

**SIXTH AMENDMENT  
TO THE CONDOMINIUM OFFERING PLAN  
FOR THE 534 WEST 42<sup>ND</sup> STREET CONDOMINIUM, LOCATED AT  
534 WEST 42<sup>ND</sup> STREET, NEW YORK, NEW YORK**

This Sixth Amendment modifies and supplements the terms of the Offering Plan ("Plan") of condominium ownership located at 534 West 42<sup>nd</sup> Street, New York, New York, dated August 15, 2008, which is hereby further amended, as follows:

1. **First Unit Closing:** The first unit, Unit 2, closed title on October 22, 2012, at the Law Offices of Allan Lebovits, P.C., 266 Broadway, Suite 304, Brooklyn, New York. In addition, the Substitute Sponsor has also sold and closed title on Units 3, 4, 5, 6 and 7.
2. **Certificate of Occupancy:** The Final Certificate of Occupancy was issued on June 10, 2011.
3. **Filing of the Declaration:** On September 12, 2012, the Declaration was recorded under CRFN #2012000360385, and the floor plans were recorded under CRFN #2012000360386, in the Office of the Register of the City of New York. Thereafter, the Declaration was amended by that certain Amended and Restated Declaration of Condominium for the purpose of incorporating provisions to facilitate mortgage lending for Unit Owners, recorded on December 11, 2012, under CRFN #2012000484755, in the Office of the Register of the City of New York. A copy of the recorded Amended and Restated Declaration of Condominium is annexed hereto as Exhibit D.
4. **Real Estate Taxes Separately Assessed:** On or about January 1, 2013, the real estate taxes for the Units were separately assessed.
5. **Working Capital Fund:** Substitute Sponsor funded the Working Capital Fund by depositing nineteen thousand nine hundred twenty-eight and 53/100 (\$19,928.53) dollars, representing two months of common charges for each Unit in the Condominium, in the Condominium's operating account. The Working Capital Fund is currently maintained at Signature Bank, 300 Park Avenue, New York, New York 10022. Upon the closing on the sale of each Unit by Sponsor, the Unit purchaser reimburses the Sponsor for such Working Capital contribution made in respect of the Unit. There is no reserve fund.
6. **Unsold Units:** As of the date of this Amendment, all of the Units have been sold except for Unit 8 and the Unit 1 (the Retail Unit). A schedule of such Unsold Units is attached hereto as Exhibit A.
7. **First Meeting of Unit Owners and Board of Managers and Officers:** The first annual meeting of the Unit Owners was held on Wednesday, August 7, 2013. At such meeting, the three existing Board members designated by Substitute Sponsor resigned and a new five (5) member Board was elected in accordance with the provisions of Section 4.9 of the By-Laws: (i) Substitute Sponsor, as owner of more than ten (10%) percent of the Residential Common Interest, shall designate two (2) Board members; (ii) Substitute Sponsor, as owner of the commercial unit (Unit 1), shall designate one (1) Board member; and (iii) the remaining two (2) Board members shall be

elected by the Unit Owners based on percentage of common interest. The newly elected Board consists of:

- a. David Speiser – President
- b. Andrew Chadsey – Vice President
- c. Jennifer Prince – Treasurer
- d. John Riccardi – Secretary
- e. Adam Hausman - Member

David Speiser, Andrew Chadsey and Jennifer Prince were designated by Substitute Sponsor; David Speiser is a representative of Substitute Sponsor and Andrew Chadsey and Jennifer Prince are employees of Silverstone Property Group, the managing agent for the Condominium, which is affiliated with Substitute Sponsor.

8. **Revised Schedule B:** Annexed hereto as Exhibit B are a revised Schedule B, an updated Certification of the Adequacy of the Budget and an updated Certification of the Adequacy of the Common Charges for the one year period commencing October 1, 2012 (the month in which the first Unit closing occurred). There are no material changes from the budget previously disclosed in the Fourth Amendment to the Plan.

9. **New Attorney for Sponsor:** The Substitute Sponsor is represented by Kaufman Friedman Plotnicki & Grun, LLP, with offices at 300 East 42<sup>nd</sup> Street, New York, New York 10017, in connection with the preparation of this Amendment and the Plan. Kaufman Friedman Plotnicki & Grun, LLP, will also represent the Substitute Sponsor in connection with the sale of, and closing of any of the remaining Unsold Units, and shall hold all of the deposits in escrow, in accordance with the requirements of the General Business Law Sections 352-e (2-b) and 352-h as is more fully described below.

10. **Revised Escrow Trust Fund Regulations:** The Department of Law has revised its regulations to eliminate the Attorney General's authority to adjudicate disputes regarding the disposition of deposits, down payments, or advances ("Deposits") received by Substitute Sponsor pursuant to New York General Business Law ("GBL") §§ 352-e(2-b) and 352-h. The changes only impact Purchasers who have not received a fully executed Purchase Agreement prior to the date of service of this Amendment. For all other Purchasers, the disclosures set forth in the Procedure to Purchase Section of the Plan shall continue to govern.

- A. **Revised Procedure to Purchase Section of the Plan:** The Procedure to Purchase Section of the Plan regarding escrow trust fund requirements is hereby replaced with the following disclosures set forth herein. The Purchase Agreement, as set forth in Part II of the Plan, is hereby replaced with the revised Purchase Agreement, attached hereto as Exhibit C.
- B. **The Escrow Agent:** The law firm of Kaufman Friedman Plotnicki & Grun, LLP, with an address at 300 East 42<sup>nd</sup> Street, New York, New York, 10017, telephone number (212) 687-1700, shall serve as escrow agent ("Escrow Agent") for Substitute Sponsor and Purchaser. Escrow Agent has designated

the following attorneys to serve as signatories: Stanley M. Kaufman, Gary S. Friedman, Linda Plotnicki and Howard Grun. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Substitute Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

- C. **The Escrow Account:** The Escrow Agent has established a non-interest bearing IOLA account at Citibank, N.A., located at 330 Madison Avenue, New York, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The name of the IOLA account is entitled "Kaufman Friedman Plotnicki & Grun, LLP" ("Escrow Account"). This bank is covered by federal bank deposit insurance to a maximum of \$100,000.00 per individual deposit. If the deposit is in excess of \$100,000.00, it is a special risk of this offer that such deposit will not be federally insured in excess of \$100,000.00.

