



Commitment Letter
6 MONTH LIBOR

TO: Charles Henry Properties, LLC, a New York limited
liability company
534 West 42nd Street
Apt 8
New York, NY 10036

Date: 11/30/2016
Escrow No.: FN-12710-NY
Title Order No.: FN-12710-NY

JPMorgan Chase Bank, N.A. ("Lender") is pleased to advise you, the addressee named above ("Applicant"), that your application for a first priority loan (the "Loan") has been approved subject to the terms and conditions of this Commitment Letter (this "Commitment"). Please let us know if you accept the terms and conditions listed below. Once you accept this Commitment and satisfy the applicable conditions, Lender will commence preparation of the loan documents.

(1) Property (together with such other property as described in the Security Instrument, the "Property"):

336 East 56th Street
New York, NY 10022

(2) Loan Amount: \$1,345,000.00 **Loan Type:** L00036

(3) Interest Rate: If the Loan funded on the date of this Commitment, the interest rate for the Loan (the "Interest Rate") would be 3.25000% per annum (the "Initial Interest Rate") and would be fixed for the first 60 months of the Loan; thereafter, the Interest Rate would be subject to change as provided below. Prior to Loan closing, the Interest Rate must be locked. Until the Interest Rate is locked pursuant to the terms of a rate lock agreement, the Interest Rate is subject to change.

(4) Interest Accrual: Interest and payments on the Loan will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, with certain limited exceptions as provided for in the promissory note evidencing the Loan. In this Agreement, the term "per annum" means a year deemed to be comprised of 360 days.

(5) LIBOR Index: The LIBOR Index is the rate for borrowed funds in the interbank market in London in United States dollars for maturities of six months, rounded to the nearest one-thousandth of one percentage point (0.001%) as of the relevant date of determination, as determined by Lender based upon the London Interbank Offered Rate as administered by the ICE Benchmark Administration (or any other entity that takes over administration of such rate). Any LIBOR Index less than zero shall be deemed to be zero for purposes of the Loan.



(6) **Loan Fees and Costs:** A loan origination fee (the "Loan Fee") of \$0.00 that is 0.00000% of the Loan amount plus additional Lender's fees and costs may be due at the time of Loan closing. Consult your Client Manager for details.

(7) **Loan Term:** 360 months.

(8) **Payments:** Monthly payments of principal and interest based on the Amortization Period (as defined below), subject to change as provided below.

(9) **Amortization:** The payments on the Loan will be calculated on the basis of a 360-month amortization period (the "Amortization Period") beginning on the date that is one month prior to the date the first regular monthly payment on the Loan is due.

(10) **Interest Rate Change Date:** On the date the sixtieth monthly payment on the Loan is due (the "Initial Interest Rate Change Date") and on that day every sixth month thereafter (each an "Interest Rate Change Date"), the Interest Rate on the Loan will be adjusted to a rate equal to 2.25000 percentage points plus the then current LIBOR Index, provided that except for the adjustment made on the Initial Interest Rate Change Date, the Interest Rate shall not increase or decrease more than one percentage point from the Interest Rate charged the previous month, so long as there is no default on the Loan.

(11) **Lifetime Interest Rate Cap:** The Interest Rate will never be greater than 9.50000% (the "Lifetime Interest Rate Cap"), so long as there is no default on the Loan.

(12) **Payment Change:** Beginning with the first monthly payment date after the Initial Interest Rate Change Date, and every six months thereafter, Lender will calculate a new monthly payment of principal and interest based on amortization of the outstanding principal balance of the Loan by the end of the Amortization Period and on the assumption that the Interest Rate in effect on the first day of the prior month will remain in effect throughout the remainder of the Amortization Period.

(13) **Prepayment:** In accordance with the terms of the Note and any Note addendum, a prepayment premium may be assessed for prepayments of principal on the Loan and other restrictions will apply to such prepayments. Borrower acknowledges that Borrower has had an opportunity to review the prepayment provision that will be applicable to the Loan and has reviewed it to the extent Borrower deems appropriate.

(14) **Conditions to Closing:** The following conditions must be met in order for the Loan to close.

(a) At closing, the borrower must prepay the interest that will accrue under the Note from Lender's funding date until a date that is one (1) month prior to the date the first monthly payment is due under the Note.

