

**BUYERS' RIDER ATTACHED TO AND MADE PART OF CONTRACT
OF SALE BETWEEN 336 EAST 56TH STREET REALTY, LLC
AS SELLER AND CHARLES HENRY PROPERTIES, LLC AS
PURCHASER OF THE PREMISES KNOWN AS
336 EAST 56TH STREET, NEW YORK, NEW YORK 10022**

21. This Buyer's Rider is hereby made a part of the printed section of this Contract to which it is attached. The provisions of this Rider supplement and are in addition to and not in limitation of the terms and provisions of the printed portion of this Contract and the Seller's Rider. In each instance in which a term or provision of this Rider shall contradict or be inconsistent with a term or provision of the printed section of this Contract or the Seller's Rider, the term or provision contained in this Rider shall govern and prevail and the contradicted and inconsistent term or provision of the printed portion of this Contract shall be deemed amended accordingly.

22. Seller represents that Seller (i) has received no notice and has no knowledge of any pending or threatened litigation or claim against or concerning Seller, the building, or the personal property included in this sale, (ii) other than the open permit and vent violation and any violations attached as Exhibit "____", and has no knowledge of any other violations or assessments or actions affecting the building;..

23. Supplementing and modifying the printed form of this Contract, Seller represents and warrants that at closing, (a) the entire premises will be free from leaks; and (b) the premises will be free from infestation, including without limitation bedbugs.

24. Permitted Encumbrances. Subject to the terms and provisions of this Agreement, title to the Premises shall be sold, assigned and conveyed by Seller to Purchaser subject only to the following (collectively, the "Permitted Encumbrances"):

In addition to the ones confirmed in the Contract of Sale and Rider attached hereto.

(a) Any other state of facts which a Survey would disclose; provided that such state of facts shall not render title unmarketable.

(b) all presently existing and future liens of (i) real estate taxes and (ii) water rates, water meter charges and vault taxes, water frontage charges and sewer taxes, rents and charges provided that the items set forth in (i) and (ii) are not yet due and payable and are apportioned as provided in this Agreement;

(c) the rights, if any, of any public utility, telephone and cable television companies to maintain and operate pipes, poles, cables and wires in, and over, on and under the Premises and along any abutting streets, with the right to trim any trees along the route of such pipes, poles, cables and wires in order to keep same in proper working order, and otherwise as may be necessary to provide, maintain, operate and repair utility distribution service to the Premises.

- (d) any minor (less than 6 inches) variations between the record line with any fence or hedge;
- (e) party walls;
- (f) any minor (less than 6 inches) encroachments;
- (g) designations of Landmarks Site or Historic District;
- (h) zoning regulations and ordinances which are not violated by the existing structures or present use thereof and which do not render title unmarketable, but excluding any judgments;
- (i) consents by the Seller or any former owner of the Premises for the erection of any structure on under or above any street or streets on which the Premises may abut;
- (j) unpaid installments of assessments not due and payable on or before the Closing Date (but subject to apportionment in accordance with this Agreement); and
- (k) (i) rights of public utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Premises, provided that none of such rights imposes any monetary obligation on the owner of the Premises;
- (ii) encroachments of stoops, areas, cellar steps, trim cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping and retaining walls projecting from the Premises over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Premises; and
- (iii) revocability or lack of right to maintain vaults, coal chutes, excavations or sub-surface equipment beyond the line of the Premises.

25. Seller represents that:

- (a) Each of the leases of the Tenants and all amendments, and modifications in Seller's Possession thereto (collectively, the "Leases"), have been exhibited to Purchaser or its attorney and accurate copies are attached as Exhibit " ____";
- (b) There are no applications, orders, protests or complaints with reference to rents, services or equipment pending with any agency or any court; there has been no diminution of services and/or equipment required by any of the Leases; and there are no known claims, counterclaims or offsets by any Tenant or occupant (other than vent complaint)
- (c) The Leases expire as indicated on the Rent Schedule; and

(d) Except as shown on the Rent Schedule, none of the apartments are rented furnished and each Tenant pays for his own electricity.

