

Marcus & Millichap Capital Corporation

Exclusive Capital Services Engagement Agreement

Thank you for engaging Marcus & Millichap Capital Corporation ("MMCC") to provide you with the Capital Markets Services indicated below. The purpose of this Agreement is to define the scope of that representation, how our services will be provided to you, and the fees associated with such services. **This Agreement is legally binding and should be read carefully.**

Services to be Provided:

MMCC will assist you, the undersigned Borrower, in seeking financing with prospective lenders and in negotiating the terms of financing with prospective lenders for the following asset (the "Asset"):

Property Address: 336 East 56th Street, New York, NY 10022

To that end, MMCC will create and structure a financing request memorandum package, and shall submit that package to lenders in an attempt to generate competitive offers. MMCC will consult with you in connection with its preparation of the financing request memorandum package. In performing these services, you understand that MMCC is not acting as your agent or the agent of any lender and is not responsible for performing any investigation or due diligence of the Asset or the underlying investment, or for providing professional tax or legal advice.

You are granting to MMCC the **exclusive right and authority** for a period beginning on September 7, 2016, through February 28, 2017, to work on your behalf to obtain debt financing on the Asset on substantially the following terms:

Loan Program	<u>5</u> Year Fixed
Loan Amount	\$1,400,000 (Approx.)
Fixed Term	5 Years
Amortization	30 Years
Interest Rate	3.15%
Prepayment	Step Down
Recourse	Non-Recourse

Fees for Services Provided:

You agree to pay MMCC an Origination Fee ("Fee") equal to **One Percent (1.0%) of the final loan amount and a \$1,000 loan processor fee** upon the occurrence of any of the following events: (1) A commitment or proposed note or mortgage is issued during the Term or any extension thereof on substantially the same terms and conditions described above, regardless of whether or not the loan closes; (2) A commitment or proposed note or mortgage is issued on any other terms and conditions agreed to or accepted by you, regardless of whether or not the loan closes; (3) You obtain any debt financing on the Asset from or through a source other than MMCC during the Term or any extension thereof; (4) You take any actions during the Term or any extension thereof (including but not limited to cancellation of an accepted commitment or financing, failing to provide information required by a lender to process or close a loan, or defaulting on a commitment or financing) that prohibit, prevent or otherwise interfere with the performance of MMCC's services or the funding of debt financing; or (5) You obtain any debt financing within two (2) years of the Effective Date from any lender disclosed or introduced to you by MMCC.

The Fee is due to MMCC upon closing, and MMCC will be entitled to make demand of any closing agent for payment from the proceeds of the financing, and you shall issue instructions directing that the closing agent pay MMCC the Fee. In no event shall MMCC be paid later than 30 days after any of the events resulting in the fee.

This Fee is in addition to all other third-party processing and report costs, and you agree to pay any expenses that may be required or incurred by a lender to complete the debt financing, including, but not limited to, title insurance, application fees, legal fees, appraisal costs, commitment fees, survey costs, documentation fees, and environmental audits.

To cover third-party processing and report costs, you agree to pay to MMCC a **deposit of \$ N/A** upon execution of this Agreement. If financing is not obtained, any remaining portion of the deposit will be refunded to you. If financing is obtained, any remaining portion of the deposit will be applied toward the Fee due MMCC.

Other Terms:

- You understand that MMCC is not the lender, and that MMCC does not guarantee that financing can be obtained. If MMCC obtains a commitment or proposed note or mortgage, you agree to review it promptly and assist MMCC in negotiating a final form of commitment, note, or mortgage acceptable to you and the lender, though the ultimate decision to accept financing remains yours.
- You agree to **defend, indemnify and hold MMCC harmless** from any and all claims, demands, liabilities and damages arising from or related to any incorrect information supplied by you or any material information which you fail to supply.
- **ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH THEREOF, SHALL BE SETTLED BY FINAL BINDING ARBITRATION** administered before a single arbitrator with a minimum of ten years' experience in commercial real estate by the American Arbitration Association ("AAA"), or another administrator chosen by the parties, under AAA's Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The Parties shall be permitted to engage in discovery, and the arbitrator shall decide pre-hearing dispositive motions. BY SIGNING BELOW YOU CONSENT TO BINDING ARBITRATION AND GIVE UP YOUR RIGHTS TO HAVE THE DISPUTE LITIGATED IN COURT OR JURY TRIAL.
- This Agreement is binding upon and inures to the benefit of the parties and their legal representatives, successors and assigns. The Agreement may not be assigned without the consent of both parties.
- This Agreement contains our entire understanding. There are no other written or oral agreements that affect this Agreement.
- You understand and acknowledge that the closing of the financing contemplated under this Agreement could be delayed by factors outside of MMCC's control. If delayed, you may realize a taxable event or suffer other tax and financial penalties. You **hereby release and hold MMCC harmless** from any and all liability or other financial consequences arising out of or related to delay caused by factors outside of MMCC's control.
- You acknowledge that MMCC is relying on information provided by you and has not made an independent investigation, determination, assessment, analysis, warranty or representation of, among other things, the value of the Asset, the financial, legal, title, physical, geological or environmental condition of the Asset, the financial condition or business prospects of any tenant, or such tenant's intent to continue or renew its tenancy in the Asset, or the suitability of the Asset for your contemplated use. You agree that investigation and analysis of the foregoing matters is your sole responsibility and that you will hold MMCC harmless from any liability therefore.
- You agree that MMCC and its affiliates and assigns may release publicity articles or advertising concerning this debt financing. Information released typically will include the loan amount, property type and description and city location.
- This Agreement shall be governed and construed in accordance with the laws of the State of New York. Venue shall be in the State of New York.
- MMCC makes no representation as to the legal effect or validity of any provision of this Agreement. If you desire legal, financial, or tax advice, consult your attorney, accountant, or tax advisor.

Document Checklist:

You agree to provide the following information to MMCC:

- Current Rent Roll (ideally for the last 3 months);
- Contact information for existing lender, master servicer, special servicer (if applicable), as well as property and asset management;
- Operating Statements (ideally for the last 3 years) detailing income and expenses;
- Loan Documents (the Note, Deed of Trust or Mortgage, Personal Guarantees and Indemnity Agreements);
- A Sources and Uses of Funds Statement that details all debt and equity balances;
- A chart detailing the ownership structure;
- A quick summary of your current capital placement efforts and strategies, if any (we can do this by phone);
- Any other relevant information that might impact financing, including but not limited to, a prepayment penalty on existing debt.

You acknowledge that the information you provide to MMCC will be accurate and complete.

By signing below you authorize MMCC to disclose this information to prospective lenders and authorize MMCC and/or lenders to investigate your credit and financial histories as well as those of any entity or individual related to this Agreement, and to verify information from any source.

If the borrower is a corporation, company, or partnership, you represent that by signing below you are authorized to execute on behalf of and bind the corporation, company, or partnership.

Company Name (if applicable):	Charles Henry Properties	Marcus & Millichap Capital Corporation
Your Name:	Claude Simon	LLC
By:	Stephen Filippo	
Your Address:	71 Tonjes Road Callicoon, NY 12723	Address: 260 Madison Ave – 5 th Floor, New York, NY 10016
Your Phone Number:	212 683 9300 cell: 912 441 0062	Phone Number: (212) 430-5288
Your Email:	claude@charleshenryproperties.com	Email: stephen.filippo@marcusmillichap.com
Signature:		
Signature:		
Effective Date:	September 9, 2016	

Marcus & Millichap Broker of Record
J.D. Parker
260 Madison Ave – 5 th Floor, New York, NY 10016
(212) 430-5100
Signature:
Date: