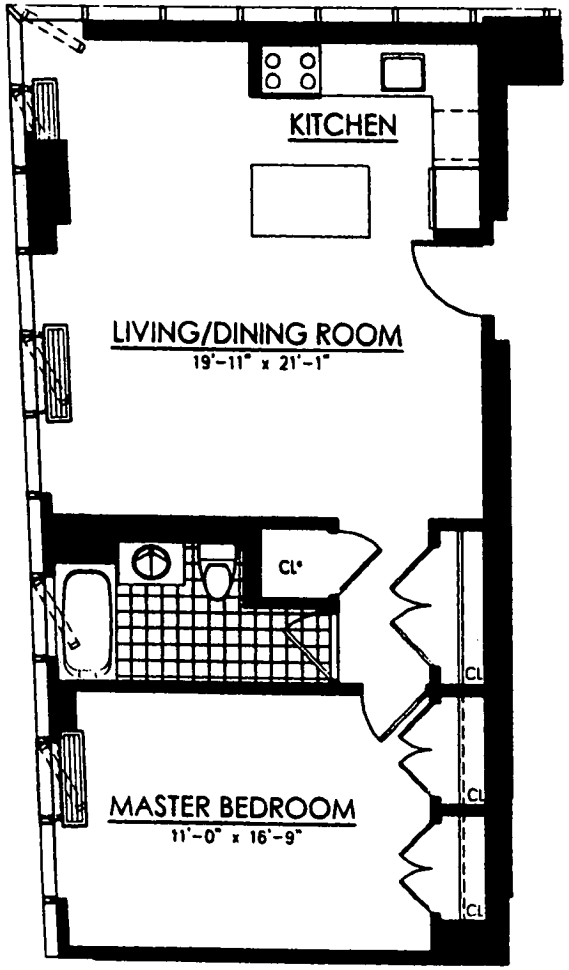
NORTH

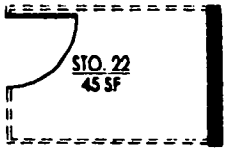
7TH FLOOR

APARTMENT '7C'
AREA = 766 SQ. FT.
+35 SQ. FT. STORAGE
801 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:





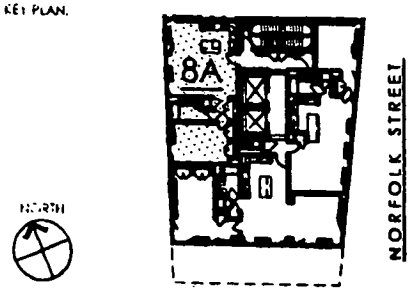


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN

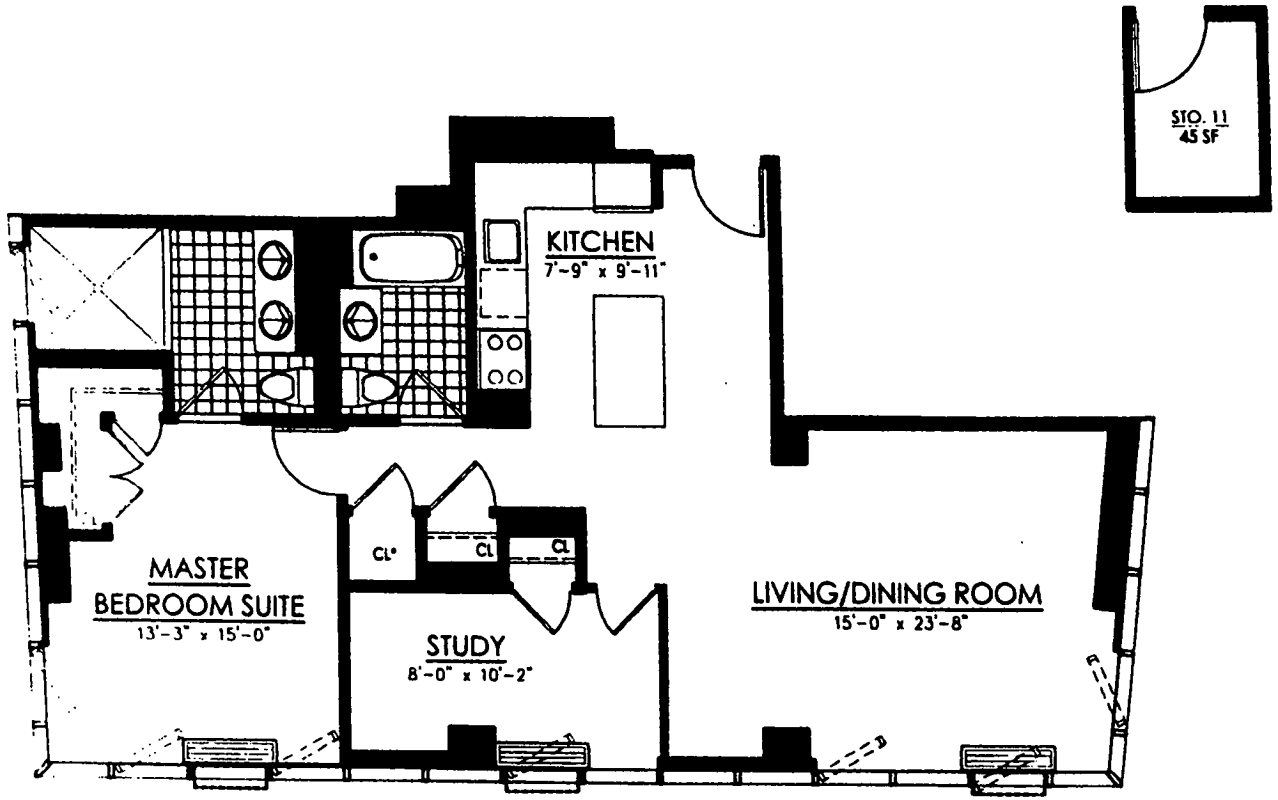


8TH FLOOR

APARTMENT '8A'
AREA = 786 SQ. FT.
+45 SQ. FT. STORAGE
831 SQ. FT.
1 BEDROOM, 1 BATHS
LIVING/DINING ROOM

SCALE:



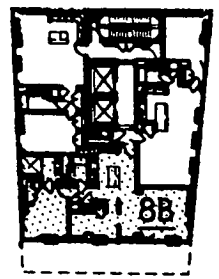


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN.



NORFOLK STREET

NORTH

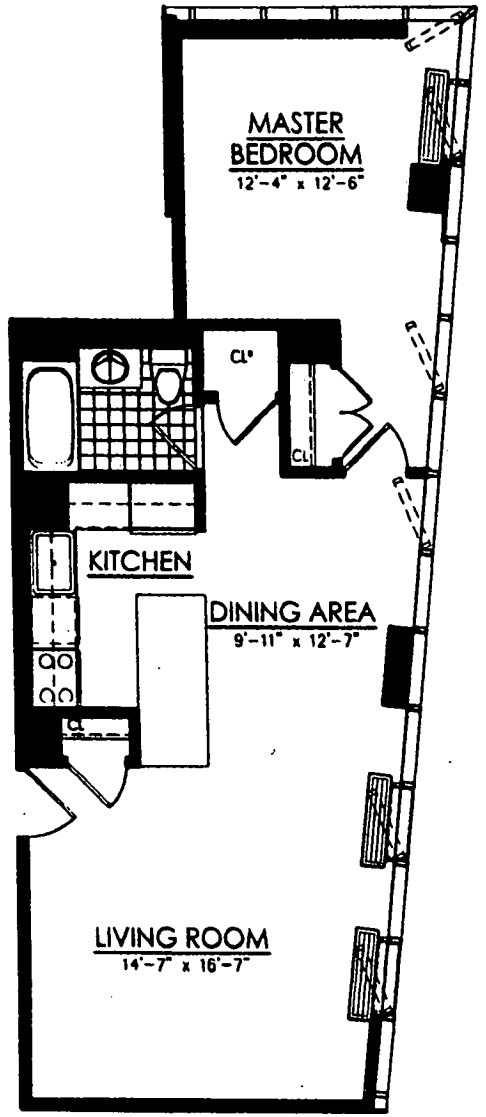
8TH FLOOR

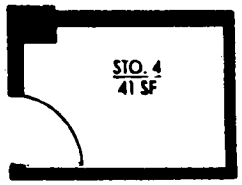
APARTMENT '8B'
AREA = 1,129 SQ. FT.
+45 SQ. FT. STORAGE
1,174 SQ. FT.
1 BEDROOM, 2 BATHS
LIVING/DINING ROOM, STUDY

SCALE:

0 2' 6' 12





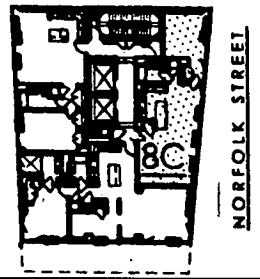


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



NORTH

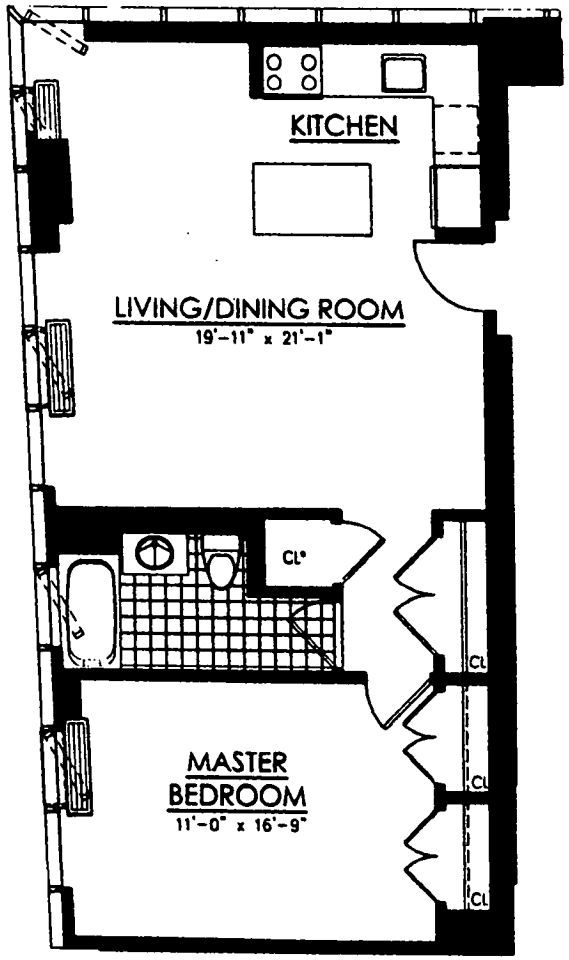
8TH FLOOR

APARTMENT '8C'
AREA = 785 SQ. FT.
+41 SQ. FT. STORAGE
826 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:

0 2' 6' 12'





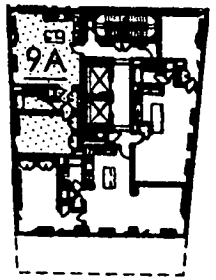


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



NORTH

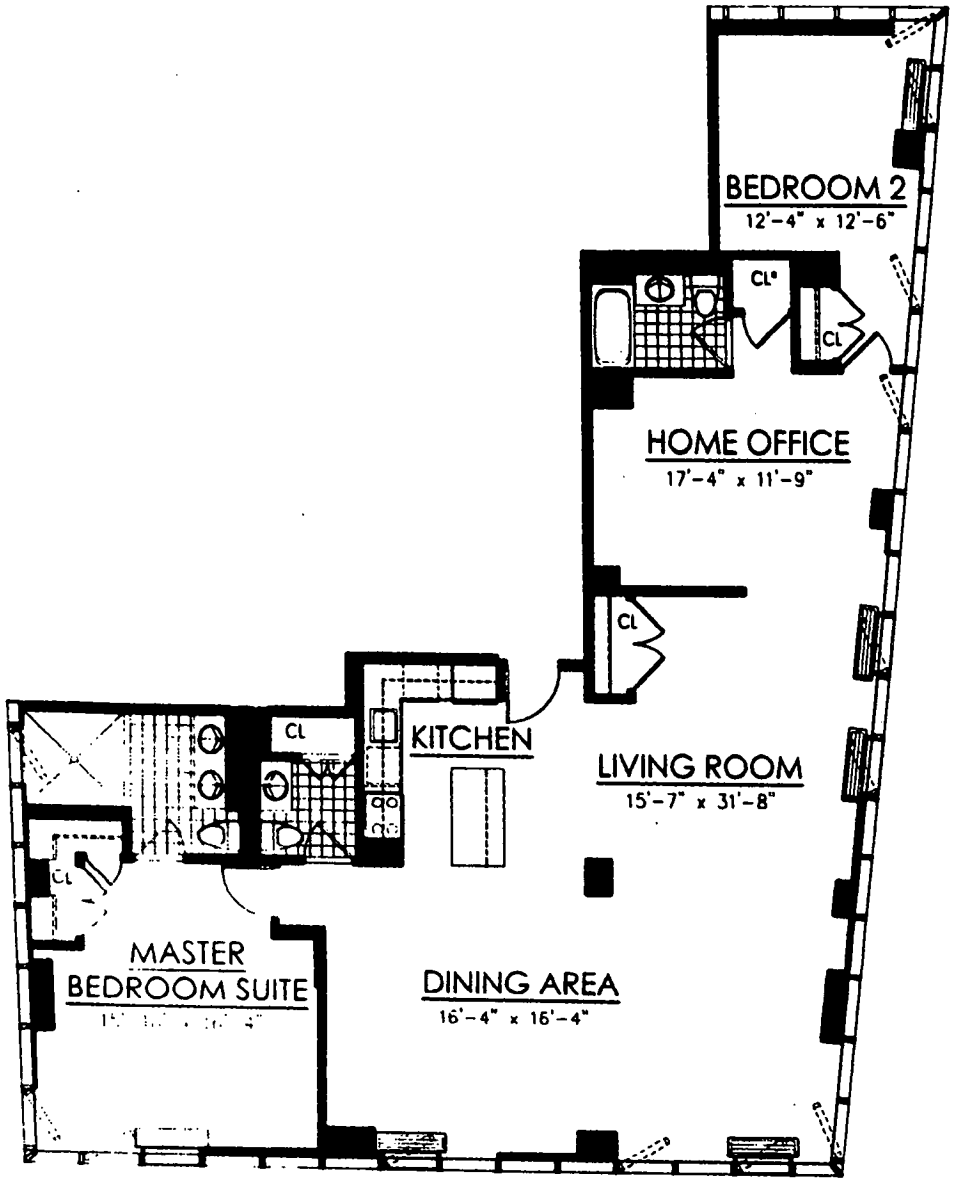
9TH FLOOR

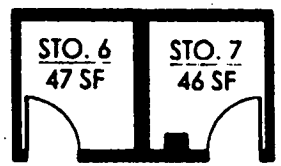
APARTMENT '9A'
AREA = 782 SQ. FT.
+45 SQ. FT. STORAGE
827 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:







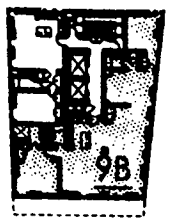


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



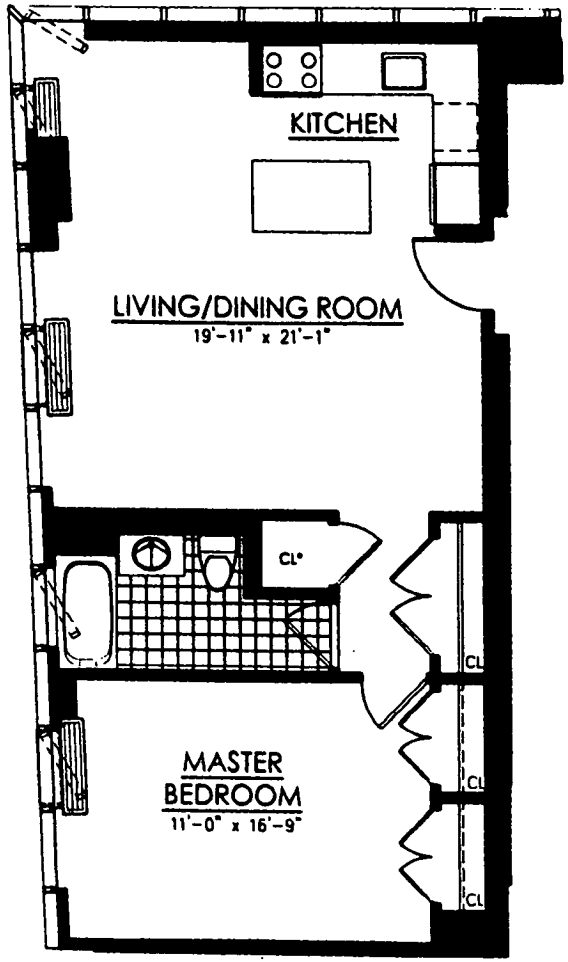
NORFOLK STREET

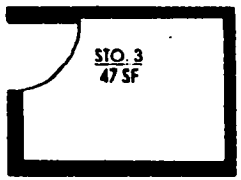
9TH FLOOR

APARTMENT '9B'
AREA = 2,004 SQ. FT.
+93 SQ. FT. STORAGE
2,097 SQ. FT.
2 BEDROOMS, 2.5 BATHS
LIVING ROOM, DINING AREA, HOME OFFICE

SCALE:





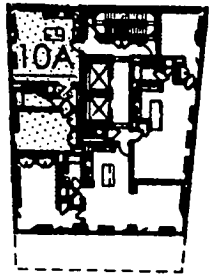


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



NORTH

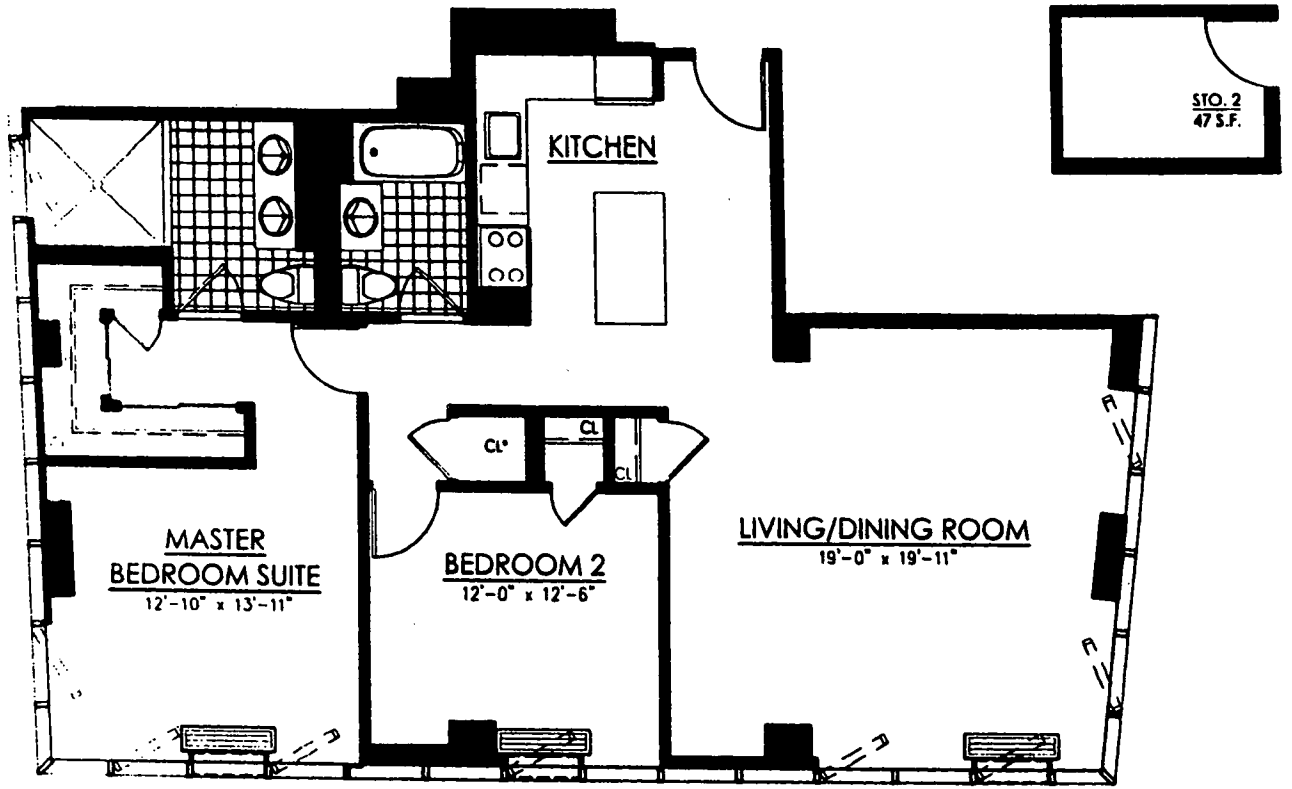
10TH FLOOR

APARTMENT '10A'
AREA = 785 SQ. FT.
+47 SQ. FT. STORAGE
832 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:





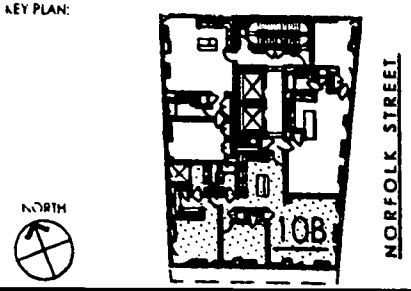


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

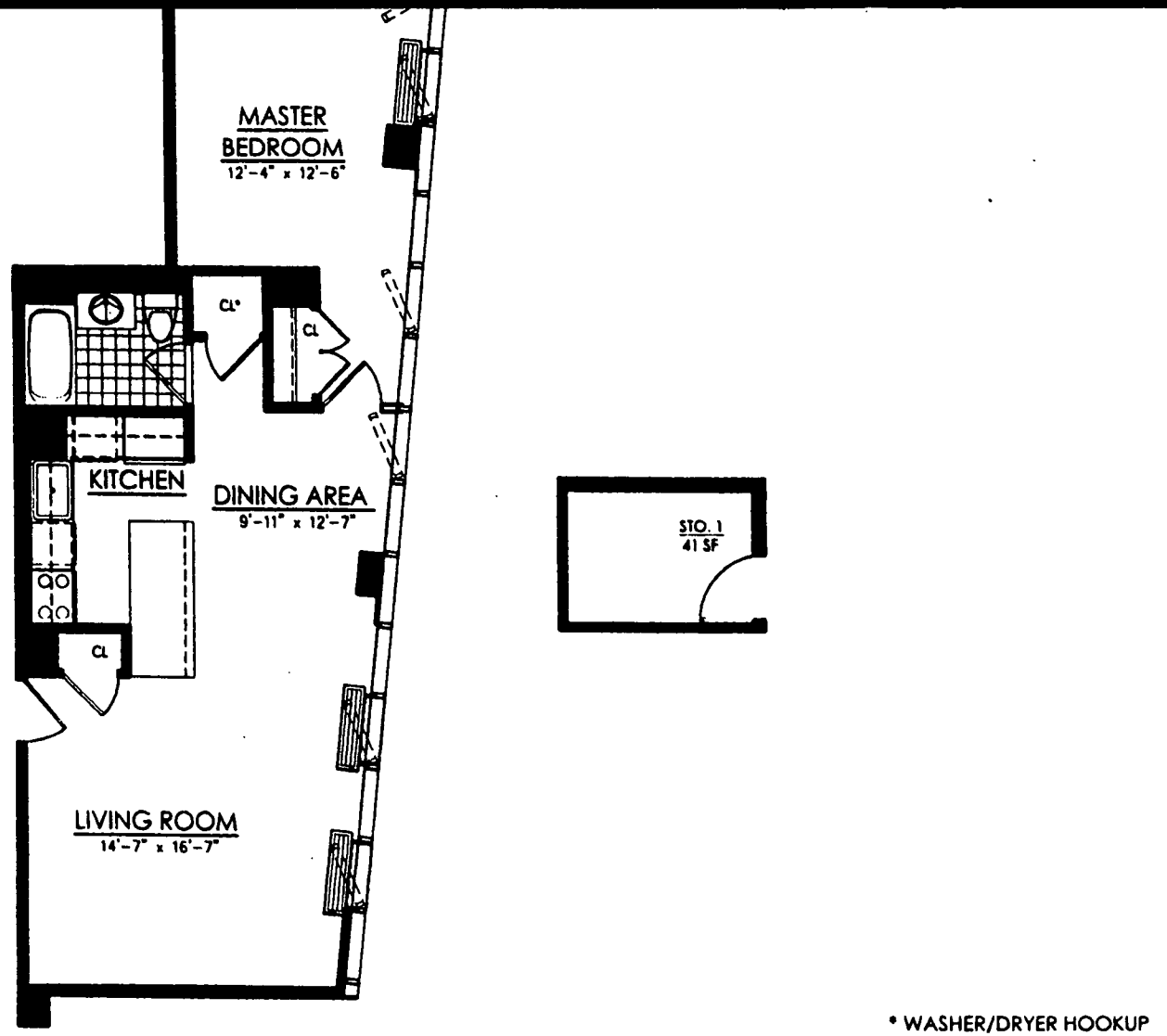


10TH FLOOR

APARTMENT '10B'
AREA = 1,315 SQ. FT.
+47 SQ. FT. STORAGE
1,362 SQ. FT.
2 BEDROOMS, 2 BATHS
LIVING/DINING ROOM

SCALE:

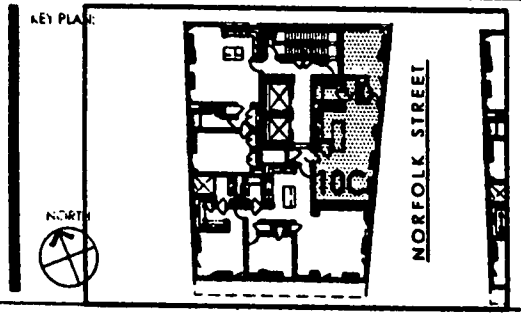




* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

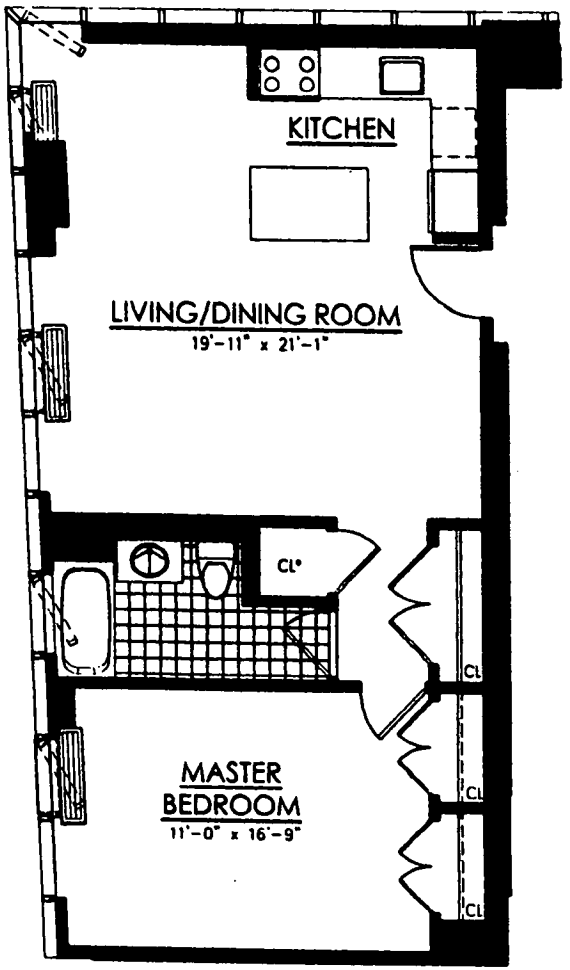


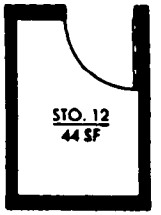
10TH FLOOR

APARTMENT '10C'
AREA = 783 SQ. FT.
+41 SQ. FT. STORAGE
824 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:
0 2' 6' 12'





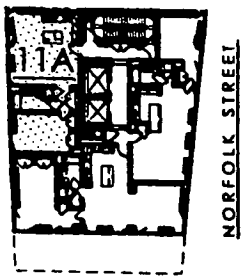


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



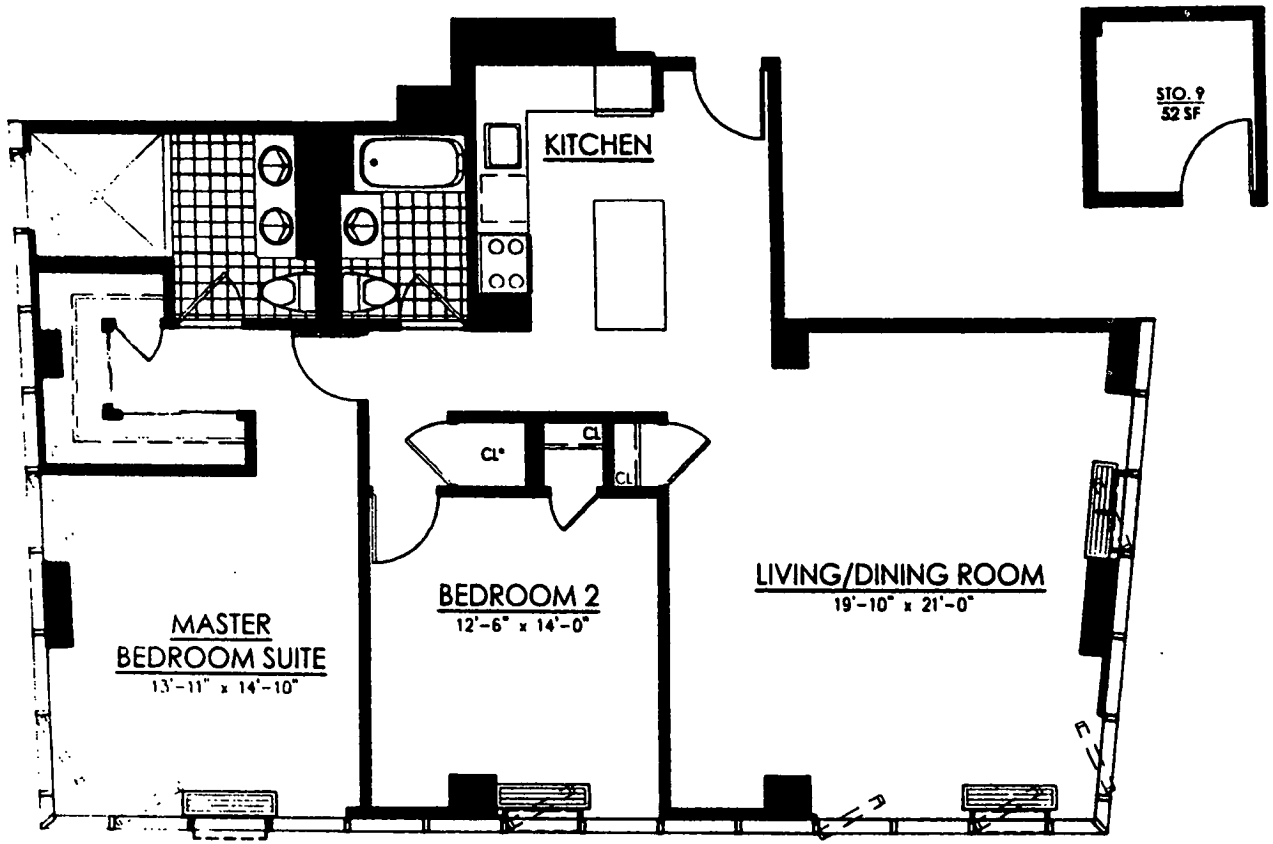
NORTH

11TH FLOOR

APARTMENT '11A'
AREA = 786 SQ. FT.
+44 SQ. FT. STORAGE
830 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:



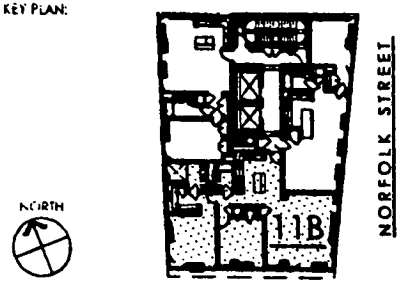


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

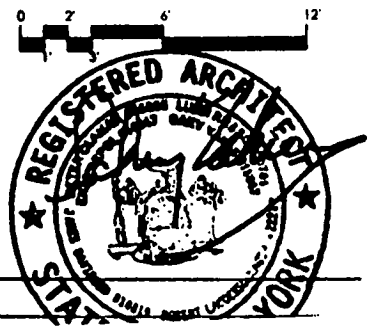
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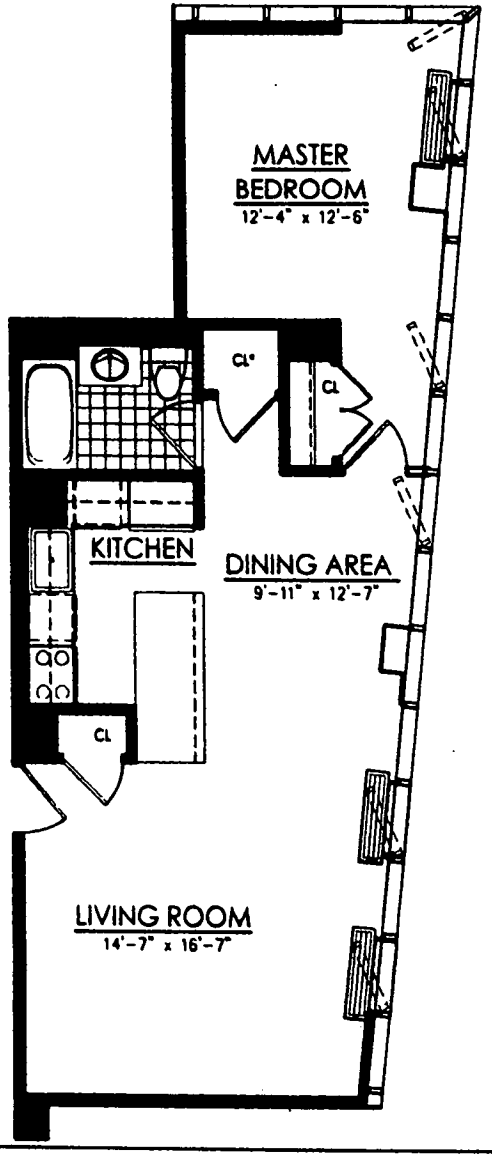


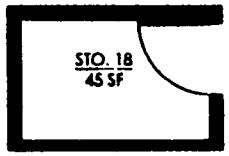
11TH FLOOR

APARTMENT '11B'
AREA = 1,401 SQ. FT.
+52 SQ. FT. STORAGE
1453 SQ. FT.
2 BEDROOMS, 2 BATHS
LIVING/DINING ROOM

SCALE:





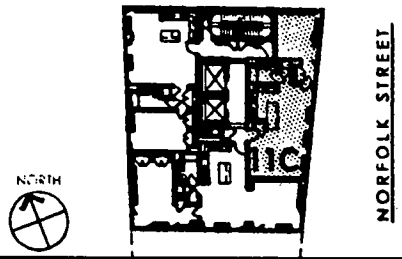


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN

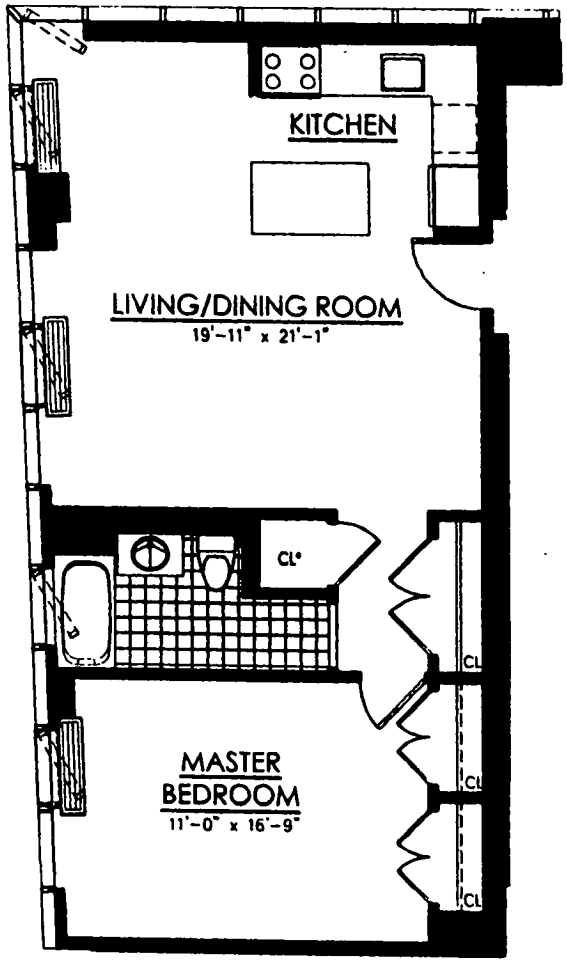


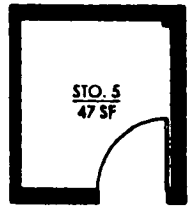
11TH FLOOR

APARTMENT '11C'
AREA = 786 SQ. FT.
+45 SQ. FT. STORAGE
831 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE: 0 2' 6' 12'





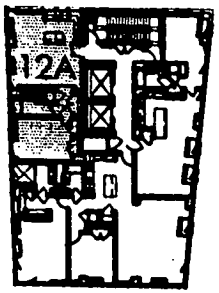


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



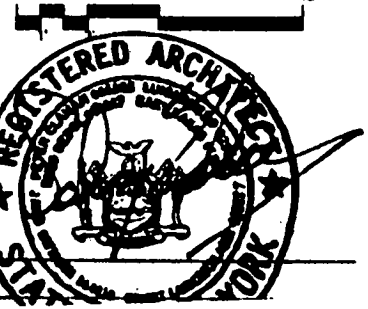
NORTH

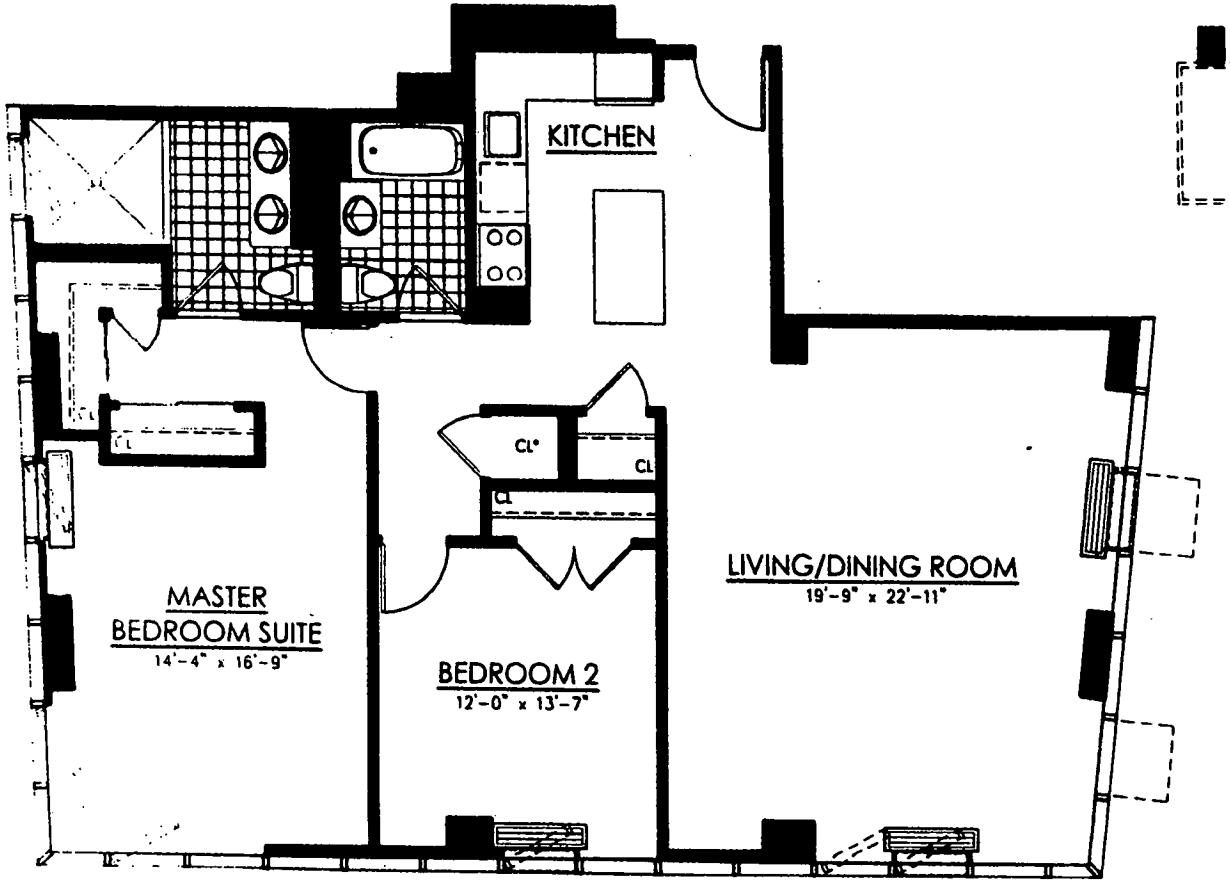
NORFOLK STREET

12TH FLOOR

APARTMENT '12A'
AREA = 779 SQ. FT.
+47 SQ. FT. STORAGE
826 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/ DINING ROOM

SCALE:



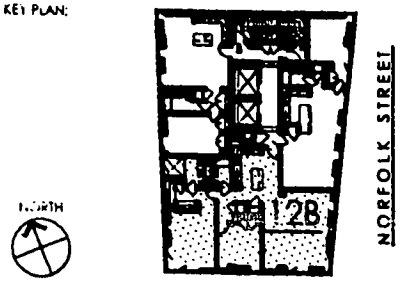


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



NORTH

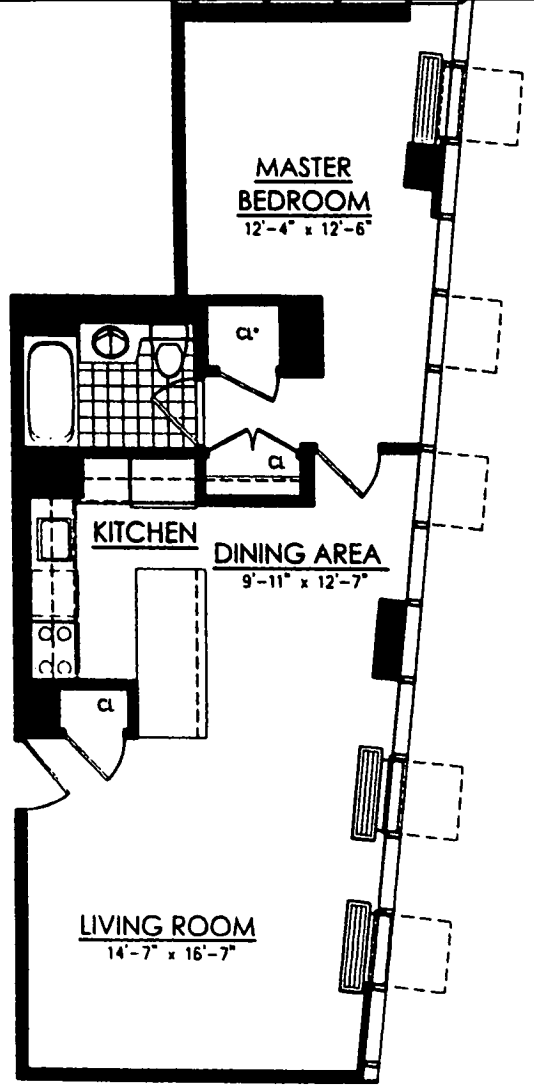
12TH FLOOR

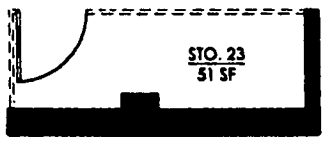
APARTMENT '12B'
AREA = 1,401 SQ. FT.
+30 SQ. FT. STORAGE
1,431 SQ. FT.
2 BEDROOMS, 2 BATHS
LIVING/DINING ROOM

SCALE:

0 2' 6' 12'

REGISTERED ARCHITECT



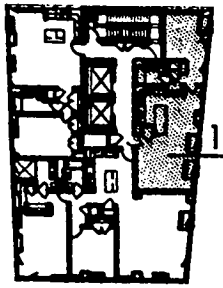


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



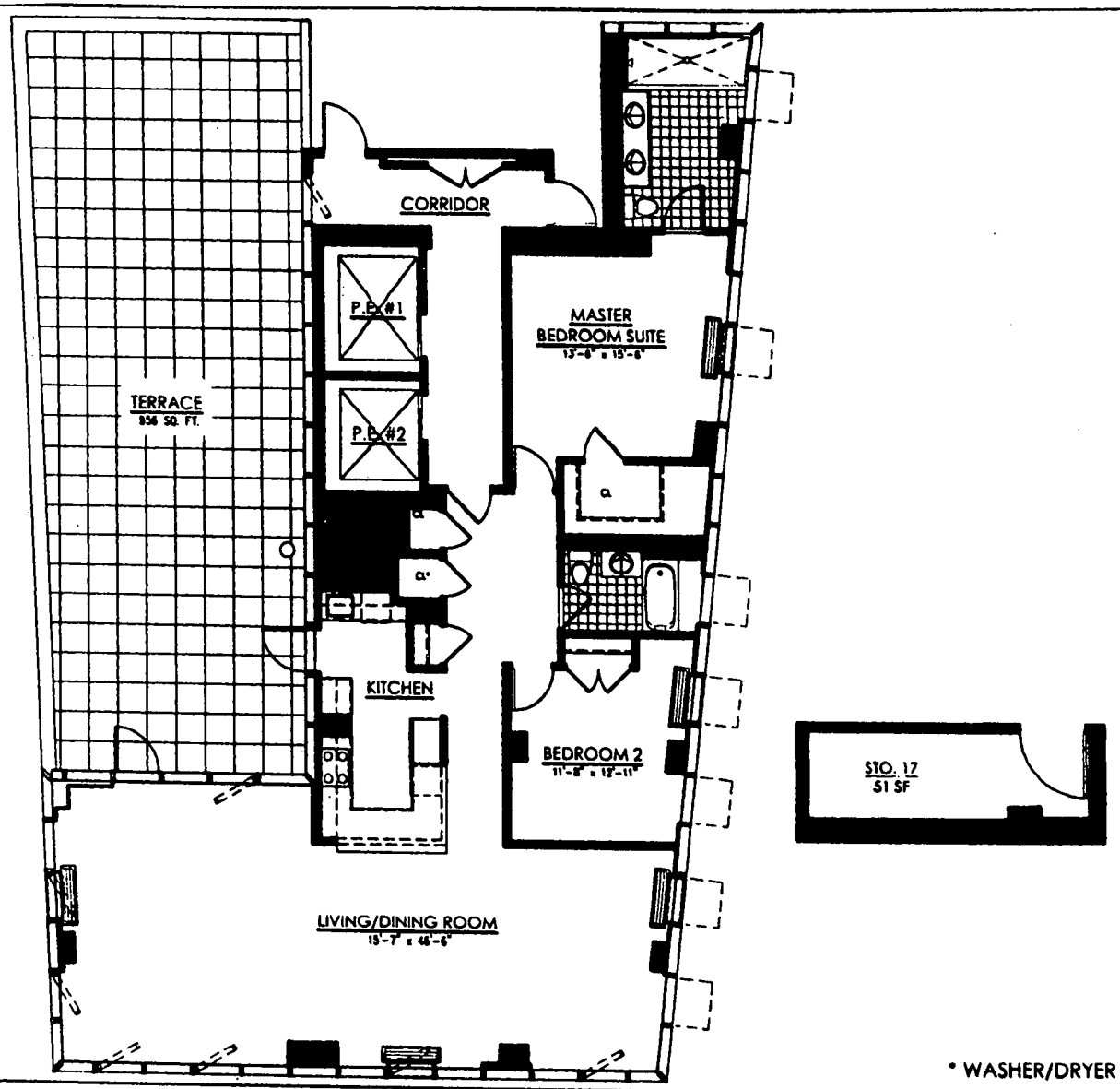
NORTH

12TH FLOOR

APARTMENT '12C'
AREA = 785 SQ. FT.
+51 SQ. FT. STORAGE
836 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:



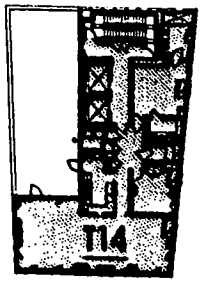


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN



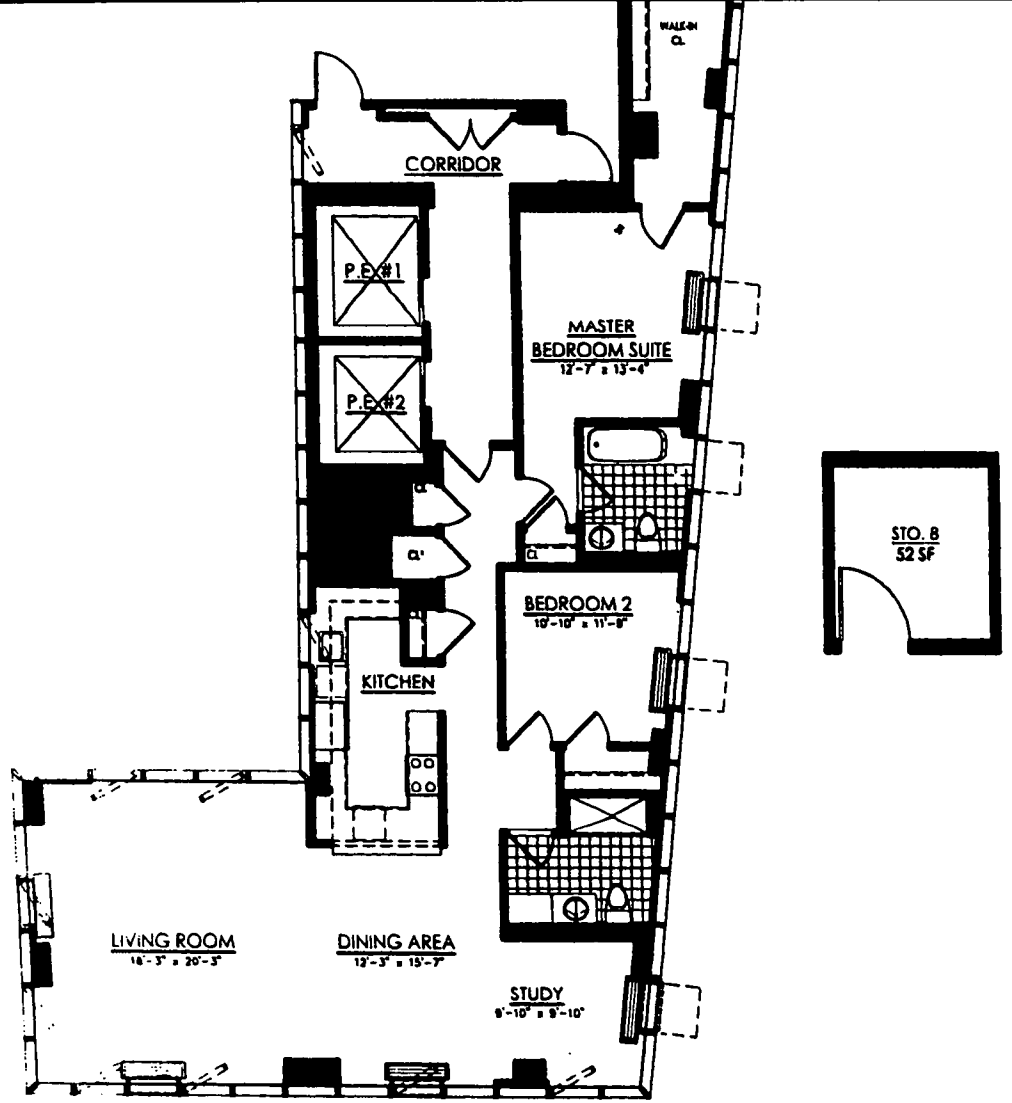
NORTH

14TH FLOOR

APARTMENT 'TOWER 14'
AREA = 2,168 SQ. FT.
+51 SQ. FT. STORAGE
2,219 SQ. FT. + 956 SQ. FT. TERRACE
2 BEDROOMS, 2 BATHS
LIVING/DINING ROOM

SCALE:
0 2' 4'
1/4"

REGISTERED ARCHITECT
STATE OF NEW YORK

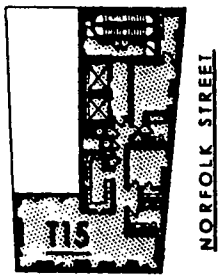


• WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

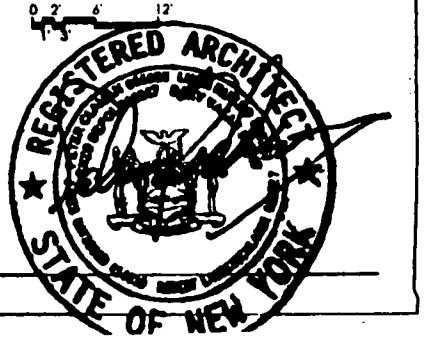
KEY PLAN:

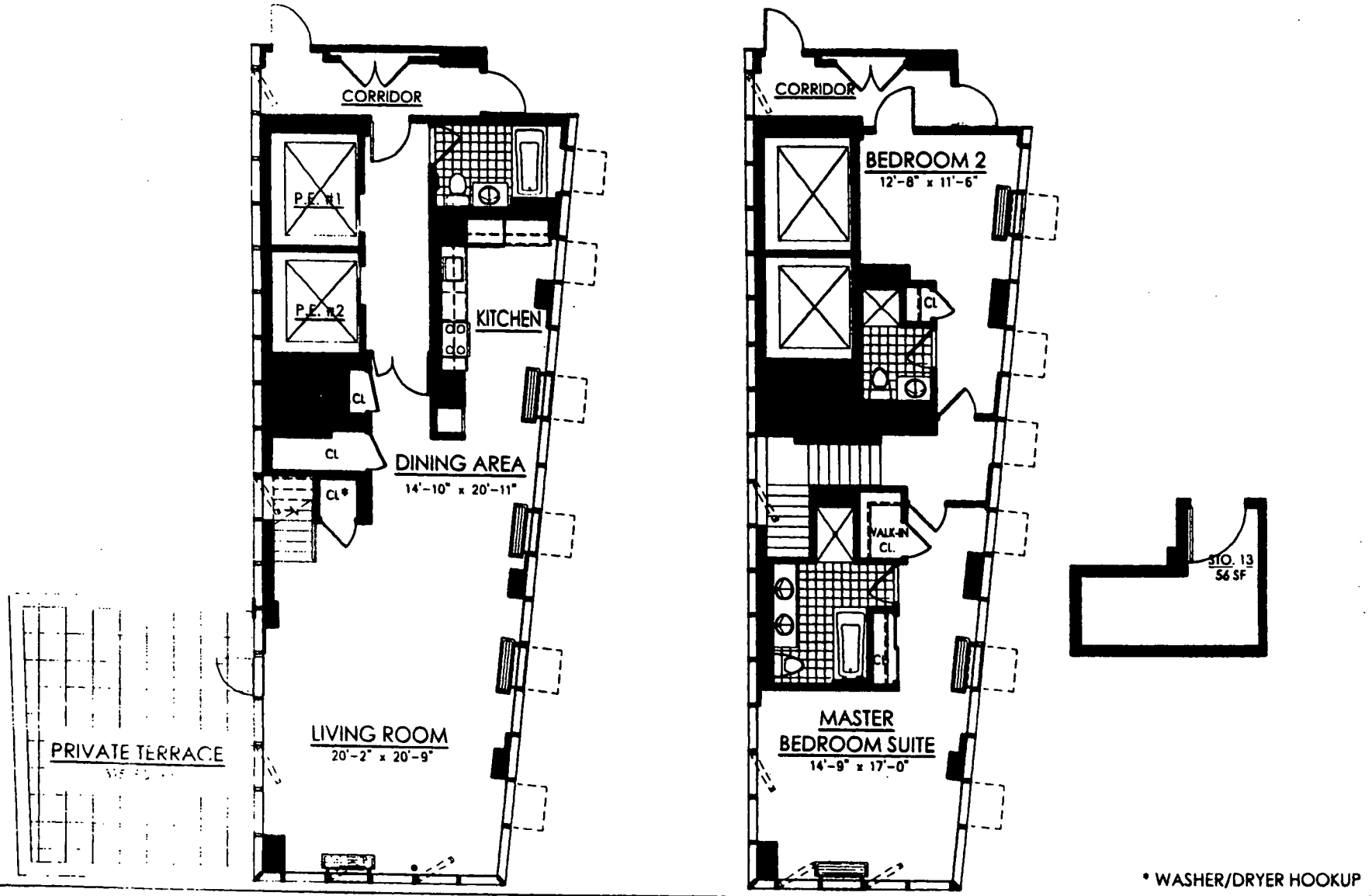


15TH FLOOR

APARTMENT 'TOWER 15'
AREA = 1,975 SQ. FT.
+52 SQ. FT. STORAGE
2,027 SQ. FT.
2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA, STUDY

SCALE: 0 2' 6' 12'



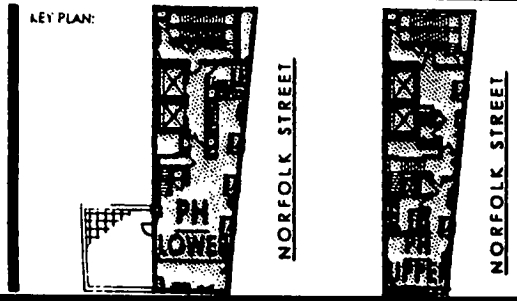


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



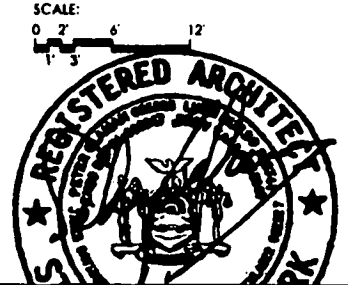
PH UPPER AND PH LOWER FLOORS

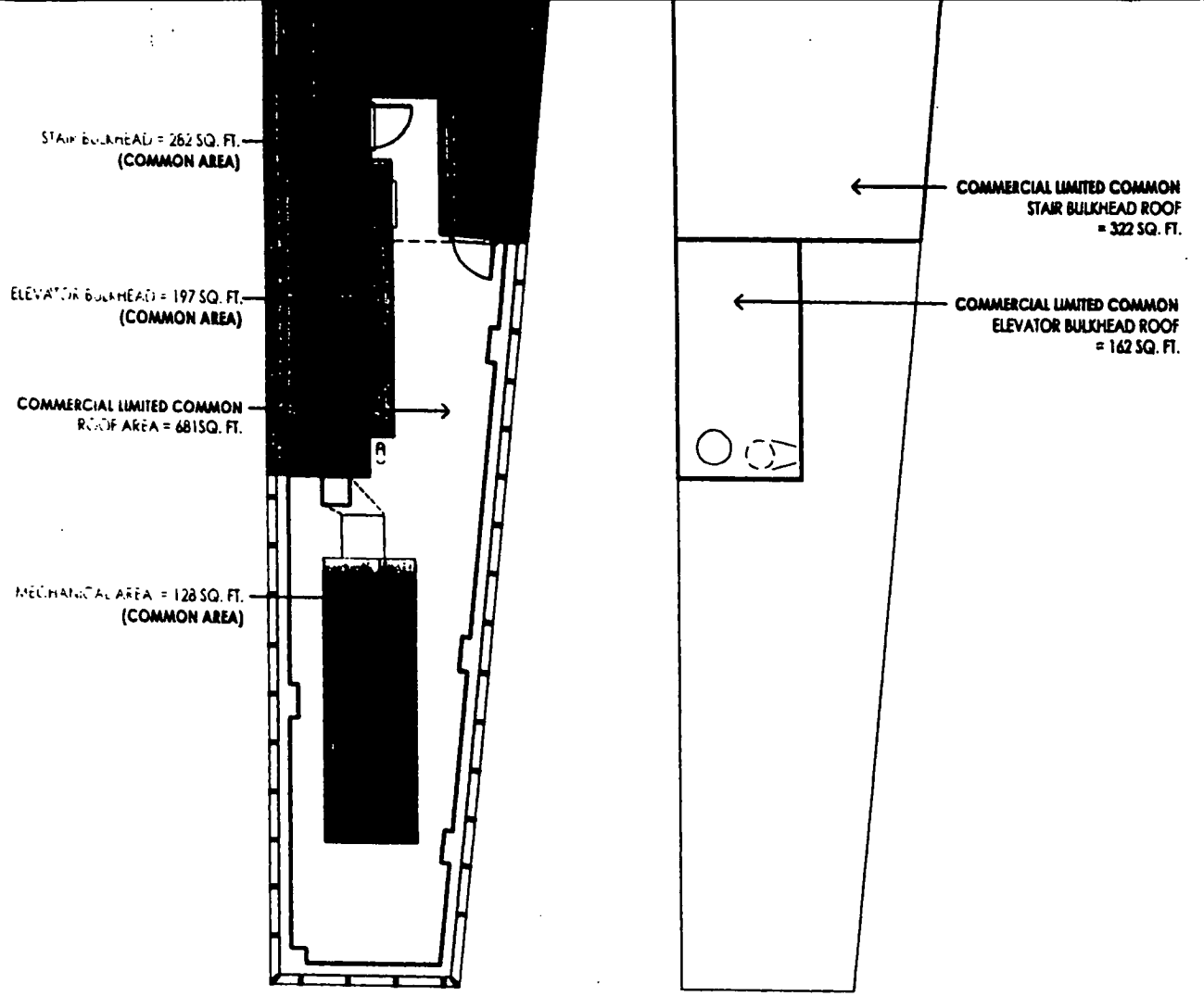
DUPLEX APARTMENT 'PENTHOUSE'

AREA = 1,337 SQ. FT.(15TH FLR)
+1,157 SQ. FT.(16TH FLR)
+56 SQ. FT. STORAGE
2,550 SQ. FT.+375 SQ. FT. TERRACE

2 BEDROOMS, 3 BATHS
LIVING ROOM, DINING AREA

SCALE:
0 2' 6' 12'
1' 3'





105 Norfolk Street

New York, New York

KEY PLAN.



NORFOLK AVENUE

ROOF & BULKHEAD ROOF

COMMERCIAL LIMITED
COMMON AREA: 1,165 SQ. FT.

COMMON AREA: 607 SQ. FT.

SCALE:
0 2' 6' 24'
1"



Exhibit 4

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
SHAUN DONOVAN, Commissioner
421-a Partial Tax Exemption Program
Office of Development-Division of Housing Finance
100 GOLD STREET, NEW YORK, N.Y. 10038
(212) 863-5421

Preliminary Certificate of Eligibility

Docket #: TE05713

Owner: NORFOLK HUDSON LLC

Owner Address: C/O ON THE LEVEL ENTERPRISES LLC
58 THOMAS STREET
NEW YORK, NY - 10013

Address	Borough	Block	Lot	Permit Date	Construction Start Date
103-105 Norfolk Street	Manhattan	00353	0035	03/11/2005	06/13/2005

Total Number of Units: 32
Preliminary Initial Adjusted Monthly Rent Per Room: Condo
Ineligible AFA: 0.00%

Comments: 1. 32 RESIDENTIAL APARTMENTS + COMMERCIAL

This Certificate is for construction benefits only. Upon issuance of a Final Certificate of Eligibility, this project will be entitled to: 10 Year Tax Exemption

Based upon the information contained in the Application for Preliminary Certificate of Eligibility for Partial Tax Exemption filed 08/11/2005 and a determination by the Commissioner, the applicant, pursuant to Section 421-a of the Real Property Tax law and the 421-a Rules of the Department of Housing Preservation and Development issued pursuant thereto, is hereby granted this Preliminary Certificate of Eligibility for Partial Tax Exemption for the above premises, except as to those portions of the new building, if any, which are non-residential and which exceed the allowable 12% of Commercial, Community Facility and Accessory Use Space.

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

FEB 10 2006

Date of Issuance: FEB 10 2006

LISA S. J. YEE
Director, Tax Incentive Programs

[Rep Id 485]

FOURTH AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED: MARCH 14, 2006

FOURTH AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
BLUE CONDOMINIUM

The Offering plan for **Blue Condominium** located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005, was amended on December 14, 2005, February 17, 2006 and February 28, 2006, and is hereby further amended.

PRICE INCREASE

1. The total offering price for the Offering Plan increased from $41,950,000 as per the Third Amendment to $44,110,000 by this Amendment. This represents an increase in price of $2,160,000. Please see Schedule A, Exhibit 1 attached hereto.

2. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering. The Plan as amended remains in full force and effect.

Dated: March 14, 2006

SPONSOR:
Norfolk Hudson LLC

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Offering Price (5)	Persentage Residential Common Interest (6)	Persentage Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per month with 421-A (12)	Projected RE Taxes & Common Charges per month w/o 421-A (13)
COMM			2,690	429	281	Not for Sale		5%	$20,000.00	$1,666.67		$1,693.91	$1,666.67	$3,360.58
2A	1	1	972			$995,000	2.76%	2.62%	$10,480.00	$873.33	$37.95	$715.88	$911.28	$1,589.21
2B	1	1	841			$930,000	2.39%	2.27%	$9,080.00	$756.67	$32.84	$619.91	$789.51	$1,376.58
3A	1	1	759			$870,000	2.15%	2.05%	$8,200.00	$683.33	$29.63	$557.66	$712.96	$1,240.99
3B	2	2	1,218			$1,365,000	3.46%	3.28%	$13,120.00	$1,093.33	$47.55	$897.44	$1,140.88	$1,990.78
4A	1	1	764			$890,000	2.17%	2.06%	$8,240.00	$686.67	$29.83	$562.85	$716.50	$1,249.51
4B	2	2	1,216		30	$1,395,000	3.47%	3.30%	$13,200.00	$1,100.00	$47.77	$900.04	$1,147.77	$2,000.04
5A	2	2	1,386	240	31	$1,650,000	3.95%	3.76%	$15,040.00	$1,253.33	$54.42	$1,024.54	$1,307.75	$2,277.87
5B	2	2	991	131	30	$1,475,000	3.02%	2.87%	$11,480.00	$956.67	$41.54	$783.32	$998.21	$1,739.98
6A	1	1	787		35	$935,000	2.26%	2.14%	$8,560.00	$713.33	$31.07	$586.19	$744.40	$1,299.52
6B	1	1	957		35	$1,110,000	2.74%	2.60%	$10,400.00	$866.67	$37.71	$710.69	$904.38	$1,577.36
6C	1	1	766		35	$945,000	2.20%	2.09%	$8,360.00	$696.67	$30.25	$570.63	$726.92	$1,267.30
7A	1	1	782		41	$995,000	2.25%	2.14%	$8,560.00	$713.33	$30.93	$583.60	$744.26	$1,296.93
7B	1	1	1,052		44	$1,175,000	3.02%	2.86%	$11,440.00	$953.33	$41.50	$783.32	$994.83	$1,736.65
7C	1	1	766		41	$960,000	2.20%	2.09%	$8,360.00	$696.67	$30.31	$570.63	$726.98	$1,267.30
8A	1	1	786		45	$970,000	2.26%	2.15%	$8,600.00	$716.67	$31.13	$586.19	$747.80	$1,302.86
8B	1/study	2	1,129		45	$1,310,000	3.23%	3.07%	$12,280.00	$1,023.33	$44.52	$837.79	$1,067.85	$1,861.12
8C	1	1	785		45	$980,000	2.26%	2.15%	$8,600.00	$716.67	$31.09	$586.19	$747.76	$1,302.86

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Price (5)	% Residential Common Interest (6)	% Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per month with 421-A (12)	Projected RE Taxes & Common Charges per month w/o 421-A (13)
9A	1	1	782		45	$995,000	2.25%	2.14%	$8,560.00	$713.33	$30.97	$583.60	$744.30	$1,296.93
9B	2	2	1,222		47	$1,560,000	3.50%	3.33%	$13,320.00	$1,110.00	$48.17	$907.82	$1,158.17	$2,017.82
9C	1	1	782		46	$1,005,000	2.25%	2.14%	$8,560.00	$713.33	$30.98	$583.60	$744.31	$1,296.93
10A	1	1	785		47	$1,015,000	2.26%	2.15%	$8,600.00	$716.67	$31.11	$586.19	$747.78	$1,302.86
10B	2	2	1,315		47	$1,645,000	3.76%	3.58%	$14,320.00	$1,193.33	$51.80	$975.26	$1,245.13	$2,168.59
10C	1	1	783		47	$1,025,000	2.25%	2.14%	$8,560.00	$713.33	$31.03	$583.60	$744.36	$1,296.93
11A	1	1	786		51	$1,050,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
11B	2	2	1,401		52	$1,730,000	4.01%	3.81%	$15,240.00	$1,270.00	$55.21	$1,040.10	$1,325.21	$2,310.10
11C	1	1	786		51	$1,060,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
12A	1	1	779		52	$1,080,000	2.25%	2.13%	$8,520.00	$710.00	$30.92	$583.60	$740.92	$1,293.60
12B	2	2	1,401		68	$1,780,000	4.02%	3.82%	$15,280.00	$1,273.33	$55.36	$1,042.69	$1,328.69	$2,316.03
12C	1	1	785		56	$1,105,000	2.27%	2.15%	$8,600.00	$716.67	$31.20	$588.78	$747.87	$1,305.45
Twr14	2	2	2,168	956	68	$3,620,000	7.55%	7.18%	$28,720.00	$2,393.33	$103.97	$1,958.29	$2,497.30	$4,351.63
Twr15	2	2	1,975		69	$2,620,000	5.65%	5.37%	$21,480.00	$1,790.00	$77.78	$1,465.48	$1,867.78	$3,255.48
PHDup	2	2.5	2,494	375	69	$3,870,000	7.65%	7.26%	$29,040.00	$2,420.00	$105.37	$1,984.23	$2,525.37	$4,404.23
TOTALS			18,244	2,131	1,553	$44,110,000	100.00%	100.00%	$206,000.00	$17,166.67	$746.25	$14,060.81	$17,912.92	$31,227.47

THIRD AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED: FEBRUARY 28, 2006

THIRD AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
BLUE CONDOMINIUM

The Offering plan for **Blue Condominium** located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005 is hereby amended. Please see Schedule A, Exhibit 1 attached hereto.

PRICE INCREASE

1. The total offering price for the Offering Plan increased from $40,719,000 to $41,950,000. This represents an increase of $1,231,000 to the total amount set forth in the First Amendment of the offering.

2. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering.

Dated: February 28, 2006

SPONSOR:
Norfolk Hudson LLC

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Offering Price (5)	Percentage Residential Common Interest (6)	Percentage Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per month with 421-A (12)	Projected RE Taxes & Common Charges per month w/o 421-A (13)
COMM			2,690	429	281	Not for Sale		5%	$20,000.00	$1,666.67		$1,693.91	$1,666.67	$3,360.58
2A	1	1	972			$950,000	2.76%	2.62%	$10,480.00	$873.33	$37.95	$715.88	$911.28	$1,589.21
2B	1	1	841			$885,000	2.39%	2.27%	$9,080.00	$756.67	$32.84	$619.91	$789.51	$1,376.58
3A	1	1	759			$825,000	2.15%	2.05%	$8,200.00	$683.33	$29.63	$557.66	$712.96	$1,240.99
3B	2	2	1,218			$1,300,000	3.46%	3.28%	$13,120.00	$1,093.33	$47.55	$897.44	$1,140.88	$1,990.78
4A	1	1	764			$845,000	2.17%	2.06%	$8,240.00	$686.67	$29.83	$562.85	$716.50	$1,249.51
4B	2	2	1,216		30	$1,325,000	3.47%	3.30%	$13,200.00	$1,100.00	$47.77	$900.04	$1,147.77	$2,000.04
5A	2	2	1,386	240	31	$1,565,000	3.95%	3.76%	$15,040.00	$1,253.33	$54.42	$1,024.54	$1,307.75	$2,277.87
5B	2	2	991	131	30	$1,405,000	3.02%	2.87%	$11,480.00	$956.67	$41.54	$783.32	$998.21	$1,739.98
6A	1	1	787		35	$890,000	2.26%	2.14%	$8,560.00	$713.33	$31.07	$586.19	$744.40	$1,299.52
6B	1	1	957		35	$1,055,000	2.74%	2.60%	$10,400.00	$866.67	$37.71	$710.69	$904.38	$1,577.36
6C	1	1	766		35	$900,000	2.20%	2.09%	$8,360.00	$696.67	$30.25	$570.63	$726.92	$1,267.30
7A	1	1	782		41	$905,000	2.25%	2.14%	$8,560.00	$713.33	$30.93	$583.60	$744.26	$1,296.93
7B	1	1	1,052		44	$1,120,000	3.02%	2.86%	$11,440.00	$953.33	$41.50	$783.32	$994.83	$1,736.65
7C	1	1	766		41	$915,000	2.20%	2.09%	$8,360.00	$696.67	$30.31	$570.63	$726.98	$1,267.30
8A	1	1	786		45	$925,000	2.26%	2.15%	$8,600.00	$716.67	$31.13	$586.19	$747.80	$1,302.86
8B	1/study	2	1,129		45	$1,245,000	3.23%	3.07%	$12,280.00	$1,023.33	$44.52	$837.79	$1,067.85	$1,861.12
8C	1	1	785		45	$935,000	2.26%	2.15%	$8,600.00	$716.67	$31.09	$586.19	$747.76	$1,302.86

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Price (5)	% Common Interest (6)	% Residential Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per month with 421-A (12)	Projected RE Taxes & Common Charges per month w/o 421-A (13)
9A	1	1	782		45	$950,000	2.25%	2.14%	$8,560.00	$713.33	$30.97	$583.60	$744.30	$1,296.93
9B	2	2	1,222		47	$1,485,000	3.50%	3.33%	$13,320.00	$1,110.00	$48.17	$907.82	$1,158.17	$2,017.82
9C	1	1	782		46	$955,000	2.25%	2.14%	$8,560.00	$713.33	$30.98	$583.60	$744.31	$1,296.93
10A	1	1	785		47	$965,000	2.26%	2.15%	$8,600.00	$716.67	$31.11	$586.19	$747.78	$1,302.86
10B	2	2	1,315		47	$1,565,000	3.76%	3.58%	$14,320.00	$1,193.33	$51.80	$975.26	$1,245.13	$2,168.59
10C	1	1	783		47	$975,000	2.25%	2.14%	$8,560.00	$713.33	$31.03	$583.60	$744.36	$1,296.93
11A	1	1	786		51	$1,000,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
11B	2	2	1,401		52	$1,650,000	4.01%	3.81%	$15,240.00	$1,270.00	$55.21	$1,040.10	$1,325.21	$2,310.10
11C	1	1	786		51	$1,010,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
12A	1	1	779		52	$1,030,000	2.25%	2.13%	$8,520.00	$710.00	$30.92	$583.60	$740.92	$1,293.60
12B	2	2	1,401		68	$1,695,000	4.02%	3.82%	$15,280.00	$1,273.33	$55.36	$1,042.69	$1,328.69	$2,316.03
12C	1	1	785		56	$1,050,000	2.27%	2.15%	$8,600.00	$716.67	$31.20	$588.78	$747.87	$1,305.45
Twr14	2	2	2,168	956	68	$3,450,000	7.55%	7.18%	$28,720.00	$2,393.33	$103.97	$1,958.29	$2,497.30	$4,351.63
Twr15	2	2	1,975		69	$2,495,000	5.65%	5.37%	$21,480.00	$1,790.00	$77.78	$1,465.48	$1,867.78	$3,255.48
PHDup	2	2.5	2,494	375	69	$3,685,000	7.65%	7.26%	$29,040.00	$2,420.00	$105.37	$1,984.23	$2,525.37	$4,404.23
TOTALS			18,244	2,131	1,553	$41,950,000	54.21%	51.50%	$206,000.00	$17,166.67	$746.25	$14,060.81	$17,912.92	$31,227.47

Purchaser will be required to pay additional closing costs above the purchase price. See page 65 of the Plan.

SECOND AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED: FEBRUARY 17, 2006

SECOND AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
BLUE CONDOMINIUM

The Offering plan for **Blue Condominium** located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005 and amended by a price increase amendment on November 14, 2005 is further amended. Please see certain floor plans, Exhibit 1, attached hereto.

1. AMENDED FLOOR PLANS:

(i) Roof and Bulkhead floor plan is added; (ii) 14th floor plan: master bath tub is replaced by a shower; (iii) 15th Floor is designated Tower 15; PH Duplex, washer/dryer closet has replaced tub in Bathroom located next to kitchen. See Floor plans attached hereto as Exhibit 1.

2. SPECIAL RISKS:

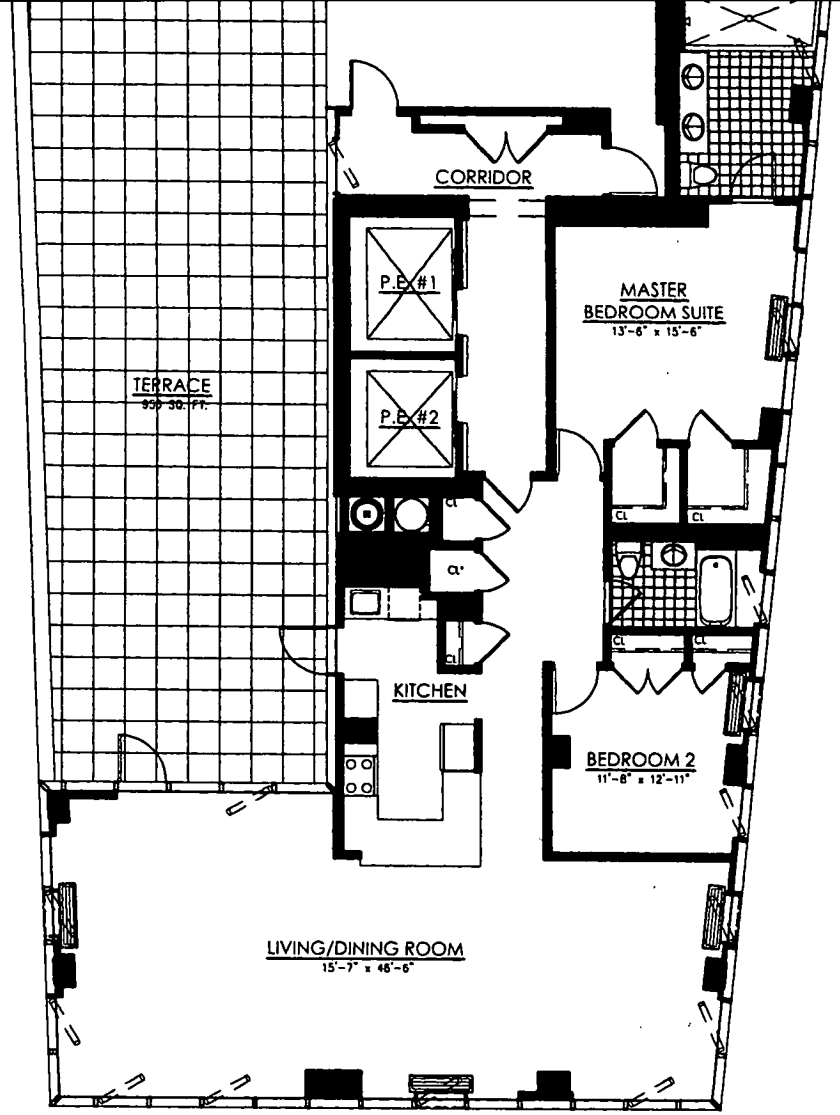
Page (iii) item 12: Delete sentence "Although none of the Units offered for sale at this time are selling for over one million dollar".

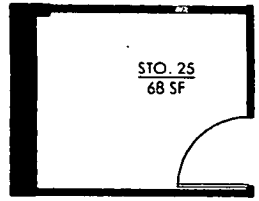
Page (iv) item 16, last sentence should read: "The Sponsor or its designee and the Owner of the Commercial Unit are not subject to such restriction."

3. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering.