26. Seller represents that there are no complaints or proceedings pending as of the date hereof for rent overcharges or for the reduction of any rents, and if any are filed or if any are filed prior to the Closing, Seller agrees to comply with any orders made at its sole cost and expense and if said complaints or proceedings are not dismissed prior to the Closing Date, Purchaser shall be entitled to a credit for the amount of the cost of complying with any order made as a result of such complaints or proceedings at the Closing. Seller agrees to defend, indemnify and hold Purchaser harmless for any rent overcharges referable to the period of Seller's ownership.

27. Seller agrees not to enter into any new Service Contracts nor amend, modify or renew any existing Service Contract without the prior written consent of Purchaser.

28. Seller warrants to the best of Seller's knowledge and represents that all fuel burning devices used in connection with the Premises comply with all applicable Governmental Regulations, including Local Law 14 of the City of New York, if applicable; all have been properly upgraded and current certificates of operation have been issued and shall be delivered to Purchaser at the Closing; and, at the Closing, the Premises will be in compliance with all Governmental Regulations governing the bulk storage of petroleum and petroleum products.

29. All fixtures and articles of personal property included in this sale are now, and at the Closing will be, owned by Seller free and clear of any conditional bills of sale, chattel mortgages, security agreements, financing statements or other security interests of any kind, other than the lien of the mortgage herein referred to, if any, and all fixtures and equipment will be in working order and in operating condition at the time of closing. Seller agrees not to remove any fixtures, personal property, supplies or equipment now in, on or about the Premises or which are used in connection with the operation thereof prior to the Closing, and to deliver same at closing as is to Purchaser.

30. Seller warrants and represents to the best of Seller's knowledge that there is one rent-stabilized, five deregulated and one commercial tenant.

31 Seller warrants and represents that to the best of its knowledge:

(a) The entire Premises is legally occupied for its present use and such occupancy has been approved by each applicable Governmental Authority (as hereinafter defined). As used in this Contract, the terms "Governmental Authority" shall mean the Federal, State, County and Municipal governments, the subdivisions of each, including without limitation, all departments, bureaus and agencies thereof and any quasi-governmental authority, having or asserting jurisdiction over the Premises and the term "Governmental Regulations" shall mean all statutes, laws, ordinances, rules and

regulations of any Governmental Authority.

(b) No demand has been made by any mortgagee, insurance company or board of fire underwriters requiring any work to be done on the Premises or for additional fire insurance. Seller agrees to maintain the Premises in their present order and repair and to make any and all repairs or replacements reasonably necessary or required by any mortgagee, insurance company or board of fire underwriters until the Closing and to deliver the Premises to Purchaser in substantially their present condition, usual wear and tear excepted.

(c) As of the date hereof Seller has not entered into, and agreed not to enter into, any agreement with any applicable Governmental Authority concerning the correction of violations at the Premises. Seller further represents that it has not received any notification from Governmental Authority requiring Seller to enter into such an agreement.

(d) For the past four (4) years there has been no individual and/or organized rent strike, or joint action by Tenants' groups to withhold rent from Seller, nor overcharge claims, or any other claims regarding the units or tenancies. Nor has any claim been made against the landlord for breach of the lease for the past six (6) years. It is a condition of this transaction that there will be no rent strike or action by any tenants' group to withhold rent from Seller on the Closing Date.

(e) If there is any vault space adjacent to the Premises, all license fees therefore are paid; that the return required by Title Z, Chapter 41 of the Administrative Code has been filed and all charges therefor have been paid. Seller represents it has received no notice of any retroactive assessment or reassessment of vault charges.

(f) Seller has not transferred or agreed to transfer any development or air rights pertaining to the Premises and has no knowledge of such transfer or agreement to so transfer by any former owner of the Premises.

