

GUARANTY

THIS GUARANTY (this "Guaranty") is made as of December 15, 2016 by the undersigned (collectively whether one or more in number, "Guarantor"), in favor of JPMORGAN CHASE BANK, N.A. having an address at P.O. Box 9178, Coppell, Texas 75019-9178, Attn: Portfolio Administration ("Lender").

RECITALS

- A. Lender has agreed to make a loan (the "Loan") in the principal amount of \$1,345,000.00 to Charles Henry Properties, LLC, a New York limited liability company ("Borrower").
- B. The Loan is evidenced by Borrower's promissory note (the "Note") dated the date of this Guaranty and payable to Lender, and is secured by a deed of trust, mortgage or similar security instrument (as applicable, the "Security Instrument") dated the date of this Guaranty and encumbering the Property (as defined in the Security Instrument).
- C. The Note, the Security Instrument and all other documents, instruments and agreements (other than, and specifically excluding, any certificate and indemnity agreement regarding hazardous substances) now in effect or hereafter entered into in connection with the Loan (the "Indemnity Agreement") are referred to, collectively, as the "Loan Documents." Notwithstanding anything to the contrary, the Indemnity Agreement shall not be a Loan Document as that term is used in this Guaranty.
- D. It is a condition to Lender's agreement to make the Loan that Guarantor be unconditionally liable for and guarantee the payment and performance of the obligations represented by the Note and all other liabilities and obligations of Borrower under the Loan Documents (and the obligations of all owners of the Property other than Borrower under any and all Loan Documents executed by such owners) on the terms and conditions set forth in this Guaranty.

NOW, THEREFORE, in order to induce Lender to make the Loan to Borrower, Guarantor, intending to be legally bound, represents and warrants to Lender and covenants and agrees with Lender as follows:

AGREEMENT

1. **Unconditional Guaranty.** Guarantor unconditionally, absolutely and irrevocably: (a) guarantees and promises to pay to Lender or order, on demand, in lawful money of the United States of America, in immediately available funds, the Loan when due, whether by acceleration or otherwise, together with all interest thereon, and any and all other amounts that become due and owing to Lender under the Loan Documents (including, without limitation, late charges, premiums for prepayment, expenditures by Lender to preserve and protect collateral, amounts that would become due but for the effect of any bankruptcy or other insolvency proceedings, and all attorneys' fees, costs and expenses of collection incurred by Lender in enforcing its rights and remedies under the Loan Documents); and (b) guarantees the full and complete discharge and performance of each and every other term, covenant, liability, obligation and warranty contained in the Loan Documents. All amounts and obligations guaranteed by Guarantor under this Guaranty are referred to, collectively, as the "Guaranteed Obligations."

2. **Remedies.** If Guarantor fails promptly to perform its obligations under this Guaranty, Lender may from time to time, and without first requiring performance by Borrower or any other Person (as defined in Section 9.2 below) or exhausting any security for the Loan, bring any action at law or in equity or both to compel Guarantor to perform its obligations under this Guaranty, and to collect in any such action compensation for all loss, cost, damage, injury and expense sustained or incurred by Lender as a direct or indirect consequence of the failure of Guarantor to perform such obligations, together with interest thereon at the rate of interest applicable to the principal balance of the Note. Any amounts due under this Section 2 will be in addition to the amounts due under Section 1 of this Guaranty. This is a guaranty of payment and not merely of collection. Notwithstanding anything contained in this Guaranty or the other Loan Documents to the contrary, this Guaranty and all obligations of Guarantor arising under it will not be secured by the Security Instrument or by any lien encumbering the Property.

3. **Rights of Lender.** Guarantor authorizes Lender, without giving notice to Guarantor or obtaining Guarantor's consent and without affecting the liability of Guarantor, from time to time to: (a) renew or extend all or any portion of Borrower's or any other Person's obligations under the Note, the Security Instrument or any of the other Loan Documents or delay the enforcement thereof for any period of time; (b) declare all amounts owing to Lender under the Note, the Security Instrument and the other Loan Documents due and payable upon the occurrence of an Event of Default (as defined in the Security Instrument); (c) agree to changes in the dates specified for payment of any amounts payable under the Note or any of the other Loan Documents; (d) otherwise agree to modify, amend, waive, supplement or replace from time to time the terms of any of the Loan Documents in any manner; (e) take and hold security for the performance of Borrower's or any other Person's obligations under the Note, the Security Instrument or the other Loan Documents and exchange, enforce, waive, fail to perfect its interest in, or release any such security; (f) apply such security and direct the order or manner of sale thereof as Lender in its sole discretion may determine; (g) release, substitute or add any one or more indorsers of the Note or guarantors of any or all of the Guaranteed Obligations; (h) apply payments received by Lender from Borrower or any other Person to any obligations of the payor to Lender, in such order as Lender may determine in its sole discretion, whether or not any such obligations are covered by this Guaranty; and (i) assign this Guaranty in whole or in part.

4. **Waivers.**

4.1 Guarantor waives: (a) any defense based upon any legal disability or other defense of Borrower or any other Person, or by reason of the cessation or limitation of the liability of Borrower or any other Person from any cause other than full payment of all of the Guaranteed Obligations; (b) any defense based upon any lack of capacity of Borrower or any other Person or any lack of authority of the officers, directors, partners, members, managers, trustees, attorneys in fact or agents acting or purporting to act on behalf of Borrower or any other Person or any defect in the formation of Borrower or any other Person (and Lender shall have no obligation to inquire into any of the foregoing); (c) any defense based upon the application by Borrower of the proceeds of the Loan for purposes other than the purposes represented by Borrower to Lender or Guarantor or intended or understood by Lender or Guarantor; (d) all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a Guaranteed Obligation, has destroyed Guarantor's rights of subrogation and reimbursement against Borrower or any other Person; (e) any defense based upon Lender's failure to disclose to Guarantor any information concerning Borrower's or any other Person's financial condition or any other circumstances bearing on Borrower's or any other Person's ability to pay the Guaranteed Obligations; (f) any defense based upon any statute or rule of law providing that the obligation of a surety must be neither larger in amount nor in any other respect more burdensome than that of a principal; (g) any and all claims for subrogation,

Loan No.: 100018625

reimbursement or indemnification against Borrower, any general partner of Borrower or any collateral or security for the Loan until the Loan and all amounts owing under the Loan Documents have been paid and satisfied in full and any and all claims for contribution until the Guaranteed Obligations have been paid and satisfied in full; (h) acceptance of this Guaranty by Lender; (i) presentment, demand, protest and notice of any kind; (j) any and all defenses based on suretyship; and (k) the benefit of any statute of limitation affecting the liability of Guarantor under, or the enforcement of, this Guaranty. Guarantor agrees any act or event that tolls any statute of limitation applicable to the Guaranteed Obligations will similarly operate to toll any statute of limitation applicable to Guarantor's liability under this Guaranty.

4.2 Guarantor waives all rights and defenses that Guarantor may have because the Guaranteed Obligations are secured by real property. This means, among other things: (a) Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower or any other Person to secure the Guaranteed Obligations; and (b) if Lender forecloses on any real property collateral pledged by Borrower or any other Person to secure the Guaranteed Obligations: (i) the amount of the Guaranteed Obligations may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; and (ii) Lender may collect from Guarantor even if Lender, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Borrower or any other Person. This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because the Guaranteed Obligations are secured by real property.

5. Representations, Warranties and Covenants. Guarantor represents, warrants and acknowledges to and for the benefit of Lender that: (a) Lender would not make the Loan but for this Guaranty; (b) there are no conditions precedent to the effectiveness of this Guaranty; (c) Guarantor has established adequate means of obtaining from sources other than Lender, on a continuing basis, financial and other information pertaining to the financial condition of Borrower and any other relevant Person, the Property and the activities of Borrower and other relevant Persons relating thereto and the status of the performance of the Guaranteed Obligations, and Guarantor agrees to keep adequately informed from such means of any facts, events or circumstances that might in any way affect Guarantor's risks under this Guaranty and Lender has made no representation to Guarantor as to any such matters; (d) the most recent financial statements of Guarantor previously delivered to Lender are true and correct in all material respects, such financial statements fairly present the financial condition of Guarantor as of the respective dates thereof, and no material adverse change has occurred in the financial condition of Guarantor since such dates; (e) Guarantor will timely provide Lender with all financial statements, reports and other information that is required to be provided to Lender with respect to Guarantor under Section 4.12 of the Security Instrument or any other provision of the Loan Documents; and (f) Guarantor has had the opportunity to review the Loan Documents and discuss them with an attorney of Guarantor's choosing and has done so to Guarantor's satisfaction or has voluntarily declined to do so. Guarantor has determined in good faith that: (i) the Loan, including this Guaranty, is an arm's-length transaction on market rate terms; (ii) neither Lender nor any of its affiliates exercised any discretionary authority or control over, or rendered any investment advice in connection with, Guarantor's decision to execute this Guaranty and any other Loan Documents to which Guarantor is a party; and (iii) the statements in (i) and (ii) are also true with respect to any previous loan made by Lender, secured by the Property or any part thereof, and as to which Guarantor was a borrower or guarantor, both as of such loan's origination and through its life. Guarantor shall comply in all material respects with all laws, statutes, ordinances, rules, regulations, licenses, permits, approvals, orders, judgments and other requirements of governmental authorities applicable to Guarantor.