Dated: FEBRUARY 17, 2006

SPONSOR:
Norfolk Hudson LLC



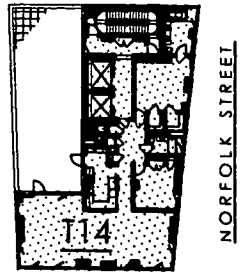


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



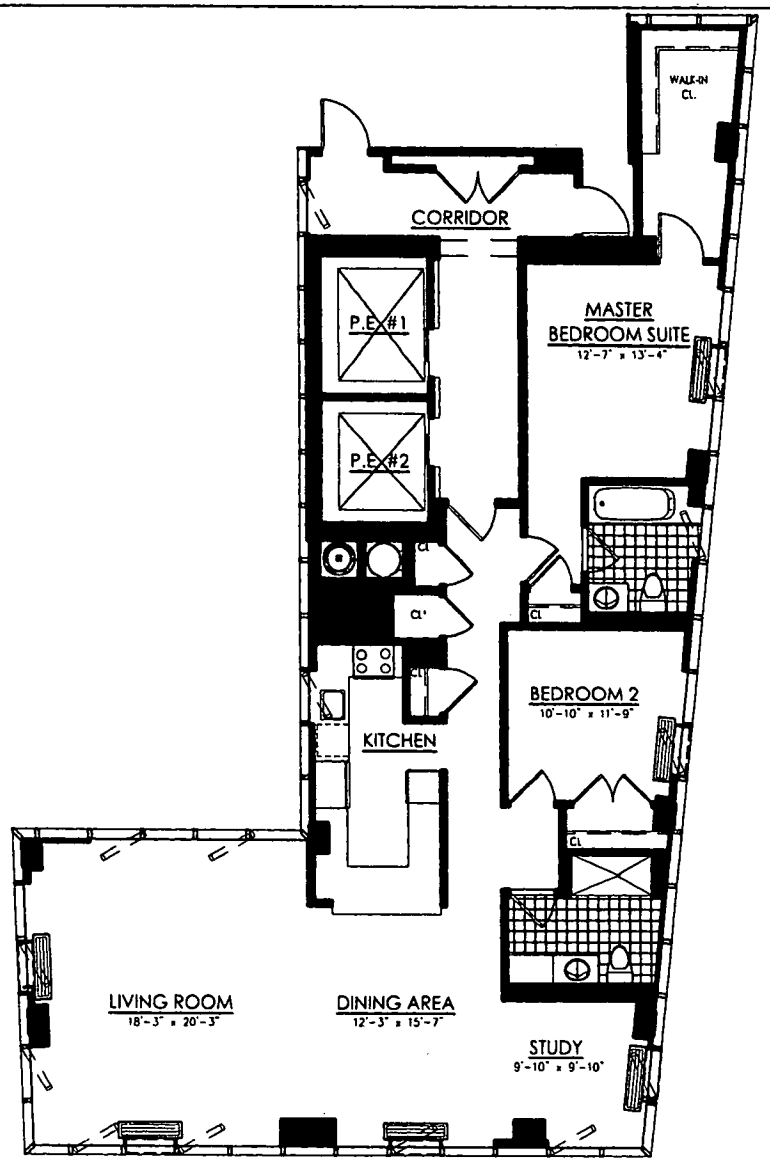
NORTH

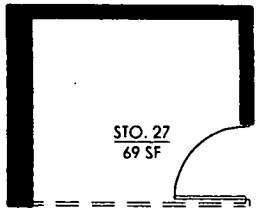
14TH FLOOR

APARTMENT 'TOWER 14'
AREA = 2,168 SQ. FT.
+68 SQ. FT. STORAGE
2,236 SQ. FT. + 956 SQ. FT. TERRACE
2 BEDROOMS, 2 BATHS
LIVING/DINING ROOM

SCALE:
0 2' 6' 12'
1' 3'

REGISTERED ARCHITECT
STATE OF NEW YORK



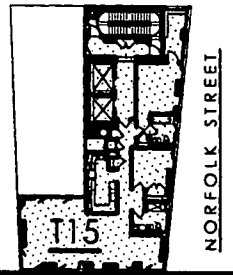


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

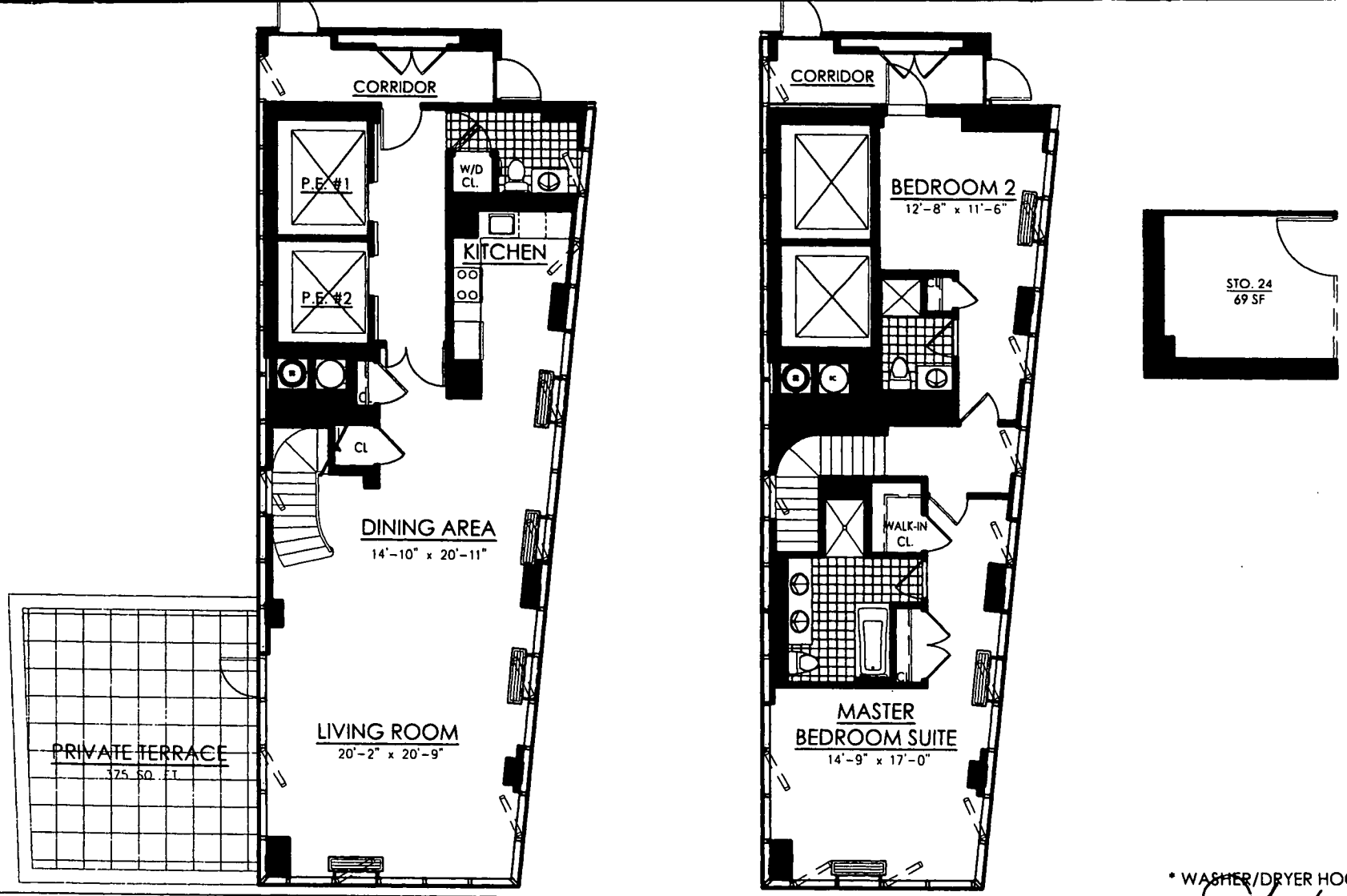


15TH FLOOR

APARTMENT 'TOWER 15'
AREA = 1,975 SQ. FT.
+69 SQ. FT. STORAGE
2,044 SQ. FT.
2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA, STUDY

SCALE:
0 2' 6' 12'
1" 3"

REGISTERED ARCHITECT

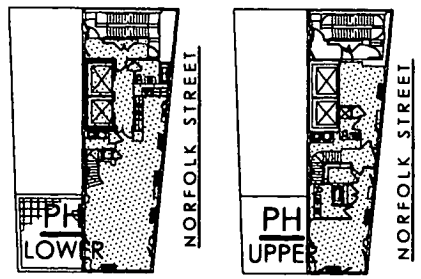


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



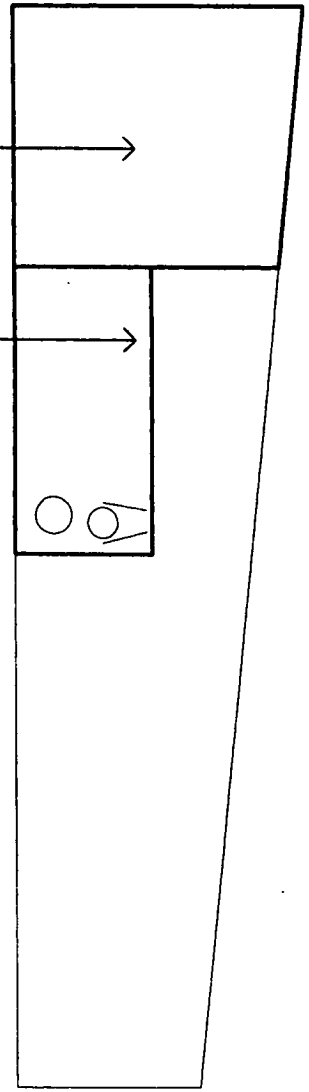
PH UPPER AND PH LOWER FLOORS

DUPLEX APARTMENT 'PENTHOUSE'

AREA = 1,337 SQ. FT.(15TH FLR)
+1,157 SQ. FT.(16TH FLR)
+69 SQ. FT. STORAGE
2,563 SQ. FT.+375 SQ. FT. TERRACE
2 BEDROOMS, 3 BATHS
LIVING ROOM, DINING AREA

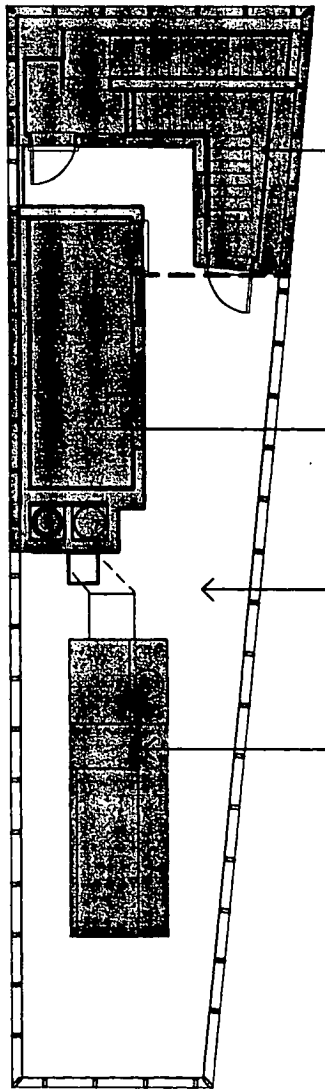
SCALE: 0 2' 4' 1' 3'

REGISTERED ARCHITECT
STATE OF NEW YORK



COMMERCIAL LIMITED COMMON
STAIR BULKHEAD ROOF
= 322 SQ. FT.

COMMERCIAL LIMITED COMMON
ELEVATOR BULKHEAD ROOF
= 162 SQ. FT.



STAIR BULKHEAD = 238 SQ. FT.

ELEVATOR BULKHEAD = 197 SQ. FT.

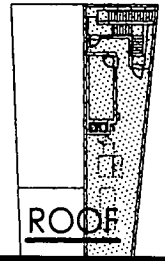
COMMERCIAL LIMITED COMMON
ROOF AREA = 637 SQ. FT.

MECHANICAL AREA = 128 SQ. FT.

105 Norfolk Street

New York, New York

KEY PLAN:



NORFOLK AVENUE

ROOF & BULKHEAD ROOF

COMMERCIAL LIMITED
COMMON AREA: 1,121 SQ. FT.

COMMON AREA: 563 SQ. FT.

SCALE:

0 3' 6' 12'



FIRST AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

DATED: DECEMBER 13, 2005

FIRST AMENDMENT
TO THE
CONDOMINIUM OFFERING PLAN
BLUE CONDOMINIUM

The Offering plan for **Blue Condominium** located at 105 Norfolk Street, New York, New York 10002, filed on November 15, 2005 is hereby amended. Please see Schedule A, Exhibit 1 attached hereto.

PRICE INCREASE

1. The total offering price for the Offering Plan increased from $39,500,000 to $40,719,000. This represents an increase of $1,219,000 to the total amount of the first offering.

2. Except as set forth in this amendment, there have been no material changes of facts or circumstances affecting the Property or the Offering.

Dated: November 13, 2005

SPONSOR:
Norfolk Hudson LLC

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Offering Price (5)	Percentage Residential Common Interest (6)	Percentage Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per month with 421-A (12)	Projected RE Taxes & Common Charges per month w/o 421-A (13)
COMM			2,690	429	281	Not for Sale		5%	$20,000.00	$1,666.67		$1,693.91	$1,666.67	$3,360.58
2A	1	1	972			$925,000	2.76%	2.62%	$10,480.00	$873.33	$37.95	$715.88	$911.28	$1,589.21
2B	1	1	841			$860,000	2.39%	2.27%	$9,080.00	$756.67	$32.84	$619.91	$789.51	$1,376.58
3A	1	1	759			$800,000	2.15%	2.05%	$8,200.00	$683.33	$29.63	$557.66	$712.96	$1,240.99
3B	2	2	1,218			$1,265,000	3.46%	3.28%	$13,120.00	$1,093.33	$47.55	$897.44	$1,140.88	$1,990.78
4A	1	1	764			$820,000	2.17%	2.06%	$8,240.00	$686.67	$29.83	$562.85	$716.50	$1,249.51
4B	2	2	1,216		30	$1,285,000	3.47%	3.30%	$13,200.00	$1,100.00	$47.77	$900.04	$1,147.77	$2,000.04
5A	2	2	1,386	240	31	$1,520,000	3.95%	3.76%	$15,040.00	$1,253.33	$54.42	$1,024.54	$1,307.75	$2,277.87
5B	2	2	991	131	30	$1,365,000	3.02%	2.87%	$11,480.00	$956.67	$41.54	$783.32	$998.21	$1,739.98
6A	1	1	787		35	$865,000	2.26%	2.14%	$8,560.00	$713.33	$31.07	$586.19	$744.40	$1,299.52
6B	1	1	957		35	$1,025,000	2.74%	2.60%	$10,400.00	$866.67	$37.71	$710.69	$904.38	$1,577.36
6C	1	1	766		35	$875,000	2.20%	2.09%	$8,360.00	$696.67	$30.25	$570.63	$726.92	$1,267.30
7A	1	1	782		41	$880,000	2.25%	2.14%	$8,560.00	$713.33	$30.93	$583.60	$744.26	$1,296.93
7B	1	1	1,052		44	$1,085,000	3.02%	2.86%	$11,440.00	$953.33	$41.50	$783.32	$994.83	$1,736.65
7C	1	1	766		41	$890,000	2.20%	2.09%	$8,360.00	$696.67	$30.31	$570.63	$726.98	$1,267.30
8A	1	1	786		45	$895,000	2.26%	2.15%	$8,600.00	$716.67	$31.13	$586.19	$747.80	$1,302.86
8B	1/study	2	1,129		45	$1,210,000	3.23%	3.07%	$12,280.00	$1,023.33	$44.52	$837.79	$1,067.85	$1,861.12
8C	1	1	785		45	$905,000	2.26%	2.15%	$8,600.00	$716.67	$31.09	$586.19	$747.76	$1,302.86

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Price (5)	% Common Interest (6)	% Residential Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per month with 421-A (12)	Projected RE Taxes & Common Charges per month w/o 421-A (13)
9A	1	1	782		45	$920,000	2.25%	2.14%	$8,560.00	$713.33	$30.97	$583.60	$744.30	$1,296.93
9B	2	2	1,222		47	$1,440,000	3.50%	3.33%	$13,320.00	$1,110.00	$48.17	$907.82	$1,158.17	$2,017.82
9C	1	1	782		46	$927,000	2.25%	2.14%	$8,560.00	$713.33	$30.98	$583.60	$744.31	$1,296.93
10A	1	1	785		47	$937,000	2.26%	2.15%	$8,600.00	$716.67	$31.11	$586.19	$747.78	$1,302.86
10B	2	2	1,315		47	$1,520,000	3.76%	3.58%	$14,320.00	$1,193.33	$51.80	$975.26	$1,245.13	$2,168.59
10C	1	1	783		47	$950,000	2.25%	2.14%	$8,560.00	$713.33	$31.03	$583.60	$744.36	$1,296.93
11A	1	1	786		51	$970,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
11B	2	2	1,401		52	$1,600,000	4.01%	3.81%	$15,240.00	$1,270.00	$55.21	$1,040.10	$1,325.21	$2,310.10
11C	1	1	786		51	$980,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
12A	1	1	779		52	$1,000,000	2.25%	2.13%	$8,520.00	$710.00	$30.92	$583.60	$740.92	$1,293.60
12B	2	2	1,401		68	$1,645,000	4.02%	3.82%	$15,280.00	$1,273.33	$55.36	$1,042.69	$1,328.69	$2,316.03
12C	1	1	785		56	$1,010,000	2.27%	2.15%	$8,600.00	$716.67	$31.20	$588.78	$747.87	$1,305.45
Twr14	2	2	2,168	956	68	$3,350,000	7.55%	7.18%	$28,720.00	$2,393.33	$103.97	$1,958.29	$2,497.30	$4,351.63
Twr15	2	2	1,975		69	$2,420,000	5.65%	5.37%	$21,480.00	$1,790.00	$77.78	$1,465.48	$1,867.78	$3,255.48
PHDup	2	2.5	2,494	375	69	$3,580,000	7.65%	7.26%	$29,040.00	$2,420.00	$105.37	$1,984.23	$2,525.37	$4,404.23
TOTALS			36,891	2,131	1,553	$40,719,000	100.00%	100.00%	$400,000.00	$33,333.33	$1,376.29	$27,631.57	$34,709.62	$60,964.91

Purchaser will be required to pay additional closing costs above the purchase price. See page 65 of the Plan.

BLUE

CONDOMINIUM OFFERING PLAN

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PART I

CONDOMINIUM OFFERING PLAN

BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

SPECIAL RISKS

Purchasers should note the following summary of certain terms of this Plan.

1. **SALE OF UNITS:** Sponsor will endeavor in good faith to sell the Units offered for sale in this Plan rather than rent. But, Sponsor is hereby reserving an unconditional right to rent rather than sell its Unsold Units above the number of Units necessary to make the Plan effective (5 of the 32 Residential Units).

2. **NO BOARD APPROVAL OF PROSPECTIVE PURCHASERS:** The Condominium Board does not have the right to approve or disapprove prospective purchasers. As a result, there is no limit on the number of Owners who may purchase for investment rather than for personal occupancy and that it is possible that there will always be a substantial number of Unit Owners who are non-residents.

3. **SPONSOR CONTROL OF THE BOARD:** Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds eighty percent (80%); or (ii) two (2) years from the First Unit Closing, the Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control by calling a meeting of all Unit Owners for the purpose of electing a new Board of Managers. It is possible that the Sponsor and/or its designees may control the Board of Managers for as long as two (2) years from the First Unit Closing. Sponsor is entitled to be two seats on the Board as long as it owns one (1) Residential Unit and one (1) Commercial Unit and one (1) seat as long as it owns one (1) Unsold Unit. Please refer to the Section of the Offering Plan entitled "Control by the Sponsor" for further discussion on page 101 and Articles II and III of the By-Laws in Part II of the Plan.

4. **SPONSOR VETO POWER OVER CERTAIN EXPENSES:** In addition to the Sponsor's ability to exercise voting control of the Board of Managers so long as it owns a sufficient number of Unsold Units, it shall have special rights to designate one or more members of the Board of Managers, which special rights are not limited in time. The Sponsor shall have such special rights to designate members of the Board of Managers even though it may not then own sufficient Units to enable it to otherwise elect such members. Furthermore, the Sponsor has reserved certain limited rights to veto specified actions of the Board of Managers for up to five (5) years after closing of the first Unit or whenever the Unsold Units constitute less than twenty-five percent (25%) of the common interests, whichever is sooner, notwithstanding that the Sponsor may not then exercise voting control of that Board. Voting control of the Board of Managers and such veto power would entitle the Sponsor to determine the level of services provided or made available to Unit Owners except that such veto power may not be exercised over expenses described in Schedule B or other expenses required to: (i) comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Please refer to the section of the Offering Plan entitled "Control by the Sponsor" for further discussion.

5. **TIME OF THE ESSENCE TO CURE DEFAULT:** If a Purchaser defaults under his or her Purchase Agreement, the Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he or she has thirty (30) days within which to cure such default. **TIME IS OF THE ESSENCE** for the Purchaser to cure any default under the Purchase Agreement within such thirty (30) day period. "Time of the Essence" means that if the default is not timely cured the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. In such event the Down Payment, any accrued interest and any other amounts paid by the Purchaser for any actual special work, upgrades or extras shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void, except for matters (if any) that are expressly stated therein to survive termination thereof. Alternatively, the Sponsor may bring an action against Purchaser for specific performance of Purchaser's obligations under the Purchase Agreement. Please refer to the section of the Offering Plan entitled "Procedure to Purchase" for further discussion on page 61.

6. **PAYMENTS FOR UPGRADES & SPECIAL WORK:** All funds received by the Sponsor for special work, upgrades or extras must initially be placed in the escrow account with the Escrow Agent. However, Purchasers should note that such funds may be released from the escrow account by the Escrow Agent as long as the Sponsor certifies to the Escrow Agent that such funds will be used for such special work, upgrades or extras ordered by Purchaser. As a result, in the event a Purchaser is entitled to a rescission, Purchaser will not receive a refund of any funds released for actual work, upgrades or extras. Please refer to the section of the Offering Plan entitled "Procedure to Purchase" for further discussion.

7. **PURCHASE AGREEMENT IS NOT CONTINGENT UPON FINANCING:** The terms and provisions of this Agreement and Purchaser's obligations are NOT contingent upon Purchaser obtaining financing of the Purchase Price. Purchaser's failure to obtain financing shall not relieve Purchaser of Purchaser's obligations. Please refer the Purchase Agreement in Part II of the Offering Plan.

8. **421-a REAL ESTATE TAX EXEMPTION:** The Sponsor has applied for real estate tax exemption under the 421-a program for new construction but does not expect that such exemption will be effective prior to the first closing even if the exemption is granted. The result is that Purchasers will be paying real estate taxes for their respective Units as projected in Schedule A on page 19 until such time as the exemption, if ever, becomes effective. Sponsor cannot guarantee that such exemption will be granted or, if granted, the date of commencement or the amount of the exemption. Please refer to opinion letter of 421-a specialist on page 141.

9. **WINDOW GUARDS:** Each Unit Owner shall notify the Condominium Board or the Managing Agent, if any, in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install, at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without prior written notice to the

Managing Agent. Please refer to section entitled "Management Agreement, Contracts and Leases" in Part I on page 157.

10. **MANAGEMENT AGREEMENT:** At or prior to the First Unit Closing the Condominium Board of Managers will enter into a management agreement with Andrews Building Corporation for an initial term of two (2) years. This agreement cannot be canceled by the Board during such two (2) year period except for cause. Andrews may assign such contract provided such assignment conforms to terms as provided herein. The management fee provided in the budget is in accordance with the prevailing rates for this size and type of Building. The Sponsor and Andrews Building Corporation are not affiliated. Please refer to the section of the Offering Plan entitled "Management Agreement, Contracts and Leases" on page 157 for further discussion.

11. **DECLARATION OF EFFECTIVENESS:** Pursuant to existing law and regulations the Sponsor may declare the Offering Plan effective by selling a minimum of fifteen percent (15%) of the Units in the Building offered for sale, that is (5) Unit of the thirty-two (32) Units offered for sale. However, Sponsor is required to pay a minimum of 90% of the proceeds per sale in order to obtain a release for Unit being closed. Please refer to the section entitled "Effective Date of Plan" on page 72.

12. **PURCHASER'S OBLIGATION FOR TRANSFER TAXES:** Purchasers will be required to pay the Real Property Transfer Tax (RPT) of the City of New York and the Real Estate Tax of the State of New York which by law are the primary obligation of the Seller. Although transfer taxes are customarily paid by the seller in single-family and other covered transactions, the responsibility for payment of such taxes may be modified by contract. The New York City Department of Finance and New York State Department of Taxation and Finance each take the position that, where the Purchaser pays such taxes, the amount thereof will be added to the taxable consideration. The current transfer taxes are as follows: $2 per $500 of the price of the Unit payable to the New York State Department of Taxation & Finance; one percent (1%) of the Purchase Price of Units selling for under $500,000 or 1.425% for Units selling above $500,000 payable to the New York City Department of Finance. Although none of the Units offered for sale at this time are selling for over one million dollars, Purchasers should be aware that Units selling above one million dollars are subject to the so called "mansion tax" which is one (1%) of the purchase price and is payable at closing to the State of New York Department of Taxation and Finance. In addition, Purchasers will be required to pay $1,300 to Sponsor's attorney at closing for the preparation of closing date documents and attendance at the closing. All closings will be held at the office of Sponsor's attorney. A fee of $300 will be charged for any Unit closing held elsewhere. Please refer to the Section of the Offering Plan entitled "Unit Closing Costs and Adjustments" on page 81.

13. **NO LIVE-IN SUPERINTENDENT:** The Projected Budget for First Year of Condominium Operation includes the estimated salary of a non-resident superintendent who shall reside within 200 feet of the Property. Please refer to the Section of the Offering Plan entitled Footnotes to Schedule B, page 32.

14. **PROVISION FOR A WORKING CAPITAL FUND BUT NO RESERVE FUND:** There is no provision for a specific reserve fund for the Condominium for the purpose of paying the cost of future capital repairs, replacements or improvements to the Premises (except that each Purchaser of a Unit shall pay into the Working Capital Fund of the Condominium a sum equal to two (2) months of Common Charges for the Unit being purchased). Therefore, Unit Owners shall be obligated to pay their share of the cost of repairs, replacements and improvements to the Common Elements as the need for the same arises, unless there are sufficient Working Capital or other funds available. As the Building is being newly constructed, the Sponsor does not anticipate the need for such capital repairs, replacements or improvements within five (5) years subsequent to the First Unit Closing. However, no assurance or guaranty is given that such need shall not arise. Please refer to the Sections of the Offering Plan entitled "Reserve Fund" and "Work Capital Fund" on pages 155 and 156 for further discussion.

15. **RIGHTS OF SPONSOR:** Unlike Purchasers, the Sponsor or its designee or the Owner of the Commercial Unit shall not be required to obtain the consent of the Board, the Unit Owners or any of its agents, or holders of mortgages to do alterations, repairs or improvement (and for any permits or agency approvals required for such repairs or alterations) to any of its Units, provided that such alterations, repairs or improvements comply with applicable laws. Please refer to page 89 for further discussion.

16. **BOARD'S RIGHT OF FIRST REFUSAL:** As more particularly described on page 107, a Unit Owner may sell or lease his Unit provided he first gives the Condominium Board notice of his intention to sell or lease his Unit and an opportunity to purchase or lease, as the case may be, at the same price or rental and on the same terms as are offered in good faith by a prospective purchaser or lessee. The Sponsor or its designee or the Owner of the Unit is not subject to such restriction.

17. **LIMITATIONS OF FEDERAL INSURANCE FOR DEPOSITS:** Down payments or advances in excess of $100,000 made by Purchasers which are held in escrow by the Escrow Agent will not be federally insured in excess of $100,000 and while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed $100,000. In the event the Purchaser has other accounts in the same Escrow Bank and such funds exceed $100,000 in the aggregate, the excess thereof shall not be federally insured. See Section entitled "Procedure to Purchase" in Part I, page 61.

18. **RISK OF FIRE IS OBLIGATION OF SPONSOR UNLESS UNIT IS OCCUPIED PRIOR TO CLOSING:** The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title to the Unit. Notwithstanding the above, in the event a Purchaser enters into possession of the Unit prior to the closing of title, such as under an Interim Use and Occupancy Agreement or in the event of unauthorized use, then the Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Accordingly, any Purchaser, or anyone claiming by or through a Purchaser, who takes possession of the Unit prior to the closing of title should obtain

insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of the Purchase Agreement, without any abatement in the purchase price. Please refer to the Section of the Offering Plan entitled "Procedure to Purchase" for further discussion.

19. SPONSOR WILL NOT PROVIDE A BOND OR OTHER SECURITY: No bond or other form of collateral security has been or will be furnished by the Sponsor to secure performance of its obligations under the Plan. The Sponsor's ability to perform such obligations shall depend upon its financial condition if, as and when called upon to perform the same. Please refer to the Section of the Offering Plan entitled "Rights and Obligations of the Sponsor" on page 89 for further discussion.

20. CERTIFICATE OF OCCUPANCY: Sponsor is obligated to obtain a permanent residential Certificate of Occupancy ("CO") for the Building at own cost and expense. Sponsor estimates substantial completion of the Building on or about November 1, 2006 although Sponsor cannot guaranty the completion date due to unexpected delays due to unexpected building conditions, work order delays, materials delivery delays, and unanticipated events beyond the control of Sponsor. Sponsor must obtain at minimum a residential Temporary Certificate of Occupancy ("TCO") prior to closing of the first Residential Unit being conveyed and will after the issuance of a TCO do its best efforts to obtain a permanent residential CO within two (2) years. If Sponsor is unable to obtain the permanent CO within two (2) years, Sponsor will seek to extend the time of the TCO by means of a new filing with the Department of Buildings. A permanent Certificate of Occupancy is required for permanent residential use of the Property or residential occupancy of the Property will be in violation of the Multiple Dwelling Law, subjecting occupants and the Condominium and its Board of Managers to penalties under the Multiple Dwelling Law including eviction of residential occupants. Provided that a TCO has been issued for the Building and the Unit being conveyed, a Purchaser of such Unit may not delay or adjourn the closing. Prior to the issuance of a permanent residential CO, Purchasers will not be permitted to make alterations or improvements to their units, other than painting or minimal repairs. Sponsor shall have no obligation to perform any work, alterations, or improvements of any nature with respect the interior of the Units except as describe in the Plan or agreed to in an Inspection Statement set forth as Exhibit 3 to the Purchase Agreement. Please refer to the section Rights and Obligations of Sponsor starting on page 89.

21. CONDOMINIUM POWER OF ATTORNEY: In addition to permitting the Board of Managers to acquire or otherwise deal with a Unit, the Power of Attorney permits the Sponsor, without the consent or approval of the Condominium Board or the Unit Owners or the managing agent or other representative to amend the Declaration and the floor plans, the By-Laws or the House Rules and Regulations at any time to reflect changes in Unsold Units made by Sponsor, or to make changes required by an institutional lender, governmental agency or title insurance company even when the Sponsor no longer controls the Board, or in order to comply with Sponsor's obligations under the Plan. The Power of Attorney also permits the Condominium Board to act on behalf of the Unit Owners in exercising its right of first refusal to purchase and rent Units and to amend the

Condominium Declaration as needed. Failure to execute and file the Condominium Power of Attorney shall be deemed a default under the terms of the Purchase Agreement and this Plan. Please refer to the form of the Condominium Power of Attorney in Part II of the Plan.

22. **NO RESTRICTIONS ON SPONSOR TO MAKE ALTERATIONS:** The Sponsor or its designee shall have the right to subdivide any Unsold Units or combine one or more Unsold Units without the consent of the Board of Managers, its agents, Unit Owners or anyone else provided such changes in size or number of units is disclosed in an amendment to the Offering Plan and any relevant condominium documents. Please refer to the section in Part I of the Offering Plan entitled "Changes in Prices and Units" on page 57 and Article 12 of the Declaration in Part II.

23. **ACCESSORY SPACE:** Unit 8B is a one-bedroom, two baths Unit that has an accessory space. Such space may not be used for dwelling purposes. A violation of use would subject the Owner to a violation resulting in fees.

INTRODUCTION

The Nature of the Transaction

The Sponsor and owner of the Property, Norfolk Hudson LLC, a New York limited liability company, acquired the Property, a vacant lot ('the Land"), located at 103-105 Norfolk Street, New York, New York by deed dated March 8, 2005, on which land the Sponsor will construct a new sixteen-story residential Building that will consist of thirty-two (32) Residential Units and one (1) Commercial Unit (collectively the "Building"). The Condominium shall be known as the **BLUE CONDOMINIUM**. Upon the sale of at least fifteen percent (15%) of the Units being offered for sale (or 5 Units), the Offering Plan may be declared effective. A Declaration submitting the property to Article 9B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act, together with the By-Laws and the Floor Plans will be recorded prior to conveyance of title to the first Residential Unit. The Declaration and the By-Laws to be recorded at the New York City Register's Office will be substantially similar to those are set forth in Part II of the Offering Plan and will not be changed so as to adversely affect the purchaser.

The Property

The Building shall be sixteen (16) stories high and contains a cellar, storage units, a front yard and terraces. There will be one automatic passenger elevator and one passenger/service elevator from cellar thru the fifteenth floor. Sponsor contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery or inability to obtain materials, governmental restrictions or delays conducting inspections, construction of the Building will be substantially completed to permit closings by November 1, 2006 (the "projected date"), although completion of the entire Building may extend beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be relieved from any obligation under the terms of the Purchase Agreement, if the First Title Closing occurs earlier or later than the projected date. If the projected commencement of condominium ownership is delayed beyond six months from the projected date, Sponsor will amend the Offering Plan to include a revised operating Budget and: (i) if such revised Budget increases the Common Charges by 25% or more, or (ii) the First Title Closing does not occur within twelve (12) months of the projected date cited above, then in either case, Sponsor will offer all Purchasers a right of rescission for fifteen (15) days from the Presentation Date of the amendment. Refunds of Down Payments, with interest earned thereon, if any, will be made promptly to any Purchaser who elects to rescind. Please refer to the section entitled "Description of Property and Improvements" on page 14 in Part I and the Architect's Report in Part II of the Offering Plan.

The private terraces allocated to Units 5A, 5B, Tower 14 and the PH consist of concrete pavers over a hot fluid applied roof membrane with extruded polystyrene insulation. The terraces will have a 10-year warranty.

There are twenty-eight enclosed storage bins in the cellar measuring in size from 30 sq. ft. to 69 sq. ft. that have been allocated to twenty-seven Residential Units and one storage bin for the Commercial Unit.

Offering of Units for Sale

All the Units, other than the Commercial Unit, are intended to be sold as Residential Units in accordance with this Plan at the prices noted in Schedule A contained herein on page 19. The Commercial Unit is not being offered for sale at this time. The Sponsor retains the right to offer the Commercial Unit for sale at a future time by amendment to the Plan. The offering prices may be changed from time to time by the Sponsor as described in this Plan in the Section entitled "Changes in Prices and Units" on page 57. Therefore, Purchasers may pay or may have paid different prices for the same or similar Units. **THE OFFERING PRICES FOR THE UNITS HAVE BEEN ESTABLISHED SOLELY BY THE SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.** Schedule A also contains the financial details of all the Units such as the estimated monthly common charges and estimated real estate taxes. The offering prices include fixtures and appliances described more fully in the Architect's report in Part II of the Plan.

Schedule B, the projected annual Budget for operating expenses for the first year of condominium operation, is set forth on page 29. Common Charges are levied in proportion to the interest in the Common Elements appurtenant to each Unit. Sponsor's analysis is based on the approximate proportion that the floor area of the Unit bears to the aggregate floor area of all Units is pursuant to Real Property Law Section 339-i and includes such other factors as the Unit's unique location within the Building, light, air and view.

The Plan will be made effective upon the sale of at least 15% (or 5 Units) of the 32 Residential Units offered for sale in the Plan are purchased by bona fide purchasers for occupancy. The Sponsor will amend the plan to disclose that the Plan was declared effective by Notice to Purchasers. Please refer to the section entitled "Effective Date of Plan" on page 72. The mortgage terms do not contain a requirement as to a minimum number of sales prior to making the Plan effective. The mortgage provides that the Units will be released at closing provided 90% of the proceeds from sales are applied to the reduction of mortgage until the mortgage is satisfied.

Sponsor reserves the right to offer the Residential Units in such order of priority as it may determine, and to withhold one or more Residential Units for future sale or lease. Sponsor also has the right to limit the number of Residential Units sold to any one Purchaser.

The Sponsor will endeavor in good faith to sell the Residential Units offered for sale in this Plan rather than rent them. But Sponsor hereby retains an unconditional right to rent rather than sell its Unsold Residential Units above the number of Units necessary to make the Plan effective and therefore it is possible that owner-occupants may never gain effective

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

If Sponsor makes a bulk sale of all or some of its Unsold Residential Units, the transferee successor Sponsor is bound by Sponsor's representations regarding its commitment to sell Units.

The purpose of the Plan is to set forth all the material terms of the offer so that prospective Purchasers have an adequate basis upon which to determine whether to purchase Units in the Condominium. The Plan is presented in two parts that together constitute the entire Plan. Part I sets forth the general description of the Plan and Part II contains the basic documents necessary to effectuate the provisions of the Plan. The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase Agreements to the Sponsor or the Selling Agent and whose Purchase Agreements are then in full force and effect, (ii) Unit Owners, and (iii) any other Person who is required by law or regulation to receive such amendment (collectively, "Offerees"). Service shall be either by personal delivery, ordinary mail or registered or certified mail, with or without return receipt requested, addressed to the Offeree at the last known residence of such Offeree or, if the Offeree has provided written information of an alternative address for notices, addressed to the Offeree at such alternative address or the Offeree's attorney. Service by personal delivery is deemed complete upon delivery. Service by mail shall be presumed complete on the fifth day after the date of mailing. Copies of the Offering Plan, all documents referred to in the Plan and all Exhibits thereto submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the site whenever the on site sales office is open and at the office of the selling agent or Sponsor. Copies of the Plan and all Exhibits thereto will also be available without charge and copying at a reasonable fee at the Department of Law.

Features of Condominium Ownership

The ownership of a Condominium Unit is similar in many respects to the ownership of a private home. The Unit Owner owns the Unit in fee simple absolute and is entitled to the exclusive possession and use thereof. Each Unit Owner is entitled to use and own the "Common Elements" subject to its intended use in common with all other Unit Owners in the Building. The Unit's undivided interest in the Common Elements of the Property is known as the "Common Interests". The Common Elements, more particularly described in the Declaration in Part II of the Plan, include the land upon which the Building is built, the roof, the foundations and supports of the Building, and all other parts of the Property other than the Units. Each Unit's proportionate share of the Common Elements has been determined upon the basis of such Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium pursuant

to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York (hereinafter called the "Condominium Act"). Portions of the Common Elements of the Property, other than the Units themselves, which are for the exclusive use of one or more specified Units to the exclusion of all others, are known as "Limited Common Elements". In this Plan the Commercial front yard, terraces and roof terraces, and storage units for the Commercial Unit and the Residential Units are designated "Limited Common Elements". The Sponsor shall have a right to designate portions of the Common Elements as Limited Common Elements in connection with combining or subdividing of Units as per the terms of the Declaration.

Subject to certain conditions contained in the By-Laws and in the section "Procedure to Purchase " of Part I, Unit Owners are privileged to mortgage their Units with a lender and in such amount and terms as they choose. Sponsor makes no representations or warranty as to the financibility of any Unit or the terms and conditions upon which institutional financing may be available. No Unit Owner shall be permitted to encumber any Unit with a third mortgage. The Purchase Agreement is not contingent on financing.

Each Unit is separate and is not subject to the lien of any mortgages placed by other Unit Owners on their respective Units.

Except as noted in the next paragraph, Residential Unit Owners can sell or lease their Units to anyone without restriction but subject to a right by the Condominium to acquire or lease the Residential Unit or produce a third party to acquire or lease the Residential Unit on the same terms as were offered to the Owner of the Residential Unit. This is known as the Condominium's "Right of First Refusal" and is more fully described in the Purchase Agreement. No Residential Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements appurtenant to such Unit. An Owner is free to make a gift of his Unit to anyone during his lifetime or to devise his Unit by will or have it pass by intestacy without restriction or right of first refusal.

The Board does not have the power to approve or disapprove a potential purchaser and as a result there is no limit on the number of purchasers who may purchase for investment or resale rather than for personal occupancy. Therefore, it is possible that there may always be a substantial percentage of owners who are non-residents. It is possible that those Residential Unit Owners who occupy their Residential Units may have different interests than those Residential Unit Owners who purchase such Units as an investment.

The Sponsor or its designee or the Commercial Unit Owner are not subject to the right of first refusal or any restrictions as to their rights to sell, rent, or mortgage or as to the use of any of their Unsold Units. They do not need the consent of the Board of Managers or Unit Owners and they are not obligated for any payment of transfer or rental fees provided for in the Plan or imposed by the Board of Managers.

Unit Owners can alter and decorate the interiors of their Units in any way they desire, subject to compliance with the By-Laws, the House Rules and Regulations, laws and local

codes, and they are responsible for the cost of their own interior decoration, maintenance and repairs after Closing. **Prior to the issuance of a permanent Certificate of Occupancy for the Building, other than decoration or minor repairs, no Unit Owner (other than Sponsor or its designee or the Owner of the Commercial Unit) may make any repairs, improvements, alterations or replacements of any nature.** Prior to the issuance of a permanent Certificate of Occupancy, no substantial repairs or alterations requiring a filing with the Buildings Department or requiring the disruption of building services may be done by any Owner other than Sponsor or its designee or the Owner of the Commercial Unit, without the prior consent of the Sponsor or its designee, for as long as Sponsor or its designee owns any Unsold Units or thereafter the Condominium Board, as the case may be.

Effective November 5, 2004, owners of Class A multiple dwellings in New York City including Condominium Units, must install carbon monoxide detectors. The law requires the owners of residential Condominium Units to maintain the detectors.

An Owner of a Unit with yard, terrace, or storage unit ("Limited Common Elements") shall have exclusive use thereto subject to any and all House Rules and Regulations implemented by the Condominium Board and is responsible for all normal maintenance, repairs and replacements thereto. However, the costs and expenses of any structural or extraordinary repair or replacement to a Limited Common Elements (including leaks that are not caused by the negligence of the Unit Owner having access to same) shall be charged to all Unit Owners as a Common Expense. The type, size and quantity of plantings and other installations to be placed on terraces shall be subject to the prior written approval of the Sponsor as long as it owns any Units, and thereafter the Board of Managers, and shall be in compliance with Law.

The Common Interests of each Unit in the Common Elements has been based upon the floor space subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv). The Residential Common Interests of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the aggregate Common Interests of all the Residential Units in the Condominium.

The aggregate Common Interests of all Units equals 100%. The percentage of Common Interests is the basis for determining a Unit Owner's share of operating costs of the Building, real estate taxes until the allocation of tax lots, voting privileges, distribution of proceeds in the event of fire damage, etc.

The Sponsor will apply to divide the Property into separate tax lots for each Unit and its Common Interest, which Unit will then be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will then be responsible for payment of his real estate taxes, but not the real estate taxes of any other Unit Owner. The amount of the tax assessed against any Unit will depend upon various factors affecting value, including but not limited to

square footage, location of the Unit, purchase price and other factors considered by the taxing authorities. Until separately assessed, real estate taxes assessed against the Property will be treated as a Common Expense paid by the Board from funds collected from the Unit Owners according to each Unit's percentage of Common Interests. After the Units are separately assessed, each Unit Owner will be responsible for own real estate taxes as billed by the New York City Department of Finance.

In the opinion of Martin Shaw, Esq., counsel to the Sponsor, which opinion is set forth in full in Part I of the Plan ("Counsel's Tax Opinion Letter") on page 151, under present income tax laws, a Residential Unit Owner who uses a Residential Unit as his or her principal or secondary residence and who itemizes deductions, may deduct from his income, for Federal, New York State and New York City income tax purposes, real estate taxes and the interest paid on the mortgage, if any, subject to the exceptions and limitations discussed in the Counsel's Tax Opinion Letter. (See the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium.")

The operation and management of the Condominium will be vested in the Board of Managers as provided in the By-Laws. The members of the Board are designated by the Sponsor, depending on the percentage of Unsold Units owned by Sponsor, or its designee, or elected by the Unit Owners as provided in the By-Laws. The Board is empowered to determine an annual operating Budget setting forth the Condominium's estimated operating expenses in maintaining and operating the Common Elements and other expenses set forth in Schedule B. The Board will assess against each Unit Owner, in proportion to his respective percentage of Common Charges in accordance with the New York State Condominium Act, Real Property Law Section 339(i) and (m), including the Commercial Unit. Each Unit will be individually metered for electrical consumption the cost of which will be the responsibility of the Unit Owner as and when billed. Gas used for heat and hot water and gas for cooking shall be a Common Expense. Water and Sewer charges are also Common Expenses.

Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the House Rules and Regulations of the Condominium and other resolutions of the Board of Managers. Each Unit Owner shall also be responsible for maintaining and repairing his or her own Unit. The cost of maintenance and repair of the Common Elements and structural repairs and replacements of the Limited Common Elements shall be shared by all Unit Owners as provided above. Each Unit Owner shall have the same rights of access to and the use of and benefit of the Common Elements. Each Unit Owner shall also be responsible for obtaining, maintaining and bearing the cost of casualty and liability insurance in connection with his Unit, the fixtures, equipment and personal property located therein and (in the case of liability insurance) occurrences in or about the Unit. The Board of Managers shall have the duty of obtaining and maintaining fire insurance, casualty and liability insurance on behalf of the Condominium with respect to the Building as a whole.

The Board of Managers shall be elected annually by the Unit Owners with the number of votes allocated to each Unit Owner determined by the Unit Owner's percentage of

Common Interest except that until 80% (or 26 Units) of the Unsold Residential Units are sold or two (2) years from the date of the First Closing, the Sponsor shall control the Board by designating all the members during the "Initial Control Period" and thereafter, a majority of the Board shall be elected by Unit Owners. All members of the Board shall be Unit Owners. A mortgage representative of a Unit after a judgment of foreclosure and a sheriff sale shall be eligible to be a Board member. Other than the Sponsor or Sponsor-designee or the Owner of the Commercial Unit and their representatives on the Board, the majority of members of the Board and a majority of the officers of the Board must be an Owner-occupant or adult members of an Owner-occupant's household. A principal or designee of a corporate Owner or such entity who resides in the Unit is eligible to be a Board member. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the Section of the Plan entitled "Rights and Obligations of the Unit Owners and the Board of Managers" on page 107 for further discussion.

Units may be purchased by an individual or individuals, or by a duly formed partnership, or corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The Sponsor may dispose of remaining Unsold Units by selling to investors, renting to tenants or for occupancy by relatives or others.

The number or percentage of Units owned by non-resident Owners cannot be anticipated at this time. Purchasers should be aware that the ability to finance the purchase of a Unit with a bank or other lending institution or to re-finance a mortgage may depend, in addition to Borrower's personal financibility, on the ratio of Owner-occupied Units to non-resident Owners in the Condominium.

The Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Board of Managers, any Unit Owner or mortgagee, to refuse to approve and execute (a) a Purchase Agreement for any Unit and (b) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Unit to any one person or entity; provided, however, that, in either event, the Sponsor shall not discriminate against any person because of race, creed, color, sex, disability, marital status, age, ancestry, national origin or other ground proscribed by law (see the Section of the Plan entitled "Procedure to Purchase" on page 61 for more details). The Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under the law.

The Plan contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection upon reasonable notice without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the office of the Sponsor or Sponsor's attorney.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Condominium is located ay 103-105 Norfolk Street, New York, New York. The Land has an area of approximately 5,000 square feet and the Building will measure approximately 43,103 square feet. The Property is located on the westerly side of Norfolk Street and the northerly side of Delancey Street. The Property is located in a zoning district designated as R7-1/C6-1 that permits residential as of right and commercial use.

Construction of the sixteen-story Building, pursuant to approved plans by the Department of Buildings of the City of New York, started in 2005 and is projected to be completed about November 1, 2006. The Building has a cellar and shall have one automatic passenger elevator and one passenger/service elevator servicing cellar thru the fifteenth floor. The elevator has a 2,000 lb and 2,500 lb capacity respectively, each for10 persons maximum per use. The cellar level contains 28 storage units for the Commercial and Residential Units and common areas. The Building will supply gas for central heat and hot water to the Units by way of PTAC units (hot water circulating through heating coils). Domestic hot water is produced by two (2) Pennant 2000, or equal, boilers. Two (2) heating pumps are provided for circulation of hot water throughout the system. A second gas line will supply gas to all Residential Units for cooking. Con Edison will supply natural gas to the Building. Each Residential Unit will have its own network interface distribution (NID) panel for the distribution of telephone and CATV service throughout the Unit. The system will provide two-way communication between the Unit and the concierge station. Wiring inside each Residential Unit will permit Owner to obtain cable television service from an outside vendor.

In addition to the Commercial Unit, the Condominium shall consist of thirty-two (32) Residential Units of varying sizes from 759 sq. ft to 2,494 sq. ft. and will be located on floors 2 thru 16. All Residential Units shall have one or two bedrooms and one or two baths in addition to a living room/dining area and a kitchen. Unit 8B is a one bedroom, two baths Unit with a study. A study is an accessory space that may not be used for dwelling purposes. Some Units have terraces (5A and 5B, Tower 14 and the Penthouse). The Commercial Unit and most of the Residential Units have storage units that are for the exclusive use of the designated Owner thereof. Such spaces are called "Limited Common Elements". The Commercial Unit also has a front yard that is a Commercial Limited Common Element. All Residential Units have wood floors throughout except the bathroom floors that have ceramic tile. Kitchens will be supplied with Frigidaire appliances, or equal. Water closets and lavatory will be American Standard or equal and the bathtub will be San Marcos or equal. All residential Units will have hook-ups for washing machines. The washing machines are

not provided. There will be one (1) rubbish chute accessible on floors 2-15. A multi-bag compactor will be located in the cellar. The Units will contain smoke and carbon monoxide detectors in the vicinity of the bedrooms.

The Building and the Units are more fully described in the Architect's Report, "Description of Property and Building Condition", set forth in Part II of the Plan.

The Building construction will be 1-C pursuant to Permit #103862893. Floors and roof slabs are 8" and 10" thick cast-in-place concrete flat slabs supported by concrete columns. The perimeter columns are supported on the perimeter foundation wall at the first floor level, while the interior columns extend down to the cellar level and are supported on pile caps or the pile supported mat locally at the center of the tower. The concrete pile caps and the pile supported mat distribute the loads onto clusters of friction piles. The Building is built anti-seismic as required by law for new construction. Local Law 10 applies to the Property so façade inspection and maintenance shall be required. Insulation will be installed as per New York City Building code and as required for conformance with New York State Energy Code.

Aluminum and glass curtain wall and windows shall be thermally broken and all will have factory glazed insulated glass. Screens, storm windows or window guards must be provided by the Unit Owner. Window guards must be installed in accordance with the NYC Health Code.

No storage of furniture, bicycles or miscellaneous items shall be permitted on the terraces. No cooking or barbecuing on terraces is permitted. If a permit is required for planters, any costs related to obtaining such permit or other fees shall be the obligation of the Owner of the Unit seeking such permit or for any violations issued by the Department of Buildings for any condition arising therefrom.

The use of certain areas such as yards and roof terraces is as of right and no variance is required. The enclosure of such areas would require a variance but the enclosure of such spaces shall not be permitted and the Board of Managers shall not approve an application for a variance. Any changes to the surface of the front yard or the roof terraces such as the installation of pavers or a wood deck shall require the consent of the Sponsor as long as Sponsor owns any Unsold Units or the Board of Managers after the Sponsor has sold all its Units. The installation of pavers and decks require a building permit. The surface areas under any planters and flowerbeds must be protected against water seepage. Any damage to the surface shall be the obligation of the Unit Owner of such space. The Board of Managers shall have the right to inspect such areas and determine any damage to the surface of the yard or the terraces and bill the Owner for the cost of any repairs or replacements. However, any structural repairs, unless caused by the negligence of a Unit Owner, shall be a common expense.

Under the present construction schedule, it is anticipated that, except for finishing work to the Units or common portions of the Building that are not intended for egress or

ingress or for the exclusive use of the Unit closing title, the Building will be substantially completed on or about November 1, 2006, subject to unavoidable delays such as weather conditions, lockouts, strikes and local shortages, acts of God, inability to obtain material & equipment or labor, government restrictions, or any other reason. Therefore, Sponsor does not warrant or guarantee completion or occupancy dates for the Building or any part thereof. Even if substantial construction is completed by November 1, 2006, completion of punch list items or special work orders of purchasers or other items of construction in order to obtain a permanent Certificate of Occupancy may not be completed for an additional six (6) months or more thereafter. The period within which the Sponsor must complete any of its obligations under the Plan (including the Purchase Agreement) shall be extended by the period of such delay.

The Sponsor has engaged the architectural firm of SLCE Architects with an office at 841 Broadway, New York, New York 10003, to design the Building and undertake architectural supervision of the construction of the Building. The Sponsor has also engaged Ettinger Engineering Associates with an office at 505 Eighth Avenue, New York, New York 10018, to provide estimates as to the consumption and cost of energy and related operating expenses of the Condominium. For further information on the background of the principal parties of this Offering Plan, please refer to the section entitled "Identity of Parties" on page 161.

The Building will be built by the Sponsor in accordance with all applicable zoning and building laws, regulations and codes and other government requirements, including those of the City and State of New York, and substantially as described in the property Report of SLCE Architects which Report is included in Part II of this Plan and in accordance with the building plans and specifications as same may be amended from to time. Copies of the building plans and specifications may be inspected by prospective purchasers at the Sponsor's office or at the Building site. Construction will be deemed substantially completed in accordance with the Plans and specifications when a Temporary Certificate of Occupancy ("TCO") or a permanent ("CO") for the Building shall have been issued by the Department of Buildings of the City of New York except for work customarily left incomplete until after occupancy, finishes to the interior of some Units, special work orders, and punch list items, if any.

The Sponsor reserves the right to amend or modify in any way the architectural, structural, mechanical, electrical or other plans and specifications, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in the "Description of Property and Building Condition" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality, provided that any necessary approval of any governmental authority having jurisdiction thereof is timely obtained. Any or all of the foregoing shall not give rise to a right of rescission on the part of any Purchaser and may be made without prior notice or amendment of the Plan, but no such change may be made that would adversely affect any binding Purchase Agreement unless same is dictated by construction conditions at the Property and, in such event, Sponsor will

amend the Plan and offer affected Purchaser(s) the right of rescission for 15 days from the Presentation Date of the amendment and receive a full refund of the Down Payment together with interest earned thereon, if any, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

The Sponsor shall obtain a temporary or permanent "Class A" residential Certificate of Occupancy that shall cover each Residential Unit prior to the closing of title to such Unit. In the event that a permanent Certificate of Occupancy has not been obtained by such Closing, the Sponsor is obligated to obtain same. Please consult the Section of the Plan entitled "Rights and Obligations of the Sponsor" for further discussion.

LOCATION AND AREA INFORMATION

The Neighborhood:

The Property is located in New York City with frontage on Norfolk Street between Rivington Street and Delancey Street in the Lower East Side neighborhood of Manhattan. The Lower East Side is bordered by the East River to the east, Soho and NoLIta to the west, Greenwich Village to the north, and the financial District to the southwest.

The Lower East side is also within close proximity to the East River Park, Tomkins Square Park, Seward Park, Corlears Park, Sara D. Roosevelt Parkway, and the Hamilton Fish Park and Recreation Center. Also in the neighborhood is the Lower East Side Tenement Museum, the Eldridge Street Project, the Orchard Street bargain district and the Manhattan Bridge bike path. There are several historic synagogues, churches and tenement architecture.

Cultural activities abound in the area such as the Immigrants theatre Project, the Orchard Street Gallery, the Transplant Gallery, the Artists Alliance and the Abron Arts Center. Popular lounges and music venues such as Pianos, Barramundi, Verlaine, Orchard Bar, 24/7, People, and the Bowery Ballroom are a few examples of the nightlife found in the neighborhood. Also, the Sunshine Theatre shows the most recent independent films as well as classics.

Fine shops and boutiques, jewelry stores, home design stores, mom-and-pop stores, specialty shops such as Christopher Totman, Ina, Red Flower, Siegerson Morrison, Lunettes et Chocolat, and Fresh dot the neighborhood. Chains like Banana Republic, Zara, Kenneth Cole, Duane Reade, Crate and Barrel, and Best Buy are close by. Such eateries as Katz's Deli, Schiller's, 71 Clinton Fresh food, SUBA, Paladar, as well as numerous coffee and tea shops round out this exciting neighborhood.

Water and Sewer:

The City of New York provides water and sanitation, snow removal, garbage collection, police and fire protection, mail pick-up and delivery, and public schools. Con Edison provides natural gas and electricity to the Building and meters consumption for billing purposes. Water charges and sewer rents are paid directly to the NYC Water Board Department as metered.

Police:

The local police station is the 7th Precinct, which is located on 19-1/2 Pitt Street in Manhattan.

Fire Department:

Local Engine 15 is located at 269 Henry Street in Manhattan.

Schools:

The area is in School District No.1, Region 9. PS 142 is the local elementary school. There are several private schools in the area including City & Country School, Corlears, and Friends Seminary and Grace Church. No representations are made as to which school a child residing at the Building may actually attend.

Religious Facilities:

There are a number of houses of worship of different denominations in the area.

Medical Facilities:

Beth Israel Hospital, NYU Hospital and Saint Vincent's are close by.

Zoning:

R-7-2/C6-1. Proposed uses are as of right. The Property is not in a landmark district.

SCHEDULE A – PRICES OF UNITS & RELATED INFORMATION

SCHEDULE A
105 NORFOLK STREET, NEW YORK, NEW YORK
Price Schedule and Projected Carrying Costs for Each Unit
For the Project First Year of Condominium Operation
November 1, 2006 - October 31, 2007

Unit #	BR (1)	BATH (1)	Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Offering Price (5)	% Residential Common Interest (6)	% Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per month with 421-A (12)	Projected RE Taxes & Common Charges per month w/o 421-A (13)
COMM			2,690	429	281		N/A	5%	$20,000.00	$1,666.67		$1,693.91	$1,666.67	$3,360.58
2A	1	1	972			$895,000	2.76%	2.62%	$10,480.00	$873.33	$37.95	$715.88	$911.28	$1,589.21
2B	1	1	841			$835,000	2.39%	2.27%	$9,080.00	$756.67	$32.84	$619.91	$789.51	$1,376.58
3A	1	1	759			$775,000	2.15%	2.05%	$8,200.00	$683.33	$29.63	$557.66	$712.96	$1,240.99
3B	2	2	1,218			$1,225,000	3.46%	3.28%	$13,120.00	$1,093.33	$47.55	$897.44	$1,140.88	$1,990.78
4A	1	1	764			$795,000	2.17%	2.06%	$8,240.00	$686.67	$29.83	$562.85	$716.50	$1,249.51
4B	2	2	1,216		30	$1,245,000	3.47%	3.30%	$13,200.00	$1,100.00	$47.77	$900.04	$1,147.77	$2,000.04
5A	2	2	1,386	240	31	$1,475,000	3.95%	3.76%	$15,040.00	$1,253.33	$54.42	$1,024.54	$1,307.75	$2,277.87
5B	2	2	991	131	30	$1,325,000	3.02%	2.87%	$11,480.00	$956.67	$41.54	$783.32	$998.21	$1,739.98
6A	1	1	787		35	$840,000	2.26%	2.14%	$8,560.00	$713.33	$31.07	$586.19	$744.40	$1,299.52
6B	1	1	957		35	$995,000	2.74%	2.60%	$10,400.00	$866.67	$37.71	$710.69	$904.38	$1,577.36
6C	1	1	766		35	$850,000	2.20%	2.09%	$8,360.00	$696.67	$30.25	$570.63	$726.92	$1,267.30
7A	1	1	782		41	$855,000	2.25%	2.14%	$8,560.00	$713.33	$30.93	$583.60	$744.26	$1,296.93
7B	1	1	1,052		44	$1,050,000	3.02%	2.86%	$11,440.00	$953.33	$41.50	$783.32	$994.83	$1,736.65
7C	1	1	766		41	$865,000	2.20%	2.09%	$8,360.00	$696.67	$30.31	$570.63	$726.98	$1,267.30
8A	1	1	786		45	$870,000	2.26%	2.15%	$8,600.00	$716.67	$31.13	$586.19	$747.80	$1,302.86
8B	1/study	2	1,129		45	$1,175,000	3.23%	3.07%	$12,280.00	$1,023.33	$44.52	$837.79	$1,067.85	$1,861.12
8C	1	1	785		45	$880,000	2.26%	2.15%	$8,600.00	$716.67	$31.09	$586.19	$747.76	$1,302.86

SCHEDULE A
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Price Schedule and Projected Carrying Costs for Each Unit
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Unit #	BR (1)	BATH (1)	Interior Sq. Ft. (2)	Exterior Sq. Ft. (3)	Storage Sq. Ft. (4)	Price (5)	% Residential Common Interest (6)	% Common Interest (7)	Projected Common Charges per Year (8)	Projected Common Charges per Month (9)	Projected RE Taxes per Month with 421-A (10)	Projected RE Taxes per Month w/o 421-A (11)	Projected RE Taxes & Common Charges per month with 421-A (12)	Projected RE Taxes & Common Charges per month w/o 421-A (13)
9A	1	1	782		45	$890,000	2.25%	2.14%	$8,560.00	$713.33	$30.97	$583.60	$744.30	$1,296.93
9B	2	2	1,222		47	$1,395,000	3.50%	3.33%	$13,320.00	$1,110.00	$48.17	$907.82	$1,158.17	$2,017.82
9C	1	1	782		46	$900,000	2.25%	2.14%	$8,560.00	$713.33	$30.98	$583.60	$744.31	$1,296.93
10A	1	1	785		47	$910,000	2.26%	2.15%	$8,600.00	$716.67	$31.11	$586.19	$747.78	$1,302.86
10B	2	2	1,315		47	$1,475,000	3.76%	3.58%	$14,320.00	$1,193.33	$51.80	$975.26	$1,245.13	$2,168.59
10C	1	1	783		47	$920,000	2.25%	2.14%	$8,560.00	$713.33	$31.03	$583.60	$744.36	$1,296.93
11A	1	1	786		51	$940,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
11B	2	2	1,401		52	$1,550,000	4.01%	3.81%	$15,240.00	$1,270.00	$55.21	$1,040.10	$1,325.21	$2,310.10
11C	1	1	786		51	$950,000	2.27%	2.15%	$8,600.00	$716.67	$31.19	$588.78	$747.86	$1,305.45
12A	2	2	779		52	$970,000	2.25%	2.13%	$8,520.00	$710.00	$30.92	$583.60	$740.92	$1,293.60
12B	2	2	1,401		68	1,595,000	4.02%	3.82%	$15,280.00	$1,273.33	$55.36	$1,042.69	$1,328.69	$2,316.03
12C	1	1	785		56	$980,000	2.27%	2.15%	$8,600.00	$716.67	$31.20	$588.78	$747.87	$1,305.45
Twr14	2	2	2,168	956	68	$3,250,000	7.55%	7.18%	$28,720.00	$2,393.33	$103.97	$1,958.29	$2,497.30	$4,351.63
Twr15	2	2	1,975		69	$2,350,000	5.65%	5.37%	$21,480.00	$1,790.00	$77.78	$1,465.48	$1,867.78	$3,255.48
PHDupl	2	2.5	2,494	375	69	$3,475,000	7.65%	7.26%	$29,040.00	$2,420.00	$105.37	$1,984.23	$2,525.37	$4,404.23
TOTALS			36,891	2,131	1,553	$39,500,000	100.00%	100.00%	$400,000.00	$33,333.33	$1,376.29	$27,631.57	$34,709.62	$60,964.91

See the following pages for footnotes to Schedule A.
Purchaser will be required to pay additional closing costs above the purchase price. See page 65.

NOTES TO SCHEDULE A

OFFERING PRICES AND OTHER FINANCIAL DETAILS FOR EACH UNIT

1. Column 1: The number of rooms follows the guidelines of the Zoning Resolution of the City of New York. All Residential Units shall have one (1) or two (2) bedrooms and either one (1) or two (2) bathrooms. One Unit (8B) has a study which is an accessory space and is not for dwelling purposes. Twenty-seven storage units at the cellar level have been designated to twenty-seven Residential Units and one commercial storage unit has been designated for the Commercial Unit. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a Unit. Actual layout of a Unit may have been altered from the floor plans in the Plan. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The "Limited Common Elements" consist of the front yard for the exclusive use of the Commercial Unit and the terraces of Units on the fifth floor (5A and 5B), Tower 14, and the Penthouse. Such Limited Common Elements are for the exclusive use of the Unit Owner of said Units.

2. Column 2: The gross interior square footage of a Unit is calculated horizontally from the outside face of the exterior walls and the non-Unit side face of any wall or partition separating such Unit from a Common Element to the centerline of any wall or partition separating such Unit from another Unit and further detailed in the Declaration. The sizes set forth for the Units are based on the gross square footage of the Unit.

3. The "exterior storage square footage" means the dimensions of the "Limited Common Elements" of yards and terraces.

4. The "interior square footage" means the dimensions of the Limited Common Elements" of the storage units that have been designated for 27 Residential Units and the Commercial Unit.

5. Column (5): These offering prices are set by the Sponsor and are not reviewed or approved by the Department of Law or any governmental agency. The Sponsor's right to make changes in offering prices is set forth in the Section of the Plan entitled "Changes in Prices or Units" on page 57. Please note that purchase prices and other terms of sale of the Units are negotiable.

   In addition to the purchase price, Purchaser will be responsible at closing of title for certain other expenses as explained in the Section of the Plan entitled "Unit Closing Costs and Adjustments" on page 81. While general guidelines to certain expenses of Purchaser are approximated in such Section, the Sponsor is unable to determine the total amounts to be incurred by Purchasers because these will vary for Purchasers according to such factors as the cost of a particular Unit, whether mortgage financing

is obtained, Purchaser's retained consultants, and Purchaser's attorney's fees. Major closings costs include, among other expenses, Sponsor's attorney's fees of $1,300 due at closing. Additional closing fees if closing is not held at the Sponsor's designated office, and other costs are set forth in the section, "Closing Costs and Adjustments". Purchasers will also be responsible for payment of transfer taxes to the City and State of New York which charges are added to the purchase price and then taxed at the then current tax rate for transfer of property. Currently, New York City transfer taxes are 1% of the purchase price on sales of under $500,000 and 1.425% if over $500,000, and $4 per $1,000 of the purchase price to the State of New York and 1% to the State of New York for Units selling above one million dollars (the "mansion tax"). In addition, there are costs for mortgage title insurance, mortgage recording tax, other document recording fees, and various expenses associated with financing. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur in purchasing their Unit.

6. Column 6: "Residential Common Interests" reflects the total percentage of the Residential Common Elements distributed among the Residential Units only.

7. Column 7: "Common Interest" is the total percentage of Common Interests in the total Common Elements of all the Units.

   In accordance with Section 339-i 1(iv) of the Real Property Law, each Unit has been allocated a percentage of Common Interest based upon respective floor space subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. The aggregate Common Interest of all Units must always equal 100%.

8. Columns 8: Annual Common Charges were based upon the "Projected Budget for the First Year of Condominium Operation" (the "First Year's Budget"), which was prepared for the year commencing November 1, 2006. In addition to these estimated common charges, each Unit Owner will be responsible for paying, among other things: (i) the cost of electricity for the Unit, which will be separately metered for each Unit; (ii) mortgage payments under any loan or loans obtained to finance the acquisition of the Unit; (iii) the cost of interior repairs to, and the maintenance, painting and decoration of the Unit (including, without limitation, repairs & replacements of equipment and appliances contained therein); (iv) the cost of any insurance covering (A) furniture, belongings, equipment and other personal property and (B) liability to others for personal injury or property damage as a result of occurrences in the Unit; and (v) personal services such as telephone, cable, etc.

9. Column 9: Represents the monthly Common Charges per Unit for the first year of Condominium operation. Please refer to No. 8 above.

10. After the Condominium is divided into individual taxes lots, each Unit will be taxed

as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit Owner be responsible for the payment of, nor be subject to, any lien arising from the non-payment of taxes on other Units.

Column10: This column reflects estimated monthly and annual real estate taxes with real estate tax benefits. The projection for real estate valuation after completion of construction and resulting tax liabilities for the Property was made by Stephen E. McArdle & Associates with an office at 100 Park Avenue, New York, New York 10017 (Tel: 212-818-9148).

The determination of real estate taxes for the Condominium's individual tax lots with the 421-a benefits are based on the assessed valuation of the 105 Norfolk Street Property during the construction period for completing the new building. The assessment for the fiscal year 2003/04, the base year, is $139,500. With the 421-a benefits, the 105 Norfolk Street property will receive a partial real estate tax exemption for the full increase (100%) in assessed valuation for the construction period, not to exceed three (3) years. In addition, each of the Condominium's tax lots will receive a 100% exemption of the increased assessed valuation for the first two years after the construction period. In the third year the exemption will decrease to 80% of the increased assessed valuation, and shall remain at 80% for the fourth year. In the fifth year the exemption will decrease to 60% of the increased assessed valuation and remain at 60% for the sixth year. In the seventh year the exemption will decrease to 40% of the increased assessed valuation and shall remain at 40% for the eighth year. In the ninth year the exemption will decrease to 20% of the increased assessed valuation and shall remain at 20% for the tenth year. After the tenth year the property will be fully taxed. See the D'Agostino opinion letter regarding the 421-a benefits on page 141 of the Offering Plan.

The Real Property Assessment Department of the City of New York uses various factors in assessing properties under construction and therefore no certainty can be given as to the post-construction assessed valuation provided by Stephen E. McArdle & Associates ("McArdle"), with an office at 100 Park Avenue, New York, New York 10017. The Property is first assessed as one entity and the tax liability is then apportioned among the Units when the tax lots are allocated amongst the Units and are recorded at the New York City Register's Office. Such allocation and individual tax bills take approximately six months from the date that the tax lots are recorded. During that period prior to billing of individual Units, the Condominium Board shall make one payment on behalf of the Property. The projection of the apportionment of the assessments amongst the Units has been commonly done primarily on the basis of the Common Interests allocated to each Unit as set forth in Schedule A. However, the New York City Finance Department may consider other factors in determining such apportionment. Neither the Sponsor, D'Agostino, Levine & Landesman, LLP, nor McArdle can make any representation as to the City's apportionment method or the estimated tax liability of individual Units. The projection assumes that the

residential portion of the Property will be assessed at the Class II multifamily residential tax rate and that such rate for 2004/2005 may increase to a projected tax rate of approximately $12.25 per $100 of assessed valuation for the fiscal year 2004/05 but no projection of the tax rate is made beyond 2005. The Property real estate taxes without benefits is estimated to be assessed as follows:

YEAR	ASSESSED VALUATION	TAX RATE	TOTAL
2006/07 Property	$4,680,000	1.790	$262,092
2007/08 Commercial Unit	$ 445,000	1.908	$ 52,990
All Residential Units	$4,470,000	2.462	$557,051

Blended real estate tax benefits for the first year of operation (November 1, 2006)

Commercial Unit	$ 20,327
Residential Units	$311,252

"Blended" projection means the tax projected from one fiscal year (July1,2007-June 30, 2008) for six months only plus the projection from the following year (July 1, 2008)

11. Column11: This column projects real estate taxes per Unit with 421-a real estate tax benefits. The 421-a Tax Program was enacted to encourage residential construction by providing partial real estate tax exemption on increases in assessed valuation due to new construction. D'Agostino, Levine & Landesman, LLP, Attorneys At Law ("D'Agostino") believe that the Property will qualify for 421-a real estate tax benefits. Neither the Sponsor nor D'Agostino can guaranty that any such benefits will be issued or, if issued, when the benefits will become effective or what the impact will be on the valuation of the Property as projected by McArdle. Please refer to the 421-a opinion letter on page 141 and the McArdle post construction projection of real estate taxes starting on page 127.

Neither the Sponsor nor D'Agostino can guarantee that the 421-a tax benefits will be issued or, if issued, the date of commencement or the basis of apportionment of the Property's real estate assessment among the Units. Further, it is not known what the rate of taxation will be in the future, or the transitional assessment, any of which factors will impact the actual real estate tax liability. As a consequence, Unit Owners may pay the full real estate taxes based on the transitional assessment based on improvements to the Property. In the event that a tax certiorari is filed and granted in

the future while the Sponsor owns any Units, any refunds of taxes paid will be apportioned among the Units including the Sponsor according to the percentage of Common Interests owned after refunding all costs related to filing and obtaining the benefits.

12. Column 12: The totals set forth in this column equals the sum of the estimated monthly Common Charges and projected real estate taxes with 421-a tax benefits.

13. Column 13: Represents estimated monthly Common Charges without 421-a real estate tax benefits.

If Purchaser obtains mortgage financing on the Unit, the debt service on such financing would be an additional monthly expense paid solely by Purchaser. The interest portion of monthly mortgage payments made by Purchasers who obtain mortgage financing for their Units, and designate same as primary or secondary qualifying residence, although not shown in this column, is also deductible for tax purposes by persons who itemize deductions, as more particularly described in, and subject to the qualifications set forth in, the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium." The portion of the debt service deductible for income tax purposes may vary in subsequent years due to financing-related changes such as changes in the interest rate on a Purchaser's mortgage, if any, the interest rate on a refinanced mortgage, or the allocation of constant debt service payments between interest and principal. Please consult the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" on page 135 and "Counsel's Tax Opinion Letter" for conditions of deductibility on page 151.

SCHEDULE B – FIRST YEAR'S BUDGET

SCHEDULE B

105 NORFOLK STREET

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

November 1, 2006 to October 31, 2007

Income:

Common Charges	**$400,000**
Total Income	**$400,000**

Expenses:

Labor (1)	$164,803
Gas – Heating & Hot Water (2)	$ 28,500
Gas – Cooking (3)	$ 3,200
Electricity (4)	$ 43,000
Water Charges & Sewer Rents (5)	$ 10,577
Repairs, Maintenance and Supplies (6)	$ 25,000
Service Contracts (7)	$ 25,000
Insurance (8)	$ 24,866
Management Fees (9)	$ 30,000
Legal Fees and Audit Fees (10)	$ 11,000
Administrative Expenses (11)	$ 10,000
Miscellaneous Expenses (Permits, Fees, Taxes) (12)	$ 8,000
Contingency (13)	$ 16,054
TOTAL EXPENSES	**$400,000**

Sponsor anticipates the First Condominium Unit Closing of title to occur on or about November 1, 2006, which corresponds to the projected start date of the Budget for First Year of Condominium Operation. If the First Condominium Unit Closing of title is delayed more than twelve (12) months from the projected start date of November 1, 2006, the Offering Plan will be amended to offer purchasers in good standing a right of rescission. If such amendment results in raising the projected Common Charges by more than twenty-five (25%) percent, the Sponsor shall offer all purchasers a right of rescission for a period of fifteen days from the date of presentation of said amendment whether or not Sponsor offers to guarantee the previous budget projections. Sponsor must return any deposit or down payment to purchasers who rescind within a reasonable period of time of such rescission. Sponsor may not declare the plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Offering Plan. Changing conditions in the economy and other factors such as lifestyle and number of people residing in the building may affect the above projections.

NOTES TO SCHEDULE B

Annual Common Charges to be collected during the first year of condominium operation are based upon the estimated net total of Common Expenses.

1. Labor: ($164,823)

Labor costs include wages for a full time non-resident superintendent who shall be responsible for doing minor repairs in the Common Elements, cleaning the common areas, putting out garbage, and removing snow in the winter and general duties of a superintendent. The superintendent shall reside within 200 feet of the Property. The Budget estimates wages of $20 an hour for the superintendent and $12 an hour for two full time doormen. Total wages is projected at $144,432. Approximately $18,370 in employee related costs is included for such items as FICA, disability and workers comp. Wages will meet NY State minimum wage law. The employees are non-union members.

2. Heating & Domestic Hot Water for Units & Common Areas: ($28,500)

Projections for energy consumption and costs and water charges & sewer rents projected in this Budget were based on an analysis Report prepared by Ettinger Engineering Associates, consulting Engineers, with an office at 505 Eighth Avenue New York, NY 10018. All costs projections, summarized below, include NYC sales tax and a 5% allowance for possible increases to energy costs. The Engineer's Report containing the basis for projection of energy consumption and cost is reproduced starting on page 41.

Gas consumption and cost for heat as projected are as follows: the average consumption of gas used for heating, which varies during winter and summer months, is projected at 27,150 therms annually at an average current rate of $1.05/therm including NYC tax. Please refer to Expert's projected summary on page 1 of his Report.

See Architect's description of the Building's mechanical systems in his Report in Part II.

It is not possible to predict how closely the estimated figures will reflect the actual expenses for gas during the first years of building operation since such expenses will vary with the occupancy ratio, level of consumption by individuals, fluctuations in the price of gas, fuel cost adjustments and State and City surcharges and variations in annual climate conditions.

3. **Gas Used for Cooking by Residential Units: ($3,200)**

This estimate is based on an approximate consumption of 3,048 Therms at $1.05 per Therm including a 5% increase over the current cost for gas. See page 2 of Energy Expert's projection Report.

4. **Utilities (Electricity for Common Areas and Equipment): ($43,000)**

Based on the average lighting in the Residential Common Elements including elevators, building motors, exhaust fans, lighting for corridors, lobby and stairways. Consumption is estimated at 250,000 kilowatt hours annually at $.168 per kilowatt hour. See Expert's projected estimates on page 1 of his Report.

The electrical energy consumption for each individual Unit for general lighting consumption, power appliances and air conditioning is billed directly to Unit Owners. See Expert's projected opinion on consumption and costs for individual Units on page 5 of his Projection Report.

It is not possible to predict how closely the estimated figures will reflect the actual expenses during the first years of condominium operation since such expenses will vary with the occupancy ratio, temperature setpoints, or fluctuations in fuel cost adjustments, State and City surcharges, and variations in annual climate conditions.

5. **Water Charges and Sewer Rents: ($10,577)**

The Residential and Commercial Units are separately metered for water consumption. Projected consumption for the Residential Units is 234,000 cubic feet of water per year at the current rate of $.452 per cubic feet including a 5% increase above the present cost for water and sewer.

6. **Repairs, Maintenance and Supplies: ($25,000)**

Estimates for common area expenses are provided by Andrews Building Corporation, located at 666 Broadway, New York, New York 10012, based on its experience in managing newly renovated buildings of comparable size, quality and amenities. Estimated expenses are as follows:

Supplies	$ 2,000
Painting, maintenance, and repairs,	$20,000
Pest Control/Exterminating	$ 3,000
TOTAL	**$25,000**

These estimates do not include maintenance, repairs and supplies within specific Units, which are the obligation of the Unit Owner. Each Unit Owner will be

responsible for the cost of interior maintenance, repairs, replacements, decoration, and painting of their respective Units. No provision has been made to cover the cost of any major capital expenditure. Although no such expenditure is expected in the year beginning November 1, 2006 because the building has been newly constructed, each Unit Owner will be obligated to pay his pro rata share of such expenditures in the event that any such expenditures are required. These estimates do not include maintenance, repairs, or cleaning of the façade.

7. Service Contracts: ($25,000)

An elevator maintenance contract for 2 elevators with Rotavele Elevator with an office at 7-06 149th Street, Whitestone, New York, 11357 (718-767-3875) provides for a term of two years at $700 month beginning six (6) months from the date of the Department's sign off and continuing for the next eighteen months unless extended. Such contract includes annual inspection and routine maintenance. The contract requires that the Condominium Association maintain the hatchway, pit and machine room in clean condition and keep the elevator equipment from exposure to the elements or to physical damage; to shut down the equipment immediately upon the manifestation or appearance of any irregularity in operation of the elevator equipment; to notify the company at once and keep the elevator shut until the completion of repairs. The Association must notify the company within 24-hours after occurrence of any accident in or about the elevator.

An additional amount is included for miscellaneous costs, each of which will not exceed $2,500 annual costs.

Sponsor has reserved the right, prior to the First Unit Closing, to enter into other service contracts which will be binding on the Board of Managers, provided that such contracts do not materially increase the estimated Common Charges for the first year of Condominium operation nor bind the Board of Managers for a period of more than two years from the date of the First Unit Closing, unless it is customary for such type of contract to be more than two years.

8. Insurance: ($24,866)

The projection is based on a proposal from DSG DeWitt Stern Group by letter dated April 19, 2005. The broker represents that the building coverage of $16,000,000 would be adequate to cover replacement as the policy is for an agreed amount which waives co-insurance.

Coverage	Limits
Building: (all risk)	$16,000,000
General Commercial Liability:	$1,000,000/$2,000,000
Hired and non-owned auto Liability:	$1,000,000
Rents (Common Charges):	Included

Directors and Officers Liability:	$1,000,000
Agents Fidelity Coverage:	$ 50,000
Additional Employee Dishonesty:	$ 250,000
Boiler and Machinery:	covered

The estimated coverage is based on quotation from Admiral Indemnity Co., Chubb & Zurich and St. Paul's Travelers.

The Sponsor represents that it shall initially provide on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, a policy with covered items set forth above. However, due to increasing costs and depending on the date of the first closing, Sponsor cannot guaranty the premium quoted above. The cost for such binder or policy will be paid by the Board of Managers and shared by all Unit Owners as a portion of the Common Charges.

The policy will provide that each Unit Owner will be an additional insured party, and that there will be no cancellation without notice to the Board of Managers. In addition, the policy will contain a waiver of subrogation, a waiver of invalidity because of the acts of the insured and Unit Owners, and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

In order to safeguard the investment of its Unit in the event of a substantial or total destruction of the Condominium, the Board of Managers should periodically review the amount of casualty insurance for the Condominium to insure that the amount of coverage equals the Condominium's then replacement costs.

It should be noted that in the event the property is totally destroyed by fire or other casualty, the insurance coverage as stated herein, although sufficient to replace the Building structure, might not cover occurrences within the Unit or its Limited Common Elements, if any, and the full investment of the Unit Owner including his costs of their fixtures and personal property.

It is not possible to predict whether future premiums will escalate. The projected premium is based upon an estimate and is not guaranteed to remain the same until the closing of title to the first Unit.

Prospective Purchasers should consult their attorney or insurance agent to determine the advisability of obtaining insurance for their own risk of liability and fire and casualty losses.

9. Management Fees: ($30,000)

At the First Unit Closing, the Board of Managers will enter into a management agreement with Andrews Building Corporation having an office at 666 Broadway, New York, New York 10012 (the "Managing Agent" or "Agent"). The

agreement will be for an initial period of two (2) years and will provide that the Managing Agent will receive an annual fee for the first year of $30,000 payable in equal monthly installments of $2,500. Such managing fee is in accordance with the prevailing rate for a similar size and type of building. The Managing Agent may not assign the contract at a higher fee to the Condominium Association during the period of the contract nor may the Board of Managers cancel the contract without cause during the first two (2) years.

Please consult the Section of the Plan entitled, "Management Agreement, Contracts and Leases" on page 157.

10. Legal Fees and Audit Fees: ($11,000)

Based upon the following estimates:

Legal Fees	$ 6,000
Audit Fees	$ 5,000
	$11,000

The firm of Frendel, Brown and Weisman LLP at 655 Third Avenue, New York New York 10017 estimated the fees for preparing an audited financial statement and the income tax returns for the first year of condominium operation. The legal fees estimate is for any unexpected legal matters of the Condominium.

11. Administrative Fees: ($10,000)

Included in this expense will be the costs of phones, beepers, bank fees, mailing costs, copying and miscellaneous office supplies.

12. Miscellaneous Expenses: ($8,000)

This fee includes permit fees and income taxes.

13. Contingency: ($16,034)

This amount, to be used at the discretion of the Board of Managers, is intended to benefit the Unit Owners by providing a fund for unanticipated expenses not included in the budget and for possible increases in one or more items of operating expense above the amounts projected and for such items as permits and violations, bank fees and such. This fund is not intended to cover the cost of major capital repairs or replacement items for which no fund has been established.

The proposed Budget may be modified from time to time prior to the commencement of, or during, Condominium operation to add or increase one or more items of operating expense. If additional funds are required over and above

these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners.

Commercial Unit:

The Commercial Unit, located on the ground floor and cellar, is not being offered for sale at this time but may be offered for sale at a future date by amendment to the Plan. The Commercial Unit Owner or its tenant, if any, shall have the right to the use of the Building's elevator. The Sponsor or its designee or subsequent Commercial Unit Owner may sell, lease or sub-lease the Commercial Unit in whole or in part subject to compliance with law but without the prior approval of the Condominium Board or the Unit Owners and free of costs and charges by the Board. The Commercial Unit may be used for any legal purposes in accordance with the Building's existing Certificate of Occupancy (or as amended) and the Zoning Resolution of the City of New York, as amended ("Zoning Resolution") or other applicable laws. The Zoning district of the Property is R-7-2/C6-1 that permits such commercial use on the ground floor. Sponsor or its designee or the Commercial Unit Owner may change the use of the space but such change shall require an amendment to the Plan and the Declaration, if the Declaration has been filed. The Sponsor reserves the right to make any changes or improvements and to sell or lease the Unit for any permitted use or to mortgage the Unit, all without the consent or approval of the Unit Owners, the Condominium Board or any agent of the Condominium. The Board's right of first refusal is not applicable to Sponsor or its designee or the Commercial Unit Owner. The Sponsor may also, at own cost, change the layout or sub-divide the Unit or recombine the subdivision or make alterations and improvements whether ordinary or extraordinary, whether structural or otherwise (provided such does not affect the structural integrity of the Building) without the consent of the Unit Owners or the Condominium Board. Likewise, a Sponsor designee or subsequent Owner of the Commercial Unit shall have the same rights as Sponsor to make physical changes and improvements to the Unit, provided the work conforms to code and conforms with certain provisions of the By-Laws (as to proper insurance coverage covering the Board and the Unit Owners during performance of repairs, alterations or improvements, storage of debris, and amending the Declaration, if required), or to change the legal use thereof, or to sell or lease or mortgage the Unit freely without the prior approval of the Board or the Unit Owners or be subject to the Board's right a first refusal.