(g) No brokerage or leasing fees, commissions or other compensations are may become due or payable with respect to or on account of any of the Leases or any extensions or renewals thereof, whether or not heretofore exercised. The provisions of this paragraph shall survive the Closing but only for six months.

(h) No person, firm, corporation or other entity, including without limitation, any Tenant or occupant of the Premises, has any right or option to acquire the Premises, any portion thereof or any interest therein.

(i) That: (a) Seller has the power and authority to enter into this Contract and to consummate the transaction provided for herein; (b) this Contract is a valid and binding agreement of Seller; (c) the person executing this Contract on behalf of Seller has the authority to do so and the power to bind Seller thereby and if Seller is a corporation, the Board of Directors of Seller has duly authorized the execution and delivery of this Contract; (d) neither the execution of this Contract nor consummation of

the transaction contemplated hereunder requires the consent of the shareholders of Seller or of any other person, firm, corporation nor will either such execution or consummation constitute a violation or breach by Seller or its Certificate of Incorporation, its by-laws or of any agreement to which Seller is a party. The provisions of this paragraph shall survive the Closing.

(j) Seller has not received notice of any mechanic's liens, sidewalk assessments, emergency repair liens or notices to repair sidewalks and shall at the Closing, deliver to Purchaser and Purchaser's title insurer an affidavit so stating. If any mechanic's liens, emergency repair liens, sidewalk assessments or notices to repair sidewalks are discovered or levied prior to subsequent to the Closing, Seller shall pay same on or before the Closing Date, or shall provide a sufficient bond or escrow to have the same omitted as an exception to title insurance.

(k) All existing mortgages on the Premises are non-participating and no mortgage contains any provision requiring permission of the holder thereof to transfer the Premises or permitting such holder to declare the same due and payable if the Premises are sold.

(l) Seller represents that no development rights appurtenant to the Premises have been transferred or conveyed by the Seller.

32. Any repairs or alterations (including painting) to be made, or equipment to be supplied, pursuant to the terms of any Lease or as required by applicable Governmental Regulations, prior to the Closing Date will be done or supplied by Seller, at Seller's sole cost and expense, prior to the Closing and in all cases where rents have been or hereafter are increased by reason of additional service and/or equipment, the same have or will have been furnished and/or installed prior to the Closing.

33 Seller warrants and represents that smoke detectors have been installed in those portions of the Premises occupied or used for residential purposes

34 Seller warrants and represents that the Premises are insured against fire and under casualty to the extent of the full replacement cost of the building and other improvements thereon. If, at any time prior to the Closing Date, all or any part of the Premises are damaged by fire or other casualty, Seller shall immediately notify Purchaser of such event and of the particulars thereof. In the event of such fire or other casualty, Purchaser shall have the right to terminate this Contract by giving Seller written notice of its election to do so within thirty (30) days after receipt of Seller's notice. If Purchaser elects to terminate this Contract, the Contract Deposit shall forthwith be returned to Purchaser whereupon this Contract shall be deemed null and void and of no force or effect and Seller and Purchaser shall each be deemed from any and all further liability hereunder. If Purchaser does not elect to terminate this Contract, this Contract shall remain in full force and effect and, at the Closing, Purchaser shall be entitled to a credit against the purchase price equal to the sum of (a) any and all damage awards and insurance proceeds paid to Seller and (b) the deductible provided for in Seller's insurance

policy, if any. If any such award or proceeds has not paid to Seller on or before the Closing Date, Seller shall, at the Closing, assign to Purchaser all of Seller's right, title and interest thereto and shall credit Purchaser with the aforesaid deductible. Seller agrees not to settle any insurance claim without the prior written consent of Purchaser.