All deposits received from Purchaser shall be in the form of checks or wire transfers and shall be made payable to or endorsed by the Purchaser to the order of "Kaufman Friedman Plotnicki & Grun, as Escrow Agent", as Escrow Agent.

Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

- D. **The Purchase Agreement:** The Purchase Agreement, as revised to reflect the foregoing, is attached hereto as Exhibit C. The revised escrow provisions are included in the Escrow Rider of the Purchase Agreement, which must be executed by the Escrow Agent.
- E. **Notification to Purchaser:** Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the deposit, the Escrow Agent shall sign the Purchase Agreement and place the deposit into the Escrow Account. Within ten (10) business days of placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Substitute Sponsor, confirming the deposit. The notice shall provide the account number and the initial interest rate to be earned on the deposit, if any. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

The Escrow Agent is obligated to send notice to the Purchaser once the deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and deposit to Escrow Agent. Complaints concerning

the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23<sup>rd</sup> Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

- F. **Release of Funds**: All deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Substitute Sponsor, as per GBL § 352-h.

Under no circumstances shall Substitute Sponsor seek or accept release of the deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Substitute Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the deposit if so directed:

- (a) pursuant to the terms and conditions set forth in the Purchase Agreement upon closing of title to the Shares; or
- (b) in a subsequent writing signed by both Substitute Sponsor and Purchaser; or
- (c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the deposit, then the Escrow Agent must give both the Purchaser and Substitute Sponsor prior written notice of not fewer than thirty (30) days before releasing the deposit. If the Escrow Agent has not received notice of objection to the release of the deposit prior to the expiration of the thirty (30) day period, the deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the deposit contained in the Escrow Account with the clerk of the county where the building is located and shall give written notice to both parties of such deposit.

The Substitute Sponsor shall not object to the release of the deposit to:

- (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

- G. **Waiver Void**: Any provision in the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

11. **Sponsor's Financial Condition**: In accordance with the Department of Law's requirement that all Sponsors are required to amend their offering plans to provide disclosure concerning their financial condition, the Substitute Sponsor is pleased to inform all prospective purchasers that, as of the date hereof, the Substitute Sponsor is current in the performance of its obligations under the Plan, the Substitute Sponsor has sufficient assets to meet any obligations which it may incur during the next twelve months (i.e. the effective date of this Amendment) and that the Unsold Units are not subject to a mortgage.

More specifically, prospective purchasers are advised as follows:

- A. **Percentage of Sold Units**: As of the date of presentation of this Amendment, approximately 88% of the residential Unsold Units have closed title with bona fide purchasers.
- B. **Aggregate Monthly Common Charge Expenses**: The aggregate monthly common charge payments attributable to the Substitute Sponsor's interest in the Building are **\$3,084.86** per month, as shown on Exhibit A.
- C. **Aggregate Monthly Real Estate Tax**: The aggregate monthly real estate taxes and payments attributable to the Substitute Sponsor's interest in the Building is approximately **\$1,318.17** per month, as shown on Exhibit A.
- D. **Aggregate Monthly Rent**: The Substitute Sponsor is not currently leasing either of the remaining Unsold Units.

E. **Other Financial Obligations to the Condominium:** Other than the payment of the future monthly common charges as disclosed above, the Substitute Sponsor does not have any financial obligations to the Condominium.

F. **Sponsor's Assets:** The Substitute Sponsor's assets are sufficient to meet its obligations under the Plan, as amended. The Substitute Sponsor paid real estate taxes in respect of the Unsold Units after the date due thereof; however, as of the date hereof, the Substitute Sponsor is current in all financial obligations to the Condominium, including in the payment of real estate taxes. As noted above, the Substitute Sponsor has sufficient assets to continue to meet its anticipated obligations.

G. **Sponsor's Other Real Estate Holdings:** Madison Realty Capital L.P., the sole member of the Substitute Sponsor, does not, except as set forth below, own more than ten percent of the shares or units in any other cooperative, condominium or homeowner's association:

206 East 124<sup>th</sup> Street Condominium

The Offering Plan for this condominium is on file with the Department of Law and is available for public inspection. Sponsor is current in its financial obligations in the above referenced condominium.

12. **Effective Period For Using Plan Is Extended:** The Plan may be used for six (6) months from the date this Sixth Amendment is duly accepted for filing and thereafter said date is to be extended in a further amendment to the Plan.

13. **Incorporation Of Plan:** The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

14. **Captions:** The captions used herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Sixth Amendment or the intent of any provision hereof.

15. **Definitions:** All terms used in this Sixth Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Plan.

16. **No Further Changes:** Except as set forth in this Sixth Amendment, there have been no material changes to the Plan.

Dated: New York, New York  
September 16, 2013

**SUBSTITUTE SPONSOR:**  
534 West 42<sup>nd</sup> Street LLC  
825 Third Avenue, 37<sup>th</sup> Floor  
New York, New York 10022

**EXHIBIT A**

**UNSOLD UNITS**

<u>Unit</u>	Monthly Real Estate <u>Taxes</u>	Monthly Common <u>Charges</u>
1	\$293.42	\$686.63
8	\$1,024.75	\$2,398.23



**EXHIBIT B**

**BUDGET**

Schedule B  
THE 534 WEST 42ND STREET CONDOMINIUM  
PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION  
October 1, 2012-September 30, 2013

**PROJECTED INCOME**

Common Charges (1)	\$	119,390
TOTAL PROJECTED INCOME	\$	119,390
Operating Expenses:		
Labor (2)	\$	15,000
Utilities (electricity and gas) (3)	\$	24,500
Water & Sewer (4)	\$	2,500
Repairs, Maintenance & Supplies (5)	\$	5,000
Service Contract (6)	\$	11,080
Insurance (7)	\$	13,500
Management Fee (8)	\$	21,600
Legal Fees and Audit Fees (9)	\$	13,000
Total Operating Expenses (10)	\$	106,180

## NOTES TO SCHEDULE B

(1) **Common Charges – (Budget - \$119,390)**

The Common Charges that are being collected from the Unit Owners (and Sponsor) are for the first year of Condominium covering the twelve (12) month period as of October 1, 2012. The allocation for Common Expenses borne by the Units has been allocated based on a percentage of General Common Interest of each Unit.

Unit	Monthly Common Charges
Retail	686.63
2	1,144.38
3	1,144.38
4	1,144.38
5	1,144.38
6	1,144.38
7	1,144.38
PH	<u>2,396.23</u>
	<u><b>9,949.14</b></u>

According to the Offering Plan dated August 15, 2008, Sponsor may rent vacant non-residential space.

(2) **Labor Costs – (Budget- \$15,000)**

This Building does not have a full-time staff. Pursuant to a separate agreement, the Managing Agent has arranged for and provided maintenance staff to perform the services of a part-time, non-union, visiting superintendent to oversee the maintenance needs of the Building's Common Elements and Residential Common Elements and is available for emergencies on a 24 hour basis. The services provided to the Building include cleaning, sanitation removal and maintenance. The budgeted amount for this part-time, non-union employee is at a rate of \$1,250 a month.

As the Commercial Unit derives no benefit from the Superintendent's services, this budget item has been allocated solely to the Residential Units based upon their respective Residential Common Interests.

(3) **Utilities – (electricity & gas (regular & cooking)) (Budget- \$24,500)**

The electricity consumption for the first year of Condominium operations for the Common Elements includes the cost of electricity servicing common area air-conditioning systems, distribution pumps, elevators, lighting and electric usage. A 5% inflation factor has been added.

This budget item does not include the cost of electricity to individual Residential Units which are directly metered. Since all Units are directly metered, all Unit Owners are responsible to pay the electric bills for their Units. The Commercial Unit will be separately metered and the Commercial Unit owner will pay all of its respective metered electricity costs to operate its Unit.

Only the Residential Units and residential lobby are heated and thus, this budget item is allocated solely to the Residential Units in proportion to their respective Residential Common Interests. The Commercial Unit owner is responsible for installing their own heating systems.

The Residential Units are separately metered for gas to be used for cooking. Gas shall also be required for heating water provided to the Residential Units.

(4) **Water & Sewer – (Budget- \$2,500)**

The Building has a single main water meter, which measures actual water usage. No sales tax is currently applicable to this item.

(5) **Repairs, Maintenance and supplies – (Budget - \$5,000)**

Since the Building is newly constructed, it has no operating history upon which to project future costs of repair and maintenance. No major capital repairs are included in the projection for the first year of Condominium operation, since the Building and its systems are entirely new. Any future repairs to the Common Elements will be borne by the Unit Owners.

This budget item included the cost of normal maintenance, including cleaning and other miscellaneous, ordinary supplies, and repairs to the common areas of the Building that are the responsibility of the Condominium and not any individual Unit Owner. Each Unit Owner is responsible for the cost of the interior maintenance, repairs, decoration and painting of their respective Units, including any appliances therein, and for the ordinary maintenance and repair of any Limited Common Element appurtenant thereto.

(6) **Service Contracts- (Budget - \$11,079)**

The budgeted amount includes the cost of service contracts entered into during the first year of Condominium operation. All of the mechanical systems within the Building are under a full service maintenance contract for the first year of Condominium operation. The Condominium is currently entered into the following agreements:

<b>Service Provider</b>	<b>Service</b>	<b>Annual Amount</b>
SOLID STATE ELEVATOR 2628 St. Raymond Avenue Bronx, NY 10461	Elevator Service and Inspection	\$4,050.12
ECOLOGY PEST CONTROL PO Box 131867 Staten Island, NY 10313	Exterminator	\$217.76
MERCURY MECHANICAL 101 Verterans Road West Staten Island, NY 10309	Boiler Maintenance	\$2,395
BE SAFE FIRE SPRINKLER PO Box 905 Tallman, NY 10982	Fire Sprinklers	\$457.28
AFA MONITORING 155 Michael Drive Syosset, NY 11791	Alarm	\$3,368.94
BORO ENERGY PO Box 320197 Brooklyn, NY 11232	Boiler registrations	\$390
ELEVATOR EXPEDITERS 110 Newbury Road Howell, NJ 07731	Elevator Inspection	\$200
<b>TOTAL</b>		<b>\$11,080</b>

All contracts can be terminated with 30 days written notice.

It is noted that Unit Owners are responsible for the maintenance of their respective PTAC units that provide HVAC to the Units.

(7) **Insurance – (Budget \$13,500)**

Based coverage obtained provided to Sponsor by Brown & Brown Metro Inc., having an address at 30A Vreeland Road, Florham Park, N.J. 07932, the following insurance coverages were obtained for the Condominium for its first year of operation:

A comprehensive Condominium package policy, including Boiler & Machinery Damage, with the following coverages and limits:

**Property**

\$4,000,000	Building All Risk, "Special Form", Replacement Cost, No Co-Insurance
\$ 250,000	Flood and Earthquake, each
\$ 120,000	Business Interruption
\$ 250,000	Demolition and Increased Cost of Construction, each
\$ 5,000	Deductible (Except Earthquake: 2%)

**General Liability**

\$1,000,000	Each Occurrence
\$2,000,000	General Aggregate
\$1,000,000	Personal and Advertising Injury
\$ 100,000	Damage to Rented Premises
\$ 25,000	Medical Expense (Any One Person)
\$1,000,000	Hired and Non-Owned Auto

**Directors & Officers Liability**

\$1,000,000	Each Claim including claim expenses
\$ 1,000	Retention

**Employee Dishonesty (Fidelity Bond)**

\$ 100,000	Employee Dishonesty
\$ 500	Deductible

**Umbrella**

\$25,000,000	Liability Limit Each Occurrence
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The terms of the fire, casualty and general liability insurance provides (i) that each Unit Owner is an additional insured for common elements, (ii) that there will be no cancellation without notice to the Board of Managers, (iii) a waiver of subrogation, (iv) a waiver of invalidity because of the acts of the insured and Unit Owners and (v) a waiver of pro-rata reduction if Unit Owners obtained additional coverage.

The insurance figures provided are adequate and acceptable to the insurance carrier in order to provide the Agreed Amount Clause which meets the co-insurance requirement. In order to safeguard the investment of its Unit Owners in the event of a substantial or total destruction of the Building, the Condominium should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage equals it's then estimated replacement cost.

This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of the Unit Owner or improvement or betterments of the unit owner other than provided by the Sponsor.

Each Unit Owner should consider the desirability of obtaining additional insurance at his own cost to cover such risks as fire and casualty losses to Unit contents, replacement, additions, upgraded fixtures and improvements, and liability coverage for personal injury or property damage for occurrences within the Unit (including from leaks and other conditions). Purchaser should consult their attorneys or insurance agents to determine the advisability of obtaining insurance.

The cost of insurance has been allocated to all Units in proportion to their respective Common Interests.

**(8) Management Fees – (Budget \$21,600)**

As of November 1, 2012, the Condominium entered into a management agreement with Silverstone Property Group, an affiliate of the Sponsor, with an address at 825 Third Avenue, 37<sup>th</sup> Floor, New York, NY 10022. The annual management fee is payable in equal monthly installments of \$1,800. This management fee reflects the current prevailing cost for similar services. It is based on the size of the building, number of units, and the level of service.

**(9) Legal and Accounting Fees – (Budget - \$13,000)**

All Unit Owners are entitled to receive from the Condominium, at the Condominium's expense, an annual certified financial statement prepared by an independent certified public accountant. Based on an estimate from Howard Landsberg, Certified Public Accountant, with an address at c/o WeiserMazars, 135 West 50<sup>th</sup> Street, New York, NY 10020, the cost of these services, including preparation of the Condominium's tax returns, is estimated to be \$10,000. The balance is intended to provide for additional incidental miscellaneous accounting services and legal services that the Condominium Board may wish to employ, estimated at an annual cost of \$3,000.

The professional fees are for the benefit of all Unit Owners and the costs have been allocated to all Unit Owners based upon their respective Common Interests.

**(10) Total Projected Expenses – (Budget - \$106,180)**

The projections set forth in this budget are for the first year of Condominium operations covering the period from October 1, 2012 through September 30, 2013.

In view of the varying costs of energy, labor and material, it is not possible to predict with certainty, whether the estimated figures will reflect the actual cost to be incurred during the first year of Condominium operations, although it is believed that reasonable provisions for increased costs have been made.

THE BUDGET IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE BOARD WILL BE AS SET FORTH IN THE BUDGET. IN FACT, IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSE FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.



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## CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET

The Department of Law of  
The State of New York  
120 Broadway, 23rd Floor  
New York, New York 10271

Re: 534 West 42<sup>nd</sup> Street Condominiums  
534 West 42<sup>nd</sup> Street  
New York, New York

To Whom it May Concern;

The sponsor of the condominium offering plan for the captioned property retained me to review Schedule B, containing projections of income and expenses for the first year of condominium operation. I have the following experience:

I have been engaged in the real estate business for over three (3) years in the State of New York, during which time I have been involved in the purchase, sale, and management of real property. My management experience includes the following residential/commercial buildings and/or condominiums/cooperatives: Mandala, LLC (230 East 27 Street); Hamilton Grange, LLC (605 West 141 Street); Arabara, LLC ( 29 West 26 Street); 906 East 180 Street, LLC (906 East 180 Street); 166 Suffolk Street, LLC (166 Suffolk St.)

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

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

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



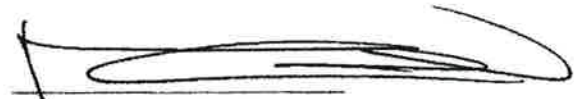


I certify that the Schedule:

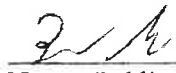
- (i) sets forth in detail the projected income and expenses for the projected year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) do not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I:
  - (a) knew the truth;
  - (b) with reasonable effort could have known the truth;
  - (c) made no reasonable effort to ascertain the truth; or
  - (d) did not have knowledge concerning the representations or statement made.

I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

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

  
Martin Nussbaum

Affirmed before me this  
10<sup>th</sup> day of July, 2013

  
Notary Public

**DANNY SHATZ**

Notary Public - State of New York  
No. 01SH6210710

Qualified in Bronx County  
My Commission Expires August 24, 2013

825 Third Avenue, 37<sup>th</sup> Floor - New York, NY 10022  
Tel: 646.786.8000 \* Fax: 646.219.5643  
[www.silverstonepg.com](http://www.silverstonepg.com)

**EXHIBIT C**

**PURCHASE AGREEMENT**

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## **PURCHASE AGREEMENT**

between

534 West 42<sup>nd</sup> LLC

and

For Unit Number    in  
THE 534 WEST 42ND STREET CONDOMINIUM  
New York, New York

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For Unit Number     in  
THE 534 WEST 42ND STREET CONDOMINIUM  
534 West 42nd Street  
New York, New York

THIS AGREEMENT is made as of \_\_\_\_\_, 20\_\_\_\_ between 534 West 42nd Street LLC (hereinafter collectively called the "Sponsors"), having an address at 825 Thrid ave., 37<sup>th</sup> Floor, New York, New York 10022 and \_\_\_\_\_ (hereinafter called the "Purchaser"), having an address at \_\_\_\_\_

Agreement with the same force and effect as if set forth at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements, made herein and in the Plan.

3. Agreement to Purchase and Sell

Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell to Purchaser, the unit designated as Unit Number\_\_\_ (hereinafter called the "Unit") in the Declaration, together with its undivided interest (hereinafter called the "Common Interest") in the Common Elements, on and subject to, the terms and conditions set forth herein.

4. Purchase Price

A. The purchase price for the Unit (exclusive of closing adjustments and costs referred to in Paragraphs 13 and 14 below) is \$ (hereinafter called the "Purchase Price"), which Purchaser agrees to pay to the Sponsor, as follows:

(i) \$ (hereinafter called the "Down Payment") is due on Purchaser's signing and submitting of this Agreement and is to be paid by Purchaser's personal check, receipt of which (subject to collection) is hereby acknowledged by Sponsor;

(ii) \$ (hereinafter called the "Balance"), constituting the balance of the Purchase Price, is due on the delivery to Purchaser of the deed to the Unit and must be paid by Purchaser's personal certified check or official cashier's check, in either event drawn on a bank that is a member of the New York Clearing House Association.

B. The payment of the Balance and acceptance of deed to the Unit by Purchaser shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the closing.

C. Purchaser is not required to pay the Balance or accept title to the Unit unless concurrently with, or prior to, closing all the prerequisites set forth under "Closing and Terms of Sale" in Part I of the Plan are met.

THIS PURCHASE AGREEMENT IS NOT CONDITIONED UPON A PURCHASER SECURING SATISFACTORY FINANCING. THE SPONSOR MAY, AT ITS OPTION, CONDITION THE CONTRACT UPON FINANCING, PROVIDED THAT PURCHASER AND SPONSOR BOTH PROPERLY COMPLETE AND INITIAL A SECURED LOAN CONDITION RIDER , THE FORM OF WHICH IS ANNEXED HERETO AS EXHIBIT "B".

SPONSOR IS NOT OBLIGATED TO EXTEND OR ARRANGE FINANCING. NO REPRESENTATION IS MADE THAT BANK FINANCING WILL BE AVAILABLE TO PURCHASER OR AS TO THE AMOUNT, TERMS AND CONDITIONS UPON WHICH SUCH FINANCING MAY BE GRANTED OR THE COST TO OBTAIN SAME.

5. Purchase Monies Held in Trust

See Escrow Rider Attached hereto and made a part herof.

6. Closing Contingent on Plan Being Declared Effective

The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that the Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases set forth in the Plan (see the section in the Plan entitled "Effective Date" for full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. The Sponsor shall notify Purchaser, in writing or by a duly filed Amendment to the Plan, when the Plan becomes effective or is abandoned.

7. Closing Date and Place

The closing of title shall occur on the date and at the time and place in the State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor shall have the right, from time to time, to adjourn such date and time for closing written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) business days' prior written notice of the new scheduled date and time for closing. Purchaser may waive this thirty (30) day provision by initialing below.

I hereby waive the provision requiring thirty (30) days Notice of  
Closing\_\_\_\_\_

8. The Deed

At closing, Sponsor shall deliver to Purchaser a Bargain and Sale Deed with covenant against grantor's acts transferring to Purchaser full ownership (fee simple title) to the Unit. The deed shall be substantially in the form reproduced as Document Number 5 in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Such executed deed shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, to Purchaser or Purchaser's attorney).

9. State of Title

Legal ownership to the Unit shall be transferred to Purchaser at closing subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Encumbrances") enumerated in Exhibit A to this Agreement. Any other liens, encumbrances, or conditions shall not be an objection to title if: (i) the instrument required to remove it from the record is delivered to said representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for recording in the proper office, together with the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser against its collection or enforcement out of the Unit.

10. Title Company Approval

Sponsor shall give, and Purchaser shall accept, such title as any member of the New York Board of Title Underwriters, will approve and insure, provided only the liens, encumbrances and conditions affecting title shall be the Permitted Encumbrances. Sponsor shall not be obligated to satisfy any exceptions to title raised by any other title insurance company.

11. Sponsor's Inability to Convey Title

In the event Sponsor is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of one half of one percent of the total offering amount to render title marketable or to remove, cure or comply with any violations of record issued prior to

the First Closing, and in such case, Sponsor may abandon the Plan. In no event shall Sponsor be obligated to cure violations of record which are the obligations of tenants to cure or which result from the acts or omissions of tenants, or violations noted with respect to radio or television antennae.

12. Purchaser's Remedies

In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the apartments in accordance with the terms of the Purchase Agreement, (except for any failure to perform any obligation imposed by applicable statute or regulation, or a failure to perform Sponsor's obligations under the Offering Plan) the sole remedy of the purchaser shall be to rescind the Purchase Agreement and be refunded the entire down payment with interest plus the cost of title searches, if any.

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

Nothing contained in the Purchase Agreement or in the Plan shall be construed to waive a purchaser's rights or abrogate Sponsor's obligations under Article 23-A of the GBL.

13. Closing Adjustments

A. At closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the closing:

(i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, including water charges and sewer rents (if separately assessed) and any escrows for real estate taxes;

(ii) Common Charges for the month in which title closes; and

(iii) ~~rent and other charges, if any, pursuant to a lease for, or tenancy of, the Unit.~~

(iv) insurance apportioned to unit until the policy expiration date.

The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as otherwise provided herein.

B. In the event the Unit has not been separately assessed for the then current fiscal tax year at the time of title closing, the apportionment of real estate taxes shall be based on the Unit's pro-rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. If the Unit has been separately assessed but the closing occurs before the tax rate is fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

C. Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the closing.

D. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by the Purchaser and shall not be considered a defect in title.

14. Purchaser's Closing Costs

At the time of title closing, each Purchaser of a Unit will pay certain closing costs in addition to the legal fees of such Purchaser's counsel and the amount of any net credit in favor of Sponsor resulting from the closing apportionments described above. Such closing costs will include the following, the amounts of

which are based on rates in effect on the date of the Plan and are subject to change without prior notice or amendment:

(i) If such Purchaser elects to obtain fee title insurance, he or she will pay a premium therefor to his or her title insurance company which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered through Kensington Vanguard National Land Services of NY, LLC 39 West 37th Street, 7th floor New York, NY 10018 or similar title insurance companies (the Purchaser is free to choose any title company), should be \$773.00 for the first \$100,000.00 of fee insurance plus \$4.36 for each \$1,000.00 or fraction thereof of additional fee insurance up to \$500,000.00. The premium for mortgage title insurance should be \$654.00 for the first \$100,000.00 of insurance plus \$3.64 for each \$1,000.00 or fraction thereof of additional insurance up to \$500,000.00. Kensington Vanguard National Land Services of NY: a) has updated the title search; and b) has been retained by the Sponsor to clear any title issues affecting the premises, and c) has been retained by the Sponsor to record the condominium declaration and any other documents requiring recording with respect to this offering plan. A copy of the title report will be furnished to the purchaser.