The right of the Commercial Unit Owner to change the use of the Commercial Unit may result in greater number of people entering and leaving the ground floor level of the Building, a higher volume of noise and/or hours of usage and other possible effects on the Building resulting from the use of the Commercial Unit. Accordingly, it is possible that a change of usage could have an adverse impact on other Condominium Unit Owners.

The Commercial Unit Owner shall be responsible for payment of monthly Common Charges to the Condominium and for payment of real estate taxes for its Unit as billed by the New York City Department of Finance. Its share of the monthly common expenses represents fairly the space and potential usage of services in the Building. This Unit will be

separately metered for water consumption and electrical consumption, but not for heating or hot water. The Commercial Unit shall be responsible for the cost of refuse removal. In the event that the use of the Unit causes the Building's insurance policy to increase, the Unit Owner shall pay the Condominium Association the difference thereof.

So long as the Sponsor is the Owner of the Commercial Unit, the Sponsor shall be entitled to designate a Board member. Subsequent to Sponsor selling the Commercial Unit, the successive Commercial Unit Owner shall also be entitled to be a member of the Board. Such member may only be removed by the Commercial Unit Owner who alone will have the right to designate or elect a replacement. Any decisions of the Board of Managers affecting the Commercial Unit shall be made only with the consent of the Commercial Unit Owner.

The Commercial Unit Owner shall have the right to make prompt repairs and restoration to the Commercial Unit to the extent the Commercial Unit is damaged or destroyed by fire or other casualty.

At the request of the Sponsor, a Sponsor-designee or the Commercial Unit Owner, the Board of Managers shall execute any application or documents required to be filed with any government agency having or asserting jurisdiction in connection with any repairs, additions, improvements, alterations or sub-division of the Commercial Unit or the operation or use of the Commercial Unit, at which time the requesting party shall indemnify and hold the Board of Managers and the other Unit Owners harmless from any expense or liability by virtue of the execution of the application of such other documents.

The Commercial Unit Owner and any tenant of Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, and without the consent of the Board of Managers or the Unit Owners, to install, repair and maintain, either within or in the immediate location of the Unit or the windows of such Unit, below the level of any windows of a Residential Unit, a sign or signs, canopy and/or awnings, which may be illuminated, including neon, for advertising or identification purposes. Such Unit Owner shall also have the right without consent of the Board of Managers, charge or limitation, to install, repair and maintain window protection devices. Such Unit Owner and any tenant or tenants of space in the Unit shall comply with all of the laws, orders, rules and regulations of the governmental authorities having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or its tenant(s) shall obtain and pay for all permits required for such signs and/or canopy or awning and for any necessary renewal fees.

The Commercial Unit Owner, including the Sponsor or its designee and permitted users, shall (i) have the right and an easement for ingress and egress through the Residential Common Elements for the sole purpose of accessing any portion of the Commercial Unit or any portion of the Building servicing the Commercial Unit; (ii) have the right and an easement, without charge and without the consent of the Board of Managers, to install, connect or connect to, repair and maintain, and replace, if necessary, at its location or the Building air-conditioning equipment or other mechanical equipment, flues or chimneys,

ducts or vents or other equipment which service the Commercial Unit; (iii) have the right to erect, use, maintain, repair, replace and operate antennae, satellite dishes and other communication equipment in any part of the common areas of the roof and/or façade of the Building and elsewhere in the Common Elements and to install or utilize risers, conduits, piping, cables, air-conditioning equipment or other mechanical equipment, flues or chimney, ducts, electrical panels rooms, telephone/cable panels in connection therewith. The prior approval of the Board of Managers shall not be required and no costs or fees shall be collected by the Board.

The Condominium shall have a right of access, upon reasonable notice, unless such access is needed in an emergency, in which case no notice is required, to any portion of the Commercial Unit on the ground floor or cellar level to service equipment, which is necessary for the operation of the residential portion of the Building.

THE FOREGOING SCHEDULE IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY THAT THE ANNUAL COMMON CHARGES OR EXPENSES FOR THE INITIAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULE, OR THAT THE FIRST YEAR OF CONDOMINIUM OPERATION SHALL COMMENCE ON THE PROJECTED DATE.

EXPERT ANALYSIS AND PROJECTION ON ENERGY CONSUMPTION AND COSTS

ETTINGER ENGINEERING
ASSOCIATES

Robert Ettinger P.E., M.M.E.
Eric Ettinger P.E.
Antonio Pungot, P.E.
Ralph Pantuso, Engineer
Lloyd Montague, Engineer

March 28, 2005

On The Level Enterprises, Inc.
58 Thomas Street
New York, NY 10013

Attn: Mr. John Carson

Re: 103 Norfolk Street
New York, NY
Cost Estimates

Dear John:

The following are the utility budget cost estimates for the central and owners utility usage for the above mentioned project as requested:

1. Electricity - (Budget - $43,000)

The Projection of Residential Area electricity costs contained in this budget includes the cost of electricity to the Residential Common Elements and covers the operation of such items as elevators, building motors, exhaust fans, and lighting for corridors, elevator lobbies and stairways. The projections contained herein are based on consumption estimates made by Eric Ettinger of 256,000 kilowatt hours per year with the average summer and winter rate of $0.168 per kilowatt hour. This cost per kilowatt hour represents a 5% increase above the current approximate cost for electricity. The total estimated annual electricity cost for the Residential Common Elements is $43,000.

505 Eighth Avenue
New York, NY 10018
Ph. 212.244.2410
Fax. 212.643.1606
eea@ettingerengineering.com
www.ettingerengineering.com

2. A. Cooking Gas - (Budget $3,200)

Gas cooking in the Residential Units will be supplied by the Condo. The gas projections were made by Eric Ettinger, based upon a consumption of 3,048 therms at a cost of $1.05 therm for a total of $3,200. This cost per therm represents a 5% increase over the current approximate cost for gas.

B. Residential Heating & Domestic Hot Water - (Gas Budget $28,500)

Heat and hot water for the Condominium will be fueled by gas fired boilers. The budgeted amount for the first year of operation of the entire residential portion including public spaces serving the residential condominium is based on estimated total consumption for heat and hot water of 27,150 therms at an estimated cost of $1.05 per therm gas including sales tax, or an estimated cost of $18,970 for heat and $9,530 for domestic hot water. This cost per therm represents a 5% increase over the current approximate cost for gas.

It is not possible to predict how closely the budgeted figure will reflect the actual cost of heat and hot water during the first year of operation of the Condominium, in part because such costs will vary with the level of consumption and the price per therm. Consumption of gas for heat will be affected by the weather.

3. Water Charges and Sewer Rents (Budget - $10,577)

The Residential Area and the Non-Residential Unit are separately metered for water consumption. The amount budgeted for the both areas is predicated upon an estimate prepared by Eric Ettinger. Based upon projected residential consumption of 234,000 cubic feet of water per year

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and the current rate of $0.0452 per cubic foot, the total cost of $10,577/year. This cost per cubic foot represents a 5% increase above the current approximate cost for water and sewer.

Sincerely,

Eric S. Ettinger, P.E.

ESE/ek

cc: Carlos Palacios - SLCE Architects

C854-03.WPD

Ettinger Engineering Associates
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ETTINGER ENGINEERING
ASSOCIATES

Robert Ettinger, P.E., M.M.E.
Eric Ettinger, P.E.
Antonio Pungot, P.E.
Ralph Pantuso, Engineer
Lloyd Montague, Engineer

March 30, 2005

On The Level Enterprises, Inc.
58 Thomas Street
New York, NY 10013

Attn: Mr. John Raine

Re: 103 Norfolk Street
New York, NY
Apartment Electric Usage - Estimates

Dear John:

In accordance with your request, we list below estimates of annual electric energy costs for lighting, heating and air conditioning, and for operating the typical electrical appliances located in each apartment.

The estimated KWHR per year per square foot and annual cost of electricity per square foot utilized by individual apartments are 10.18 KWHR/Sq.Ft/Year and $1.71 per square foot, based on Con Edison rate of $0.168 per KW hour. This cost per kilowatt hour represents a 5% increase above the current approximate cost for electricity. The following table lists annual costs of electricity for all apartments individually:

Unit	SF	Total Annual KWH	Total Annual Cost
2A	972	9895	1662
2B	841	8561	1438
3A	759	7727	1298
3B	1218	12399	2083

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Unit	SF	Total Annual KWH	Total Annual Cost
4A	764	7777	1306
4B	1216	12379	2080
5A	1386	14109	2370
5B	991	10088	1695
6A	787	8012	1346
6B	957	9742	1636
6C, 7C	766	7798	1310
7A	782	7960	1337
7B	1052	10709	1799
8A,11A,11C	786	8001	1344
8B	1129	11493	1931
8C	785	7791	1309
9A	782	7960	1337
9B	1222	12440	2090
9C	782	7960	1337
10A, 12C	785	7991	1342
10B	1315	13387	2249
10C	783	7971	1339
11B	1401	14262	2396
12A	779	7930	1332
12B	1401	14262	2396
13A	2168	22070	3708
14A	1975	20105	3378
15/16PH	2494	25389	4265

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The projected rates are not guaranteed and it must be expected that these rates will increase with the passage of time and may be affected by many factors which are beyond the control of the Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of occupants and weather conditions.

Sincerely,



Eric S. Ettinger, P.E.

ESE/pp

cc: Carlos Palacios - SLCE Architects

C854-02.WPD

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COUNSEL'S OPINION LETTER
REGARDING COMPLIANCE
WITH REAL PROPERTY LAW SECTION 339(i)

MARTIN SHAW
ATTORNEY AT LAW
350 Fifth Avenue
Suite 1225
New York, New York 10118

TEL. (212) 279-4490
FAX (212) 279-4495

November 1, 2005

Norfolk Hudson LLC
58 Thomas Street
New York, New York 10013

Re: BLUE CONDOMINIUM
105 Norfolk Street
New York, New York
(the "Condominium")

Dear Sir:

You have requested our opinion regarding the allocation of Common Interests to the Units at the above-referenced Condominium as required by Title 13 NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the referenced project (the "Plan").

In connection with rendering this opinion, we have reviewed the allocation of Common Interests as shown on Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. We have also considered the opinion made by the Andrews Building Corporation (real estate management company). We have made no independent investigation of the truth or accuracy of their determinations.

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-i(1)(iv) of the Condominium Act, i.e., based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

Accordingly, based on the foregoing, it is our opinion that Real Property Law

Section 339-i has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to purchasers. In no event will Martin Shaw, Esq., the Sponsor or its agents and the Andrews Building Corporation or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

The opinion expressed herein is based solely on New York law. We certify that we are not owned or controlled by and have no beneficial interest in Norfolk Hudson LLC, the Sponsor of the Plan.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

Martin Shaw

OPINION LETTER OF SECTION 339 (i)

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

COMPLIANCE WITH SECTION 339 (i)(1)(iv)

June 1, 2005

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

Re: *103 Norfolk Street Condominium*
New York, New York

Gentlemen:

I have reviewed the percentage of common interest allocated to each Unit as shown on Schedule A, for inclusion in the above referenced Offering plan for the subject property, which has been prepared by the Sponsor of The 103 Norfolk Street Condominium. In accordance with Section 339-i (1)(iv) of the Condominium Act, the percentage interest in the Common Elements allocated to each Unit has been determined upon the floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

In my opinion, therefore, the Condominium Plan and the allocation of percentage interest in the Common Elements in the Land and Building at 103 Norfolk Street New York, New York, attributable to each Unit conforms to Section 339-i (1)(iv) of the New York Real Property Law.

Andrews Building Corporation is a licensed real estate brokerage and management firm. I have had extensive experience in the preparation of Offering Plans as well as the sale of Condominium Units. I therefore believe I have sufficient qualifications, knowledge, and expertise to write this opinion.

I have no financial or other beneficial interest in Sponsor; I will not participate in the profits derived from this Condominium conversion; and I am not the Selling Agent for the Sponsor.

You have advised me of your intention to incorporate this letter in the Plan, and I hereby consent to such inclusion.

Very Truly Yours,
ANDREWS BUILDING CORP.

By: Eugene Andrews, Pres.

Sworn to before me this
1st day of June, 2005

Notary Public

ROBERT C. BRANDER
Notary Public, State of New York
No. 31-4966116
Qualified in New York County
Commission Expires April 30, 19 2006

CHANGES IN PRICES AND UNITS

The Sponsor reserves the right to change the price of any Unit shown in Schedule A of the Plan without prior notice or amendment to the Plan subject to conditions hereinafter set forth. The Plan shall be amended when the change in prices is (i) an across the board increase or decrease affecting one or more lines of Units or Unit models, or (ii) is to be advertised, or (iii) is a price increase for an individual Purchaser. But Sponsor reserves the right to negotiate a lower price for an individual Unit without amendment to the Plan. Purchase prices and terms of sale are negotiable.

Sponsor reserves the right, in its sole discretion and without prior notice or amendment to the Plan, to negotiate with purchasers all aspects of the purchase including renovations or improvements contained in the Unit or credit allowances therefore and to negotiate with Purchasers such aspects of the purchase of Units as, but not limited to: fixtures and equipment, decorating allowances, reduced amount of Down Payments, extra custom work and extensions of time periods within which to perform obligations under the Purchase Agreement. Furthermore, the Sponsor reserves the right, without further amendment to the Plan, from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers or any Purchaser. Sponsor does not represent that it will offer any, all, or any combination of the above cited incentives or any particular purchase and reserves the right to make, accept or reject such offers in its sole discretion. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any rights of rescission or any other relief under a Purchase Agreement. No party will have the right to approve changes in prices or other terms, of Unsold Units, whether before or after the First Unit Closing.

If the Sponsor changes the purchase price of one or more Units, the Purchaser of such Unit may pay, or may have paid, more or less than other Purchasers of comparable Units having the same Common Interest. However, a price change will not alter the Common Interest of, or the amount of the Common Charges payable by, the owners of Units.

Additionally, in order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, the Sponsor and its designee reserves the right to: (a) change the layout of, or number of rooms in, Unsold Units, (b) change the number of Unit types, (c) reverse the layout of an Unsold Unit from that shown on the floor plan, (d) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, or by combining two or more separate Unsold Units into one or more Unsold Units, or by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration; and (e) reapportion the percentage of Common Interests shown in Schedule A of the Plan under certain conditions noted below. Subject to the terms of this paragraph, the next paragraph, and the penultimate paragraph of this Section, such right may be exercised

by the Sponsor from time to time, both before and after the First Unit Closing, without the consent or approval the Condominium Board, Unit Owners, any Selling Agent, the Managing Agent, any unaffected Purchaser, any mortgagee or any other party. However, the Sponsor will first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law.

No change will be made by the Sponsor in the size or number of Unsold Units and or their respective percentages of Common Interest, and no material change will be made by the Sponsor in the size or quality of Common Elements, except by amendment to the Offering Plan and to the Declaration if the Declaration has been filed. Any such changes in the size or number of Units may result in an increase or decrease in the Common Interests appurtenant thereto accordingly. However, the aggregate amount of the Common Interests of all the Units will always remain at one hundred percent (100%). Unless an affected Purchaser provides a written consent, no material change will be made by the Sponsor in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and such Purchaser is not in default. Unless all purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of Common Elements.

As a result of any such reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the Owners of the Unsold Units affected thereby will be increased or decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the Owners of Units unaffected thereby will not vary unless such affected Unit Owner has consented thereto.

No material change will be made in the size or quality of the common areas unless all purchasers who have executed and delivered Purchase Agreements pursuant to the Plan and who are not in default thereunder are given the right to rescind by notice of rescission personally delivered, or, by certified mail, return receipt requested. The right of rescission must be exercised within fifteen (15) days of the presentation date of the amendment disclosing such material change.

Once the Declaration is recorded, all changes in the size of or number of Units or changes in the Common Elements or the Common Interests of the Units must be made by amendment to the Declaration and such amendment is duly recorded. The Plan will be amended in the event of any such changes. As more particularly provided in the Declaration, while the Sponsor or its designee is the Owner of at least one Unsold Unit, and provided further that the consent of any affected Unit Owners is obtained, the Sponsor will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners or any mortgagee consenting to, or executing, such amendment.

To the extent permitted by law, if the size or configuration of a Unit is changed in compliance with the Plan, Declaration and/or By-Laws and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefiting only

such Unit is razed or incorporated in the Unit, then such shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

The Sponsor reserves the right to substitute any of the materials specified in either the Description of Property and Specifications or Building Condition, or elsewhere in the Plan, with materials of substantially equal or better quality. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to unavailability of materials and supplies, site conditions or for any other reason, the Sponsor may substitute materials, fixtures, appliances and equipment of substantially similar or better quality for any of those set forth in the plans or otherwise in this Plan, without amendment to the Offering Plan.

INTERIM LEASES:

THE SPONSOR SHALL NOT OFFER INTERIM LEASES.

PROCEDURE TO PURCHASE

1. Execution of Purchase Agreement

A Person desiring to purchase a Unit in the Condominium, or the authorized parties thereof if the Person is other than a natural person, shall be required to execute four (4) copies of the Purchase Agreement in the form contained in Part II of the Plan and return all copies to the Sponsor, together with a check in the amount of ten percent (10%) of the purchase price, drawn to the order of "Martin Shaw, Escrow Account Blue Condominium". The Down Payment will be deemed to have been unconditionally tendered when it is delivered to the Sponsor, Sponsor's Attorney or the Sponsor's Selling Agent with four (4) copies of the signed Purchase Agreement, and applicable exhibits thereto, without any request for change in the terms of the Purchase Agreement. The Escrow Agent shall deposit all down payments and advances in the special escrow account within five (5) business days after the Deposit has been unconditionally delivered. A Purchaser may obtain a copy of the Offering Plan upon payment of $100 deposit which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition, or (ii) the execution of the Purchase Agreement by Purchaser that is subsequently accepted by Sponsor.

The Purchase Agreement shall not be binding upon the Sponsor until a duplicate thereof, executed by the Sponsor, is delivered to Purchaser. If within twenty (20) days of receipt of the Purchase Agreement, Purchaser does not receive a counter signed Purchase Agreement, it shall be deemed rejected and canceled and all monies paid by Purchaser shall be promptly refunded, without interest, and upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. The Sponsor shall have the right to reject the Purchase Agreement without cause or explanation to Purchaser, provided such rejection is not based upon race, creed, color, sex, disability, marital status, age, ancestry, national origin or other ground proscribed by law. If a Purchaser tenders a Down Payment without an executed Purchase Agreement, the Sponsor shall have the right to reject the Down Payment and return it to Purchaser. In the event a check delivered by a Purchaser fails of collection, then, except for provisions thereof (if any) that are expressly stated therein to survive termination thereof, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed) at the option of the Sponsor, who reserves the right to exercise this option in its discretion, by notifying Purchaser in writing within five (5) business days of receipt of notice from the Escrow Agent that the check failed of collection.

Purchasers who have not had an opportunity to review the Offering Plan and any filed amendments for at least three (3) business days prior to their executing a Purchase Agreement shall be afforded seven (7) business days after delivering an executed Purchase Agreement together with the required Down Payment to rescind the Purchase Agreement and have the full Down Payment refunded promptly. Such rescission must be in writing, addressed to the Sponsor or selling agent, and be postmarked within the seven (7) day period or hand delivered by midnight of the seventh (7th) day subsequent to Purchaser's executing and delivering such Purchase Agreement. Those Purchasers who have had at least three (3)

business days to review the Offering Plan and all filed amendments thereto prior to executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason.

Unless Purchaser defaults, all interest will be credited or paid (at the option of Sponsor) to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Down Payment. All interest will be credited or paid to the Sponsor only in the event Purchaser defaults as provided in paragraphs 3 below. The interest rate to be earned will be the prevailing rate for these accounts which currently is about one (1%) percent per annum. Interest will begin to accrue within: (i) one (1) business day, if the Down Payment is cash or cash equivalent, or (ii) if the Down Payment is other than cash or cash equivalent, upon the check clearing for collection and then transferred from the checking account portion of the Demand Account into the interest earning sub-escrow portion of the Demand Account.

The Down Payment may be increased for special work, upgrades or extras ordered by the Purchaser and itemized in the Purchase Agreement as agreed to between the parties. All funds received by the Sponsor from Purchasers for such special work, upgrades or extras in Units shall be held in escrow by the Escrow Agent until the Sponsor requests release of such funds to pay for such special work, upgrades, or extras by delivery to the Escrow Agent of a written request together with a certification by the Sponsor that such funds will be used for such special work, upgrades, or extras. In the event a Purchaser defaults or becomes entitled to a rescission after the release of such funds, Purchaser shall not receive a refund of any funds released for such labor and materials actually employed for such special work.

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e. diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceedings arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium documents. Any such Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Such Purchaser will be required at Closing to deposit with the Condominium an amount equal to six (6) months Common Charges in effect for the Residential Unit which will be in addition to the required contribution to the Working Capital Fund.

2. Compliance with GBL Sections 352-e (2-b) and 352-h

The Sponsor shall comply with the escrow and trust fund requirements of Sections 352-e (2-b) and 352-h and the rules and regulations promulgated by the Attorney General of the State of New York and Section 71(a)(3) of the State of New York Lien Law. All funds

paid by purchasers shall be handled in accordance with these statutes and regulations.

3. Escrow Trust Fund

(i) **The Escrow Account:** All down payments and advances whether in the form of checks, drafts, money orders, wire transfers or other instruments made by purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, must be placed within five (5) business days after the execution of the Purchase Agreement by all necessary parties in an attorney's segregated special escrow account. Martin Shaw, Esq., the Escrow Agent ("Escrow Agent"), whose address is 350 Fifth Avenue, Suite 1225, New York, New York 10118 (Tel. No.: 212-279-4490), has established a master escrow account in the name of "Martin Shaw, Escrow Account Blue Condominium", at Doral Bank, FSB at 387 Park Avenue South, New York, New York 10016. The sole signatory on the account shall be Martin Shaw, Esq. who alone shall be authorized to release funds from such escrow account. The master account shall consist of a "demand" account and an individual sub-account per Purchaser. All down payments will be placed initially in the non-interest bearing checking portion of the Master Escrow Account until such down payment check has cleared and Purchaser has delivered a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status), as applicable. Thereafter, the Deposit will be transferred to an individual interest bearing sub-escrow savings account in the Purchaser's name. Interest shall be at the current prevailing rate for such type of accounts, which is currently about 1%. If a Purchaser does not deliver the Form W-9 or Form W-8, the down payment will remain in the non-interest bearing checking portion of the escrow account. At such time as the down payment is released pursuant to the terms of this Plan, the down payment will be transferred from the individual sub-escrow account to the non-interest bearing-checking portion of the escrow account so that checks may be drawn thereon.

All interest earned shall be credited to Purchasers unless the Purchaser defaults and the Plan is consummated.

No fees of any kind may be deducted from the account principal or any interest earned thereon. Sponsor shall bear any administrative costs for maintenance of the account.

Doral Bank, FSB is covered by federal bank deposit insurance to a maximum of $100,000 per individual. The following are special risks of this offer: (i) if a Purchaser makes a Down Payment in excess of $100,000 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $100,000; and (ii) if a Purchaser has other accounts or deposits in the Bank and such funds in the aggregate exceed $100,000, the excess thereof will not be federally insured.

(ii) **Payments:** All payments received from purchasers of Units at the Blue Condominium that identify the payor shall be made payable to or endorsed by the purchaser to Martin Shaw, Esq. as Escrow Agent.

(iii) **Escrow Agent:** Martin Shaw, Esq. is an attorney admitted to practice in the State of New York and is the escrow agent for the Sponsor in this Plan.

(iv) **Escrow Agreement Between Sponsor and Escrow Agent:**

Set forth in Part II of the Plan is a copy of the form of Escrow Agreement between the Sponsor and the Escrow Agent which incorporates the terms of the Attorney General's regulations. In the event of any conflict between such Escrow Agreement and any provision of this Plan, the purchase agreement, or any amendment to the Plan, the Escrow Agreement shall control.

The Escrow Agent shall be permitted to act as counsel to the Sponsor in any dispute as to the disbursement of the down payment or any other dispute between the Sponsor and a Purchaser whether or not Escrow Agent is in possession of the down payment and continues to act as Escrow Agent.

The Sponsor has agreed to indemnify the Escrow Agent from all costs, claims, expenses and damages incurred in connection with or arising out of the Escrow Agreement or the performance or non-performance of Escrow Agent's duties under the Escrow Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the Escrow Agreement or involving gross negligence of Escrow Agent.

The Sponsor has agreed to compensate the Escrow Agent for services rendered in connection with Escrow Agent's duties under the Escrow Agreement. The Escrow Agent's fees and disbursements will neither be paid by the Sponsor from the down payment nor deducted from the down payment by any financial institution under any circumstances.

The Sponsor will discharge the Escrow Agent of its obligations upon payment of the deposit and interest earned thereon in accordance with the regulations on an individual basis.

(v) **Notification to Purchaser:**

Within ten (10) business days after tender of the down payment submitted with the Purchase Agreement, the Escrow Agent shall notify the Purchaser that such funds have been deposited into escrow and will provide the account number and the initial interest rate. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Down Payment, the Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the Down Payment or may apply to the attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

(vi) **Escrow Revision:**

Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Offering Plan must be amended to provide the same full disclosure with respect to the account, the Escrow Agent, and the Escrow Agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternative form of security.

(vii) **Release of Funds:**

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

B. The Escrow Agent will hold the Down Payment and any interest earned thereon in escrow until closing or otherwise directed in:

(i) a writing signed by both the Sponsor and Purchaser or;

(ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or

(iii) a judgment or order of a court of competent jurisdiction, or until released pursuant to the next paragraph immediately below.

C. The Sponsor will not object to the release of the escrowed funds to:

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

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

D. If there is no written agreement between the parties to release the Down Payment, the Escrow Agent will not pay the Down Payment to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the Down Payment may be paid to the Sponsor unless the Purchaser has already made an application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified the Escrow Agent in accordance with such provisions and the Escrow Agent has received such notice.

E. Purchaser will not object and will be deemed to have agreed, without the

need for a written agreement, to the release of the Down Payment to the Sponsor in the event the Sponsor and Purchaser close title under the Purchase Agreement.

(viii) Disputes:

(a) In the event of a dispute, the Sponsor shall apply and the Escrow Agent and Purchaser may apply to the Attorney General for a determination on the disposition of the Down Payment and any interest thereon. A form for this purpose is set forth as Exhibit A to the Purchase Agreement contained in Part II of the Plan. The party making such application shall contemporaneously send to all other parties by certified mail, return receipt requested, a copy of such application.

(b) Pending the determination of the Attorney General to grant or deny the application, the Sponsor, Purchaser and Escrow Agent shall abide by any interim directive issued by the Attorney General.

(c) If the application permitting release of funds is granted, the deposit and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

(d) The Attorney General shall act upon the application within 30 days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons.

(e) If the application seeking release of funds is denied, the escrow agent shall continue to hold the deposit and any interest earned thereon until:

(1) both the Sponsor and purchaser direct payment to specified party in accordance with a written direction signed by both the sponsor and purchaser; or
(2) a judgment or order of a court of competent jurisdiction is served on the escrow agent; or
(3) the escrow agent deposits the disputed amount into court.

(f) In no event shall the escrow agent release funds in dispute, other than a payment of such funds into court, until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court of competent jurisdiction or by written agreement of the sponsor and the purchaser.

(ix) Bank Account Forms:

Copies of bank account forms shall be submitted as back-up exhibits to the Department of Law.

(x) **Records on File:**

The Escrow Agent will maintain all records concerning the Master Escrow Account for seven (7) years after the release of funds. Upon dissolution of the law firm, which was the escrow agent, Martin Shaw, Escrow Agent shall make appropriate arrangements for the maintenance of the records by the successor firm or attorney and shall notify the Department of Law of such transfer.

(xi) **Waiver Void:**

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

(xii) **Trust Obligation of Sponsor:**

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each purchaser pursuant to GBL Section 352-h to hold in trust all deposits, advances or payment made in connection with the offer until consummation of the transaction with such purchaser. Consummation of the plan does not relieve Sponsor of its obligations pursuant to GBL Section 352-h. Funds from the escrow account remain the property of the Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the Sponsor or the escrow agent upon any bankruptcy, incapacity or death.

(xiii) **Transition:**

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

4. Schedule of Closing

Sponsor projects a closing of title to the first Unit to occur on or about November 1, 2006 which date corresponds to the date set forth in the projected Budget, Schedule B, for the first year of operation. If such date of closing is delayed beyond twelve (12) months, Purchasers will be offered a fifteen (15) day rescission period and be entitled to a full refund of the deposit with interest earned thereon, if any. After this Plan is declared effective, the Sponsor shall fix dates for closing title to all Units for which Purchase Agreements have

been fully executed by serving notice on each Purchaser of such a Unit stating the date of the first closing and setting such Purchaser's Closing Date. The Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in the City of New York) for the transfer of title to his Unit. Purchasers may, but are not required, to waive this thirty (30) day notice. At title closing, such Purchaser shall pay the balance of the purchase price stated in the Purchase Agreement with such Purchaser's unendorsed, personal certified check or by official cashier's check or official bank check drawn on or by a bank or trust company that is a member of the New York Clearinghouse Association. However, such Purchaser may apply the proceeds of any financing obtained, by such Purchaser, to make such payment. Without limitation, a check drawn by a bank on another bank is not an "official cashier's check," a "cashier's check," or an "official bank check" for the purpose of the Purchase Agreement or this Plan.

5. Condominium Power of Attorney

At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the Power of Attorney to the Board of Managers and to the Sponsor in the form contained in Part II of the Plan. Purchaser shall deliver such executed Power of Attorney to the Sponsor or as directed by the Sponsor at the closing of title for recording and shall pay the recording fee. Failure to do so shall constitute a default by Purchaser pursuant to the Purchase Agreement. See form of condominium Deed and Power of Attorney in Part II of the Plan.

6. Conflict Between Plan and Purchase Agreement

Any conflict or inconsistency between the provisions of this Plan and the provisions of the Purchase Agreement shall be resolved in favor of the Plan.

7. Time is of the Essence to Cure Default

If Purchaser shall fail to pay any portion of the purchase price when due, or fails to close title on the date, hour and place specified by the Sponsor, or fails to perform any of Purchaser's other obligations, including, without limitation, the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a commitment on the terms set forth in the Purchase Agreement, such failure shall constitute a default by Purchaser, and the Sponsor may send notice to Purchaser of the Sponsor's intention to cancel the Purchase Agreement if such default is not timely cured. **TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD.** "Time is of the essence" means that if such default is not cured within thirty (30) days after the Sponsor gives Purchaser written notice of such default, the Sponsor may (but shall not be obligated to) either (a) elect to cancel the Purchase Agreement by notice of cancellation sent after the cure period has expired or (b) bring an action against Purchaser for specific performance. Upon any cancellation by the Sponsor pursuant to clause (a) above, the Down Payment monies held with respect to the particular Unit, but not more than ten percent

(10%) of the purchase price (together with interest earned thereon, if any), shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void, except for provisions in the Purchase Agreement that by their terms survive termination thereof. Notwithstanding the above, the Sponsor may receive the actual costs incurred for any special work, upgrades or extras ordered by Purchaser as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds ten percent (10%) of the purchase price plus interest.

In the event a default is disputed in writing by Purchaser to Martin Shaw, Esq., as Escrow Agent, during the cure period and the default, in the Sponsor's opinion, is not timely cured, and the Sponsor thereafter cancels the Purchase Agreement, then Martin Shaw, Esq., as Escrow Agent, shall have the right to continue to hold the Down Payment pending resolution of such dispute (judicial or otherwise) or pay the Down Payment into court. In the event of a dispute, the Escrow Agent must apply to the attorney General for a resolution.

8. Risk of Loss

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. Accordingly, any Purchaser, or anyone claiming by or through a Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, such Purchaser will remain obligated to purchase the Unit under the terms of his or her Purchase Agreement without any abatement in the purchase price and will be responsible for all damages to the Unit and other areas of the Condominium. See section of the Plan entitled "Rights and Obligations of the Sponsor" on page 89.

9. No Listings Prior to Closing

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without the Sponsor's prior written consent.

10. Inspection of Unit

At lease three (3) days before the Closing Date, a representative of the Sponsor shall notify Purchaser that the Unit is available for inspection by Purchaser. Upon receipt of such notice, Purchaser shall promptly arrange an appointment with a representative of the Sponsor to inspect the Unit before the Closing Date. The Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Exhibit B to the Purchase Agreement in Part II of the Plan) and deliver same to the Sponsor at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit prior to Closing, or to sign and deliver the completed Inspection Statement, shall not excuse a Purchaser from Closing and shall constitute Purchaser's acceptance of the Unit in its "as is" condition at the

Closing Date; provided, however, that nothing herein shall relieve the Sponsor of its obligations under this Plan as set forth in the Section of this Plan entitled "Rights and Obligations of the Sponsor."

11. No Financing Contingency

The sale of a Unit is on an "all cash" basis. Purchaser may elect to apply for financing at any lending institution of his choice, but such application for financing shall not satisfy the terms of the financing contingency provision in the Purchase Agreement and Purchaser will be required to close when notified by Sponsor whether or not Purchaser has obtained financing.

The Purchase Agreement and the Plan do not contain, and will not be modified to contain, any provision waiving the Purchaser's rights or abrogating the Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law, other than the ability of Purchaser to waive his or her right to thirty (30) days' prior written notice to the closing of title to Purchaser's Unit.

Any conflict between the Plan and the Purchase Agreement will be resolved according to the terms of the Plan.

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchaser does not have the right to assign the Purchase Agreement without the prior consent of Sponsor, which consent may be unreasonably withheld or delayed. Any purported assignment by Purchaser in violation of this Section will be voidable at the option of the Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, the Purchaser will be required to pay to Martin Shaw, Esq. a fee of $750, in advance, for preparation of an assignment and assumption agreement. Any purported assignment by Purchaser in violation of this Section shall be in default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the plan entitled "Procedure to Purchase", and shall be voiable at the option of the Sponsor.

If Purchaser has signed the Purchase Agreement in an individual name (and not in the name of an entity), then Purchaser shall have a one time right to assign Purchaser's rights under the Purchase Agreement, in whole, but not in part, to an entity under the "control" of Purchaser (the entity to which the rights are assignable may be a trust, limited liability company or a corporation) or to member(s) of Purchaser's immediate family provided that (i) Purchaser designates such Assignee at least 10 business days prior to the Closing Date; (ii) Purchaser delivers to Martin Shaw, Esq., a fee in the amount of $750 for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of the assignment; (iv) the assignee of the Purchase Agreement assumes in writing, by an instrument prepared by Martin Shaw, Esq., the obligations of Purchaser under the Purchase Agreement; and (v) the assignment is made without consideration. The term "control" shall mean the control, either directly or indirectly, of at least 51% percent of the voting shares or equity interests of such assignee, together with the authority to direct and manage the affairs of such assignee, which shall include the Purchaser, being the managing general partner of such partnership or the principal manager or managing member of such limited liability company. The term "immediate family" shall mean Purchaser's spouse, domestic partner, their children, grandchildren, parents, grandparents, brothers or sisters, stepchildren and stepparents. The obligations of the Purchaser may be performed by such assignee, and Sponsor agrees to accept such performance as if it were the performance of the Purchaser. No such assignment shall modify Purchaser's Agreement, including without limitation, Purchaser's indemnity obligations contained in the Purchase Agreement, reduce or limit any liability or obligation of Purchaser who shall remain primarily liable notwithstanding any liability assumed by assignee. Unless Purchaser complies with the provisions of this paragraph, any purported assignment by Purchaser shall be null and void and of no effect as against Sponsor.

EFFECTIVE DATE OF PLAN

1. The Plan shall be contingent upon the Sponsor declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. These requirements, stated below, must be satisfied within two (2) years of the date the Plan is accepted for filing. The closing of title to any Unit may not occur until after Sponsor has declared the Plan effective by written notice or by amendment to the Plan. If the Plan is declared effective by written notice, an amendment disclosing declaration of effectiveness shall be filed with the Department of Law within five (5) business days thereafter including a copy of said notice. The written notice of effectiveness ("Notice of Effectiveness") must be served either by personal delivery to Purchaser or Purchaser's attorney or by certified mail, return receipt requested. Such notice shall also state the percentage of Units and the identification of the Units purchased that Sponsor counted for effectiveness. Sponsor's affidavit regarding such sales shall also be part of the amendment. No closing may be held until such amendment is accepted for filing by the Department of Law.

2. The Plan may be declared effective when Purchase Agreements have been both executed and accepted by the Sponsor for the sale at least fifteen percent (15%), or five (5) Residential Units, of the thirty-two (32) Residential Units offered under the Plan from bona fide purchasers.

3. The Plan will not be declared effective based on Purchase Agreements (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; (b) if the Purchaser was not afforded at least three (3) days to review the Plan and all filed amendments thereto prior to executing a Purchase Agreement; or (c) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a principal of the Sponsor, the Selling Agent or the Managing Agent or is related to the Sponsor or the Selling Agent or the Managing Agent or to any principal of the Sponsor or the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide purchaser.

4. The Plan may be abandoned, at the Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed with the Department of Law and before eighty percent (80%) of the Condominium Units have been purchased. The Plan, if abandoned, shall be abandoned by amendment with a completed RS-3 form and filed with the Department of Law. Such amendment shall state the reason for the abandonment and account for all deposits. Subject to the provisions of the next sentence, monies paid by Purchasers pursuant to Purchase Agreements (other than monies released to the Sponsor for the purpose of paying for actual special work, upgrades, or extras) shall be refunded to Purchasers with interest, if any, within thirty (30) days of the filing of such Amendment. With respect to any Purchaser who is then in default under his Purchase Agreement beyond any applicable grace period or whose Purchase Agreement had been canceled previously due

to such Purchaser's default, Sponsor will retain, as liquidated damages, such Purchaser's Down Payment, not to exceed ten percent (10%) of the purchase price (together with interest earned thereon, if any) plus any deposit or costs incurred by Sponsor for special work, upgrades, or extras in the Unit ordered by such Purchaser and undertaken by the contractor.

5. The Sponsor may not abandon the Plan after notice of effectiveness for any reason other than (i) one or more defects in title which cannot be cured, removed or complied with prior to the date set for the First Unit Closing without litigation or for an aggregate amount that is less than one-half of one percent of the total amount of the offering, or (ii) substantial damage or destruction of the Building (or any part thereof) by fire or other casualty which cannot be repaired prior to the date set for the First Unit Closing for an aggregate amount that is less than one-half of one percent of the total amount of the offering, or (iii) the taking of all or any material portion of the Property by condemnation or eminent domain. The amounts referred to in clauses (i), (ii), and (iii) above shall be as estimated by an architect or engineer designated by the Sponsor or, in the case of clause (ii) above, as estimated by an insurance adjuster retained by the Sponsor, and shall not include the costs to cure any title defects or determinations of any authority or regulatory association that existed on the Date of Presentation of this Plan and were on that date either known to the Sponsor or a matter of public record. There will be no obligation on the part of the Sponsor to incur any expense or to engage in litigation to cure title defects.

TERMS OF SALE

1. General

The Unit with its appurtenant interests in the Common Elements, will be conveyed in fee simple absolute by means of delivery of a bargain and sale deed with covenants against grantors acts to such Unit by the Sponsor to a Purchaser of such Unit and the simultaneous performance by such Purchaser of his obligations to the Sponsor pursuant to the Purchase Agreement and the Plan including, without limitation, payment of the balance of the purchase price for such Unit which is due at closing. "Purchaser" may be an individual, a duly formed partnership, corporation, limited liability company, limited liability partnership, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity, which is permitted to own property in the State of New York. The form of Unit Deed is contained in Part II of the Plan. The acceptance of a deed by Purchaser shall be deemed an acknowledgment that the Sponsor has performed and discharged every agreement and obligation on the part of the Sponsor to be performed under the Plan except those (if any) that may be expressly stated in the Plan or the Purchase Agreement to survive delivery of the deed.

2. Risk in the Event of Casualty

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore such Unit and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit and any other damage to other parts of the Property resulting therefrom. In the event of any such occurrence, Purchaser shall be obligated for the costs of any repairs and restoration of the damaged areas and such Purchaser will remain obligated to purchase the Unit under the terms of the Purchase Agreement without any abatement in the purchase price. The Sponsor shall not be obligated to repair any damage to the Unit or its appliances, fixtures and equipment or furnishings and decorations. Accordingly, any Purchaser, or anyone claiming by or through a Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession and deliver a copy of such coverage to the Sponsor.

3. Limitation of Sponsor's Obligations for Changes

The Sponsor has no obligation to make repairs or improvements to any appliances, fixtures or personal property, unless specifically provided for in this Plan. Each Unit and the fixtures and personal property therein are being sold and delivered as described in the Plan, on the day of closing for such Unit, unless the Sponsor and Purchaser agree otherwise. **EACH PURCHASER SHOULD INSPECT THE UNIT SPACE AT LEAST THREE**

(3) DAYS PRIOR TO CLOSING OF TITLE TO THE UNIT.

4. Certificate of Occupancy ("CO")

Closings will take place only concurrently with the issuance of a Temporary Certificate of Occupancy ("TCO") or a permanent Certificate of Occupancy ("CO") for the entire project or the issuance of a TCO for the Building and the Unit located therein. If at the time of the First Unit Closing, the Sponsor has not obtained the permanent CO then the Sponsor shall place in escrow with its attorney an amount, as determined by Sponsor's architect to be sufficient to pay for items of construction to be completed in order to obtain a permanent CO. Such escrow amount shall be released to the Sponsor or its designee, without notice or accounting to the Condominium Board or the Unit Owners, upon Sponsor obtaining the permanent Certificate of Occupancy from the Department of Buildings. Alternatively, and subject to amending the Offering plan, the Sponsor shall have the option of either depositing with its attorney an unconditional, irrevocable letter of credit in the amount determined by the Sponsor's Architect or posting a surety bond for the estimated amount.

The Sponsor shall make its best efforts to obtain a permanent Certificate of Occupancy for the Building prior to the expiration of the TCO two (2) years from the initial issuance. Sponsor cannot guaranty that all work to be performed and inspections made by the Department of Buildings shall be completed prior to such date of expiration of the TCO or because of unforeseen delays in performance by labor or delivery of materials or other factors beyond the control of Sponsor. The TCO may be renewed beyond the two-year period only with a new filing at the Department of Buildings.

5. State of Title

Title to the Unit and its appurtenant interests in the Common Elements will be conveyed at closing free and clear of all liens and encumbrances and title exceptions other than those set forth below (the **"Permitted Encumbrances"**), the proposed Unit Deed, and a mortgage lien by Purchaser's lender. Among the Permitted Encumbrances are the following:

(a) Any state of facts, which an accurate survey and inspection would show provided that such additional state of facts does not render title unmarketable.

(b) Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the existing structure and use.

(c) The terms, burdens, conditions, covenants, restrictions, easements and provisions set forth in: the Declaration, the By-Laws and the House Rules and Regulations made thereunder, the Power of Attorney from Purchaser to the Condominium Board and the Sponsor, and the Floor Plans, all as may be amended from time to time.

(d). Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction and rehabilitation of the Building, or construction of the individual Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements.

(e) Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units.

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

(g) Consents by the Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.

(h) Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property.

(i) Service, maintenance and union contracts and agreements, if any, in effect on the date of the First Unit Closing.

(j) Encroachments of shrubbery, stoops, areas, cellar steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, gas lines, drainage pipes, standpipes, sewerage pipes, foundations, footings, walls, retaining walls, railings, chain link fences, fire escapes, ramps, air conditioning units, canopy and similar projections, if any, on, over or under the Property, or the streets or sidewalks or property abutting the Property and rights of governmental authorities and adjoining property owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls, overhead wires, and the like, if any.

(k) All covenants, declarations, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Unit

Closing, provided that they are not violated by and do not prevent legal use of the Condominium Units at the Property nor prevent the existence of the present structure. The title report, dated June 3, 2005 reveals no such covenants, agreements, etc.

(l) Beams and beam rights, party walls and party wall agreements: The title report referred to above, does not reveal any such beams, beam rights, party walls may be to the westerly wall of Building.

(m) Any service contracts to be assumed by the Condominium at the First Unit Closing.

(n) The lien of any unpaid Common Charges or real estate taxes, and the lien of any water charges or sewer rents generally (which shall be apportioned at Closing).

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

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

(q) Any Interim Use and Occupancy Agreement covering the Unit made from the Sponsor to the Purchaser.

(r) The Certificate of Occupancy (temporary or permanent) to be secured by the Sponsor.

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

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

(u) Variations between record lines and fences, hedges, retaining walls and tax lots.

(v) Standard printed exceptions contained in the form of title insurance policy

then issued by All New York Title Agency, Inc., having an address at 180 East Post Road, White Plains,, New York 10060 (Tel: 212 579-1944). (or such other New York Board of Title Underwriters member title insurance company insuring the Purchaser's title to the Unit).

(w) Any other lien or encumbrance that does not render title unmarketable.

6. Objection to Title

Any encumbrance to which title is not to be subject shall not be an objection to title if (i) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any, or (ii) All New York Title Agency, Inc., having an address at 180 East Post Road, White Plains, NY 10601 (or such other title insurance company as Purchaser may utilize), is or would be willing, in a fee policy issued by it to the Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien. The parties agree that the Sponsor may pay and discharge any liens and encumbrances upon the Property, not provided for in this Plan or the Purchase Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

7. Acceptance of title

Sponsor recommends but does not require that Purchasers accept title to the Property from All New York Title Agency, Inc., which agrees to insure fee title in the Purchaser subject only to the provisions set out above and the standard printed exceptions contained in the form of title insurance policy promulgated by the New York Board of Title Underwriters.

8. Additional Easements

The Sponsor reserves the right to grant easements for additional utility, sewer and drainage lines and appurtenances in, over, under and through the Condominium to relocate any existing utility, sewer and drainage easements and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company, if the Sponsor shall deem it necessary or desirable for the proper operation and maintenance of the Condominium or any portion thereof, or for the general health and welfare of any Unit Owner, provided that such additional utilities or the relocation of existing utilities will not prevent or materially interfere with the use of the Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Building, and its employees and agents, shall have a right of access to any Unit or to the Limited Common Elements, in the furtherance of such easements, provided such right of access is exercised in such a manner as to not unreasonably interfere with the use of the Units.

9. Inability to Convey Title

Notwithstanding anything else to the contrary in this Plan or the Purchase Agreement, if Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Plan and the Purchase Agreement, Sponsor shall not be obligated to bring any action, suit or other proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in this Plan in order to cure such inability, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be either (i) to take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (ii) to terminate the Purchase Agreement. If Purchaser so elects to terminate the Purchase Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder (except for funds released to Sponsor to be used for actual special work, upgrades or extras), together with interest earned thereon, if any, and, upon the making of such payment, the Purchase Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Plan or the Purchase Agreement except for provisions of the Purchase Agreement that by their terms survive the termination thereof. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (i) above (i.e., to acquire title subject to such inability).

10. Payment of Common Charges at Closing

On the Closing Date for each Unit, fee title to the Unit in question shall be conveyed to the Purchaser, and Purchaser shall thereupon become obligated for the payment of Common Charges and real estate taxes for the Unit, whether or not he or she has taken possession of the Unit.

11. Personal Property in Unit Not Part of Sale

All personal property located within the Unit on the date the Purchase Agreement is signed that is owned by the Sponsor is not included in the conveyance of the Unit to Purchaser, unless otherwise specifically indicated in the Purchase Agreement. All personal property affixed to or located within the Common Elements that is owned by the Sponsor is not included in the property transferred to the Condominium by the Declaration unless specifically included in the Purchase Agreement.

12. Condominium Documents

The Condominium Declaration, By-Laws and floor plans and such other documents as required by law, will be recorded or filed with the New York City Register's Office prior to the first conveyance of title to a Unit in accordance with the New York Condominium Act

or applicable state and local law.

13. Release of Unit at Closing

Any existing mortgage or construction loans not satisfied at or prior to closing of the first unit shall provide that each mortgagee or lender shall either:

(i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units; or

(ii) subordinate the lien of its mortgage to the declaration of condominium; or

(iii) release its lien on the Unit and its Common Interests being conveyed.

UNIT CLOSING COSTS AND ADJUSTMENTS

1. GENERAL

At closing, Purchaser will pay certain closing costs in connection with the purchase of the Unit. The costs cited below are only an approximation because the total costs will depend on such factors as the purchase price of the property and the amount of mortgage, if any, Purchaser obtains. In addition, Purchasers will have personal costs such as Purchaser's counsel fees and, if the purchase is financed, costs related to financing (such as: bank application fees, credit report, appraisal fee, lender's legal fees, etc). Some closing costs are based on rates in effect on the date of the plan and are subject to change without prior notice:

Among the closing costs to Purchaser are the following:

(i) Fee title insurance;
(ii) Transfer taxes to the City and State of New York;
(iii) Document recording fees;
(iv) Working Capital Fund contribution to the Condominium;
(v) Legal and other fees to Sponsor's attorney;
(vi) Costs related to financing, if financing is obtained;
(vii) Unit's R. E. Taxes;
(viii) Unit's Common Charges.
(ix) Move-in and move-out fees.

The above items are discussed below more fully.

(a) **FEE TITLE INSURANCE**: If Purchaser elects to obtain fee title insurance (i.e., title insurance covering the Purchase Price of the Unit), Purchaser will pay a premium to the title company for such insurance, which will vary depending upon the insurance company and the amount of insurance requested. Sponsor recommends that Purchaser obtain such insurance from All New York Title ("ANY") as agent for Commonwealth Land Title Insurance Company but Purchaser is not required to do so and may obtain such Title Report and title insurance from another title company.

Purchaser may also elect to obtain mortgage title insurance from All New York Title Agency, Inc. The estimated rates for fee title and mortgage title insurance are as follows:

AMOUNT OF INSURANCE		OWNER'S POLICY	LOAN POLICY
First $35,000 or less		$402	$344
		Each $1,000 or fraction thereof	
From	To		
$ 35,001	$ 50,000	6.67	5.555
$ 50,001	$ 100,000	5.43	5.55

$ 100,001	$ 500,000	4.36	3.64
$ 500,001	$ 1,000,000	3.98	3.31
$ 1,000,001	$ 5,000,000	3.66	3.05
$ 5,000,001	$10,000,000	3.25	2.71
$10,000,001	$15,000,000	3.07	2.55
$15,000,001	and up	2.76	2.31

These rates are an estimate and Sponsor makes no warranty as to the cost, terms or availability of title insurance from this or any other title company at the time of closing.

(b) **TRANSFER TAXES**:

The New York City Department of Finance has determined that where the purchaser of property assumes the obligation for the payment of the State Transfer Tax and the RPT Tax, which taxes are generally the obligation borne by Seller, the amount of such taxes are treated as additional consideration to the purchase price subject to tax. Under this Plan, a Purchaser assumes obligation for such transfer taxes and shall pay the transfer taxes directly to the City and State of New York at closing.

The New York City Real Property Transfer Tax is currently equal to one percent (1%) of the Purchase Price with respect to Units which are sold for $500,000 or less and 1.425% of the purchase price where the consideration is greater than $500,000.

The steps to compute the tax are:

(i) Multiply the purchase price by the NYCRPT Tax rate to compute the City tentative tax.
(ii) Multiply the purchase price by the NYS Tax rate to compute the tentative NYS Tax.
(iii) Add the tentative taxes to the purchase price.
(iv) multiply (iii) by the NYCRPT Tax rate to determine the RPT Tax payable.
(v) Multiply (iii) by the NYS Tax rate to determine the NYS Tax payable.

Example:

Purchase price = $850,000

(1) $850,000 x 1.425% = $12,112.50

(2) $850,000 x .4% = $ 3,400.00

(3) $850,000 + $15,512.50 (1 + 2 above) = $865,512.50

(4) $865,512.50 x 1.425% (NYC RPT) = $ 12,333.55

(5) $865,512.50 x .4% (NYS) = $ 3,464.00

Total $850,000 + $24,446.05 (RPT) + $6,864 = $881,310.05

Thus, the effective Real Property Transfer Tax rate is approximately 1.825% of the purchase price where the purchase price is greater than $500,000.

Purchasers should also be aware that under Section 1402-a of the New York Tax Law, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed), or commonly called the "mansion tax", is payable by the Purchaser on each conveyance of residential real property, including condominium units selling from $1,000,000 and up. Residential real property includes a 1-3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence. The Mansion Tax is not considered additional consideration to Sponsor for purposes of calculating the State Transfer Tax.

(c) **DOCUMENT RECORDING FEES**: Purchaser will pay a fee for recording the Condominium Unit Deed, approximately $150, and the Unit Owner's Power of Attorney, approximately $100 (in the forms set forth in part II of the Plan).

(d) **WORKING CAPITAL**: at the time of closing of title, the Purchaser of such Unit shall pay into the Condominium Working Capital Fund the sum equal to two (2) months of Common Charges for the Unit being purchased; such Fund is intended for repairs and unexpected expenses of the Condominium Association;

(e) **SPONSOR'S ATTORNEY LEGAL FEES**: At closing each Purchaser will pay the Sponsor's attorneys fees in the amount of $1,300 for preparation of closing date documents and attendance at closing and an additional fee of $500 per closing for any Unit Closing that occurs outside the office of Martin Shaw, Esq. or at such designate place of Sponsor's choosing. A fee of $250 shall be payable by Purchaser to the Sponsor's attorneys for cancellation of a completed and submitted Purchase Agreement or contract. In addition to the closing and attendance fee for Sponsor's attorney, an additional fee will be charged if at Closing, an adjournment is declared due to Purchaser's failure to comply with Purchaser's closing obligations, the determination of which fees shall be within the sole discretion of the Sponsor's attorneys. All such fees shall be due at closing

(f) **COSTS RELATED TO FINANCING**: If Purchaser elects to obtain a mortgage loan from a lending institution, the Purchaser may expect to incur the following costs:

(i) Legal fees of the lending institution's attorney and Purchaser's attorney's fees;
(ii) Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured;
(iii) Currently, the mortgage recording tax for mortgages under $500,000

is two percent (2%) of the face amount of the mortgage and 2.175% for mortgages in an amount of $500,000 or more. The mortgagee pays an amount equal to 0.25% of the face amount of the mortgage. There is a $25 exemption for residential property.

(iv) recording fee for recording of the mortgage.

g. **UNIT'S REAL ESTATE TAXES**: In addition to the above-specified costs and expenses, a mortgagee may provide that the Unit Owner deposit monthly with the lender one-twelfth (1/12) of the estimated annual real estate taxes and tax assessments which are assessed or to be assessed against the Unit, together with one-twelfth (1/12) of the annual fire and casualty insurance policy premiums for the Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with the lender a multiple of the aggregate of such one (1) month's real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for the lender to pay the same when due.

Real estate taxes as of 11:59 P.M. of the day immediately preceding the date of the Closing through the end of the tax payment period within which the Closing Date occurs, which shall be either a quarter of a year or one half of a year, provided, however, that the Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which the Sponsor would not otherwise have had to pay but for a delay in closing of title by Purchaser.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, the Sponsor must place in escrow in the name of the Board of Managers an amount equal to the unpaid real estate taxes which will be levied against the Property and due on the next payment date or until the Units are separately assessed, whichever period is shorter. If real estate taxes have already been paid for part of this six-month period, then this six-month period shall be reduced by the amount of time subsequent to the First Unit Closing for which real estate taxes have been paid. Sponsor shall pay or cause to be paid the real estate taxes payable with respect to the sold Units from the escrow account when taxes are due and payable and is entitled to reimbursement of the amount escrowed from Purchasers at the Closing (regardless of whether or not such taxes shall have been actually paid, so long as such escrow account shall have been established) based upon the aggregate real estate taxes then affecting the entire Property multiplied by the particular Purchaser's percentage of Common Interest.

Subsequent to this six (6) month period, until a separate assessment for each Unit has occurred, each Unit Owner or its mortgagee shall, on January 1st and July 1st of each year, pay to the Board of Managers, for the purpose of paying such Unit Owner's share of the real estate taxes for the ensuing six (6) months, an amount determined by multiplying such Unit Owner's percentage of Common Interest by the aggregate real estate taxes assessed against the tax lot comprising the Property for the six (6) month time period. The Board of Managers shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. The Sponsor shall also pay into this special account with respect to any Units owned by it.

If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

h. **COMMON CHARGES**: The Purchaser will be required to pay to the Board of Managers Common Charges allocable to his or her Unit monthly in advance. Common Charges assessed during the month in which title closes shall be adjusted with the Sponsor as of 11:59 P.M. of the day immediately preceding the Closing Date, provided, however, that the Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which the Sponsor was obligated to pay to the Board of Managers as a result of any unauthorized delay in closing of title by Purchaser in addition to a proportionate share of real estate taxes and annual interest of 16% on the total purchase price of the Unit from the initial closing date of the Unit. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers. Common Charges to be initially assessed are expected to conform to those shown in Schedule A contained herein or in an amendment to the Plan.

2. MORTGAGE TAX CREDIT

Mortgage tax credit, if any, is a credit allowed to Sponsor against the mortgage recording tax due the NYC Finance Department from a Purchaser who is financing the purchase price and shall not result in an additional closing cost to Purchaser. For example the mortgage tax on $300,000 mortgage is $6,000 less $25. Such mortgage tax is then apportioned between the Sponsor and the City of New York if Sponsor has paid a mortgage tax on construction mortgages used for construction of the Property on a formula basis.

Section 339-ee(2) of the New York Real Property Law provides as follows:

> "In the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage whose proceeds were applied exclusively to payment of the construction mortgage or to capital expenditures or expenses for the development or operation of the condominium, or to purchase of land or buildings for the condominium provided that such purchase was no more than two (2) years prior to the recording of the declaration of condominium, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage recording taxes (except the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law) that would otherwise be payable on a purchase money mortgage, said credit to be in the amount

resulting from the product of the purchaser's pro rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage. No credit shall be allowed under this subdivision (a) on account of the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law or (b) where the first condominium unit is sold more than two years after the construction or blanket mortgage was recorded."

The Sponsor or its predecessors have paid a mortgage recording tax for the mortgage encumbering the Property. In the event that a mortgage tax credit becomes available, pursuant to the above Section 339-ee(2) of the New York Real Property Law, it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at Closing, each Purchaser electing mortgage financing shall pay an amount equal to the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. The Sponsor at Closing will be paid by such Purchaser to the extent of any mortgage tax credit allowed.

The entire contents of this section, as same may be revised or amended, shall be deemed to be incorporated by reference into the Purchase Agreement for each Unit as if set forth at length in such Purchase Agreement.

The Sponsor recommends that Purchasers review their closing costs with an attorney and accountant since the above are only estimates and are not inclusive of all possible costs to purchasers.

3. CLOSING ADJUSTMENTS BETWEEN SPONSOR AND THE BOARD OF MANAGERS

There are general closing adjustments between Sponsor and the Condominium Board made as of 11:59 P.M. of the day immediately preceding such closing, some of which costs may result in an obligation of the Condominium Association to the Sponsor:

(a) Common Charges which are the Sponsor's obligation for the period from the First Unit Closing to the end of the month in which same occurs for all Unsold Units;
(b) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);
(c) cost of supplies on hand at Sponsor's cost (plus sales tax); and
(d) pre-paid premiums for any transferable insurance policies.
(e) pre-payments made under service and maintenance contracts, if any;
(f) fees for assignable permits and licenses, if any;
(g) charges for electricity, natural gas, or oil and other utilities (plus sales tax), if any, pertaining to the Common Elements;
(h) wages and benefits of employees of the Building, if any.

The Board of Managers shall reimburse the Sponsor in full for any electric, utility or other service deposits paid by the Sponsor. Those items are not items of closing adjustment. The deposits shall be repaid to the Sponsor from contributions to the Working Capital Fund.

4. PENALTIES FOR DELAYED CLOSINGS:

If Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date ("Scheduled Closing Date") (a) the closing adjustments described above will be made as of the mid-night of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher costs by virtue of the delay, and to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to the annual rate of interest of 16% of the purchase price computed from the originally Closing Date to and including the day before the Closing Date. If through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, the provisions shall apply to any new Scheduled Closing Date.

5. MOVE-IN AND MOVE-OUT FEES:

Purchaser will be required to pay to the Condominium a security deposit of $1,000 as a move-in or move-out fee of which $500 shall be a fee to the Managing Agent for coordinating and scheduling the event. The balance of the $1,000 amount will be refunded promptly to purchaser if no Common Elements or personal property at the Building is damaged. In the event that any such damages exceed $500, the Purchaser/Owner will be liable for any repairs or replacements.

6. NUMERICAL EXAMPLE OF UNIT CLOSING COSTS AND ADJUSTMENTS:

A numerical example for the costs set forth in this section of the Offering Plan, other in addition to the costs cited above, for a typical Residential Unit with a purchase price of $1,725,000.00 and a mortgage of $1,380,000.00 are estimated as set forth below. Tax, insurance and recording rates are subject to change.

1. Title insurance for fee and mortgage, including the simultaneous fee discount $6,047.00 ($5,013.00 fee) ($1,034.00 mortgage);

2. Recording costs for deed and power of attorneys $360.00;

3. Mortgage recording tax (including payment to Sponsor pertaining to mortgage tax credit, if any) $25,850.00;

4. Recording cost of mortgage, partial release, UCC Termination Statement $200.00;

5. New York City Real Property Transfer Tax $25,029.86;

6. New York State Real Estate Transfer Taxes (deed stamps) $7,026.00;

7. New York State Mansion Tax $17,564.81;

8. Legal fee of Sponsor's attorney (assuming the closing takes place in the office of Sponsor's attorneys, no assignment and no unauthorized delay in closing by Purchaser) $1,300.00;

9. Real Estate Tax Escrow –
For a closing occurring on November 1, 2006, 1st half 2006/2007 real estate taxes will have been paid. Therefore, for 2nd half 2006/2007 real estate taxes, due January 1, 2007, six (6) months of real estate tax escrow would be picked up. For example, for Unit 12B, this amount would be estimated at $6,256.14 without 421-a real estate tax benefits based upon the estimates in Schedule A for real estate taxes due in the First Year of Condominium operation. It is also noted that a November 1, 2006 closing where the 1st half of 2006/2007 real estate taxes are paid by Sponsor would mean the Purchaser would have to reimburse Sponsor for six (6) months of real estate taxes or $6,256.14.

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include, purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee, fees of inspection by engineer or other specialists retained by Purchaser and monthly Common Charges prospectively from the closing date.

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor shall have the following obligations and all Purchasers upon the execution of their respective Purchase Agreements will be deemed to have accepted, approved and agreed to abide and be bound by the following.

1. Sale of Units by Sponsor

The Sponsor will endeavor in good faith to sell the Units offered for sale in schedule A in a reasonably timely manner rather than rent them. Sponsor retains the right to rent rather than sell any of the Unsold Units if market conditions may adversely affect Sponsor's investment or financial condition and offer such Unsold Units for sale when market conditions improve. If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell Units. Sponsor's construction mortgage does not impose any conditions as to sales or renting of Units nor does the mortgage terms require a minimum number of sales prior to making the Plan effective. The mortgage terms condition the release from its lien of any Unit at closing upon payment of ninety percent (90%) of the net proceeds of sale until such mortgage is satisfied.

2. Sponsor's Obligations to Defend Suits

The Sponsor shall have the right but not the obligation to defend any suits or proceedings arising out of its acts or omissions; the Sponsor shall have the obligation to indemnify the Board of Managers or the Unit Owners against any judgment obtained against either or both of them by reason of the wrongful acts or omissions of the Sponsor. The Board of Managers and the Unit Owners shall, as a condition to such indemnification, notify the Sponsor promptly of any such suit and cooperate with the Sponsor in defending against any such suits, which the Sponsor elects to defend.

Without limiting the foregoing, the Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims (i) as to any Unit arising out of any occurrence taking place on or after the earlier of the closing of title to such Unit or the leasing thereof to, or at the direction of, any Purchaser, or (ii) as to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except suits, proceedings or claims arising out of acts or omissions of the Sponsor or representations made by the Sponsor in the Offering Plan. Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims arising out of any occurrence which was prior to the date of the First Unit Closing except suits, proceedings or claims arising out of acts or omissions of Sponsor.

3. Obligations to Survive Delivery of Deed

All representations under the Offering Plan, all obligations pursuant to the GBL, and

such additional obligations under the Offering Plan, which are to be performed subsequent to the closing date, will survive delivery of the deed.

4. Sponsor Obligations of Common Charges and R.E. Tax for Unsold Units

The Sponsor will pay all Common Charges, real estate taxes, special assessments and other expenses allocable to any Units owned by the Sponsor, so long as the Sponsor shall continue to own the same. However, where Purchaser has caused an unauthorized delay in closing of title, the Sponsor shall be entitled to certain reimbursements of real estate taxes and Common Charges and interest (16% annual interest on the purchase price) from the initial scheduled closing date to the date of closing. The Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. The Sponsor's financial obligations to the Condominium will be funded from sales proceeds and/or its own funds. Sponsor has posted no bond or other security with respect to this obligation. The subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at the time called upon to perform.

5. Risk of Loss

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price and without retaining any portion of such purchase price pending restoration and repair or not repair or restore such Unit and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the foregoing, if the Purchaser is given possession of the affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit and the obligation to repair the damage, unless the cause of such damage originated outside Purchaser's Unit and did not result from the acts of Purchaser or other occupants, guests, invitees or workers of Purchaser. If Purchaser fails to correct damages, Purchaser shall still be obligated to close title to the Unit. The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan and Sponsor will not be liable to the Condominium in the event of any delay in repairing the damage for which Sponsor is responsible.

6. Sponsor Responsibility to Secure Fire & Casualty Insurance

The Sponsor shall procure fire and casualty insurance coverage on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, in the amount based on an agreed replacement value policy or in an amount to be sufficient to avoid co-insurance, as set forth in Schedule B, Part I of the Plan.

7. Dissolution of Sponsor or Liquidation of Sponsor

In the event of the dissolution or liquidation of the Sponsor or the transfer of six (6)

or more Units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations

8. Sponsor's Construction Financing

The Sponsor has secured construction mortgage for development of the Property. Prior to the First Unit Closing, any liens affecting the Property shall be paid and satisfied or bonded or the Units being conveyed and their appurtenant Common Interest shall be released therefrom by partial release duly recorded. The construction documents do not require the Sponsor to enter into a specific minimum number of Purchase Agreements prior to declaring the Plan effective. The construction loan documents require the Sponsor to meet minimum release payment of a portion of the purchase price of the Unit closing prior to the Lender's release of its lien against the Unit. There are no requirements in the loan documents regarding rental of Units.

9. Sponsor's Obligations for Construction Pursuant to Approved Plans

The Sponsor will, at the Sponsor's own cost and with reasonable diligence, perform or cause to be performed construction of the Building (including the Units and the Common and Limited Common Elements) and will supply or cause to be supplied all materials and equipment which are necessary to complete construction substantially in accordance with the "Description of Property" Report contained in Part II of this Plan. The Sponsor shall make its best efforts to obtain a permanent Certificate of Occupancy ("CO") for the Building and all Units and Common and Limited Common Elements therein or a temporary Certificate of Occupancy ("TCO") for the Building and the Common Elements and the Unit in the Building that is closing. No closing will be held without at least a TCO for the Unit being closed.

(i) Sponsor will discharge or bond all mechanics' liens, which may be filed as a result of the construction of the Building or the Units being conveyed and their appurtenant Common Interests shall be released therefrom by partial release duly recorded.

(ii) Sponsor reserves the right without prior notice to Purchasers to amend or modify the building plans and specifications or construction procedures from time to time (including, without limitation, changes in layouts and designs or changes affecting the materials, appliances, equipment, fixtures and other construction details). The Sponsor further reserves the right to substitute for any of the materials, equipment or fixtures specified in said Report or elsewhere in the Plan, of substantially similar or better quality and design comparable to local standards as determined by sponsor's general contractor or architect or engineer in their sole discretion without amendment to the Plan. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan, but, due to

the possible unavailability of materials and supplies, construction site condition, or for any other reason, the Sponsor may substitute such materials, fixtures, appliances and equipment with those of similar quality provided such substitution(s) does not affect any Unit for which a Purchase Agreement has been executed and is in effect. The Sponsor shall file an amendment to the Plan if any substitution(s) to materials, equipment or fixtures is of lesser quality than set forth in the Plan.

All references in this Plan to "plans" shall mean the aforesaid building plans for the Building prepared by the Sponsor's Architect as the same may have, from time to time, been amended or changed, or may, from time to time, hereafter be amended or changed in accordance with the provisions of this Plan.

The Sponsor shall deliver to the Board of Managers a set of architectural plans upon completion of the project.

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

(iii) The Sponsor also reserves the right, without altering the total amount of space contained in the Building, to change the size, interior layout and location of any Unit or the number of Units, provided such changes are made in accordance with the Section of the Plan entitled "Changes in Prices and Units."

Changes may be made in the size or number of Units, their respective percentage of Common Interest, or in the amount or quality of Common Elements, except as otherwise provided herein, only with the consent of all Unit Owners directly affected, and by amendment to the Plan and also by amendment to the Declaration if the Declaration was filed prior to such change. To be directly affected, the change in the size of a Unit must be to such Purchaser or Unit Owner's Unit or the change must be to his or her percentage of Common Interest or in the amount or quality of Common Elements that he or she is entitled to use. However, the Sponsor shall not be obligated to obtain the consent of any Purchaser or Unit Owner for changes made prior to the execution of a Purchase Agreement for the affected Unit or Units, provided such changes are made by amendment to the Offering Plan and to the Declaration, if applicable. Insubstantial change in the size of units or layout of units shall not require an amendment to the Plan.

Changes to the size, layout or percentage of Common Interest of a Unit for which a Purchase Agreement has been executed by Purchaser and the Sponsor and delivered to the Purchaser or changes in the amount or quality of Common Elements directly affecting or servicing a Unit for which a Purchase Agreement has been

executed by Purchaser and the Sponsor and delivered to Purchaser shall be made only with the written consent of the Purchaser of such Unit, provided, however, that such Purchaser's consent shall only be required if the Purchaser is not then in default under his or her Purchase Agreement or such change is a minor change.

(iv) For all purposes under this Plan, the issuance of (a) a temporary Certificate of Occupancy for the Building by the Department of Buildings of The City of New York, and (b) a statement by the Sponsor's Architect to the Sponsor that the Building has been completed substantially in accordance with the building plans except for (i) such work in the public portions of the Building and within Units as is customarily or necessarily left incomplete until after occupancy (which work will be completed with reasonable expedition) and (ii) special work, upgrades or extras in any Units to be done by or for the account of Purchasers, shall be deemed and considered presumptive evidence that the Building has been fully completed in accordance with the building plans. Such presumption, however, shall be without prejudice to any rights which any Board may have with respect to the Sponsor's obligation to cause defects in construction or materials to be corrected, as hereinafter set forth. Such statement by the Sponsor's Architect shall neither constitute a representation by him to the Unit Owners or to any Board nor give rise to any claim by any Unit Owner or by any Board against him with respect to completion of construction or defects therein.

Under the present construction schedule, it is anticipated that the Building will be substantially completed by November 1, 2006, subject to Unavoidable Delays. The Sponsor, however, makes no warranty or representation that the Building will be substantially completed by said date. It is anticipated that finish work to the interior of some Units may continue even though the Building has been substantially completed or that a temporary Certificate of Occupancy has been issued for Building and the Common Elements such as the basement, elevator, common stairwells and hallways, roof, main entry door, and fire exits.

(v) If, at the time of closing of title to a Unit the Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy for the Building and covering the Unit that is closing, then the Sponsor shall place in escrow with its attorney an amount, as determined by Sponsor's architect, sufficient to cover the cost of obtaining a permanent "Class A" residential Certificate of Occupancy. Such amount can be reduced as more Units are completed. However, sufficient escrow will be held by the Escrow Agent, as estimated by the Sponsor's Architect, to complete construction of the entire project and obtain a final certificate of occupancy for the Building. The balance of such escrow amount shall be released to the Sponsor or its designee upon obtaining said final Certificate of Occupancy. Alternatively, the Sponsor shall have the option of either depositing with its attorney an unconditional, irrevocable letter of credit in the amount determined by the Sponsor's Architect or posting a surety bond in the amount so determined.

10. Sponsor Obligations to cure Construction Defects

The Sponsor will promptly correct, repair or replace any patent defects in the construction of the Building and the Residential Units therein, or in the installation or operation of any mechanical equipment therein, but only if such patent defects are due to substantially improper workmanship or material substantially at variance with the architectural plans, provided the Sponsor is notified of such defects in writing by the Unit Owner as to the Unit affected within sixty (60) days from the date of closing of title to such Unit or, with respect to Common Elements, that the Sponsor is notified by the Board of Managers within six months from the First Unit Closing. If any defect in the Common Elements can only be detected after said period by occupancy of a particular Unit, the Sponsor will correct said defect in the construction of the Common Elements or in the installation or operation of any mechanical equipment therein due to improper workmanship or materials substantially at variance with the architectural plans, if notified by the Board of Managers within sixty (60) days from closing of title to or first leasing of that particular Unit. The Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans, provided it is notified of such defects in writing by the Unit Owner as to such Unit within three (3) months from the closing of title to such Unit or is notified by the Board of Managers with respect to Common Elements within six (6) months of the First Unit Closing. The Sponsor, in its sole discretion, shall select the method of correcting any defect. On three (3) days' notice from the Sponsor, the Board of Managers and/or the Unit Owner in question shall allow the Sponsor, the Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans.

The Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) the Sponsor is not notified within the time periods specified herein or (ii) the Board of Managers and/or the Unit Owner in question prevents the Sponsor, the Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question as provided herein, or (iii) the Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by the Sponsor's general contractor or architect or engineer, in their sole discretion; or (iv) the Unit Owner has commenced any type of construction work in his or her Unit.

The Sponsor makes no warranties as to kitchen appliances, except that it will assign to the Purchaser any manufacturer's warranties thereon and any manufacturer's warranties existing for other items in Purchaser's Unit to the extent same are assignable.

Notwithstanding the foregoing, the Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, material-men, or others, are assigned to the Board of Managers or Unit Owners. **In addition, in no event shall the Sponsor be responsible for (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in Formica, stone or porcelain surfaces, bath and kitchen tile grouting, adjustment of any bi-fold or sliding doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels; (v) ceiling imperfections; (vi) minor painting defects, (vii) alignment of bathroom finishes; (viii) air infiltration from windows; (ix) normal plumbing system, heating system and air conditioning system noises; (x) normal floor noises and creaking; ((xi) carpet or floor discoloring or stretching; (xii) variations in width, length or tone of wood floor strips; (xiii) normal shrinkage or expansion of wood flooring due to changes in moisture content of wood; (xiv) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, water closets, kitchen cabinets, backsplashes and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and millwork and doors, mirrors, hardware, appliance cabinets and flooring; (xv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts; (xvi) cracks or variations in tone, finish or color of any marble/stone used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble/stone aggregate surfaces; (xvii) salting or color variation in interior or exterior colored mortar and deep colored brick; (xviii) ponding and/or controlled drainage on the roof surface,; (xix) cracks in any pressure treated wood or redwood used or intended for use outside the Building; (xx) normal wear including chips to elevator cabs, cab doors, elevator door frames, cab panels, Unit doors and door frames; or (xxi) any condition resulting from any of the foregoing. The Sponsor shall be obligated to repair only abnormally chipped stone, Formica and porcelain surfaces, which repair shall be made by filling the stone or Formica or refinishing the porcelain, but the Sponsor shall not be obligated to replace such stone, Formica or porcelain surfaces for these or other reasons.**

Except as expressly set forth herein, the Sponsor has no obligation to correct or repair any other defect or conditions in the Units, Common Elements or the Building and all other installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of the Sponsor to correct any defects and none other shall be implied. The Sponsor shall have no obligation to repair or replace any defect resulting from the failure by the appropriate Unit Owner or the Board of Managers to properly service or maintain a particular item or items. Additionally, the Sponsor shall have no obligation to repair or replace any defect resulting directly or indirectly from work done by any individual or entity retained by the Board of Managers or any Unit Owner.

Notwithstanding any other provision hereof, the Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of (i) any insubstantial variations from the plans or the description of the Building or a Unit set forth in the Section in Part II of the Plan entitled "Description of Property and Specifications or Building Condition" or (ii) variations from the plans or description of the Building or a Unit, set forth in the Section in Part II of the Plan entitled "Description of Property and Building Condition," which are required because of the building site condition, or are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality.

As set forth in the Section of the Plan entitled "Effective Date of Plan," in the event that, prior to the First Unit Closing, a casualty occurs that cannot be repaired for an aggregate cost, together with possible expenses for other items stated in such Section of the Plan, of less than an amount equaling one half of one percent of the Total Purchase Price set forth on the front cover of the Plan (as estimated by an architect or engineer designated by the Sponsor or an insurance adjuster retained by the Sponsor), and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such case all Purchase Agreements will be deemed automatically canceled and Purchasers in good standing will be refunded their Down Payments with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and the Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of the damaged Unit, and the Sponsor elects to repair and restore the Unit, then the following shall be applicable:

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

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

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

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside its Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workers. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then the Purchaser's failure to repair the damage shall not excuse the Purchaser from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

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

11. Assignment of all Manufacturer's Warranties

Following the First Unit Closing, the Sponsor will promptly assign to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume, all assignable service and maintenance contracts and agreements relating to the Property at such time as sponsor obtains said warranties and service contracts. The Condominium will indemnify the Sponsor against and hold the Sponsor harmless from all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Unit Closing occurs, and indemnification to include but not be limited to fees and disbursements of counsel.

12. Sponsor Obligation to Pay for Work

Sponsor agrees to pay for all authorized and proper work involved in the construction and establishment of the Condominium that Sponsor is obligated to complete

under the Plan and will cause all mechanic's liens with respect to such construction to be promptly discharged or bonded.

13. Sponsor Obligations for Expenses Establishing Condominium

The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, except as noted in the Section of the Plan entitled "Unit Closing Costs and Adjustments," and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of the Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees, other than for closings of individual Units, organization costs, brokerage commissions, engineers' fees, appraisal and any surveying fees and costs.

14. Sponsor to Deliver Architectural Plans

Sponsor shall deliver the "as built" plans to the Condominium Board of Managers upon completion of the project.

15. Party to enforce Sponsor's Obligations

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to its Unit or the Board of Managers on behalf of two or more Unit Owners or of the Unit Owners as to Common Elements. The representations contained in Paragraphs 1 through 15 of this Section shall survive delivery of the deed. The Sponsor makes no other representation or warranties except as provided above. However, nothing herein shall be construed to limit any rights that Purchasers may otherwise have pursuant to Article 23-A of the General Business Law, Part 20 of the Regulations promulgated by the Attorney General and the Offering Plan.

16. Records on File

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

17. The Sponsor's Rights of Access

(a) General

As a condition of sales of Units pursuant to this Plan, the Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Units, Common Elements and Limited Common Elements consistent with the purposes of the Plan

and the Sponsor's rights and obligations thereunder or to meet requirements under the law.

(b) **Specific Easements and Rights of Access Reserved by the Sponsor**

Without in any way limiting the generality of rights reserved in Paragraph (a) above, such rights reserved to the Sponsor and its designee(s) specifically include the following:

(1) The right to maintain any vacant and Unsold Unit(s) as general and sales and leasing office(s) and/or model Unit(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Units, as well as all Common Elements and Limited Common Elements, to prospective Purchasers or lessees;

(2) Right of access in and to Units, Common Elements and Limited Common Elements for the purposes of construction, repair, refurbishment, correction, alterations, finishing, installations, servicing (including but not limited to garbage collection) and similar work;

(3) Right to show vacant or leased Units;

(4) Utility and other easements for the benefit of Unit Owners, Common Elements and Limited Common Elements.

The Sponsor and the Sponsor-designees shall exercise all rights of access so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. The Sponsor and the Sponsor-designees each agrees to repair damage directly attributable to and caused by the Sponsor or the Sponsor-designees or their respective agents as a result of exercising such rights of access.

18. The Sponsor's Right to Perform Alterations

The Sponsor (and its successors, assigns and designees) shall have the right to alter any Unsold Unit, Common Element or Limited Common Element consistent with the terms of this Plan or amendment thereto and its obligations as Sponsor under the Plan, contracts of sale, or a requirement of code or law in order to obtain a permanent Certificate of Occupancy and to comply with its contractual obligations pursuant to the Plan or Code. No Unit Owner shall interfere with, disrupt, or delay the work of Sponsor in the Building. Unit Owners are required to cooperate fully with Sponsor's contractors by providing access in or about their Units.

19. No Bond or other security by Sponsor

No bond or other security has been furnished to secure the performance of the Sponsor's obligations set forth herein including Sponsor's obligations to complete the Condominium. The ability of Sponsor to perform its obligation will depend upon its financial condition when and if it is called upon to perform. No representation can be made that it will be financially able to perform any or all of such obligations.

20. The Housing Merchant Implied Warranty Law

Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") is not applicable to this offering as the Building contains in excess of five (5) stories.

CONTROL BY SPONSOR

Title to all Units which have not been sold ("Unsold Units") by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide Purchasers. Until the first annual meeting of the Condominium Unit Owners, the Initial Board of Managers shall consist of three (3) persons designated by the Sponsor: Angelo Cosentini, principal of Sponsor, shall serve as President of the Board of Managers, John Carson, a principal of the Sponsor shall serve as Vice-President and Cary Hart, an employee of the Sponsor, shall serve as Secretary/Treasurer. Accordingly, until such first annual meeting, the Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. The Sponsor shall relinquish voting control of the Board of Managers upon the earlier of: (i) the transfer of title to Units, the percentage of Common Interest of which, in the aggregate, is more than eighty percent (80%): or (ii) two (2) years from the First Unit Closing whichever is sooner. The Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers, the Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give the Sponsor voting control of the Board of Managers. The Sponsor will relinquish control of the Board as provided herein by written Notice to all Unit Owners within thirty (30) days of the closing of eighty percent (80%) of the Units or two (2) years from the date of the First Unit Closing, whichever is sooner. A meeting of the Unit Owners shall be held within said thirty (30) days to elect new members.

The first annual meeting of the Unit Owners shall be held within ninety (90) days of the First Closing provided at least twenty percent (20%) of the Units offered for sale have closed title but not later than six (6) months from the First Closing. At such annual meeting a new Condominium Board consisting of five (5) members will be installed. Such members shall either be designated by the Sponsor or elected by the Unit Owners depending on the number of Units closed by Unit Owners as follows: (a) at the first annual meeting of Unit Owners and so long as Sponsor owns up to eighty percent (80%) of the Unsold Units but not longer than two years from the First Closing, Sponsor shall designate or elect four (4) members of the five-member Board, three (3) members as long as Sponsor owns 20% or more of the aggregate Common Interests and two (2) members so long as Sponsor owns 10% or more of the aggregate Common Interests; (b) Sponsor shall designate one (1) member as long as Sponsor owns at least one Unsold Residential Unit and one (1) member as long as Sponsor owns one (1) Commercial Unit. The Commercial Unit Owner of shall always be entitled to designate one member to the Board. Other than the Sponsor, its designees or the Owner of the Commercial Unit, the remaining members of the Board shall be Unit Owners of whom a majority must be occupant Unit Owners or adult members of their families or principals or designated occupants of a corporation, limited liability company, partnership, trust, or the like.