6. Subordination. Guarantor hereby subordinates to the Guaranteed Obligations any and all present and future obligations and liabilities owing to Guarantor by Borrower and/or any other Person obligated to pay any of the Guaranteed Obligations. While any Event of Default exists, Guarantor will enforce such subordinated obligations, and receive payment thereof, only as a trustee for Lender, and Guarantor will promptly pay over to Lender all payments on and other proceeds of such subordinated obligations for application to the Guaranteed Obligations.

7. Disclosure of Information; Participations, Etc. Guarantor agrees that Lender may elect, at any time, to sell, assign, participate or securitize all or any portion of Lender's rights and obligations under the Loan Documents. Guarantor agrees that Lender may disseminate any and all information pertaining to the Loan, the Property, Borrower, Guarantor or any other Person to any relevant Person in connection with any such transaction.

8. Additional and Independent Obligations. The obligations of Guarantor under this Guaranty are in addition to, and do not limit or in any way affect, the obligations of Guarantor under any other existing or future guaranties. This Guaranty is independent of the obligations of Borrower and other Persons, if any, under the Note, the Security Instrument, and the other Loan Documents. Nothing contained in this Guaranty will prevent Lender from suing to collect on the Note or from exercising concurrently or successively any rights available to it under applicable law or any of the Loan Documents, and that the exercise of any of such rights will not constitute a legal or equitable discharge of Guarantor. Guarantor hereby authorizes and empowers Lender to exercise, in its sole discretion, any rights and remedies, or any combination thereof, that may then be available, since it is the intent and purpose of Guarantor that the obligations under this Guaranty will be absolute, independent and unconditional under any and all circumstances. Lender may bring a separate action to enforce the provisions of this Guaranty against Guarantor without taking action against Borrower or any other Person or joining Borrower or any other Person as a party to such action.

9. Miscellaneous.

9.1 Attorneys' Fees; Enforcement. If any attorney is engaged by Lender to enforce or defend any provision of this Guaranty, or any of the other Loan Documents, or as a consequence of any Event of Default under the Loan Documents, with or without the filing of any legal action or proceeding (including any bankruptcy or other insolvency proceeding and including all post-judgment collection proceedings), Guarantor will pay to Lender immediately upon demand all reasonable attorneys' fees and costs incurred by Lender in connection therewith, together with interest thereon, from the date Lender pays such amounts until they are repaid to Lender, at the rate of interest applicable from time to time to the principal balance of the Note (and if more than one such rate applies to the principal balance at any one time, the highest such rate shall be used for purposes of this Section).

9.2 Certain Definitions and Rules of Construction. The word "Borrower" as used in this Guaranty includes both the named Borrower and any other Person at any time assuming or otherwise becoming primarily liable for all or any part of the obligations of the named Borrower under the Note, the Security Instrument and the other Loan Documents. If this Guaranty is executed by more than one Person, the term "Guarantor" includes all such Persons. As used in this Guaranty, the term "Person" means any individual, corporation, limited or general partnership, limited liability company, trust or trustee(s) acting with respect to property held in trust, governmental agency or body, or other legal entity. When the context and construction so require, all words used in the singular will be deemed to have been used in the plural and vice versa. All headings appearing in this Guaranty are for convenience only and will be disregarded in construing this Guaranty. All references in this Guaranty to the Note, the

Security Instrument or any other document include the same as now in effect and as it may be modified, amended, restated, supplemented, extended, replaced or consolidated.

9.3 **Governing Law.** This Guaranty will be governed by, and construed in accordance with, the laws of the state where the Property is located, without regard to its conflict of laws principles.

9.4 **Consent to Jurisdiction.** Guarantor irrevocably submits to the jurisdiction of any state or federal court sitting in the state where the Property is located over any suit, action, or proceeding arising out of or relating to this Guaranty, the Loan Documents or the Loan. Guarantor irrevocably waives, to the fullest extent permitted by law, any objection that Guarantor may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

9.5 **Successors and Assigns.** The provisions of this Guaranty will bind and benefit the heirs, executors, administrators, legal representatives, successors and assigns of Guarantor and Lender.

9.6 **Joint and Several Liability; Marital Property.** The liability of all Persons who are in any manner obligated under this Guaranty will be joint and several with one another and with all other guarantors, if any, of the Guaranteed Obligations. Guarantor's liability under this Guaranty is fully recourse in nature. Each individual liable hereunder as a Guarantor agrees that recourse may be had under this Guaranty to all such individual's separate property and to all community property or other marital property of such individual.

9.7 **Partners' Assets.** Notwithstanding any contrary provision of applicable law, each general partner in any partnership that is a party to this Guaranty, agrees that Lender need not exhaust the partnership assets of such partnership before executing upon the assets of such general partner in satisfaction of the obligations under this Guaranty, but may execute upon such general partner's assets prior to, at the same time as, or after executing upon the partnership assets of such partnership. Each such general partner shall be jointly and severally liable for such obligations with all other Persons liable therefor.

9.8 **Severability.** If any provision of this Guaranty is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion will be deemed severed from this Guaranty and the remaining parts will remain in full force as though the invalid, illegal or unenforceable portion had never been part of this Guaranty.

9.9 **Survival.** This Guaranty will be deemed to be continuing in nature and will remain in full force and effect and will survive the exercise of any remedy by Lender under the Security Instrument or any of the other Loan Documents, including, without limitation, any foreclosure or deed in lieu thereof. This Guaranty will continue to be effective, or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or otherwise must be returned by Lender due to the insolvency, bankruptcy or reorganization of the payor, or for any other reason, all as though such payment to Lender had not been made.

9.10 **Counterparts.** This Guaranty may be executed in counterparts, each of which will be deemed an original, and all such counterparts when taken together will constitute but one agreement.

9.11 **Notices.** Any notice to or demand on Guarantor in connection with this Guaranty shall be deemed to have been sufficiently made when deposited in the United States mails (with first class or

Loan No.: 100018625

registered or certified postage prepaid), addressed to Guarantor at Guarantor's most recent address on file with Lender. Any notice to or demand on Lender in connection with this Guaranty shall be deemed to have been sufficiently made when deposited in the United States mails (with registered or certified postage prepaid, return receipt requested), addressed to Lender as follows:

JPMorgan Chase Bank, N.A.
P.O. Box 9178
Coppell, Texas 75019-9178
Attention: Portfolio Administration

Any party may change the address for notices to that party by giving written notice of the address change in accordance with this section.

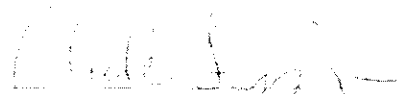
9.12 Entire Agreement; Amendments. This Guaranty and the other Loan Documents represent the final expression of the entire agreement of the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements. There are no unwritten oral agreements between the parties. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Guaranty and the other Loan Documents. Neither this Guaranty nor any of its provisions may be waived, modified, amended, discharged or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in that agreement.

9.13 WAIVER OF SPECIAL DAMAGES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST LENDER, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS GUARANTY OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS CONTEMPLATED HEREBY, THE LOAN OR THE USE OF THE PROCEEDS THEREOF.

9.14 WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF GUARANTOR AND LENDER (FOR ITSELF AND ITS SUCCESSORS, ASSIGNS AND PARTICIPANTS) WAIVES ITS RIGHT TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO THIS GUARANTY, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS PROVIDED FOR HEREIN OR THEREIN, IN ANY LEGAL ACTION OR PROCEEDING OF ANY TYPE BROUGHT BY ANY PARTY TO ANY OF THE FOREGOING AGAINST ANY OTHER SUCH PARTY, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT SITTING WITHOUT A JURY.

DATED as of the date first set forth above.

GUARANTOR:


Claude Simon

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

On the 15th day of December in the year 2016, before me, the undersigned personally appeared Claude Simon 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

WILLIAM E. WILSON
Notary Public, State of New York
No. 01WI6023601
Certified in Nassau County
Commission Expires 04/26/2017

JPMorgan Chase Bank, N.A.

DISBURSEMENT STATEMENT

Borrower Name: Charles Henry Properties, I.L.C.
 Loan #: 100018625
 Closing Date: 12/15/2016

PROPERTY ADDRESS: 336 East 56th Street, New York, New York 10022
 AMOUNT OF LOAN: 1,345,000

DISBURSEMENTS:

Loan Amount	\$ 1,345,000.00
Plus Prepaid Application Fee	\$ -
Plus Prepaid Rate Lock Fee	\$ 13,450.00
Lender Paid New York Special Recording Tax	\$ 3,362.50
TOTAL LOAN PROCEEDS AVAILABLE	\$ 1,361,812.50

LESS LENDER FEE'S:

Loan Origination Fee	\$ -
Processing Fee	\$ 25.00
Wire Transfer Fee	\$ -
UCC Fee	\$ 95.00
Tax Service Fee	\$ -
Interest from 12/15/2016 to 01/01/2017 \$121.4236 per day	\$ 2,064.20
Property Taxes (0 mos.)	\$ -
Impounds/Escrow: Taxes: # months * rate 2 \$5,802.24	\$ 11,604.48
Impounds/Escrow: Hazard Ins # months * rate	\$ -
Impounds/Escrow: Flood Insurance # months * rate	\$ -
Environmental Invoice Fee	\$ -
Rate Lock Extension Fee	\$ -
CD Pledge	\$ -
Payoff Chase LN#	\$ -
Total Lender Fees	\$ 13,788.68

AMOUNT WIRED FROM LENDER **\$ 1,348,023.82**

LESS FEES AND EXPENSES

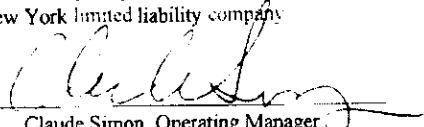
Settlement Agent Fee to Lynch & Associates	Lynch & Associates (P.O.C. \$2,800.00 JPMC)	\$ -
Title Fee - Title Agency	First Nationwide Title (includes NYS Tax Judgment payoff of \$228,296.34)	\$ 269,155.65
Title Closer	Bill Wilson	\$ 150.00
Lender Paid New York Special Recording Tax	First Nationwide Title	\$ 3,362.50
Borrower's Attorney Fee payable to		\$ -
Payoff to		\$ -
Payoff to		\$ -
Overnight Courier Fees		\$ -
Wire Fee to		\$ -
Tax Collector City of		\$ -
Tax Collector City of		\$ -
Broker	Marcus & Millichap Capital Corporation	\$ 14,450.00
Broker		\$ -
		\$ -
		\$ -

Total Fees and Expenses: **\$ 287,118.15**

NET PROCEEDS PAYABLE TO BORROWER **\$ 1,060,905.67**

Charles Henry Properties, LLC,
 a New York limited liability company

12/15/2016

By 
 Claude Simon, Operating Manager

NEW YORK CONSENT AND APPOINTMENT

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

The undersigned, being the Managing Member of Charles Henry Properties LLC. The undersigned, a New York limited liability company (the "Company"), does hereby consent to the placement of a new first lien mortgage upon the Company property located at 336 East 56th Street, New York, New York in the sum of \$1,345,000.00 upon the terms and conditions of a mortgage commitment issued by JPMorgan Chase Bank N.A., its successors and/or assigns. In connection therewith, I hereby authorize and appoint Claude Simon as Managing Member (the "Authorized Signatory") to act on behalf of the Company in the placement of said first mortgage loan.

The undersigned further consents that the Authorized Signatory is hereby authorized to execute in the name of and on behalf of the Company, whether under seal or otherwise, and to deliver any and all deeds, transfer documents, commitments, notes, mortgages, deeds of trust, deeds to secure debt, security agreements, assignments of leases and rents, loan agreements, pledges or assignments of any other collateral, indemnities, certificates, affidavits, financing statements, applications, notices and other instruments, agreements or certificates of any kind or nature whatsoever, and to take from time to time any other actions which such Authorized Signatory shall in his/her discretion determine to be necessary or appropriate to effect the transactions contemplated by any such document or instrument, whether upon the terms and conditions set forth in such documents and instruments or upon such other terms and conditions as such Authorized Signatory shall in his/her discretion determine to be appropriate, and the execution and delivery of any document or instrument by such Authorized Signatory shall constitute conclusive evidence that the terms and conditions contained in said documents or instruments have been determined to be appropriate by such Authorized Signatory on behalf of the Company pursuant to this Consent;

The undersigned further consent that all actions heretofore taken by the Company, or any officer or member thereof in furtherance of the Loan are hereby ratified and confirmed;

[the remainder of this page is intentionally left blank]

Chas. C. Smith

Title: Managing Member

Title:

Title:

Title:

On the 7 day of December in the year 2010 before me, the undersigned, personally appeared Claude Simon personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in their capacities and that by their signatures on the instrument the individuals, or the person upon behalf of which the individuals acted, executed the instrument.

DARRYL M. VERNON
NOTARY PUBLIC, STATE OF NEW YORK
 Registration No. 60-4755587
 Qualified in Westchester County
 Commission Expires Feb. 11, 2018

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

On the ____ day of _____ in the year ____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in their capacities and that by their signatures on the instrument, the individuals, or the person upon behalf of which the individuals acted, executed the instrument.

Notary Public

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

On the ____ day of _____ in the year ____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in their capacities and that by their signatures on the instrument, the individuals, or the person upon behalf of which the individuals acted, executed the instrument.

Notary Public

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

On the ____ day of _____ in the year ____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in their capacities and that by their signatures on the instrument, the individuals, or the person upon behalf of which the individuals acted, executed the instrument.

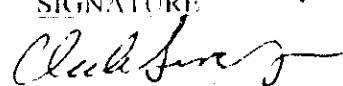
Notary Public

CERTIFICATE OF AUTHORITY


The undersigned, being the duly elected, qualified and acting Managing Member of Charles Henry Properties LLC, a New York limited liability company ("Company").

Does Hereby Certify:

1. That the Articles of Organization has been duly filed with the New York Department of State on December 4, 2012 as evidenced by the Filing Receipt and that said Articles of Organization have not been amended.
2. That the Articles of Organization, or a Notice containing the substance of same, has been duly published as required by law.
3. That the Operating Agreement of the Company has not been amended or repealed and remains in full force and effect on the date of this Certificate.
4. That neither the Articles of Organization nor the Operating Agreement require, nor have either of said documents been amended to require, any act be taken or meeting be held by Members and/or Managers of the Company other than the following:
5. That all of the said requirements of the Operating Agreement, or of statute if the Operating Agreement is silent, with respect to the meeting and/or consent of the Members and/or Managers of the Company to the proposed sale or mortgage have been met. A true copy of the duly adopted resolution authorizing the transaction, is annexed to this Certificate. Said resolution have not been amended or revoked, and remains in full force and effect.
6. That the following persons are the sole members of the Company.

NAME	OFFICE/ TITLE	%	SIGNATURE
Claude Simon	Managing Member	100 %	
_____		%	
_____		%	

7. That the following person has been, and is duly authorized by the Company to execute all documents necessary to effectuate the proposed sale or mortgage, and that the signature set forth opposite his name is his genuine signature:

NAME	OFFICE/ TITLE	SIGNATURE
Claude Simon	Managing Member	

8. This Certificate of Authority is made and delivered in order to induce the seller, purchaser and/or mortgagee to accept the transfer or mortgage, and to induce any title insurance company to issue a policy of title insurance insuring the validity of such transfer or mortgage.

In witness whereof, the undersigned has executed this Certificate this 17 day
of December, 2016.

Charles Smith
Name: Charles Smith
Title: Managing Member

Name:
Title:

Name:
Title:

Name:
Title:

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

On the 17 day of December in the year 2016 before me, the
undersigned, personally appeared Charles Smith personally known to me or proved
to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in their
capacities and that by their signatures on the instrument, the individuals, or the person upon
behalf of which the individuals acted, executed the instrument.

[Signature]
Notary Public

DARRYL M. VERNON
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 60-4755587
Qualified in Westchester County
Commission Expires Feb. 11, 2018

STATE OF NEW YORK)
) ss.
COUNTY OF)

On the ____ day of _____ in the year _____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in their capacities and that by their signatures on the instrument, the individuals, or the person upon behalf of which the individuals acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.
COUNTY OF)

On the ____ day of _____ in the year _____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in their capacities and that by their signatures on the instrument, the individuals, or the person upon behalf of which the individuals acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.
COUNTY OF)

On the ____ day of _____ in the year _____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in their capacities and that by their signatures on the instrument, the individuals, or the person upon behalf of which the individuals acted, executed the instrument.

Notary Public

State of New York
Department of State } ss:

I hereby certify, that CHARLES HENRY PROPERTIES, LLC a NEW YORK Limited Liability Company filed Articles of Organization pursuant to the Limited Liability Company Law on 12/04/2012, and that the Limited Liability Company is existing so far as shown by the records of the Department. I further certify the following:

A Certificate of Publication of CHARLES HENRY PROPERTIES, LLC was filed on 02/25/2013.

A Biennial Statement was filed 01/05/2015.

I further certify, that no other documents have been filed by such Limited Liability Company.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 01st day of December
two thousand and sixteen.*

Brendan W. Fitzgerald
Executive Deputy Secretary of State

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS

ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME: CHARLES HENRY PROPERTIES, LLC

DOCUMENT TYPE: ARTICLES OF ORGANIZATION (DOM LLC)

COUNTY: NEWY

FILED:12/04/2012 DURATION:***** CASH#:121204000186 FILM #:121204000173
DOS ID:4327465

FILER:

EXIST DATE

DAVID LANGER
19 BLANCHE STREET

12/04/2012

PLAINVIEW, NY 11803

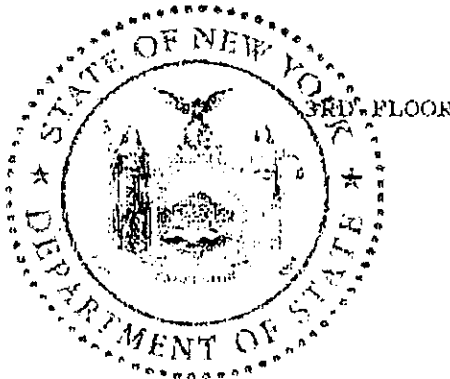
ADDRESS FOR PROCESS:

THE LLC
254 FIFTH AVENUE
NEW YORK, NY 10001

3RD FLOOR

REGISTERED AGENT:

CLAUDE SIMON
254 FIFTH AVENUE
NEW YORK, NY 10001



The limited liability company is required to file a Biennial Statement with the Department of State every two years pursuant to Limited Liability Company Law Section 301. Notification that the biennial statement is due will only be made via email. Please go to www.email.ebiennial.dos.ny.gov to provide an email address to receive an email notification when the Biennial Statement is due.

SERVICE COMPANY: HUBCO 29

SERVICE CODE: 29 *

FEES 225.00
FILING 200.00
TAX 0.00
CERT 0.00
COPIES 0.00
HANDLING 25.00

PAYMENTS 225.00
CASH 0.00
CHECK 0.00
CHARGE 0.00
DRAWDOWN 225.00
OPAL 0.00
REFUND 0.00

122763

DOS-1025 (04/2007)

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany, on
December 5, 2012.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

Articles of Organization
of

121204000173

Charles Henry Properties, LLC

Under Section 203 of the Limited Liability Company Law

FIRST: The name of the limited liability company is:

Charles Henry Properties, LLC

SECOND: The county within this state in which the office of the limited liability company is to be located is:

New York

THIRD: (Optional) The latest date on which the limited liability company is to dissolve is:

FOURTH: The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The post office address within or without this state to which the Secretary of State shall mail a copy of any process against the limited liability company served upon him or her is:

254 Fifth Avenue - 3rd Floor
New York, NY 10001

FIFTH: (Optional) The name and street address within this state of the registered agent of the limited liability company upon whom and at which process against the limited liability company can be served is:

Claude Simon
254 Fifth Avenue - 3rd Floor
New York, NY 10001

SIXTH: The effective date of the Articles of Organization is:

SEVENTH: The limited liability company is to be managed by (check appropriate box):

☒ One or more members

☐ One or more managers

☐ A class or classes of members

☐ A class or classes of managers

EIGHTH: Other Provisions:

IN WITNESS WHEREOF, this certificate has been subscribed on **December 3, 2012**
by the undersigned who affirms that the statements made herein are true under the penalties
of perjury.

/S/ Claude Simon

121204000173 Claude Simon - Organizer

121204000173

Articles of Organization

of

Charles Henry Properties, LLC

(Under Section 203 of the Limited Liability Company Law)

DEC 11 2012
11:17 AM

HUBCO #29
DRAWDOWN

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED DEC 04 2012
TAXS _____
BY: MAS

RECEIVED
2012 DEC -3 PM 4:14

Filer:

David Langer
18 Blanche Street
Plainview, NY 11803

Customer Reference #
122763 •

121204000186

OPERATING AGREEMENT

OF

Cheney Holdings, LLC

A

LIMITED LIABILITY COMPANY

This Operating Agreement is effective as of January 1, 2013, between and among the undersigned confirms our understanding as to the matters contained herein.

The parties hereto agree as follows:

ARTICLE I

Definitions

The following terms and phrases shall have the meanings indicated:

- A. "Act" shall mean the Cheney Holdings, LLC Limited Liability Company Act, as amended.
- B. "Capital Account" shall mean, with respect to each Member, the account established for each Member which will initially equal the Capital Contributions of such Member and will be (a) increased by the amount of Net Profits allocated to such Member and (b) reduced by the amount of Net Losses allocated to such Member and the amount of cash flow distributed to such Member. Member's Capital Accounts shall be determined and maintained.
- C. "Capital Contributions" shall mean the fair market value of the amounts contributed by the Members.
- D. "Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent revenue laws.
- E. "Operating Managers" shall mean the Member or Members selected by the Members in accordance with this Agreement to serve as Operating Manager or Operating Managers of the Company.
- F. "Members" shall mean the persons designated as such in this Agreement, any successor(s) to their interests as such in the Company; and any other person who pursuant to this Agreement shall become a Member, and any reference to a "Member" shall be to any one of the Members.
- G. "Net Profits" and "Net Losses" shall mean the net profit or net loss, respectively, of the Company.
- H. The words "membership interest" shall mean a Member's interest in the Company, which shall be in proportion to his share of the current profits of the Company. Profits and losses shall be allocated on the basis of the value of the contributions of each Member as stated in the Operating Agreement. A "majority in interest of the Members" and "two-thirds in interest of the Members" shall mean Members whose aggregate share of the current profits of the Company constitute more than one-half of two-thirds, respectively, of the aggregate shares of all of the Members.

I. "Company" shall mean this Limited Liability Company.

J. "Person" shall mean any natural person, corporation, partnership, joint venture, association, limited liability company or other business or legal entity.

ARTICLE II

Organization of the Company

A. The purpose of the Company is to conduct any lawful business for which limited liability companies may be organized and to do all things necessary or useful in connection with the foregoing.

B. The Company name shall be Charles Henry Properties LLC. The Member or Members in the Company shall continue to do business under the name until the Operating Managers shall change the name or the Company shall terminate.

C. The principal address of the Company shall be 2200 Main Ave, 3rd Floor, New York, 10011 or such other place or places as the Operating Managers may determine. The Operating Managers will give notice to the Members promptly after any change in the location of the principal office of the Company.

~~D. The Company shall terminate on _____ except that the Company may terminate prior to such date as provided in this Agreement.~~

ARTICLE III

Status of Members

A. No Member will be bound by, or be personally liable for the expenses, liabilities or obligations of the Company.

B. No Member will be entitled to withdraw any part of his Capital Account or to receive any distributions from the Company except as expressly provided in this Agreement.

C. No member will have the right to require partition of the Property or to complete any sale or appraisal of the Company's assets or any sale of a deceased Member's interest in the Company's assets, notwithstanding any provision of law to the contrary.

ARTICLE IV

Meeting of Members

A. An annual meeting of Members shall be held within five (5) months after the close of the fiscal year of the Company on such date and at the time and place (either within or without the State of its organization) as shall be fixed by the Members. At the annual meeting the Members shall elect the Operating Managers and transact such other business as may properly be brought before the meeting.

B. A special meeting of Members may be called at any time by the Operating Managers and shall be called by the Operating Managers at the request in writing of a majority in interest of the Members entitled to vote at such meeting. Any such request shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of Members shall be confined to the purposes set forth in the notice thereof.

C. Written notice of the time, place and purpose of every meeting of Members (and, if other than an annual meeting, the person or persons at whose discretion the meeting is being

called), shall be given by the Operating Managers to each Member of record entitled to vote at such meeting, not less than ten nor more than sixty days prior to the date set for the meeting. Notice shall be given either personally or by mailing said notice by first class mail to each Member at his address appearing on the record book of the Company for the purpose of receiving notice. A written waiver of notice setting forth the purposes of the meeting for which notice is waived, signed by the person or persons entitled to such notice, whether before or after the time of the meeting stated therein shall be deemed equivalent to the giving of such notice. The attendance by a Member at a meeting either in person or by proxy without protesting the lack of notice thereof shall constitute a waiver of notice of such Member. All notices given with respect to an original meeting shall extend to any and all adjournments thereof and such business as might have been transacted at the original meeting may be transacted at any adjournment thereof, no notice of any adjourned meeting need be given if an announcement of the time and place of the adjourned meeting is made at the original meeting.

D. The holders of a majority in interest of the Members present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of members except as otherwise provided by statute or the Articles of Organization. If, however, a quorum shall not be present or represented at any meeting of Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. When a quorum is once present to organize a meeting, such quorum is not deemed broken by the subsequent withdrawal of any Members.

E. Every Member entitled to vote at any meeting shall be entitled to vote in accordance with his membership interest in the Company held by him of record on the date fixed as the record date for said meeting and may so vote in person or by proxy. Any Company action shall be authorized by a majority in interest of the votes cast by the Members entitled to vote thereon except as may otherwise be provided by statute, the Articles of Organization or this Operating Agreement.

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

G. All meetings of Members shall be presided over by the Operating Managers, or if not present, by a Member thereby chosen by the Members at the meeting. The Operating Managers or the person presiding at the meeting shall appoint any person present to act as secretary of the meeting.