(ii) A fee for recording the deed and Unit Owner's Power of Attorney of \$32.00 for each instrument plus \$5.00 per page, together with a service charge to the title company for such recording of approximately \$185.00;

(iii) If Purchaser obtains a mortgage loan, Purchaser will pay:

(a) a fee and service charge for recording the mortgage at the same rates given above for recording the deed;

(b) Purchasers will pay a portion of the mortgage recording tax in the amount provided for by law, currently 2.05% (1.8% paid by the purchaser, 0.25% paid by the Lending Bank) of the face amount of the mortgage for mortgages under \$500,000.00 and 2.175% (1.925% paid by the purchaser, 0.25% paid by the Lending Bank) for mortgages over \$500,000.00);

(c) (1) Purchasers will pay a premium through the title company for the mortgage title insurance policy. In addition, such Purchaser shall pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee(2) of the Condominium Act. All such payments shall be made upon execution of the loan documents.

(2) The Sponsor at its option may require any purchaser who is obtaining a mortgage to have his lender accept an assignment of a portion of Sponsor's existing mortgage. In such event, Purchaser shall pay to the Sponsor such amount that the Purchaser is saving with respect to the mortgage that the Purchaser would have paid if there was no assignment of mortgage. Accordingly, Purchaser shall apply for a mortgage with a lending institution that will accept an assignment of mortgage. Even if Purchaser's lending institution does not accept an assignment of mortgage, Purchaser shall still be obligated to pay to the Sponsor the amount that would have been saved had the lending institution accepted an assignment of mortgage. In the event the Sponsor exercises such option, the above paragraph (section "c" subsection 1) regarding the mortgage tax credit will be inapplicable and the Purchaser will not be required to make any payments to the Sponsor in respect to the mortgage tax credit.

(d) all costs and expenses in connection with such loan in amounts determined by the lender, i.e., application, points, credit report, survey, appraisal, bank's attorney's fees, Residential and Condominium Endorsements (title insurance forms required by banks) and any other fees required by lender. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing.

(iv) Although usually Seller's expense, purchaser shall pay the Real Property Transfer Tax due to The City of New York. This tax is in the amount of 1.425% of the total purchase price of the Unit for units \$500,000.00 and over and 1% of the total purchase price for units up to \$500,000.00. The Purchaser



shall also pay for the New York State Real Estate Transfer Tax (currently \$2.00 per \$500.00, or fractional portion thereof of the purchase price) imposed by statute on transferors of property. There is an additional 1% mansion tax for transfers of \$1,000,000.00 and over, which is imposed on the Purchaser. For purposes of calculating the transfer taxes to be paid, consideration includes the transfer taxes paid by the purchaser.

(v) Purchaser will be required to deposit with the Board of Managers two (2) months' estimated monthly common charges for his unit.

(vi) Purchaser shall be obligated to pay the following fees to sponsor's attorney: \$2,000.00 for services rendered in connection with the recording of the Declaration of the Condominium and the preparation of documents. In addition, there shall be an additional fee of \$250.00 if the closing is held at any location other than Sponsor's attorney's office. In addition, there shall be a fee of \$200.00 per hour payable to Sponsor's counsel if the duration of the closing exceeds two (2) hours. There shall be a fee of \$250.00 payable to sponsor or sponsor's attorney if e-forms for New York City Real Property Transfer Tax are prepared by the Sponsor's attorney. A \$500.00 fee shall be made payable to the Sponsor's Attorney in the event the Purchaser elects to obtain a mortgage.

(vii) At closing, each purchaser shall pay to the Sponsor the sum of \$2,000.00 to defray the Sponsor's costs of creating the condominium, e.g. architectural costs, filing fees, legal fees and other costs incurred in creating the condominium.

#### 15. Rent Security Deposit

If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within thirty (30) days following the closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Unit is occupied by other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupancy will be transferred at closing to Purchaser, who will upon receipt sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

The Purchaser may not occupy the Unit or perform any work in the Unit prior to closing without the prior consent of the Sponsor. In the event the Purchaser occupies the Unit or performs any work in the Unit prior to closing without the prior consent of the Sponsor, such event shall constitute a default under Section 18 of this Agreement.

#### 16. Power of Attorney to Board of Managers and Sponsor

At closing, Purchaser shall execute, acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or if no representative is present, then to Sponsor's attorney) for recording in the Kings County Clerk's Office, a power of attorney in favor of the Board of Managers relative to purchasing or leasing of Units and in favor of Sponsor relative to amending the Condominium Documents to the extent permitted in the power of attorney. The power of attorney shall be substantially in the form set forth in Document Number 4 in Part II of the Plan. After being recorded, the power of attorney shall be sent to the Condominium Board.

#### 17. Transfer Tax Return

At closing, Sponsor and Purchaser shall each duly complete and sign before a Notary Public the transfer tax return required to be filed with The State of New York. The transfer tax return shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for

filing with the proper governmental officer. Purchaser shall be responsible for payment of such tax.

18. Events of Default

A. The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to pay the Balance on the Closing Date designated by Sponsor pursuant to paragraph 4 herein;

(ii) Purchaser's failure to duly sign, notarize and deliver at closing the power of attorney pursuant to paragraph 16 above or the New York State transfer tax return pursuant to Paragraph 17 above;

(iii) If Purchaser is or becomes a tenant of the Building, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations, which results in Purchaser's eviction from Purchaser's Unit (either by voluntary removal or by court order); or

(iv) If Purchaser occupies the unit or performs any work in the unit prior to closing without the prior consent of the Sponsor;

(v) The failure to pay, perform or observe any of the Purchaser's other obligations hereunder, which is not cured within fifteen (15) days after the mailing of written notice specifying the nature of such default.

B. Upon the occurrence of an Event of Default, the Sponsor's sole remedy shall be to cancel the Purchase Agreement by sending Purchaser thirty (30) days' prior written notice of its intention to do so. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice within which time Purchaser must cure the specified default. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Down Payment (but in no event to exceed ten percent (10%) of the Purchase Price of the it) plus the cost of any special work in the Unit ordered by Purchaser, (hereinafter called the "Liquidated Sum") and any sums in excess thereof (together with any interest earned thereon) shall be returned to Purchaser promptly thereafter. Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

C. In the event that a purchaser does not close on the Closing Date set forth in the Notice of Closing, and Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's closing to his apartment, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be ten percent (10%) per annum. This rate shall be in effect for as long as there is any unpaid amounts owing towards the full purchase price.