So long as the Sponsor or any Sponsor-designee shall continue to own Units

equaling at least twenty-five percent (25%) of the total Common Interest of the Condominium, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or the Sponsor-designee's prior written consent (which may be given or withheld in its sole discretion): (a) make, permit, or consent to any addition, alteration, improvement or change in or to the Common Elements, the Limited Common Elements, or any Unit, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) enter into any service or maintenance contract, (d) borrow money on behalf of the Condominium, the Board of Managers or Unit Owners, (e) change or increase or decrease the number, or (f) change the type of employees of the Condominium or the Board of Managers from those set forth in the Section of the Plan entitled "Notes to Schedule B," or (g) change or increase or decrease the services or operating expenses as set forth in the "Notes to Schedule B" except as required to reflect normal annual increases in operating expenses.

Sponsor may not exercise veto power described in Schedule B of the Plan or over expenses required;

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

So long as the Sponsor or a Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or the Sponsor- designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor or its designees; or (ii) interfere with: the offer and sale or leasing of Units at the Property; the operation of general or sales or leasing offices at the Property; or actions necessary for construction, renovation, repair or correction at the Property, as required by law or the Plan or Purchase Agreement. Subject to the foregoing, the Sponsor or the Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions.

The rights, powers and obligations of the Board of Managers and circumstances under which a member of the Condominium Board may be removed or replaced are more fully discussed under the Section of the Plan entitled "Condominium Board of Managers."

BOARD OF MANAGERS

General

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of five (5) persons. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote per Unit on all matters put to a vote at all meetings of the Unit as provided in the section entitled "Control by Sponsor." If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit or Units shall agree among themselves and cast the votes for their Unit or Units. The first meeting of Unit Owners will be held after twenty percent (20%) of the Unit have closed but not later than six (6) months after the first closing. At the annual meeting, the Sponsor and the Unit Owners shall elect or designate members of the Board. By its right to designate a majority of members to the Board until Sponsor has sold at least eighty percent (80%) of the Unsold Units but not later than two (2) years from the First Closing, Sponsor shall control the Board. At the occurrence of either such event, the Sponsor shall give up control by notice to the Board within thirty (30) days of either occurrence and within thirty (30) days of such notice, a meeting of the Unit Owners shall be held to elect a new Board.

Other than Sponsor or Sponsor-designee as long as they are entitled to be a Board member and the Owner of the Commercial Unit, all members of the Board shall be Unit Owners of whom a majority of the members of the Board and a majority of the officers of the Board must be resident Unit Owners or members of their household or principals or designated occupants of a non-individual Owner.

The Board of Managers

Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to all Unit Owners not less than ten (10) days or more than thirty (30) days before such meeting. Minutes of all meetings of Unit Owners and of all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board of Managers shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

Each of the members of the Board of Managers will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Except for a member of the Board of Managers designated by the Sponsor or the Sponsor-designee or the Commercial Unit Owner, members may be removed from office, with or without cause, by the affirmative vote of a majority of the Unit Owners. A member of the Board of Managers designated by the Sponsor or the Sponsor-designee or the Commercial Unit Owner can only

be removed by the Sponsor or its designee or the Commercial Unit Owner, as the case may be. In the event of such removal, the Sponsor or the Sponsor-designee or the Commercial Unit Owner, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers immediately after such removal.

The Unit Owners may transact such other business at such meetings as may properly come before them. All members of the Board of Managers and all officers of the Condominium shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

Powers and Duties of the Board of Managers

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determination of the Common Charges, adoption of rules and regulations covering the details of the Property, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing or mortgaging of Units owned by the Board of Managers, and generally managing or supervising the Condominium property as provided in the Declaration and By-Laws. The Common Expenses shall include such amount as the Board of Managers deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ a Managing Agent for the Condominium on such terms as the Board of Managers may deem proper. As set forth in the Section of the Plan entitled "Management Agreement, Contracts and Leases," at or immediately prior to the First Unit Closing the Board of Managers shall enter into a management agreement with Andrews Building Corporation, having an office at 666 Broadway, New York, New York 10012, for a term of two (2) years.

Liability of Members of the Board of Managers and Officers; Indemnification

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the Managing Agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the Managing Agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the Managing Agent or the officer of the Condominium, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, or otherwise, except for willful misconduct,

negligence or bad faith. The Unit Owners shall jointly and severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims except those arising out of the bad faith, negligence or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

Officers

The principal officers of the Condominium shall be: the President, the Vice President, the Secretary/Treasurer, all of whom shall be elected by the Board of Managers. A majority of the officers of the Board including the President must be both a member of the Board of Managers and occupant Owner or a member of such Owner's household, or a principal or officer of a corporate Owner who occupies the Unit. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All members and officers of the Board shall serve without compensation. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Severance of Ownership Prohibited

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, his or her undivided interest in the Common Elements, together with his or her interest in any Unit or Units acquired by the Board of Managers from Unit Owners electing to sell or lease such Unit or at a foreclosure or other judicial sale involving such Unit or Units, in accordance with the provisions of the By-Laws, all of which are interests appurtenant to each Unit.

Amendments to Condominium Declaration and By-Laws

The Declaration and By-Laws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning not less than seventy-five percent (75%) of the Units and whose percentage of Common Interest, in the aggregate, equals or exceeds seventy-five percent (75%). However, for as long as the Sponsor or its designee owns title to one or more Units, neither the House Rules and Regulations of the Condominium nor the By-Laws may be amended in a manner that would adversely affect the Sponsor or its designee in any way, as determined by the Sponsor in the Sponsor's sole discretion, unless the Sponsor or its designee gives its written consent to such an amendment or the Owner of

the Commercial Unit unless the Owner thereof consents thereto. Additionally, (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may change the percentage of Common Interests allocated to any Unit or Units without the written consent of the owner of the relevant Unit; and (iii) no such amendment shall increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee(s) of such Unit, or Units, if any.

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

Sale and Lease of Units

A Unit Owner may sell or lease his or her Unit, provided, that said Unit Owner first gives the Board notice of intention to sell or lease such Unit and an opportunity to purchase or lease the Unit, as the case may be, at the same price or rental and on the same terms as offered in good faith by a prospective purchaser or lessee, as the case may be. If the Board does not elect to purchase or lease said Unit, by given notice as provided in the By-Laws, to such Unit Owner within ten (10) business days after receipt of the Unit Owner's notice of intention to sell or lease, then the Unit Owner will have ninety days to enter into an agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in the notice. After the expiration of the Unit Owner's ninety (90) day period, the Unit Owner will again be required to first offer the Unit to the Condominium Board as provided above. Consent of 66.66% of the Unit Owners will be required before the Board may exercise its right of first refusal.

In the event the Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the working capital or Common Charges (or both) or, if such funds are insufficient, the Board of Managers may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest for any funds so borrowed for the Unit to be acquired. The Board of Managers may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Unit. In the event any Units are acquired or leased by the Board of Managers the title or lease shall be held by the Board of Managers on behalf of all Unit Owners in proportion to their percentage of Common Interest and any sale or lease of such Unit shall be made by the Board of Managers on behalf of all Unit Owners in proportion to their percentage of Common Interests. Such Unit, while owned or leased by the Board of Managers, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

Each Unit Owner, at the closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in the Section in Part II of the Plan entitled "Power of Attorney," designating the Board of Managers and their successors as his or her attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

The foregoing restrictions upon the sale and lease of Units will not apply to the Sponsor or its designee with respect to any Unsold Units, or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure or to the Owner of the Commercial Unit with respect to its Unit. Each succeeding Unit Owner, other than the Owner of the Commercial Unit, shall be bound by, and his Unit will be subject to, the sale

and lease restrictions described above.

A Unit Owner may, without restriction, make a gift of his or her Unit to anyone during his
or her lifetime, devise such Unit by will or pass the same by intestacy and thereafter the succeeding Unit Owner will be bound by the Board's right of first refusal upon the transfer or lease of his Unit.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than mortgages placed on such Unit in compliance with the By-Laws, are paid and satisfied at or prior to Closing.

The lease for any Residential Unit (other than Unsold Units) will be in substantially the form of lease printed by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Condominium Board.

The Condominium Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds proscribed by the laws of the State of New York.

Mortgage of Units

Each Unit Owner is free to mortgage his or her Unit, provided that any such mortgage shall be a first mortgage or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, a family member, business associate or employer, the seller of such Unit. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, as long as Sponsor owns any Unsold Units, or the Board of Managers, subsequent to the sale of all Units. Such approval shall be in the sole and absolute discretion of the Sponsor or the Board of Managers, as the case may be. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearages for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefore. A Unit Owner who mortgages his or her Unit shall notify the Board of Managers of the name and address of his or her mortgagee and shall file a copy of the note and mortgage with the Board of Managers. Sponsor or its designee as the Owner of Unsold Units and the Commercial Unit Owner shall have the right to mortgage its Units without any restriction or limitation, except to notify the Condominium Board of the name and address of the lender.

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges and assessments when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any repairs, capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, together with certain other items (if any) that the Board of Managers may deem proper, such as amounts for reserve and/or working capital fund, contingency fund and all in accordance with Article V, Section 1 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may also, in accordance with Article V, Section 1(B) of the By-Laws, impose such Special Assessments as it deems necessary to meet unanticipated or extraordinary expenses, including but not limited to, expenses incurred for major capital improvements, the purchase or lease a Unit pursuant to its right of first refusal. The special assessment to be paid by each Unit Owner, whether payable in a lump sum or in installments as determined by the Board, shall also be allocated in accordance with the Unit Owner's percentage of Common Interest and shall constitute part of the Common Charges.

Under the provisions of Section 339-z of the New York Real Property Law, the Board of Managers, on behalf of the Unit Owners, will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof with the City Register's Office and until all sums secured thereby with the interest thereon shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien. While the Sponsor is in control of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the New York Real Property Law on Unsold Units owned by the Sponsor in which the Sponsor is more than thirty (30) days in arrears of Common Charges.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within thirty (30) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above. Payment of Common Charges made after the fifteenth day of the due date shall bear a late charge at the rate of two cents per dollar per month or any part thereof from the due date to the date of payment. The Board shall be authorized to determine an appropriate fee from time to time. Failure of the Board of Managers to place a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the

designated time. No Unit Owner may exempt himself or herself from liability for his or her Common Charges by waiving use of any of the Limited Common Elements or Common Elements or by abandonment of his or her Unit.

In the event of a foreclosure by the Board of Managers of its lien on any Unit for unpaid Common Charges, Special Assessments, if any, fees and other expenses, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges, the Unit Owner will remain liable for the unpaid balance. Neither (a) a mortgagee acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such mortgagee or purchaser. However, such mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit.

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

All Unit Owners shall be required to comply with the Declaration, By-Laws, Rules and Regulations of the Condominium and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

New York State Real Property Law Section 339-kk became law on July 22, 1998. A copy of the new statute is included in Part II. It is intended to provide financial protection for condominiums when a Unit Owner leasing a Unit to a rental tenant fails to meet the obligations to pay common charges, assessments or late fees. It applies to all Unit Owners including Sponsors.

Real Property Law Section 339-l may be summarized as follows:

(a) If the payment of Common Charges, assessments or late fees for a Unit has not been made in full to the Condominium within sixty (60) days after the expiration of any grace period after they are due, upon notice the Condominium may collect all rental payments from the Tenant of the Unit. After payments are again current, the Condominium shall give notice to the Tenant and Unit Owner within three (3) business days, at which time payments shall be made to the Unit Owner.

(b) If a non-occupying Unit Owner disputes the Condominium's claim to rental payments, the Unit Owner shall be entitled to submit facts in support of his or her position at the next scheduled meeting of the Board of Managers. This meeting must be held within thirty (30) days of the date the Board receives notice that the Unit Owner seeks to dispute

the claim.

(c) Payment by the Rental Tenant to the Condominium following the initial notice shall relieve the Tenant from the obligation to pay rent to the non-occupying Unit Owner and shall be an absolute defense to any non-payment proceeding commenced by such Unit Owner against the Tenant.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, its doors, windows frames, electrical (except Common Elements), plumbing (except Common Elements), mechanical equipment, if any, and air conditioning units within the Unit or belonging to the Unit Owner shall be at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of hallways, lobby, main entry door, common stairs and doors, shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed by (a) the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner having direct and exclusive access thereto), or (b) by the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements such as a roofing surface and/or a roof deck above such surface or as a result of the Unit Owner's negligence, misuse or neglect.

Additions, Alterations and Improvements

The Sponsor or its designee may make alterations, additions or improvements, structural or non-structural, including the addition of signage to any of its Unit or facade of the Building, or to improve or remedy conditions in the Building without the consent of the Board of Managers or Unit Owners or anyone else provided all work shall be done in accordance with all governmental or quasi-governmental laws, codes and ordinances. **Prior to the issuance of the permanent Certificate of Occupancy for the Building and the Units, no repairs or alterations of any kind may be made by any Unit Owner (other than Sponsor or its designee) whether to the interior of the Units or to the Limited Common Elements or to the Common Elements or prior to Sponsor's completion of any items set forth in a punch list, if any.** The Sponsor shall have the right to stop any such work and undo any such changes or alterations and bill the Unit Owner for the cost thereof. No Residential Unit Owner, other than the Sponsor, or its designee, as a Holder of Unsold Units, may make a structural alteration, addition or improvement in his or her Unit

or with respect to any Limited Common Element for which he or she has exclusive use or which affects the exterior of the Building or the value of other Units without the prior written approval of the Board of Managers. Any required Board approval, if granted, shall provide that such alteration, addition or improvement shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and workers' compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements shall be maintained in their entirety by said Unit Owner who shall also be responsible for any subsequent repairs, including structural repairs, to such addition, alteration or improvement in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement or due to improper design or construction of the structural alteration, addition or improvement. Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement. Such expenses may include, but shall not be limited to, fees of an attorney and/or fees of an architect consulted in connection with the request by a Unit Owner for approval of a structural alteration, addition or improvement.

The Sponsor or its designee, even when it no longer owns any Unsold Units, may make such alterations or improvements, structural or non-structural, in order to comply with building codes or regulations or in order to comply with its contractual obligations with purchasers or the Condominium Association and to file permits or other documents required for such repairs or alterations without the approval or consent of the Board or Unit Owners or the managing agent.

The Owner of the Commercial Unit shall have the right without the consent of the Unit Owners or the Condominium Board or its agents to change the use of the Unit or to make alterations and improvements to the interior of its Unit including changing the layout of the Unit or subdividing the Unit or combining any such sub-division provided that such changes are lawful and done in accordance with applicable code. Copies of permits or drawings shall be submitted to the Board and the Declaration and floor plans shall be amended according to the terms of the Offering Plan. Any and all costs related to making such changes shall be the obligation of the Owner of the Commercial Unit. However, the use of the Unit may not be changed to any business conducting illegal or immoral business, headshop or drug paraphernalia, adult or sex shop related businesses, dry cleaning establishment, government agency or OTB establishment.

Finally, any approval to a Unit Owner, where granted and if granted, shall be subject to regulation by the Condominium Board, including but not limited to regulation, as to any one or more of the following aspects of construction:

1. time periods during which work is permitted;

2. the manner in which construction debris will be handled;

3. measures which must be taken to prevent compromising security of the Building during construction;

4. the interruption of services during construction; and

5. liability insurance for contractors during construction.

Until such time as the initial construction of the Building is completed and a permanent Certificate of Occupancy is issued, including completion of punch-list items for the Common Elements or Units, no Unit Owner or the Board of Managers performing work shall employ any labor forces that are incompatible with labor forces that are completing work in the Building on behalf of the Sponsor.

Certain structures cannot be built as of right with respect to the City of New York Building Code and require a variance from the City Board of Standards and Appeals. If the Board of Managers does not consent to the proposed alteration, an application for a variance is moot, since the Board of Managers would not permit the proposed alteration in any event.

If a Unit Owner does not need the consent of the Condominium for such alteration, but a variance is needed, such a variance may be denied if it is opposed by the Board of Managers. Structures that increase the size of the Building require a variance. These structures include: additional floors, additions to the rear of the Building above the cellar level, additional penthouses, roof mezzanines, greenhouses and gazebos. The Sponsor-or Sponsor-designee may not be restricted by the Board of Managers.

Subject to the By-Laws and the House Rules and Regulations of the Condominium, which, among other requirements, assign responsibility for negligence, misuse or neglect, a Unit Owner who has an exclusive terrace or roof terrace may install plantings and furniture on it provided such items protect the surface of the roof unless a permit is required. In the event of any damage to the surface or structure of the roof due to such plantings or furniture or roof traffic, the Board shall notify the Unit Owner to correct such condition or the Board shall have the authority to cause such condition to be remedied and to bill the Unit Owner directly for such costs. The surface areas of the front yard shall be maintained in good condition with surface covering of either grass or stone or cement or appropriate type of covering. In the event that a majority of the Board shall deem such terrace areas to be unkept and unsightly, the Board shall have the right clean and restore the terrace and bill the Unit Owners for the cost and expense thereof.

Rights of Access

The Board of Managers and/or the Managing Agent shall have a right of access to any Unit for the purpose of inspection, performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements contained in such Unit or

elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws. The Sponsor shall have a right of access, upon reasonable notice during reasonable hours, to any Unit for the purpose of performing punch-list work, if any, or to make repairs or improvements required by law or code or ordinance or to comply with the terms of the Plan.

Compliance with Terms of Declaration, By-Laws and Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws and the House Rules and Regulations of the Condominium, as they may be amended from time to time except as to certain rights reserved for the Sponsor. Pursuant to Section 339(j) of the Condominium Act, failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided by law. The By-Laws, together with the House Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

Without limiting the foregoing, the violation of the House Rules and Regulations or any other rule or regulation or resolution adopted by the Board of Managers, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Managers the rights, in addition to any other right set forth in the By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the By-Laws, Declaration or House Rules and Regulations, as the case may be (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); and/or (b) to enjoin, abate or remedy such breach or the continuance thereof (or both) by appropriate legal proceedings, either at law or in equity; and (c) in any event to charge the Unit Owner with the cost of legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing and general occupancy (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein, and covering the interests of the Condominium, the Board of Managers

and all Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers but in no event to be less than eighty percent (80%) of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker. All such policies shall provide that adjustment of loss, if more than $100,000, shall be made by the Board of Managers with approval of the Insurance Trustee, if any. Additionally, the net proceeds of such adjustment, if $100,000 or less, shall be payable to the Board of Managers, and if more than $100,000, shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building, unless otherwise determined by the Unit Owners. At the First Unit Closing, the fire insurance coverage of the Building shall be $16,000,000. Said coverage shall be maintained while the Sponsor is in control of the Board of Managers.

The Board of Managers shall have the right to select an Insurance Trustee as such term is defined in Article XII, Section 12.5 of the By-Laws of the Condominium.

All policies of physical damage insurance shall contain waivers of subrogation, of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or any invalidity thereof arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. The standard New York mortgagee loss payable clause shall be attached to all policies.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense.

The Board of Managers shall also obtain and maintain to the extent obtainable: (1) workers' compensation insurance for Condominium employees, if any; (2) public liability insurance covering each member of the Board of Managers and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his or her own Unit. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000 covering all claims for bodily injury with respect to any one occurrence.

If, by reason of the occupancy or use of any particular Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

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

Repair or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of the Building containing the Units as a result of fire or other casualty, unless seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five percent (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five percent (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the preceding paragraph, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first payment out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of priority of such liens.

Use of Units

The Residential Units may be used only for a private residence, except that a Unit Owner may use his or her Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law or ordinance and provided further that the prior written consent of the Board of Managers to

such professional use is obtained, except that Sponsor shall require no such consent. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers. The Commercial Unit may be used for any lawful purpose and in accordance with the Building's certificate of occupancy, as same may be amended, except adult or sex related businesses or drug paraphernalia shops, dry cleaning, government agency or OTB establishment.

Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units, nor shall any "For Sale," "For Rent," or "For Lease" signs or other window displays or advertising be maintained or permitted in any Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by the Sponsor, its designee, and the Board of Managers, or its agent, for any Unit owned by the Condominium Association to place "For Sale," "For Rent," or "For Lease" or similar signs on any Unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one foot (1) by two feet (2). Additionally, the right is reserved by the Sponsor and its designee to maintain and staff one or more vacant and Unsold Units in the Building as a sales office and/or model Unit or to use any Unit for any lawful use permitted by law or codes without the consent of the Board. The Sponsor and its designee shall have the right to place "For Sale," "For Rent," or "For Lease" signs or similar signs on or in the vicinity of the Building or on the facade of the Building without regard to the size of such signs. The Sponsor or its designee shall be responsible for installing, repairing and removing such signs. The Owner of the Commercial Unit shall have the right to install, repair and replace in addition to placing "For sale" or "For Rent" signs, business and promotional signs of any type on or about its property..

There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in any recreational areas, if any, or other areas designated as such in the Declaration or by the Board of Managers.

Except as elsewhere provided, no exterior of any Residential Unit or the windows or exterior side of Unit doors thereof or any other portions of the Common Elements shall be painted or decorated by any Unit Owner in any manner without prior written consent of the Board of Managers.

No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or other General Common Elements.

No Unit Owner shall make or permit any noise that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein

which will interfere with the rights, comfort, or convenience of other Unit Owners.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, any dirt or other substances. In addition, where applicable, each Unit Owner shall keep his or her terrace(s) and terrace drain(s) free of debris.

Except as otherwise provided above, no exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers or as required by law.

Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of a Unit or adjoining Common Element except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Unit Owners shall be responsible for complying with all applicable recycling laws pertaining thereto.

No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements.

Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without the prior written consent of the Board of Managers.

No bird or animal shall be kept or harbored in any Unit of the Building unless the same in each instance be expressly permitted in writing by the Board of Managers. Any such consent, if given, shall be revocable at any time by the Board of Managers. In no event shall dogs be permitted in any of the public portions of the Building unless carried or on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having any animal in the Building. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

No radio or television aerial or dish shall be attached to or hung from the exterior of the Building without prior written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television or satellite service to the Unit.

The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

The Board of Managers or the Managing Agent may retain a passkey to each Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under the House Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his or her agent, servant, employee, invitee, licensee, guest, visitor, patient, or client to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall (except as provided above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

No Unit Owner or any family member, agent, servant, employee, invitee, licensee, guest, visitor, patient or client of a Unit Owner shall be allowed in the heating, electrical or mechanical equipment areas without the express prior permission of the Board of Managers.

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

No Unit Owner shall interfere in any manner with any portion of the heating or lighting apparatus that is a part of the Common Elements and not part of the Unit Owner's Unit.

Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements, that will result in the

cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any law. No Unit Owner or any of his or her family members, agents, servants, employees, invitees, licensees, guests, visitors, patients, or clients shall, at any time, bring into or keep in his or her Unit or Limited Common Elements any inflammable, combustible or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Limited Common Elements.

The Residential Unit Owners shall not be allowed to put their names on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

Any damage to the Building or equipment caused by Unit Owners, their guests, visitors, clients, patients, licensees, invitees, agents, servants, family members or employees shall be repaired at the expense of the said Unit Owner.

Complaints regarding the management of the Building and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

No Unit shall be used or be occupied in such a manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

Certain parts of the Common Elements are intended for use for the purpose of affording passage to common areas such as stairwells, elevator, shaftways, and roof and for providing access to the Units. No part of the Common Elements shall be obstructed so as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage or where specifically designated as such; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated by and at the sole expense of the Unit Owner, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

Unless expressly authorized by the Board of Managers in each case, the floors of each residential Unit must be covered with rugs or carpeting or equally effective noise reducing material, to the extent of at least eighty percent (80%) of the floor area of each room excepting only kitchens, pantries, bathrooms, maid's rooms, closets and foyers.

Smoke detectors must be installed in every Unit as required by the New York City Building Code. It is the obligation of the Unit Owner to maintain the alarms and to make certain the units are in working order at all times.

Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install, at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without prior written notice to the Managing Agent. The obligation of installing and maintaining such window guards shall belong to the Unit Owner.

The cost of maintenance and repair of the sidewalks, and adjacent curbs, including keeping them free from snow, ice, dirt and rubbish, shall be the responsibility of the Condominium.

No group tour or exhibition of any part of a Unit or its contents shall be conducted nor shall any auction sale be held in any part of a Unit without the prior consent of the Board of Managers or the Managing Agent in each instance.

If permitted by the Board of Managers, plantings on any terrace or balcony shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches (2") from the terrace or balcony surface, and, if adjoining a wall, at least three inches (3") from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches (3") from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports at least two inches (2") above such surface. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

The Board of Managers shall require a security deposit of $1,000 for Unit Owners who move. Half of the security deposit will be refunded promptly after such move is completed unless there is damage to any portion of the Building, or to any Unit, as a result of such move, and such security deposit or portion thereof shall be used for the cost of repairing such damages. Half of the security deposit shall be paid to the managing agent for coordinating moving schedule and elevator access, collection of insurance certificate, etc.

Any consent or approval by the Board of Managers or the Managing Agent given under the House Rules and Regulations of the Condominium may be amended, modified, added to, or repealed at any time by resolution of the Board of Managers except as such are restricted as to the rights and privileges of Sponsor and Sponsor's designee. Further, any

such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

The House Rules and Regulations of the Condominium are set forth in Part II of this Plan. Such Rules and Regulations may be amended from time to time but no amendment may affect any Unsold Unit or the rights and privileges of the Sponsor or the Sponsor-designee or the Commercial Unit Owner unless they agree to such amendment in writing as to their Units.

Easements

Each Unit Owner shall have certain easement rights with respect to the Limited Common Elements and Units owned by other Unit Owners. As more fully described in the Declaration set forth in Part II of this Plan, each Unit Owner will have an easement in common with the Owners of all other Units to use the pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his or her Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit.

The Board of Managers shall have a right of access to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair, add to or replace the Common Elements contained therein or elsewhere in the Building.

Review of Real Estate Tax Assessments

It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. The Sponsor shall have the sole right to negotiate and settle all claims in connection with such proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund, shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with obtaining such refund shall belong to and be incurred by the Sponsor alone.

Termination of Condominium

The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property

from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than seventy five percent (75%) in number and in Common Interest of the Units. The Sponsor or its designees will not vote its or their interests appurtenant to any Unsold Units for such withdrawal unless at least seventy five percent (75%) in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event such withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his or her share of such net proceeds all liens on his or her Unit, in the order of priority of such liens.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan. A prospective Purchaser should read the Plan (including the Declaration and By-Laws) in its entirety.

REAL ESTATE TAXES

Projection of Property Valuation and Real Estate Taxes:

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes. No Unit Owner will be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of real estate taxes on other Units. The assessing authority is the City of New York Department of Finance responsible for subdividing the tax lots and assigning new tax lots to Units as of July lst of every year. Accordingly, depending upon when the Declaration and By-Laws are recorded, there can be a delay of up to a year and several months until a separate assessment can be obtained. Until such time, it will be the duty of the Board of Managers to collect payments for real estate taxes directly from each Unit Owner and to hold such in the Condominium's separate account until payment is made to the City of New York Department of Finance.

Please refer to Expert's opinion letter by McArdle on the projection of real estate taxes for the fiscal year 2006/07, and, upon completion of construction, for the fiscal year 2007/08 set forth on page 130. The assessed valuation is summarized as follows:

Year	Assessed Valuation (Land and Building)	Assessed Valuation (Commercial Unit)	Tax Rate (Projected)
2006/07	$4,680,000		12.338%
2007/08	$4,470,000		12.462%
		$445,000	11.908%

Under the classification system adopted by the NY State Legislature in its revision of Section 305, Article 1802 and Section 581 of the Real Property Tax Law, applicable to cooperative and condominiums, the Residential Units will be assessed in Tax Class 2 (residential properties with more than ten units) and Class 4 for the Commercial Unit. The City's policy is to value such properties as income producing at an exemption ratio of 45% of market value. The increased valuation due to construction is phased in over a five-year period. The Commercial space will be assessed in Tax Class 4.

The projected assessment and tax rate results in a projected total real estate tax liability for the Property that is then apportioned amongst the Units based primarily on the Unit's percentage of Common Interests. The percentage of Common Interests reflects the Unit's value and sales price. The City may, however, use another basis in determining such liability that may result in modification to the projections used by McArdle and included in Schedule A, column 7, on page 19. Other factors such as changes in the tax rate or the assessed valuation or special assessments may also affect these calculations.

Upon completion of construction, for the first year of condominium operation McArdle estimates a tax rate of $12.25 per $100 for the Commercial space and the residential portion of the Property. This results in a projected tax liability for the Commercial Unit of $20,327 and $311,252 for the Residential Units.

There are no tax certiorari proceedings pending. The Sponsor reserves the right: (i) to challenge the assessed valuation of the Property for the tax years preceding the first closing and the year when the First Unit Closing is held in its own name and the name of the Condominium, the Board and the Unit Owners by attorneys selected by the Sponsor; (ii) settle any such proceedings in its sole discretion and without the consent of the Condominium Board or the Unit Owners. Any net tax refunds (after deducting all costs related to such proceedings) attributable to either: (x) any tax year commencing after the First closing shall be paid to the Sponsor, or (y) after the First Closing, shall be apportioned between the Sponsor and the Condominium on the basis of the percentage of Common Interests owned.

The by-Laws provide that the Board of Managers has the power to act as an agent on behalf of each of the Unit Owners who has given written authorization to apply for a review by filing a single complaint on behalf such unit Owner. The Board may retain legal counsel or expert on behalf of all Unit Owners for which it is acting as agent and do a special assessment, on the basis of the percentage of Common Interests, against such Unit Owners who join in the application.

421-a Real Estate Tax Benefits:

The Sponsor has retained the firm of D'Agostino, Levine & Landesman, LLP ("D'Agostino") to apply for 421-a Real Estate Tax Exemption benefits. The Sponsor, at its sole cost, will use its best efforts to obtain such benefits but does not anticipate that even if such benefits are granted, that such benefits will be effective as of the date of the First Closing. In the event that the benefits are retroactive, the Sponsor shall apportion any real estate tax refunds on the basis of the percentage of Common Interest for the applicable period of time.

The tax benefit program exempts from taxation increases to the valuation of the Property during the construction period.

D'Agostino believes that such partial benefits may be approved and if approved may be 100% effective for the first two years and declining by 20% a year over the following eight (8) years until the Property is fully taxed.

NEITHER SPONSOR, SPONSOR'S COUNSEL, NOR THE 421-A EXPERT, THE SELLING AGENT, THE MANAGING AGENT NOR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY THAT A PARTIAL TAX EXEMPTION FROM REAL ESTATE TAXES UNDER SECTION 421-A WILL BE GRANTED OR, AS TO THE AMOUNT, IF ANY, OF THE MINIMUM TAX WHICH WILL BE ASSESSED

AGAINST THE UNITS OR THE AMOUNT OF REAL ESTATE TAXES PAYABLE AT ANY TIME BY ANY UNIT OWNER. There is no guaranty or assurance that the criteria for Section 421-a benefits will be satisfied and neither Sponsor nor Sponsor's Counsel offers any opinion with respect to the eligibility of the Units for Section 421-a benefits. If, for any reason, an application is not approved by HPD, the Units will be subject to full taxation and will receive no benefits under Section 421-a.

Prospective purchasers should note that increases in a property's assessed valuation resulting from changes in its market value (other than changes resulting from new construction or alteration of an existing improvement) are phased in over five fiscal tax years in annual increments of twenty percent each. Any further increase in assessed valuation during such five-year period resulting from a still higher market value is similarly phased in over an additional five-year period from the date of such increase. The full increased assessed valuation is targeted to be in effect after the end of the five-year period from the date of such increase. The full increased assessed valuation targeted to be in effect after the end of the five-year period is called the "actual" assessed valuation, and the amount of the incremental assessed valuation upon which taxes are actually computed for each fiscal tax year during such five-year period is called the "transitional" assessed valuation.

Prospective purchasers should note that the real estate taxes that will be payable by the Unit Owners for future years will vary in accordance with the amounts of the Unit's assessed valuation (transitional and actual) and of the real estate tax rate. In this regard, prospective purchasers should note that, assuming the partial exemption from real estate taxes pursuant to Section 421-a is maintained, the real estate taxes payable by the Unit Owners will in any event increase periodically over the ten years of condominium ownership as an integral part of the Section 421-a program.

Benefit Years	% of Exemption
1-2	100%
3-4	80%
5-6	60%
7-8	40%
9-10	20%
11	0%

Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits that can result in the reduction or revocation of benefits if proper documentation is not provided. Upon recording for the Condominium Declaration, Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits and Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

Please refer to the Expert's opinion letter on 421-a real estate tax benefits for the Property by D'Agostino, on page 141.

EXPERTS LETTER ON
POST CONSTRUCTION
REAL ESTATE TAX ASSESSMESNT

Stephen E. McArdle & Associates
100 Park Avenue, 20th Floor
New York, New York 10017
(212) 972-6300 fax (212) 818-9148

May 11, 2005

Norfolk Hudson LLC
Having an Office at 58 Thomas Street
New York, New York 10013
Attn: Mr. Angelo Cosentini

Re: **Post Construction Real Estate Tax Projection**
103-105 Norfolk Street
New York, New York
Block 353 Lot 35

Gentlemen:

You have requested that we project the real estate tax liability of the proposed residential and commercial space in the above referenced premises (herein referred to as the subject property) for the first year of condominium operation commencing September 1, 2006, after the condominium declaration has been filed, and without regard to any exemptions or abatements for which the parcel may qualify. *It should be noted that the subject property's real estate tax burden for the first year of operation will not be based on a fully constructed or complete building but instead on a partially completed building. The subject property will be fully assessed for the tax year 2007/2008 which in addition is included within this projection.*

It has been the practice of the Real Property Assessment Department of the City of New York to review the assessed valuation of newly constructed and/or rehabilitated buildings. While there is a formula which has been utilized by the Real Property Assessment Department in reassessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-construction assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon current policies and practices of that department.

All prospective purchasers are advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be less or greater than as estimated on the following pages.

The Tentative Target (Actual), and Tentative Transitional Assessed Valuations for Block 353, Lot 35 for the tax year 2005/2006 are set forth as follows:

	Land	Total
Actual	$ 180,000	$ 180,000
Transitional	$ 160,380	$ 160,380

Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation. In this instance, the taxable assessed valuation is based on the Tentative Transitional Assessed Valuation for the tax year 2005/2006.

You have advised us of the following facts regarding this project:

1. Norfolk Hudson LLC is constructing a new, sixteen (16) story, mixed-use, residential/commercial, condominium structure. The subject property will contain a total of thirty-two (32) residential apartment units. These units are sometimes referred to as the Residential Units. In addition, there is one (1) commercial/retail unit located on the ground floor. This unit is sometimes referred to as the Commercial Unit.

2. The proposed total gross square footage, as reported by Norfolk Hudson LLC of the subject property including all residential units, residential lobby area, common area hallways, elevator shafts, etc., is approximately 42,562± square feet above grade. Also, there is approximately 2,690± square feet of commercial/retail space located on the ground level. Additionally, there is below grade storage space of 1,553± square feet of which approximately 1,272± square feet is used as residential storage and 281± square feet is used as commercial storage.

3. Norfolk Hudson LLC is the owner of the site. The sites contain approximately 5,000± square feet of the total land area.

4. It has been reported to us that a Temporary Certificate of Occupancy for the initial Residential or Commercial Units is projected for on or before September 1, 2006.

5. The subject property will be separate and individual residential and or commercial condominium units.

There are three recognized appraisal methods which are employed by the Real Property Assessment Department to determine the full market value of income producing real property. These methods are the original cost method, capitalization of income approach, and the sales price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a highly significant indicator of value with respect to new buildings. Relevant data used in the cost method include material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees, construction period real estate taxes ("soft") costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in a competing investment, yields a close estimate of the market value of the property.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. However, the addition of sales price of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation. The standard for assessment for residential cooperative and condominium structures is set forth in Real Property Tax Law 581. In the case of condominiums, the method of assessment of the individual units is set forth in Real Property Law Section 339-Y. In essence, the standard of assessment prescribed by statute for cooperative and condominium structures is that these buildings are to be assessed in the same manner as are rental apartment buildings. Further, the statutes provide that the sale price of a cooperative apartment building as an entity and the sale of a condominium unit are not the measure of value for assessment purposes.

Since the tax year 1982/83, Real Property Tax Law Section 1805 (3) provides for the creation of a transitional assessment system within the City of New York. Under the transitional assessment system, any increase in the assessed value of a property is phased in over a five year period in equal annual installments. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitation or addition of

square footage to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The "actual assessment" is the target value which will be reached at the end of the five year period, assuming the assessment is not increased in the interim. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation.

In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed as an entity. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the Condominium Declaration has been recorded and the floor plans are filed with the Office of the City Registrar. The apportionment will be based in part upon the proportion the initial projected selling price, as amended, presented in the Offering Plan for each unit bears to the initial gross sellout price for all units available for purchase in the project (hereinafter, "Proportionate Valuation")' and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular units.

The subject property will be in the course of construction as of January 5, 2006. Therefore, the subject property will not be fully assessed for the tax year 2006/2007. It has been estimated by the sponsor, Norfolk Hudson LLC, that the subject property will be approximately 50% complete as of January 5, 2006. The subject property will be fully assessed for the tax year 2007/2008 at which time the assessed valuation for the entire premises would be apportioned to each condominium unit as set forth by Norfolk Hudson LLC, as follows:

Residential Units:	95.0%
Commercial Units:	5.0%

Stephen E. McArdle & Associates makes no representations or warranties that in so apportioning the assessed valuation, the Real Property Assessment Department will utilize the undivided interest in the common elements as set forth by the sponsor and instead derive an apportionment to each condominium unit for the 2007/2008 tax year based on the income producing characteristics of each component; gross square foot area of each component; or the initial or amended market value of each component of the subject building.

Reconciliation of the three approaches to valuation discussed above, including review of Tentative Target 2005/2006 valuations of comparable, recently renovated or newly constructed residential buildings in the vicinity of the subject, justifies an overall assessed valuation for the entire residential portion of $97.50 per square foot of gross residential area above grade, excluding terraces/patios (42,562) for the tax year 2005/2006; and an overall assessed valuation for the entire residential portion of $100.00 per square foot of gross residential area above grade, excluding terraces/patios (42,562) for the tax year 2006/2007; and an overall assessed valuation for the entire residential portion of $105.00 per square foot of gross residential area above grade, excluding terraces/patios (42,562) for the tax year 2007/2008. In addition, we have analyzed and projected an overall assessed valuation for the entire commercial portion at $150.00 per square foot of commercial area above grade (2,690) for the tax year 2005/2006; an overall assessed valuation for the entire commercial portion at $157.50 per square foot of commercial area above grade (2,690) for the tax year 2006/2007; and an overall assessed valuation for the entire commercial portion at $165.00 per square foot of commercial area above grade (2,690) for the tax year 2007/2008. Prospective purchasers are advised that these valuation estimates assume that the taxing authority is assessing a post-construction, completed, occupied building and is not intended to reflect any "progress" or interim valuation. In the event completion of construction is delayed for any reason, it is possible that the 2006/2007 & 2007/2008 assessed valuations may be lower or higher than as estimated herein.

The subject property is classified as a Tax Class IV property for the tax year 2005/2006. It is our opinion that the subject property will continue to be classified as such through the 2006/2007 tax year. Additionally, the commercial portion of the subject property will classified as a Tax Class IV property for the tax year 2007/2008. The Tax Class IV tax rate for the current tax year, 2004/2005, is $11.558 per hundred dollars of assessed value. It is not possible at this time to predict the tax rate for Tax Class IV applicable to the tax year 2005/2006, 2006/2007 & 2007/2008. Stephen E. McArdle & Associates makes no representations or warranties that the projected tax rate for the

2005/2006 tax year will be adopted by The New York City Council. The following is a brief history of Tax Class IV rates:

YEAR	TAX RATE	% CHANGE
1999/2000	0.09989	-2.41%
2000/2001	0.09769	-2.22%
2001/2002	0.09712	- .58%
2002/2003	.10678	+9.95%
2003/2004	.11431	+7.53%
2004/2005	.11558	+1.11%

It should be noted at this time that the 2002/2003 & 2003/2004 tax rates were increased significantly in relation to historical trends for this rate. This is directly attributed to the severe fiscal crisis which affected The City of New York in the year 2002 which resulted in legislation set forth by The New York City Council increasing the real estate tax rates for the City of New York. The last tax rate increase was much more in line with historical trends for this item. We have assumed, for the purpose of this tax projection, that the Class IV rate is projected to increase 1% for the tax year 2005/2006 at $11.674 per hundred dollars of assessed value and 1% for the tax years 2006/2007 & 2007/2008 at $11.790 & $11.908 per hundred dollars of assessed value respectively.

2006/2007 Assessed Valuation (Land & Building)	:$ 4,680,000
2006/2007 Assessed Valuation @ 50% Complete	:$ 2,340,000
Taxes Payable @ est. 11.790% Tax Rate	:$ 275,886
Est. Taxes attributable to Residential Unit (95.0%)	:$ 262,092
Est. Taxes attributable to Commercial Unit (5.0%)	:$ 13,794

Upon conversion to condominium use, the subject property's Residential Units will be classified as a Tax Class II property. These two components of the subject property will be subject to the corresponding tax rate for the Tax Year 2007/2008. The Class II tax rate for the current tax year, 2004/2005, is $12.216 per hundred of assessed value. It is not possible at this time to predict the tax rate for Tax Class II applicable to the tax years 2005/2006, 2006/2007 & 2007/2008. The following is a historical chart of Tax Class II tax rates. Stephen E. McArdle & Associates makes no representations or warranties that the projected tax rates for the 2005/2006, 2006/2007 & 2007/2008 tax years will be adopted by The New York City Council.

YEAR	TAX RATE	% CHANGE
1999/2000	0.10851	+1.04
2000/2001	0.10847	-.04
2001/2002	0.10792	-.50
2002/2003	0.11541	+6.83
2003/2004	0.12620	+9.36
2004/2005	.012216	-3.20%

It should be noted at this time that the last three tax rates were increased and or decreased significantly in relation to the historical changes for this rate. We have assumed, for the purpose of this tax projection that the residential Class II rate will increase 1% for the tax years 2005/2006 & 2006/2007 tax years at $12.338 & $12.462 per hundred dollars of assessed value respectively and held stable for the 2007/2008 tax year.

Taxes payable during tax year 2007/2008 by the Residential Unit only, without regard to the valuation of any Commercial Unit in the building, are projected as follows (assuming the site does not qualify for any partial tax exemption or abatement):

Est. Actual Assessed Valuation	:$ 4,470,000
Taxes Payable @ est. 12.462% Tax Rate	:$ 557,051

Taxes payable during tax year 2007/2008 by the Commercial Unit only, without regard to the valuation of any Residential Units in the building, are projected as follows (assuming the site does not qualify for any partial tax exemption or abatement):

Est. Actual Assessed Valuation	:$ 445,000
Taxes Payable @ est. 11.908% Tax Rate	:$ 52,990

Real property taxes are payable semi-annually, on July 1, and January 1 (the City operates on a fiscal year commencing July 1 and ending June 30). Taxes payable during the first year of condominium operation will be comprised of the tax due for ten (10) months of the tax year 2006/2007 and two (2) months of the tax year 2007/2008.

The tax liability of a particular residential unit, assuming (a) the overall actual assessment as estimated above; (b) the Proportionate Valuation calculated in accordance with the guidelines set forth above; and (c) tax rate as estimated above, may be estimated as follows for the tax years 2006/2007 & 2007/2008 and the first year of condominium operation.

Estimated tax liability for the individual Residential Unit equals:

Tax Year 2006/2007:	$ 262,092 x Proportionate Valuation
Tax Year 2007/2008 (100% Complete):	$ 557,051 x Proportionate Valuation
First Year of Operation:	$ 311,252 x Proportionate Valuation

The tax liability of a the Commercial Unit, assuming (a) the overall actual assessment as estimated above; (b) the Proportionate Valuation calculated in accordance with the guidelines set forth above; and (c) tax rate as estimated above, may be estimated as follows for the tax years 2006/2007 & 2007/2008 and the first year of condominium operation.

Estimated tax liability for the individual Commercial Unit equals:

Tax Year 2006/2007:	$ 13,794 x Proportionate Valuation
Tax Year 2007/2008 (100% Complete):	$ 52,990 x Proportionate Valuation
First Year of Operation:	$ 20,327 x Proportionate Valuation

This letter was prepared at the request of Norfolk Hudson LLC. Certain figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. We have not passed upon the accuracy of any figures or estimates contained within the Plan, and offer no warranties of the amount of any liability for any period.

The opinions expressed above are based on our interpretation of the RPTL, Administrative Code of the City of New York, and the applicable rules and regulations of the Department of Finance in effect as of the date hereof. While

we believe our opinions are well founded, they are not intended, and should not be construed as representations or warranties. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding newly renovated properties held in condominium ownership. Application of a particular approach to valuation by an individual assessor may yield a different result. This would necessitate commencement of real property tax review proceedings at the Tax Commission or Supreme Court level to bring the assessment in line with the estimates presented herein.

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

Very Truly Yours,

Stephen E. McArdle

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

Deductibility of Mortgage Interest and Real Estate Taxes

A Unit Owner will own his or her Unit and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner owns his or her Unit in fee simple absolute, he or she may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

As fully set forth in the tax opinion of Martin Shaw, Esq., counsel to the Sponsor, in Part I of this Plan ("Counsel's Tax Opinion Letter"), it is the opinion of Martin Shaw, Esq. that, under present law, a Unit Owner who uses his Residential Unit as a personal residence will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued under Sections 163 and 164. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in Counsel's Tax Opinion Letter. These deductions may also affect an individual Unit Owner's liability for the alternative minimum Federal income tax. Each individual Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid or accrued during the taxable year. Such deductions may also affect his or her New York City minimum tax liability.

Certain purchasers of Offered Units, including senior citizens and veterans, may be exempt, in whole or in part, from real estate taxes. Each potential Purchaser should consult his or her own tax adviser as to the availability of such exemptions.

Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of $1,000,000), plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of those limitations would not be deductible.

Since the rules and limitations regarding the deductibility of home mortgage interest are complex, Purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

Taxation of the Condominium

Once the Building is converted to condominium ownership, the affairs of the Condominium will be governed by a Condominium Board of Managers. Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium Board is uncertain and no opinion has been rendered with respect to it. The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board:

(i) is treated as a conduit, or
(ii) qualifies and elects to be taxed under Section 528.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, Unit Owners would, in the aggregate, include in their gross income all income earned by the Condominium, and deduct (subject to applicable limitations) the expenses incurred in earning such income. Thus, for example, interest earned on funds held by the Condominium Board would be taxed to the Unit Owners.

If it satisfies the requirements of Section 528, the Condominium Board may elect to be exempt from Federal income tax on the Common Charges. Generally, those requirements are:

(i) the condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;

(ii) sixty percent (60%) or more of the gross income of the condominium management association must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) ninety percent (90%) of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(iv) no part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments;

(v) the Condominium must elect to be treated as a homeowners association; and

(vi) substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue. It appears that the aforementioned requirements will be met for a Section 528 election for at least the first year of operation.

A condominium management association meeting the requirements of Section 528 and electing to be exempt from Federal income tax on Exempt Function Income would be taxable at a rate of thirty percent (30%) on the amount by which its other income, such as income from the non-residential lease of common elements and interest earned on any reserve funds, exceeds the amount of allowable deductions that are directly connected with the production of such income. Such an association, however, would not be allowed certain deductions that are available to corporations that are not taxable under Section 528. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have that is not Exempt Income, such as income from the non-residential lease of common elements and interest earned on any reserve funds (less expenses directly connected with the production of such income).

The foregoing summary is for informational purposes only and the Sponsor's counsel expresses no opinion with respect to the likelihood of which method of taxation will be applied to the Condominium.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Martin Shaw, Esq., as counsel to the Sponsor, bases its opinion, will not change. In no event will the Sponsor, Martin Shaw, Esq., the Selling Agent, the Managing Agent or any other person connected with this offering be liable if at any time it is held that the Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under this Plan, and no one has been authorized to give any warranties.

MARTIN SHAW, ESQ. IS COUNSEL TO THE SPONSOR AND NOT THE PROSPECTIVE PURCHASERS OR UNIT OWNERS. EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF UNIT OWNERSHIP UNDER THE PLAN.

Real Estate Tax Exemption (Section 421-a)

Sponsor has retained the firm D'Agostino, Levine & Landesman, LLP, to apply, on its behalf and on behalf of the Unit Owners, to the New York City Department of Housing

Preservation & Development ("HPD") for a partial real estate tax exemption under Section 421-a of the New York Real Property Tax Law ("Section 421-a").

421-a OPINION LETTER

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WRITER'S E-MAIL:

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● ALSO ADMITTED IN MA

May 18, 2005

Norfolk Hudson LLC
c/o On The Level Enterprises, LLC
58 Thomas Street
New York, NY 10010

Re: 421-a Partial Real Estate Tax Exemption
Premises: 103-105 Norfolk Street
Block: 353; Lot: 35
Borough of Manhattan (the "Property")

Gentlemen/Mesdames:

We have been retained by Norfolk Hudson LLC (hereinafter collectively the "Sponsor") to render our opinion as to the eligibility of the above-referenced premises (the "Project") to receive partial real estate tax exemption benefits pursuant to Section 421-a of the Real Property Tax Law of the State of New York, Section 11-245 of the Administrative Code of the City of New York and the Rules and Regulations governing the 421-a program (collectively, "the 421-a Program") and the procedures for obtaining such benefits. Unless specifically stated otherwise, the analyses and conclusions set forth herein are based on facts represented to us by Sponsor or its agents.

The 421-a Program was enacted with the specific intent to encourage residential construction. It does so by providing for partial real estate tax exemption on increases in assessed valuation of eligible property which result from the new construction of Class "A" Multiple Dwelling, during the construction period for up to three (3) years and, in the case of the Project, on a descending sliding scale for a period of ten (10) years after completion of construction. The owner of the property must, at all times, continue to pay real estate taxes on the assessed valuation of the property in effect for the fiscal year prior to the tax year in which construction commences and on any subsequent valuation for local improvements.

We have been advised that the Project is to be developed and owned as a residential condominium and is expected to contain thirty-two (32) residential units, one (1) commercial unit, twenty-seven (27) residential storage units and one (1) commercial storage unit together with other

common improvements. In order for the completed Project to be eligible for partial real estate tax exemption benefits pursuant to the 421-a Program, the following major requirements will have to be satisfied:

1. The Project must consist of a newly constructed multiple dwelling containing not less than three (3) dwelling units. The new buildings may not result from the conversion or rehabilitation of any existing building. We have been advised that the Project, once completed, is to consist of a newly constructed multiple dwelling which shall contain thirty-two (32) Class A dwelling units, one (1) commercial unit, twenty-seven (27) residential storage units, one (1) commercial storage unit and other common improvements and amenities, as contemplated and set forth on the current plans for the new buildings which were prepared by SLCE, Architects, registered architects, (the "Project Architects") and approved on March 7, 2005 by the Department of Buildings of the City of New York as same have been amended to reflect the proposed construction (the "Plans"). This opinion is based upon the representation of Sponsor that the new buildings will be constructed in accordance with those Plans. Therefore, this requirement will be satisfied.

2. The new buildings may not be used as a hotel or for single room occupancy. Sponsor has advised us that the Project will be owned as a condominium and the individual units occupied for permanent residential use. Therefore, based upon Sponsor's representation, this requirement will be satisfied.

3. The commencement of construction of an eligible project must meet the definition of "commencement of construction" as contained in the §421-a Rules and Regulations. The 421-a Rules and Regulations provide that commencement of construction shall mean the date upon which the excavation and construction of the initial footings and foundations commences in good faith pursuant to a building permit issued by the New York City Department of Buildings. The 421-a Rules and Regulations also state that an architect or professional engineer licensed in the State of New York shall certify that such construction commenced on such date and that such construction was thereafter completed without undue delay. You have advised us that the concrete for the initial footings of the building to be constructed at the Property shall commence in the Spring of 2005, but no later than June 30, 2005, pursuant to a permits issued by the Department of Buildings on March 11, 2005, for the entire Project, and that such date will be certified to by the Project's architect.

4. The land over which the Project is to be constructed must have been vacant, predominantly vacant, under-utilized, or improved with a non-conforming use on the operative date, i.e., thirty-six (36) months prior to the commencement of construction. It may not be mapped as a public park or utilized for ten (10) or more consecutive years prior to October 1, 1971 as a private park.

Based upon Sponsor's representation, which will subsequently be certified by the Project's architect, that construction of the Project will commence in the Spring of 2005, but no later than June 30, 2005, the operative date is assumed to be June 30, 2002. A review of the official records of the City of New York indicate that on the operative date the Project site was designated as Block: 353; Lot: 35.

As of the operative date, Lot 35 was vacant land with no building structures situated thereon. Section 6-02(f)(3) of the 421-a Rules and Regulations defines vacant land as "... land, including land under water, which contains no enclosed, permanent improvement. Fences, sheds, garage attendant's booths, piers, bulkheads, lighting fixtures, and similar items, or any improvement having an Actual Assessed Valuation of less than $2,000.00, shall not constitute an enclosed, permanent improvement."

The official records of the New York City Department of Finance indicate that in the 2001/2002 fiscal tax year, the total Actual Assessed Valuation of Lot: 35 was $171,000.00, of which the Land valuation was $171,000.00 and the building valuation was $0.00. Therefore, on the operative date, the Actual Assessed Valuation of the Land equaled one hundred percent (100%) of the Actual Assessed Valuation of the Project site, thereby meeting the statutory and regulatory definition of vacant land and satisfying the site requirement for Lot 35.

Further, Sponsor has represented to us that the land over which the Project is to be built is not mapped as a public park and has not been utilized for ten (10) or more consecutive years prior to October 1, 1971 as a private park. This representation shall be certified to by the Project Architect.

5. Section 6-02(e)(3) of the rules and regulations provides that if construction takes place on land which was improved with a residential building or buildings that have since been demolished, and the new building contains more than twenty (20) dwelling units, such new building must contain at least five (5) dwelling units for each Class A dwelling unit in existence immediately (one (1) month) prior to to the

commencement of construction. Inasmuch as the Project site was vacant land, this requirement is not applicable to the Project.

6. The construction, as that term is defined in the 421-a Rules and Regulations and Section 421-a of the Real Property Tax Law of the State of New York, of the Project must commence before December 31, 2007. We have been advised that construction of the Project will commence in accordance with the Plans no later than June 30, 2005. The commencement of the Project within the aforesaid time period will satisfy this requirement.

7. On November 29, 1984, the Board of Estimate approved Local Laws 78 and 79 of 1984, now Section 11-245 of the Administrative Code of the City of New York. That Section provides that 421-a tax exemption benefits shall not be available for construction commenced after November 29, 1985 if the property is located in the therein described geographic exclusion area. The Project is not located within that geographic exclusion area as it currently exists under the local law and therefore the exclusion is not applicable to the Project.

8. The Application for the Preliminary Certificate of Eligibility must be filed with the Department of Housing, Preservation, and Development ("HPD") after the commencement of construction but prior to completion of construction or any occupancy of new buildings. As the Project will be owned as a condominium, the Application for a Final Certificate of Eligibility must be filed with HPD prior to the first taxable status date following completion of construction. The Final Application must be completed within ninety (90) days of the issuance of a Permanent Certificate of Occupancy or a Temporary Certificate of Occupancy covering all residential space in the building or buildings. Both the Preliminary and Final Certificates of Eligibility must be filed with the Real Property Assessment Bureau of the New York City Department of Finance ("DOF"). We have assumed that all filings and required supporting documents will be filed in a timely fashion and that all required submissions to the Community Board and HPD will be made by Sponsor.

9. Section 6-02(e)(2) of the Rules and Regulations provides that if a multiple dwelling contains more than one hundred dwelling units, ten percent of the dwelling units in such multiple dwelling shall contain at least four and one-half rooms and, in addition, not less than fifteen percent shall contain at least three and one-half rooms. The number of rooms in a dwelling unit shall be computed in accordance with the

definition of "room count" of the Rules and Regulations. Inasmuch as the Project contains less than one hundred (100) dwelling units, this requirement is not applicable to the Project.

Although there are a number of additional criteria for determining eligibility for 421-a Program benefits, they are not applicable to buildings to be owned as condominiums. Specifically, the 421-a Rules and Regulations provides that rents of units contained within a building receiving 421-a benefits must be rent stabilized for the 421-a benefit period, unless exempt from rent regulation by reason of the cooperative or condominium status of the units. However, in the case of a building for which a prospectus for condominium or cooperative formation has been submitted to the Attorney General at the time of the Final Application for 421-a benefits, an affidavit will be required stating that the sponsor will register the units as rent stabilized with the New York State Division of Housing and Community Renewal within 15 months of the issuance of the Final Certificate of Eligibility if a cooperative or condominium has not been declared effective within such 15 month time period. With respect to incidental requirements applicable to this Project, such as the current payment of water and sewer charges and real estate taxes, the payment of HPD filing fees, equal to .4% (four tenths of one percent) of total development costs, and the availability of books and records in the event the project is selected for audit by HPD, we have assumed that they will be satisfied by Sponsor.

If the foregoing information and assumptions are accurate and valid, and all of the 421-a requirements discussed herein are met, the Project should receive a partial exemption from taxation for local purposes, other than assessments for local improvements, for the construction period as defined under the 421-a Program, not to exceed three (3) years, and for ten (10) years after the taxable status date immediately following the completion of construction, or the three (3) year maximum construction period, which ever is less. The real estate taxes on the Project will be partially exempted in declining percentages during the ten (10) years following completion of construction as set forth below:

Year Following Completion of Construction	Percentage of Value Which is Exempt
1-2	100%
3-4	80%
5-6	60%
7-8	40%
9-10	20%
11	0%

These percentages of exemption will be diminished to the extent that any commercial, community facility and accessory use space ("Non-Residential Space") exceeds twelve percent (12%) of the aggregate floor area of the Project. In the event any Non-Residential Space exceeds twelve percent (12%) of the aggregate floor area of the Project, the exemption will be diminished by that percentage by which any Non-Residential Space exceeds twelve percent (12%) of the aggregate floor area. Sponsor has represented to us that the project contains Non-Residential Space as defined by the 421-a Program which does not exceed twelve percent (12%) of the aggregate floor area of the Project, which representation shall be certified to by the Project's architect. As the Project does not contain Non-Residential Space which exceeds twelve percent (12%) of the Aggregate Floor Area of the Project, the exemption will not be diminished.

In addition to the foregoing taxes, the Real Property Tax Law requires that taxes shall be paid in each tax year during which 421-a benefits are received in an amount equal to the assessed value of the land and any improvements thereon during the tax year preceding the commencement of construction, this amount being referred to as the "mini-tax". The mini-tax is payable at the then current tax rate.

As construction shall commence on or before June 30, 2005, the "mini-tax" will be based upon the assessed valuation of the Premises in fiscal year 2003/2004. In that year the Actual and Transitional Assessed Valuations of the Project site were as follows:

Lot	Actual	Transitional
35	$139,500.00	$155,160.00

Therefore, for the period of construction as defined under the 421-a Program, not to exceed three (3) years, and for two (2) years following completion, the real estate taxes for the Project will be based on the Actual Assessed Valuation for the Property of $139,500.00 and shall be payable at the tax rate in effect in the tax year when it is due.

This letter was prepared at the Sponsor's request. The opinions set forth herein are approximations derived from material and/or factual information submitted by the Sponsor or its agents and are subject to variation. We have not passed on the accuracy of any figures or estimates contained in the Offering Plan or the Plans, and offer no warranties on real estate taxes for any period. If any of the foregoing requirements or conditions should not be met to the satisfaction of HPD and/or the New York City Department of Finance ("DOF"), or if any of the foregoing representations or statements should prove to be inaccurate, then the Project would not be eligible

for real property tax exemption under the 421-a Program. We make no representations and express no opinion as to whether or not any or all of the requirements and conditions set forth herein will be fulfilled by Sponsor.

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

This opinion is not a guarantee. No warranties are made herein that HPD will approve the Section 421-a application or that the laws or regulations or policies and practices upon which this opinion is based will not be changed after the date of this opinion. We assume no obligation to advise you of any such changes of law or fact that may occur after the date hereof, notwithstanding that such changes may affect the legal analysis or conclusions contained herein. In addition, we do not warrant or represent the amount of tax savings if the Project receives partial real estate tax exemption benefits.

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

Very truly yours,
D'Agostino, Levine & Landesman, L.L.P.

D'Agostino, Levine & Landesman, L.L.P.

105 Norfolk Street - 421-a real estate tax projection *

Unit #	$ Common Interest	Projected Common Charges per Year	Projected Common Charges per Month	Projected Yearly R/E tax w/ 421-a tax exemption	Projected Monthly R/E tax w/ 421-a tax exemption	Projected monthly carring costs w/ 421-a tax exemption
COMM	5.00%	$25,250.00	$2,104.17	$869.22	$72.44	$2,176.60
2A	2.62%	$13,228.85	$1,102.40	$455.40	$37.95	$1,140.35
2B	2.27%	$11,445.95	$953.83	$394.02	$32.84	$986.66
3A	2.05%	$10,329.94	$860.83	$355.61	$29.63	$890.46
3B	3.28%	$16,576.89	$1,381.41	$570.66	$47.55	$1,428.96
4A	2.06%	$10,397.99	$866.50	$357.95	$29.83	$896.33
4B	3.30%	$16,651.75	$1,387.65	$573.23	$47.77	$1,435.42
5A	3.76%	$18,968.84	$1,580.74	$653.00	$54.42	$1,635.15
5B	2.87%	$14,480.96	$1,206.75	$498.50	$41.54	$1,248.29
6A	2.14%	$10,830.10	$902.51	$372.82	$31.07	$933.58
6B	2.60%	$13,143.79	$1,095.32	$452.47	$37.71	$1,133.02
6C	2.09%	$10,544.29	$878.69	$362.98	$30.25	$908.94
7A	2.14%	$10,782.47	$898.54	$371.18	$30.93	$929.47
7B	2.86%	$14,467.35	$1,205.61	$498.03	$41.50	$1,247.12
7C	2.09%	$10,564.71	$880.39	$363.69	$30.31	$910.70
8A	2.15%	$10,850.52	$904.21	$373.53	$31.13	$935.34
8B	3.07%	$15,518.72	$1,293.23	$534.23	$44.52	$1,337.75
8C	2.15%	$10,836.91	$903.08	$373.06	$31.09	$934.16
9A	2.14%	$10,796.08	$899.67	$371.65	$30.97	$930.64
9B	3.33%	$16,791.25	$1,399.27	$578.03	$48.17	$1,447.44
9C	2.14%	$10,799.48	$899.96	$371.77	$30.98	$930.94
10A	2.15%	$10,843.71	$903.64	$373.29	$31.11	$934.75
10B	3.58%	$18,056.97	$1,504.75	$621.61	$51.80	$1,556.55
10C	2.14%	$10,816.49	$901.37	$372.35	$31.03	$932.40
11A	2.15%	$10,870.93	$905.91	$374.23	$31.19	$937.10
11B	3.81%	$19,244.44	$1,603.70	$662.48	$55.21	$1,658.91
11C	2.15%	$10,870.93	$905.91	$374.23	$31.19	$937.10
12A	2.13%	$10,779.06	$898.26	$371.07	$30.92	$929.18
12B	3.82%	$19,298.88	$1,608.24	$664.36	$55.36	$1,663.60
12C	2.15%	$10,874.33	$906.19	$374.35	$31.20	$937.39
Tower 14	7.18%	$36,243.24	$3,020.27	$1,247.66	$103.97	$3,124.24
Tower 15	5.37%	$27,114.38	$2,259.53	$933.41	$77.78	$2,337.32
PH	7.27%	$36,729.80	$3,060.82	$1,264.41	$105.37	$3,166.18
Totals:	**100.00%**	**$505,000.00**	**$25,658.40**	$17,384.49	$1,448.71	$43,532.04

*the 421-a benefits are projected to commence 07/01/06
and said projection is dependent upon the timely filing of the 421-a application

TAX OPINION OF COUNSEL

MARTIN SHAW
ATTORNEY AT LAW
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New York, New York 10118
TEL. (212) 279-4490
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June 1, 2005

Norfolk Hudson LLC
c/o 58 Thomas Street
New York, New York 10027

Re: 105 Norfolk Street New York, New York
(the "Blue Condominium")

Ladies and Gentlemen:

You have requested our opinion concerning (i) the deductibility, for Federal, New York State and New York City income tax purposes, of real estate taxes and mortgage interest paid by residents of New York who purchase the Offered Residential Units pursuant to the above-referenced Condominium Offering Plan (the "Plan"), and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of the ownership of Offered Residential Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences of ownership of any Units other than the Offered Residential Units or of the tax consequences, if any, of any rebates or other payments that may be made, or benefits provided, to owners of Offered Residential Units. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

In connection with rendering this opinion, we have reviewed the Plan and have examined the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium (the "Plan Documents"). We have also considered the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such other materials as we deemed relevant. In rendering this opinion, we have assumed that the Plan is the document pursuant to which owners of Offered Residential Units will acquire their offered Residential Units and that the relevant facts are as set forth therein.

I. Deduction for Real Estate Taxes and Mortgage Interest

Pursuant to the Plan, the purchaser of an Offered Residential Unit will receive legal title in fee simple to his or her Offered Residential Unit, coupled with ownership of an undivided interest in the Common Elements held in common with the other Unit Owners. Such purchaser, per the terms of the Plan, will have the right to place an individual mortgage on his or her separate Offered Residential Unit and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service (the "IRS") has ruled that the owner of a residential condominium unit may deduct the real estate taxes

assessed and paid on his or her interest in the property and interest paid on his or her mortgage indebtedness. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Accordingly, based on the foregoing, it is our opinion that an owner of an Offered Residential Unit who itemizes his or her deductions will be entitled under current law to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, real estate taxes assessed against his or her Offered Residential Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax.

It is also our opinion that an owner of an Offered Residential Unit who itemizes his or her deductions will be entitled to deduct for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest that is paid or accrued during the taxable year on acquisition indebtedness or home equity indebtedness which is secured by a qualified residence. "Acquisition indebtedness" (the aggregate amount of which may not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return)) is indebtedness which is incurred in acquiring, constructing or substantially improving a qualified residence and which is secured by such residence. "Home equity indebtedness" (the aggregate amount of which may not exceed $100,000 ($50,000 in the case of a married individual filing a separate return)) is any indebtedness (other than acquisition indebtedness) secured by a qualified residence to the extent the aggregate amount of such indebtedness does not exceed the fair market value of the qualified residence, reduced by the amount of acquisition indebtedness with respect to such residence. The term "qualified residence" means (i) the principal residence (within the meaning of section 121 of the Code) of the taxpayer and (ii) one other residence of the taxpayer which is selected by the taxpayer and which is used by the taxpayer as a residence (within the meaning of section 280A(d)(1) of the Code). Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. If a married couple does not file a joint return for the taxable year, such couple is treated as 1 taxpayer and each individual is entitled to take into account only 1 residence unless both individuals consent in writing to 1 individual taking into account the principal residence and 1 other residence.

It is also our opinion that each owner of a Residential Unit will, for New York State and New York City income tax purposes, be entitled to the same deduction for real estate taxes and mortgage interest which is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as real estate tax and mortgage interest deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Additionally, the benefit of an Offered Residential Unit Owner's deductions may be reduced if he or she is subject to the Federal alternative minimum tax, or the New York State and City minimum tax.

II. Common Charges

If the Condominium qualifies as a "homeowners association" within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. However, even if the Condominium qualifies and the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses directly connected with the production of such income).

To qualify as a homeowners association, the Condominium must meet all of the following conditions:

(i) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property;

(ii) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners;

(iii) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property;

(iv) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments);

(v) the Condominium must elect to be treated as a homeowners association; and

(vi) at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes.

Under Treasury Regulations issued pursuant to Section 528, the Condominium must qualify annually for the election under Section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

It appears, based on your representations to us, that the requirements of Section 528 will be satisfied as the Offering Plan is currently structured.

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

Absent a valid election by the Condominium Board to have Section 528 apply, the status of the Condominium is uncertain under present law. Assuming the Condominium does not elect to be

treated as an association taxable as a corporation, the Condominium should be treated as a partnership** or as a mere agent of the Unit Owners. In either case, the Unit Owners would, in the aggregate, include in their gross income all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), and deduct (subject to applicable limitations) the expenses incurred in earning such income. For this purpose, Common Charges would not be considered income to the Condominium. See Rev. Rul. 70-604, 1970-2 C.B. 9; *cf.* Lake Petersburg Ass'n. v. Commissioner, 33 T.C.M. 259 (1974).

New York State and New York City will follow the classification accorded the Condominium for Federal income tax purposes. See Section 208.1 of the New York State Tax Law; 20 NYCRR §1-2.5(b); Section 11-602(1) of the New York City Administrative Code; 19 RCNY §11-02. See also TSB-A-97(7)I (classification of an LC for New York State tax purposes will follow the classification accorded the LC for Federal income tax purposes). The New York City Department of Finance may take the position that the Condominium is subject to the Unincorporated Business Tax. However, if the Condominium Board were validly to elect the benefits of Section 528, there would be no Unincorporated Business Tax imposed on the Condominium. See New York City Department of Finance, Office of Legal Affairs, Finance Letter Ruling 39 (April 23, 1986).

* * * * * * * * *

We express no views as to any Federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and documents referred to above, is not binding on the IRS or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will the Sponsor, Martin Shaw, Esq., the Board, the Selling Agent or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or IRS rulings on which we have relied which cause the owners of Offered Residential Units not to be entitled to the income tax deductions described herein.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

Martin Shaw

** Internal Revenue Code Section 7704 provides that a publicly traded partnership will be treated as a corporation. A "publicly traded partnership" means any partnership if (1) interests in such partnership are traded on an established securities market, or (2) interests in such partnership are readily tradable on a secondary market (or the substantial equivalent thereof). We assume that the Condominium, if treated as a partnership, will not be considered a publicly traded partnership.

RESERVE FUND

No provision has been made for any Reserve Fund. The Sponsor can make no guaranty or warranty that there will be no need for replacement of capital equipment within five (5) years subsequent to the First Unit Closing. However, as a result of the new construction of the Building and obtaining a new Certificate of Occupancy for the Building, it is not anticipated that major capital improvements will be needed first years subsequent to the First Unit Closing.

WORKING CAPITAL FUND

At the time of the first closing of title to each Unit (other than Sponsor or Sponsor-designee), such Purchaser shall pay the sum equal to two (2) months of Common Charges for the Unit being purchased at the time of the Closing to the Board of Managers for its working capital (the "Working Capital Fund"). This fund would ordinarily be used for the payment of any net closing adjustments in favor of the Sponsor for pre-paid expenses of the Condominium. However, the Sponsor shall waive any such net closing adjustments with the Condominium Board in its favor, which would reduce the Working Capital Fund below $5,000. If the net closing adjustments are in favor of the Condominium Board, the amount thereof will be paid or credited to the Working Capital Fund at the First Unit Closing by the Sponsor. It is not possible to project when the Working Capital fund will be fully funded since the Fund depends on closings.

The amounts in the Working Capital Fund may be held or used or increased at any time for working capital to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion.

No provision has been made for any Reserve Fund or for any other Working Capital Fund other than as set forth in the preceding paragraph. If additional funds are required, it may be necessary to increase Common Charges or make a special assessment on Unit Owners. Alternatively, the Board of Managers may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval.

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

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF EITHER THE WORKING CAPITAL FUND OR THE RESERVE FUND, IF ANY.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management Agreement

At or prior to the First Unit Closing, the Condominium Board will enter into a management agreement with Andrews Building Corporation , having an office at 666 Broadway, New York, New York 10012 (the "Managing Agent" or the "Agent"). The agreement will be for an initial term of two (2) years, commencing on the date of the First Unit Closing. The Managing Agent will receive a stated annual fee of $30,000 for the first two years in equal monthly installments. The fee is in accordance with the prevailing rate charged for similar type and size Building. The agreement shall be subject to the right of the Managing Agent to cancel at any time upon at least sixty (60) days prior written notice. During the term of the contract, the Managing Agent may assign the Agreement to another Managing Agent provided the management fee does not exceed the fee provided herein. The Board of Managers may cancel the management agreement after the first year from the date of the first closing only for cause. In the event of such cancellation, the Managing Agent shall have the right to address the Board of Managers at a scheduled meeting. After the term of the management agreement has expired it will be automatically renewed from month to month until canceled by either party on 30 days' prior written notice.

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

(a) Subject to the prior right of approval by the Board of Managers, cause to be hired, paid and supervised, all persons necessary to be employed, if any, in order to properly maintain and to operate the Land and Common Elements of the Building, who, in each instance, shall be the Board's and not the Agent's employees, and cause to be discharged by written order of either the Board or the Agent all persons unnecessary or undesirable, all subject to such union contracts or other agreements as are concluded on behalf of the Principal or with the Board's approval.

(b) Cause the Lands and Common Elements to be maintained in such a condition as may be deemed advisable by the Board, including interior and exterior cleaning, façade cleaning, snow removal, sidewalk maintenance, maintenance of grounds which are not Limited Common Elements; and cause repairs and alterations thereof to be made, including, but not limited to, plumbing, steam fitting, carpentry, paving, plowing, mowing, decorating and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in the management agreement or in any agreement with any Unit Owner or tenant. Ordinary repairs or alterations involving expenditure of over $2,000 for any one (1) item shall be made only with prior written approval of the Board, but emergency repairs, immediately necessary for the preservation or safety of the Lands and Common Elements of the Building or for the safety of the Unit Owners, tenants or other persons, or required to avoid the suspension of any necessary service in or to the Lands or the Building, may be made by the Agent irrespective of the cost thereof,

without the prior approval of the Board. But, in such occurrences, the Board shall be notified as soon as possible. Agent's responsibility under the management agreement shall not extend to supervising or managing major renovations or major capital improvements, unless specifically agreed upon in writing by the Board and Agent.

(c) Cause all such acts and things to be done in or about the Lands and Common Elements as shall be necessary to comply with any and all orders and violations affecting the premises, placed thereon by any federal, state or municipal authority having jurisdiction thereover, and orders of the New York Board of Underwriters, the New York Fire Insurance Exchange or other similar body, subject to the limitation with respect to the amount of expenditure involved as contained in Paragraph (b) above.

(d) Enter into contracts for electricity, gas, telephone, window and façade cleaning, ash and rubbish removal, sidewalk maintenance, security agency protection, vermin extermination and other services or such of them as shall be approved by the Board; and purchase all supplies to be used for the Common Elements;

(e) Cause to be effected and maintained to the extent obtainable, as the Board shall designate, fire, rent, water damage, liability, workers' compensation, disability and such other insurance as the Principal may deem necessary or advisable.

(f) Make a careful audit of all bills received for services, work and supplies ordered in connection with maintaining and operating the Lands and Common Elements, pay all such bills as and when the same shall become due and payable.

(g) At the direction of the Board, carry out required procedures and give required notifications as set forth in the Declaration and By-Laws, in connection with the exercise of the right of first refusal on proposed sales or leases of Units.

(h) Procure social and credit references from all prospective Unit Owners or tenants.

(i) Supervise the moving in of Unit Owners and tenants, and, as far as possible, arrange the dates thereof so that there shall be a minimum of disturbance to the operation of the Building and of inconvenience to other Unit Owners and tenants.

(j) Bill Unit Owners for Common Charges and use it's best efforts to collect such Common Charges and other charges that may at any time be or become due to the Board from any Unit Owner.

(k) Maintain all required payroll records and cause to be prepared and filed the necessary forms for unemployment insurance, social security taxes and

withholding taxes with assistance from a paycheck service at the expense of the Board if desired by the Agent.

(l) Maintain the records of cash receipts and cash disbursements, checkbooks, operating bank account(s), minute books and other records of the Board and render monthly statements supported by disbursement vouchers and bills to the Board not later than the 25th day of each month

(m) In conjunction with the certified public accountant of the Board, arrange for an annual audit or review of each of the books of the account of the Board, including an annual report each year of the operations of the Board for the preceding year. A copy of such annual report shall be sent by the Agent to each Unit Owner no later than the end of March of each year.

(n) Prepare and submit to the Board an operating budget setting forth the anticipated income and expenses of the Condominium for the ensuing year; send to each Unit Owner a copy of the operating budget as adopted by the Board; and notify Unit Owners of annual and special assessments of Common Charges as determined by the Board of Managers at least ten (10) days prior to the Board's approval of the Budget.

(o) Make all necessary arrangements for the holding of meetings of the Unit Owners and Board of Managers and cause a representative of its organization to attend meetings of the Unit Owners and of the Board of Managers, if required.

(p) Prepare and send out all notices of Board of Managers' meetings and Unit Owners' meetings and such other letters and reports as the Board of Managers may request.

(q) Generally do all things reasonably deemed necessary or desirable by the Board of Managers for the proper management of the Common Elements of the Building.

For services in connection with processing each application for the sale or lease of a Unit by a Unit Owner other than the Sponsor or Holder of Unsold Units, including obtaining a waiver of right of first refusal and other agreements necessary to properly effect the transfer of interest, there shall be a fee of $500 per transfer or lease to the Managing Agent exclusive of legal fees or any other charges incurred in the transfer of such Unit and an additional attendance fee if required and a fee of $200 in connection with any appraisal or mortgage refinancing; and $75 per hour in connection with court appearances on behalf of the Board or any Unit Owner. The fees referred to above shall be paid in full upon the submission of the application. No such fees shall be payable for Units owned by the Sponsor or a Sponsor-designee or the Commercial Unit Owner.

The annual certified financial statements with respect to the Condominium will not

be prepared by the Managing Agent. Such statements will be prepared by an independent certified public accountant engaged by the Condominium Board whose fees are to be paid by the Condominium Board and charged to the Unit Owners as a Common Expense.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners as a Common Expense. In addition, the Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful misconduct.

Other Contractual Agreements

At or prior to the First Unit Closing the Board of Managers may enter into an elevator maintenance service contract with Rotavele Elevator with an office at 7-06 149th Street, Whitestone, New York 11357, 718-767-3875 for maintenance and service of the passenger elevator. The agreement, proposed for a term of two (2) year, provides for 24-hour emergency call back service as well as regular monthly inspections to clean, adjust and lubricate elevator equipment and the performance of one yearly inspection. This proposal is also set forth in the Section of the Plan entitled "Notes to Schedule B."

IDENTITY OF PARTIES

The Sponsor

The Sponsor of the Offering Plan is Norfolk Hudson LLC, a New York Limited Liability Company organized and filed in January 2004 and maintains an office at 58 Thomas Street, New York, New York 10013. Angelo Cosentini is the principal and managing member of the Sponsor entity. Mr. Cosentini has many years experience in real estate development in New York City. Mr. John Carson is also a principal of the Sponsor. Mr. Carson also has many years experience in construction and developing properties in New York. None of the other principals have 10% or more interest in the Sponsor or participate actively in the development of the Property.

Managing Agent

Andrews Building Corporation, having an office at 666 Broadway, New York, New York 10012 is to be the managing agent of the Condominium pursuant to a management agreement as discussed in the Section of the Offering Plan entitled "Management Agreement, Contracts and Leases." The Managing Agent has more than 18 years managing buildings that are rental or have been converted to condominium/cooperative ownership. The Managing Agent has no financial relationship with the Sponsor. (Tel: 212-529-5688).

Architect

The architect who prepared the "Description of Property and Building Condition," as set forth in Part II of the Plan, is SLCE Architects, with an office at 841 Broadway, New York, New York 10002. The Sponsor's Architect has no ownership or proprietary interest, past or present, in the Sponsor, the Property or the Condominium except to be paid for services rendered in its capacity as Sponsor's architect. The Sponsor's Architect has over fifteen (15) years experience in planning and designing all forms of housing. (Tel: 212-979-8400).

Engineer

Ettinger Engineering Associates provided the Analysis Report of energy consumption and costs, which Report is reproduced in Part I of this Plan. Neither the firm nor its principals has any financial relationship with the Sponsor or the principals of the Sponsor except for being retained to do the analysis contained herein and paid a fee for its services. The firm has an office at 505 Eighth Avenue, New York, New York 10018. (Tel: 212-244-2410).

Counsel to the Sponsor

The Sponsor has retained the law firm of Martin Shaw, Esq., 350 Fifth Avenue, Suite 1225, New York, New York 10118 (Tel. No.: 212-279-4490), to represent it in the

preparation, filing and consummation of this Offering Plan and is advising the Sponsor in connection with all legal matters incidental thereto. Mr. Shaw has read all the printed copy submitted to the Department of Law but disclaims any responsibility to have made an independent inspection of the building or property or investigation of the information furnished by the Sponsor. The law firm has no financial interest in the Property or the Sponsor, except that it is paid a legal fee for its services.

No separate counsel has been retained to represent the Condominium.

It is suggested and expected that each Purchaser will consult and be represented by his or her own counsel in connection with this Offering.

Condominium Budget Expert

The Sponsor retained Andrews Building Corporation Company, located at 666 Broadway, New York, New York, 10012 (Tel. # 212-529-5688) an experienced management company in the City of New York, to assist in the preparation of the Projected Budget for First Year of Condominium Operation and provide the certification of Budget. Eugene Andrews is president of the corporation and has many years experience in managing rental and condominium projects in New York City. The Sponsor is not affiliated with the Andrews Building Corporation or its principal

Real Estate Tax Projection Expert and Tax Exemption 421-a Benefits

Sponsor retained the law firm of D'Agostino, Levine & Landesman, L.L.P. with an office at 345 Seventh Avenue, New York, New York 10001 (212-564-9800). To prepare the 421-a real estate tax exemption application for the Property. The law firm has many years experience practicing law and drafting and filing offering plans with the Department of Law. The Sponsor is not affiliated with the law firm or its principal.

Stephen E. McArdle & Associates with an office at 100 Park Avenue, New York, New York 10017 (Tel.# 212-972-6300) prepared the real estate tax history of the Property and the real estate tax valuation projection upon completion of construction. The firm has many years experience evaluating properties and preparing such reports of real estate tax projections. The Sponsor is not affiliated with the firm or its principal.

REPORTS TO UNIT OWNERS

It is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually the following:

(a) provide financial statements of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year for the prior fiscal year; such statements shall be certified while the Sponsor is in control of the Board of Managers;

(b) give prior notice of the annual Unit Owner's meeting; and

(c) provide a copy of the proposed annual budget of the Condominium within ten (10) days prior to the date set for adoption thereof by the Board of Managers. Sponsor shall provide a budget certified by an expert with management experience until Sponsor no longer controls the Board of Managers.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection by prospective Purchasers and by any Person who shall have purchased a Unit offered under this Plan or shall have participated in the offering of such Unit, at the office of the Selling Agent at all times such office is open and shall remain available for such inspection for a period of six (6) years from the date of the First Unit Closing. The Sponsor shall, at the time of the First Unit Closing, deliver to the Board of Managers a copy of all documents filed with the appropriate recording office.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents and, in the case of any such documents executed by or with the written consent of a Purchaser pursuant to this Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits or other legal proceedings now pending or any judgments outstanding that could materially and adversely affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, or the Sponsor's capacity to perform all its obligations under the Plan, which are not covered by insurance.

No Person other than the respective Purchasers shall have any right or benefit herein or herefrom, including, without limitation, the right to insist upon or enforce against the Sponsor the performance of all or any of the Sponsor's obligations hereunder and no such third Person shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

To the best of the Sponsor's knowledge the Property has not been the subject of any prior public offering. The Property consisted of a vacant lot. A planned sixteen-story building is under new construction. The Sponsor filed a CPS-1 application with the Department of Law to test the market, CPS-File No. CP05-0089. The Sponsor has not entered into any contracts or agreements and no deposits or advances of funds have been accepted as of the date the Plan is accepted for filing.

In accordance with the provisions of the laws of the State and City of New York, neither the Sponsor nor any Selling Agent engaged by the Sponsor will discriminate against any person because of race, creed, color, sex, disability, marital status, age, ancestry, national origin or any other ground proscribed by law in the sale of Units offered by the Sponsor pursuant to this Plan, or in the leasing of any such Units or any other portion of the Building.

The Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of the Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others, except that this Plan shall not be amended or modified without the Lender's prior written consent. However, the Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided, such as in the case of an uncured default, nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. If there is a substantial amendment to the Plan that materially adversely affects the rights, obligations or liabilities of then existing Purchasers or reduces the undertakings or

obligations of the Sponsor, then, except as otherwise provided herein, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to the Sponsor and be refunded the Down Payment made thereunder, with any interest earned thereon, except the Purchaser will not receive a refund of any funds released for actual work, upgrades or extras authorized by Purchaser. Sponsor shall retain such Down Payment, and interest, in the case of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period, but not to exceed ten percent (10%) of the purchase price (together with interest earned thereon, if any and the costs of actual work authorized by Purchaser). Sponsor must comply with the provisions of the Escrow agreement set forth in Part II of the Plan.

All statements and representations made in this Plan with respect to items prepared by others such as the Section of the Plan entitled "The Sponsor's Statement of Specifications or Building Condition" and the Floor Plans of the Building, have been made in reliance upon the respective firms and their authority as experts, as well the opinion letters on energy consumption and costs, on projected real estate tax liability after construction, on real estate tax benefits, which have been reproduced in the Plan.

Unless the context otherwise requires, words used in the singular in Part I of this Plan include the plural and vice versa, a reference to any one gender, masculine, feminine, or neuter, includes the other two, and a reference to both the masculine and/or feminine gender includes the neuter gender.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Sponsor is not reserving the right to add to the building except as is necessary to complete the Units being offered hereunder.

THE SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor adopts the "Description of Property and Building Condition" (the "Description") set forth in Part II of the Plan. The Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Building Condition, prepared by SLCE Architects, registered architects in the State of New York, that accurately states the description of the property and the planned new construction as of the date it was prepared subject to being amended as needed.

The proposed number of the Units in the Offering Plan (32 Residential Units and one Commercial Unit) and their uses will be identical to the number of Units and uses for which a Certificate of Occupancy will be obtained upon completion of construction. Federal, state or local laws concerning lead paint is not applicable since the Project is new construction. The storage facilities in the basement will also be in accordance with the certificate of occupancy.

The Sponsor will comply with all laws and regulations concerning the no-lead paint laws.

Please refer to Architect's description of Property and Building Condition and floor plans in Part II, Document 2.

PROPERTY: 105 NORFOLK STREET
New York, New York

BLOCK: 353 Lot: 35 (new lots to be designated)

ZONING: R7-2/C6-1 Residential use as of right.

LOT SIZE: 5,000 SF approximately.

BUILDING HEIGHT: 16 stories, 169 ft. in elevation.

PART II

CONDOMINIUM OFFERING PLAN

BLUE CONDOMINIUM
105 NORFOLK STREET
NEW YORK, NEW YORK 10002

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PURCHASE AGREEMENT

NORFOLK HUDSON, LLC

Sponsor

With

_____

Purchaser

Unit Number _____

Blue Condominium
105 Norfolk Street,
New York, New York 10002

THE BLUE CONDOMINIUM

PURCHASE AGREEMENT made this _____ day of _____, 200____ between _____, as Purchaser and Norfolk Hudson LLC with an office at 58 Thomas Street, New York, New York 10013.

Purchaser(s) _____

Home Address: _____

Telephone: (bus.) _____ (home) _____

Social Security No.: _____
(or Federal ID #)

Unit No. Purchased is: _____

% Common Interest
appurtenant to Unit: _____

Unit Purchase Price: $_____

Down Payment Herewith: $_____

Balance due at Closing: $_____

Name(s) and manner in
which title will be taken: _____

Selling Agent/Broker: _____

Address and Phone No. _____

Mortgage Financing Yes _____ No _____
If yes:
Amount of loan $_____
(Not more than 80%
of the purchase price)
Terms of Loan: _____
(30 year maximum;
at prevailing rate at the
time of commitment)

STATEMENT BY SPONSOR

NORFOLK HUDSON LLC, with an office at c/o 58 Thomas Street, New York, New York 10013 ("Sponsor"), has promulgated an Offering Plan of Condominium Ownership of the Property (the "Plan") pursuant to which the Property with appurtenances, and the Units (the "Units"), located in New York County, City and State of New York, will be declared to be a Condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Offering Plan.

The Property, 103-105 Norfolk Street, New York, New York 10002 is a sixteen story, plus cellar, newly constructed elevator Building consisting of thirty-two (32) Residential Units, one (1) Commercial Unit with a commercial storage space and twenty-seven (27) residential storage units allocated to certain Units as set forth in Schedule A in Part I of the Plan and Schedule B to the Declaration set forth in Part II of the Plan. Upon recording of the Declaration, the Condominium shall be known as the "BLUE CONDOMINIUM".

This Agreement shall not be binding on Sponsor until a fully executed counterpart of this Agreement has been delivered to Purchaser or Purchaser's attorney. Within twenty (20) days after receipt of four (4) copies of this Agreement, bearing Purchaser's original signature, together with the above stated Down Payment, Sponsor shall either (i) accept this Purchase Agreement and return one fully executed copy thereof to Purchaser or Purchaser's attorney; or (ii) reject this Agreement by notice to Purchaser or Purchaser's attorney together with a refund of the Down Payment with interest earned thereon, if any. If Sponsor takes no action within said twenty (20) day period, then in such event this Agreement shall be deemed canceled and the Down Payment will be fully returned with interest earned thereon, if any. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other.

Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. However, this Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability or other ground proscribed by law.

STATEMENT BY PURCHASER

PURCHASER ACKNOWLEDGES AS FOLLOWS: I HAVE RECEIVED AND READ A COPY OF THE CONDOMINIUM OFFERING PLAN AND ALL FILED AMENDMENTS THERETO, IF ANY, WITH THE DEPARTMENT OF LAW AT LEAST THREE BUSINESS DAYS PRIOR TO EXECUTING THIS PURCHASE AGREEMENT. SUCH OFFERING PLAN TOGETHER WITH ANY AMENDMENTS HERETOFORE OR HEREAFTER MADE THERETO ARE HEREIN COLLECTIVELY REFERRED TO AS THE "PLAN"; AND:

A. I hereby adopt, accept and approve the Plan (including, without limitation, the CONDOMINIUM DOCUMENTS, including floor plans, which will be recorded at the Office of the Register of the City of New York, New York County) and agree to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor. Such amendments may include, without limitation, amendments of changes, modifications, or updating of the estimated Common Charges, the estimated real estate taxes to be paid by Purchaser (see

"Schedule A"), or the estimated annual Budget reflected in "Schedule B, Projected Expenses for the First Year of Condominium Operation or revisions to the floor plans and other material changes. Any such amendments shall neither excuse me from performing my obligations hereunder nor entitle me to any offset or credit against the Purchase Price and such amendments may be made by Sponsor without my consent or approval. However, if an amendment adversely affects my rights, I shall have fifteen (15) days after presentation of such amendment to rescind pursuant to the terms of the Plan and have the Down Payment, with interest earned thereon, if any, returned promptly provided I am not in default of the terms of this Agreement. However, if I am in possession of the Unit under an interim lease, Sponsor will condition the return of the Down Payment upon my delivering the Unit vacant and in good condition as when leased from Sponsor.

B. I acknowledge having had full opportunity to examine all documents, and investigate all statements, made herein and in the Offering Plan. I did not rely on any written or oral representations, or architect's plans, sales plans, selling brochures, advertisements, warranties statements or estimates of any nature whatsoever made by Sponsor or anyone on his behalf except as herein or in the Plan specifically set forth. The Plan is hereby incorporated in this Agreement with the same force and effect as if set forth at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding.

C. I agree that Sponsor or the Selling Agent may, at its option, request that I furnish a completed application prior to or simultaneously with this Purchase Agreement to determine my qualifications to purchase and own the Unit. The submission of such application does not constitute a binding obligation on me to purchase the Unit or on the Sponsor to sell the Unit to me.

OTHER TERMS OF THE PURCHASE AGREEMENT BETWEEN SPONSOR AND PURCHASER

1. Agreement to Purchase

Sponsor agrees to sell and convey and Purchaser agrees to purchase the above-described Unit together with the stated Common Interests appurtenant thereto in the Condominium known as the BLUE CONDOMINIUM at the stated purchase price on the first page of this Agreement and subject to the terms and conditions set forth in this Purchase Agreement.

2. Payment of the Purchase Price

A. Purchaser shall deliver herewith, to the Sponsor, or to Sponsor's attorney, Purchaser's check to the order of **"Martin Shaw Escrow Agent for The Blue Condominium"**, for the above-stated Down Payment, subject to collection. In the event that such check is returned for insufficient funds or any reason whatsoever, Sponsor may declare this Purchase Agreement void *ab initio* and of no further force and effect.

B. The balance and any other fees and charges due pursuant to the terms of this Purchase Agreement shall be due at closing to the Unit and made payable as stated above or to such payee as Sponsor may direct. All checks shall be made by unendorsed certified or official

bank check drawn in either case on a bank or trust company that is a member of the New York Clearinghouse Association.

C. Purchaser's payment of the Balance and acceptance of a Condominium Deed to the Unit shall constitute Purchaser's acknowledgment that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement except for any outstanding work to be performed by Sponsor after closing pursuant to a Statement of Exceptions, if any.

D. If any check for any payment made by Purchaser under this Agreement shall be dishonored for any reason whatsoever, it shall be deemed a material default by Purchaser hereunder and in that event Sponsor may cancel this Agreement and notwithstanding such cancellation, be entitled to recover the amount of such check in addition to any sums Sponsor may be entitled to under this Agreement. Notwithstanding the foregoing, if the check representing the Down Payment is returned for insufficient funds or any reason such event shall be deemed a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled. Upon such cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan and the Unit may be sold to another as though this Agreement had never been made and without obligation to account to Purchaser for any of the proceeds of sale. However, Purchaser shall reimburse Sponsor for all costs and expenses of collection of any such check or other instrument.

E. By executing the Purchase Agreement, Purchaser shall be deemed to have consented to the release of the Down Payment to the Sponsor at the Closing without the need of any further written agreement.

3. Monies to be Held in Escrow

A. The Sponsor will cause to be held in trust the Down Payment received by it directly or through its agents, employees, or Escrow Agent, including any interest earned thereon, (collectively the "Deposit"), until the Unit is transferred to Purchaser or the Purchase Agreement is canceled in accordance with its terms. The Down Payment will be deemed to have been unconditionally tendered when it is delivered to the Sponsor or Sponsor's Attorney or Selling Agent, together with an executed Purchase Agreement without any request for changes in the terms thereof. The Down Payment received hereunder will be placed within five (5) business days after the date on which such Down Payment has been unconditionally tendered, with Doral Bank, FSB located at 387 Park Avenue South, New York, New York 10016 (the "Escrow Bank") in a special segregated escrow account entitled "**Martin Shaw Escrow Account for the Blue Condominium**" or similar name until actually employed in connection with the consummation of the Plan as herein described, which account shall be interest bearing in accordance with Section 71-a(3) of the Lien Law. Interest will be at the prevailing rate for this type of account and shall belong to the Purchaser unless Purchaser defaults and the Plan is consummated. The account shall be Master Account with a sub-account for each of the purchasers in the Condominium, the "BLUE CONDOMINIUM". The funds so deposited will be disbursed only in accordance with the provisions of this Agreement and the Plan and such funds may be release only by signature of a member of the law firm of Martin Shaw, Esq. In the event the Plan is abandoned or withdrawn, the Deposit will be returned to Purchaser as provided herein except for the actual costs of special work or upgrades, including materials, authorized by the Purchaser. All funds received under this Purchase Agreement will be handled in accordance with Sections 352-e(2-b) and 352-h of the

New York General Business Law (the "GBL") which states that monies which are held in trust for the purpose of securing a deposit on the sale of securities shall not be co-mingled with the personal monies or assets of the person receiving said funds and shall remain in trust until actually employed in connection with the consummation of the transaction in accordance with the Rules and Regulations promulgated by the Department of Law pursuant to said Sections of the GBL. A copy of the Escrow Agreement is reproduced in full in Part II of the Offering Plan.

B. Purchaser shall not be obligated to pay any legal or other expense of Sponsor in connection with the handling or disposition of the Down Payment paid by Purchaser other than any charges or debit by the Escrow Bank against the amount deposited. However, nothing in the preceding sentence shall limit the obligation of Purchaser to pay the fees and expenses of Sponsor's attorney as set forth herein or in the Plan in connection with the purchase and/or closing of the Unit purchased.

C. The Escrow Account shall bear interest, to be credited to Purchaser at closing or if the Plan is abandoned or under a permitted rescission of purchase, at the rate paid from time to time by the Bank for the same or similar type of account as the Escrow Account. Interest will accrued from the date of deposit into the sub-account from the Master Account. Such transfer from the Master account shall occur only when the Down Payment check has cleared for payment and all required documents such as form 1099 and Purchaser's W-9 have been submitted by Purchaser.

D. The Escrow Bank is covered by federal bank deposit insurance generally to a maximum of $100,000. Such maximum amount includes any other accounts or deposits of the Purchaser in said Escrow Bank. In the event that Purchaser's deposits in the aggregate exceed $100,000, any amounts in excess of $100,000 will not be federally insured.

E. Within ten (10) business days after the unconditional tender and delivery by Purchaser to Sponsor or Sponsor' Attorney a check for the Down Payment submitted with this Purchase Agreement, on account of the purchase price hereunder, the Escrow Agent will notify the Purchaser that such funds have been deposited into the Escrow Account referred to above and will provide the account number and the initial interest rate. Subject to the provision of the next sentence, if Purchaser does not receive said notice of such deposit within fifteen (15) days thereof, then Purchaser may cancel the Purchase Agreement and rescind so long as such right to rescind is exercised within ninety (90) days after unconditional tender of Down Payment or may apply to the Attorney General for relief. However, Purchaser shall not be entitled either to rescind this Purchase Agreement or to receive a refund of the Down Payment where proof satisfactory to the Attorney General is submitted establishing that such Down Payment was timely deposited and notice as herein provided was timely mailed to Purchaser in conformity with the regulations of the Attorney General.

4. <u>Disposition of Escrow Funds</u>

A. The Escrow Agent will hold the Down Payment in escrow until:

(i) the Deposit is paid to the Sponsor at closing or otherwise as provide herein; or

(ii) the Deposit is paid to Purchaser under a permitted rescission, or abandonment of the Plan, or as otherwise provided herein; or

(iii) directed in a written agreement signed by both Sponsor and Purchaser; or

(iv) a determination of the Attorney General pursuant to the dispute resolution procedures of Section 23.3(0)(2) of the Regulations; or

(v) a judgment or order of a court of competent jurisdiction permitting or requiring the release of the Deposit; or

(vi) released pursuant to the regulations of the attorney General pertaining to release of escrowed funds; or

(vii) the Deposit is paid by the Escrow Agent into a court of competent jurisdiction;

B. If there is no written agreement between the parties to release the escrow funds, the Escrow Agent shall not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to Sponsor unless Purchaser has already made an application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and the Escrow Agent has received a copy of such application within such ten (10) business day period. A copy of the form of the dispute resolution application of the Attorney General is reproduced in full in Part II of the Plan.

C. In the event of a dispute, Purchaser or the Escrow Agent may apply to the Attorney General for a determination on the disposition of the Deposit. Sponsor must avail itself of this procedure in the event of a dispute relating to the Deposit. The party making such application must simultaneously send a copy of such application to all parties. Pending determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General.

D. Sponsor shall not apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the Plan. In no event shall the Escrow Agent release funds in dispute other than a payment of such funds into court, until such dispute is finally resolved

E. The Sponsor shall not object to the release of the escrowed funds provided the purchaser has not defaulted and:

(i) to a Purchaser who timely rescinds in accordance with an offer of rescission contained in the plan; or in an amendment to the plan; or

(ii) to all purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

F. Nothing contained herein shall diminish or impair Sponsor's statutory obligation to each purchaser pursuant to GBL Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transactions with such Purchaser. Funds from the Escrow Account remain the property of the Purchaser until consummation of the

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

G. Notices by Escrow Agent, Sponsor, or its agents shall be deemed given (i) upon delivery if personally delivered, or, (ii) upon the fifth date of mailing.

5. Waiver Void

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. This provision shall prevail over any conflicting or inconsistent provisions in the Offering Plan or in a purchase agreement.

6. Purchase is Not Contingent on Financing

The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser obtaining financing of the Purchase Price and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance the purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or termination of such commitment, nor any change in the Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement and Sponsor shall have no liability as a result of any scheduling or adjournment of the Closing beyond the expiration of the loan commitment.

7. Closing Contingent on Plan Being Declared Effective

A. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the section entitled "Effective Date of Plan" that require that within twenty-four (24) months of the Filing Date of the Plan, at least fifteen percent (15%) of the Units offered for sale are purchased by bona fide purchasers for occupancy. Sponsor shall amend the Plan to disclose that the Plan was made effective by notice to Purchasers. No closings will be held until such amendment has been accepted for filing by the Department of Law. Purchaser understands and agrees that the Sponsor shall have the right to abandon the Plan at any time for any reason prior to (i) the Plan being declared effective or (ii) prior to Sponsor accepting Purchase Agreements for eighty percent (80%) or more of the Units or (iii) in certain limited cases set forth in the Plan (see section in the Plan entitled Effective Date of This Plan). The Plan will be abandoned or deemed abandoned if it has not been declared effective within such twenty-four (24) months period. The Sponsor shall notify Purchaser in such event and file an amendment with the Department of Law that Sponsor has abandoned the Plan. The amendment shall account for the disposition of all Deposits belonging to Purchasers. Copies of all amendments shall be delivered, mailed or faxed to all Purchasers.

B. If the Plan is abandoned, or if, after being declared effective the Plan shall not be consummated for any reason, this Agreement shall be deemed canceled and all monies paid by Purchaser hereunder shall be disbursed in accordance with the provisions of the Plan. After the funds are so disbursed Purchaser and Sponsor shall have no claim against each other or the Selling

Agent in connection with this Agreement or the Plan, and all of parties shall be released and discharged from all liabilities and obligations hereunder and under the Plan.

8. Acceptance and Inspection of Unit

A. Purchaser will accept title to the Unit without any reduction or postponement in payment of the purchase price if the Unit is substantially but not fully complete, or the Common Elements and other Units are not fully completed. Purchaser agrees to inspect the Unit with a representative of Sponsor during normal business hours no later than five (5) business days prior to the Closing Date and to complete, sign and deliver to Sponsor an Inspection Statement (Exhibit 3 hereto) showing the condition in which Purchaser has received the Unit and, if agreed to by Sponsor, those items that require repair or completion after closing. Purchaser agrees that: (i) Sponsor's acceptance of the Inspection Statement shall not constitute Sponsor's agreement to perform any exceptions noted therein and that Sponsor's sole obligation with respect to same shall be as provided in the Plan unless Sponsor signs the excepted items; (ii) notwithstanding that construction items may be cited in the Inspection Statement which are the obligation of Sponsor under the Plan, Purchaser shall nonetheless be obligated to close on the Closing Date and pay the full balance of the purchase price without provision for any escrow. Only Sponsor shall decide whether any exception item or other construction obligations shall be repaired or replaced. Purchaser also acknowledges and agrees that Sponsor shall not be obligated to make adjustments, repairs or replacements to the Unit or any portion thereof or its fixtures, appliances, equipment, etc., contained therein from and after the date of delivery of possession of the Unit to the undersigned, except for those items, if any, expressly excepted in the Inspection Statement attached hereto to the extent Sponsor is required to repair, adjust or correct the same under the Plan. Sponsor's obligation regarding such excepted items shall cease upon either: (i) the completion of such or (ii) the assignment to the Purchaser of any applicable warranty covering such items or (iii) Sponsor and Sponsor's contractors or agents are not given prompt access to the Unit. Nothing contained herein shall be construed to expand Sponsor's obligations to correct defects in construction beyond the extent required under the Plan and on the terms and conditions set forth therein.

B. If any such work is to be performed by Sponsor to the Unit whether under Sponsor's construction obligations under the Plan or pursuant to the statement of Inspection containing items agreed to by Sponsor: (i) Purchaser agrees not to do any work in his Unit until Sponsor has completed its work as per the Statement of Inspection; and (ii) Sponsor or Sponsor's contractors or agents shall be given access upon prompt notice of 24-hours to Purchaser in order to perform such work. Purchaser acknowledges that refusal to give access or to cause delay in providing access shall be deemed to excuse Sponsor from any further work in such Unit and the Inspection Statement shall be deemed terminated and no further obligation to Purchaser shall exist as to those exceptions contained therein.

9. Closing Date and Place

A. The closing of title shall occur on the date and at the time and place in the City of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days prior written notice, provided the amendment disclosing effectiveness has been filed with the Department of Law. Purchaser may waive the 30-day waiting period to close. Sponsor shall have the right, from time to time, to adjourn such date and time for closing on written notice to Purchaser. If

adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than five (5) business days prior written notice of the newly scheduled date and time for closing. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days provided Purchaser has given written notice to Sponsor at least five (5) business days prior to the Closing Date. If Sponsor grants any additional adjournments, beyond the one permitted adjournment, Purchaser will be obligated to pay at closing a proportionate share of the Unit's real estate taxes, special assessments, and common charges. In addition to other payments made to Sponsor under this agreement and the Plan, an amount equal to interest of sixteen percent (16%) of the purchase price per annum for each day starting from the originally scheduled day to the day prior to closing. If Purchaser fails to close title as scheduled, unless the delay is caused by Sponsor, such failure to close may result in a default and for payments provided herein in addition to any other rights Sponsor may have by reason of Purchaser's default. If through no fault of Purchaser, Sponsor postpones the original scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

B. Additionally, closing of title shall occur only after or concurrently with compliance with the prerequisites set forth under Prerequisites to Closing of Title in Part I of the Plan.

C. The actual date of the first closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the prerequisites recited in the section "closing of Title to Units" in the Plan. Purchaser acknowledges that construction may be delayed because of events beyond Sponsor's reasonable control. Purchaser further acknowledges that that the Units in the Building will be completed at varying times over a period that could extend well beyond the First closing.

10. The Deed

A. At closing and upon receipt of all payments and documents required hereunder, Sponsor shall deliver to Purchaser a **Bargain and Sale Deed** with covenants against grantor's acts conveying to Purchaser full ownership (fee simple title) to the Unit, subject only to liens, encumbrances, and title exceptions referred to in the Plan. The Deed shall be prepared by sponsor substantially in the form reproduced in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. The Deed shall contain such description of the premises as shall be acceptable so as to validly convey under Article 9-B of the Real Property Law (the Condominium Act) the Unit and the undivided interest in the Common Elements referred to herein. Such executed deed shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Purchaser's attorney) for recording at the office of the Register of The City of New York, New York County. Purchaser shall pay the cost of recording the deed. After being recorded, the deed shall be returned to Purchaser.

B. Simultaneously with delivery of the deed, Purchaser shall: (i) cause the proceeds of the mortgage loan, or personal funds, as the case may be, to be transferred to Sponsor on account of the total purchase price; (ii) execute and deliver the mortgage and mortgage note, if any, and any other documents required by Sponsor and Lender; (iii) deliver the balance due at closing; and (v) pay all closing costs as set forth in this Plan and this Purchase Agreement; (v) complete and sign all forms required by Sponsor or the Condominium.

C. Purchaser's acceptance of the deed to the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of the Sponsor to be performed under the provisions of this Purchase Agreement, the Plan and Part 20 of NYCRR issued by the Department of Law and Article 23-A of the general Business Law, except those, if any, herein or therein expressly stated to survive delivery of such deed.

D. The covenants in the Deed will be solely for the personal benefit of the Purchaser and will not inure to the benefit of Purchaser's successors or subrogee. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor, it being agreed that that Sponsor's liability will be limited to any loss or damages not covered by such title insurance. If Purchaser elects not to purchase title insurance, Sponsor shall not have any obligation to Purchaser for any such claimed breach. This paragraph D shall survive the closing.

11. Power of Attorney to the Condominium Board of Managers and to Sponsor

At Closing, Purchaser shall execute, acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or, if no representative is present, then to Sponsor's attorney) for recording in the New York City Register's Office of the County and State of New York, at Purchaser's expense, a Power of Attorney in favor of the Condominium Board relative to purchasing or leasing of Units; and in favor of Sponsor relative to amending the Condominium Documents to the extent permitted in the Power of Attorney. The Power of Attorney shall be substantially in the form set forth in Part II of the Plan. Failure to execute and deliver said Power of Attorney by Purchaser shall be deemed a default herein.

12. Binding Effect of Declaration, By-Laws, and House Rules and Regulations

Purchaser, and any occupant or user or guest or agents of Purchaser, agrees to bound by the terms of the Condominium's Declaration, By-Laws and the Residential House Rules and Regulations as set forth herein or as amended from time to time.

13. State of Title

A. Except as otherwise set forth in Paragraph 15, legal ownership to the Unit shall be transferred to Purchaser at closing subject only to the liens, encumbrances and title conditions other than those set forth in the Plan ("Terms of Sale") and Exhibits submitted in connection therewith and any mortgages obtained by Purchaser. Any other liens, of any kind at the time of closing, encumbrances, or conditions shall not be an objection to title if: (i) the instrument required to remove it from the record is delivered to said representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for recording in the proper office, together with the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser against its collection or enforcement out of the Unit.

B. The parties agree that Sponsor may pay and discharge any liens and encumbrances upon the Property not provided for in the Plan and this Agreement out of the monies to be paid by Purchaser at closing including pay down of the mortgage on the property. Sponsor will obtain releases on the Unit from the mortgagee on the closing of the Unit.

14. Title Company Approval

Sponsor shall give, and Purchaser shall accept, such title as any title insurance company that is a member of the New York Board of Title Underwriters will approve and insure, provided that the only liens, encumbrances and conditions affecting title noted above and subject to the terms of the Offering Plan and this Purchase Agreement and Property mortgage. Sponsor recommends that Purchaser should obtain title insurance from All New York Title Agency, Inc., located at 180 East Post road, White Plains, NY 1060 (212) 579-1944. If Purchaser orders title from another title company, a copy of such must be deliver to Sponsor or Sponsor's attorney at least 15 days prior to closing.

15. Sponsor's Inability to Convey Marketable Title

A. If the Sponsor is unable to deliver to Purchaser marketable title to the Unit in accordance with the provisions of this Agreement and subject to the exceptions set forth in the Plan, Sponsor shall be entitled to adjourn the closing to remove or correct any defect in title which is not set forth in Schedule or Permitted Encumbrances. However, if such defect existed at least ten (10) days prior to the closing and Purchaser, or Purchaser's attorney, failed to send Sponsor written notice of such defect in title at least ten days prior to the closing of title, then, Purchaser will be deemed at fault and the closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser. Sponsor will not be obligated to bring action, suit, or other proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of two thousand dollars ($2,000) to render title marketable. If Sponsor elects to cure such inability, that is, to cure title defects, then Sponsor shall be entitled to an adjournment of the Closing Date for a reasonable period of time within which time to complete such cure. However, if Sponsor notifies Purchaser at any time of its refusal to either remedy the defect in title or continue to remedy, as the case may be, and if Purchaser is not in default hereunder, Purchaser sole remedy shall be to either (i) take title subject to such title defect (without any abatement in, or credit against the Purchase Price, or claim or right of action against Sponsor for damages or otherwise); or (ii) terminate this Agreement. If Purchaser elects to terminate, Sponsor shall instruct the Escrow Agent to return to Purchaser, within twenty (20) days after receipt of Purchaser's termination notice, all monies deposited hereunder, with interest earned thereon, if any, except for actual costs undertaken for extra work orders or upgrades, including materials, authorized by Purchaser. Upon making such refund, this Agreement shall be null and void and neither party shall have any further rights, obligations, or liabilities with respect to the other hereunder or under the Plan, except for any provisions that by their terms survive the termination hereof. The foregoing option must be exercised by Purchaser in writing and sent to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to remedy the title defect. If Purchaser fails to respond to Sponsor's notice, it shall be conclusively deemed that Purchaser elected the first option above to acquire title subject to the title defect.

B. If subsequent to the closing of title, Purchaser claims that Sponsor did not convey fee simple title to the Unit in accordance with the Plan, Purchaser must first seek recovery against the Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance. If Purchaser did not obtain title insurance at the closing, fro purposes of this paragraph, the amount and coverage which Purchaser could have obtained from All New York title shall be deducted from the loss or damage collectable against Sponsor. Nothing

contained herein shall be construed to waive Purchasers' rights or abrogate any of sponsor's obligations under the Plan or Article 23-A of the General Business Law.

16. Closing Adjustments

A. At closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the closing adjustments (made payable to Sponsor for prepaid expenses):

(i) real estate taxes (including all prepaid real estate taxes) and real estate special assessments, if any, on the basis of the fiscal year for which assessed. The basis for allocation of real estate liability is the Unit's percentage of Common Interests set forth in Schedule A of the Plan and Schedule B to the Declaration. The managing agent will hold in trust in a separate account any payment of real estate taxes for the Property when due for the following half, unless such is paid to the mortgagee at closing. An adjustment to the amount collected may be needed according to any reassessment by the New York City Department of Finance and such may increase or reduce the escrowed fund for payment of real estate taxes for the Property. If Units have been separately assessed and billed by the New York City Department of Finance, then the Purchaser shall pay such tax liability directly as billed.

(ii) common Charges for the month in which title closes, and Special Assessments, if any;

(iii) real estate taxes based on Unit's percentage of Common Interests.

(iv) any other prepaid expenses relative to the Unit.

(v) rent, if Purchaser has an interim lease.

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

C. Any errors or omissions in computing apportionment at closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the closing.

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

E. Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the closing of title.

17. Closing Costs

A. In addition to the purchase price and any closing adjustments at the time of title closing, each Purchaser of a Unit shall have additional closing costs some of which are set forth below. Such closing costs vary for Purchasers depending on whether Purchaser is financing the

purchase, the amount and terms of such financing, the cost of mortgage tax and mortgage recording fees; title insurance; and recording fees of various documents such as the Unit's Deed, the Condominium Power of Attorney; and legal fees or fees of any other professional consultants hired by Purchaser. Sponsor makes no representation or warranty as to mortgage closing costs and expenses or as to availability of such financing. Purchaser is advised to consult with his attorney and accountant for an estimate of these and other possible costs. Closing costs include, but are not limited to, as follows:

(i) Purchaser will pay $1,300 legal fee of Sponsor's counsel for preparation of Closing Documents and attendance at closing plus an additional fee of $300 if the closing is held outside the office of Sponsor's attorney (outside of NYC, an extra fee will be charged); and $200 to Sponsor's attorney if Purchaser adjourns a scheduled closing through no fault of Sponsor on less than a 48-hour notice;

(ii) Purchasers will also be charged $500 by Sponsor's attorney for any unusual aspect related to the Purchase Agreement caused by Purchaser;

(iii) $300 to Sponsor's attorney for each permitted assignment of the Purchase Agreement;

(iv) The New York City (RPT) and New York State Real Estate Transfer taxes (deed stamps) will be the obligation of the Purchaser at the current rate as follows: the New York City Real Property Transfer Tax (RPT) of 1% of the purchase price if the purchase price is $500,000 or less, or 1.425% if the purchase price is more than $500,000; and $25.00 filing fee; and (b) New York Real Estate Transfer Tax of $2.00 per $500.00 of the purchase price. The costs of both transfer taxes are added to the price of the Unit, which is then taxed on the higher amount. Purchaser shall duly execute and swear to a New York City Real Property transfer tax form, New York State form and any other form then required by law, all of which shall be prepared by the Sponsor. The title company shall collect such transfer tax forms and payments due thereunder for filing with the proper government office. Purchaser should also note that New York State has a so-called "mansion" tax, currently one percent (1%) of the purchase price, on sales in excess of a million dollar. Such tax, if applicable, shall be paid by the Purchaser.

B. Any adjustments or expenses payable to Sponsor in excess of $500 shall be paid by certified check, bank check, or attorney's escrow check drawn on or by a bank which is a member of the New York Clearinghouse Association.

18. Other Closing Costs

A. Purchasers will make a contribution to the Condominium Working Capital Fund of the Condominium an amount equal to two (2) months common charges, payable at closing to the BLUE CONDOMINIUM. In the event that Sponsor certifies that it has advanced such amount, Purchaser shall reimburse the Sponsor instead of paying such amount to the Condominium Association;

B. At closing the Managing agent shall collect from each Owner a move-in fee of $1,000 of which $500 shall be the manager's fee and $500 shall be refunded within ten (10) days of the moving date if no damages to any part of the Common Areas are assessed against the Owner or its agents.

19. Mortgage Tax Credit

In the event a mortgage tax credit becomes available pursuant to Section 339(ee)- (2) of the Real Property Law, it is specifically understood that such credit shall inure to the benefit of the Sponsor. Payment of such mortgage tax credit is not in addition to any mortgage tax that Purchaser may be obligated to pay if Purchaser obtains financing.

20. Rent Security Deposit

If Purchaser becomes a tenant of the Unit under an interim lease, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within thirty (30) days following the closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. In either event, the Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrears due and owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

21. Events of Defaults

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

(i) Purchaser's check for the down-payment is dishonored or fails of collection;

(ii) Failure to close title on the date and time scheduled for closing or on an agreed rescheduled date of closing.

(iii) Purchaser's failure to pay the balance of the purchase price on the Closing Date designated by Sponsor herein; and payments of all closing costs set forth herein including mortgage tax credit, if any;

(iv) Purchaser's failure to duly sign, notarize and deliver at closing transfer tax return forms and pay the New York City and New York State real property transfer taxes;

(v) Purchaser's failure to duly sign, notarize and deliver at closing the Power of Attorney to the Condominium Board of Managers and Sponsor;

(vi) Purchaser's failure to pay, perform or observe any of the Purchaser's other obligations under this Agreement or the Plan.

B. If Purchaser becomes a tenant pursuant to an Interim Lease for the Unit, and the Purchaser shall default in such interim Lease, then Sponsor may elect to terminate the Interim Lease and such default shall be deemed a default under this Agreement. The provisions of this Agreement shall not limit any other rights or remedies at law or in equity or under the Interim Lease that Sponsor or any other party may have by reason of such default under the Interim Lease. The right is reserved to the Sponsor to apply any rent security against any rent arrearage or other

default and in addition to sue any tenant to the extent such rent security is insufficient. Notwithstanding the forgoing, before sponsor may utilize the default under the this Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

C. The failure to pay, perform, or observe any of Purchaser's obligations hereunder, which is not cured within thirty (30) days after the mailing of written notice specifying the nature of such default. **TIME IS OF THE ESSENCE TO CURE ANY DEFAULT UNDER THIS AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD.** Time of the Essence means that Purchaser must cure the default specified in the notice within said thirty (30) period or be held in default with no further notice. Sponsor has no obligation to extend the time to cure and may, at its option, (i) cancel the Purchase Agreement, or (ii) bring an action against Purchaser for specific performance. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser of the cancellation and any Down Payment, but not in excess of ten percent (10%) of the purchase price, plus any amounts paid by Purchaser for actual work orders or upgrades authorized by Purchaser, including materials, (even if such additional amounts in the aggregate exceed ten percent (10%) of the purchase price), shall be paid to Sponsor as and for "liquidated damages". Any excess deposit shall be returned to Purchaser promptly. Thereafter, the Purchase Agreement shall become null and void and Sponsor may sell the Unit to any other party and have no obligation to account to Purchaser for any terms of such sale. Sponsor will comply with the terms and provisions of the Escrow Agreement set forth in full in Part II of the Plan.

D. If Purchaser has made an application to the Department of Law pursuant to the dispute resolution provisions of the Escrow Agreement and has so notified the Escrow Agent and followed the provisions contained therein, the Escrow Agent shall continue to hold the down payment until resolution of such dispute or pay the down payment into court. Upon cancellation of this Agreement and giving such refund to Purchaser, Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another, subject to any lawful tenancy of the Unit, as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale. Martin Shaw, Esq. may rely upon the truth and accuracy of the facts contained in the representations and shall have no liability as a result of such reliance.

E. Notwithstanding the occurrence of an Event of Default, Sponsor may, in its sole discretion, keep this Agreement in effect and proceed to close title without prejudicing Sponsor's right to recover from the Purchaser damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled (including, but not limited to, legal fees and costs of collection).

22. Appliances, Fixtures and Equipment and Construction

A. Only those appliances, hardware, fixtures and equipment and items of personal property, which are described in the Plan as being part of the Unit and are actually located in the Unit on the Closing Date, are included in the sale of the Unit pursuant to this Agreement. In addition, cabinets, appliances, furniture, wall coverings, furnishings, decorations and the like in or about any model apartment are for display purposes only and are not included in the sale. Any floor plans or sketches shown to Purchaser are only approximations of the Unit's dimensions and arrangements, and Purchaser should not rely thereon. Purchaser acknowledges and agrees that other than as expressly provided in the Plan, Sponsor makes no representation in connection with

such appliances, fixtures, furnishings and items of personal property and Sponsor expressly disclaims any implied warranty of merchantability or fitness for a particular purpose.

B. There will be no modifications, changes or upgrades unless agreed to in writing by the parties. All such modifications, changes or upgrades to the Unit desired by Purchaser must be approved by Sponsor in writing and, if approved, shall be performed by Sponsor at Purchaser's expense.

C. Purchaser understands that the Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Unit or the Installations other than as set forth in the Plan. Purchaser acknowledges and agrees that Sponsor will not be liable for and will have no obligation to correct certain unsubstantial variations from the Plan.

D. The construction of the Building and the Unit shall be substantially in accordance with the Plans and specifications subject to the right of Sponsor to amend the plans and specifications in order to substitute materials, equipment or fixtures of equal or better quality, provided such changes conform to code. The issuance of a final Certificate of Occupancy for the Building shall be presumptive evidence that the Building and the Unit have been fully completed in accordance with the plans and specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Section of the Plan "Rights and Obligations of Sponsor." Sponsor will not be liable for and will have no obligation to correct certain variations from the Plan and the specifications as indicated in the Section "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

23. Possession of Unit and Purchaser's Work

A. It is expressly understood and agreed that Purchaser shall in no event take possession of the Unit until after Closing to the Unit has occurred under this Agreement. Should the Purchaser violate this provision, the Purchaser consents that the Sponsor shall have the right to remove Purchaser from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession or occupancy, the Purchaser shall be deemed in default hereunder at the option of the Sponsor, and if the Sponsor so elects, the Sponsor may cancel this Agreement and the amount deposited hereunder shall belong to the Sponsor as liquidated damages deemed earned hereunder, but not more than ten percent (10%) of the purchase price, together with any amounts, if any, release to Sponsor to be used for special work or upgrades. The Sponsor may receive actual incurred expenses for any special work or upgrades or extras ordered by Purchaser as part of the liquidated damages even if such total amount exceeds ten percent (10%) percent of the purchase price. It is further understood and agreed that Sponsor will not be responsible for any loss or damage to any property belonging to Purchaser whether same is delivered before or after the Closing of title.

B. Purchaser shall not make or cause to be made any alterations or installation in the Unit and the Purchaser will not make any applications to any government entity with any respect to such alterations or installations until the later of (i) Closing Date (except as limited by paragraph 8(B) above); and (ii) after the new permanent certificate of occupancy ("CO") with the

respect to the Building has been obtained after the completion of the work described on the Plans and Specifications.

24. Damage to the Unit

A. If a Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to closing of title without permission of Sponsor under an Interim Lease or otherwise, then Purchaser shall be solely responsible and bear the risk of loss or other casualty with respect to the Unit and any damage to, or loss or other condition in, the Unit, including to Purchaser's personal property contained therein. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repairs shall not excuse Purchaser from paying the Balance due hereunder and accepting delivery of the deed to the Unit on the Closing Date. Sponsor shall not be obligated to make repairs or alterations to the Unit or appliances, fixtures and equipment or Installations therein. However, until closing Sponsor will remain responsible to make those repairs required of it as landlord under any interim lease.

B. Purchaser does not assume the risk of loss to the Unit if the cause thereof originated outside the Unit and did not result from the acts of Purchaser, or other occupants of the Unit, or of Purchaser's guest, invitees, or workmen.

C. Except as provided herein, all other risk of loss until the earlier of Closing or possession of the Unit by Purchaser, is assumed by Sponsor, but without any obligation or liability to repair the damage or restore the Unit or the Property. If Sponsor, at its sole discretion, elects to repair or restore the Property and the Unit, Sponsor shall be entitled to an adjournment of the Closing Date for a reasonable period of time in order to perform such work. In that case, this Agreement shall continue in full force and effect and Purchaser shall be obligated to close title without abatement in or a credit against the purchase price. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall belong entirely to Sponsor and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title.

D. If Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, there is damage to part of the Building other than the Unit covered by this Agreement and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, then (provided Purchaser has not assumed the risk of loss by taking possession of the Unit), this Agreement shall be deemed terminated and provided that Purchaser is not then in default under this Agreement, Sponsor shall return all sums deposited by Purchaser hereunder, together with interest earned thereon, if any. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been substantially repaired as near as is reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street having been restored. Any proceeds received from insurance, or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor. If such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentences shall survive the closing.

E. In the event that Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement shall be deemed canceled and of no further force or effect, and Sponsor shall instruct the Escrow Agent to return to Purchaser all sums deposited hereunder, whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that, if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Liquidated Sum pursuant to Paragraph 4.

25. Notices

All notices, elections, consents, demands and communications (collectively called "notices" or individually called "notice") shall be delivered personally or given in writing by regular mail, registered or certified mail, return receipt requested, postage prepaid and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and, if sent to Sponsor, Norfolk Hudson LLC, 58 Thomas Street, New York, New York 10013. Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or five (5) days from the date when deposited in any branch, station or depository maintained by the U.S. Postal Service in the City and State of New York, except that a notice of a change of address shall be deemed given when actually received.

26. Broker

Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 25 shall survive the closing.

27. Federal Form 1099

Purchaser shall cause its attorney to execute a designation agreement designating such attorney, or such other person specified by the Sponsor, as the "real estate broker" who is required to file a 1099 return with respect to the sale of the Unit pursuant to Section 6045 of the code. The Purchaser shall cause such real estate broker to make such 1099 return and to comply with all other requirements of Section 6045 of the code in connection with the sale of the Unit, and the Purchaser shall indemnify and hold harmless the Sponsor and its attorneys against any and all penalties, loss and expenses, including attorney's fees, resulting from the failure of the Purchaser or such real estate broker to comply with the code and the provisions of this Agreement and such designation agreement.

28. No Lien; Agreement Subordinate to Mortgage

A. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded and any purported recordation hereof by Purchaser shall constitute an Event of Default.

B. In furtherance, and not in limitation, of the provisions of the preceding subparagraph A, Purchaser agrees that the provisions of this Agreement are, and shall continue to be, subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date unless Purchaser assumes such mortgages. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of Sponsor, provided that any such mortgage is subordinated to the Declaration and the Unit is released from the lien of such mortgage at closing.

29. Entire Agreement

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

30. Agreement May Not Be Assigned Nor Unit Advertised

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor. Any purported assignment by Purchaser in violation of this Agreement shall be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment shall not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. Prior to closing of title to the Unit, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of this Unit for sale or rent.

31. Joint Purchasers

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

32. Limitation of Sponsor's Liability

A. The Sponsor's liability under this Purchase Agreement for failure to complete and or deliver or have delivered title for any reason whatsoever shall be limited to the return of the money deposited hereunder with interest, if any, except for any funds released to Sponsor for actual work or upgrades, including cost of materials, authorized by Purchaser. Upon return of such deposits, this Purchase Agreement shall be null and void and the parties hereto released from any and all liability hereunder except for provisions that by their terms survive termination of this

Agreement. In any event the Sponsor shall not be required to bring any action or other proceedings to render title marketable or to cure any objection to title.

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

33. Further Assurances

Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provision of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction, before or after the closing. This provision shall survive the closing.

34. Severability

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

35. Strict Performance

Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches that may occur, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

36. Governing Law

The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York.

37. Foreign Investment in Real Property Tax Act (FIRPTA)

Upon disposition of a United States real property interest by a foreign person or after January 1, 1985, the Purchaser of such real property interest must deduct and withhold a tax equal to ten percent (10%) of the purchase price unless the Sponsor furnishes a certificate that it is not a foreign entity or individual. Sponsor, a New York limited liability partnership will furnish the Purchaser a non-foreign certificate at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

38. Special Work Ordered by Purchaser

Purchaser agrees that all custom work ordered by Purchaser is to be performed by Sponsor's contractors. The cost of such work will be in addition to the total purchase price for the Unit and will be at the sole cost and expense of Purchaser. The initial Down-Payment will be increased by the total amount of the special work so ordered and shall be deposited in escrow. However, if the Purchaser rescinds his Purchase Agreement, such funds will not be refunded to Purchaser to the extent such funds have been disbursed or are required to pay for the special work.

39. Tax Certiorari Proceedings

Sponsor may bring proceedings in court or take other actions which Sponsor believes may result in the lowering of the assessed valuation of the Property. If these proceedings or actions are successful, the amount of taxes payable by each Unit Owner will be lessened. Sponsor may undertake such proceedings or actions on Purchaser's behalf, although it shall have no obligation to start such proceedings or actions or to continue them after Sponsor has started them. If Sponsor does take such action Purchaser will cooperate with Sponsor and will not take any actions or proceedings while Sponsor's actions are underway. If Sponsor is successful in obtaining a reduction in the amount of taxes or other assessments which Purchaser must pay, the parties will apportion the reduction, based on the proportion of time for which the reduction is granted, during which each party owned the Unit, and Purchaser agrees to apportion the legal fees and expenses for such actions or proceedings. Purchaser will pay the proportionate share of such fee and expenses to Sponsor or to the Party designated by Sponsor within thirty (30) days after the Sponsor has notified Purchaser of (i) the amount of the reduction that has been obtained; (ii) the amount of the reduction attributable to the Purchaser; (iii) the amount of the fee for obtaining the reduction; (iv) the amount of the fee for obtaining the reduction attributable to the Purchaser; and (v) the party to whom Purchaser should send a check for the amount of such fees attributable to Purchaser. The provisions of this paragraph shall survive the closing of title.

40. Lead-Based Paint

The United States Department of Housing and Urban Development and the Environmental Protection Agency recently adopted 'Lead-Based Paint Regulations" applicable to most housing built prior to 1978 (called "Target Housing"). The Building at 103-105 Norfolk Street, New York, New York is under new construction and no lead-based paint will be used.

41. Waiver of Jury Trial

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or relating to this Agreement or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding that a jury trial is waived.

42. Gender

A reference in this Agreement to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

43. Certain References

The term "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Paragraphs, subparagraphs or other provisions are references to Paragraph, subparagraphs or other provisions of this Agreement.

44. Captions

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

45. Successors and Assigns

Subject to the provisions of Paragraph 24 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

46. No Oral Changes

This Agreement cannot be changed or any provision waived orally. Any changes or additional provisions or must be set forth in a rider attached hereto or in a separate written agreement signed by the parties.

47. No Representation

Purchaser acknowledges that Purchaser has not relied upon any architect's or engineer's plan, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Sponsor's Counsel Selling Agent or others, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the room therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the estimated Common Charges and estimated real estate taxes for the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or the right to any income tax credit with respect to the purchaser of the Unit, or any other data, except as may be specifically represented herein or in the Plan. Purchaser has relied solely on Purchaser's own examination and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any part of the Property other than as set forth herein or in the Plan. Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plans and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Paragraph 47 shall survive the closing of title.

48. Conflict with the Plan

Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan.

49. Rule of Construction

There shall be no presumption against the drafter of the Purchase Agreement.

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

Purchaser: _____

_____

Accepted: **NORFOLK HUDSON LLC**

By: _____

EXHIBIT 1 to the Purchase Agreement

STATEMENT BY PURCHASER FOR OCCUPANCY

The undersigned, the Purchaser of the Residential Condominium Unit of the BLUE CONDOMINIUM, verifies and represents that the undersigned intends that the undersigned or one or more of the undersigned's immediate family will occupy the below Unit at or prior to closing. The undersigned represents that he/she has not made a similar representation within the past twelve months.

Unit # _____ PURCHASER

_____

_____

Specified Family Member (if applicable):

_____

Sworn to before me this
____day of _____ 200___

_____
Notary Public

EXHIBIT 2 to the Purchase Agreement

STATEMENT OF EXCEPTIONS:
ADJUSTMENT AND/OR REPAIRS

Re: 103-105 Norfolk Street
New York, New York

Purchaser: _____
Unit No.: _____
Date: _____

I (we) hereby acknowledge that I (we) have purchased this Unit in "As Is" and therefore Sponsor has no obligation to make any repairs or replacements in or to my Unit except for any condition that may be unsafe or in violation of building code. I (we) found the above referenced Unit, its floors, walls, doors, fixtures, appliances, equipment, hardware, and all other general items to be in good and satisfactory condition and acceptable to me (us) except for those matters, if any, expressly noted below and which Sponsor has agreed, at Sponsor's sole discretion, to repair or replace, prior to closing or within a reasonable time thereafter.

Upon completion of work to each open item, if any, listed below, I agree to initial each such item.

ITEMS:	DATE & INITIALS
a. Walls: _____	_____
b. Floors: _____	_____
c. Ceilings: _____	_____
d. Windows: _____	_____
e. Electrical Fixtures: _____	_____
f. Painted Surfaces: _____	_____
g. Kitchen Cabinets: _____	_____
h. Appliances: _____	_____
i. Kitchen Sink: _____	_____
j. Medicine Cabinets: _____	_____
k. Vanities: _____	_____
l. Bathroom sinks: _____	_____
m. Water Closet: _____	_____
n. Bathtubs: _____	_____
o. Bathroom tile: _____	_____
p. Other: _____	_____

The undersigned understands and agrees that Sponsor shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof or fixtures, appliances, equipment, etc., contained therein, from or after the date of delivery of possession of the Unit to the undersigned, except as to those items (if any) expressly excepted above (and Sponsor's obligation regarding any such excepted items shall cease upon the completion of the repair, adjustment or correction of same).

Purchaser acknowledges that except as set forth above, Sponsor's work on the Unit is complete. Nothing contained herein shall be construed to excuse Sponsor from its obligations to correct defects in construction to the extent required in the section entitled "Rights and Obligations of Sponsor" contained in the Offering Plan.

I (we) understand that the full Balance of the Purchase Price of the Unit must be paid at Closing under the Purchase Agreement, without provision for escrow, notwithstanding Sponsor's obligation to complete or correct the items noted above after the closing

I (we) also agreed that that Sponsor will be excused from completing any excepted items contained herein if: (a) I (we) undertake any repairs or alterations, or improvements in the Unit prior to Sponsor's start or completion of such excepted items; or (b) if Sponsor or its contractors are not given access to the Unit promptly upon notice.

NORFOLK HUDSON LLC

By:_____
Sponsor's Representative

_____

Date: _____

Purchaser or Purchaser's Representative

_____

_____

EXHIBIT 3 to the Purchase Agreement

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having "jurisdiction."

2. Any state of facts which an accurate survey of the Unit would show, provided such state of facts do not render title unmarketable.

3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Condominium Board of Managers and Sponsor and the Floor Plans, all as may be amended from time to time.

4. Consents by Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Land may abut.

5. Any easement or right of use in favor of any utility company for construction, use, maintenance, repair and replacement of all utility lines, wires, boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.

6. Encroachments of stoops, areas, cellar steps or doors, trip, copings, retaining walls, bay windows, balconies, cornices, foundations, footings, chutes, drainage and stand pipes, and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

7. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

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

9. Any encumbrances as to the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent

the use of the Unit for dwelling purposes (if the Unit is a Residential Unit) or commercial (if the Unit is a Commercial Unit).

10. Any recorded covenant, restriction, reservation, agreement, assessment and encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling or commercial purposes.

11. Any lease covering, or tenancy or occupancy or use of, the Unit and the rights of such tenant(s) and occupant(s), if any, under applicable law.

12. Any violations against the Property (other than the Unit's) which are the obligation of the Condominium Board of Managers or another Unit Owner to correct.

13. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring Purchaser's title to the Unit.

14. Projections over Norfolk Street by standpipe, awnings, protective gates, air conditioners, electrical lights and hose bib cover.

15. Projections over by trim, stand pipe, marquee, and air conditioners.

16. Angle iron, windows when open, windowsills and air conditioners project over premises adjoining on the East.

Policy will except any state of facts an accurate survey of the Unit would show, however, policy will insure that any encroachments of a portion of the Unit structure upon other Units or upon the common elements may remain undisturbed as long as same shall stand.

DESCRIPTION OF PROPERTY
AND EXISTING BUILDING CONDITION

Of

103-105 NORFOLK STREET
NEW YORK, NEW YORK 10002

By

SLCE ARCHITECTS
841 BROADWAY
NEW YORK, NEW YORK 10003

103-105 Norfolk Street
(ATTORNEY GENERAL'S REPORT)

Outline Specifications
103-105 Norfolk Street
New York, New York

April 4, 2005

A. Location of Property

1.	Address:.....	103-105 Norfolk Street	
2.	Block & Lot #.....	Block: 353	Lot: 35
3.	Zoning:	R7-2/C6-1	
4.	Permissible Uses:.....	J Residential – C Commercial	

This property and its proposed use will comply with all zoning and use requirements at the completion of construction.

B. Status of Construction

1. Construction began on the vacant lot on March 21, 2005, and is scheduled to be completed by December 31 2006 unless delayed by weather, strikes, lockouts, acts of God, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or elements or any other cause of which the sponsor has no control.

2. Class of Construction: The Building will be classified as Class 1C and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code"). The plans have received a building permit from the Manhattan Department of Buildings, Permit # 103862893.
3. Certificate of Occupancy: After the completion of construction work contained herein, the developer will apply for a Certificate of Occupancy from the Department of Buildings of the City of New York ("Department of Buildings"). The Department of Buildings will inspect the premises for construction, mechanical, plumbing, electrical and electrical compliance before issuing a Certificate of Occupancy.

C. The Project Site

1. The site is on Norfolk Street, and contains 50'-0" of frontage along Norfolk Street and 100 ft. depth.

2. Number of Buildings: One 16 story building will be built.

3. Streets: The existing street is the standard NYC DOT street paved with an asphalt topping which is in good condition.

    a. Catch Basins: The streets are constructed with a crown in the middle of the street, which provides cross drainage to gutters on each side of the street. Those gutters are pitched to catch basins at the intersection with Delancey Street. At the street corner, there are catch basins that drain into the New York City storm system.

4. Sidewalks: The existing sidewalks, 50'-0" long and 12' wide along Norfolk Street will be replaced with new 4" thick concrete walks.

a. Curbing: See C, 3.a. above.

b. Drainage: The sidewalks will be constructed to allow for drainage away from the building toward the street curb and gutter. See C, 3.b. above.

D. Utilities

Water supply and combined sewer servicing the building will be provided by the City of New York. Water and Sewer will be collectively metered. Gas in the residential portion of the building will be collectively metered for heating, domestic hot water and cooking.

Verizon will provide telephone service. It will be the purchaser's responsibility to purchase telephones and arrange for telephone, cable and Internet services in their unit.

E. Sub-soil Conditions

Sub soil conditions are summarized as successive strata of loose miscellaneous fill, to medium dense sands and fine sands with varying amounts of silt and still clay, very dense glacial till and very dense sand.

Water was observed in the boreholes at a depth of approximately twenty (20) feet.

Based on these conditions, geotechnical engineers recommended pile foundations. The structural system to support the building was designed with piles, pile caps/grade beams and an integral structural slab.

1. The load bearing capacity and porosity is sufficient to support the building.

2. There is no danger of damage to the building from flooding, erosion or mudslides.

F. Building Size

The building consists of 16 floors and a cellar level. The height of the building (to the top of the roof slab) from the average curb height (elevation 29.13) is 169 ft.

Parapet: Minimum 3'-6" above the finished roof elevation.

G. Occupancy

1. Apartment Unit Distribution

2nd Floor	2 One Bedroom
3rd Floor and 4th Floors	1 Two Bedroom 1 One Bedroom
5th Floor	2 Two Bedrooms
6th and 7th Floors	3 One Bedrooms
8th Floor	2 One Bedroom 1 One Bedroom
9th thru 12th Floors	2 One Bedrooms 1 Two Bedroom

14th Floor	1 Two Bedroom & Terrace
15th Floor	1 Two Bedroom
PH Upper, PH Lowe Floors	1 Two Bedroom & Terrace
TOTAL NUMBERS OF DWELLING UNITS	**32 Units**

H. Structural System

Floors and roof slabs are 8" and 10" thick cast-in-place concrete flat slabs supported by cast-in-place concrete columns. The perimeter columns are supported on the perimeter foundation wall at the first floor level, while the interior columns extend down to the cellar level and are supported on pile caps or the pile supported mat locally at the center of the tower. The concrete pile caps and the pile-supported mat distribute the loads onto clusters of friction piles.

The building lateral systems for seismic and wind requirements consists of a system of cast-in-place concrete shear walls with additional bending moment frames consisting of the columns and bands within the floor slabs. The walls and bending moment frames transfer the lateral forces to the mat foundation system, which then transfers the loads to the supporting piles.

I. Exterior of Building

1. The building exterior consists of the following:

   a. 1st Floor Front: Residential Lobby and Retail Space – Aluminum and glass entrance and storefront construction.
   b. 1st Floor Rear and Side: Concrete masonry units, and concrete.
   c. 2nd Floor North Elevation: Concrete masonry units, and concrete.
   d. 3rd Floor to Roof North Elevation: Aluminum and glass curtain wall construction with casement windows.
   e. 2nd Floor to Roof East Elevation: Aluminum and glass curtain wall construction with casement windows.
   f. 5th Floor to Roof South Elevations: Aluminum and glass curtain wall construction with casement windows.
   g. 1st Floor to 4th Floor South Elevation: Concrete masonry units and concrete.
   h. 2nd Floor to Roof West Elevation: Aluminum and glass curtain wall construction with casement windows.
   i. Roof bulkhead: Concrete masonry unit with an EIFS cladding, with aluminum and glass curtain wall construction facing north and west.
   j. The R-factor of the wall assembly shall comply with the requirements of the Energy Conservation Construction Code of the State of New York.

2. Aluminum and Glass Curtain Wall and Windows:

   a. The curtain wall shall be double-pane, insulated glass units in a thermally improved aluminum curtain wall system.

      1) Casement windows (with factory glazed insulated glass).
      2) Aluminum swing doors (with factory glazed tempered insulated glass).

   b. North elevation has lot line windows.

c. Sills:

1) Interior sills are gypsum board, where provided, otherwise, windows are integral to curtain wall..

d. Lintels: None.

e. Storm Sash: None.

f. Hardware: The hardware is fabricated from corrosion-resistant materials compatible with aluminum and of sufficient strength to perform their function.

g. Glazing and Caulking: Aluminum and glass curtain wall assembly and windows are double-glazed and comply with the recommendations of glass manufacturers, of manufacturers of sealants, gaskets, and other glazing materials.

h. Infiltration/Seepage/Structural: Aluminum & Glass Curtain Wall and window comply with structural performance, air infiltration and water penetration requirements of the Building Code for type, grade and performance class of window.

i. Warranty:

1) Glass: Minimum, 1 year.
2) Window: Minimum, 1 year.
3) Storefront: Minimum, 1 year.
4) Finish: Minimum, 1 year.

3. Parapets and Copings:

a. The parapet consists of a combination aluminum and glass curtain wall construction; structural cast-in-place concrete, and structural cold formed metal framing with fiberglass faced gypsum drywall sheathing.

b. The bulkhead roof shall have aluminum gravel stop.

4. Chimney and Caps:

a. The boiler flue is located at the center of the building. The boiler flue is housed in a masonry shaft from the cellar boiler room ceiling up to the roof. The boiler flue is a double wall B-vent.

b. The chute for the compactor is at the center of the building. The chute is enclosed in masonry construction from the 1st floor slab up to the roof. The compactor chute is 24" diameter aluminum steel.

5. Terraces:

a. Terrace areas consist of concrete pavers installed on the roof insulation over the roofing membrane.

b. Deck Finish: Concrete.

c. Balustrade: Metal.

d. Railings: Metal.

e. Coping: Aluminum.

f. Doors to Terraces: Terrace doors and frames are glass in painted aluminum frames.

6. Exterior Entrance:

a. Exterior Doors and Frames: The main entrance at the residential lobby shall have a pair of glass doors with painted aluminum frames.

b. Vestibule Doors and Frames: The vestibule shall have a pair of aluminum and glass doors with fixed transom.

c. Mail Boxes; Mail to be placed in a government -approved individual mailboxes located in the building lobby. The mailboxes shall be aluminum.

d. Lighting: Wall and ceiling mounted light fixtures shall be placed at the residential entrance.

7. Service Entrance:

a. Doors and Frames: Glass in painted aluminum frame.

8. Roof and Roof Structures:

a. Main Roof: "IRMA" hot fluid-applied roofing with extruded polystyrene insulation, with a 10 year warranty for material and labor.

1) Insulation (R Factor): To comply with the requirements of the Conservation Construction Code of the State of New York.
2) Warranty: Minimum, 10 years.

b. Private Terrace: 5th 13th and PH Lower floors: Hot fluid applied roof membrane with extruded polystyrene insulation and paver with 10 year warranty.

1) Insulation (R Factor): 3-1/2" Styrofoam, R-19.7.
2) Surface Finish: 2' x 2' concrete paver.
3) Warranty: Minimum, 10 years.

c. Flashing Materials including counter flashing:

1) Aluminum counter flashing over membrane.
2) Flashing material consists of neoprene rubber or imbued fabric.
3) Drains: Die cast metal with cast iron basket cover.

a) Number: 4
b) Material and Type: - Cast Iron Dome.
c) Gutters and Leaders: Roof drains are connected to an 8" cast iron internal pipe that is connected to the city sewer. Roof bulkheads have aluminum gutters with aluminum leaders to main roof.

d. Bulkheads:

1) Elevator: Bulkheads to include concrete stair bulkhead and elevator wheelhouse with steel ladder for access to the bulkhead roof.

e. Metal Work at Roof Level:

1) Vertical steel ladder: From elevator wheelhouse to the roof of the elevator wheelhouse.

f. Rooftop Facilities: Roof terraces of apartment units PH13 and PH15 concrete pavers.

g. Fire Escape: None. Egresses are met via the two (2) egress stairs accessible on all floors.

9. Recreational Building Terraces:

a. 2nd and 5th Floors

10. Interior Stairs:

a. Number of stairs: There are two sets of concrete stairs constructed within a scissor stair layout.

b. Enclosure: The stair shaft enclosure consists of a cast-in-place concrete and gypsum drywall partition.

c. Stair Construction: Concrete.

d. Stringers: Concrete.

e. Treads: Concrete.

f. Risers: Concrete.

g. Guard rails: None.

h. Balustrade: None.

i. Handrails: Steel pipe.

11. Interior Doors and Frames:

a. Unit entrances: Unit entrance shall be 3'-0" by 7'-0" hollow metal doors and hollow metal welded frames with 1-1/2 hour label that meets the New York City Building Code requirements.

b. Interior doors and frames: Interior doorframes shall be 2'-10" by 7'-0" hollow metal knock down painted frames with wood doors.

c. Other Locations: Boiler room, Trash Room, Electric Meter Room, Gas Meter Room, Stair A and Stair B, Fire Pump Room, Storage Rooms (1,2,3,4,5, and 5A), Retail Storage and Elevator Machine Room. Hollow Metal Doors and Frames.

12. Apartment Interior

a. Drywall partition shall be painted.

b. Woodwork shall be painted.

c. Ferrous metals shall have one prime coat and one finish coat of paint.

d. Ceiling – Kadex on cast-in-place concrete.

e. Flooring.

(1) Living Room – Wood flooring.
(2) Kitchen – Wood flooring.
(3) Bathrooms – Ceramic tile or stone tile.
(4) Bath tub surround – Ceramic tile or stone tile.

13. Elevator

a. There are two (2) elevators:

1) One (1)-passenger/service elevator.
2) One (1) passenger elevator.

b. Manufacturer of each and capacity:

1) Passenger/service elevator - 2500 lbs. capacity for 10 persons.
2) Passenger elevator- 2000 lbs. capacity for 10 persons.

c. Type of controls: Automatic.

d. Floors Served:

1) Passenger/service elevator - cellar thru PH lower floor.
2) Passenger elevator- Cellar floor thru PH lower floor.

e. Type: Traction.

f. Doors: Automatic single sliding.

g. Location of Machine Room: Elevator machine room at the cellar level.

h. AC Motor and Generator Set (Manufacturer): 40hp, 208/3 phase, and 60 amps, by Hollister-Whitney.

14. Elevator Cab:

a. Cab: Finishes to be selected by the Architect.

b. Entrance at Lobby: Ornamental metal as selected by the Architect for door, buck, front wall, and button panel.

c. Entrance at Upper Floors: Painted steel.

d. Ceiling: As selected by the Architect

e. Floor: As selected by the Architect

f. Handrail: As selected by the Architect

g. Lighting: As selected by the Architect.

J. Auxiliary Facilities

1. Refuse Disposal:

   a. Compactor: One (1) multi-bag building compactor with a roller tray for residential rubbish chute. The unit is located at the cellar floor.

   b. Chute: There will be one (1) rubbish chute accessible on floors 2-15.

2. Approval by authority having jurisdiction: None.

3. Storage Location: The compacted bags will be stored in Trash Room in the cellar until they are transferred to the street.

4. The bags from the residential trash room will be picked up by the New York City Sanitation Department on their regular schedule.

K. Plumbing and Drainage

1. Water Supply: A 3-inch domestic water service will be provided from the New York City water main to a duplex pump system; 20 hp each.. The house pumps will provide water distribution, which will be up fed from the cellar floor ceiling (low zone) and the PH upper floor ceiling (high zone). Water piping is "L" copper with 95-5 solder joints.

2. Fire Protection System: The Building will be provided with a 500 GPM automatic fire pump feeding one standpipe riser located in fire stair; a valved outlet on each floor shall be provided. The pump shall be a Peerless 5PVF 11 HP (at 287 feet) or equal. Hose racks will be located on the first floor with a locked fire hose cabinet on the first floor level for residential floors. There will be sprinkler heads in the Compactor Room, at the refuse storage areas, at alternate floors in the compactor chutes, and all residential areas on all floors in accordance with the New York City Building Code. All of these sprinkler heads will be supplied from a standpipe system. The Building will have 3x3x5 Siamese Fire Department connections, as required by New York City Building Code. Sprinkler piping is schedule 10 with vitaulic and threaded fittings.

3. Water Pressure: Domestic water pressure for the entire building will be provided by the constant pressure duplex booster pump system.

4. Sanitary Sewage System: All sanitary drainage and vent will be piped through no-hub cast iron piping to new house sewers, which discharge into sanitary house trap connected to the New York City Sewer System on Norfolk Street. A duplex sewage ejector, 80 GPM each, will service the sanitary fixtures and floor drains located below the house sewer level.

5. Storm Drainage System: Yard and roof drains, which will be located in all required drainage areas, will in turn be connected to house traps discharging into the combined New York City storm and sewer system. There will be no new catch basins at the property.

6. Permits Required: The City of New York has approved the Building's sanitary, storm and domestic water service connections.

L. Heating, Ventilation and Air Conditioning

1. General: Heating and air conditioning, all year round, will be provided to the residential units by circulating hot water through (PTAC units) heating coils in incremental air conditioning units in each apartment.

   The rated capacities of the various types PTAC units to be installed in the residential areas are as shown on drawings.

   Units are manufactured by Skil-Aire or similar manufacturer and are adequate to maintain the temperatures described below.

2. A roof mounted cooling tower is designed to provide sufficient condenser water for building public area and future retail area air conditioning. These will be designed to maintain inside conditions of 78 degrees Fahrenheit and 50% relative humidity when the outside conditions are 89 degrees Fahrenheit dry bulb and 73 degrees Fahrenheit wet bulb. The system is also designed to meet the requirements of the New York City Energy Code.

3. Hot Water Production: The hot water used in the heating system and to generate domestic hot water will be produced by two (2) Pennant 2000 or equal, boilers each firing at 1999 MBH. This hot water will be piped through Schedule 40 steel pipes (over 3" size) and type "L" copper (up to 3" size), which will be welded and screwed with 125-pound fittings or soldered. Domestic hot water will be produced for the building by "Turbomax" instantaneous water heaters, each of which will be driven by hot water produced in the boilers with capacity as shown on drawings.

M. Hot Water Pumps

a. Two (2) new heating pumps, of size indicated on drawings each (one spare) are provided for circulation of hot water system throughout the building's heating equipment.

b. New pumps are provided to provide hot water circulation for domestic hot water heaters.

N. Main Entrance Lobby

a. Lobby air conditioning system consists of water-cooled units. Air supply and return connection between air conditioning units and lobby is through sheet metal ductwork. Air is discharged and returned through air supply and return registers. Supply fan for rated quality is located on ground level. Additional heat is provided by cabinet heaters and convectors.

b. Public Areas: The residential lobby and other public areas will be serviced by a "Skillaire" or equal, water cooled unit each with hot water heating coil or similar units by other manufacturers for heating and cooling. Corridors are heated and cooled via a roof mounted gas fired packaged heating and air conditioning unit.

c. Fresh Air: Fresh air for apartment interiors will be available by opening windows.

O. Ventilation

a. Bathrooms

Residential bathrooms are designed for the removal (exhaust) of 50 cubic feet of air per minute through sheet metal constructed vertical risers and sheet metal horizontal offsets.

b. Corridors

Corridors ventilation system is designed to supply air at the rate of 0.5 cubic feet per minute per square foot area with tempered air during the heating and cooling seasons. Air is distributed through sheet metal shaft construction vertical risers and sheet metal horizontal offsets and connections. Each floor is provided with an air discharge register and fire damper. Supply roof top unit for rated air quality is located on the roof.

P. Gas Supply

Con Edison will provide natural gas to the Building for heating domestic hot water and cooking. The gas will be metered through meters provided by the utility company, and will be supplied and distributed through black steel piping.

Q. Electrical Systems

Electric service will be provided by Con Edison at 208 volts, 3 phase, 3 wires to an electric switchboard room and distributed through various size service switches for the public areas and the residential portion of the building and the balance of the building. The capacity of the electric service provided by Con Edison is 2,000 amperes. Electric service will be provided to the residential units from individual meters. Individual feeders, which will vary in size, will be run to each apartment The Common Area (house) loads such as general lighting and miscellaneous power and mechanical equipment shall be separately metered for electric service at 120/208V.

Circuits will be provided in each residential unit with the capacity to handle all typical residential loads within the residential unit (lighting, appliances, air conditioning and receptacles). Capacity provided in each residential unit is in accordance with Code requirements and will be a minimum of 100 Ampere @ 120/208 volt, 1 phase 3 wire. Each apartment will have an adequate number of circuits to meet the Code.

Switched incandescent; lighting fixtures will be provided in all bathrooms, walk-in closets, and kitchens. Switched receptacles will be provided in living rooms and bedrooms. Ground fault receptacles will be provided in kitchens, bathrooms and at terraces. The water-cooled air conditioning units in each residential unit will be wired directly to the unit's electrical panel.

Residential unit services, including switching and fusing, shall be adequate for modern day appliances, lighting, convenience outlets, washer/dryers and water cooled units. See the attached schedule for capacities of each apartment feed. The common area (house load) will be served 120v circuits. Miscellaneous equipment at 120v or 208v and all ½ horse power, any motors and over at 208v.

R. Telephone, Intercom and Security System

Telephone service will enter the Building to feed a main telephone room at the cellar level and then distributed through conduits and sleeves to various areas of the Building, Each residential unit will receive telephone service through wires running between a closet in the residential unit and the communications closet servicing such residential unit.

Each individual apartment will have its own network interface distribution (NID) panel for the distribution of telephone and CATV service throughout he apartment. The system will provide two-way communication between the apartment and the concierge station.

S. Television Reception Facilities

Wiring will be installed within residential unit to enable the unit owner to obtain cable television service from an outside vendor. The building will not be equipped with a master television antenna system.

T. Public Area Lighting

Lighting will be furnished to the public areas of the building through fluorescent and/or incandescent fixtures.

U. Garage and Parking Areas

None Required

V. Recreation Areas

2nd and 5th Floor Terraces

W. 1. Violations:

(i) Inspection of the NYC Building Department files reveals that the Building has no pending Building Code Violations.

(ii) Searches have been requested of the following agencies to determine if any pending violations exist:

NYC Fire Department
NYC Department of Air Resources
NYC Certificate of Inspection

2. Permits and Certification:

(i) Conducted concurrently with construction with final sign-off at the issuance of the Certificate of Occupancy.

NYC Department of Buildings
Elevator
Mechanical and Plumbing
Boiler
Department of Air Resources
Compactor
Electrical
Fire Department

X. Unit Information

1. Finish Schedule for Typical Apartment from the 2nd thru Penthouse Upper Floor)
2nd – PH Upper Floor

Space	Floor	Wall	Base	Ceiling
Foyer	WD	Prime	WD	K/GWB
Living Room	WD	Prime	WD	K
Bedrooms	WD	Prime	WD	K
Kitchen	WD	Prime	-	K/GWB
Master Bathroom	ST/CT	ST/CT	ST/CT	K/GWB
Secondary Bathroom	ST/CT	ST/CT	ST/CT	KGWB
Closets	WD	Prime	WD	K/GWB
W/D Closet	VCT	Prime	V	K/GWB

1st Floor

Space	Floor	Wall	Base	Ceiling
Lobby	Stone	GWB	Stone	GWB/K
Elevator Lobby	Stone	GWB	-	GWB/K
Bicycle Storage Rm.	Conc.	GWB	V	GWB
Mail Room	Stone	GWB	Stone	GWB
Concierge	Carpet	GWB	Stone	GWB
Vestibules	Carpet	-	-	GWB
Retail	Conc.	CMU/GWB	-	-
Service Hall	Conc.	CMU/GWB	V	GWB
Package Room	Conc.	GWB	V	GWB

2. Bathroom Fixtures for Apartments from 2nd to PH Upper Floors.

Bath Tub Crane, San Marcos, Model 2206X, Polymer Foam & Steel, or equal.
Lavatory: American Standard Model 0146.157, Vitreous China, or equal.
Water Closet (All Bathroom): American Standard Model 2071.016, Vitreous China, or equal.

3. Kitchen Appliance

Refrigerator: Frigidaire FRT18P6BS, or equal
Dishwasher: Frigidaire FDB658RAC, or equal.
Gas Range: Frigidaire FGF337BC, or equal

Y. Finish Schedule of Other Spaces

Typical Floors 2nd – PH Upper Floor

	FLOOR	WALL	BASE
Stairs	Conc.	Prime	
Public Corridor	CPT	GWB	V
Electrical Closet	Conc.	GWB	

ABBREVIATIONS FOR FINISHES

AT	ACOUSTICAL TILE
CMU	CONCRETE MASONRY UNIT
CT	CERAMIC TILE
CP	CEMENT PLASTER
CPT	CARPET
CONC	CONCRETE
DP	DUSTPROOFING AND HARDENER
GWB	GYPSUM WALLBOARD
HC	HUNG CEILING
K	KADEX
LWP	LIQUID WATERPROOFING
SP	SPRAY PAINT
V	VINYL
VCT	VINYL COMPOSITION TILE
GWB	GYPSUM WALL BOARD
WRWB	WATER RESISTANT GYPSUM WALLBOARD
WD	WOOD

Z. Fire and/or Smoke Safety Devices

Apartment Smoke and Carbon Monoxide Detection System

1. Each apartment will contain smoke and carbon monoxide detectors located in the vicinity of the bedrooms. The detector is wired to a 120-volt local power supply and is self-contained with its own sounding device.

Common Area Fire Detection System

1. Smoke detectors, carbon monoxide detectors and heat detectors are located in various mechanical and service rooms as necessary.

By: _____ Dated: 10/12/05

Saky Yakas, AIA - P

REGISTERED ARCHITECT STATE OF NEW YORK

SLCE*Architects*

ADDENDUM
October 12, 2005

Steven Sansone, P.E.
Reviewing Engineer
Department of Law
120 Broadway
New York, NY 10271

Re: 105 Norfolk Street
New York, NY

Dear Mr. Sansone,

I am responding to your request for information regarding the above noted project:

1. The wood floors are veneer.
2. The walls and ceilings for the elevator cabs are composed of plastic laminate. They also have incandescent lights pointing downward, stainless steel handrails, baked enamel doors and bucks, and stone floors.
3. Metropolitan Compactor Services is manufacturing Model Number M-4000 for the trash chute system.
4. All non-glaze areas will be R-11. All glazed areas shall have a U-value not to exceed 0.5.
5. See the attached signed and sealed inspection report.
6. See attached letter and copy of the Building Permit.

If you have any questions, please call me.