H. For the purpose of determining the Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof or to express consent or dissent from any proposal without a meeting, or for the purpose of determining the Members entitled to receive payment of any distribution of Cash Flow or the allotment of any rights, or for the purpose of any other action, the Members may fix, in advance, a date as the record date for any such determination of Members. Such date shall not be more than fifty nor less than ten days before the date of any meeting nor more than fifty days prior to any action taken without a meeting; the

payment of any distribution of Cash Flow or the allotment of any rights, or any other action. When a determination of Members of record entitled to notice of, or to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the Members fix a new record date under this Section for the adjourned date.

1. The Company shall be entitled to treat the holder of record of any membership interest as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such membership interest on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the Act.

ARTICLE V **Management**

A. Management of the Company shall be vested in all of the Members who shall also serve as Operating Managers of the Company. The Operating Managers shall vote in proportion to their Membership Interests in the Company. Except as otherwise provided in this Agreement, all decisions of the Operating Managers shall be by a majority in interest of the Members. All Operating Managers must be Members of the Company. No Member will take part in or interfere in any manner with the conduct or control of the business of the Company or have any right or authority to act for or bind the Company except as provided in this Agreement.

B. The Operating Managers shall hold office for the term for which elected and until a successor has been elected and qualified. A vacancy in the office of Operating Manager arising from any cause may be filled for the unexpired portion of the term by the Members.

C. Any Operating Manager may resign at any time by giving written notice to the Members. Any such resignation shall take effect at the time specified therein or, if the time is not specified therein, upon the receipt thereof, irrespective of whether any such resignations shall have been accepted.

D. The Company shall be managed by the Operating Managers and the conduct of the Company's business shall be controlled and conducted solely and exclusively by the Operating Managers in accordance with this Agreement. In addition to and not in limitation of any rights and powers conferred by law or other provisions of this Agreement, the Operating Managers shall have and may exercise on behalf of the Company all powers and rights necessary, proper, convenient or advisable to effectuate and carry out the purposes, business and objectives of the Company, and to maximize Company profits. Such powers shall include, without limitation, the following:

- 1) To open accounts and deposit and maintain funds in the name of the Company in banks or savings and loan associations.
- 2) To determine the appropriate accounting method or methods to be used by the Company.
- 3) To commence lawsuits and other proceedings.
- 4) To retain accountants, attorneys or other agents to act on behalf of the Company.
- 5) To execute, acknowledge and deliver any and all instruments to effectuate the foregoing, and to take all such action in connection therewith as the Operating Managers deem necessary or appropriate.

E. Notwithstanding the foregoing, the Operating Managers may not make any of the following management decisions without obtaining the consent of two-thirds in interest of the Members:

- 1) To acquire, sell, assign, or otherwise transfer any interest in any property.
- 2) To create any indebtedness for borrowed money whether or not secured.
- 3) To make, execute or deliver on behalf of the Company any assignment for the benefit of creditors or any guarantee, indemnity bond, or surety bond.
- 4) To obligate the Company or any Member as a surety, guarantor or accommodation party to any obligation.
- 5) To confess any judgment on behalf of the Company.
- 6) To do any act which makes it impossible to carry on the ordinary business of the Company.
- 7) To make any decisions regarding any employee.
- 8) To obligate the Company in any manner for a liability in Excess of \$10,000.

F. The Operating Manager shall serve as Tax Matters Member.

G. Any person made or threatened to be made a party to an action or proceeding, whether civil or criminal, by reason of the fact that he, his testator or in testate, then, is, or was a manager, Member, employee or agent of the company, or then serves or has served on behalf of the company in any capacity at the request of the Company, shall be indemnified by the Company against reasonable expenses, judgments, fines, and amounts actually and necessarily incurred in connection with the defense of such action or proceeding or in connection with an appeal therein, to the fullest extent permissible by the Act. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled.

ARTICLE VI

Capital

A. The Members have contributed to the Company in exchange for their membership interests; interests in cash and other property as set forth on Schedule A, annexed hereto.

B. The fair market value and the adjusted basis of the contributing Member of any property other than cash contributed to the Company by a Member shall be set forth on Schedule A, annexed hereto.

C. Except as expressly provided in the Agreement, no Member shall be required to make any additional contributions to the capital of the Company.

D. No interest shall be paid on the Capital Account of any Member.

E. A Capital Account shall be established for each Member on the books and records of the Company in accordance with section 1.11.B. If any assets of the Company are distributed to the Members in kind, the Capital Accounts of the Members shall be adjusted to reflect the difference between the fair market value of such assets on the date of distribution and the basis of the Company in such assets.

ARTICLE VII
Distributions of Cash

A. The Company shall distribute to the Members from time to time all cash (regardless of the source thereof) of the Company which is not required for the operation or the reasonable working capital requirements of the Company, (such cash is sometimes referred to herein as "Cash Flow"). For purposes of this Agreement all Cash Flow allocated to the Members shall be allocated among them in the ratio in which the total Capital Contributed by each Member pursuant to Section 6.1 on the last day of each calendar month during the year bears to the total Capital Contributed by all Members pursuant to Section 6.1 on such date without regard to the number of days during each month in which such a person was Member.

B. Distribution of Cash Flow shall be made from time to time in such manner as determined by the Operating Managers.

ARTICLE VIII
Profits and Losses

A. The Net Profits and Losses of the Company shall be the net profits and net losses of the Company as determined for Federal income tax purposes.

B. The Net Profits and Net Losses of the Company and each item of income, gain, loss, deduction or credit entering into the computation thereof, shall be allocated to the Members in the same proportions that they would have shared if there had been Cash Flow.

C. References herein to "reg. Sec." are to the regulations promulgated by the United States Treasury to the Code. "No recourse liability" means any liability with respect to which no Member bears the risk of loss. The following special allocations shall be made in the following order:

1. If there is a net decrease in minimum gain during the fiscal year of the Company, each Member shall be specially allocated items of gross income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to that Member's share of the net decrease of minimum gain. Allocations in accordance with this Section shall be made first from the disposition of Company assets, subject to nonrecourse liabilities, to the extent of the minimum gain attributable to those assets, to the and thereafter, from a pro-rata portion of the Company's other items of income and gain for the taxable year.

2. If there is a net decrease in a Member's nonrecourse liability minimum gain attributable to Members' nonrecourse liabilities during any fiscal year, each Member who has a share of the Member's nonrecourse liability minimum gain attributable to Member nonrecourse liability shall be specially allocated items of gross income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to that Member's share of the net decrease in Members' nonrecourse debt minimum gain attributable to such Member nonrecourse debt. Allocations pursuant to this Section shall be made first from gain recognized from the disposition of Company assets subject to Member nonrecourse liabilities to the extent of member minimum gain attributable to those assets, and thereafter, from a pro-rata portion of the Company's other items of income and gain for the fiscal year.

3. A Member who unexpectedly receives an adjustment, allocation, or distribution will be allocated items of income and gain in an amount and manner sufficient to eliminate such deficit balance as quickly as possible. An allocation shall be made pursuant to this Section and if and to the extent a Member would have a deficit in his adjusted Capital Account after all other allocations were made as if this paragraph were not in the agreement.

4. Nonrecourse deductions shall be allocated among the Members in the same proportion in which they share the Cash Flow of the Company.

5. Any nonrecourse deduction shall be allocated to any Member who bears the economic risk of loss with respect to the Member nonrecourse liability to which such deduction is attributable.

D. Any Company gain or loss realized with respect to property, other than money, contributed to the Company by a Member shall be shared among the Members and regulations to be promulgated hereunder so as to take account of the difference between the Company basis and the fair market value of the property at the time of the contribution ("built-in gain or loss"). Such built-in gain or loss shall be allocated to the contributing Member upon the disposition of the property.

ARTICLE IX

Admission and Withdrawal of a Member

A. A Member may transfer his interest in the Company to another person or entity only with the prior unanimous consent of the other Members either in writing or at a meeting called for such purpose. If all of the other Members do not approve of the transfer, the transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee shall be entitled to receive the share of profits, losses and Cash Flow or other compensation by way of income and the return of contributions in which the transferor otherwise would be entitled.

B. The Members agree to sign such additional documents as may be required in order to admit additional Members to the Company as well as, among other things, to provide for the division of profits, losses and Cash Flow among the Members.

C. All costs and expenses incurred by the Company in connection with the assignment of a Member's interest, including any filing fees and publishing costs and the fees and disbursements of counsel, shall be paid by the assigning Member.

D. Each person who becomes a Member in the Company, by becoming a Member, shall and does hereby ratify and agree to be bound by the terms and conditions of this Agreement.

ARTICLE X

Termination or Dissolution of Company

A. The Company shall be terminated prior to the date of expiration of the term if a majority interest of the Members consent that the Company should be terminated and dissolved, or the Company is dissolved pursuant to this Agreement.

B. The Company shall be terminated in the event any Member (i) withdraws, resigns or is expelled from the Company; (ii) makes an assignment for the benefit of creditors, is the subject of an order for relief under Title 11 of the United States Code, files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, files an answer or other pleading, admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature, seeks, consents to, or acquiesces in the appointment of a trustee, receiver or liquidator for all or any substantial part of his property; (iii) dies; or (iv) a judgment is entered by a court of competent jurisdiction adjudicating him incompetent to manage his person or his property.