D. Notwithstanding the occurrence of an Event of Default Sponsor may, in its sole discretion, keep this Agreement in effect and proceed to close title without prejudicing Sponsor's right to recover from Purchaser's damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled (including, but not limited to, legal fees and costs of collection).

E. If Purchaser is or becomes a tenant of the Building and Purchaser fails to pay rent or otherwise comply with Purchaser's lease or tenancy obligations, or Purchaser vacates or abandons the leased premises, then such failure, vacating or abandonment (as the case may be) shall constitute a default hereunder

entitling Sponsor, at its sole option, to cancel this Agreement, even though Purchaser is not evicted from the leased premises as a result thereof. However, in the event Sponsor elects to so cancel, unless Purchaser is evicted, Sponsor shall refund to Purchaser all monies deposited hereunder together with any interest earned thereon. Upon such refund being made, Sponsor and Purchaser will be released and discharged of all further liability and obligations under this Agreement and the Plan. However, in no event shall Purchaser be released or excused from paying and performing Purchaser's lease or tenancy obligations.

19. Appliances and Equipment

A. The Unit is being sold unfurnished, without window blinds or shades and will contain only the appliances and equipment described above and in the Plan. Furniture, wall coverings, furnishings, decorations, and the like in or about any model Unit are for display purposes only and are not included in this sale. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon. Sponsor shall not be liable for minor variations from any floor plans or sketches.

B. There will be no modifications or extras unless agreed to in writing by the parties. All modifications and alterations must be approved by Sponsor in writing and, if approved, shall be performed by Sponsor at Purchaser's expenses (payable in the manner to be set forth in an addendum to this Agreement or separate agreement).

20. Construction

A. The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the architectural "plans and specifications" (defined in the Plan), subject to the right reserved by Sponsor to modify and amend the Plan and the "plans and specifications" in order to substitute materials, equipment or fixtures of equal or better quality and design, provided only that the approval of any governmental authorities having jurisdiction thereover and the construction lender are first obtained (if required). The issuance of a Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the "plans and specifications". However, nothing herein contained shall excuse Sponsor from its obligations to correct any defects in construction in accordance with the conditions set forth in the Plan in the section entitled "Rights and Obligations of the Sponsor."

B. The construction of the Building and the Unit and the correction of any defects in construction to the extent required under the Plan are the sole responsibility of the Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and "plans and specifications" as indicated in the Plan and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in the Plan

21. Inspection of Unit

At least ten (10) days before the Balance is to be paid, the Selling Agent shall notify the Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Selling Agent to inspect the Unit before the lapse of such ten (10) day period. Purchaser or his duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement and deliver same to the Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said notice or to so sign and deliver the completed Inspection Statement, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor -- Construction Obligations" as set forth in the offering plan.

22. Possession; Risk of Loss

A. Unless Purchaser now resides in the Unit, Purchaser shall not be entitled to occupy the Unit until the deed is delivered to Purchaser at closing. Sponsor may, in its discretion, grant Purchaser possession of the Unit prior to the closing under an interim lease, if the Unit is currently, or hereafter becomes, vacant.

B. If Purchaser is given possession of the Unit prior to Closing under an interim lease or otherwise, the Purchaser shall be solely responsible for any damage to, or loss or other condition in the Unit resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its installations. However, until closing Sponsor will remain responsible to make those repairs required of it as a landlord under any existing or interim lease and, after closing, the Condominium Board will be responsible to make those repairs required of it under the Condominium Documents.

C. If during Purchaser's occupancy the Unit is damaged by casualty or otherwise, the Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

D. Except as provided in the preceding subparagraph C, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, this agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Condominium Board to complete such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

E. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, without interest (unless interest is earned), whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Liquidated Sum pursuant to Paragraph 19 above. Sponsor will notify Purchaser within fifteen (15) days of its decision with respect to repairing the unit.

23. No Representation

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or others, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the estimated Common Charges and estimated real estate taxes for the Unit, the

right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan; Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plans and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Paragraph 23 shall survive the closing of title.

24. Notices

All notices, elections, consents, demands and communications (collectively called "notices" or individually called "notice") shall be delivered personally or given in writing by registered or certified mail, return receipt requested, postage prepaid, and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and, if sent to Sponsor, addressed to the Sponsor.

Notice to Purchaser shall include facsimile transmission to Purchaser or Purchaser's attorney. Seller's attorney may send all notices to Purchaser's attorney and/or Purchaser via facsimile at the following number(s): \_\_\_\_\_. A facsimile confirmation printout by Seller's attorney showing transmission was complete is sufficient evidence that the facsimile has been transmitted and the notice has been served.

25. Broker

Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 26 shall survive the closing.

26. No Lien; Agreement Subject to Mortgage

A. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded and any purported recordation hereof by Purchaser shall constitute an Event of Default.

B. In furtherance and not in limitation of the provisions of the preceding subparagraph A, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date unless Purchaser assumes such mortgages. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration and the Unit is released from

the lien of such mortgage at closing.

27. Entire Agreement

This Purchase Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements.

28. Joint Purchasers

The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

29. Liability of Sponsor

A. Sponsor shall not have any liability to Purchaser or others with respect to any of Sponsor's obligations under this Agreement or the Plan or otherwise in excess of the net proceeds paid to Sponsor from the sale of all Unsold Units after payment of, or reserve for, any liabilities, costs or expenses of Sponsor arising out of the promulgation of the Plan, the offering of the Units for sale and the consummation of the transactions contemplated in the Plan.

B. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

30. Further Assurances

Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

31. Severability

If any provision of this Agreement or the Plan is invalid or unenforceable as against person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

32. Strict Compliance

Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Sponsor, notwithstanding any failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

33. Governing Law

The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the Laws of the State of New York.

34. Arbitration

In order to resolve any dispute, controversy, claim or question arising with respect to this Agreement, the parties shall consult with \_\_\_\_\_ in order to resolve the issue. In the event that after such consultation, the issue is still unresolved, then the parties shall submit such dispute or question to arbitration. If the parties cannot agree on the arbitrators, then such dispute or question shall be submitted to the American Arbitration Association, which will give any party the rights he is entitled to under New York law. The decision of the arbitrators so chosen shall be given within thirty (30) days after their selection or appointment. The fees, costs and expenses of the arbitrators shall be shared equally by the parties. Each party shall also bear the fees and expenses of his or her counsel and expert witnesses. Nothing contained in this paragraph shall be construed to preclude any purchaser's rights under Article 23-A of the GBL.