Yours sincerely,

Saky Yakas, AIA
Partner

REGISTERED ARCHITECT
STATE OF NEW YORK

841 Broadway
New York, NY 10003
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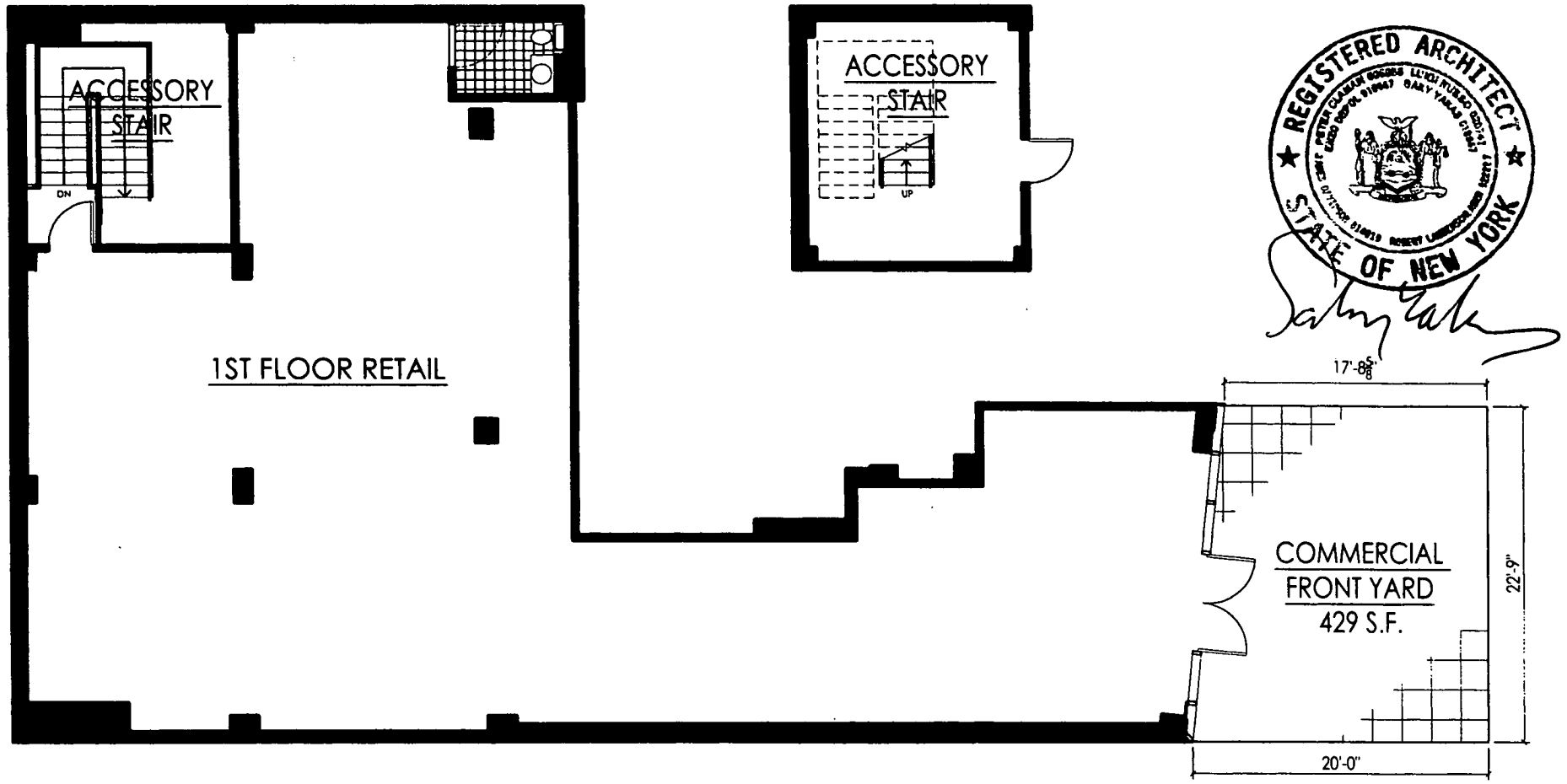
FLOOR PLANS

For

105 NORFOLK STREET
NEW YORK, NEW YORK

By

SLCE ARCHITECTS

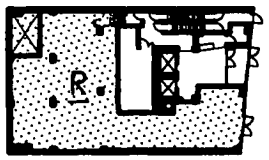


REGISTERED ARCHITECT
STATE OF NEW YORK

105 Norfolk Street

New York, New York

KEY PLAN:



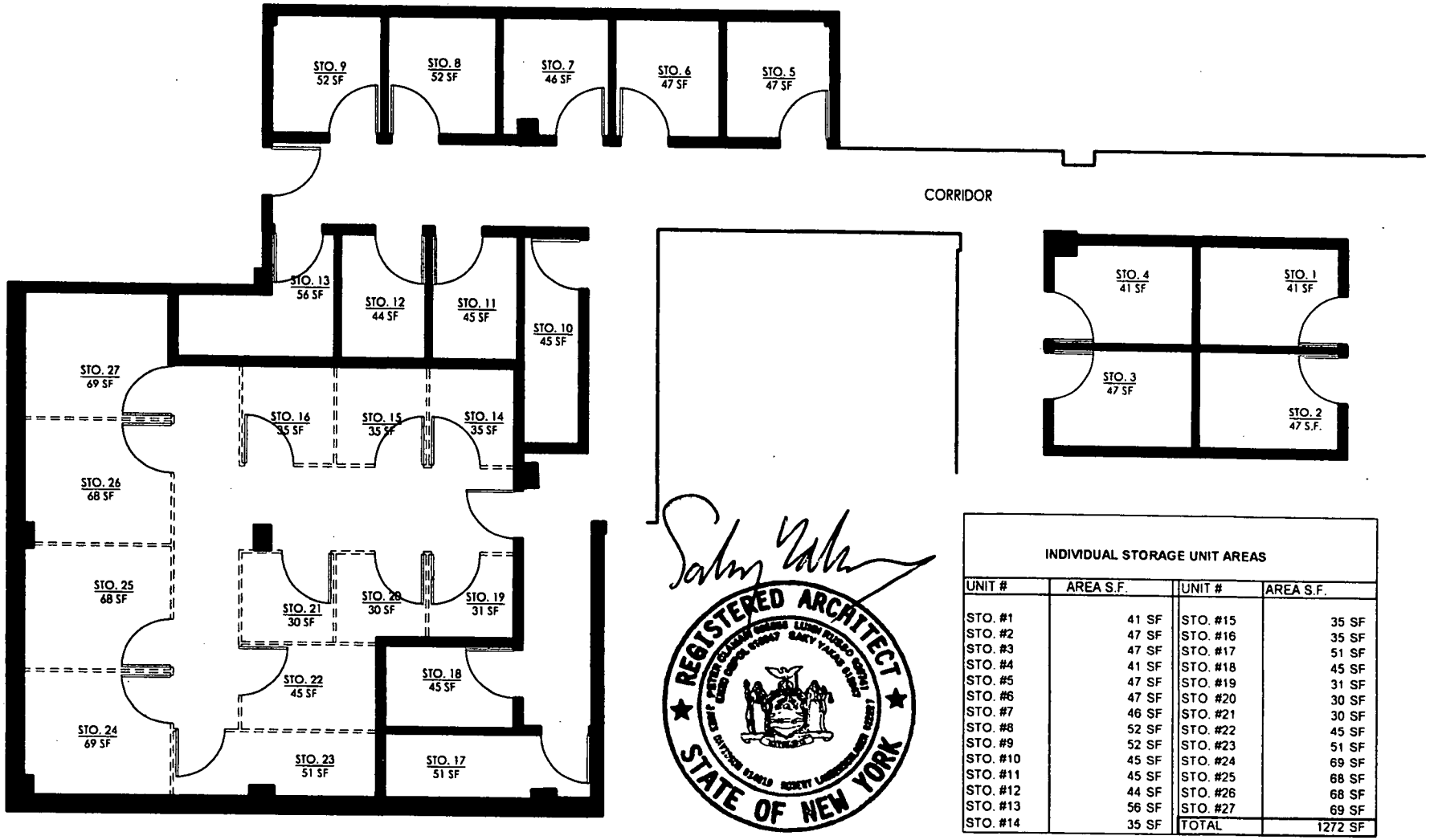
NORTH

NORFOLK STREET

CELLAR & 1ST FLOOR

RETAIL SPACE
AREA = 2,690 SQ. FT. (1ST FLR)
+281 SQ. FT.(BSMT)
2,971 SQ. FT.+ 429 SQ. FT.
FRONT YARD

SCALE:
0 2' 6' 12'
1' 3'



224

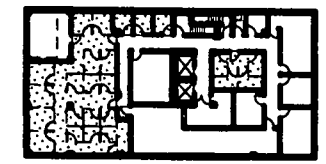
INDIVIDUAL STORAGE UNIT AREAS

UNIT #	AREA S.F.	UNIT #	AREA S.F.
STO. #1	41 SF	STO. #15	35 SF
STO. #2	47 SF	STO. #16	35 SF
STO. #3	47 SF	STO. #17	51 SF
STO. #4	41 SF	STO. #18	45 SF
STO. #5	47 SF	STO. #19	31 SF
STO. #6	47 SF	STO #20	30 SF
STO. #7	46 SF	STO. #21	30 SF
STO. #8	52 SF	STO. #22	45 SF
STO. #9	52 SF	STO. #23	51 SF
STO. #10	45 SF	STO. #24	69 SF
STO. #11	45 SF	STO. #25	68 SF
STO. #12	44 SF	STO. #26	68 SF
STO. #13	56 SF	STO. #27	69 SF
STO. #14	35 SF	TOTAL	1272 SF

105 Norfolk Street

New York, New York

KEY PLAN:



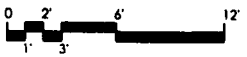
CELLAR

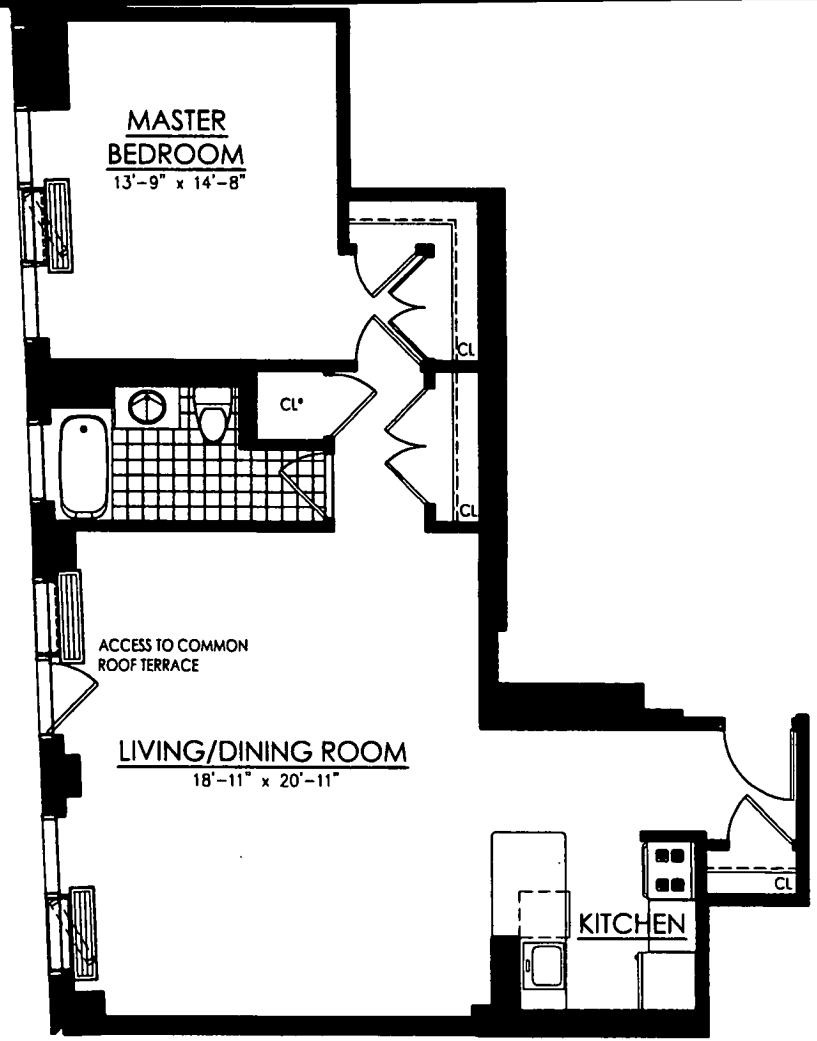
TENANT STORAGE AREA = 1,272 S.F.

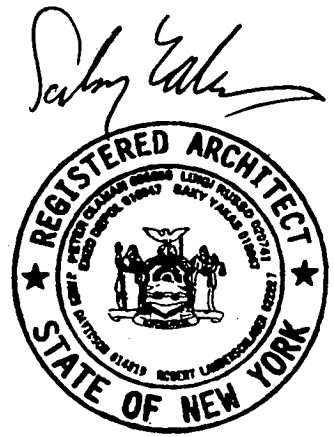
COMMON AREA = 509 SF

TOTAL RESIDENTIAL ACCESSORY & TENANT STORAGE AREA = 1,781 SF

SCALE:







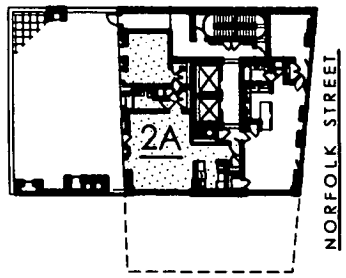
225

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



NORTH

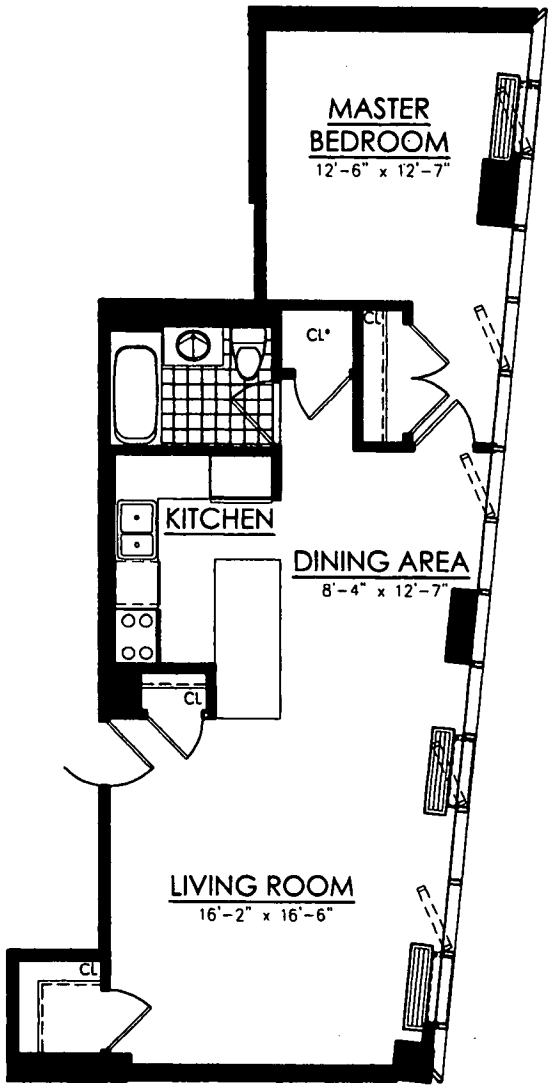
2ND FLOOR

APARTMENT '2A'
AREA = 972 SQ. FT.

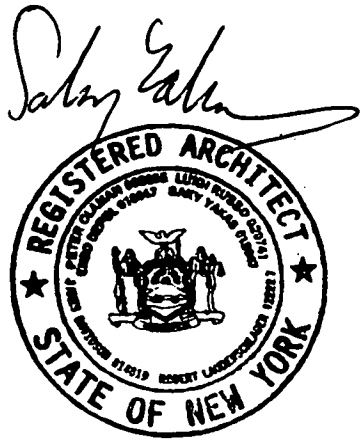
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:





226

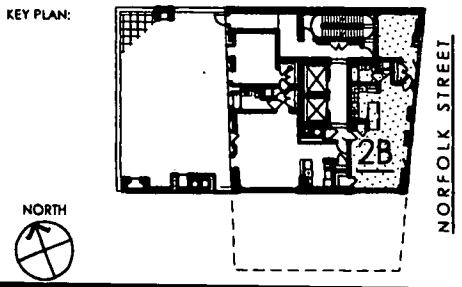


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

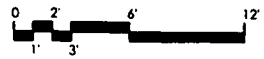


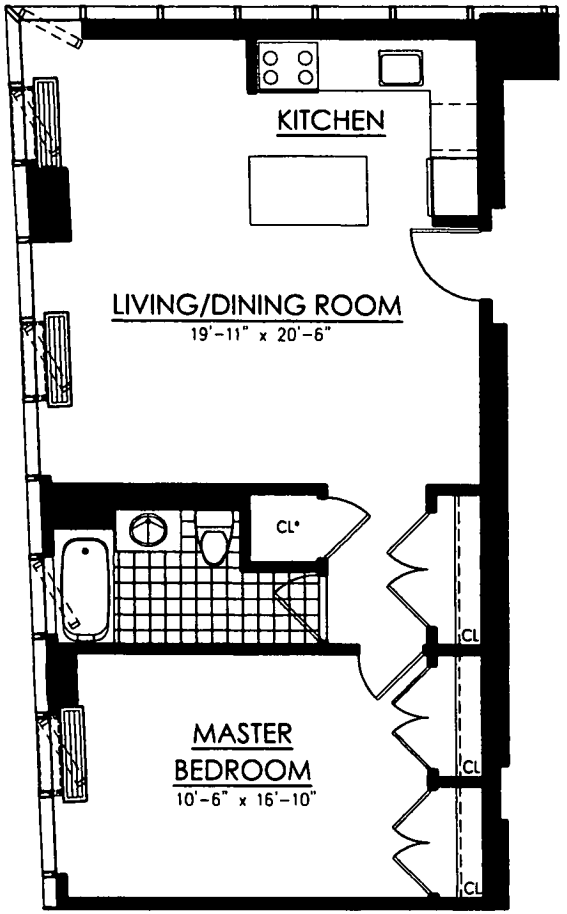
2ND FLOOR

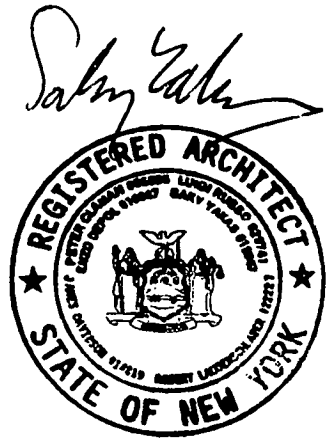
APARTMENT '2B'
AREA = 841 SQ. FT.

1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:







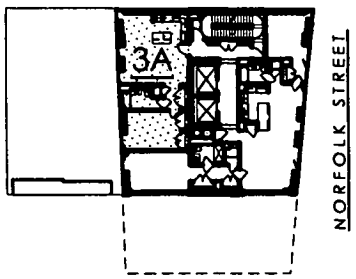
* WASHER/DRYER HOOKUP

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105 Norfolk Street

New York, New York

KEY PLAN:



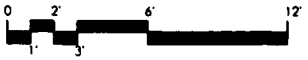
NORTH

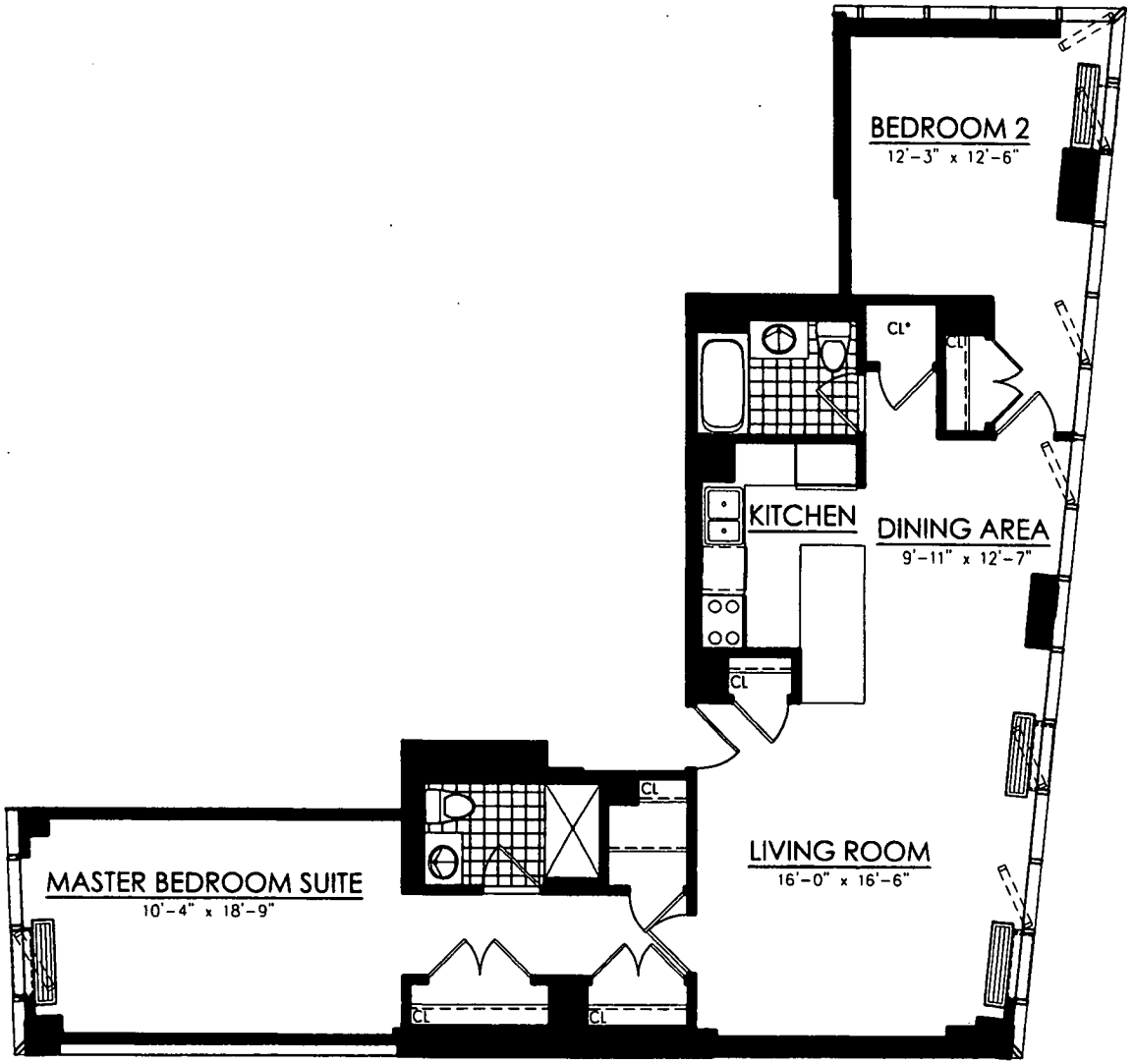
3RD FLOOR

APARTMENT '3A'
AREA = 759 SQ. FT.

1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:





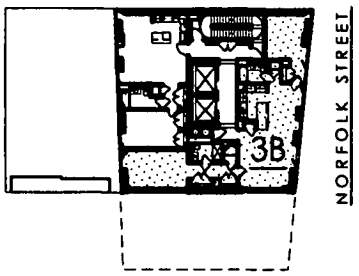
REGISTERED ARCHITECT
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

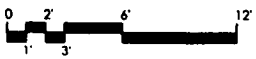


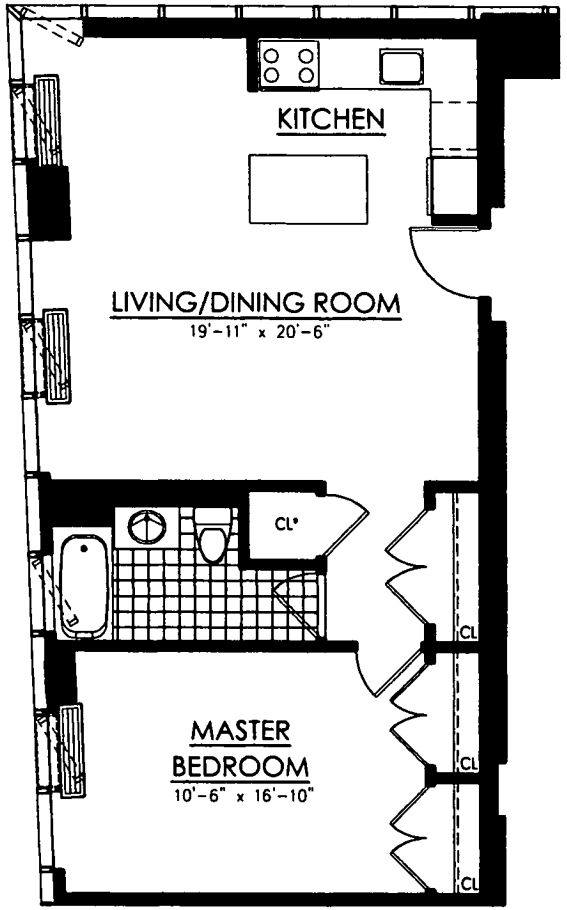
3RD FLOOR

APARTMENT '3B'
AREA = 1,218 SQ. FT.

2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA

SCALE:





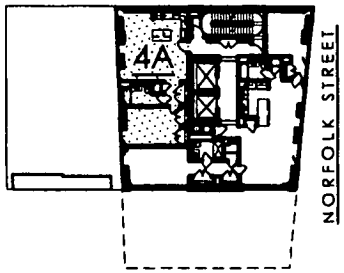


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



NORTH

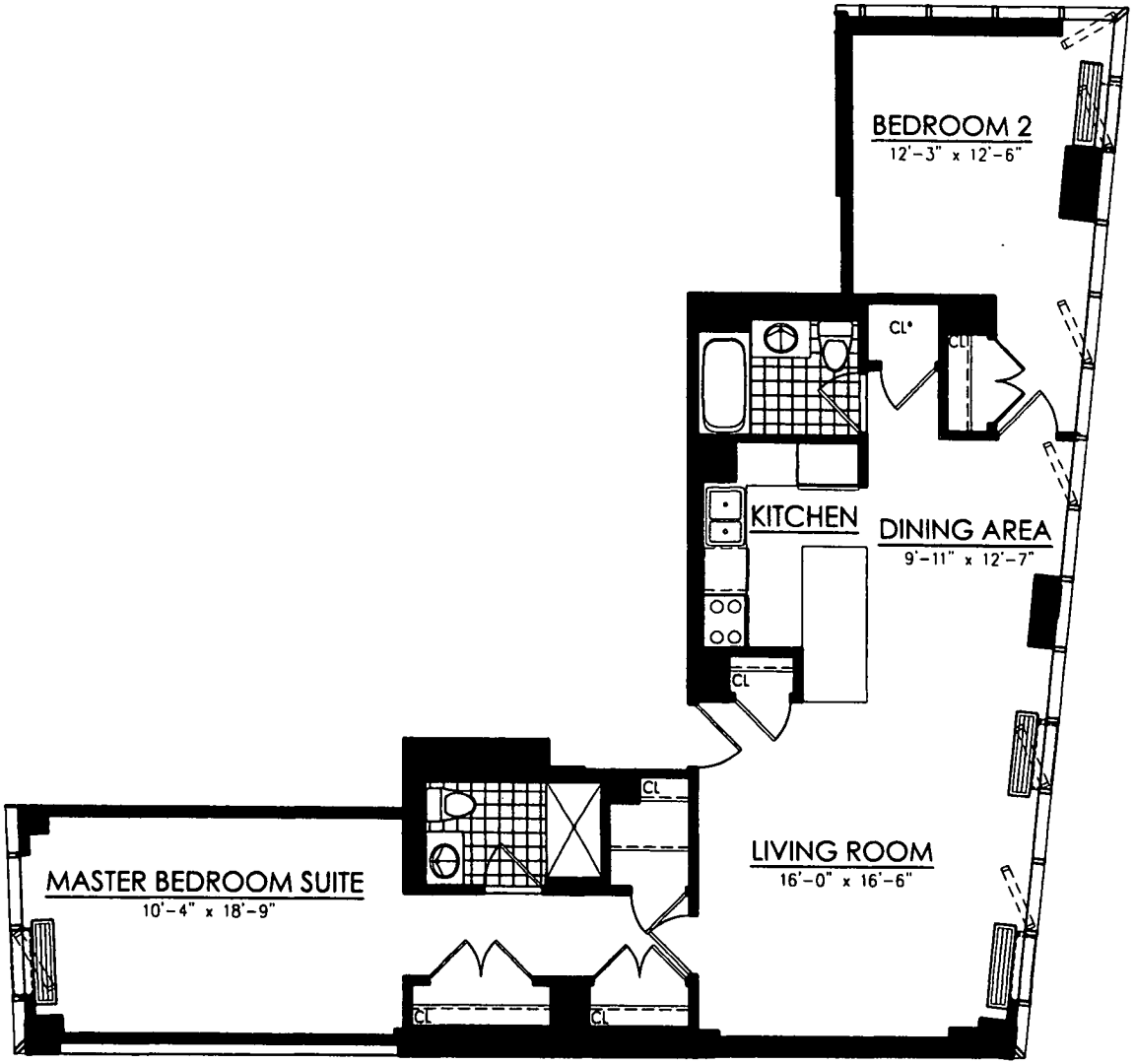
4TH FLOOR

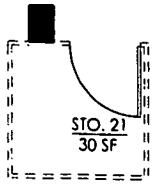
APARTMENT '4A'
AREA = 764 SQ. FT.

1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:









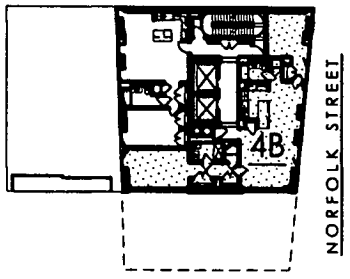
* WASHER/DRYER HOOKUP

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105 Norfolk Street

New York, New York

KEY PLAN:



NORTH

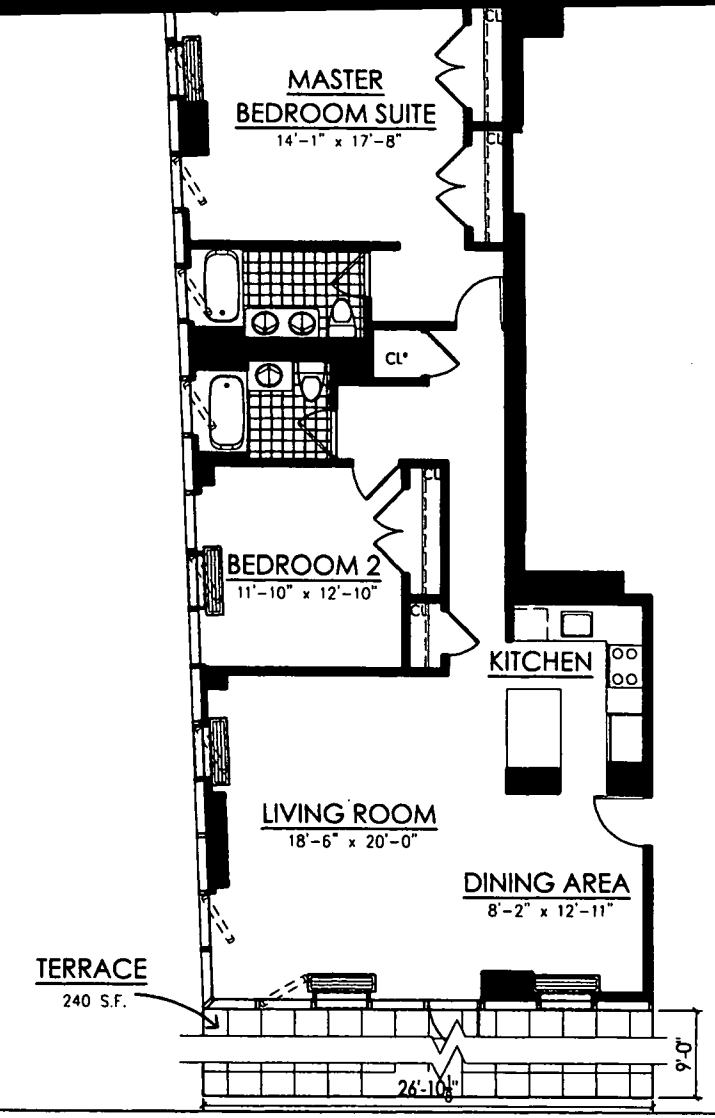
4TH FLOOR

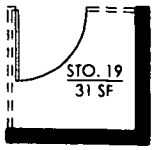
APARTMENT '4B'
AREA = 1,216 SQ. FT.
+ 30 SQ. FT. STORAGE
1,246 SQ. FT.

2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA

SCALE:







REGISTERED ARCHITECT
STATE OF NEW YORK

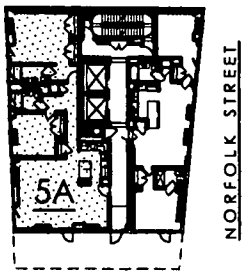
* WASHER/DRYER HOOKUP

231

105 Norfolk Street

New York, New York

KEY PLAN:

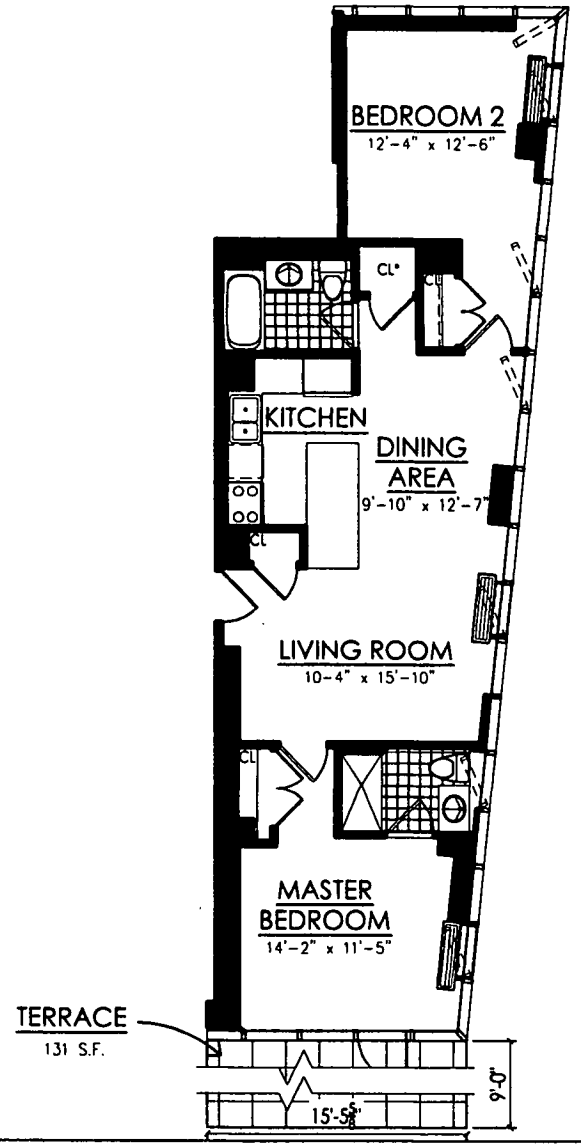


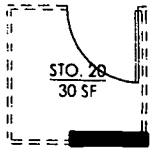
NORTH

5TH FLOOR

APARTMENT '5A'
AREA = 1,386 SQ. FT.
+ 31 SQ. FT. STORAGE
1,417 SQ. FT. +240 SQ. FT. TER.
2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA

SCALE:
0 2' 6' 12'
1' 3'





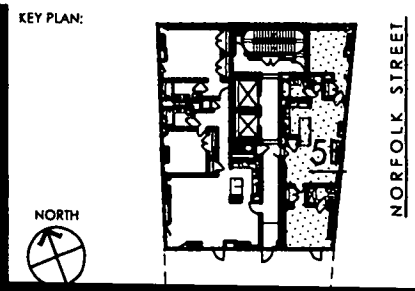
REGISTERED ARCHITECT
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

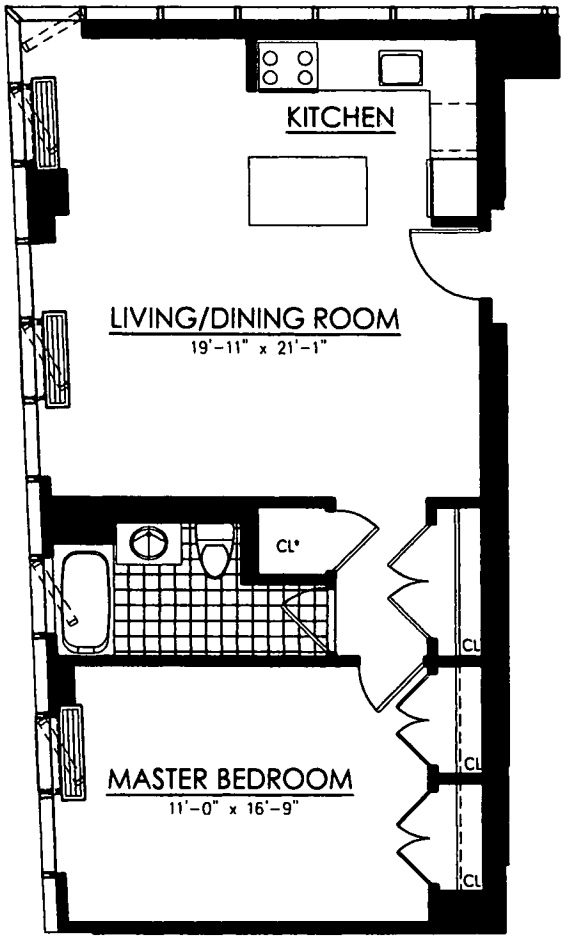
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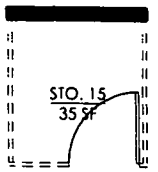


5TH FLOOR

APARTMENT '5B'
AREA = 991 SQ. FT.
+ 30 SQ. FT. STORAGE
1,021 SQ. FT. +131 SQ. FT. TER.
2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA

SCALE:
0 2' 6' 12'
1' 3'





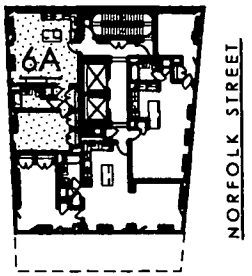


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



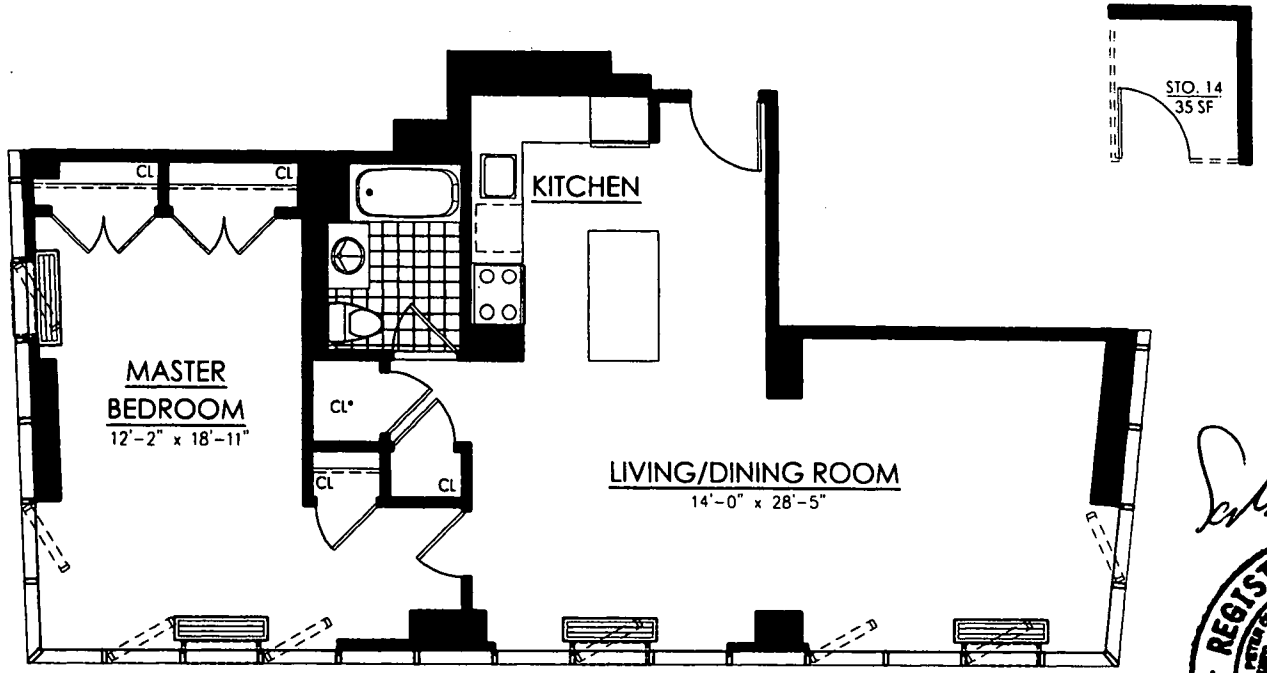
NORTH

6TH FLOOR

APARTMENT '6A'
AREA = 787 SQ. FT.
+35 SQ. FT. STORAGE
822 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:





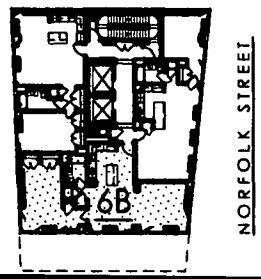
REGISTERED ARCHITECT
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



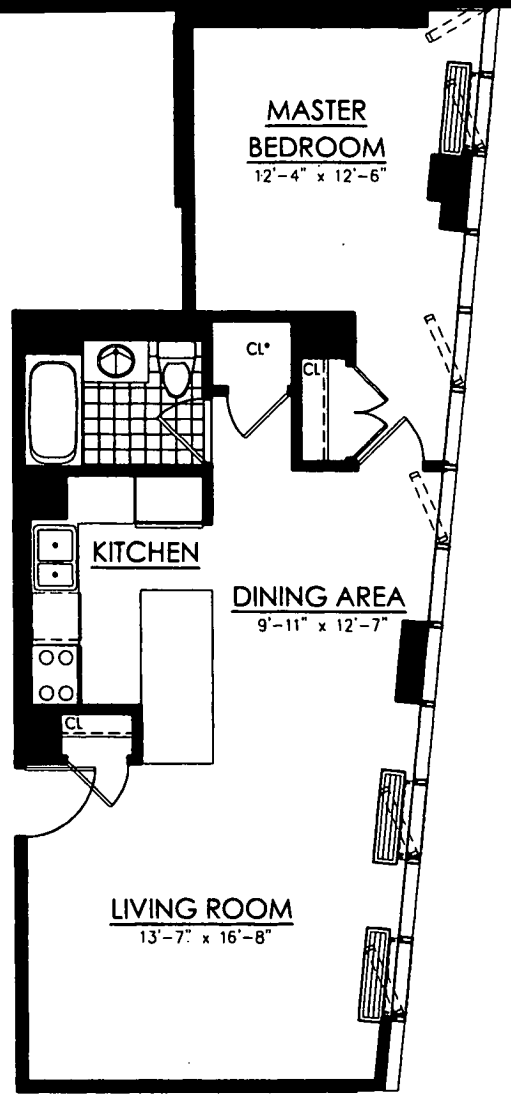
NORTH

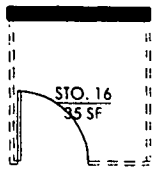
6TH FLOOR

APARTMENT '6B'
AREA = 957 SQ. FT.
+35 SQ. FT. STORAGE
992 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:







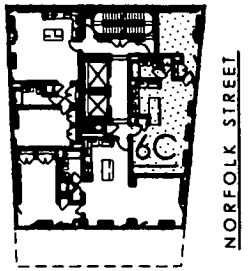
REGISTERED ARCHITECT
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



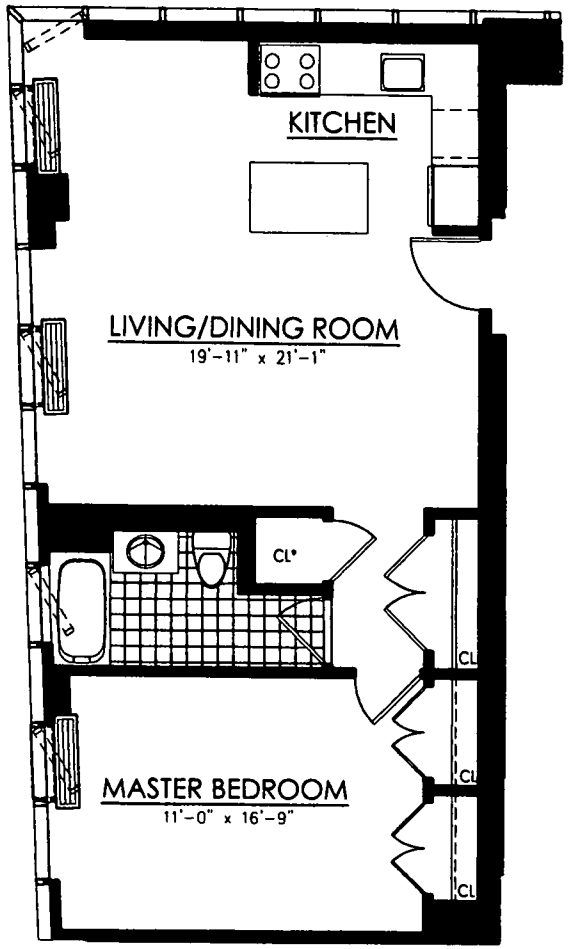
NORTH

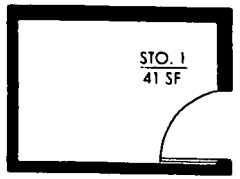
6TH FLOOR

APARTMENT '6C'
AREA = 766 SQ. FT.
+35 SQ. FT. STORAGE
801 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:









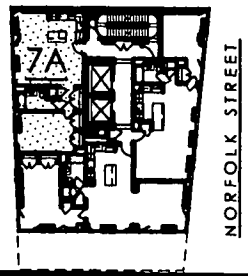
236

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

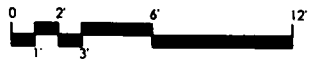


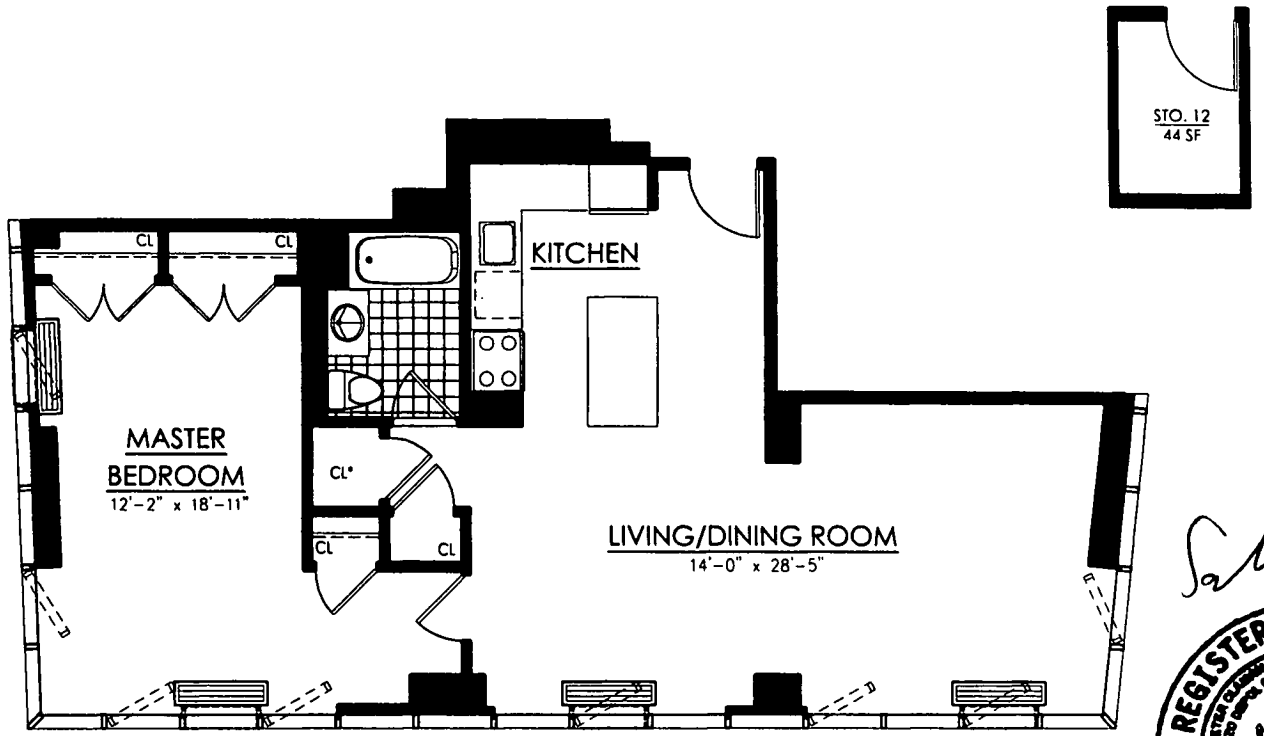
NORTH

7TH FLOOR

APARTMENT '7A'
AREA = 782 SQ. FT.
+41 SQ. FT. STORAGE
823 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:





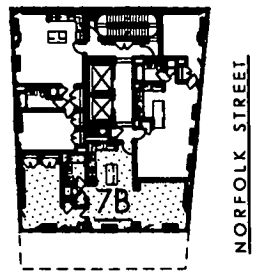
REGISTERED ARCHITECT
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

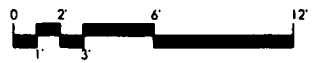


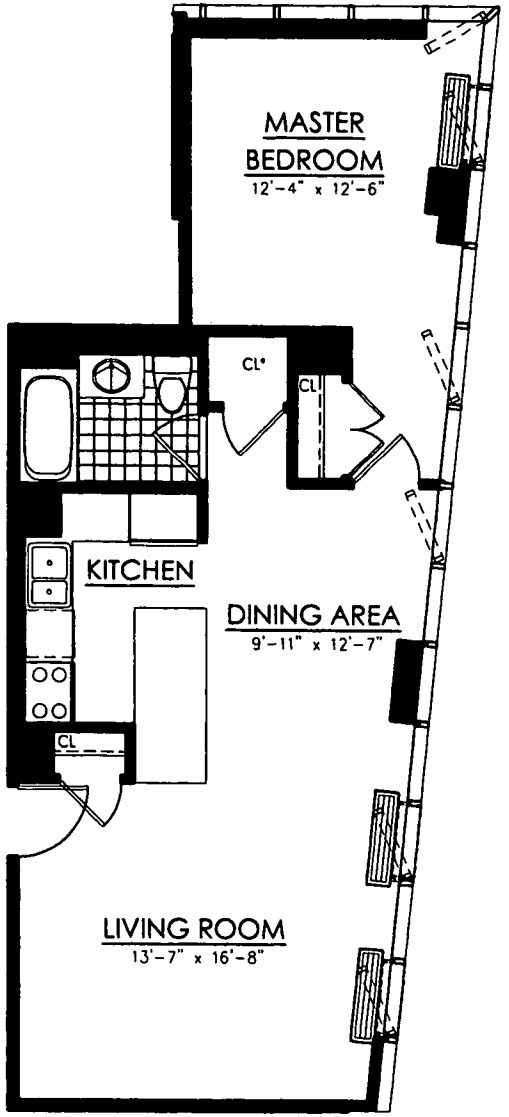
NORTH

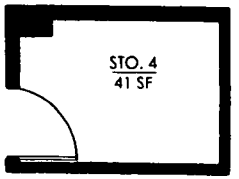
7TH FLOOR

APARTMENT '7B'
AREA = 1,052 SQ. FT.
+44 SQ. FT. STORAGE
1,096 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:







REGISTERED ARCHITECT
STATE OF NEW YORK

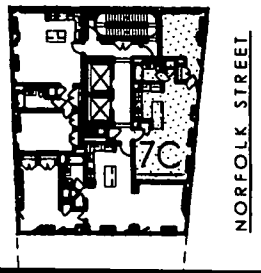
238

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

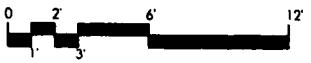


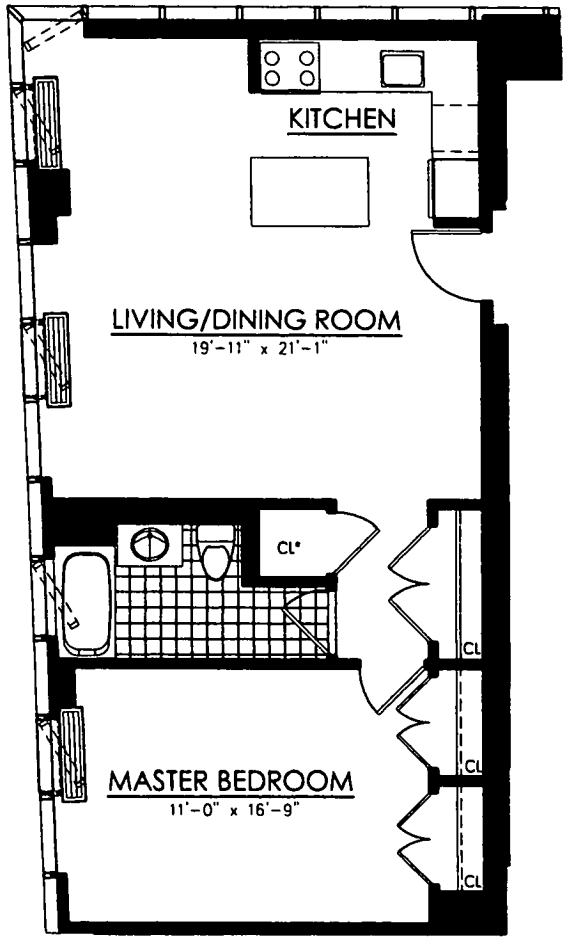
NORTH

7TH FLOOR

APARTMENT '7C'
AREA = 766 SQ. FT.
+41 SQ. FT. STORAGE
807 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:







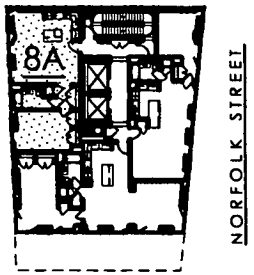
REGISTERED ARCHITECT
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

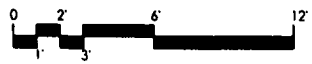


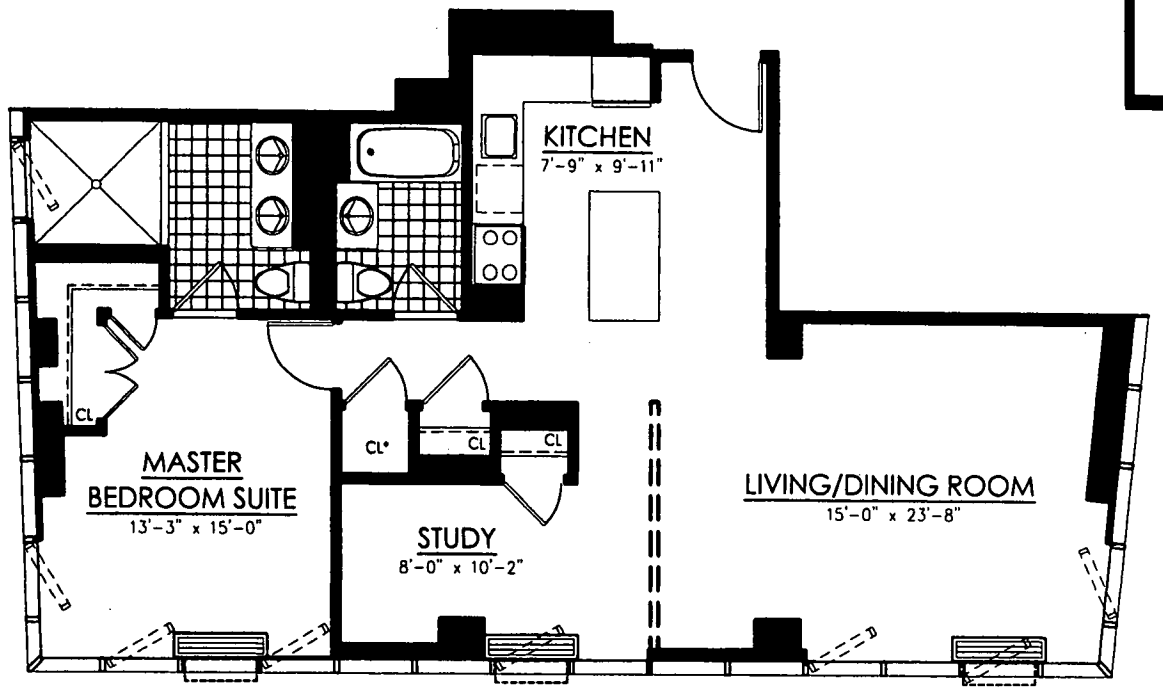
NORTH

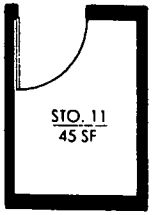
8TH FLOOR

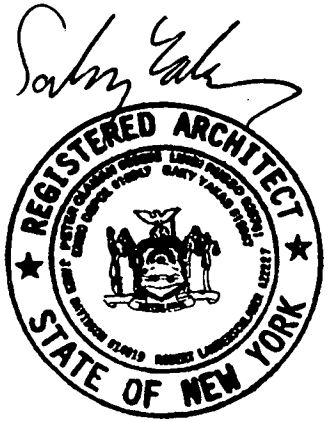
APARTMENT '8A'
AREA = 786 SQ. FT.
+45 SQ. FT. STORAGE
831 SQ. FT.
1 BEDROOM, 1 BATHS
LIVING/DINING ROOM

SCALE:









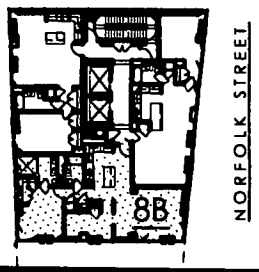
240

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

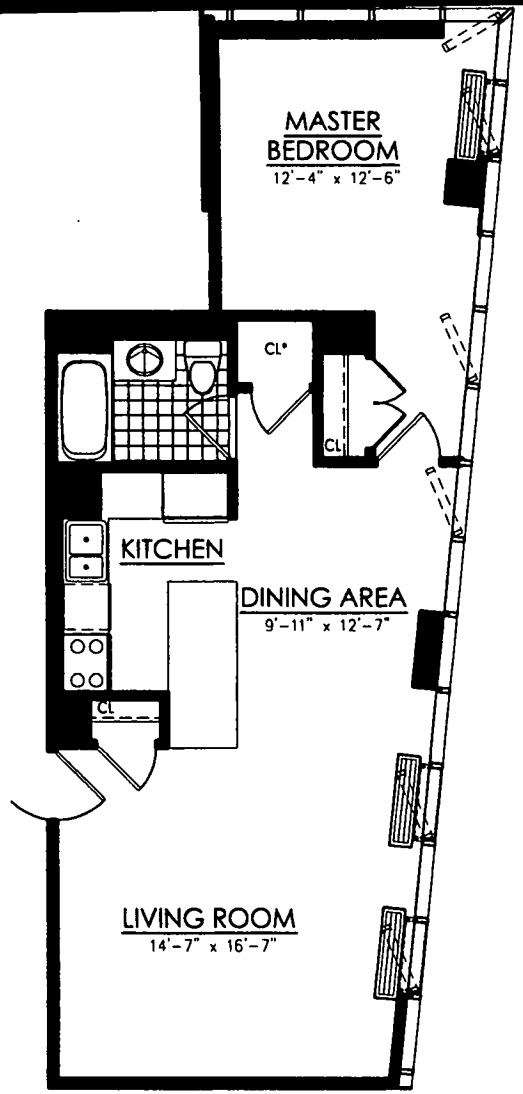


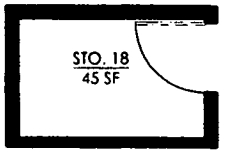
8TH FLOOR

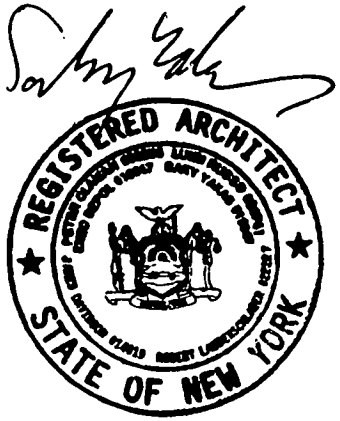
APARTMENT '8B'
AREA = 1,129 SQ. FT.
+45 SQ. FT. STORAGE
1,174 SQ. FT.
1 BEDROOM, 2 BATHS
LIVING/DINING ROOM, STUDY

SCALE:









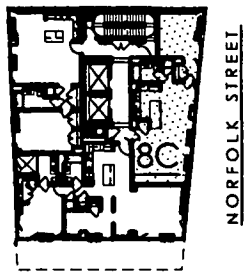
* WASHER/DRYER HOOKUP

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105 Norfolk Street

New York, New York

KEY PLAN:



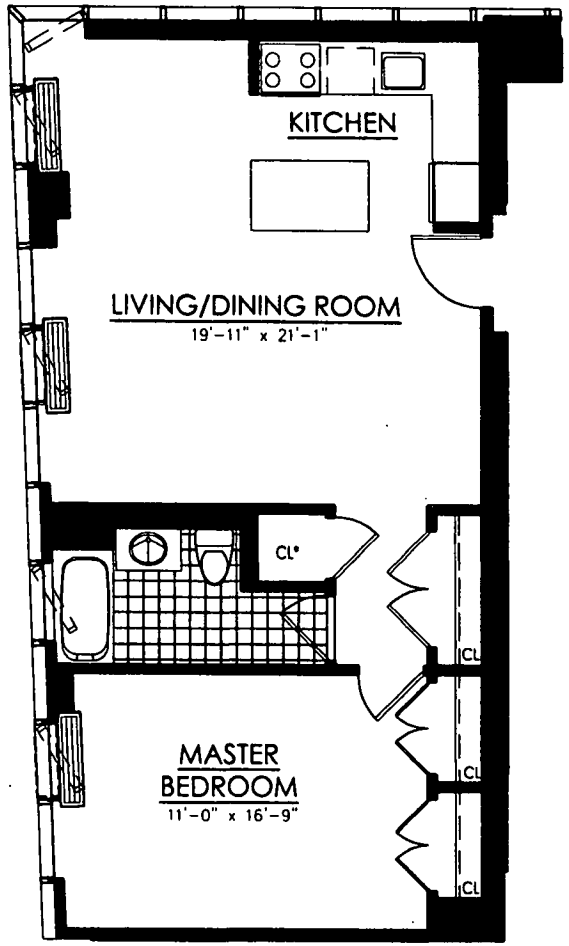
NORTH

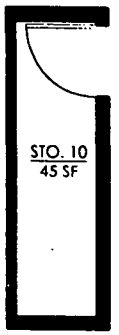
8TH FLOOR

APARTMENT '8C'
AREA = 785 SQ. FT.
+45 SQ. FT. STORAGE
830 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:









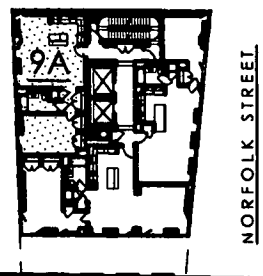
242

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

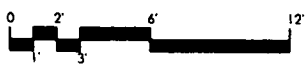


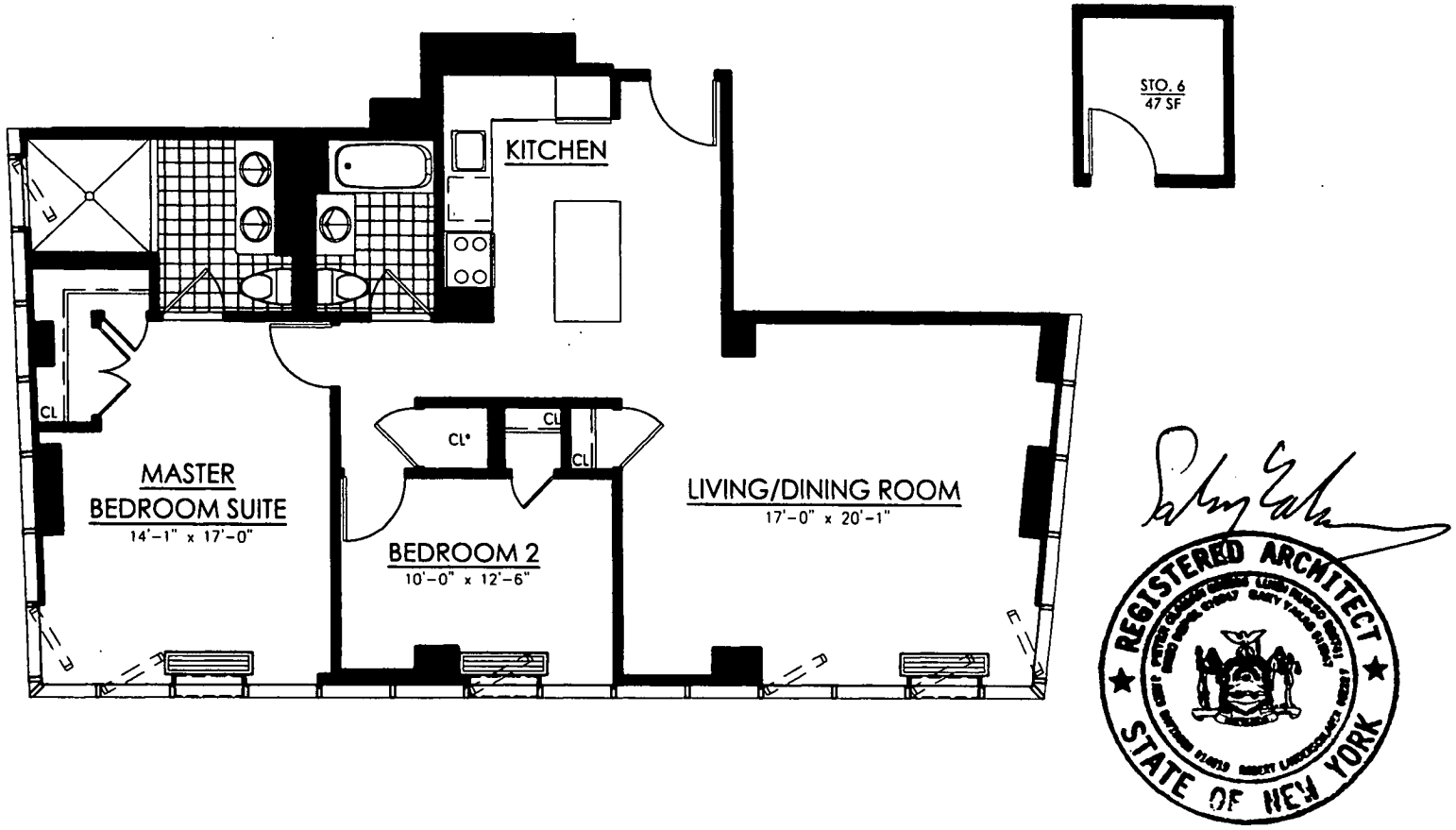
NORTH

9TH FLOOR

APARTMENT '9A'
AREA = 782 SQ. FT.
+45 SQ. FT. STORAGE
827 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:



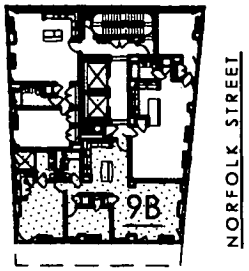


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

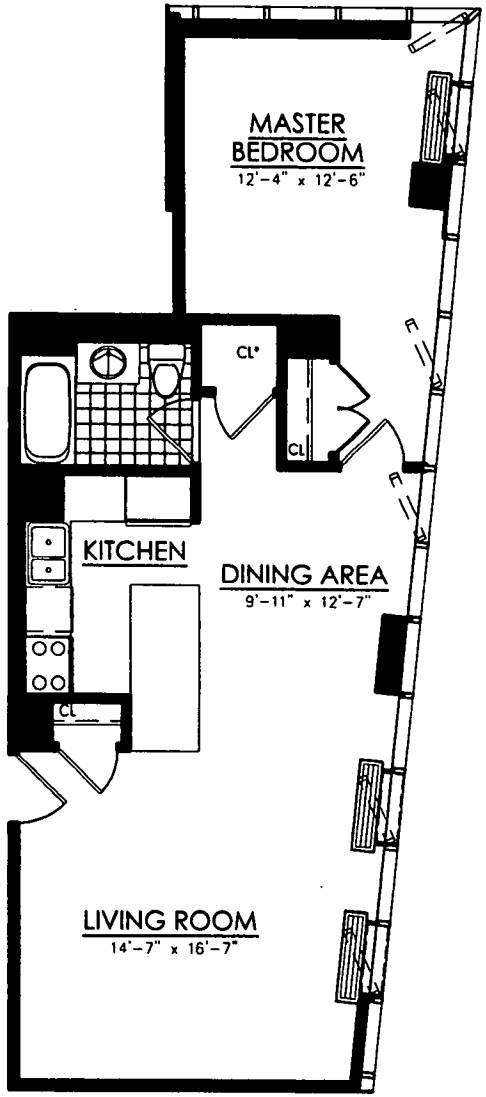


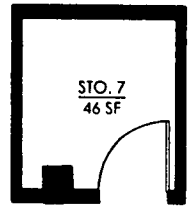
9TH FLOOR

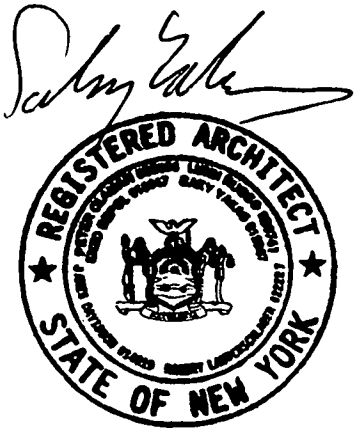
APARTMENT '9B'
AREA = 1,222 SQ. FT.
+47 SQ. FT. STORAGE
1,269 SQ. FT.
2 BEDROOMS, 2 BATHS
LIVING/DINING ROOM

SCALE:









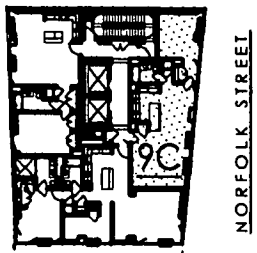
* WASHER/DRYER HOOKUP

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105 Norfolk Street

New York, New York

KEY PLAN:

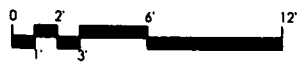


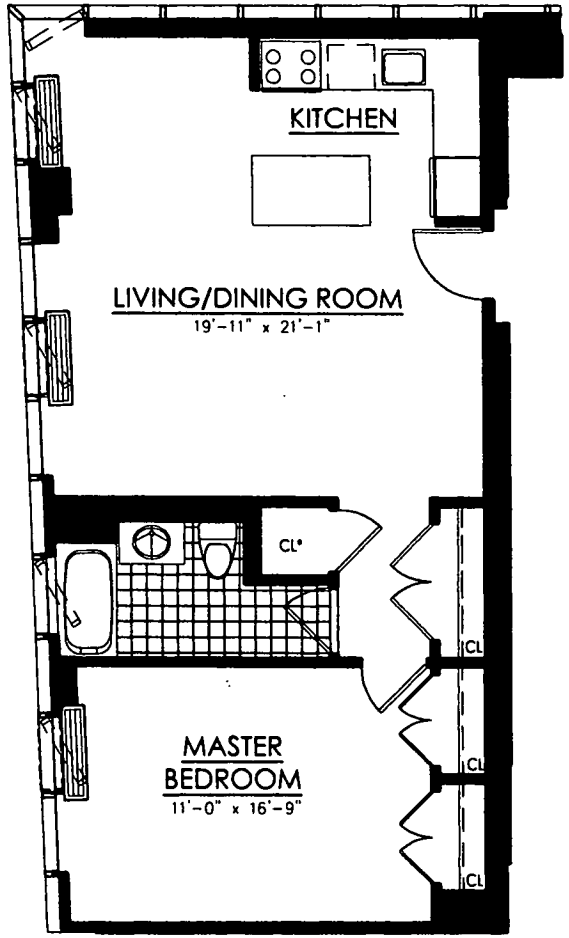
NORTH

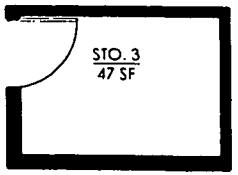
9TH FLOOR

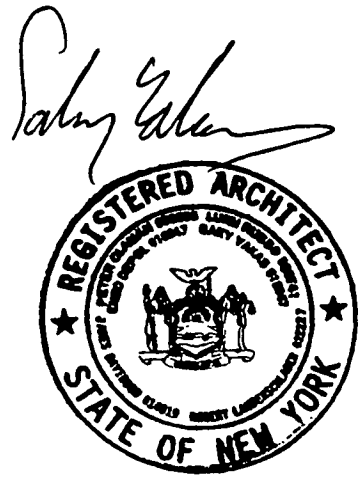
APARTMENT '9C'
AREA = 782 SQ. FT.
+46 SQ. FT. STORAGE
828 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:







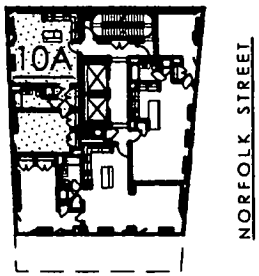


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:



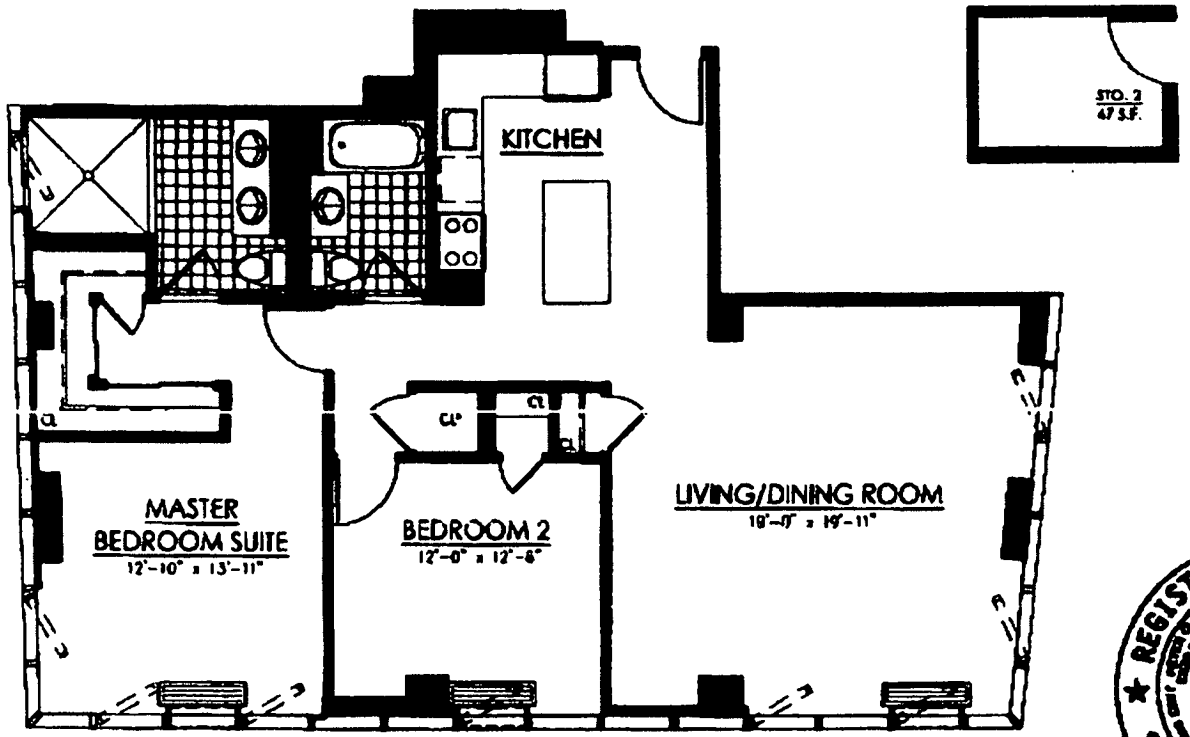
NORTH

10TH FLOOR

APARTMENT '10A'
AREA = 785 SQ. FT.
+47 SQ. FT. STORAGE
832 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:





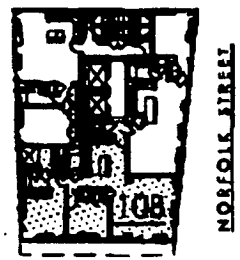
REGISTERED ARCHITECT
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN

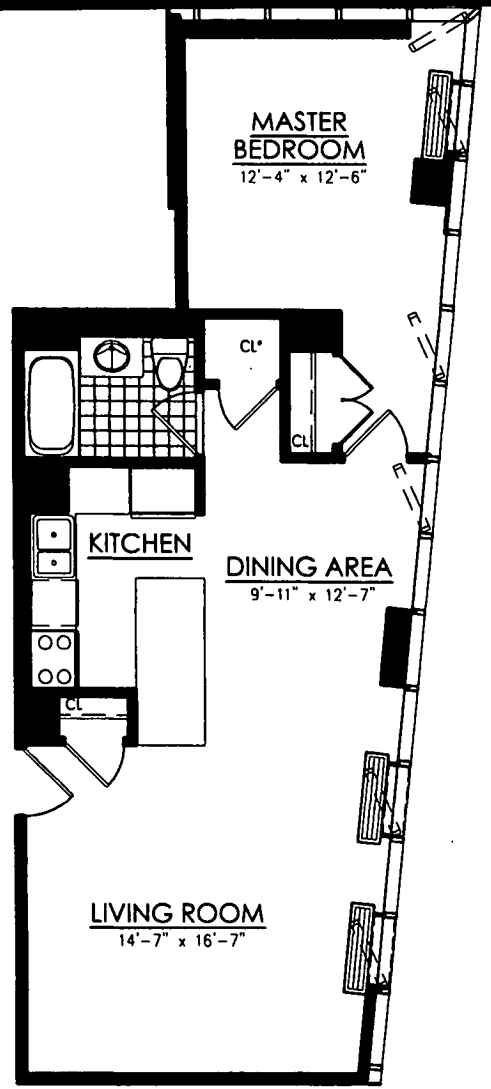


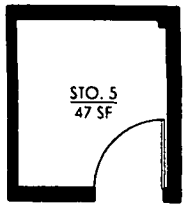
10TH FLOOR

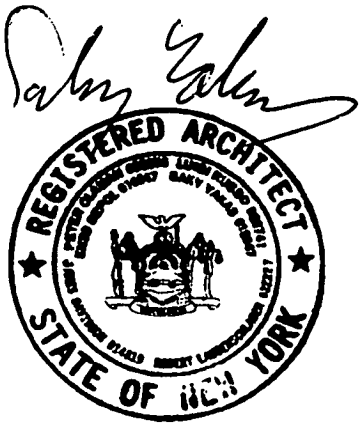
APARTMENT '10B'
AREA = 1,315 SQ. FT.
+47 SQ. FT. STORAGE
1,362 SQ. FT.
2 BEDROOMS, 2 BATHS
LIVING/DINING ROOM

SCALE:









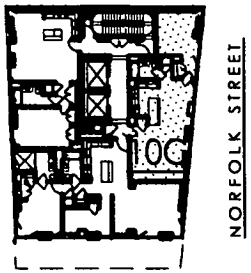
* WASHER/DRYER HOOKUP

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105 Norfolk Street

New York, New York

KEY PLAN:



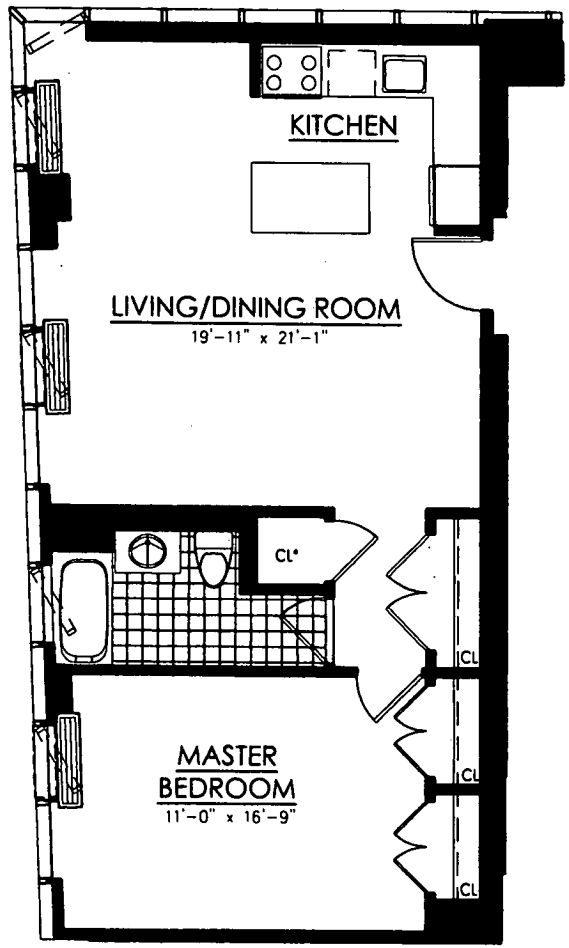
NORTH

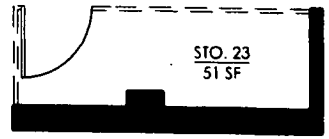
10TH FLOOR

APARTMENT '10C'
AREA = 783 SQ. FT.
+47 SQ. FT. STORAGE
830 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:







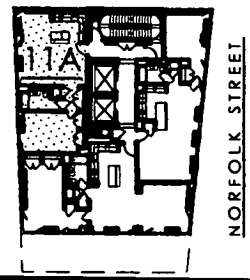


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

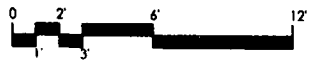


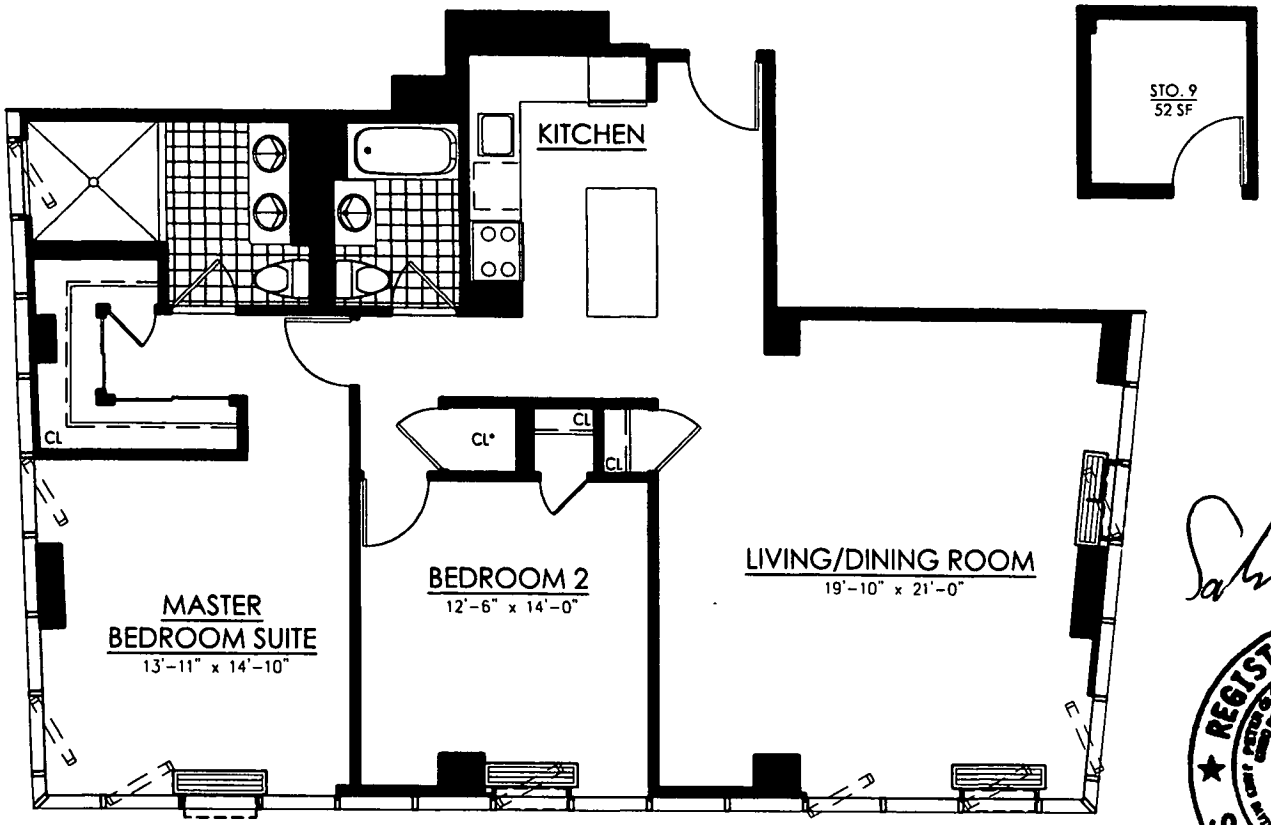
NORTH

11TH FLOOR

APARTMENT '11A'
AREA = 786 SQ. FT.
+51 SQ. FT. STORAGE
837 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/DINING ROOM

SCALE:





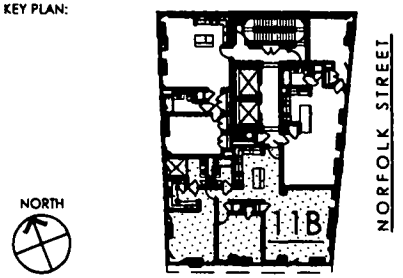
REGISTERED ARCHITECT
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

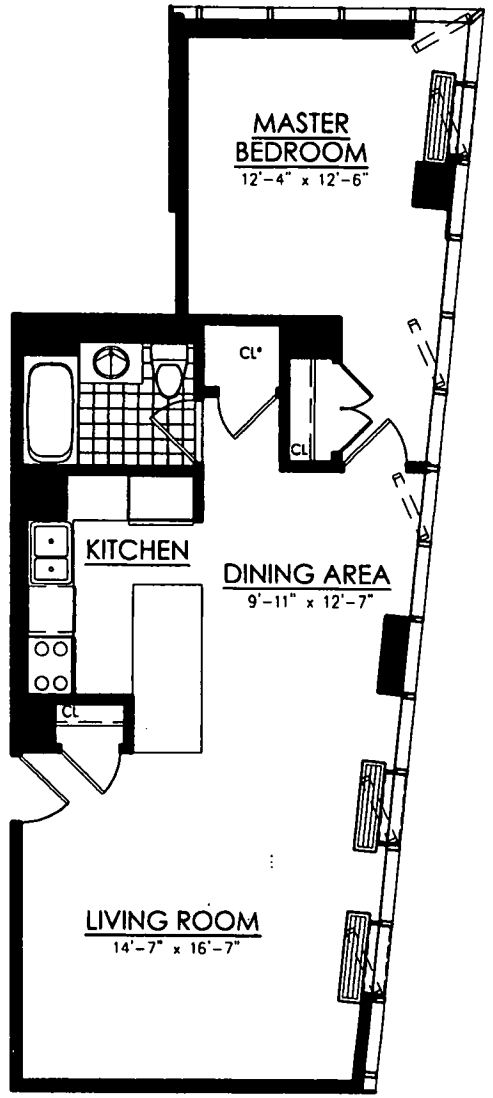


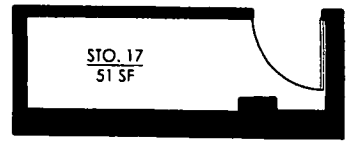
11TH FLOOR

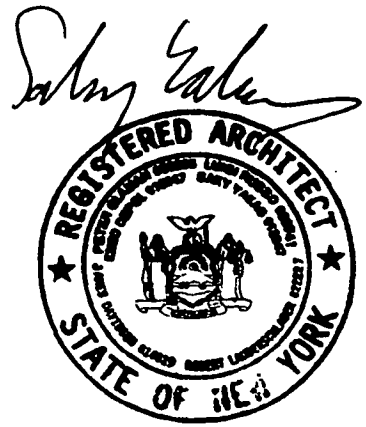
APARTMENT '11B'
AREA = 1,401 SQ. FT.
+52 SQ. FT. STORAGE
1453 SQ. FT.
2 BEDROOMS, 2 BATHS
LIVING/DINING ROOM

SCALE:









* WASHER/DRYER HOOKUP

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105 Norfolk Street

New York, New York

KEY PLAN:

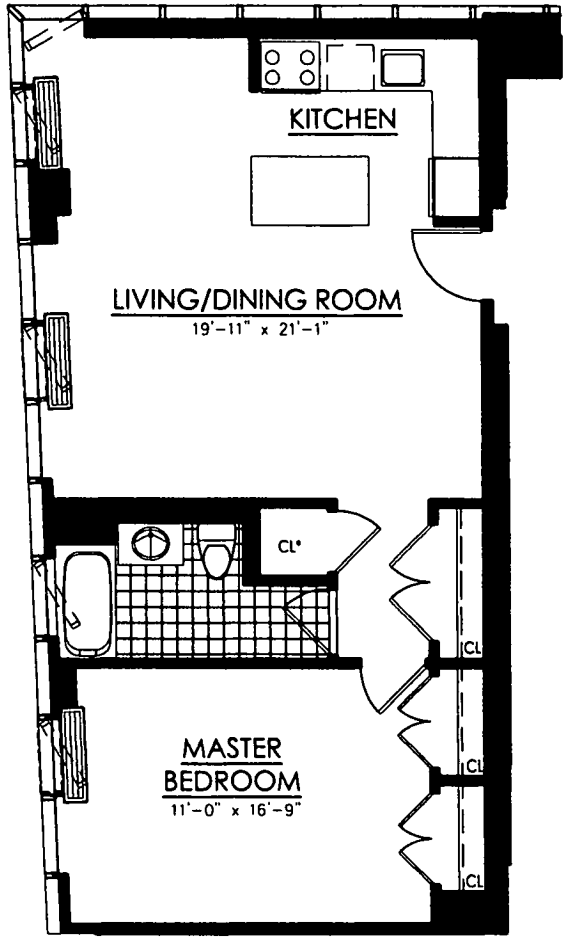


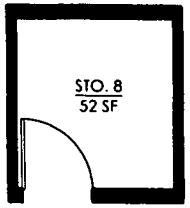
11TH FLOOR

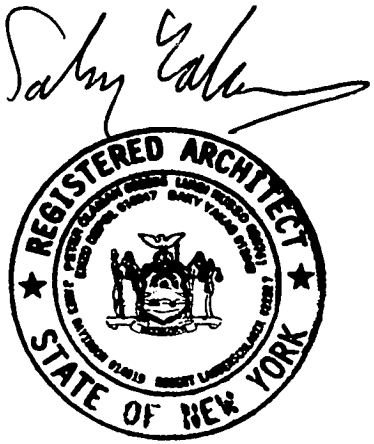
APARTMENT '11C'
AREA = 786 SQ. FT.
+51 SQ. FT. STORAGE
837 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:







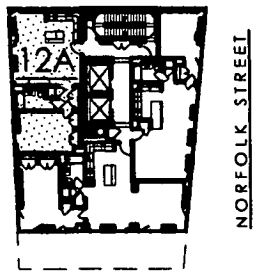


* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

KEY PLAN:

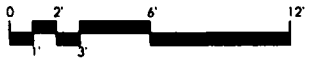


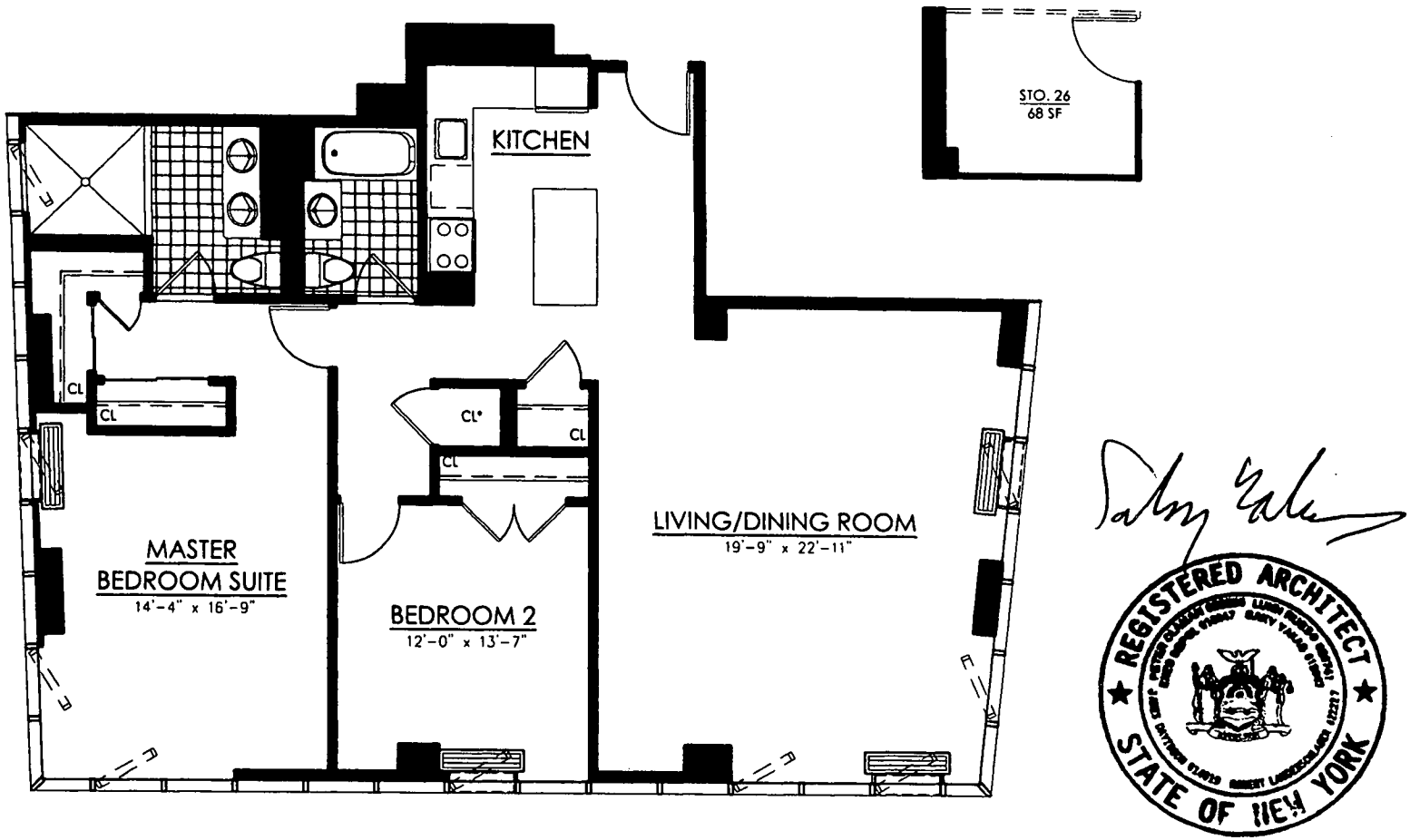
NORTH

12TH FLOOR

APARTMENT '12A'
AREA = 779 SQ. FT.
+52 SQ. FT. STORAGE
831 SQ. FT.
1 BEDROOM, 1 BATH
LIVING/ DINING ROOM

SCALE:





REGISTERED ARCHITECT
STATE OF NEW YORK

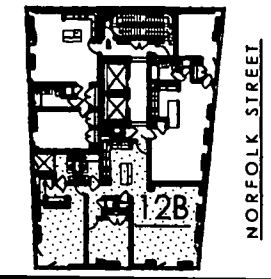
* WASHER/DRYER HOOKUP

252

105 Norfolk Street

New York, New York

KEY PLAN:



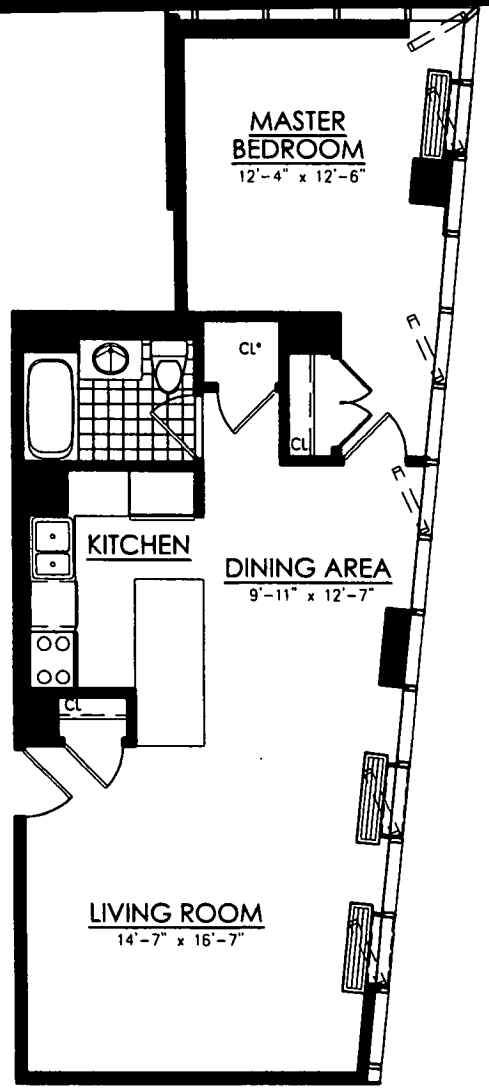
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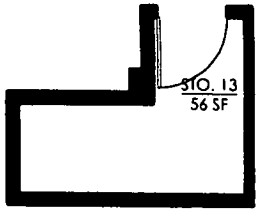
12TH FLOOR

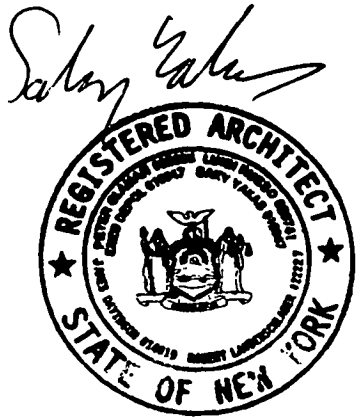
APARTMENT '12B'
AREA = 1,401 SQ. FT.
+68 SQ. FT. STORAGE
1,469 SQ. FT.
2 BEDROOMS, 2 BATHS
LIVING/DINING ROOM

SCALE:









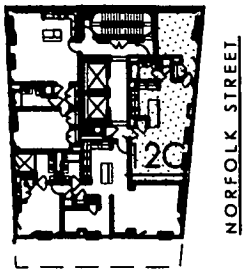
* WASHER/DRYER HOOKUP

253

105 Norfolk Street

New York, New York

KEY PLAN:



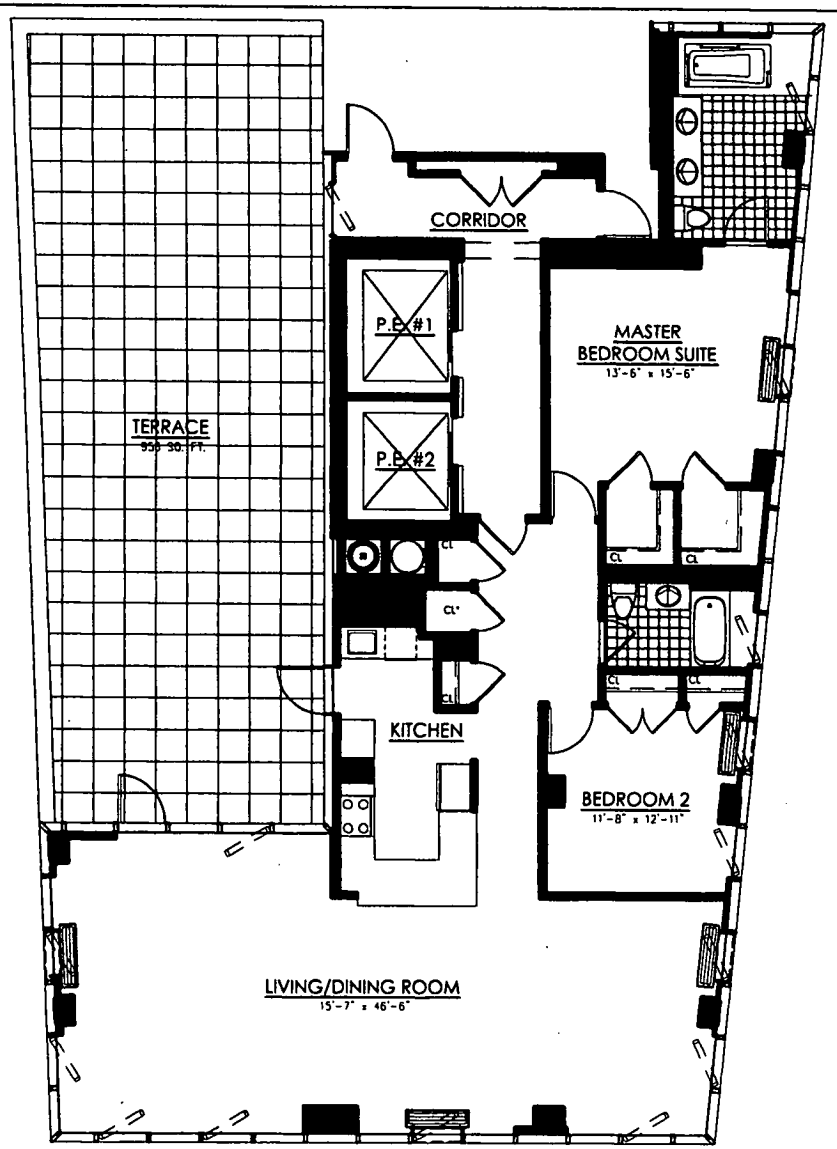
NORTH

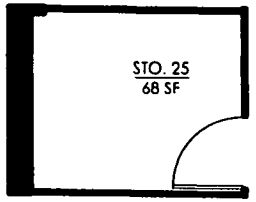
12TH FLOOR

APARTMENT '12C'
AREA = 785 SQ. FT.
+56 SQ. FT. STORAGE
841 SQ. FT.
1 BEDROOM, 1 BATH
LIVING ROOM, DINING AREA

SCALE:







254

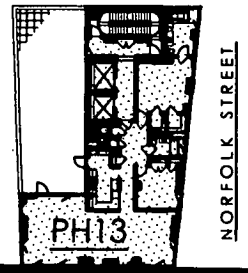
REGISTERED ARCHITECT
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

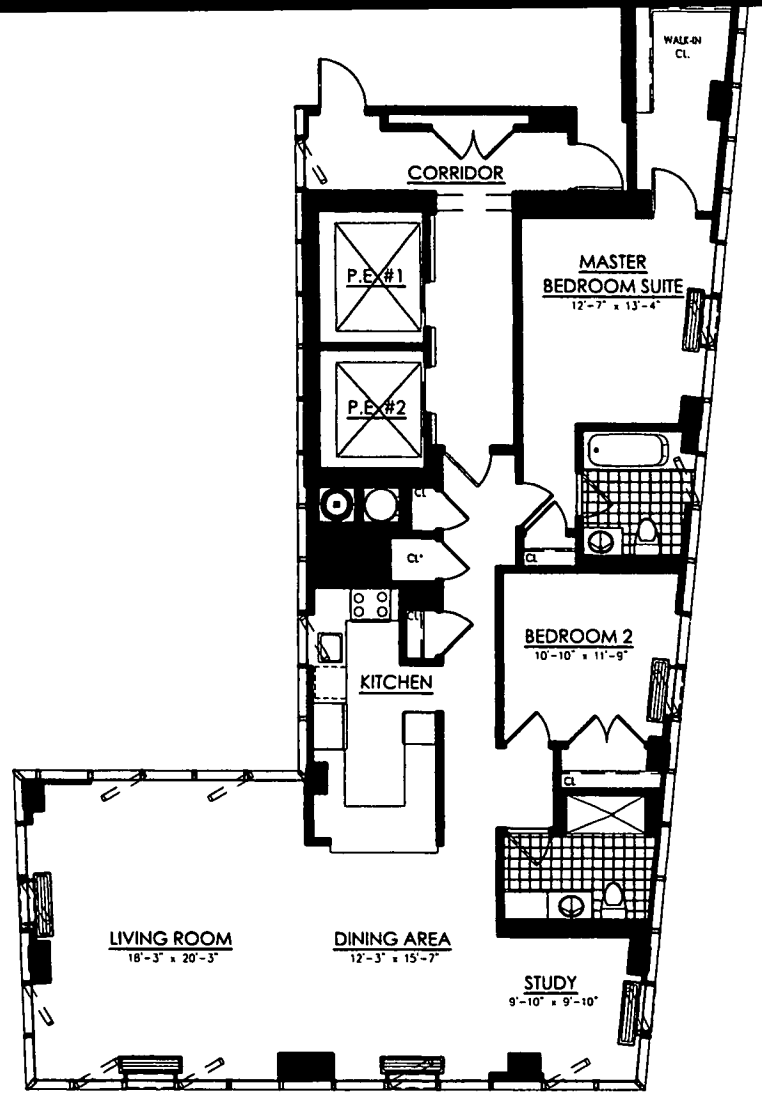
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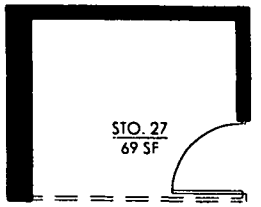


14TH FLOOR

APARTMENT 'TOWER 14'
AREA = 2,168 SQ. FT.
+68 SQ. FT. STORAGE
2,236 SQ. FT. + 956 SQ. FT. TERRACE
2 BEDROOMS, 2 BATHS
LIVING/DINING ROOM

SCALE:
0 2' 6' 12'
1' 3'





255

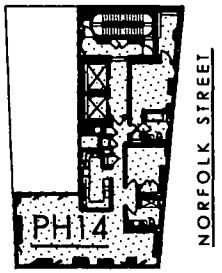
REGISTERED ARCHITECT
STATE OF NEW YORK

* WASHER/DRYER HOOKUP

105 Norfolk Street

New York, New York

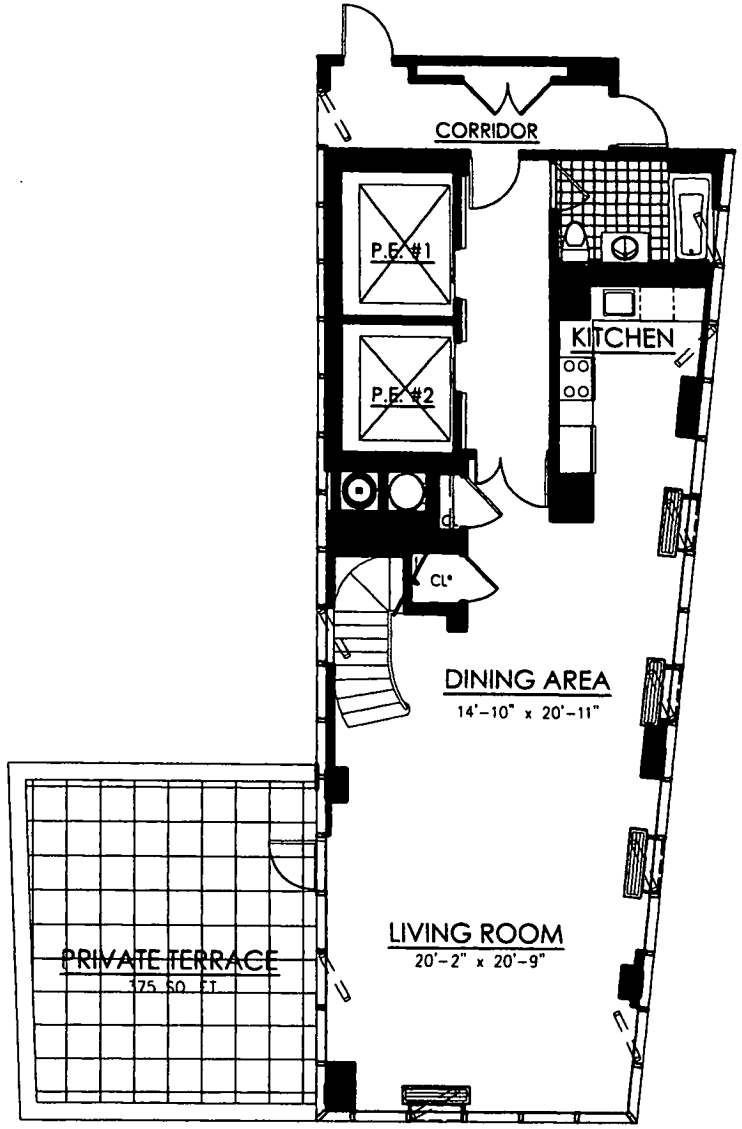
KEY PLAN:

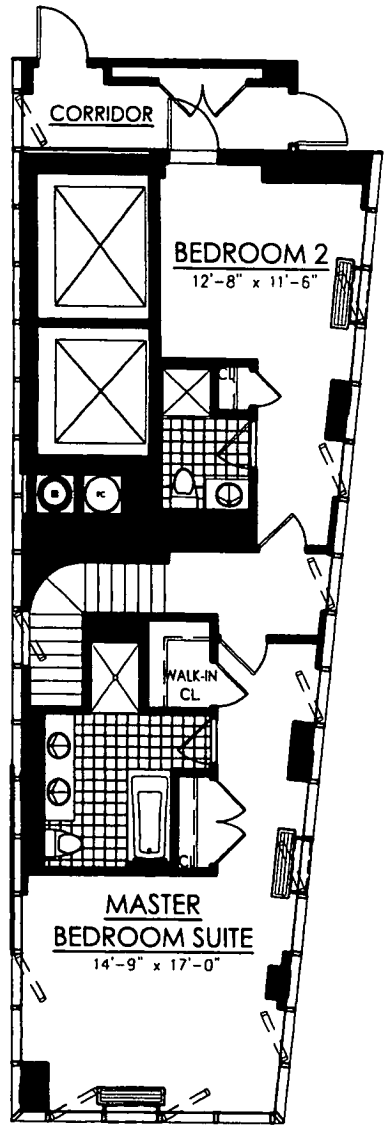


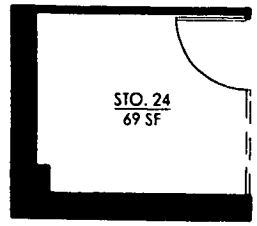
15TH FLOOR

APARTMENT 'TOWER 15'
AREA = 1,975 SQ. FT.
+69 SQ. FT. STORAGE
2,044 SQ. FT.
2 BEDROOMS, 2 BATHS
LIVING ROOM, DINING AREA, STUDY

SCALE:
0 2' 6' 12'
1' 3'







REGISTERED ARCHITECT
STATE OF NEW YORK

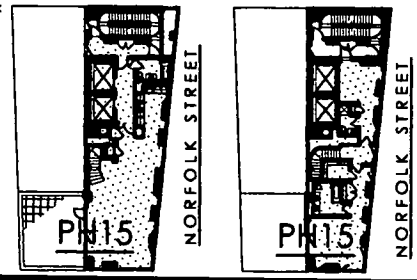
* WASHER/DRYER HOOKUP

256

105 Norfolk Street

New York, New York

KEY PLAN:



PH UPPER AND PH LOWER FLOORS

DUPLEX APARTMENT 'PENTHOUSE'

AREA = 1,337 SQ. FT.(15TH FLR)
+1,157 SQ. FT.(16TH FLR)
+69 SQ. FT. STORAGE
2,563 SQ. FT.+375 SQ. FT. TERRACE
2 BEDROOMS, 3 BATHS
LIVING ROOM, DINING AREA

SCALE:
0 2' 6' 12'
1' 3'

THE BLUE CONDOMINIUM

CONDOMINIUM UNIT DEED

For

UNIT #____

105 Norfolk Street
New York, New York 10002

Block # 353 **Lot #_____**

Return to:

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the _____day of _____, 200___, by and between **NORFOLK HUDSON LLC**, having an office at 58 Thomas Street, New York, NY 10013 (hereinafter referred to as the "Grantor") and _____ (having an office) (residing) at_____(hereinafter referred to as the "Grantee").

WITNESSETH:

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

The Condominium Unit (hereinafter referred to as the "Unit") known as Residential Unit No._____ at the Condominium known as **THE BLUE CONDOMINIUM** by the street number 103-105 Norfolk Street, Borough of Manhattan, City, County and State of New York (hereinafter called the "Property"), said Unit being designated and described as Unit No._____ in a certain Declaration dated _____, 200___ made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York, (the "Condominium Act") establishing a plan for condominium ownership of the Building and the land, the "Land", upon which the Building is situate (which land is more particularly described in Exhibit A to the Declaration and annexed hereto and by this reference made a part hereof), which Declaration, and any amendments thereto, was recorded in the New York County Office of the Register of the City of New York (Register's Office") on _____, 200___, under CFRN # _____ ("Declaration"). This Unit is also designated as **Tax Lot #** _____ in **Block 353** of **Section** _____of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of the Building, certified by _____., on _____, 200____, and filed simultaneously with the Declaration in said office of the Real Property Assessment Department of the City of New York on _____, 200___ as Condominium Plan No. _____ and also filed in the Register's Office as Condominium Map No. _____ . The land area of the Property is defined as follows:

See description of land, Schedule A attached hereto.

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

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

TOGETHER with and **SUBJECT** to all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

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

TOGETHER with, and **SUBJECT** to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of the condominium, **THE BLUE CONDOMINIUM, AND THE FLOOR PLANS,** as the same may be amended from time to time, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

SUBJECT to easements in favor of adjoining of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Units, now existing as a result of the construction of the Building or the Property or which may come into existence hereafter as a result of the settling of the Building and the Property, or as a result of renovations or repairs of the Building, the Property or the Unit, or any condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. In addition each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

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

SUBJECT also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or the Property in which the Unit is located.

SUBJECT to all the exceptions to the Title as set forth in the Offering Plan.

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

If any provisions of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the New York State Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of said Condominium Act, is missing from the Declaration or the By-Laws, or, if the Declaration and the By-Laws are

insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board of Managers (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, or by the Sponsor, the Unit is intended for all legal uses permitted subject to applicable governmental regulations and the restrictions contained in the Declaration.

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

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

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

This conveyance is made in the regular course of business actually conducted by the Grantor.

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

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

Sponsor (Grantor): NORFOLK HUDSON LLC

By: _____

By: _____
Angelo Cosentini, Manager

_____
Grantee

_____
Grantee

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

On the _____ day of _____ 200____, before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as the principal of Norfolk Remote LLC, Manager of NORFOLK HUDSON LLC, a New York limited liability company, and that he had the authority to sign the same and that by his signature on the instrument, the individual, or the corporation upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year 200__, before me, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies) and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A

DESCRIPTION OF PROPERTY

THE CONDOMINIUM UNIT (hereafter referred to as the "Unit") in the building (hereinafter referred to as the "Building") known as, **THE BLUE CONDOMINIUM** and by the Street Number 105 Norfolk Street, Borough of Manhattan, County of New York, City and State of New York, said Unit being designated and described as Unit No. _____in a certain Declaration dated _____, 200____ made by Grantor, pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") establishing a Plan for condominium ownership of the Building and the Land (hereinafter referred to as the "land") upon which the building is situate (which land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which Declaration was recorded in the New York County Office of the Register of the City of New York ("Register's Office") on _____, **200**____ under CFRN # _____ ("Declaration"). This Unit is also designated as **Tax Lot** _____ in **Block 353 of Section** _____ of the Borough of Manhattan on the Tax Map of the Property Assessment Department of the City of New York and on the Floor Plans of the Building, certified by _____ on _____ 200____ and filed with the Real Property Assessment Department of the City of New York on _____, 200 _____ as **Condominium Plan No.** ____ and also filed in the Register's Office on _____, 200 _____ as **Condominium Map No.** _____.

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

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit.

TOGETHER with and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration, floor Plans and the By-Laws (the "By-Laws") as the same may be amended from time to time, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

EXHIBIT A

DESCRIPTION OF LAND

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the westerly side of Norfolk Street, distant 100 feet northerly from the corner of formed by the intersection of the said westerly side of Norfolk Street and the northerly side of Delancey Street;

RUNNING thence northerly along the said westerly side of Norfolk Street, 50 feet;

THENCE westerly parallel with the said northerly side of Delaney Street and part of the way through a party wall 100 feet;

THENCE southerly parallel with said westerly side of Norfolk Street, 50 feet;

THENCE easterly again parallel with the said northerly side of Delancey Street 100 feet to the point of BEGINNING.

TOGETHER with easement rights granted, and subject to the terms and conditions of an easement Agreement between 101 Norfolk LLC and Norfolk Hudson LLC dated March 8, 2005 and to be recorded in the Office of the City Register of the City of New York, New York County.

TOGETHER with easement rights granted, and subject to the terms and conditions of Zoning Lot and Development Agreement dated March 8, 2005 by and between Eastside Restaurant Corp., and Adlelan Realty Corp., Lancey Realty, LLC dated March 8, 2005 and to be recorded in the Office of the New York City Register.

THE DECLARATION

Establishing a Plan for Condominium Ownership
of the Premises known as

105 Norfolk Street
New York, New York

Pursuant to Article 9-B of
the Real Property Law of the State of New York

NORFOLK HUDSON LLC, DECLARANT

OF THE

BLUE CONDOMINIUM

Prepared by and Return to:
Martin Shaw, Esq.
Attorney for Owner
350 Fifth Avenue
Suite 1225
New York, NY 10118

This land affected by the within instrument
on the Tax Map of the Borough of Manhattan
Block 353
FKA Lot 35
N/K/A Lots _____
City, County and State of New York.

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DECLARATION
OF THE
BLUE CONDOMINIUM

Pursuant to Article 9-B of the Real Property Law of the State of New York, **NORFOLK HUDSON LLC**, (hereinafter referred to as "Sponsor") having an office at 58 Thomas Street, New York, NY 10013, does hereby declare as follows:

PART I

Article 1
Definitions

All references to "Property" shall mean 103-105 Norfolk Street. All references to the "Declaration" shall mean the Declaration for the **BLUE CONDOMINIUM**. All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in the section containing definitions. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Article 2
Submission of the Property

Sponsor hereby submits the Property ("Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the **"Condominium Act"**) and, pursuant thereto, does hereby establish a regime for condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

Article 3
Name of Condominium

The Condominium shall be known as the **BLUE CONDOMINIUM.**

Article 4
The Land

Included in the Property is the Land that is more particularly described in Schedule A annexed hereto. The Land contains 50'-0" of frontage on Norfolk Street and 100 ft. depth.

Article 5
The Property and the Building ("Property")

The Building consists of a sixteen stories above grade and a cellar. The Condominium will consists of thirty-two Residential Units, one Commercial Unit on the ground floor with a yard and twenty-seven (27) storage Units (designated Limited Residential Common Elements), one (1) commercial storage unit, one (1) passenger elevator and one passenger-service elevator (both elevators service floors cellar thru the sixteenth floor). There are terraces on floors 5, Tower 14 and PH. Terraces are designated Limited Residential Common Elements that are appurtenant to certain Residential Units.

Article 6
The Units

(A) **Exhibit B**, annexed hereto and made a part hereof, sets forth the following data with respect to each Unit necessary for the proper identification thereof:

(i) its designation number;
(ii) its tax lot number;
(iii) the approximate square footage of each Unit;
(iv) the percentage of Common Elements to which such Unit has immediate access;
(v) the Limited Common Elements per Unit.

The precise location of each Unit within the Property is shown on **the Floor Plans**, annexed hereto and made a part hereof. The floor plans, certified by SLCE Architects with an office at 841 Broadway, New York, New York 10003, is intended to be filed in The New York County Office of the Register of the City of New York, simultaneously with the recording of the Declaration.

(B) Every Unit, together with its common interest, shall for all purposes be, and it is hereby declared to be and to constitute, a separate parcel of real property and the Unit Owner thereof shall be entitled to the exclusive ownership and possession of his Unit subject only to the covenants, restrictions, easements, by-laws, rules, regulations, and resolutions adopted pursuant thereto as may be contained in the Condominium documents or as may from time to time be passed in accordance with this Declaration and the By-Laws.

(C) Any transfer of a Unit shall include its Common Interest in the BLUE CONDOMINIUM. The Common Interest means the proportionate undivided interest in fee simple absolute of each Unit Owner in the Common Elements appertaining to each Unit.

(D) For purposes of measurement, Each Unit consists of the area measured horizontally from (a) the outside face of the exterior walls or (b) the non-Unit side of any wall or partition separating such Unit from a Common Element, or (c) the centerline of any wall or partition separating such Unit from another Unit. In determining such wall or partition centerline or effective face, only components of such wall or partition necessary to satisfy applicable building laws shall be considered part of such wall or partition. Additional finish thickness and protrusions beyond the

requirements of such wall or partition shall be deemed to be within the Unit, Common Element or exterior space on the side of the wall or partition they favor. The Unit's vertical dimension is measured at its lowest level from the top of structural members and bottom of the sub-floor or slab layer between such Unit and any other Unit or Common Element or soil beneath it up to the surface of the structural members and bottom of the sub-floor layer or sub-roof layer or slab-layer between each Unit and any Unit or Common Element above it.

(E) The Units include the following areas in or bounding each such Unit; the front entrance door and any entrance doors to such Unit; (ii) the interior walls, partitions, floors and floor coverings and kadex on cast-in-place concrete ceilings affixed, attached or appurtenant to the Residential Unit; (iii) smoke and carbon monoxide detectors, (iv) all windows (including without limitation, their panes, casements and frames) located within, or opening from, such Unit; (v) any and all equipment, fixtures and appliances (including without limitation, heating and cooling equipment, plumbing facilities, sinks, bathtubs, waterclosets, kitchen appliances) affixed, attached or appurtenant to such Unit; (vi) all other facilities affixed, attached, or appurtenant to such Unit and benefiting only that Unit. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances, equipment and the fixtures, appliances and equipment which are attached and any special pipes and equipment which Unit Owner may install but shall not include gas, water and other pipes, conduits, wiring or ductwork within the walls and ceilings or floors. Each Unit shall also include all lighting and electrical fixtures and appliances within the Unit and any special equipment, fixtures or facilities affixed or facilities affixed, attached or appurtenant to the Unit, to the extent located within the Unit from the panel and serving or benefiting only that Unit.

(F) Any Common Elements located within a Unit shall not be considered a part of such Unit.

(G) As of the date of the filing of this Declaration with the Register's office, fee simple absolute title shall automatically vest in the Sponsor in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

(H) Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner shall have the right, subject to the provisions of the By-Laws, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts, and the like, and to alter or remove interior partitions (non-bearing) in whole or in part, in order to change the layout of the Unit, provided that no such installation or alteration shall impair the consistent exterior appearance, structural or functional integrity of such Unit or of the Building or violate Law and provided further that no such work, repairs, or alterations in or about the Residential Unit or the Limited Residential Common Elements shall commence prior to the issuance of a final permanent Certificate of Occupancy.

Article 7
The Common Elements

(A) The Common Elements consists of the entire Property including the Land, parts of the Building and improvements thereon (other than the Units and their Limited Common Elements). The Common Elements include the General Common Elements, the Residential Common Elements, the Limited Residential Common Elements and the Commercial Limited Common Elements. The General Common Elements include the following: the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those facilities therein, or elsewhere, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intending to limit the generality of the foregoing in any respect, the General Common Elements include: (a) the Land (including any landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto; (b) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, exterior walls, interior walls, partitions, floor slabs and ceilings, window casings and frames, roofs and ceilings in separating a General Common Elements or a Commercial Unit from a Residential Unit and or Residential Common Element and or a Limited Residential Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element or Commercial Unit, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements pursuant to the terms of paragraph C below, Limited Residential Common Elements, or pursuant to paragraph D below, or a Unit pursuant to the terms of paragraph 6 above; (c) all central and appurtenant installations and facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, pipes, ducts, flues, wires, motors, fans, tanks, sprinklers, compressors, cables and conduits, hot and cold water distribution, heat, ventilation, garbage disposal, master and cable television, air conditioning and other mechanical and electrical systems to the extent that the same are not expressly included as a part of a Unit or the Limited Common Elements; and (d) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

(B) The Common Elements will be owned by all Units Owners in common and its maintenance, repair, replacement and operation will be borne by all Unit Owners in proportion to their respective Percentage of Common Interest and will be included in their Common Charges. The Common Elements shall remain undivided, and no Unit owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Articles 12 and 15 hereof and Section 5 of the By-Laws.

(C) The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently existing for the exclusive common use of the Residential Units or of the Residential Unit Owners only. Without intending to limit the generality of the foregoing in any respect, the residential Common Elements include: (i) all stairways, passenger elevators and their respective bulkheads, shafts, pits and equipment rooms and the residential

hallways; (ii) compactor rooms and their respective shafts and equipment; (iii) residential lobby, service entrance, concierge station, package storage, if any, mail area, all of which are located on the ground floor of the Building; (iv) recreational areas or fitness center, if any, and all the furnishings, structural and decorative elements contained therein; (v) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another residential Unit or a Residential Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Common Element from a General Common Element or a Commercial Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element; (vi) all central and appurtenant installations and facilities for service such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only; (vii) all interior partitions of the Building, to the extent that the same are not expressly included as part of the General Common Elements pursuant to the terms of Paragraph 7 above or the Limited Residential Common Elements; (viii) the storage units.

(D) The Limited Residential Common Elements are those areas or facilities that enclose, service or benefit only specified Units to the exclusion of all other Units and are for the exclusive use of the Unit Owners thereof. Without intending to limit the generality of the foregoing in any respect, the Limited Residential Common Elements in this Plan include: terraces adjoining the Units on the 5th floor, Tower 14 and PH, as the set forth in Schedule B to the Declaration; and twenty-seven (27) Residential Storage Units located in the Cellar and allocated to twenty-seven Residential Units.

(E) The following are Commercial Limited Common Elements: storage unit in the cellar and a front yard that are for the exclusive use of the Commercial Unit.

Article 8
Determination of Common Interests

(A) The Common Interest of each Unit has been determined, pursuant to the provisions of Section 339-i(1)(iv) of the Condominium Act, and is based substantially upon on the approximate proportion that the floor area of the Unit at the date of this Declaration bears to the current aggregate floor area of all Units subject to the location of such space and the additional factors of relative value to other spaces in the Condominium, the uniqueness of the Unit, the availability of the Common Elements for exclusive or shared use, and the overall dimensions of a particular Unit.

(B) The percentage interest of all Residential Units in the Residential Common Elements is apportioned in the same proportion that the Residential Units at the date of the Declaration bears to the aggregate Common Interest of all the Residential Units in the Condominium.

(C) If any portion of the Common Elements now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) selling or shifting of the Building, or (b)

alteration or repair to the Common Elements made by the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

Article 9
Use of Units

(A) Except as set, forth in the next sentence, a Residential Unit shall be used only for private residence (excluding dormitory bed and breakfast or other transient hotel-type use) except that a Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code and other regulations of governmental authorities having jurisdiction. Such Units may also be used for professional offices provided no zoning regulation is violated and provided such use is permitted by Law and the Unit Owner complies with all governmental regulations. And provided further that the Sponsor while Sponsor owns any Unsold Units or, thereafter, the Board of Managers consents to such use, which consent shall not be unreasonably denied. However, the Sponsor shall have the right to use, or lease, any one or more of its Unsold Units as model Units and offices for selling, renting, management, operation and promotion of such Units or for leasing to a third party for long or short terms stays or for any other lawful purpose, without the consent of the Condominium Board, the Unit Owners, mortgagees, or anyone else, subject only, to compliance with the Law.

(B) Within thirty (30) days after a Person, other than a natural person, becomes the Owner of a Residential Unit (other than Units owned by Sponsor or Sponsor's designee), such non-individual owner shall notify the Managing Agent, in writing, of the name of the officer, director, stockholder, partner or employee of such corporation, individual beneficiary, family members or guests of the foregoing, designated by such owner to occupy its Unit. The non-individual owner may change such designee from time to time by similar written notice to the Managing Agent. All designees must be bona fide officers, directors, stockholders, partners, agents or employees of such owner. The foregoing restrictions do not apply to Sponsor's Unsold Units. Upon the prior written consent of the Sponsor while Sponsor owns any Unsold Units and the Board of Managers thereafter, any Residential Unit may be used for any lawful purposes, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for the Building and the By-laws, (2) applicable law, and (3) the use of such Residential Unit shall not adversely affect the use and enjoyment of neighboring or adjacent Residential Units for residential purposes. Residential Units may only be leased in accordance with the By-Laws and the Residential Rules and Regulations.

(C) The Commercial Unit may be used for any purpose permitted by Law, including without limitation, retail stores, banks, restaurants, theaters, sidewalk-restaurant and café, cabarets, nightclubs, and commercial and professional offices. In no event shall any portion of the Commercial Unit be used for illegal, immoral or adult entertainment purposes including: (1) for pornographic purposes or commercial sex establishment, nude or semi-nude performances, sex clubs, massage parlors, adult bookstores, peep shows, escort services and/or other sex related activities; or (2) welfare hotel, homeless shelter, drug or alcohol rehabilitation center or clinic; (3)

sale of any drug related paraphernalia; (4) government offices, (5) bed-and-breakfast establishment or dormitories, (6) OTB offices. The Sponsor or the Commercial Unit Owner shall have the right to change the use of the Commercial Unit at any time, including for residential use, without the consent of the Board of Managers or the Unit Owners or anyone else provided such change is in accordance with permitted use and if such change requires a change to the Building's Certificate of Occupancy the same shall be changed at the cost and expense of the Sponsor or the Commercial Unit Owner, as the case may be.

The Commercial Unit Owner shall have the right, without the payment of any fees or charges to the Board of Managers, Unit Owners or the Managing Agent, to sell or lease its Unit, or any part thereof, without the Board of Managers having any right of first refusal to purchase or sell such Unit, and all sale and/or rental proceeds shall belong solely to the Commercial Unit Owner.

The Board of Managers shall be obligated to permit the Commercial Unit Owner to install and use additional equipment in the risers and conduits serving the Building, including but not limited to, any equipment, piping and/or ductwork or flues which are necessary, in the sole discretion of the commercial Unit Owner, for nay lawful use of the commercial Unit, provided the commercial Unit Owner reimburses the Board of Managers for the actual costs of the Condominium attributable to use installation and use.

The Board of Managers does not have the right to approve any change in the use of the Commercial Unit, or any part thereof, or the right to apply for or cause any amendment to the Building's Certificate of Occupancy to authorize a different use except at the request of the Commercial Unit Owner. The Commercial Unit Owner shall have the right, without obtaining the consent of the Board of Managers or the Residential Unit Owners or mortgagees of Units other than the affected Unit, to change the use of the Commercial Unit or subdivide the commercial Unit into two or more Commercial Units and to reallocate the Common Interest of the Commercial Unit among the newly established Commercial Units in proportion to their respective floor areas. Such subdivision must be reflected in a duly recorded amendment to the Declaration filed by the new Unit Owners. Under no circumstances will the Common Interest of any Residential Unit Owner be changed as a result of such subdivision or will the aggregate Common Interest for the new Units be greater than the Common Interest for the original Units. If the Commercial Unit is so subdivided, the owner or owners thereof shall have the right, without obtaining the consent of the Board of Mangers, Residential Unit Owners, or mortgagees of Units other than the affected Unit, to thereafter change the use, size, layout and/or number of Commercial Units under the same terms, conditions and restrictions as those imposed on the original Commercial Unit Owner.

At the request of the Sponsor, a Sponsor-designee or the Unit Owner of the Commercial Unit, the Board of Managers will execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with any addition, alteration, improvement, repair or subdivision of such Commercial Unit or the operation or use of the Commercial Unit, at which time, the requesting party shall indemnify and hold the Board of Managers of the Condominium and other Unit Owners harmless from any expense or liability by virtue of the execution of the application or such other documents.

The Owner of the Commercial Unit, and any tenant or tenants of such Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, to install, repair and maintain either within or in the immediate location of such particular Unit or the windows of such Unit below the windows at the second floor level and on the sidewalk adjacent to the Commercial Unit's entrance, or the commercial yard a sign or signs, canopy or awning which may be illuminated, including neon, for advertising or identification purposes. Such Unit Owner and any tenant of space in the Unit shall comply with all of the laws, orders, rules and regulations of the governmental authorities having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or its tenant shall obtain and pay for all permits required for such sings, canopy or awnings and any necessary renewal fees.

(D) Storage Units may be used for the storage of personal effects of the Unit Owner, and in no event shall any food or other perishable item, or any inflammable or explosive item be stored in the space.

Article 10
Easements for the Enjoyment of The Common Elements

(A) Subject to the terms of this Declaration, the By-Laws and the Residential House Rules and Regulations, the Unit Owners (including Sponsor and Sponsor's designee, as long as it owns any Unit), all other permitted occupants and tenants and users of the Property, the Selling Agent, the Managing Agent, the Condominium Board of Managers and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

(B) Subject to the terms of the By-Laws and the Residential House Rules and Regulations, Sponsor, the Residential Unit Owners, the Selling Agent, the Managing Agent, the Condominium Board of Managers and all Permitted Users of the foregoing shall have in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Residential Common Elements and the Residential Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the Residential Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

(C) The Commercial Unit Owner and its Permitted Users shall have an easement, to the extent permitted by Law for (i) ingress and egress through the Residential Common Elements for the purpose of accessing such Commercial Unit or any portion of the Building serving such Commercial Unit, and (ii) to erect, maintain, repair and replace, from time to time, canopies or awnings, one or more signs, of such size and content as such Commercial Unit Owner shall determine which may be illuminated or neon, on, about, or adjacent to the Commercial Unit

(including the exterior walls of the Building) for the purpose of advertising the sale or lease of all or any portion of such Commercial Unit and the operation or identity of any business of a Permitted User of all or portion of such Commercial Unit. Additionally, the Commercial Unit Owner, and its Permitted Users shall have an easement for so long as the Condominium shall remain in existence, to use the yard and sidewalks, appurtenant to such Commercial Unit for any purposes permitted by Law, including, without limitation, food and beverage service and the placement of outdoor seating, tables and signage. The Sponsor shall have the right to add or delete or limit such rights of a Commercial Unit Owner not provided (but not prohibited) herein provided any such change is made by amendment to the Declaration by Sponsor.

(D) Each Residential Unit Owner whose Residential Unit has one or more Limited Residential Common Elements shall have an exclusive easement for the use thereof.

(E) Notwithstanding anything to the contrary contained in paragraph (A) of this Article 10 and subject to the By-Laws and the Residential House Rules and Regulations, Sponsor and its successors, assignees, invitees, licensees, contractors, employees, agents and tenants, and all permitted users of the foregoing shall have an easement in, over, under, through and upon the General Common Elements to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the development, sale or renting of Unsold Units. In addition, Sponsor shall have the right, without the consent of the Condominium Board or Unit Owners or Managing Agent, or anyone else, to the extent not prohibited by Law, to use one or more portions of the Common Elements, as designated by Sponsor, in its sole discretion, for sales, rental, or display purposes, which right shall include, without limitation, the right to place "for sale," "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine, in, on, about and adjacent to the Property (including on the exterior walls thereof) and the Property.

Article 11
Other Easements

(A) Subject to the terms of the By-Laws and to the Residential House Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use, maintain, repair, alter and replace any of the Common Elements located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit, including an easement to connect to existing utilities, including without limitation, utilities for gas, electricity, steam and ventilation, hot and cold water distribution, air conditioning. Each Unit, including any Common Elements located therein, shall be subject to an easement in favor of all Unit Owners to sue maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Article shall be exercised by the Condominium Board on behalf of all Unit Owners. In addition, the Board of Managers, its agents, contractors, subcontractors, and employees shall have an easement and a right of access to each Unit and any Limited Common Element appurtenant thereto and to the Common Elements to inspect the same, to remove violations therefrom or conditions which constitute violations of any law or regulation of any governmental authority with jurisdiction therefrom; and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements or distribution systems located in, over, under, through, adjacent to, or upon

the same, to remedy any condition which would result in damage to the Common Elements or other units or which would violate the provisions of a mortgage, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one (1) day's notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Property, for the safety of the occupants of the Property or other person, or to avoid the suspension of any necessary service in the Property. Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Board of Managers exercise such easement or right of access to the Unit Owner whose Unit is to be assessed and all work is to be prosecuted diligently to completion. Notwithstanding any other provision of this Declaration, the By-Laws, or the residential House Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

(B) Sponsor or designee (for so long as either owns any Unit) reserves for itself, the Commercial Unit Owner with respect to the Commercial Unit and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant to the Condominium Board, on behalf of all Unit Owners, the right to grant such additional electric, gas, steam, cable television, telephone, telecommunication equipment, transformer, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to any portion of the Property as Sponsor, or its designee, or Commercial Unit Owner, or the Condominium Board of Managers, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Property or any portion thereof or for the general health or welfare of the Unit Owners, occupants and their Permitted Users, of the appropriate Units, provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes or unreasonably interfere with the normal conduct of business carried on within the Commercial Unit and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company, as well as its officers, employees and agents, shall have a right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

(C) Sponsor and its Permitted Users for so long as it shall own any Unsold Unit shall have an easement for ingress and egress through all of the Common Elements in order to make alterations, additions, or improvements whether structural or non-structural, interior or exterior, ordinary or extraordinary, in or upon the Unsold Units or the Common Elements, or in order to complete its obligations under the terms of the Offering Plan or to comply with the Law or governmental agency having jurisdiction thereon.

(E) Each Unit and the Common Elements shall have easements of subjacent, support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

(F) Sponsor and the Commercial Unit Owner and each of their respective Permitted Users shall have an easement for so long as the Condominium shall remain in existence, to erect, use, lease, maintain, repair, replace and operate antennae, satellite dishes and other communications equipment on any part of the common areas of the top roof and/or façade of the Building and elsewhere on the Common Elements and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. The exercise of the easements of these rights do not require the consent of the Condominium Board or the Unit Owners and shall be without charge to either the Sponsor or the Commercial Unit Owner. Any obligation of the Sponsor and/or the Commercial Unit Owner under any lease, license or other right of use granted by Sponsor and/or the Commercial Unit Owner with respect to the roof and/or the façade of the Building shall be the obligation of Sponsor or the Commercial Unit Owner, as the case may be, and not of the Condominium, and any rights of Sponsor and/or the Commercial Unit Owner, including without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right of the Sponsor or the respective Commercial Unit Owner, as the case may be, and not of the Condominium or any other Unit Owner. In connection with such easement and related rights, Sponsor and the Commercial Unit Owner and each of their respective Permitted Users shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all other Unit Owners for ingress and egress and the use of the Common Elements. The Units shall each be subject to such easement.

(G) Subject to the terms of the By-Laws and the Residential House Rules and Regulations, the Commercial Unit Owner shall have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Unit and any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Commercial Unit located in, over, under, through or upon the Common Elements or elsewhere on the Property; provided that access to the Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such manner as will not unreasonably interfere with the use of the Common Elements and such other portions of the Property for their permitted purposes.

(H) The Condominium Building shall be designated and known as the BLUE CONDOMINIUM. Sponsor shall own and control all rights and interest, appurtenant to the name of the Condominium and/or the Building. Only Sponsor shall have the right to change or assign the name of the Condominium subject to the consent of the Condominium Board which consent shall not be unreasonably withheld or delayed. Sponsor shall have the exclusive easement for so long as the Condominium shall remain in existence to erect, maintain, repair and replace from time to time, a plaque and/or sign ("Plaque"), without charge, on the exterior portion of the Building setting forth the name and address of Sponsor, or such other information as the Sponsor desires in its sole discretion. Only Sponsor shall have the right to remove the Plaque, unless mandated by Law.

(I) If any portion of the Common Elements now encroaches upon any Unit or if any Unit now encroaches upon any other Unit or upon any other portion of the Common Elements, or if any such encroachment shall hereafter occur as a result of: (i) the settling or shifting of the Property; (ii) any repair or alteration made to the Common Elements in accordance with the term of this

Declaration and the By-Laws by, or with the consent of, the Condominium Board, by Sponsor or Sponsor's designee, or (iii) as a result of any repair or restoration made to the Property or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty; or (iv) after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Property or the affected Unit or Common Elements shall stand.

(J) In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements made with the City of New York or with any utility company or other Persons in effect prior to the recording of the Declaration and to the rights of access prescribed in the Condominium Act.

(K) The user of any easement granted by the Articles 10 & 11 shall have the responsibility of repairing any damage resulting therefrom.

Article 12
Changes and Alterations and Improvements to Units

(A) Sponsor or its designee shall have the right, to the extent not prohibited by Law, without obtaining the consent or approval of the Condominium Board, other Unit Owners or Managing Agent or Mortgage Representatives affected (if any), or anyone else and without the payments of fees to the Board of Managers to make alterations, additions, improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon its Unsold Units, the Common Elements and the Limited Common Elements; to change the size, layout or location of any Unsold Unit; to subdivide any Unit it owns into two (2) or more separate Units, combine separate Unsold Units into one (1) or more Units, alter the boundary walls between any Unsold Units, or otherwise, including incorporating Residential Common Elements (such as a portion of the hallway used exclusively by the occupant of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit; and, if appropriate, reapportion among the Unsold Units affected by such change, subdivision, combination, or alteration, their percentage interest in the Common Elements, provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall reasonably consent thereto and provided further, that Sponsor or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, and provided that such alterations, repairs and improvements shall not jeopardize the soundness or integrity of the Property or the safety of the residents or Permitted Users of the Property. The Sponsor shall agree to hold all other Unit Owners and the Condominium Board harmless from any liability arising therefrom; and provided that:

(i) when applicable, such changes shall be appropriately reflected in (a) an Amendment to the Offering Plan, (b) an Amendment to this Declaration recorded in the Register's Office and (c) an Amendment to the Floor Plans filed with the Register's Office, each such Amendment to set forth the designation of each newly

established Unit, its location, approximate area, Common Elements to which it has immediate access and all other information required by the Condominium Act;

(ii) the Common Interest of each newly established Unit shall be determined in the approximate proportion that the floor area bears to the total floor area of the original Unit as shown in this Declaration, reflecting however, the substantially exclusive advantages, if any, enjoyed by one or more, but not all Units in a part or parts of the Common Elements. In the event of a reapportionment of the common Interests appurtenant to any Unit, Sponsor the Selling Agent or the Managing Agent shall deliver to the Board of Managers a certification that such apportionment has been made according to the factors set forth in Article 8 hereof;

(iii) however, (a), the Common Interests of all newly established Units shall equal the Common Interest of the original Units being so subdivided; (b) the Common Interest of any sold Units not being subdivided shall not be changed by reason thereof and (c) the Common Interests of all Units shall equal 100%;

(iv) the Sponsor as the Owner of Unsold Units shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom.

(B) No Unit Owner, other than Sponsor or designee or the Commercial Unit Owner, shall have the right to subdivide a Unit or to combine two Units or more, or to separate them after such combining, to change the layout of the Unit, or to make alterations, additions, or changes of a structural nature, or if a building permit is required for such alterations, without obtaining the prior written consent or approval of the Sponsor if the Sponsor is the holder of an Unsold Unit(s) or of the Condominium Board after the Sponsor, or its designee, owns no Unsold Units but in no event prior to the issuance of the permanent Certificate of Occupancy. In the event that such changes or alterations are approved, the Unit Owner must comply as follows:

(i) no physical modification shall be made to any other Units and the Common Interest of any other Units shall not be changed by reason thereof, unless the owner of any such other affected Unit shall consent thereto;

(ii) the Unit Owner shall comply with the Law;

(iii) the Unit Owner shall indemnify and hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom; and

(iv) such alteration, addition or improvement shall not jeopardize the soundness or structural integrity of any part of the Property or the safety of any tenant or other Persons at the Property;

(v) if required by Section 339(i) of the Condominium Act, the consent of all Unit Owners affected by such changes is obtained; and

(C) In the event a Unit is subdivided into two or more Units in accordance with the foregoing provisions of this Article 12, all newly established Units (as the case may be) as well as the owners, occupants and Permitted Users thereof, shall be subject to, bound by and shall comply with, the provisions of this Declaration, the By-Laws, and the Residential House Rules and Regulations, as they may be amended from time to time, and resolutions adopted thereto.

(D) The provisions of this Article 12 may not be added to, amended, modified, or deleted without the prior written consent of Sponsor or its designee or the Commercial Unit Owner as to its Commercial Unit. No Unit Owner, other than Sponsor or its designee, shall have the right of subdivision.

(E) Except to the extent prohibited by Law, the Commercial Unit Owner shall have the right, without the consent or approval of the Condominium Board, the Unit Owners, the Selling Agent, the Managing Agent, or the Mortgage Representative, if any, and without payment of fees to the Board of Managers, to: (i) make alterations, additions, improvements, or repairs in, to and upon the Commercial Unit; (ii) change the use or layout of, or number of rooms in the Commercial Unit; (iii) amend the Certificate of Occupancy for the Building as it relates to the Commercial Unit; (iv) if appropriate, reapportion among the Units affected by such changes in size or number their respective Common Interests provided (a) no physical modification shall be made to any other Unit, and the Common Interest and Residential Common Interest, as the case may be, or interior dimensions of any other Unit shall be changed by reason thereof, unless the owner of such affected Unit shall consent thereto; (b) the Commercial Unit Owner shall comply with the Law; (c) the Commercial Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and (d) such alteration or improvement, repair or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any occupant or other persons of the Property. In the event of the subdivision of a Commercial Unit, the Owners of each such newly created Units shall have the rights, privileges and benefits and shall be subject to all the obligation of the original Commercial Unit Owner, as provided in this Declaration, the By-Laws and the House Rules and Regulations. Notwithstanding the foregoing, however, the aggregate amount of the Common Interests of all the Units and the Residential Common Interests of all the Residential Units shall always remain at 100% and no reapportionment of the Common Interest appurtenant to Commercial Units shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest has been based upon factors set forth in Article 8 hereof. The provisions of this Article shall not be amended, added to or modified without the prior written consent of the Sponsor or the Commercial Unit Owner.

Article 13
Common Elements and Common Interests

(A) The Common Interest appurtenant to each unit is the proportionate, undivided interest in fee simple absolute of such Unit in the Common Elements specified in Article 7 hereof. The Common Interest of each Unit is declared to be permanent in character and cannot be altered without the prior written consent of all Unit Owners affected (or as provided in this Declaration).

(B) The Common Interest cannot be separated from the Unit to which it appertains. The Common Elements shall not be divided nor shall there be any right to partition any part thereof, but nothing herein contained shall be deemed to prevent ownership of a Unit jointly or in common.

(C) Each Unit Owner may use the Common Elements in accordance with the purpose for which they are intended, provided such use does not encroach upon the rights of other Unit Owners.

(D) The Condominium shall have the irrevocable right, to be exercised by the Board of Managers, or its designee, to have access to each Unit and the Limited Common Elements from time to time, after reasonable notice during normal business hours, except in the case of an emergency where no notice will be necessary, to the extent necessary, for the following purposes:

(i) To inspect and make repairs, replacements or improvements to the Common Elements contained therein, and to the Unit itself where the responsibility therefor is upon the Board of Managers;

(ii) To prevent damage to the Common Elements or other Units, or to abate any violation of law, orders, rules or regulations of any governmental authorities having jurisdiction thereof;

(iii) To correct any condition which violates the provisions of any mortgage covering a Unit.

(E) The Board of Managers shall, if any question arises, determine the purpose for which a Common Element is intended to be used.

(F) The maintenance, repair, replacement, management, operation and use of the Common Elements shall be the responsibility of the Board of Managers who shall collect as common charges the expenses incurred or to be incurred therewith from the Unit Owners. Further:

(i) The Board of Managers shall have the right to make or cause to be made such alterations and improvements to the Common Elements as in its opinion may be beneficial and necessary, provided, however, that such alterations and improvements do not materially and adversely interfere with the rights of a Unit Owner. The Board of Managers may require the consent in writing before undertaking such work from such Unit Owner (which shall be deemed to include certain occupants of apartments within the Residential Unit who may be affected by such work) and the holders of mortgages thereon whose rights may be prejudiced by such alteration or improvement.

(ii) When an alteration or improvement is requested by one or more Unit Owners which, in the sole opinion of the Board of Managers, is exclusively or substantially for the benefit of such Unit Owner, the cost of the alteration or improvement shall be assessed against such Owner in such proportion as the Board of Managers shall

determine is fair and equitable. Nothing herein contained shall prevent the Unit Owners affected by such alteration or improvement from agreeing, either before or after the assessment is made, to be assessed in different proportions.

(G) No Unit Owner shall repair, alter, replace or move any of the Common Elements or permit the repair, alteration, replacement or moving of any of the Common Elements, except in connection with emergency repairs and/or in making repairs, alterations or replacements pursuant to the grants of easements set forth in Article 11 hereof, without obtaining the prior written consent of the Sponsor while Sponsor owns any Unsold Units or the Board of Managers, as the case may be

(H) No liens of any nature shall arise or be created against the Common Elements except with the unanimous consent in writing of all the Unit Owners, except such liens as may arise or be created against the several Units and their respective Common Interests under Section 339(l) of the Condominium Act.

(I) All Common Charges received or to be received by the Board of Managers and the right to receive such funds shall constitute trust funds for the purpose of paying the cost of labor and materials furnished to the Common Elements, and the same shall be expended first for such purpose. The Board of Managers shall keep such charges in a separate bank account and shall maintain records of all charges or sums received and of all expenditures or disbursements made.

Article 14
Acquisitions of Units by the Condominium Board of Managers

If (i) any Unit Owner surrenders his or her Unit, together with its Appurtenant Interests, to the Condominium Board of Managers pursuant to the terms of the By-Laws or of Section 339-X of the Condominium Act or (ii) the Condominium Board of Managers, pursuant to the terms of the By-Laws or otherwise, either (x) acquires or leases a Unit, together with its Appurtenant Interests, or (y) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, in and to such Unit and such Appurtenant Interest shall be held by the Condominium Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board of Managers or its designee shall be held by the Condominium Board of Managers or such designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

Article 15
Power of Attorney to Sponsor and the Board of Managers

(A) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, (i) Sponsor, to amend the Condominium Documents pursuant to the terms of Article 19 hereof and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(i) employ counsel for the purpose of protesting New York City real property tax assessments and instituting tax certiorari proceedings on behalf of the Unit Owners for the reduction of assessed valuation of their Units, such Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(ii) acquire or lease any Unit, together with its Appurtenant Interests, (1) whose owner desires to sell, convey, transfer, assign, lease, or surrender the same or (2) that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners;

(iii) convey, sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(iv) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board of Managers deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board of Managers deems necessary or appropriate.

(B) In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board of Managers, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth as Document 7 to this Declaration or such other form then in use by the Condominium.

(C) The powers granted to Sponsor shall remain in full force and effect until such time as the Sponsor or its designee shall cease to own any of the Units at the BLUE CONDOMINIUM.

Article 16
Termination of Condominium

The Condominium shall continue until termination by:

(a) casualty loss, condemnation, or eminent domain, as more particularly provided in the By-Laws; or

(b) withdrawal of the Property from the provisions of the Condominium Act by a vote of at least eighty (80%) percent of all Unit Owners, both in number and in aggregate Common Interests.

No such vote under clause (b) in the preceding sentence shall be effective without the written consent of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. Sponsor will not vote the aggregate Common Interest appurtenant to the Unsold Units for such withdrawal unless at least seventy (70%) percent, both in number and in aggregate Common Interest, of all other Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of, or against withdrawal from condominium ownership as it sees fit. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

Article 17
Covenant of Further Assurances

(A) Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board of Managers, an officer of the Condominium Board of Managers, or Permitted Users or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action, as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(B) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(C) If any Unit Owner or the Condominium Board of Managers or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Condominium Board of Managers, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor, then Sponsor is hereby authorized as attorney-in-fact for the Condominium Board of Managers, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board of Managers, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board of Managers, such Unit Owner, or other Person, as the case may be.

Nothing contained in this Article 17 shall be in derogation of Section 339(7) of the Condominium Act.

Article 18
Covenants to Run With the Land

(A) All provisions of this Declaration, the By-Laws and the Residential House Rules and Regulations, including, without limitation, the provisions of this Article 18, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the Owner of all or any part therein, or interest therein, and his or her heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in, or for the benefit of, the general public. All present and future Owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the House Rules and Regulations, as they may be amended from time to time, and resolutions adopted pursuant thereto. The acceptance of a deed or conveyance or the succeeding to title, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the House Rules and Regulations, as they may be amended from time to time, and resolutions adopted pursuant thereto, are accepted and ratified by such Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease.

(B) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the Owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant with the Land. If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

(C) Subject to the terms of paragraph (B) of this Article 18, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon, and

shall inure to the benefit of, the Owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

Article 19
Amendments to this Declaration

(A) Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee, or the Commercial Unit Owner, or any Unsold Unit and except as restricted below, any provision of this Declaration may be amended, modified, added to, or deleted by the vote of at least seventy-five percent (75%) of all Unit Owners, both in and in aggregate Common Interests, taken in accordance with the provisions of the By-Laws. In addition, no such amendment, modification, addition or deletion shall: (i) adversely affect the lien of any mortgage without the written consent of the mortgagee; or (ii) shall change the percentage of Common Interests allocated to any Unit without the consent of the Unit Owner; or (iii) increase the percentage of Common Interests of any Unit without the written consent of the mortgagee of the Unit; or (iv) be effective against the Sponsor or its designee or the Commercial Unit Owner without the prior written consent of Sponsor or its designee, or the Commercial Unit Owner as to its Unit.

(i) shall not be effective until recorded in the Register's Office; and

(ii) shall be executed by the Condominium Board of Managers hereby authorized by the Unit Owners so to act as their attorney-in-fact, subject to the rights of Sponsor or its designee under Articles 9, 10, 11, 12, 15, 16, and 19 of this Declaration.

Articles 9, 10, 11, 12, 15, 16 and 19 of this Declaration may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above, or the Sponsor as set forth below) eighty percent (80%), both in number and in aggregate Common Interests, of all Unit owners affected thereby approve such amendment, modification, addition, or deletion in the manner set forth above.

(B) Sponsor or its designee shall have the right, at its sole cost and expense (but free of fees or charges by the Condominium Board or the Managing Agent or Unit Owners) and without the vote or consent of any other Unit Owners, the Condominium Board of Managers, managing agent, or the Mortgage Representatives (if any), or anyone else, unless such consent is required under Sections 339 (I) (iv) of the Condominium Act, to execute, acknowledge and record (or, at the Sponsor's or designee's sole option, to require the Condominium Board of Managers or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments, to this Declaration, together with such documents, plans and maps as the Sponsor or such designee deems appropriate to effectuate the same:

(i) to reflect any changes in the Sponsor owned Units (or Units owned by Sponsor's designee) including any reapportionment of the Common Interest resulting therefrom made by the Sponsor in accordance with the term of Articles 8 and 12 hereof; or

(ii) to reflect any changes required by Law or Code as to the Property or the Condominium;

(iii) or is required by (w) by the obligations of the Sponsor pursuant to the terms of the Offering Plan, (x) an Institutional Lender designated by the Sponsor to make a loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unit; provided, however, that any amendment made pursuant to the terms of subparagraph (I) and (ii) of this paragraph shall not (1) change the Common Interest of any Unit not then owned by Sponsor or its designee, (2) require a material, physical modification of any Unit not then owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the Owner of the affected Unit (in the event described in subparagraph (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subparagraph (3) of this paragraph) shall consent thereto by joining in the execution of such amendment.

(C) Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be adopted which would:

(i) (a) unreasonably interfere with the sale, lease or other disposition of Units owned by Sponsor, or Sponsor's designee, or the Commercial Unit Owner as to its Unit;

(b) abridge, modify, suspend, eliminate or otherwise affect any right, easement, privilege or benefit reserved to Sponsor or its designee or the Commercial Unit Owner as to its Unit; or

(c) impose any discriminatory charge or fee against Sponsor or such designee or the Commercial Unit Owner, unless Sponsor or such designee or the Commercial Unit Owner as to its Unit, shall consent thereto, by joining in the execution of such Amendment;

(ii) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved to the Sponsor or its

designee unless the Sponsor or its designee shall consent thereto by joining in the execution of such Amendment; or

(iii) change the permitted use of any Unit or such Unit's Common Interest, unless the Owner of such affected Unit shall consent thereto by joining in the execution of such Amendment.

(D) Any amendment to this Declaration may be executed; (i) if on behalf of Sponsor pursuant to the terms of paragraph (B) hereof, by any principal of Sponsor or its designee or (ii) if on behalf of the Unit Owners or by the Condominium Board, by any Vice President and the Secretary/Assistant Secretary of the Condominium, or (iii) if on behalf of the Commercial Unit Owner as to its Unit by the Owner thereof. If the amendment requires the approval of a specific percentage of Unit Owners or of the Commercial Unit Owner as to its Unit as provided in the Declaration or the By-laws, then there shall be attached an original executed Certificate certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or giving approval in writing without a meeting, if such is permitted.

(E) The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or the Commercial Unit Owners if the same relate to the Sponsor or its designee or the Commercial Unit Owner.

Article 20
Consent of Sponsor

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee (as the case may be) no longer owns any Units.

Article 21
Person to Receive Service

Norfolk Hudson LLC c/o 58 Thomas Street, New York, New York, 10013 or any successor managing agent of the Condominium, is hereby designated to receive service of process in any action that may be brought against the Condominium.

Article 22
Incorporation by Reference

The terms, covenants, conditions, descriptions and other information contained in:

(i) the Property description annexed hereto as Schedule A-2;
(ii) the description of the Units annexed hereto as Exhibit B;
(iii) the By-Laws annexed hereto;
(iv) the Unit Owner's Power of Attorney annexed hereto; and

(v) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

Article 23
Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches that may occur.

Article 24
Severability

Subject to the provisions of paragraphs (B) and (C) of Article 18 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the reminder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

Article 25
Successors and Assigns

The rights and/or obligations of, and limitations imposed on, Sponsor or its designee or the Commercial Unit Owner as set forth herein shall inure to the benefit of and shall be binding upon, their respective successors and assignees as well as any designated transferees of their respective Units. Subject to the foregoing, Sponsor or its designee or the Commercial Unit Owner shall each have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by sale, merger, consolidation, lease, assignment, or otherwise without the prior consent of the Board of Managers or be subject to the right of first refusal. Notwithstanding the foregoing, any permitted mortgagee of a Unit or purchaser at a foreclosure sale of a permitted mortgage whose succeeds to the interests of a Unit Owner shall be responsible only for the obligations such Unit Owner arising from or after the effective date of succession to title to such Unit and shall not be liable for any unpaid Common Charges or assessments owing prior thereto.

Article 26
Gender

A reference in this Declaration to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Article 27
Captions

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

Article 28
Common Charges

The Common Charges and special assessments to be borne by the Unit Owners for the operation and maintenance of the property shall be assessed and payable in accordance with the By-Laws.

Article 29
General

Except as required by Law, neither Sponsor or its principals shall be subject to any of the restrictions and/or prohibitions with regard to the Residential Units set forth in this Declaration or the By-Laws.

IN WITNESS WHEREOF, Declaring has caused this Declaration to be executed as of the _____ day of _____ 200___.

NORFOLK HUDSON LLC

By: _____
Angelo Cosentini

STATE OF NEW YORK)
)ss:
COUNTY OF NEW YORK)

On the ____day of_____, 200___ before me, the undersigned personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument acknowledged to me that he/she/they executed the same in his/her/their capacity(ies) and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A
TO THE DECLARATION

DESCRIPTION OF LAND

105 Norfolk Street
New York, New York 10002

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the westerly side of Norfolk Street, distant 100 feet northerly from the corner of formed by the intersection of the said westerly side of Norfolk Street and the northerly side of Delancey Street;

RUNNING thence northerly along the said westerly side of Norfolk Street, 50 feet;

THENCE westerly parallel with the said northerly side of Delaney Street and part of the way through a party wall 100 feet;

THENCE southerly parallel with said westerly side of Norfolk Street, 50 feet;

THENCE easterly again parallel with the said northerly side of Delancey Street 100 feet to the point of BEGINNING.

TOGETHER with easement rights granted, and subject to the terms and conditions of an easement Agreement between 101 Norfolk LLC and Norfolk Hudson LLC dated March 8, 2005 and to be recorded in the Office of the City Register of the City of New York, New York County.

TOGETHER with easement rights granted, and subject to the terms and conditions of Zoning Lot and Development Agreement dated March 8, 2005 by and between Eastside Restaurant Corp., and Adlelan Realty Corp., Lancey Realty, LLC dated March 8, 2005 and to be recorded in the Office of the New York City Register

SCHEDULE B
TO THE DECLARATION

DESCRIPTION OF UNITS

105 Norfolk Street
New York, New York 10002

UNIT #	INTERIOR SQ. FT.	PERCENTAGE OF RESIDENTIAL COMMON INTEREST	PERCENTAGE COMMON INTEREST	LIMITED COMMON ELEMENTS	TENTATIVE TAX LOTS
COMM	2690	N/A	5.00%	429 (Front Yard) 281 (Storage)	1001
2A	972	2.76%	2.62%		1002
2B	841	2.39%	2.27%		1003
3A	759	2.15%	2.05%		1004
3B	1,218	3.46%	3.28%		1005
4A	764	2.17%	2.06%		1006
4B	1,216	3.47%	3.30%	30 (Storage)	1007
5A	1,386	3.95%	3.76%	31 (Storage)	1008
5B	991	3.02%	2.87%	131 (Terrace) 30 (Storage)	1009
6A	787	2.26%	2.14%	35 (Storage)	1010
6B	957	2.74%	2.60%	35 (Storage)	1011
6C	766	2.20%	2.09%	35 (Storage)	1012
7A	782	2.25%	2.14%	41 (Storage)	1013
7B	1,052	3.02%	2.86%	44 (Storage)	1014
7C	766	2.20%	2.09%	41 (Storage)	1015

SCHEDULE B (cont'd)

8A	786	2.26%	2.15%	45 (Storage)	1016
8B	1,129	3.23%	3.07%	45 (Storage)	1017
8C	785	2.26%	2.15%	45 (Storage)	1018
9A	782	2.25%	2.14%	45 (Storage)	1019
9B	1,222	3.50%	3.33%	47 (Storage)	1020
9C	782	2.25%	2.14%	46 (Storage)	1021
10A	785	2.26%	2.15%	47 (Storage)	1022
10B	1,315	3.76%	3.58%	47 (Storage)	1023
10C	783	2.25%	2.14%	47 (Storage)	1024
11A	786	2.27%	2.15%	51 (Storage)	1025
11B	1,401	4.01%	3.81%	52 (Storage)	1026
11C	788	2.27%	2.15%	51 (Storage)	1027
12A	779	2.25%	2.13%	52 (Storage)	1028
12B	1,401	4.02%	3.82%	68 (Storage)	1029
12C	785	2.27%	2.15%	56 (Storage)	1030
Tower 14	2,168	7.55%	7.18%	956 (Terrace) 68 (Storage)	1031
Tower 15	1,975	5.65%	5.37%	69 (Storage)	1032
PH	2,494	7.65%	7.26%	375 (Terrace) 69 (Storage)	1033

BY-LAWS

of the

BLUE CONDOMINIUM

105 Norfolk Street
New York, New York 10002

Borough of Manhattan
City, County and State of New York

Prepared By:
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ARTICLE I

Plan of Unit Ownership

Section 1. **Unit Ownership**

The Property located at 103-105 Norfolk Street, Borough of Manhattan, County, City and State of New York, (hereinafter called the "Property") has submitted the Property to the provisions of Article 9-B of the Real Property Law of the State of New York by recording the Declaration for the Condominium known as the **BLUE CONDOMINIUM** in the office of the Register of the City of New York, New York County, simultaneously herewith. The Condominium thereby created shall hereafter be known as the **"BLUE CONDOMINIUM"** (referred to sometimes as the "Condominium").

Section 2. **Applicability of By-Laws**

The provisions of these By-Laws are applicable to the Property of the Condominium at 103-105 Norfolk Street, New York, New York and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Residential Units, the Commercial Unit, the Common and Limited Common Elements) but excluding any unused development rights which rights are being reserved by Sponsor for itself and any successors and assigns, owned in fee simple absolute and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York.

Section 3. **Application of By-Laws**

All present and future owners, mortgagees, lessees, sub-lessees and occupants of Units and their employees and guests as well as all other persons who may use the Property and facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Residential House Rules and Regulations as each of the same may be amended from time to time.

The acceptance of a deed or conveyance, or the succeeding to title to, or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the House Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with. Failure to so comply shall be grounds, for an action to recover sums due for damages or injunctive relief or both, maintainable by the Condominium Board or the Manager on behalf of the Unit Owners, or, should the Condominium Board or the Manager decline to take such action within sixty (60) days after written demand therefor by an aggrieved Owner, by such Owner.

Section 4. **Office.**

The principal office of the Condominium and of the Condominium Board shall be located either at the Property or at such other place in the Borough of Manhattan that may be designated by the Condominium Board.

Section 5. **Sponsor.**

All references herein to Sponsor shall refer to **NORFOLK HUDSON LLC**, with an office at 58 Thomas Street, New York, New York 10013.

Section 6. **Other Defined Terms.**

All capitalized terms used herein which are not separately defined in Part I and Part II of this Declaration or in these By-Laws shall have the meanings set forth in the Offering Plan.

ARTICLE II

Condominium Board

Section 1. **Status of the Board of Managers**

Unless and until the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the General Association Law of the State of New York. If the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board of Managers shall also have the status conferred upon it under, pursuant to, the terms of the Condominium Act.

Section 2. **Number and Qualifications**

The affairs of the Condominium shall be governed by a Condominium Board of Managers ("Condominium Board"). The Initial Condominium Board shall consist of three (3) persons designated by Sponsor until their successors shall have been elected by the Unit Owners at the first meeting or subsequent meetings of Unit Owners held pursuant to Section I of Article III of these By-Laws. After the Initial Board, the Condominium Board shall be composed of five (5) persons, all of whom, other than a members designated by the Sponsor, Sponsor-designee or the Commercial Unit Owner, shall be Unit Owners or spouses of or a member of the family of the Unit Owner or the principal or officer or employee of a non-individual Unit Owner or the spouse of such Unit Owner or, in the case of fiduciary owners or mortgagees, shall be the fiduciaries or officers or employees of such fiduciaries. A majority of the members of the Board

(other than as excepted above) shall be resident Owners or their spouses, children or members of their family who reside in their Units.

Section 3. **Powers and Duties.**

The Condominium Board shall have the powers and duties necessary or incidental for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Condominium Board by the Unit Owners or which are reserved by Unit Owners. Such powers and duties of the Condominium Board shall include, but shall not be limited to, the following:

(a) to manage, operate, care for, upkeep and maintain the Common Elements in such a manner that standards of quality, service and appearance are maintained;

(b) to prepare and adopt a budget for the Condominium the **BLUE CONDOMINIUM** each fiscal year thereof, setting forth detailed accounting of the anticipated Common Expense for the fiscal year and a detailed projection of income necessary to discharge the same;

(c) to determine the amount and establish the means and methods of payment and to collect the Common Charges and Special Assessments from the Unit Owners; and to charge and determine the amount of any fine for late or non-payment of the Common Charges;

(d) to employ (or dismiss) the personnel necessary for the maintenance and operation of the Property; to contract with others to make repairs, improvements and alterations of the Property;

(e) to adopt and amend the Rules and Regulations of the Condominium Associates and to levy fines against Unit Owners for violations of the Rules and Regulations (any such fines shall constitute Common Charges payable by the Unit Owner against which they are levied);

(f) to open and maintain the bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(g) to purchase or otherwise acquire, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit owners, Units offered for sale or surrendered by their Owners to the Condominium Board;

(h) to purchase Units at foreclosure or other judicial sale in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(i) to sell, lease, mortgage, vote the votes appurtenant to (but not voting the interest appurtenant to), or otherwise deal with Units acquired by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(j) to organize corporations to act as designees of the Condominium Board on such matters as the Board may determine, including, without limitation, in acquiring title to Units on behalf of all Unit Owners; to acquire rights, titles and interest in real and personal property in connection with the ownership and operation of the Property;

(k) to obtain insurance for the Property, including the Units, pursuant to the provisions of Article V, Section 2 hereof and to adjust and settle claims under such insurance policies; to execute and deliver releases upon such adjustments and settlements on behalf of all Unit Owners, holders of mortgages and other liens on Units and holders of any other interest in the Property; to make repairs or restorations of the Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings;

(l) to borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep, maintenance and improvement of the Common Elements or making repairs, replacements, restorations or additions to or alterations of the Common Elements, provided however, that:

(i) consent of Sponsor (or of at least 66-2/3% in Common Interest of all Unit Owners if Sponsor is not in control of the Board) shall be required for the borrowing of any sum in excess of five-thousand dollars ($5,000) in any one fiscal year; and

(ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interest in the Common Elements without the consent of the Unit Owner.

If any sum borrowed by the Condominium Board on behalf of the Condominium pursuant to the authority contained in this paragraph (l) is not repaid by the Condominium Board, a Unit Owner who has paid to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Owner's Unit.

(m) to adopt and amend the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners.

(n) to execute, acknowledge and deliver any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any applicable government agency applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building; or any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate provided such does not adversely affect the rights granted to or reserved for Sponsor;

(o) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws, whenever the Condominium Board deems advisable to consolidate or restate all amendments, modifications, additions and deletions heretofore made to the same;

(p) to sue, or being sued, to complain, defend, compromise and settle the lawsuits in the name of or on behalf of the Board and/or a Unit owner(s).

(q) any act with respect to a matter determinable by the Board and deemed necessary or desirable by the Board in connection therewith shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Board.

(r) Notwithstanding anything to the contrary contained in these By-Laws so long as the Sponsor or sponsor-designee owns twenty-five percent (25%) or more of the Common Interest but in no event later than five (5) years after the Closing of the first Unit, the Condominium Board may not, without the Sponsor's or Sponsor-designee's prior written consent:

(i) make any addition, alteration or improvement to the Common Elements or to any Unit unless the same shall be required by law, or to remedy any notice of violation of law or work order by an insurer or mortgagee for the health and safety of the Unit Owners;

(ii) assess in any fiscal year any Common Charges or Service Charges for the creation of, addition to or replacement of all or part of a reserve contingency or surplus fund in excess of five-thousand dollars ($5,000);

(iii) hire any employee or change the type of employees from that described in the First Year's Budget set forth in the Plan.;

(iv) enter into any contract for work not covered by contracts in existence at the time of recording the Declaration;

(v) borrow money on behalf of the Condominium, except when necessary to perform work required by law to the extent that existing reserves are insufficient.