(b) All credit information about Applicant, the borrower, any guarantor and the sponsors and/or principals of each of them (each a "Credit Party") submitted to Lender must be true and correct as of closing of the Loan. Each Credit Party must remain creditworthy as of closing of the Loan as determined by Lender in its sole discretion. Closing of the Loan will be subject to the absence of any

material adverse change in the financial markets or in the value or condition of the Property, including, but not limited to, fire, wind, water or earthquake damage, differential settling, subsurface ground problems, or the status of leases or tenants. In addition, closing of the loan will be subject to the absence of any material adverse information or any inaccuracy or any material adverse change in any information, representations or materials submitted to Lender or otherwise obtained, received or discovered by Lender in connection with the Loan, including, without limitation, the financial condition, death or incapacity of any Credit Party, or derogatory information regarding any Credit Party.

(c) Lender shall have a first priority lien on the Property evidenced by a deed of trust, mortgage or other security instrument in form acceptable to Lender (the "Security Instrument") and a financing statement. Lender must receive, at Applicant's expense, a loan title insurance policy in the amount of 100.00000% of the original Loan amount from such title company and on such forms as approved by Lender. Such title policy shall insure that Lender has a first lien on the Property, subject only to exceptions approved by Lender in its sole discretion.

(d) A survey of the Property may be required showing, among other things, the location of the buildings, easements and rights of way affecting the Property. The survey must be acceptable to the title insurer and Lender.

(e) All property taxes and assessments with respect to the Property must be paid to the extent such taxes are due and payable as of the Loan closing. The Property must be separately assessed for tax purposes. No default or event of default shall exist with respect to any existing financing on the Property.

(f) The borrower must provide insurance as required by Lender.

(g) If the borrower, any guarantor or any other relevant party is an entity, such entities shall be duly organized, in good standing and authorized to enter into the Loan transaction. Applicant shall provide to Lender organizational documents (e.g. partnership agreements, articles of incorporation, operating agreements) and authorizing resolutions for each such entity as Lender may require.

(h) If the Loan is made by Lender to refinance an existing loan, cash out proceeds to be paid to the borrower in connection with the Loan will be disbursed either (i) to a deposit account in the name of the borrower or (ii) by check made payable to the borrower. If the borrower is a trust, the deposit account must be in the name of the trustee(s) of the trust on behalf of the trust.

(i) Prior to closing, no hazardous or toxic materials or substances, including, without limitation, asbestos shall be discovered within or in close proximity to the Property that has the potential for economic liability or loss as determined by Lender in its sole discretion.

(j) Review and approval by Lender, in its sole discretion, of any and all documents, reports, agreements, surveys and other matters required to be submitted to Lender in connection with the Loan application or this Commitment. Applicant must comply with all matters required by this Commitment.

(k) Execution by the borrower and any guarantors of all loan documents required by Lender in form and content acceptable to Lender in its sole discretion.

(l) See Exhibit "A" attached hereto and incorporated by this reference for additional conditions.

(15) Commitment Expiration: This Commitment will be deemed expired ("Commitment Expiration") if the Loan has not closed on or before December 25, 2016. Upon expiration of this Commitment, Lender shall have no further obligation to make the Loan. Any fees or monies collected will be retained by Lender if the Loan does not close due to a failure to satisfy any of the conditions outlined herein or for any reason beyond Lender's control.

Notwithstanding anything to the contrary, the Commitment Expiration shall never be later than the expiration date provided in the rate lock agreement entered into by Applicant and Lender.

(16) Revocation; Replacement Commitment: Lender reserves the right to revoke this Commitment in the event of clerical, ministerial or pricing error or in the event of failure to satisfy the terms and conditions of this Commitment. If Lender revokes this Commitment, Lender will have no further obligation to make the Loan. If this Commitment replaces a previous commitment by Lender for a loan on the Property, such replaced commitment shall be of no further force or effect except to the extent, if any, that the replaced commitment expressly provides that portions thereof remain in effect after issuance of a subsequent commitment replacing it.

(17) Brokers' Fees: Applicant shall indemnify Lender and hold Lender harmless for, from and against any claim for payment of a broker's fee, finder's fee, consultant's fee or similar fee. If required by Lender, Applicant will obtain a letter from all brokers providing that the broker is not looking to Lender for any fees.

(18) No Assignment: Applicant may not assign this Commitment, in whole or in part, and any attempted assignment is void.

(19) No Partial Releases: Partial release of the security for the Loan will not be considered by Lender at any time.

(20) Transfers/Assumability: Subject to Lender's then-current underwriting requirements and compliance with the other requirements of the loan documents, the Loan is assumable by a qualified transferee of the Property for a fee of 1.00000% of the unpaid principal balance of the Loan at the time of such a transfer (a "Consented Transfer"). In addition, certain transfers ("Permitted Transfers") will be permitted by the loan documents without payment of such a fee, upon compliance with the requirements of the loan documents for such transfers. Permitted Transfers include: (a) transfers of less than 25% in the aggregate over the life of the Loan of the equity interests in the borrowing entity or its owners; (b) transfers by inheritance upon a person's death; and (c) estate planning transfers to non-minor immediate family members or to family trusts. Both Consented Transfers and Permitted Transfers will be subject to compliance with certain transfer requirements to be specified in the loan documents.

(21)**Loan Documents:** The loan documents will have terms and conditions in addition to those described in this Commitment and will provide additional detail about matters described in this Commitment. No description of any term or condition of the Loan set forth in this Commitment will be deemed to limit the provisions of the loan documents.

(22)**No Oral Agreements:** It is Lender's policy not to enter into oral agreements. This Commitment, any written disclosures and schedules accompanying this Commitment and any application fee agreement or rate lock agreement entered into by the parties supersede and replace any and all oral discussions relating to the Loan and constitute the final expression of the entire agreement of the parties with respect to the Loan prior to execution of the final loan documents. This Commitment may not be amended except by means of a written amendment executed by Lender.

(23)**Recourse:** The Loan will be fully recourse to the borrower.

(24)**Electronically-Transmitted Signatures:** This Commitment may be delivered by fax, e-mail or other electronic means. The name of Lender's Authorized Officer on this Commitment will have the same effect as delivery of a manually-signed original of this entire Commitment executed by Lender. Lender need not deliver to Applicant a copy of this Commitment signed by Lender in order for this Commitment to be binding on Applicant.

(25)**Governing Law:** This Commitment is made pursuant to, and shall be construed and governed by the laws of the state where the Property is located.

This Commitment includes the following attachments:

- Conditions/Requirements (Exhibit A)

After acceptance of this Commitment, Lender's closing personnel might contact Applicant for any necessary documentation to expedite the funding of the Loan.

If you have any questions about this Commitment, please contact: Robert Caliguri at (516) 574-6605.

Very truly yours,

JPMorgan Chase Bank, N.A.

By: Stacey Piparo

Its: Authorized Officer

CONDITIONS/REQUIREMENTS
(EXHIBIT A)

Date: 11/30/2016

- (1) Claude Simon must sign lender's form of repayment guaranty and environmental indemnity agreement.
- (2) If a Dry cleaner is a tenant, Borrower affirms that all dry cleaning is performed off site.
- (3) The full balance of the taxes owed to New York State by Claude Simon as indicated on the payoff statement must be paid at closing from the loan proceeds.
- (4) This is a recourse loan.
- (5) Property tax escrow account (non-interest bearing) to be established and maintained with lender for the term of the loan. Tax information must be received prior to drawing loan documents. Refer to loan documents for more details.
- (6) UCC-1 Financing Statement will be filed electronically by lender once the loan closes.
- (7) A sample of an Operations and Maintenance Plan will be provided with loan documents .
- (8) Insurance premium/balance of \$6,166.53 is due at closing.
- (9) Prior to loan documents, receipt of a payoff letter from New York State for the full balance of the taxes plus all fees owed by Claude Simon as indicated in his Personal Financial Statement dated 11/3/2016 (Balance was \$231,471 on Personal Financial Statement).
- (10) The loan is subject to a prepayment premium of 5%, 4%, 3%, 2% and 1% of the amount prepaid during each of the first five loan years. Other prepayment restrictions apply. Refer to the loan documents for details. The prepayment terms are subject to change if the loan program is changed.
- (11) At least five days prior to funding lender must receive evidence of hazard insurance that satisfies lender's insurance requirements. Refer to Summary or Acknowledgement of Insurance Requirements.
- (12) Prior to drawing loan documents, lender must receive a closing protection letter or an agent authorization letter if the property is in New York, either of which must be satisfactory to lender.
- (13) Reviewed and approved autopay form in file. No discounts to processing fee as autopay is not from an account with lender.

- (14) For a refinance loan, any cash out proceeds due to borrower(s) in connection with the loan will be disbursed, at closing, to a deposit account in the name of the borrowing entity(ies) or by check made payable to the borrowing entity(ies). If the borrowing entity is a trust, the deposit account must be in the name of the trustee(s) of the trust on behalf of the trust.
- (15) No subordinate financing permitted without prior written consent of lender.
- (16) After the initial fixed interest rate period of the loan, the interest rate will never be less than 2.50% per annum.

Any prepayment premium outlined above is tied to a specific program. If the loan program changes for any reason, the prepayment premium provision may change. Please ask your Client Manager for details.