C. If the Company is dissolved, the owners of a majority in interest of the remaining Members may elect to reconstitute and continue the Company as a successor Company upon the LLC.

same conditions as are set forth in this Agreement. Any such election to continue the Company will not result in the creation of a new Company among the remaining Members, nor will such election require the amendment of this Agreement or the execution of an amended Agreement.

D. Upon the termination and dissolution of the Company, the then Operating Manager, or Operating Managers, if any, or, if there is no Operating Manager, any person elected to perform such liquidation by the written consent of the owners of a majority in interest of the Members, shall proceed to the liquidation of the Company. The proceeds of such liquidation shall be applied and distributed as follows:

1) If any assets of the Company are to be distributed in kind, such assets shall be distributed on the basis of the fair market value thereof, and any Member entitled in any interest in such assets shall receive such interest therein as a tenant-in-common with all other members so entitled. The fair market value of such assets shall be determined by an independent appraiser to be selected by the Company's independent public accountants. The amount by which the fair market value of any Property to be distributed in kind to the Members exceeds or is less than the basis of such Property, shall, to the extent not otherwise recognized by the Company, be taken into account in computing Net Profits or Net Losses (and shall be allocated among the Members) for purposes of crediting or charging the Capital Accounts of, and liquidating distributions to, the Members.

2) All distributions upon liquidation of the Company shall be distributed as follows:
a. To each of the Members, in proportion to the amounts of their respective positive Capital Accounts, as such accounts have been adjusted.

(i) To reflect the Net Profit or Net Loss realized or incurred upon the sale of the Company's property or assets and any deemed sale.

(ii) In accordance with Section 8.2 to reflect all Net Profits or Net Losses with respect to the year of liquidation. No Member shall be liable to repay the negative amount of his Capital Account.

E. Each of the Members shall be furnished with a statement, reviewed by the Company's independent public accountants, which shall set forth the assets and liabilities of the Company as of the date of the Company's liquidation. Upon completion of the liquidation, the Operating Managers shall execute and cause to be filed Articles of Dissolution of the Company and any and all other documents necessary with respect to termination of the company.

ARTICLE XI

Books and Reports

A. The Operating Managers shall cause the Company to maintain the following records:

1. Complete and accurate books of account, in which shall be entered, fully and accurately, each and every transaction of the Company, shall be kept by the Operating Managers at the principal office of the Company. The fiscal year of the company shall be the calendar year. The books of account of the Company shall be kept in accordance with sound accounting practices and principles applied in a consistent manner by the Company; provided, however, that all methods of accounting and treating particular transactions shall be in accordance with the methods of accounting employed for Federal income tax purposes. All determinations by the Operating Managers with respect to the treatment of any item or its allocation for Federal, State or Local tax purposes shall be binding upon all the Members unless the determination is inconsistent with any express provision of the Agreement.

2. A current list of the full name and last known mailing address of each Member set forth in alphabetical order together with the contribution and share in profits and losses of each Member, a copy of the Articles of Organization of the Limited Liability Company and any amendments thereto, a copy of Limited Liability Company's Federal, State and Local income tax returns for the three most recent fiscal years.

3. Any Member shall have the right from time to time at his expense to have his accountants and representatives examine and or audit the books and records of the Company and the information referred to in this Section, and the Operating Managers will make such books and records of information available for such examinations and/or audits.

B. No value shall be placed for any purpose upon the Company name or the right to its uses, or upon the goodwill of the Company or its business. Upon termination or dissolution of the Company (without reconstitution thereof) as provided in this Agreement, neither the Company name or the right to its use, nor the goodwill of the Company, shall be considered as an asset of the Company.

C. The Operating Manager will cause to be sent to the Members within a reasonable period after the close of each year the following: (a) annual statements of the Company's gross receipts and operating expenses, and the capital accounts of each Member, prepared by the Company's independent public accountants, to be transmitted to each Member; and (b) a report to be transmitted to each Member indicating the Member's share of the Company's profit or loss for that year and the Member's allocable share of all items of income, gain, loss, deduction and credit, for Federal Income Tax purposes.

ARTICLE XII

Tax Elections

A. In the event of a transfer of a Member's interest, or upon the death of a Member, or in the event of the distribution of Company property to any party hereto, the Company may (but need not necessarily) file an election, in accordance with Section 754 of the Code to cause the basis of the Company Property to be adjusted for Federal Income Tax purposes, as provided by Sections ~~734~~ and 743 of the Code.

ARTICLE XIII

Miscellaneous

A. Any notice or other communication under this Agreement shall be in writing and shall be considered given when mailed by registered or certified mail, return receipt requested, to the parties at the following addresses (or at such other address as a party shall have previously specified by notice to the others as the address to which shall be given to him):

- 1. If to the Company, to it in care of the Operating Managers at the address of the Company.
- 2. If to the Operating Managers, to them at the address of the Company.
- 3. If to any Member, to him at his address set forth on the books and records of the Company.

B. This Agreement contains a complete statement of all of the arrangements among the parties with respect to the Company, and cannot be changed or amended orally or in any manner other than by a written agreement executed by all of the Members. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement which are not fully expressed in this Agreement.

C. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

D. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations of the jurisdiction in which the Company does business. If any provision of this Agreement, or the application thereof to any person or circumstance, shall for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected, but rather shall be enforced to the extent permitted by law.

E. Anything hereinbefore in this Agreement to the contrary notwithstanding, all references to the property of the company is deemed to include the Profits, Losses and Cash Flows of the Property.

F. Irrespective of the place of execution or performance, this Agreement shall be governed in accordance with the laws of the State of Massachusetts, applicable to agreements made and to be performed in the State of Massachusetts.

G. The captions, headings and table of contents in this Agreement are solely for convenience of reference and shall not affect its interpretation.

H. This Agreement may be executed in any number of counterparts each of which shall be an original but all of which shall be deemed to constitute a single document.

I. Whenever the context so requires, the male gender when used herein shall be deemed to include female gender, the female gender shall be deemed to include the male gender, the singular shall be deemed to include the plural and the plural shall be deemed to include the singular.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above written.

Charles J. [Signature]

[Signature]

[Signature]

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS

ALBANY, NY 12231-0001

FILING RECEIPT

=====

ENTITY NAME: CHARLES HENRY PROPERTIES, LLC

DOCUMENT TYPE: CERTIFICATE OF PUBLICATION (DOM LLC)

COUNTY: NEWY

=====

FILED:02/25/2013 DURATION:***** CASH#:130225000007 FILM #:130225000006

FILER:

DAVID LANGER
18 BLANCHE STREET

PLAINVIEW, NY 11803

ADDRESS FOR PROCESS:

REGISTERED AGENT:

=====

SERVICE COMPANY: HUBCO - 29

SERVICE CODE: 29

FEE	50.00
FILING	50.00
TAX	0.00
CERT	0.00
COPIES	0.00
HANDLING	0.00

PAYMENTS	50.00
CASH	0.00
CHECK	0.00
CHARGE	0.00
DRAWDOWN	50.00
OPAL	0.00
REFUND	0.00

=====

DOS-1000 1041 1000

CERTIFICATE OF PUBLICATION
OF
CHARLES HENRY PROPERTIES, LLC
(Name of Domestic Limited Liability Company)

Under Section 206 of the Limited Liability Company Law

Filed by: DAVID LANGER

(Name)

18 BLANCHE STREET

(Mailing Address)

PLAINVIEW, NY 11803

(City, State and Zip Code)

Note: This form was prepared by the New York State Department of State for filing a certificate of publication for a domestic limited liability company. You are not required to use this form. You may draft your own form or use forms available from legal stationery stores. The Department of State recommends that legal documents be prepared under the guidance of an attorney.

For DQS Use Only

HUBCO #29
DRAWDOWN

Attach this page after the affidavits of publication.

New York State
Department of State
Division of Corporations, State Records
and Uniform Commercial Code
Albany, NY 12231
www.dos.state.ny.us

CERTIFICATE OF PUBLICATION OF

CHARLES HENRY PROPERTIES, LLC

(Name of Domestic Limited Liability Company)

Under Section 206 of the Limited Liability Company Law

The undersigned is the **Member**

(Title)

of **CHARLES HENRY PROPERTIES, LLC**

(Name of Domestic Limited Liability Company)

If the name of the limited liability company has changed, the name under which it was organized is:

The articles of organization were filed by the Department of State on: **12/04/2012**

The published notices described in the annexed affidavits of publication contain all of the information required by Section 206 of the Limited Liability Company Law.

The newspapers described in such affidavits of publication satisfy the requirements set forth in the Limited Liability Company Law and the designation made by the county clerk.

I certify the foregoing statements to be true under penalties of perjury.

02/12/2013

(Date)

/S/ CLAUDE SIMON

(Signature)

CLAUDE SIMON

(Type or Print Name)

* This certificate must be signed by a member, manager, authorized person or attorney-in-fact. If the certificate is signed by an attorney-in-fact, include the name and title of the person for whom the attorney-in-fact is acting. (Example: John Smith, attorney-in-fact for Robert Johnson, Partner.)

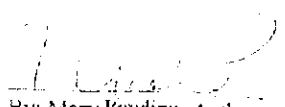
*Affidavit of Publication
Under Section 206 of the
Limited Liability Company Law*

*State of New York
County of New York, ss.:*

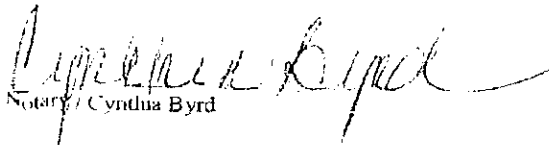
The undersigned is the Publisher of the NEW YORK LAW JOURNAL, a Daily Newspaper published in New York, New York. A notice regarding CHARLES HENRY PROPERTIES, LLC, was published in said newspaper once in each week for six successive weeks, commencing on 12/28/12 and ending on 02/01/13. The Text of the Notice as published in said newspaper is as set forth below. This newspaper has been designated by the Clerk of New York County for this purpose.

CHARLES HENRY PROPERTIES, LLC, Arts. of Org. filed with the SSNY on 12/04/2012. Office loc: NY County. SSNY has been designated as agent upon whom process against the LLC may be served. SSNY shall mail process to: 254 Fifth Ave 3rd Fl, NY, NY 10001. Reg Agent: Claude Simon, 254 Fifth Ave 3rd Fl, NY, NY 10001. Purpose: Any Lawful Purpose. 2005142 d28-F fl

~~Hal Lechen, Publisher~~


By: Mary Pawlina, Authorized Designee of the Publisher

SWORN TO BEFORE ME, this 1st day of February, 2013


Notary / Cynthia Byrd

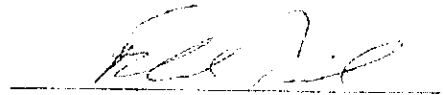
Cynthia Byrd
Notary Public, State of New York
No. 01BY6056945
Qualified in Kings County
Commission Expires April 09, 2015

Affidavit of Publication
Under Section 206 of the Limited Liability Company Law

State of New York,

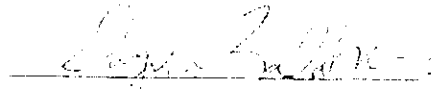
County of New York, ss.:

The undersigned is the publisher of THE CHIEF, Civil Service Leader, a weekly newspaper published in New York, New York. A notice regarding CHARLES HENRY PROPERTIES, LLC was published in said newspaper once in each week for six successive weeks, commencing on January 4th, 2013 and ending on February 8th, 2013. The text of the notice as published in said newspaper is as set forth below, or in the annexed exhibit. This newspaper has been designated by the Clerk of NEW YORK County for this purpose.



Edward Prial

Subscribed and sworn to before me,
This 8th day of February 2013



Notary Public in and for the State of New York
My Comm. Expires 12/31/14
My Office is located at
100 Nassau Street, 10th Floor, New York, NY 10038
My Commission Expires 12/31/14

Legal 125

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125 01/04/13-02/08/13

12/07/2012 12:53PM (GMT-05:00)



77 East John Street
Hicksville, New York 11801
(800) 443-8177
(516) 935-3910
Fax (516) 931-3088
e-mail- orders1@hubco1.com

County of New York Court House
60 Centre Street - Room 161
New York, NY 10007
Attn: Linda
Phone: 646-386-5957 or 5958
FAX - 212-374-5790

December 6, 2012

Re: Newspaper Designation for Legal Notice of :

Charles Henry Properties, LLC

- ENTITY INFORMATION ATTACHED

Please designate the WEEKLY NEWSPAPER for the above mentioned LLC for Legal Notice to be published. As always THE NEW YORK LAW JOURNAL will be the DAILY NEWSPAPER DESIGNATION.

Please FAX us back the designations.

If you have any questions, please call 1-800-443-8177
and ask to speak to Jim.

Thanks Again,
Jim

121204000173

Articles of Organization

of

Charles Henry Properties, LLC

(Under Section 203 of the Limited Liability Company Law)

2012 DEC -4 PM 1:17

HUBCO #29
DRAWDOWN

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED DEC 04 2012

TAX S

BY: mas

Filer:

David Langer
18 Blanche Street
Plainview, NY 11803

RECEIVED
2012 DEC -3 PM 4:14

Customer Reference #
122763

121204000186

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany, on
December 5, 2012.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

Loan No.: 100018625

ACKNOWLEDGMENT OF INSURANCE REQUIREMENTS

Date: December 15, 2016
Loan No.: 100018625
Escrow No.: FN-12710-NY
Order No.: FN-12710-NY
Property Type: Apartment
Property Address:
336 East 56th Street
New York, NY 10022

Please Read Carefully

Please forward required items to:

JPMorgan Chase Bank, N.A.
P.O. Box 9110
Coppell, Texas 75019-9110
Fax: (866) 271-7330

The undersigned ("Owner") acknowledges and agrees that JPMorgan Chase Bank, N.A. ("Lender") has established the following initial minimum insurance requirements for the loan identified above (the "Loan"), which is to be secured by the property identified above (the "Property"). It is important that Owner's insurance be carefully selected by Owner to protect Owner's investment and avoid loss. The minimum insurance requirements set forth in this Acknowledgment are not necessarily adequate for those purposes and are designed only for the protection of Lender's interests.

1. Evidence of Coverage. At least five days prior to the scheduled Loan funding, Lender must receive and approve evidence of all required insurance on an ACORD form 28 for property insurance and ACORD form 25 for liability insurance (or similar forms acceptable to Lender in its sole discretion) together with proof of payment of premiums. The evidence of coverage must show an inception date prior to or corresponding with the date of the Loan funding. Within 30 days after Loan funding, Owner must provide Lender with a copy of all insurance policies (including flood and windstorm policies, if applicable) and all required endorsements. Policies must show an inception date prior to or corresponding with the date of the Loan funding. All documents must reflect the Lender-assigned loan number for the Loan as shown above. If flood insurance is required, special requirements apply, as described in paragraph 2(e) of this Acknowledgment. ACORD or other certificates are not acceptable evidence of flood insurance.

2. Required Coverages and Policy Amounts. Owner must maintain, or cause to be maintained, the following insurance coverages at all times while any portion of the Loan remains outstanding:

a. Property Insurance. The property insurance policy must insure against loss or damage to the improvements on the Property by fire and other perils substantially equivalent to those insured under the Causes of Loss – Special Form published by ISO, and against such other perils, including windstorm, as may be specified by Lender. Terrorism and/or earthquake/earth movement insurance coverage may be required on a case-by-case basis. The property insurance policy must be in an amount not less than 100% of the replacement cost of the improvements on the Property (without deduction for depreciation) as determined by Lender for purposes of protection of Lender's interests (the

"Minimum Property Coverage Amount") and must identify Owner and the Property address as they appear in the loan documents governing the Loan (the "Loan Documents"). The replacement cost coverage may be provided either in the terms of the policy or by endorsement. If Lender, in its sole discretion, permits coverage of less than the Minimum Property Coverage Amount, then such policy must contain an agreed amount endorsement. If the policy is a blanket policy covering the Property and one or more other properties, the policy must specify the dollar amount of the total blanket limit of the policy that is allocated to each property, and the amount so allocated to the Property must not be less than the Minimum Property Coverage Amount.

b. **Loss of Rents/Business Income Interruption.** Owner must maintain loss of rents or business income interruption insurance against loss of income (including but not limited to rent, cost reimbursements and all other amounts payable by tenants under leases or otherwise derived by Owner from the operation of the Property) arising out of damage to or destruction of the improvements on the Property by fire and each other peril insured against under each insurance policy insuring against any type of casualty to the Property or any part thereof that is required pursuant to this Acknowledgment. Such insurance must cover the actual loss sustained for up to 12 months with a minimum coverage amount of 12 months' potential gross income generated by the Property from all sources, as determined by Lender and without deduction for actual or projected vacancy.

c. **Boiler and Machinery.** If a steam boiler is located at the Property, Owner must carry boiler and machinery coverage in at least the Minimum Property Coverage Amount. If a separate boiler and machinery policy is issued, that policy must include loss of rents or business interruption coverage as described in paragraph 2(b) of this Acknowledgment.

d. **Liability.** Owner must maintain commercial general liability insurance (including coverage for elevators and escalators, if any, on the Property) on an occurrence form substantially equivalent to ISO form CG 0001 with coverage of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate. All policies must be primary and noncontributory with any other insurance Owner may carry.