As long as the Sponsor or Sponsor-designee continues to own one Unit, the Condominium Board may not, without the prior consent of the Sponsor or Sponsor-designee, (i) amend the Declaration or these By-laws so as to in any way adversely affect the Sponsor or its designee, or (ii) interfere with the offer, the sales or leasing of Unsold Units; (iii) or interfere with the renovation, repairs, correction at the Property, as required by Sponsor; or (iv) interfere with or delay the filing of documents or amendments to the Condominium Documents.

Section 4. **Manager**

Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board may employ for the Condominium a Manager (who may be an affiliate of Sponsor) at compensation to be established by the Condominium Board, to perform such duties and services as the Condominium Board shall authorize. The Condominium Board may delegate to the Manager certain powers granted to the Condominium Board as set forth in (a), (b), (c) and (d) of the preceding section. Except with respect to Sponsor or Sponsor's designee, the Managing Agent may not be a member of the Board of Managers.

Section 5. **The First Board of Managers**

Until their successors shall have been elected by the Unit Owners, at the first meeting of the Unit Owners held pursuant to Article III, Section 1, the three (3) members of this Condominium Board will be designated from time to time by Sponsor (the "initial control period") who shall hold office and exercise all powers of the Board of Managers.

Section 6. **Removal of Members of the Condominium Board**

At any regular or special meeting of Unit Owners, any one or more of the members of the Condominium Board, other than a member designated by Sponsor or Sponsor-designee or the Commercial Unit Owner, may be removed with or without cause by a majority of the Unit Owners whose aggregate Common Interests exceed 50% or more of the Common Interests of the Condominium, and a successor may then and there or thereafter be elected by the Unit Owners to fill the vacancy thus created. Any member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

A member of the Condominium Board who has been designated or elected by Sponsor or Sponsor-designee or the Commercial Unit Owner may be removed only by Sponsor or Sponsor-designee or the Commercial Unit Owner, as the case may be, who shall immediately name a replacement.

Section 7. **Vacancies**

In the event a member of the Condominium Board who has been elected by the Unit Owners, other than Sponsor or its designee or the Commercial Unit Owner, ceases to be a member for any reason other than by reason of removal pursuant to Article II Section 5 of these By-Laws, the vacancy shall be filled by a vote of a majority of those remaining members who have been elected by the Unit Owners at a special meeting of the Condominium Board held for that purpose promptly after the occurrence of any such vacancy, even though the members present or voting at such meeting shall constitute less than a quorum, and each such person so elected shall be a member of the Condominium Board for the remainder of the term of the predecessor member and until a successor shall be elected at the next annual meeting of the Unit Owners.

Notwithstanding the foregoing, vacancies of members designated by the Sponsor or Sponsor-designee or the Commercial Unit Owner shall be filled only by the Sponsor or Sponsor-designee or the Commercial Unit Owner, as the case may be.

Section 8. **Organization Meeting**

The first meeting of the members of the Condominium Board following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place in the Borough of Manhattan as shall be fixed by a majority of the members of the Condominium Board and no written notice shall be necessary to the newly elected members of the Condominium Board in order to legally constitute such meeting, providing a majority of the whole Condominium Board shall be present thereat.

Section 9. **Regular Meetings**

Regular meetings of the Condominium Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members of the Condominium Board, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Condominium Board shall be given to each member of the Condominium Board, by personal delivery, mail or facsimile at least ten (10) business days prior to the day for such meeting.

Section 10. **Special Meetings**

Special meetings of the Condominium Board may be called by the President on three (3) business days' notice to each member of the Condominium Board, given by personal delivery, mail or facsimile which notice shall state the time, place and purpose of the meeting. Special meetings of the Condominium Board shall be called by the Sponsor, President or Secretary in like manner and on like notice on the request to any officer of the Board of at least three (3) Unit Owners.

Section 11. **Waiver of Notice**

Any member of the Condominium Board may at any time waive notice of any meeting of the Condominium Board in writing or by facsimile and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Condominium Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Condominium Board are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. **Quorum of Condominium Board.**

At all meetings of the Condominium Board, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Condominium Board present at a meeting at which a quorum is present shall constitute the

decision of the Condominium Board. If at any meeting of the Condominium Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Members of the Condominium Board may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in a meeting can hear each other, and such participation in a meeting shall constitute presence at such meeting. Action permitted or required to be taken at a meeting may be taken without a meeting if all members of the Board consent thereto in writing. Such written consents shall be filed by the Secretary of the Board in the Minutes of the Board.

Section 13. **Fidelity Bonds**

The Condominium Board shall obtain adequate fidelity bonds naming the Managers and such other persons as may be designated by the Condominium Board as principals and the Condominium Board as obligee in an amount to be determined by the Condominium Board; provided that if the Managers shall be a corporation with a net worth in excess of ten-million dollars ($10,000,000) the Condominium Board need not, in its discretion obtain such coverage. The premiums on such bonds shall constitute a Common Expense.

Section 14. **Compensation of Members of the Board**

No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 15. **Liability of the Condominium Board**

(A) The Condominium Board and the Members of the Condominium Board shall not be liable to the Unit Owners (except in his/her capacity as a Unit Owner) for any errors of judgment, negligence, or otherwise, except each Member of the Board shall be liable thereto for his own individual willful misconduct, bad faith or gross negligence. Members of the Condominium Board designated by the Sponsor shall not incur any liability for self-dealing in connection with any contract made or other transaction entered into by the Condominium Board on behalf of the Unit Owners with the Sponsor or its agents provided that any compensation paid or to be paid under such contract shall be disclosed in the Plan or an amendment to the Plan or is at the then competitive rates for similar goods and services in New York County.

(B) The Condominium Board, or the members of the Board, shall not be liable for the failure of any service obtained to be obtained by, or on behalf, of the Condominium Board or to be paid for as a Common Expense; or for injury, loss, or damage to person or property occurring in upon the Unit or the Common Elements, and caused by the elements or by another Unit Owner or person; or resulting from electricity, water, rain or snow, which may leak or flow from a Unit or the Common Elements, or from outside or from any part of the Property, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place. or arising from theft or otherwise. No diminution or abatement of Annual Charges shall be claimed or allowed for

failure to provide service, inconveniences or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken to comply with any law, ordinance or order of a governmental authority.

(C) The Unit Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Condominium Board, any committee thereof, or the Managing Agent on behalf of the Condominium unless any such contract shall have been made in bad faith or willful misconduct or contrary to the provisions of the Declaration or of these By-Laws. Every agreement made by the Condominium Board or by the Managing Agent on behalf of the Condominium shall provide that the members of the Condominium Board, or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder; and that (i) each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as the Common Interests of such Unit Owner bears to the aggregate Common Interest of all Unit Owners in the common elements in the case of a contract relating to the Common Elements; and (ii) such Unit Owner's interest in his Unit and its Appurtenant Interests, unless otherwise provided by Law.

The Unit Owners shall jointly and severally indemnify and hold harmless each member of the Condominium Board harmless from and against any claim or liability to others arising from his acts or omissions relative to the General Common elements as, or by reason of the fact that such individual is or was a member of the Board except, however, to the extent that such claim or liability shall be due to, or shall arise out of, bad faith or willful misconduct of such member.

Section 16. **Liability of the Officers of the Condominium Board**

The officers of the Condominium shall have no liability to the Unit Owners for any errors of judgment, negligence, or otherwise, except that each officer of the condominium shall be liable thereto for his own bad faith, willful misconduct or gross negligence. The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his acts or omissions relative to the Common Elements, as, or by reason of the fact that such individual is or was an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, bad faith or willful misconduct of such officer. Additionally, every contract made and other documents executed by one or more officers or other Persons on behalf of the Condominium shall expressly state that the same is made or executed solely as agent for the Unit Owners and such officer or Person shall have no personal liability thereunder, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 14 hereof.

Section 17. **Executive Committee**

The Condominium Board may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Condominium Board. Such Executive Committee shall have and may exercise all the powers of the Condominium Board in the management of the business and affairs of the Condominium during the intervals between the meetings of the Condominium Board insofar as may be permitted by law and provided that the

Sponsor or Sponsor-designee shall have the right to designate a member. An Executive Committee shall not have the power to (i) determine the Common Charges and operating expenses of the Condominium, (ii) determine the Common Charges payable by the Unit Owners to meet the Common Charges and expenses of the Condominium, (iii) to adopt or amend the Condominium Documents, and (iv) to exercise any of the powers set forth in subdivision (g), (h), (i) and (o) of Section 3 of this Article II.

ARTICLE III

Unit Owners

Section 1. **Annual Meetings**

Within ninety (90) days after the closing of title of the first Unit but provided at least 25% of the aggregate Common Interests of the Condominium have closed, but not later than six months after the First Closing, the annual meeting of Unit Owners shall be held. At such meeting the incumbent Condominium Board shall resign and a new Condominium Board shall be elected (as provided herein) consisting of five (5) members, elected for the following terms: three members for one (1) years and two members for two (2) years.

Thereafter, annual meetings of Unit Owners shall be held on the second Monday of January of each succeeding year or as designated by the Board but not later than March 1st of any year. At such meetings, the Unit Owners shall elect the members of the Condominium Board as provided above and there shall also be transacted such other business as may properly come before such meeting. For so long as Sponsor owns at least one (1) Unsold Residential Unit Sponsor shall have the right to be or designate a Member to the Board. The Commercial Unit Owner shall have the right to be a Member or designate a Member to the Board; Sponsor may designate four (4) members of a five-member Board (or a majority of the Board) as long as Sponsor owns at least 30% or more of the aggregate Common Interests, three (3) members as long as Sponsor owns at least 20% or more of the aggregate Common Interests, two (2) members as long as Sponsor owns 10% or more of aggregate Common Interests and one (1) member as long as Sponsor owns at least one (1) Unsold Unit. The Commercial Unit Owner shall always have a right be a member of the Board or designate a representative.

Section 2. **Place of Meetings**

Meetings of Unit Owners shall be held at the principal office of the Condominium, or at such suitable convenient place, in the Borough of Manhattan, as may be designated by each Condominium Board with respect to meetings of Unit Owners represented thereby.

Section 3. **Special Meetings**

The President shall call a special meeting of Unit Owners if so directed by resolution of the Condominium Board or upon a petition signed and presented to the Secretary of the Board by not less than three (3) Unit Owners or by Sponsor. Notice of any special meeting shall state the

time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. **Notice of Meetings and Actions Taken**

(A) Notice of each annual or special meeting shall be given by the secretary to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purpose of the meetings and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder, including notice of scheduled meeting for the adoption of the proposed Annual Budget with a copy of the projected Common Expenses for the coming fiscal year, shall be given by personal delivery, mail or facsimile at least ten (10) but not more than twenty (20) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address as any Unit Owner has designated by notice in writing to the appropriate Secretary.

(B) The Condominium Board shall cause to be promptly delivered to the Unit Owners copies of all resolutions adopted at meetings of Unit Owners represented thereby except to the extent (a) of matters privileged under applicable law or (b) relating to the terms of the sale, leasing or subleasing of any unit, other than the nature of the use thereof. Except as otherwise required by Law or otherwise provided in these By-Laws, the affirmative vote of a majority of Unit Owners present at a meeting shall be binding upon all Unit Owners for all purposes.

Section 5. **Adjournment of Meetings**

If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time fixed for the original meeting.

Section 6. **Order of Business**

The order of business at all meetings of Unit Owners shall be as follows:

(a) Roll Call;
(b) Proof of notice of meeting;
(c) Reading of minutes of preceding meeting;
(d) Reports of officers;
(e) Reports of members of Board;
(f) Reports of committees;
(g) Election of inspectors of election (when so required);
(h) Election of members of Board (when so required);
(i) Unfinished business;
(j) New business.

Section 7. **Title to Units**

Title to Units may be taken by any individual, corporation, partnership, association, trust, limited liability company, limited liability partnership, or other entity, or any two (2) or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

Section 8. **Voting**

(A) Each Unit Owner, or a person designated by such Unit Owner to act as proxy on his behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit, expressed as the proportionate undivided interest in the Common Elements ("Common Interest") at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Any Unit owned by the Board or its designees shall not be entitled to vote and shall be excluded from the total of common interests when computing the interest of Unit Owners for voting purposes. If Units are owned by more than one person or as joint tenants, tenants by the entirety, tenants in common, or by partnership, corporation or other entity, the persons owning said Unit must agree among themselves and cast the vote for the Unit. In the event that a joint tenant cannot agree on any given vote, such Unit Owner's vote will not be counted and the Common Interests attributed to their Unit shall be discounted from the aggregate Common Interests of the Condominium for such vote.

(B) Except as set forth herein, at all meetings of Unit Owners each Unit Owner (or his proxy) is entitled to vote thereat one vote for each one percent (1%) of interest in the Common Elements (or fraction thereof) applicable to his or its Unit.

Section 9. **Election of Board: Rights of Unit Owner and Sponsor.**

(A) At all elections of members of the Board, each Unit Owner shall have the right to cast with respect to the Units owned by him, the number of votes as set forth in Section 8 and he may cast all of such votes for a single member or may distribute them among the total number of members to be voted for or for any two or more of them as he may see fit. All elections of Condominium Board members shall be determined by majority.

(B) When voting for members of the Condominium Board, the voting shall be by ballot and each ballot shall state the name of a Unit Owner voting and the percentage interest in the Common Elements owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

(C) Notwithstanding any other provision of this Section or of any other provision of these By-Laws to the contrary:

(i) so long as the Sponsor owns at least one Residential Unsold Unit, the Sponsor or Sponsor-designee shall have the right to designate at least one (1) member of the Condominium Board and so long as Sponsor or Sponsor-designee owns the Commercial Unit, the Sponsor or Sponsor-designee shall have the right to designate one (1) member of the Condominium Board, pursuant to Article III;

(ii) only the Sponsor or the Sponsor-designee or the Commercial Unit Owner may remove their designated member, as the case may be;

(iii) Vacancy created by a vacancy of a Sponsor (or Sponsor-designee) designated member or the Commercial Unit shall be filled by a member designated by the Sponsor or Sponsor designee or the Commercial Unit Owner, as the case may be; and

(iv) so long as Sponsor or Sponsor-designee has the right to designate a member of the Board, the number of members of the Board may not be increased without the consent of the Sponsor or its designee.

(v) the Commercial Unit Owner shall always have the right to designate a member to the Board and have exclusive right to replace such member and name a replacement.

The terms of this section may not be changed unless agreed to by the Sponsor or the Commercial Unit Owner as to its Unit.

Section 10. **Majority of Unit Owners**

Except as may otherwise by provided by law, as used in these By-Laws, the term "Majority of Unit Owners" means Unit Owners having more than fifty percent (50%) of the total authorized votes of Unit Owners who are present in person or by proxy and voting at any meeting at which a quorum is present.

Section 11. **Quorum**

Except as otherwise provided in these By-Laws, only the presence in person or by proxy of Unit Owners owning more than fifty percent (50%) of the Common Interest attributable to all Units shall constitute a quorum at all meetings of Unit Owners.

Section 12. **Conduct of Meetings**

The President shall preside at all meetings of the Condominium Board and the Secretary shall record the meetings thereof, which minutes shall include the full text of any resolutions adopted by the Board and record all transactions and proceedings occurring thereat. The then current edition of the Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Board, shall govern the conduct of the meetings unless the same shall be in conflict with the terms of the Declaration or these By-Laws or the condominium Act.

Section 13. **Majority Vote**

Except where otherwise provided by law, the Declaration or these By-Laws, at all meetings of the Unit Owners the affirmative vote of a majority of Unit Owners who are present in person or by proxy shall be binding upon all Owners for all purposes.

Section 14. **Action Without a Meeting**

Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, the By-Laws or applicable law, consent in writing to the adoption of a resolution authorizing such action in writing or writings are filed with the records of the Condominium.

ARTICLE IV

Officers

Section 1. **Designation**

The principal officers of the Condominium shall be a President, Vice President and Treasurer and Secretary thereof, all of whom shall be elected by the Condominium Board. The Condominium Board may appoint such other officers as in its judgment may be desirable. None of the members or officers of the Initial Board need be Unit Owners or have an interest therein until the first organization meeting of the Board after the first annual meeting of Unit Owners. Thereafter, except as noted above regarding the rights of Sponsor and the Commercial Unit Owner, members of the Board must be Unit Owners. A majority of the Board and a majority of the officers of the Board, including the President of the Board, must be resident members or their spouses or a resident family member (except for the Sponsor or the Commercial Unit Owner or their designees who need not be resident Owners).

Section 2. **Election of Officers**

The officers shall be elected annually by the Condominium Board at the organizational meeting thereof, except that the initial officers shall be elected by the initial Condominium Board thereof and shall hold office at the pleasure of such and until their successors are elected.

Section 3. **Removal of Officers**

Upon the affirmative vote of a majority of the members of the Condominium Board, any officer may be removed either with or without cause, and the successor of any such officer may be elected at any regular meeting of the Condominium Board or at any special meeting of the Board called for such purpose. In the case of the Sponsor or a designee of Sponsor being removed from office, the Sponsor alone shall have the right to appoint another successor

immediately thereafter. In the case of the Commercial Unit Owner, such shall have the right to appoint a successor immediately thereafter.

Section 4. **President**

The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and the Condominium Board. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. **Vice President**

The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Condominium Board shall appoint some other member of the Condominium Board to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Condominium Board or by the President.

Section 6. **Secretary/Treasurer**

The Secretary/Treasurer shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board; he shall have charge of such books and papers as the Condominium Board may direct; and he shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Condominium Board or the Manager, in such depositories as may from time to time be designated by the Condominium Board, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. **Agreements, Contracts, Deeds, Checks, etc.**

All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Condominium Board.

Section 8. **Compensation of Officers**

No officer shall receive any compensation from the Condominium for acting as such, except as otherwise provided by the Board.

Section 9. **Liability of Officers**

The officers of the Condominium shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the officers of the Condominium against all contractual liability to others arising out of contracts made by the officers or any of them on behalf of the Condominium unless any such contracts shall have been made in bad faith or contrary to the provisions of the Declaration or these By-laws. It is intended that the officers of the condominium shall have no personal liability with respect to any contracts made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original officers of the Condominium, who are members of the Sponsor, to contract with Sponsor and affiliated corporation without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract, made by the officers of the of the Condominium or out of the aforesaid indemnity in favor of the officers of the Condominium shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the officers of the Condominium or the managing agent or by the manager on behalf of the Condominium shall provide the officers of the Condominium, or the managing agent, or manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 10. **Notices**

Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE V

Operation of the Property

Section 1. **Determination of Common Expenses and Allocation of Common Charges**

The Condominium Board shall from time to time, and at least annually:

(i) prepare an annual Budget of income and expenses for the Condominium and deliver a copy of the proposed Budget to all Unit Owners at least twenty (20) days prior to adoption of such Budget;

(ii) determine the aggregate amount of Common Charges payable by the Unit Owners for the costs of administration, operation, maintenance, repair, replacement, restoration of the Common Elements, and such items as provided for in the Declaration and in these By-Laws and, among other things, the cost of all insurance premiums, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for capital improvements and replacements, and funds to make up any deficit in the Annual Charges for a prior year, a management fee paid to a Manager employed by the Condominium Board, and may also include such amounts as may be required for the leasing or the purchase by the Condominium Board or its designee, on behalf of all Unit Owners, of any Unit whose Owner has elected to lease or sell his Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit.

(iii) allocate and assess Common Charges and Common Expenses among the Unit Owners according to their respective Common Interests;

(iv) deliver a copy of the annual Budget and written notice of the amount of Common Charges payable by the Unit Owners either at the next scheduled annual meeting of the Unit Owners or by mail or personal delivery provided that Unit Owners receive a copy of said Budget and determination of Common Charges payable by the Unit Owners not less than twenty (20) days prior to the date when the next monthly payment of Common Charges is due.

(A) The Condominium Board may, at its sole discretion, modify its prior determination of Common Expenses for the fiscal year and thereby cause an increase or decrease in the amount of Common Charges allocated to the Units for the fiscal year, or portion thereof. Such revised determination shall not be retroactive. During the first year of operation, Sponsor may not reduce services provided in the Budget set forth in the Offering Plan, or amendment thereto, in order to lower the Common Charges unless a majority of the Unit Owners, other than Sponsor, consent thereto.

(B) In accordance with the procedures set forth above regarding Common Charges, the Condominium Board shall have the right to levy Special Assessments to meet the Common

Expenses or capital improvements in proportion to their respective Common Interests which Special Assessment may be paid in a lump sum or in installments as determined by the Board. Notice of such assessment shall include in reasonable detail the nature and purpose of such assessment. The Condominium Board shall have all the rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges.

(C) The failure or delay of the Condominium Board to prepare and adopt an annual Budget or determine the Common Expenses for any fiscal year shall not be deemed as a waiver or modification in any respect of the covenants and provisions hereof or release any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were previously computed on the basis of Common Expenses last determined shall continue thereafter until a new determination of the Common Expenses shall be made.

(D) In the event of excess rents, profits or revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses for the fiscal year in which collected or may be applied to the following year. No Unit Owners shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners in proportion to their respective Common Interests. Any such distribution must be made out of the Common Charges collected from the Unit Owners.

(E) That portion of the annual expenses which is allocated by the Condominium Board to principal payments on indebtedness or for capital improvements shall be treated upon the books of the Condominium as capital contributions.

(F) Each Unit Owner agrees that if the Condominium Board determines that certain of the Common Charges or portions thereof should be assumed by a Unit Owner or by a group of Unit Owners, rather than by all Unit Owners, because, for example, they cause an increase in the Building's insurance due to his/their business or occupation, then such Unit Owner or group of Unit Owners shall be responsible for the payment of such increased charges.

Section 2. **Sponsor's Obligations for Common Charges for Unsold Units**

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against all Units owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser. Until title to all units has been conveyed, the Sponsor or Sponsor-designee, as owner of any Unsold Units, may at Sponsor's or Sponsor-designee's sole discretion, pay in lieu of payment of all Common Charges due for the Unsold Units, an aggregate amount equal to the difference between the Common Charges due for all sold Units and the total cost necessary to operate the Condominium with the services provided for under the Offering Plan.

Section 3. **Payment of Common Charges**

(A) All Unit Owners shall be obligated to pay the Common Charges assessed by the Condominium Board and Special Assessments, if any, pursuant to the provisions of Section 1 hereof at such time or times as the Condominium Board shall determine. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments, if any, assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a first mortgage recorded against the Unit.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessment assessed against the Unit subsequent to a sale, transfer or other conveyance by him of such Unit together with the Appurtenant Interests (made in accordance with the provisions of Section 1 of Article VII of these By-Laws). A purchaser or other successor-in-title to the Owner of the Unit shall be liable for the payment of all Common Charges and Special Assessments, if any, accrued and unpaid against such Unit prior to his acquisition thereof. Except that, to the extent permitted by Law, A Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser of a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien for any such Common Charges and Special Assessments subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by a Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage, the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments, if any, that accrued prior to the foreclosure or sale. Any excess proceeds from such foreclosure or sale shall be paid directly to the Condominium Board in payment of all such unpaid Common Charges and Special Assessments. Any remaining unpaid Common Charges or Special Assessment uncollected from such foreclosure or sale or from the defaulting Unit Owner shall be deemed a Common Expense, collectible from all those are Unit Owners at the time that the same is levied.

(C) A Unit Owner, subject to the terms and conditions specified in these By-Laws, may convey his Unit, together with the "Appurtenant Interests", to the Condominium Board or its designee, corporate or otherwise on behalf of all other Unit Owners, without being compensated therefore, and in such event be exempt from Common Charges and Special Assessments thereafter accruing provided that: (i) all Common Charges and Special Assessments, if any, then due and payable with respect to the Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exist with respect to the Unit. However, under no condition shall Sponsor be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from the Common charges and any Special Assessments attributable to such Unit thereafter accruing. The Sponsor shall be permitted to convey its Units if their aggregate Common Interests constitute fifteen percent (15%) or less of the total Common Interests of all Units and at least five (5) years shall have elapsed from the date of the First Closing. At the time of conveyance,

Sponsor shall to the Condominium Board an amount equal to the product of then current monthly Common Charges for the Unsold Unit(s) being conveyed multiplied by 24.

Section 4. **Collection of Common Charges and Assessments**

The Condominium Board shall take prompt action to collect any Common Charge and Special Assessments, if any, due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof.

Section 5. **Default in Payment of Common Charges**

(A) In the event of default by any Unit Owner in paying to the Condominium Board the Common Charges and Assessments, if any, due to the Condominium Board that remain unpaid for more than thirty (30) days after the due date for the payment thereof. Then the Condominium Board shall have the right and the obligation to cause liens for all sums due and owing to the Condominium Board to be filed at the Register's Office pursuant to Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided thereby and to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by reason of such non-payment. A suit to recover money judgments for unpaid Common Charges, however, shall be maintained without foreclosure or waiving the lien securing such charges.

(B) Such Unit Owner shall be obligated to pay (i) interest at the highest legal rate chargeable to individuals pursuant to Law on all such Common Charges computed from the due date thereof, until paid in full, together with all costs and expenses incurred by the Condominium Board or the managing agent in connection with collecting all such Common Charges in any proceeding The Condominium Board shall have the right and duty to attempt to recover such Common Charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, disbursements and court costs. If action to foreclose is instituted, the defaulting Unit Owner will be required to pay reasonable rental for use of the Unit and the costs related to such rental, The plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same.

(C) All such interest and expenses and late charges shall be added to and shall constitute Common Charges payable by such Unit Owner. A Unit Owners defaulting in payment of Common Charges or Assessments shall not be permitted to vote at any regular or special meeting of the Unit Owners.

(D) The Condominium Board, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same (but not vote the votes appurtenant to the same). If the net proceeds are insufficient to pay all outstanding charges, the Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after payments of all liens in the order of priority and costs and expenses in connection with such action to foreclose.

(E) Pursuant to Real Property Law Section 339-kk, the Board of Managers has the right to collect rents directly from a non-occupying Tenant if an non-occupying Unit Owner is not current on his or her Common Charges, assessments or late fees hereinafter referred to as "charges". In order to collect rent directly form the Tenant, the non-occupying Unit Owner must fail to make payment of Common Charges within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and the non-occupying Unit Owner providing that, commencing immediately and until such time as all payments for all charges are made current, all rental payments are to be made directly to the Condominium at the address provided in the notice. Once all charges are current, the Board shall then within three (3) business days, provide notice to the Tenant and the non-occupying Unit Owner of such payment and that thereafter all future rental payments should be made to the non-occupying Unit Owner. Should a non-occupying Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present its supporting facts at the next scheduled Board meeting (which must be held within 30 days of Board receiving notice of contest). The Board shall have the option to forego collecting rents directly from the Tenant so long as the majority of the Board has been elected by and from among the occupying Unit Owners.

Section 6. **Arrears of Common Charges by Sponsor**

In the event that Sponsor is more than thirty (30) days in arrears of Common Charges for Unsold Units, unless as otherwise stated above, and Sponsor is in control of the Condominium Board, Sponsor will cause the Condominium Board to file a lien on such Units as provided for in Section 339-aa of the Real Property Law.

Section 7. **Statement of Annual Common Charges**

The Condominium Board shall promptly provide a written statement of unpaid Common charges due from any Unit Owner upon receipt of a written request therefore from such Unit Owner. Each unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8. **Abatement and Enjoinment of Violations by Unit Owners**

The violation of any rule or regulation adopted by the Condominium Board, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Condominium Board the right, in addition to any other rights set forth in these By-Laws:

(i) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach;

(ii) to also thereby secure the removal of any structure thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof at the expense of the defaulting Unit Owner; and

(iii) the violation or breach of any of the provisions of these By-Laws, any of the Residential House Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Sponsor or its designee shall give to Sponsor and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

(iv) In any event, charge the Unit Owner with the cost of reasonable legal and other fees incurred in enjoining, abating or remedying such violation.

Section 9. **Insurance**

The Condominium Board shall obtain to the extent obtainable and maintain in full force and effect:

(i) additional insurance coverage for the Common Elements of the BLUE CONDOMINIUM and liability insurance and such other insurance deemed appropriate (but not including furniture, furnishings or other personal property of Unit Owners) together with all service machinery contained therein, covering the interests of the Condominium, the Board of Managers and the Unit Owners as their interests may appear. The amount shall not be less than 80% of the replacement cost of the Building exclusive of footage and foundation.

(ii) the Condominium will carry such other insurance as the Condominium Board may determine. The cost of all such insurance shall be paid by the Condominium Board and shall be reflected in the Annual Common Charges. Additional premiums incurred as a result of a particular use by any Unit, such additional premiums shall be borne by the owner of such Unit(s).

(iii) such policy may not be either cancelled or substantially modified upon at least twenty (20) days notice prior to written notice to the Condominium Board. Duplicate originals of insurance policies shall be on file at the office of the managing agent or the Condominium Board.

(iv) Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of abrogation and further provided that the liability of carriers of the carriers issuing the insurance maintained by the Condominium Board shall not be affected or diminished by reason of such additional insurance carried by any Unit Owner.

Section 10. **Casualty or Condemnation**

(A) In the event that either the Property or any part thereof is damaged (i) by fire or other casualty ("casualty") or (ii) the Common Elements or any part thereof is taken ("Taking") in condemnation or by eminent domain, the net insurance payable under the insurance policies shall be payable to the Condominium Board if the same shall be $50,000 or less in the aggregate, or to the insurance Trustee is same exceeds $50,000 in the aggregate. In either instance all such monies received shall be held in trust for the benefit of the Unit Owners with respect to the portion thereof allocated to a Casualty Loss or Taking of the Common Elements and their Units, and their Permitted Mortgages shall be disbursed pursuant to the terms herein. Notwithstanding anything to the contrary contained herein or elsewhere in these By-Laws, no affected Unit Owner shall be deemed to have waived whatever rights he may have to pursue a separate claim against the condemning authority by reason thereof.

(B) The Condominium Board shall, in the event of a casualty loss, arrange for the prompt repair or restoration of the Property and the Units, "Work", (exclusive of appliances, fixtures, improvements made therein by the Unit Owner or tenant, or furniture, furnishings, decoration or other personal property supplied or installed by the Unit Owner or tenant). In the event of a Taking, the portions of the Common Elements or the Units affected thereby, the work to make repairs shall be performed to the extent such is practicable, first in or to the affected Units, and next in or to the Common Elements.

(C) In the event that Work shall be performed, the Condominium Board or the Trustee, as the case may be, shall disburse the Trust Funds to the contractors to be engaged in the Work in appropriate progress payments. If the Trust Funds should be insufficient to discharge the cost of the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such insufficiency in proportion to their respective Common Interests and all proceeds of such Special Assessments shall become part of the trust funds. If, conversely, the Trust Funds prove to be more than sufficient to discharge the cost and expense of such work, such excess shall be paid to the Unit Owners in proportion to their respective Common Interests, except in regard to any Unit Owner who has unpaid liens on the Unit (other that a Permitted First Mortgage), which liens shall be paid first in the order of priority of liens and the balance, if any, shall be paid to such Unit Owner.

(D) In the event that the seventy-five percent (75%) of Property is damaged by fire or other casualty or seventy-five percent (75%) of the Common Elements are taken, the Work shall not be performed unless seventy-five percent (75%) or more of all Unit Owners, including the Sponsor if Sponsor still owns Units, shall promptly resolve to proceed with the same and comply with process in paragraphs (B) and (C) above. Should, however, the Unit Owners representing seventy-five percent (75%) or more of the Common Interest (including Sponsor) elect not to rebuild the Property, the Property shall then be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be divided among the Unit Owners in accordance with each Owner's Common Interest, except that if any Unit Owner has unpaid liens (other than a Permitted First Mortgage) such liens shall be paid in the order of priority out of the Unit Owner's portion prior to any payment of proceeds to such Unit Owner.

(E) In the event that damage resulting from a Casualty Loss renders one or more Units wholly or partially unusable, or the means of entry to such Units, the common charges payable by any such affected Unit Owner shall be proportionally abated until such Unit is rendered useable and/or the means of access thereto shall be restored, as the case may be. However, if such Casualty loss is caused by the act, omission to act, or the negligence of such Unit Owner or a family member, guest, tenant or other occupant, such Unit's Common Charges shall only be abated to the extent of any proceeds of rent insurance, if any, collected by the Condominium Board with respect to such Unit.

(F) If a portion of any Unit is taken in condemnation or by eminent domain, and the Condominium is not terminated, the Common Interests appurtenant to such Unit shall be adjusted in proportion that the floor area of such Unit after such Taken bears to the total floor area of such Unit prior to the Taken. The Condominium Board shall promptly amend the Declaration to reflect the new Common Interests appurtenant to such Unit. Such amendment shall be executed by the affected Unit Owner and promptly recorded. The Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration, executed and acknowledged by the Condominium Board and all remaining Unit Owners.

(G) Any disputes that arise under this Section 2, between Unit Owners or between Unit Owners and the Condominium Board shall be resolved by arbitration.

(H) Unit Owners shall carry insurance for their own benefit at their own expense on contents and personal liability coverage provided that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Condominium Board shall not be affected or diminished by reason of any other Unit Owner's insurance.

Section 11. **Maintenance and Repair**

Except as otherwise provided, Unit Owners shall be responsible for repairs and improvements to their Units and the Condominium Board shall be responsible for all repairs and improvements to the Common Elements. Each Unit Owner, immediately upon learning of any defects or need for repairs for which the Condominium Board is responsible, shall report such in writing to the Board.

(A) All maintenance, replacements, improvements, repairs, decorating and painting (except painting to the exterior side of the Unit's entrance door) in and to any Unit and all portions thereof, that are not structural in nature or which will not change the dimension of the Unit, may be made by the Owner of such Unit, at his/her cost and expense. All such work shall be performed in such manner as shall not unreasonable disturb or interfere with any Unit Owners or the tenants or occupants or Permitted Users of the Units. Each Unit Owner shall also be responsible for all damages to all other Units and/or to the Common Elements necessitated by his negligence or misuse, or that of his family, employees, tenants or guests.

(B) Each Owner shall at the Owner's expense maintain his Unit in first-class condition, order and repair, the interior of his Unit, its equipment, furniture, furnishings, appliances, and appurtenances in good order and condition, and shall do all redecorating and other work that may at any time be necessary to maintain the good condition of his Unit. Any breach of Owner's obligation to paint, decorate, maintain, repair or replace in his Unit or its appurtenant Limited Common Elements, if any, without limitation, shall result in a notice to cure within fifteen (15) days of said notice from the Condominium Board or the Managing Agent. Failure to commence to cure within fifteen (15) days and to proceed to cure with due diligence will cause the Condominium Board to abate, remove or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. No notice is required in the event that the Condominium Board shall determine that the abatement, removal or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or the occupants or other individuals or to avoid suspension of necessary services in the Building. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repairs or replacement in such Unit Owner's Unit, together with interest thereon, at the maximum rate permitted by law, shall be immediately payable by such Unit Owner to the Board and shall for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

(C) All maintenance, repairs and replacements in and to the Common Elements (whether located inside or outside of the Units), painting and decorating and cleaning of the Building's façade shall be made by the Condominium Board and be charged to all the Unit Owners as a Common Expense (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner). The public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the character of the Building.

(D) Maintenance, repairs and improvements in or to the Limited Common Elements, except for structural or extraordinary matters, will the responsibility of the Unit Owner thereof. In all matters of structural or extraordinary matters, including roof leaks or elsewhere that are not caused by the acts or omissions of a Unit Owner, the Board of Managers shall perform such repairs, improvements and replacements as a Residential Common Expense or as Commercial Expense if such Limited Common Elements pertain to the Commercial Units.

(E) Common Elements and Limited Common Elements shall be kept free of all debris, snow or ice, accumulation of water with respect to any terrace, roof or other part of Property exposed to the elements by the Unit Owner or the Board of Managers whichever is responsible for the maintenance thereof. The cost of debris and snow removal from the sidewalks in front of the residential lobby and any common areas of the roofs of the Building shall be the responsibility of the Board of Managers. The Commercial Units shall be responsible for removal of debris and snow and ice on the sidewalks in front of their respective entrances and the sidewalk adjacent to their Units. Notwithstanding anything herein to the contrary, the maintenance, repair and or replacements of the sidewalks, planting or shrubbery, if any, shall be a Residential Common Expense.

Section 12. **Additions, Alterations or Improvements by Condominium Board**

(A) Whenever, in the judgment of the Condominium Board, the Common Elements shall require additions, alterations or improvements, or such is deemed desirable by the Board, costing in excess of five-thousand dollars ($5,000) in the aggregate in any one fiscal year and the making of such additions, alterations or improvements shall have been approved by the majority of the Unit Owners, and by the representative or representatives, if any, appointed pursuant to Section 5 of Article VI hereof by the holders of mortgages constituting first liens upon Units, the Condominium Board shall proceed with such additions, alterations or improvements; except that such work costing less than $5,000 in any one fiscal year may be made by the Board at its discretion or work that is required by governmental authority having jurisdiction for conditions that are deemed unsafe or in violation of the building code, may be made without approval of the Unit Owners, or the representative or representatives, if any, of mortgagees of Units and the cost thereof shall constitute part of the Common Expenses.

(B) The Sponsor or its designee may at any time in its sole discretion at its own cost and expense make alterations, additions or improvements at its sole expense to the Common Elements without approval of the Condominium Board or other Unit Owners, provided that such action shall not impair the functioning or use of the Common Elements nor adversely affect the use of or value of any Unit.

(C) The Condominium Board shall also have the right to designate certain areas of the Common Elements as being for the exclusive use of one or more Unit Owners provided, however, that such designation shall only be made with respect to areas which abut or adjoin Units owned by any such Owners and that the use of such areas is not necessary or desirable for the use of Unit Owners generally. In the event of such designation, the Unit Owners granted such exclusive use shall thereafter be responsible for the decoration, maintenance and repairs of such areas but not structural repairs or replacements which shall be a common expense. In the event of a dispute as to the structural or non-structural nature of the repair, the architect for the condominium will have final determination. The Condominium Board may subsequently revoke such designation if necessary to the best interests and proper operation of the Condominium.

Section 13. **Additions, Alterations, or Improvements in or to Units**

(A) Except as otherwise provided in the Declaration and notwithstanding anything to the contrary in these By-Laws, a Unit Owner may not (other than Sponsor or Sponsor-designee or the Owner of the Commercial Unit), without the prior written consent of the Condominium Board, make structural alterations or additions in or to his Unit. In the event that the Condominium Board shall fail to answer any written, reasonably detailed request for such approval within thirty (30) days after such request is received, consent such be deemed given. Prior to and on condition of granting approval, the Condominium Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Board may reasonably require. The Condominium Board may also require a written agreement with the Unit Owner setting forth the terms and conditions of the Condominium under which work may be performed such as: (i) the time periods during which work is permitted, (ii) the manner in which construction debris will be handled, (iii) measures taken to prevent compromising security of the

Building during construction, (iv) the interruption of services during construction, (v) liability insurance for contractors during construction. In the event that such work necessitates drawings and/ or permits, copies of all such documents must be delivered to the Board. All alteration, addition, repair, replacement, or improvement by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof and no work shall commence until all such governmental approval and permits are issued, if same are required, and true copies submitted to the Board. Any and all costs in connection with such work including plans, permits, architectural drawing, copies of same for the Board, shall be borne solely by the Unit Owner. The Condominium Board may charge the Unit Owner for any reasonable costs in the event of consultation with an engineer or architect, or counsel deemed necessary for the consideration of such approval. The Board shall have no obligation to pay any fees or charges in connection with any applications submitted by the Unit Owner or his agents or to any contractor, subcontractor, architect, engineer or worker of said Unit Owner or to any person having any claim for injury to person or damage to property arising therefrom.

(B) The Condominium Board shall, as a condition of consent, require any Unit Owner effecting an addition, alteration or improvement, whether structural or non-structural, to his Unit to agree to hold harmless the Condominium Board and all other Unit Owners from any liability arising therefrom. In addition, the Condominium Board may, as a condition of consent, require the Unit Owner at a later date to restore the Common Elements affected by the addition, alteration or improvement to their previous condition.

(C) The Condominium Board shall not withhold unreasonably its consent to a request of a Unit Owner owning abutting Units to make changes to interior connecting walls to permit such Units to be connected or, for any Units having been so connected, to permit such Units to be disconnected, provided that such changes do not interfere with the structural integrity of the Building and existing electrical, plumbing or mechanical systems, or violate the House Rules and Regulations outlined in this Part II of the Plan.

(D) The provisions of this Section shall not apply to the Sponsor and Sponsor's designee (or the Commercial Unit as to its Unit) and to any Unsold Residential Units until a deed for such Unsold Residential Units have been delivered to a purchaser thereof. The Sponsor, Sponsor-designee (or the Commercial Unit Owner as to its Unit) shall have no restrictions as to any alterations, repairs or improvements to all Unsold Residential Units, whether structural or non-structural, ordinary or extra-ordinary, interior or exterior, sub-divide, combine or change the boundary, and the Sponsor or Sponsor-designee or the Commercial Unit Owner shall not require the consent of the Condominium Board, Unit Owners or managing agent, or anyone else. The Condominium Board, upon request, will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by the Sponsor or its designee or the Commercial Unit Owner provided, however, that neither the Condominium Board nor the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document or by virtue of such structural addition, alteration, or improvement but no other charges or fees by the Board may be imposed on the Sponsor and Sponsor-designee or the Commercial Unit Owner.

(E) No work, repair, replacement or improvement, or filing for such to the Department of Buildings, shall be done in any Unit (other than Sponsor's Unsold Units) until there is an issuance of a permanent Certificate of Occupancy.

Section 14. **Restrictions on Use of Units**

In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

(A) All Residential Units shall be used for residential purposes and such occupation as permitted by Code and the Certificate of Occupancy. Any Residential Unit may be used as a professional office by a resident thereof, provided such professional use does not violate zoning restrictions and provided further that the prior consent of the Board of Managers to such professional use is obtained, which consent shall be unreasonably denied. The Sponsor or Sponsor-designee shall not require the consent of the Board for any lawful use of the Unsold Units. Occupants of a Unit (other than Sponsor's or Sponsor-designee's) must be members of the family of the Unit Owner or lessee (or if the Unit Owner or lessee is a partnership, a corporation or a trust, then a partner or an officer, director, shareholder or employee of the corporation or of the beneficiary of the trust, as the case may be), or the families, employees or guests of any of them but not more than one family may occupy a Unit at one time. "Members of the family of the Unit Owner of the lessee" as used herein shall be deemed to mean spouse, parents, parents-in-law, brothers, sisters, children and grandchildren.

(B) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which unreasonably interferes with the peaceful possession of proper use of the Property by its residents or occupants.

(C) No noxious, hazardous, offensive, immoral or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit Owners or the Condominium Board, whichever shall have the obligation to maintain or repair such portion of the Property.

(D) Sponsor or Sponsor-designee may, without the consent of the Condominium Board, Unit Owners or Managing Agent, grant permission for the use of any Unsold Unit as a professional or business office, or for any other purpose not in violation of law or the existing certificate of occupancy covering the Unsold Unit.

(E) The Commercial Unit may be used may be used for all commercial purposes without limitation except that no hazardous, unlawful or immoral use shall be made of the Property or any part thereof and all valid laws, zoning ordinances and regulations of all government bodies

having jurisdiction thereof shall be observed. Use of such commercial space or change of use does not require the consent of the Condominium Board or the Unit Owners.

(F) No portion of a Residential Unit, other than the entire Residential Unit, may be rented.

Section 15. **Use of Common Elements**

(A) A Unit Owner shall not place or cause to be placed in the vestibules, corridors, service areas, stairways, garden spaces, or other Common Elements, any furniture, packages, refuse or other objects of any kind.

(B) The Common Elements shall be used only for those purposes for which they are reasonably suited and intended. Any Common element in or passing through a Unit shall be the responsibility of the Unit Owners as to decorations, repairs and maintenance. But any structural repairs or replacements shall be a common expense.

Section 16. **Right of Access**

A Unit Owner shall grant a right of access to his Unit to the Board, the Manager and/or any other person authorized by the Condominium Board for the purpose of making inspection or for the purpose of correcting any violation or condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another Unit, or curing defaults hereunder or under the Declaration or the Rules and Regulations provided that requests for entry are made in advance and that any such entry is at time reasonably convenient to the Unit Owner and further provided that such right shall be exercised in such a manner as will not unreasonably interfere with the normal use of the Units for residential or business purposes. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. The Condominium Board shall grant rights of access to the Common elements, to Sponsor and its contractors and subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations under the Plan or amendments thereto.

Section 17. **Rules of Conduct**

The Residential House Rules and Regulations concerning the use of the Units and the Common Elements, except for Sponsor's Units and the Commercial Unit, may be promulgated and amended by the Condominium Board but may be overruled by a vote of a majority of Unit Owners. Copies of such rules and regulations shall be furnished by the Condominium Board to each Unit Owner at least ten (10) days prior to the time when the same shall became effective. Initial rules and regulations, which shall be effective until amended by the Condominium Board, are annexed hereto and made a part hereof as Exhibit 9.

Section 18. **Utilities**

Electricity and incoming cable and telephone service shall be supplied to all of the Units (directly for own consumption and each Unit shall be responsible for own expenses). Gas for heat and cooking, electricity for the common areas, and water charges and sewer rents, shall be billed and the Condominium Board shall pay, as Common Expense, all such charges promptly after the bills for the same shall have been rendered except for those utilities and services provided or metered directly to individual Units. In the event of a proposed sale of a Unit by the Owner thereof, the Condominium Board, on request of the selling Unit Owner, shall execute and deliver to the Purchaser of such Unit or to the Purchaser's title insurance company, a letter agreeing to pay all charges for utilities affecting the Unit as of the date of closing of title to such unit, promptly after such charges shall have been billed.

Section 19. **Refurbishing and Redecoration**

The Condominium Board shall from time to time redecorate and refurbish the Common Elements as necessary to maintain high standards of appearance and service. Such redecoration and refurbishing may include (but shall not be limited to) the repair, cleaning or replacement of:

(i) carpets or other floor coverings;
(ii) wall coverings;
(iii) lighting fixtures;
(iv) pictures, furnishings, paintings, or other decor; and
(v) painted ceilings, walls, stairways, doors and trim;

The expenditure of funds for this purpose shall be assessed to all of the Unit Owners as part of the Common Charges.

ARTICLE VI

Mortgages

Section 1. **Notice to the Condominium Board.**

A Unit Owner who mortgages his Unit shall supply the Condominium Board with the name and address of his mortgagee and, if requested by the Condominium Board, shall file a conformed copy of the note and mortgage with the Condominium Board; when the mortgage is satisfied, the Unit Owner shall also file a copy of such satisfaction; the Condominium Board shall maintain such information in a book entitled "Mortgages of Units."

Section 2. **Notice of Unpaid Common Charges or Other Default**

The Condominium Board, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid Common Charges due from, or any other default by, the Owner of the mortgaged Unit. The Board shall accept payment of any sum or performance of

any act by a permitted mortgagee of a Unit Owner with the same force and effect as though paid or performance by such Unit Owner.

Section 3. **Notice of Default**

The Condominium Board, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit, whose name and address has heretofore been furnished to the Condominium Board. The Condominium Board shall have no liability for any failure in notifying a mortgagee of any default by a mortgagor.

Section 4. **Examination of Books**

Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

Section 5. **Mortgage of Units**

Each Unit Owner shall have the right to mortgage his Unit without restriction provided that any such mortgage shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be necessary in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional lender to make the mortgage loan. No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his Unit unless and until he shall have paid in full to the Condominium Board all unpaid Common Charges as Special Assessments heretofore assessed against such Units and shall have satisfied all unpaid liens levied against such Unit except lien of permitted mortgages.

Section 6. **Restrictions**

No Unit Owner shall execute any mortgage or other document mortgaging, pledging or hypothecating title to his Unit without including therein its appurtenant Interests, it being the intention to prevent any severance of such combined ownership.

Section 7. **Consent of the Mortgagees**

Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to the determination or act of the Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagees against his mortgagor.

ARTICLE VII

Sales, Leases and Mortgages of Units

Section 1. **Sales and Leases**

(A) Other than Sponsor or Sponsor-designee or the Commercial Unit Owner, no Unit Owner may sell or lease his Unit except in compliance with the applicable provisions of this Article VII. Any purported sale or lease consummated in default in the applicable terms hereof shall be voidable at the sole election of the Condominium Board and, if the Board so elects, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the Unit Owners as the owner or the landlord, as the case may be. The said Unit Owner shall reimburse the Condominium Board for all costs and expenses paid in connection with the proceedings, including without limitations, reasonable attorney's fees and disbursements and court cases. Succeeding Unit Owners shall be bound by this Article VII of the By-Laws.

Section 2. **Right of First Refusal**

Any contract to sell a Unit together with its appurtenant Interests or lease a Unit ("Contract of Sale" or "Lease Agreement") shall contain the following language: **"THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE CONDOMINIUM BOARD WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF ARTICLE VII OF THE BY-LAWS OF THE CONDOMINIUM, AS SAME MAY HAVE BEEN AMENDED".**

(A) Promptly after any such bona fide contract of sale or lease shall be executed, the Unit Owner ("Offeree Unit Owner") executing the same shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed original counterpart of the contract of sale or the lease, as the case may be, containing the terms offered in good faith by the prospective purchaser or tenant (the "Outside Offer") (a) for the sale of his Unit together with: (i) the undivided interest of the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Condominium Board, or its designee, corporate or otherwise, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration, (hereinafter collectively called the "Appurtenant Interests"), or (b) for a lease of his Unit, which Outside Offer for the sale or lease of the Unit he believes to be bona fide in all respects and intends to accept and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Condominium Board, or its designee, corporate or otherwise, on behalf of the owners of all other Units, on the same terms and conditions as contained in such Outside Offer. Thereafter, upon written demand of not more than ten (10) days from receipt of notice and Agreement, the Offeree Unit Owner shall submit further

information or documentation with respect to the outside Offer as the condominium Board may reasonably request.

(B) Within thirty (30) days after receipt of such notice, the Condominium Board may elect, by notice given to such Unit Owner within said thirty (30) day period by certified or registered mail, or by hand of messenger against receipt therefor, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

(C) In the event the Condominium Board shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, or to cause the same to be purchased or leased by its designee, corporate or otherwise, The Condominium Board shall deliver or send by certified or registered mail no later than thirty (in the case of a proposed sale) or fifteen days (in the event of a proposed lease) after receipt of notice and proper documentation, notice of its decision to purchase such Unit or lease such Unit, as the case may be, upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement. Notwithstanding anything to the contrary contained herein, however, the Condominium Board may not exercise such option contained herein to purchase or lease any Unit without the prior approval of fifty percent (50%) or more of all Unit Owners, including Sponsor if Sponsor owns any Unsold Units.

(D) The Condominium Board may not discriminate against any person on the basis of race, creed, color, origin, sex, disability, marital status or other grounds prohibited by Law in connection with its exercise of the right of first refusal.

(E) In the event of such purchase of a Unit or lease such Unit, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer within forty-five (45) days after the giving of notice by the Condominium Board of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Condominium Board, or to its designee, corporate or otherwise, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Condominium Board, or to its designee, a lease between the offering Unit Owner, as landlord, and the Condominium Board, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer. The Condominium Board shall charge a reasonable fee for reviewing such proposed sale or lease Agreement.

(F) In the event the Condominium Board or its designee fails to notify the offering Unit Owner of its decision to accept such offer within thirty (30) days after receipt of notice as aforesaid or notify the offering Unit Owner within said period of its decision not to accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within sixty (60) days after the

expiration of the thirty (30) day period in which the Condominium Board or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Condominium Board of such Outside Offer. Any such deed to any Outside Offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of all the provisions of the Condominium Documents, as the same may be amended from time to time, and, in the absence of such express language, the same shall be conclusively deemed to have been included herein.

(G) Any such lease shall be consistent with these By-Laws and shall provide that it (i) may not be modified, amended, extended or assigned without the prior consent in writing of the Condominium Board in each instance; (ii) that the tenant thereunder shall not assign his interest in such lease or sublet the premises demised thereunder or any part thereof, without the prior consent in writing of the Condominium Board in each instance; and (iii) that the Condominium Board shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event (a) of default by the tenant in the performance of such lease or (b) by foreclosure of the lien granted by section 339-z of the Condominium Act.

Except as hereinbefore set forth, the form of any such lease for Units shall be the then current form of apartment lease recommended by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Condominium Board.

(H) In the event the offering Unit Owner shall not, within such sixty (60) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such sixty (60) day period, but such sale or lease shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 8.1 of this Article VIII. Unit Owners shall be limited to sending not more than two such proposed Agreement of sale or lease within a twelve month period except that the Condominium Board shall have the sole right, in its discretion, to waive such limitation for good cause shown.

Any purported sale or lease of a Unit in violation of this Section shall be voidable at the election of the Condominium Board.

Section 3. **Termination of, and Exceptions to, the Right of First Refusal**

A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of this Article have been met by the Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have been terminated, shall be conclusive upon the Condominium Board and all Unit

Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such certificate, the Unit with its appurtenant Interests, any be sold, conveyed, or leased free and clear of the terms and conditions contained in this section. The condominium Board shall furnish or cause the Managing Agent to furnish without further charges, such certificate upon written request to any Unit Owner in respect to whom he provisions of Section hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in the Article be deemed released or waived by the Condominium Board in the absence of such executed, acknowledged and issued certificate. Said certificate shall be issued promptly within the time limits afforded the Condominium Board to exercise the right of first refusal or to waive such right.

The terms and conditions of Sections of this article shall not apply with respect to the sale, lease or conveyance of a Unit, together with its Appurtenant Interests, by:

(A) The Unit Owner thereof to any of his adult family members, to any combination of the same, or to a trust for the benefit of any of them provided that the succeeding Unit owner is an infant or a person judicially declared incompetent of managing his affairs, then the Unit shall be held by the personal representative of such individual(s) or entity or individual who owns more than fifty percent of the legal and beneficial interest thereof;
(B) Sponsor with respect to Unsold Units;
(C) The Condominium Board;
(D) Any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such unit or delivering a Deed in lieu of such foreclosure; or
(E) Any Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his Permitted mortgage or by deed in lieu of foreclosure in a bona fide transaction;
Such exceptions are permitted provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, all of the terms and conditions of this Article.

Section 4. **No Severance of Ownership**

No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 5. **Financing of Units Purchased by Condominium Board**

Acquisition of Units by the Condominium Board, or its designee, on behalf of all Unit Owners, as provided herein, may be made from the working capital and Common Charges in the

hands of the Condominium Board, or if such funds are insufficient, the Condominium Board may levy a Special Assessment against each Unit Owner in proportion to his ownership in the Common Elements, as a Common Charge, which Special Assessment shall be enforceable in the same manner as provided in Sections 6 and 7 of Article V, or the Condominium Board, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Condominium Board. In addition, if the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the Unit and assume title thereto subject to such mortgage or mortgages as the case may be.

Section 6. **Gifts and Devises**

Any Unit owner shall be free to convey or transfer his Unit together with its appurtenant Interests, by gift, or to devise his Unit by will, or to pass the same by intestacy without restriction provided that each succeeding Unit Owner, who has not obtained title by gift, inheritance, or by intestacy, shall be bound by and his Unit shall be subject to the provisions of this Article.

Section 7. **Waiver of Right of Partition With Respect to Such Units as Are Acquired by the Condominium Board, or Its Designee, on Behalf of All Unit Owners as Tenants in Common.**

In the event that a Unit shall be acquired by the Condominium Board, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 8. **Payment of Common Charges and Special Assessments**

No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments heretofore assessed by the Condominium Board against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 9. **Power of Attorney**

At the time of acquiring title to a unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his title insurance company (or to Sponsor or the Condominium Board as the case may be) for recording in the Register's Office, the Unit Owner's Power of Attorney required in the Declaration, in the form set form in the Condominium Documents.

Section 10. **Transfer Tax**

No transfer tax (or flip fee) shall be imposed on any units sold, transferred, assigned or leased by the Sponsor or its designee or the Commercial Unit at any time.

ARTICLE VIII

Condemnation

In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Condominium Board. If the Owners of seventy-five percent (75%) or more of the Common Interest duly and promptly approve the repair and restoration of such Common Elements, the Condominium Board shall arrange for the repair and restoration of such Common Elements, and the Condominium Board shall disburse the net proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the Owners of seventy-five percent (75%) or more of the Common Interest do not duly and promptly approve the repair and restoration of such Common Elements, the Condominium Board shall divide the net proceeds of such award among all the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

ARTICLE IX

Records and Audits

The Condominium Board or the Manager shall keep detailed records of the actions of the Condominium Board, minutes of the meetings of the Condominium Board, minutes of the meeting of the Unit Owners and financial records and books of account of the Condominium, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Annual Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid.

An annual report of the receipts and expenditures of the Condominium, audited by an independent public accountant (who may also serve in such capacity for the Manager), shall be rendered by the Condominium Board to all Unit Owners and to all mortgagees of Units who have requested the same, promptly after the end of each fiscal year. The cost of such report shall be paid by the Condominium Board as a Common Expense.

Any Owner may, at any reasonable time at his own expense, cause an audit or inspection of the books of account of the Condominium Board pertaining to the Condominium.

Copies of the Declaration, the By-Laws, the Rules and Regulations, and Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board and

shall be available for inspection by Unit Owners and their authorized agents, upon request, during business hours.

ARTICLE X

Miscellaneous

Section 1. **Notices**

All notices hereunder shall be sent by registered or certified mail to the Condominium Board c/o the Manager or, if there be no Manager, to the office of the Condominium Board or to such other address as the Condominium Board may hereafter designate from time to time, by notice in writing, to all Unit Owners and to all mortgagees of Units. All notices to any Unit Owner shall be sent by registered or certified mail to the Property or to such other address as may have been designated by him from time to time, in writing, to the Condominium Board. All notices to mortgagees of Units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Condominium Board. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. **Invalidity**

The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. **Captions**

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provisions thereof.

Section 4. **Gender**

The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the neuter and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. **Waiver**

No restriction, condition, obligation, or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. **Further Assurances**

Any person that is subject to the terms of these By-Laws, whether such person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other person requesting the same, execute, acknowledge and deliver to such other person such instruments, in addition to those specifically provided for therein, and take such other action as such other person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

If the Condominium Board, Unit Owner, or such person subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses within twenty (20) business days after request therefor, to take any action that the Condominium Board, such Unit Owner, or such person is required to execute, acknowledge, or deliver or to take pursuant to these By-Laws at the request of Sponsor, then Sponsor is hereby authorized, as attorney-in-fact for the Condominium Board, such Unit Owner, or other person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other person.

Section 7. **Insurance Trustee**

The Insurance Trustee shall be a bank or trust company in the City of New York, designated by the Board and having a capital surplus and undivided profits of $500,000.00 or more. In the event the Insurance Trustee resigns or is replaced by the Board, the Board shall appoint a new Insurance Trustee which shall be a bank or a trust company having an office located in the City of New York having a capital surplus and individual profits of $500,000.00 or more. The Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense.

Section 8. **Successors and Assigns**

The rights and/or obligations of Sponsor as set forth herein shall accrue to and be binding upon any successor to or assignee of Sponsor, or with the consent of Sponsor, to a transferee of three (3) or more Units owned by Sponsor, provided, in the case of an assignment or transfer of Units, that the assignee or transferee shall agree in writing to assume the said rights and obligations.

ARTICLE XI

Amendments to By-Laws

Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the vote of seventy-five percent (75%) in number and Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose except that after five (5) years from the date of Closing or upon fifty percent (50%) sale of the Units, whichever comes first, Sponsor shall be entitled to vote only if he is the Owner of any Unsold Units. Section 1 of Article III, insofar as it provides that the Sponsor or its designee, so long as it is the Owner of one (1) Unsold Unit, shall be entitled to elect at least one (1) member of the Condominium Board; Section 2 of Article II, insofar as it provides that the Condominium Board may not exercise certain powers without the Sponsor's prior written consent so long as the Sponsor or its designee shall continue to own one (1) Unsold Unit; except that no amendment shall impose any transfer tax, flip fee or similar charges on the sale, transfer, assignment or sublease of any Unit of the Sponsor or its designee or the commercial Unit.

ARTICLE XII

Conflicts

These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

Anything herein contained to the contrary notwithstanding, these By-Laws may not be altered, repealed or added to with regard to a proposed amendment that would affect the rights or interests of Sponsor, and its successors or assigns who own at least one Unsold Unit without Sponsor's, or its assignee's, written consent.

EXHIBIT 1 To The By-Laws

Residential House Rules and Regulations

1. The sidewalks, entrances, garden spaces, passages, public halls, and stairways of or appurtenant to the Property or any part of the Common Elements shall not be obstructed or used for any other purpose than ingress and to egress from the Units.

2. No articles (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the halls or any of the staircases or other common areas.

3. No occupant or their children or guests shall play in such common areas of the Property.

4. No public halls shall be decorated or furnished by any Residential Unit Owner in any manner except upon written permission of the Board.

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

6. No Owner shall occupy or use his/her Unit, or permit the same or any part thereof to be occupied or used, for any immoral or illegal purpose.

7. No owner shall permit anything to be done or kept in his Unit or in the Common Elements which would be in violation of any Law.

8. Nothing shall be done or kept in any Unit or in the Common Elements (including inflammable, combustible or explosive fluids or substances) that will increase the rate of insurance in the Building without the prior written consent of the Condominium Board; or that will result in the cancellation of insurance on the Building, or that would be in violation of any law.

9. No offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit Owners or the Condominium Board, whichever shall have the obligation to maintain or repair such portion of the Property.

10. No sign or advertisement of any kind shall be displayed to the public view or from any Units or from the Common Elements, without the prior written consent of the Condominium Board; however, this provision shall not apply to signs placed by Sponsor or its designee who may install, repair and replace such signs on their Property.

11. No window guards or other window decorations shall be used in or about any Unit except those which are legally permissible and have been approved in writing by the Board at its sole discretion. Such restrictions are not applicable to the Sponsor, its designee regarding Unsold Units.

12. No bicycles, carts, or other similar vehicles shall be taken into or from the Property through any entrance not designated by the Condominium Board or the Manager for that purpose, and no baby carriages, bicycles, scooters or vehicles of any type shall be allowed to stand in any Common Element or public area of the Property.

13. No vehicle belonging to a Unit Owner or a family member, guest, tenant or employee, shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Property.

14. The Board (or the Managing Agent thereof) may from time to time curtail or relocate any portion of the Common Elements devoted for service purposes.

15. No refuse or article shall be placed or stored in any of the Common Elements nor shall any fire exit be obstructed in any manner.

16. Clothes and other articles shall not be dried or aired on or from any terrace, window, door, or roof.

17. Nothing shall be thrown, swept, hung, shaken or dried from the doors, windows, or terraces or placed upon the windowsills of the Building.

18. No Common Element of the Property shall be decorated or furnished by any Unit Owner (other than Sponsor) in any manner.

19. No radio or television aerial shall be attached to or hung from a window or the exterior of the Property except such as shall have been approved in writing by the Condominium Board, nor shall anything be projected from any window of any Unit without similar approval.

20. No ventilator or air conditioning device shall be installed in any Unit, without the prior written approval of the Condominium Board or the Managing Agent, as to the type, location and manner of installation of such device, which approval may be granted or refused in the sole discretion of the Condominium Board or the Building Manager.

21. Any and all motor driven equipment, compressors, commercial vacuum cleaners and air conditioners shall be insulated as needed in order to minimize noise and vibration.

22. No Unit Owner shall conduct a business which will damage or threaten the soundness of floors, ceilings, walls or structural elements or their surfaces. Upon determination by the Condominium Board of any such damage by any Unit Owner, the cost of such repairs or replacements shall be the sole obligation of such Unit Owner.

23. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or the electrical equipment.

24. No Unit Owner shall make or permit any disturbing noises or activity in the Property, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other occupants of the Building. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a radio or television set or other audible device in such Owner's Unit between the hours of twelve (12) o'clock midnight and the following seven (7) o'clock A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of ten (10) o'clock P.M. and the following nine (9) o'clock A.M.

25. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which unreasonably interferes with the peaceful possession or proper use of the Property by its owners, residents or occupants.

26. Unit Owners shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units.

27. No refuse shall be removed from the Units except at such times and in such manner as the Condominium Board or the manager may direct.

28. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designated, nor shall any refuse or any other article be thrown into the same. Any damage resulting from misuse of any water closets or other apparatus in a Unit by the owner, his guests, his employees, his tenants, or his family shall be repaired and paid for by the owner of such Unit.

29. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from Units.

30. The agents of the Condominium Board or the Manager, and any contractor or worker authorized by the Condominium Board or the Manager, may enter any Unit in the Property at any reasonable hour of the day on at least one (1) day's prior notice to the Unit Owner for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; or to make repairs, replacements or improvements, or to remedy certain conditions which would result in damage to other portions of the Building or result in a violation of the Certificate of Occupancy; or for emergency repairs; or to abate any violation of law or orders of governmental agencies having jurisdiction thereof.

31. The Condominium Board or the Manager may retain a passkey to each Unit. If the Unit Owner is not personally present to open and permit an entry to his Unit at any time when an entry

therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to the Board, then the Board or their agents (but, except in an emergency, only when specifically authorized by an officer of the Board) may forcibly enter such Unit without liability for damages or trespass by reason thereof (provided reasonable care is given to such Unit Owner's property).

32. If any key or keys are entrusted by a Unit Owner or by a family member, agent, servant, employee, licensee or visitor to an employee of the Condominium the acceptance of such key shall be at the sole risk of such Unit owner and the Board shall not (except as provided above) be liable for injury, loss or damage of any nature directly or indirectly resulting therefrom or connected therewith.

33. No occupants of the Property, guest or employee may send any employee or agent of the Condominium thereof out of the Building on any private business.

34. No bird, reptile or animal shall be permitted in any of the public portions of the Property unless carried or leashed. No pigeons or other birds or animals shall be fed from the windowsills or other public portions of the Property or sidewalk or street adjacent to the Property.

35. Unit Owners will faithfully observe the procedures established from time to time by the Condominium Board or the Manager with respect to services provided and the management of the Property.

36. All repairs, construction and installations by Unit Owners shall be performed in or to the Common Elements or Units only between 8:00 a.m. and 6:00 p.m. on any day except Sundays and holidays unless necessitated by an emergency and shall be subject to the rules noted below.

37. During repairs or construction, all debris must be stored within the unit creating the debris and thereafter be removed and disposed of by a licensed independent carter engaged by the unit owner unless otherwise directed by the Sponsor, Sponsor's construction supervisor or the Managing Agent.

38. All unit owners will be responsible to ensure that any worker admitted by them shall secure entrance doors immediately upon entry. The names and business addresses of all contractors/subcontractors shall be given to the Board prior to the commencement of any work in the Property. At the discretion of the Sponsor, the Board or the Managing Agent, such safety requirements may be supplemented or revised. All contractors and sub-contractors shall also submit proof of contractor's valid liability insurance prior to commencement of work.

39. Any work that may affect or interrupt the Property's services shall require that the Unit Owner or his contractor in addition to submitting plans and specifications as required by the By-Laws, submit a schedule of the proposed work to the Sponsor or the Board for approval and for notification to all Unit Owners and tenants in the Property. The Sponsor or the Board may appoint an agent to coordinate the proposed work or build-outs of Unit Owners as to delivery of materials, entry for workers, etc., and to charge a reasonable fee for same. In the event that any work for repair or improvements shall effect the common services provided by the 130 Barrow

Street Condominium, no work may be commence until the managing agent or the Board of the 130 Barrow Street Condominium shall approve of such.

40. No group tour or exhibition of any Residential Units or its contents shall be conducted nor shall any auction sale be held in any Residential Unit without the consent of the Board.

41. Complaints regarding services and facilities shall be made in writing to the Condominium Board or to the Manager.

42. The Sponsor or the Condominium Board may charge a fee of $500 for move-in (per event) and may charge additional in the event of construction or build-outs as noted in No. 39.

43. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by vote of seventy-five percent (75%) of the Unit Owners.

UNIT OWNER'S POWER OF ATTORNEY

THE BLUE CONDOMINIUM

UNIT # _____

103-105 Norfolk Street
New York, New York 10002

Block # **Lot #**

UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a Plan for condominium ownership of the premises known by the street address 105 Norfolk Street, New York, NY, _____and recorded in the New York County office of the Register of the City of New York on _____, in Reel _____, Page _____ (hereinafter referred to as "Declaration"), or (b) in the By-Laws of **THE BLUE CONDOMIUM** (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned,_____ (having an office/ residing) at _____, the owner of the Condominium Unit _____ in the Condominium known as THE BLUE CONDOMINIUM, the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York, pursuant to the Declaration dated _____,200___ and recorded on _____, 200____ under CFRN # _____ (the "Property") said Unit being designated and described as Unit No._____ in the Declaration and also designated as **Tax Lot No.**_____ in **Block 353** of the Borough of Manhattan on the Tax Map _____of the Real Property Assessment Department of The City of New York and on the Floor Plans, (does) (do)* hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board of Managers of THE BLUE CONDOMINIUM jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board of Managers or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with the Unit Owner's respective Common Interests: (1) (a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender, or lease the same, or (b) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and conditions and at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present; and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board of Managers deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board, if it includes one member from the Sponsor if Sponsor owns at least one Unit in the Condominium, shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do)* hereby irrevocably nominate, constitute and appoint **NORFOLK HUDSON LLC** (hereinafter referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Residential Rules and Regulations of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Article XII of the Declaration or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction aver the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to their terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, or (ii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor or its designees shall cease to own any of the Units in the Condominium known as **THE BLUE CONDOMINIUM**.

IN WITNESS WHERE OF, the undersigned (has) (have) executed this Unit Owner's Power of Attorney as of the _____day of_____, 200____.

_____

_____

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

On this____ day of _____, 200_____, before me personally came _____, to me known and known to me to be the individual(s) described in and who executed the within instrument, and (he) (she) (they) thereupon acknowledged that (he) (she) (they) executed the same.

_____
Notary Public

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

On_____200 _____ before me personally came _____, to me known and known to me to be the individual who executed the foregoing instrument, who being by me duly sworn, did depose and say that (s)he is one of the (general) partners of _____, a partnership; that (s)he executed the foregoing instrument in the name of such partnership; that (s)he had the authority to so execute the same; and that (s)he did duly acknowledge to me that (s)he executed the same as the act and deed of the said partnership for the uses and purposes therein mentioned.

_____
Notary

CERTIFICATIONS PERTAINING TO THE OFFERING PLAN

SPONSOR'S CERTIFICATION
ENGINEER'S CERTIFICATION
BUDGET CERTIFICATION

CERTIFICATION BY SPONSOR
and by
Principal of Sponsor
Pursuant to Section 20.4

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

Re: 103-105 Norfolk Street, New York, New York

We are the Sponsor and the principals of Sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statements of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where We:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Sponsor:
Norfolk Hudson LLC, Sponsor
By: Norfolk Remote LLC

By: _____
Angelo Cosentini

Norfolk Remote LLC, Manager

By: _____
Angelo Cosentini, Manager

Principals of Sponsor:

_____
Angelo Cosentini

_____
John Carson

Sworn to before me this
6th day of June, 2005

Yolanda DeArteaga
Notary

YOLANDA DEARTEAGA
Notary Public, State of New York
No. 01DE6102545
Qualified in Suffolk County
Commission Expires December 8, 2008

EXHIBIT A-2

SCHUMAN LICHTENSTEIN CLAMAN EFRON, ARCHITECTS
841 BROADWAY
NEW YORK, NEW YORK 10003

Date: August 31, 2005

CERTIFICATION OF SPONSOR'S ARCHITECT
PURSUANT TO SECTION 20.4(C) OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

New York State Department of Law
120 Broadway
New York, NY 10271

Re: 105 Norfolk Street
New York, NY

To Whom It May Concern:

The undersigned, a licensed Architect in the State of New York, hereby certifies as follows:

The sponsor of the condominium offering for the captioned property (the "Property") 105 Norfolk Street, retained our firm to prepare a report describing the construction of the Property (the "Property") Attorney General Report. We visually inspected the property on February 17, 2004 and have examined the building plans and specifications, dated as of 9-28-04, that were prepared by SLCE Architects, that were approved and permitted on 3-11-05 by the Manhattan Department of Buildings and prepared the Report, dated as of May 2, 2005, a copy of which is intended to be incorporated into the offering plan so that the prospective purchasers may rely on the Report.

We understand that we are responsible for complying with the Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the report:

(i) sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of the construction, provided the construction is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the Property as it will exist upon completion of the construction,

provided that the construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth' (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

SCHUMAN LICHTENSTEIN CLAMAN EFRON, Architects

By:_____

Name: Saky Yakas, AIA
Title: Partner

Sworn to me before this

12th day of Sept., 2005

Notary Public

SHERRY LYNN EID
Notary Public, State of New York
No. 01EI6113413
Qualified in New York County
Commission Expires July 26, 2008

H:\Certification\Sherry\Oxford Certification Ltr.
SY:se

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

CERTIFICATION BY EXPERT OF THE ADEQUACY OF SCHEDULE B PURSUANT TO SECTION 20.4 (d)

August 30, 2005

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

Re: *The Blue Condominium*
103 Norfolk Street
New York, New York

Dear Sirs:

The Sponsor of the Condominium Offering Plan for the captioned property, has retained this firm to review Schedule B, containing projections of income and expenses of the first year of condominium operation. Our experience in this field includes management of the operation of comparable condominium and cooperative and rental properties in Manhattan for over 18 years. Andrews Building Corporation is a licensed real estate brokerage and management firm actively involved in the management of over 200 cooperative, condominium, and rental properties since 1987.

I understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

I have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying them with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential buildings.

I certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that Schedule B:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

I further certify that our firm is not owned or controlled by the sponsor, although we do have a contractual arrangement with the Sponsor for the management of the building after the conversion, the terms of which are described in the Offering Plan. I understand that a copy of this certification is intended to be incorporated into the Offering Plan. This Statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operating. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,
ANDREWS BUILDING CORP.

By: Eugene Andrews, Pres.

Sworn to before me this
1ST day of August, 2005

Notary Public

ROBERT C. BRANDER
Notary Public, State of New York
No. 31-4966116
Qualified in New York County
Commission Expires April 30, 2006

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

PART 20: CERTIFICATION BY EXPERT
CONCERNING ADEQUACY OF COMMON CHARGES
PAYABLE BY THE COMMERCIAL UNIT OWNER

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

Re: The Blue Condominium
103 Norfolk Street
New York, New York

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B containing projections of common charges payable by the owners of the commercial unit. Andrews Building Corporation is a licensed real estate broker which has been engaged in the real estate brokerage and management business for over 18 years. During this entire period our firm has been involved in the cooperative/condominium field as an agent for approximately 200 established and newly formed cooperatives/condominiums.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

We have reviewed Schedule B as it impacts upon the commercial unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience more fully set forth above.

We certify that the projections in Schedule B for the common charges payable by the owners of the commercial unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owner of the commercial unit:

(i) sets forth in detail the projected common charges for the commercial unit for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the commercial unit;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor and we have no financial interest in this offering other than our fee for services rendered in connection with the review of the preparation of Schedule B. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: Eugene Andrews
Andrews Building Corporation, President

Sworn to before me
this 5th ~~day of August~~ September, 2005

Notary Public

ROBERT C. BRANDER
Notary Public, State of New York
No. 31-4966116
Qualified in New York County
Commission Expires April 30, 2006

Attorney General of the State of New York
Application for a Determination on the Disposition of Down Payments

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

Re: 103-105 Norfolk Street, New York, NY

File No. _____

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

1. Name of Applicant:_____

2. Address of Applicant: _____

_____

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

_____

4. This is an application for
   ( ) return of down-payment.
   ( ) forfeiture of down-payment.
   ( ) other:_____

5. The project is newly rehabilitated.

6. The project is structured as a condominium.

7. Sponsor: NORFOLK HUDSON LLC
   58 Thomas Street
   New York, NY 10013

8. Escrow Agent: Martin Shaw, Esq.
   350 Fifth Avenue, Suite 1225
   New York, NY 10118
   212-279-4490

9. Down-payment escrow account:

   (a) Name of Attorney Escrow Account - "Martin Shaw Escrow Account for The Blue Condominium ".

   (b) Bank: Doral Bank, FSB
   387 Park Avenue
   New York, NY 10016

(c) Account No._____

10. Plan information:

(a) Date of filing of plan: _____

(b) Plan

( ) has been declared effective. Approximate date:_____

( ) has not been declared effective.

(c) If effective, the plan

( ) has closed or the first unit has closed. Approximate date:_____

( ) has not closed.

( ) don't know.

(d) Down-payments are secured by escrow account.

11. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. **(Do not send originals.)**

(b) Date(s) on which purchase agreement(s) was/were signed:.

(c) Date(s) of down-payment(s):_____

(d) Total amount of down-payment(s)_____

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

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

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

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

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

Signature:_____Date:_____

Name (printed):_____

Address:_____

Telephone: (Home)_____ (Business) _____

ESCROW AGREEMENT

ESCROW AGREEMENT

AGREEMENT, made this 1st day of September, 2005 between NORFOLK HUDSON LLC, (SPONSOR") as Sponsor of the offering plan and Martin Shaw, Esq. ("ESCROW AGENT") as Escrow Agent.

WHEREAS, **SPONSOR** is the Sponsor under the Condominium Offering Plan for the premises located at 103 Norfolk Street, New York, New York 10013, which premises are known as the BLUE Condominium and

WHEREAS, Martin Shaw, Esq. is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, **SPONSOR** desires that **ESCROW AGENT** act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this agreement.

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

1. **ESTABLISHMENT OF THE ESCROW ACCOUNT**.

1.1 **SPONSOR** and **ESCROW AGENT** hereby establish an escrow account with **ESCROW AGENT** for the purpose of holding deposits or payments made by purchasers ("Purchasers") pursuant to the Offering Plan at Doral Bank, FSB, at its branch located at 387 Park Avenue, New York, New York 10016.

1.2 The name of each segregated account is entitled "Martin Shaw, Street Escrow Account for the Blue Condominium" (last name of Purchaser), Doral Bank, FSB, at its branch located at 387 Park Avenue, New York, New York 10016.

1.3 **ESCROW AGENT** is the sole signatory on the account.

1.4 Unless the Purchaser defaults, all interest will be credited or paid (at the option of **SPONSOR**) to Purchaser at such time as (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited or paid to the **SPONSOR** only in the event Purchaser defaults.

2. **DEPOSITS INTO THE ESCROW ACCOUNT**.

2.1 All funds received from prospective purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable to, or endorsed by the purchaser to the order of "Martin Shaw, Esq. Escrow Account fro Blue." Endorsed instruments will not be accepted. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by **ESCROW AGENT**. In the event of such return of funds, the instrument shall be deemed not to have been delivered to **ESCROW AGENT** pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the purchase agreement, **ESCROW AGENT** shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan and provide the account number. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the Purchaser.

3. **RELEASE OF FUNDS**:

3.1 **ESCROW AGENT** shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve **SPONSOR** of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 **ESCROW AGENT** shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 **SPONSOR** shall not object to the release of the escrowed funds to (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all Purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

3.4 If there is no written agreement between the parties to release the escrowed funds, **ESCROW AGENT** shall not pay the funds to **SPONSOR** until **ESCROW AGENT** has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to **SPONSOR** unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified **ESCROW AGENT** in accordance with such provisions.

4. **RECORD KEEPING**.

4.1 **ESCROW AGENT** shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2 Upon the dissolution of a law firm which was **ESCROW AGENT**, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 **ESCROW AGENT** shall make available to the Attorney General, upon his request, all books and records of **ESCROW AGENT** relating to the funds deposited and disbursed hereunder.

5. **GENERAL OBLIGATIONS OF ESCROW AGENT.**

5.1 **ESCROW AGENT** shall maintain the accounts called for in this Agreement under the direct supervision and control of **ESCROW AGENT.**

5.2 A fiduciary relationship shall exist between **ESCROW AGENT** and Purchasers, and **ESCROW AGENT** acknowledges its fiduciary obligations.

5.3 **ESCROW AGENT** shall not be liable to **SPONSOR** for any error in judgment, mistake or fact or law or for any act or omission on **ESCROW AGENT'S** part, including, without limitation, any act or omission which permits a Purchaser to rescind a Purchase Agreement, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of **ESCROW AGENT.**

5.4 **ESCROW AGENT** shall be permitted to act as counsel for **SPONSOR** in any dispute as to the disbursement of the Deposit or any other dispute between **SPONSOR** and a Purchaser whether or not **ESCROW AGENT** is in possession of the Deposit and continues to act as **ESCROW AGENT.**

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

5.6 **ESCROW AGENT** may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to **ESCROW AGENT** in respect of any action taken or omitted in good faith by **ESCROW AGENT** hereunder in accordance with the opinion of such counsel.

6. **RESPONSIBILITIES OF SPONSOR.**

6.1 **SPONSOR** agrees that **SPONSOR** and its agents, including any selling agents, shall immediately deliver all Deposits and payments received by them prior to closing of an individual transaction to **ESCROW AGENT** within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as may be required by **ESCROW AGENT** from time to time.

6.2 **SPONSOR** agrees that it shall not interfere with **ESCROW AGENT'S** performance of its fiduciary duties and compliance with the Attorney General's regulations.

6.3 **SPONSOR** shall obtain or cause the selling agent with the Offering Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from each Purchaser and deliver such form to **ESCROW AGENT** together with the Deposit and the Purchase Agreement.

7. **TERMINATION OF AGREEMENT.**

7.1 This Agreement shall remain in effect unless and until it is canceled, by either:

(a) Written notice given by **SPONSOR** to **ESCROW AGENT** of cancellation of designation of **ESCROW AGENT** to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor **ESCROW AGENT**; or

(b) The resignation of **ESCROW AGENT** upon giving notice to **SPONSOR** of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor **ESCROW AGENT**; or

(c) All Units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of **ESCROW AGENT** as described in paragraph 7.1(a) or (b) above, **ESCROW AGENT** shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by **ESCROW AGENT** to the new escrow agent.

8. **SUCCESSORS AND ASSIGNS**.

8.1 This Agreement shall be binding upon **SPONSOR** and **ESCROW AGENT** and their successors and assigns.

9. **GOVERNING LAW**.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. **ESCROW AGENT'S COMPENSATION**.

10.1 **SPONSOR** agrees to pay **ESCROW AGENT** for services rendered by its and paralegals and expenses, costs and disbursements incurred by **ESCROW AGENT** in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. **SPONSOR** shall not be charged with any administrative costs for maintenance of the Master Escrow Account. **SPONSOR** agrees that **ESCROW AGENT'S** compensation shall not be paid from the Deposit nor from any interest accruing thereon and that compensation to **ESCROW AGENT** shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. **SEVERABILITY.**

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

12. **INDEMNIFICATION**.

12.1 **SPONSOR** agrees to defend, indemnify and hold **ESCROW AGENT** harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of **ESCROW AGENT'S** duties under this Agreement, except with respect to actions or omissions taken or suffered by **ESCROW AGENT** in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of **ESCROW AGENT**. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by **ESCROW AGENT** to itself.

13. **ENTIRE AGREEMENT.**

13.1 This Agreement, read together with GBL Section 352-e (2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

ESCROW AGENT:

Martin Shaw, Esq.

SPONSOR: NORFOLK HUDSON LLC

By: _____
Angelo Cosentini, Manager


BLUE