35. Seller warrants and represents that no condemnation or eminent domain proceedings are pending against the Premises or any part thereof and, to the best of Seller's knowledge, no such proceedings are contemplated or threatened. If, at any time prior to the Closing Date, all or any part of the Property shall be taken, or threatened to be taken, by condemnation or in the exercise of any power of eminent domain, Seller immediately shall notify Purchaser of such event and provide Purchaser with copies of all documents relevant thereto. In the event of such a taking, Purchaser shall have the right to terminate this Contract by giving Seller written notice of its election to do so within thirty (30) days after receipt of Seller's notice. If Purchaser elects to terminate this Contract, the Contract Deposit shall forthwith be returned to Purchaser whereupon this Contract shall be deemed null and void and no further force or effect and Seller and Purchaser shall each be deemed released from any and all further liability hereunder. If Purchaser does not elect to terminate this Contract, this Contract shall remain in full force and effect, and at the Closing, Purchaser shall be entitled to a credit against the purchase price equal to the award paid to Seller on or before the Closing Date, Seller shall, at the Closing, assign to Purchaser all of Seller's right, title and interest thereto. Seller agrees not to settle any condemnation or eminent domain award without the prior written consent of Purchaser.

36. Purchaser and its agents, architects and engineers, shall have the right to inspect the Premises at reasonable times after the execution of this Contract, provided it shall first give Seller reasonable advance notification of its intention to do so and further provided that such inspections shall not reasonably impede the normal day-to-day business operation of the Premises.

37. Seller shall deliver to Purchaser:

(a) All of the building plans and specifications relating to the Premises in the possession of Seller or its agents.

(b) An affidavit of Seller certifying to Purchaser that no security interest in any personal property included in this sale has been granted during the ten (10) days then last past, that not written or oral promises, understandings or commitments between Seller or any former owner of the Premises and any Tenant exists other than those contained in the Leases; and that all work required under the Leases has been completed.

(c) Intentionally omitted.

(d) A non-foreign affidavit pursuant to Section 1445 of the Internal Revenue Code, as amended (the "Code"), sufficient to provide an exemption under

Subdivision (b) thereof, or if Seller be a foreign person under the terms of the Code, it is agreed that ten (10%) percent of the purchase price will be retained by Purchaser for remission to Internal Revenue Service in accordance with the Code, unless Seller has received a Qualifying Statement from the Treasury Department pursuant to the Code, in which case the withholding will be pursuant to such Qualifying Statement.

(e) A final water meter reading for the premises.

38. Seller shall, at or prior to the Closing, pay all license, permit and inspection fees due and payable with respect to the Premises prior to the Closing Date.

39. No party, other than the named Purchaser, shall be liable hereunder as a disclosed or undisclosed principal.

40. Any instrument or deposit required to obviate a defect in marketability or to indicate the terms and reduced amount of any mortgage or other lien on the Premises, shall be in such form, terms, conditions and amount and be made in such manner as may be reasonably required by the title insurance company employed by Purchaser to examine and insure title and to satisfy said company sufficiently for such title insurer to either certify the said facts and/or omit any exception to title and/or guarantee to Purchaser against collection of any item out of the Premises. The same shall include affidavits or consents of stockholders, directors and officers approving any acts of corporations in the chain of title, and proof of payment of franchise or dissolution taxes therefor.

41. Notwithstanding anything to the contrary contained herein, the parties agree that any changes or additions in this Contract may be initiated by the respective attorneys for the parties with the same force and effect as if initiated by the parties and any notices which either party may either desire or be required to give and any adjournment or extension of any date provided for herein may be given or consented to, as the case may be, by such attorneys with the same force or effect as if given or consented to by the parties.

42. Seller warrants and represents that:

(i) See Finance Dept website

(ii) See Title Report

(iii) None

(iv) The total cost of yearly electricity and other utilities for the yearly period is approx.. \$ 3,300.00

(v) Intentionally omitted.

(vi) Seller has been duly organized and validly exists as a New York

corporation and is in good standing in the State of New York and is qualified to do business in the State of New York.

- (vii) Seller is not a “foreign person” as defined in Internal Revenue Code Section 1445 and the regulations issued thereunder.
- (viii) Notwithstanding anything contained in this Contract or Riders to the contrary, Purchaser does not agree to any title exceptions that would in any manner prohibit or encumber the continued used of the Premises for current use or, in any manner, render title unmarketable or uninsurable at regular rates.
- (ix) Seller represents that it has not filed or been named in a bankruptcy or insolvency proceeding.

42. The prevailing party in any litigation concerning this Contract, or concerning any breach of this Contract, shall be entitled to reasonable attorneys’ fees and expenses incurred in such litigation.
43. This Contract may be executed in facsimile or email fashion.
44. Seller shall procure an amendment to the commercial lease with its commercial tenant (“Tenant”), Water Dragon New York, LLC confirming their agreement that Tenant shall pay or reimburse landlord for all gas charges incurred over \$44.00 per month for the duration of Tenant’s Lease.
45. Seller represents that the Owner has installed its own separate water meter for the premises and charges tenant back for its own use pursuant to the lease.
46. Seller represents to the best of Seller’s knowledge that there is no impediment to extending the rear of the building under paragraph 5 in the deed to Seller (from the previous owner attached to the Pre-printed Contract and referred to as “Seller’s Deed.”) Seller represents that to the best of Seller’s knowledge the 52 foot depth limit in paragraph 1 applies only to the height addition. Seller represents that the Seller’s Seller (under the Seller’s deed) never represented, claimed, in any manner, either directly or indirectly, either in writing or any other manner, that the 52 foot depth limit would apply to the rear extension allowed under paragraph 5 of the Seller’ deed.

47.

- (i) Seller represents that to the best of Seller’s knowledge that the commercial space maintains insurance on their space and attaches a copy here.

48. Seller represents and warrants that the commercial tenant will execute, within 15 days after execution of this contract, or at least 15 days before closing, whichever is earlier, a written supplement to the commercial tenant's lease providing as follows:

- a) That the commercial tenant agrees to pay the charge back for water used and referenced under paragraph 45 of this contract;
- b) A provision confirming the commercial tenant's obligation under paragraph 44 of this rider;
- c) A provision that the commercial tenant will provide access at all necessary times to the owner to the basement area for the owner to access equipment in the basement and access the common areas of the basement.

49. Seller represents that the complaint concerning the commercial tenant's vent will be cleared and resolved before closing. Seller represents that they have been in contact with the Department of Buildings who has advised that the complaint will be resolved. Seller represents that the vent in issue is a vent for hot air coming from the dryers and does not involve any fuel or gas venting."

50. At closing, seller will give a credit to purchaser in the amount of all of the security accounts with any interest earned to date of closing.

51. Notwithstanding anything to the contrary in this Contract, if at the closing any property is subject to any (a) mortgage or mortgages, (b) mechanic's liens, or (c) title objections which are not permitted encumbrances, and were intentionally created by or consented to by Seller on or after the date of this agreement, Seller shall be obligated to pay (or if mechanic's lien, to bond) the same (regardless of cost) and to cause the title company to omit the same from purchaser's and purchaser's lender's title insurance policy.

52. Notwithstanding anything to the contrary in this Contract, Seller shall pay (or credit to purchaser) at closing cost of any and all fines and penalties in connection with any violations of law or municipal ordinances, orders or requirements issued by the departments of buildings, fire, labor, health or other federal, state, county or municipal or other departments in governmental agencies having jurisdiction against or effecting the premises to the extent that such violations are of record with respect to the property and in existence at the closing date.

53. Seller represents that to the best of Seller's knowledge renovations were made to the apartments that would address old violations on the subject building. At closing all such records will be turned over to the purchaser. Prior to closing, Purchaser may have reasonable access to view and copy these records.

Dated: September, ____, 2013

SELLER:

**336 EAST 56TH STREET REALTY,
LLC**

By:

PURCHASER:

**CHARLES HENRY PROPERTIES,
LLC**

Claude Simon

By:

Claude Simon