e. **Flood.** If any building or mobile home on the Property which secures the Loan is at any time located in a federally-designated special flood hazard area in which flood insurance has been made available pursuant to the Flood Disaster Protection Act of 1973 (the "Flood Act") or other applicable or successor legislation or other area identified by Lender as having a high or moderate risk of flooding (a "Special Flood Hazard Area"), then Owner must provide Lender with a separate flood insurance policy for each such building or mobile home located in a Special Flood Hazard Area and any contents thereof that also secure the Loan (each a "Building"). The amount of flood insurance coverage for each Building must be in an amount at least equal to the Minimum Flood Coverage Amount for the Building. As used in this Acknowledgment, "Minimum Flood Coverage Amount" means the lesser of the following for each Building (not including land), as determined by Lender: (i) the insurable value of the Building ("Insurable Value"); or (ii) the outstanding principal balance of the Loan allocated to the Building. For each flood insurance policy, the deductible may not exceed \$10,000.00 for a multifamily Building or \$50,000.00 for a commercial Building; provided, however, for private insurance policies described below, the deductible may not exceed the greater of (A) \$10,000.00 for a multifamily Building and \$50,000.00 for a commercial Building, or (B) 10% of the amount of flood insurance coverage under the private insurance policy. If the amount of coverage under the flood insurance policy for any Building is less than the Insurable Value, Lender may require a Difference in Conditions policy satisfactory to Lender to cover a loss that would not be covered under such flood insurance policy. If flood insurance is required, please see Lender's Flood Insurance Requirements letter, the Notice of Special Flood Hazards and Availability of Federal Disaster Relief Assistance, and the Flood Insurance Coverage Detail for further detail about

Lender's flood insurance requirements. Subject to the requirements related to private insurance policies explained below, Lender will accept as evidence of the required flood insurance any of the following: (1) a copy of the insurance policy; (2) a declarations page from the insurance policy; or (3) an application plus proof that the premium has been paid in full. For Lender to accept the evidence described in item (3), Owner must provide Lender with a copy of the insurance policy or the declarations page within 30 days of closing. If Owner provides flood insurance by a private insurance policy (i.e., a policy that is not a standard policy issued on behalf of the National Flood Insurance Program ("NFIP")) for coverage amounts of \$500,000.00 or less for commercial or multifamily properties, in order to make the required comparison to the NFIP standard policy, Lender will require a copy of the private insurance policy prior to closing. If the private insurance policy fails to meet the criteria set forth in Lender's Flood Insurance Requirements letter or cannot be obtained in time to be reviewed prior to closing of the Loan, Owner will be required to purchase an NFIP policy in the amount required by the Flood Act as a condition to closing of the Loan. **Lender does not accept ACORD or other certificates as acceptable proof of flood insurance.**

f. Workers Compensation Insurance. If Owner has employees working at the Property, Owner must carry workers compensation insurance in compliance with the laws of the state in which the Property is located.

3. Policy and Premium Term. If a new policy is being issued, the minimum policy term must be one year from Loan funding, with evidence that the premium has been paid in full for the term of the policy. If a new policy is not being issued due to there being an existing policy in force, the remaining term of the existing policy must be at least two months from Loan funding, with evidence that the premium has been paid for the remaining term of the policy. Installment payments or financing of premiums are not acceptable.

4. Maximum Deductibles. The maximum deductible on the property insurance policy must not exceed the greater of \$10,000.00 or one percent of the applicable amount of coverage. Owner may carry a lesser deductible if Owner so chooses. Notwithstanding the foregoing, if the windstorm peril is excluded from the property insurance policy because the Property is located in a high-risk wind area, and windstorm coverage is provided through a separate policy, windstorm coverage only may have a deductible of up to five percent of the loss (and, if applicable, subject to a policy provision that the minimum deductible for windstorm coverage, regardless of the amount of the loss, will be a specified amount not to exceed \$250,000.00). Acceptable deductibles for flood policies are described in paragraph 2(e) above.

5. Acceptable Insurance Companies. The insurer (the "Insurer") providing the insurance required in this Acknowledgment and the other Loan Documents must be authorized to do business in the state where the Property is located. Lender shall have the right to approve or, for reasonable cause, disapprove the proposed Insurer selected by Owner. The Insurer must have a current Best's rating of "B+" and a financial size category of "VI" or better from A.M. Best Company. A California FAIR (Fair Access to Insurance Requirements) Plan Association policy, or equivalent policy issued by a similar state-run insurer in another state, is acceptable only when minimum form coverage cannot be obtained from an insurance company with such rating.

6. Mortgage and Loss Payee Endorsement. Each property policy must name "JPMorgan Chase Bank, National Association and its successors and assigns" as mortgagee and loss payee pursuant to a mortgage clause or endorsement (the mortgage clause included in Insurance Service Office ("ISO") Property Form No. CP 00 10 or its equivalent, which must be satisfactory to Lender and must provide

that Lender will not have its interest voided by the act or omission of Owner and that Lender may file a claim directly with the Insurer), which clause or endorsement must be contained in or attached to the policy and must show the following address for Lender:

JPMorgan Chase Bank, N.A.
and its successors and assigns
P.O. Box 9110
Coppell, Texas 75019-9110

7. **Renewal Policy.** Owner must renew or replace all required insurance policies so as to maintain continuous coverage in compliance with the Loan Documents. Owner must provide Lender with a complete copy of each renewal or replacement policy (including endorsements) within 30 days after its effective date. Lender may order insurance meeting its requirements (at Owner's expense) if any such policy is not received by such date.

8. **Notice of Cancellation.** All policies must guarantee that Lender will receive 30 days' advance notice prior to cancellation and ten days' notice for nonpayment of premiums. If a notice of cancellation is received on an existing policy and not immediately reinstated or replaced with an acceptable policy, Lender may order replacement coverage at Owner's expense.

9. **Failure of Owner to Maintain Insurance.**

a. **Lender Placed Insurance.** If Owner fails to maintain insurance in accordance with this Acknowledgment and the other Loan Documents, Lender may, but need not, obtain insurance to protect Lender's interests. This insurance is called "lender placed insurance." For instance, without limitation, Lender may obtain lender placed insurance if: (i) Owner fails to deliver any insurance policy to Lender within the time required by this Acknowledgment; (ii) the amount of insurance is reduced below Lender's requirements; (iii) the deductible is increased above Lender's requirements; or (iv) the Insurer does not meet Lender's insurance company rating requirements. Owner is encouraged to contact Owner's insurance agent to advise Owner about Lender's insurance requirements and to ensure that Owner maintains acceptable coverage throughout the life of the Loan.

b. **Limited Coverage.** Lender placed insurance may cover only the improvements and will be only in the amount required by Lender. In addition to other differences, the amount of coverage on the lender placed insurance may be less than Owner's policy and may not cover Owner's equity in the Property, the deductibles may be higher and there may not be personal property/contents, personal liability, medical or special risks coverage. In the case of flood insurance, the amount of coverage may be more than that required by applicable law.

c. **Cost.** Lender placed insurance is typically more expensive than insurance Owner may obtain through Owner's own agent. Owner may also be assessed a nonrefundable policy issuance fee by Lender as well as any costs incurred by Lender relating to the failure to maintain insurance in accordance with Lender's requirements.

d. **Cancellation.** If Lender obtains lender placed insurance, this insurance may be canceled when Owner provides Lender with satisfactory evidence of insurance coverage that is acceptable to Lender. While the lender placed insurance policy may be canceled and Owner may be entitled to a refund of a portion of the premiums paid, Owner may be charged for any time period for which the lender placed insurance was in effect, any cancellation fee assessed by the lender placed insurer, and any costs Lender incurs as a result of the failure to maintain adequate insurance.

10. Additional Insurance Obtained by Owner. If Owner obtains insurance coverage not required under this Acknowledgment or the other Loan Documents that insures any interest in the Property or other collateral securing the Loan, Owner shall ensure that Lender is named as mortgagee and loss payee on such policies by a mortgage endorsement as described above and Lender shall have the right to direct the application of the proceeds of such insurance as provided in the Loan Documents for the proceeds of insurance required by the Loan Documents.

11. Conflicts Among Documents; Changes in Requirements; Approvals. This Acknowledgment sets out Lender's current requirements for insurance coverage, which may change as provided in the Loan Documents. The requirements set out in this Acknowledgment shall not limit the requirements contained in other Loan Documents. Except as otherwise expressly stated therein, the provisions of this Acknowledgment that make certain documents or matters subject to Lender's approval, satisfaction, determination, discretion or similar review shall mean that they must be satisfactory to Lender in its sole discretion.

12. No Permanent Waiver of Requirements. Owner understands and agrees that Lender may agree to close the Loan without requiring Owner to comply strictly with all the requirements set out in this Acknowledgment. Owner acknowledges and agrees that, if Lender so closes the Loan, this is not a permanent waiver of any of the requirements that Lender did not require to be satisfied as of the closing date (the "Specified Requirements"). Lender may at any time in its sole discretion terminate its waiver of the Specified Requirements upon not less than 30 days' written notice to Owner.

13. California Notice. If the Property is located in California, please be aware that California Civil Code Section 2955.5(a) provides that: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property."

ACKNOWLEDGED (OWNER):

Charles Henry Properties, LLC, a New York limited liability company


By: Claude Simon, Operating Manager