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

35. Gender

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

36. Certain References

The term "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Paragraphs, subparagraphs or other provisions are references to Paragraph, subparagraphs or other provisions of this Agreement.

37. Captions

The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provisions hereof.

38. Successors and Assigns

The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

39. No Oral Changes

This Agreement cannot be changed nor any provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

40. Acceptance of Purchase Agreement

A. On or prior to Purchaser's signing and delivering this Purchase Agreement, Purchaser agrees (if requested) to complete, sign and deliver to the Selling Agent an application form furnished by Sponsor. Such application shall be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

B. The submission of such application or this Purchase Agreement to Purchaser does not constitute a binding obligation on either Purchaser or Sponsor. No such binding obligation shall arise until duplicates of this Purchase Agreement are executed by, and delivered to, both Purchaser and Sponsor (or Sponsor's duly authorized agent). If, within twenty (20) days after the Selling Agent receives this Purchase Agreement signed by Purchaser, a duplicate of this Agreement signed by Sponsor or its authorized agent is not sent or delivered to Purchaser, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status or other ground proscribed by law.

41. Purchase Agreement Not Conditioned on Financing

Purchaser may partially finance the purchase of this unit by obtaining a mortgage loan for the purchase price. However, the obligations of purchaser under this Purchase Agreement are not conditional on the purchaser's obtaining financing.



42. Agreement Not Assignable; Binding Effect

This Purchase Agreement is not assignable without the consent of the Sponsor.

This Purchase Agreement shall bind and apply to Purchaser and Purchaser's executors, administrators, legal representatives, heirs, successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Purchaser:

\_\_\_\_\_ L.S.

\_\_\_\_\_ L.S.

Purchaser's Address:

\_\_\_\_\_

Accepted and Agreed to:

534 West 42<sup>nd</sup> Street LLC

By: \_\_\_\_\_

Date Accepted:

\_\_\_\_\_

## Escrow Rider

Unit , 534 West 42<sup>nd</sup> Street, New York, New York

1. The law firm of Kaufman Friedman Plotnicki & Grun, LLP, with an address at 300 East 42<sup>nd</sup> Street, New York, New York and telephone number (212) 687-1700, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Stanley M. Kaufman, Gary S. Friedman, Linda Plotnicki and Howard Grun. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.
2. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the deposit from escrow.
3. The Escrow Agent has established a non-interest bearing IOLA account at Citibank, N.A., located at 330 Madison Avenue, New York, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The name of the IOLA account is entitled "Kaufman Friedman Plotnicki & Grun, LLP" ("Escrow Account"). This bank is covered by federal bank deposit insurance to a maximum of \$100,000.00 per individual deposit. If the deposit is in excess of \$100,000.00, it is a special risk of this offer that such deposit will not be federally insured in excess of \$100,000.00.
4. All deposits received from Purchaser shall be in the form of checks or wire transfers, and shall be made payable to or endorsed by the Purchaser to the order of "Kaufman Friedman Plotnicki & Grun, as Escrow Agent".
5. Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the deposit, the Escrow Agent shall sign the Purchase Agreement and place the deposit into the Escrow Account. Within ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the deposit. The notice shall provide the account number and the initial interest rate, if any, to be earned on the deposit. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.
6. The Escrow Agent is obligated to send notice to the Purchaser once the deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23<sup>rd</sup> Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning deposits and requisite notice was timely mailed to the Purchaser.
7. All deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.
8. Under no circumstances shall Sponsor seek or accept release of the deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-c(2-b) and 352-h.
9. The Escrow Agent shall release the deposit if so directed:

(a) pursuant to terms and conditions set forth in the Purchase Agreement upon transfer of the

Shares; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the deposit. If the Escrow Agent has not received notice of objection to the release of the deposit prior to the expiration of the thirty (30) day period, the deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the deposit contained in the Escrow Account with the clerk of the county where the [unit/building] is located and shall give written notice to both parties of such deposit.

The Sponsor shall not object to the release of the deposit to:

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

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

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

10. Any provision of the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

11. Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

12. A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e(2-b) and 352(h).

13. Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution, or validity thereof.

14. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e(2-b) and 352-(h) and the New York State Department of Law's regulations.

15. Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the deposit and this Purchase Agreement.

16. Prior to release of the deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the deposit nor deducted from the deposit by any financial institution under any circumstance.

17. Sponsor agrees to defend, indemnify, and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

Dated: \_\_\_\_\_

Purchaser:

\_\_\_\_\_

Approved and Accepted:

By: 534 West 42<sup>nd</sup> Street LLC, Sponsor/Seller

By: \_\_\_\_\_,  
Authorized Signatory

ESCROW AGENT:  
Kaufman Friedman Plotnicki & Grun, LLP

By: \_\_\_\_\_

## EXHIBIT A

### Permitted Encumbrances

1. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction.
2. State of facts which an accurate survey or personal inspection of the Land would show, provided such facts would not prevent the use of the Unit for dwelling purposes.
3. The terms, burdens, covenants, restrictions, conditions, easements, and rules and regulations, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Condominium Board and Sponsor and the Floor Plans, all as may be amended from time to time.
4. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or street on which the Land may abut.
5. Any easement or right of use in favor of handicapped persons or any easement or right of use in favor of any utility company for electricity, steam, gas, telephone, water, or other service, and the right to construct, use, maintain, repair, and replace all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.
6. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board).
7. Encroachments of shrubbery, stoops, areas, steps, doors, ledges, window sills, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, sewerage pipes, air-conditioning units, canopies, ramps, and similar projections, if any, on, over, or under the Property or the streets or sidewalks or property abutting the Property and the rights of governmental authorities and adjoining property owners to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at closing).
11. Any encumbrance as to which the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purposes.

12. Any lease covering the Unit.
13. Certificate of Occupancy to be issued covering the unit if required.
14. Any violations against the Property (other than the Unit) which are the obligation of the Condominium Board or another Unit Owner to correct.
15. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Purchaser's title to the Unit.
16. Any matters of record which do not prohibit the use of the Unit.

EXHIBIT B  
TERMS OF SECURED LOAN CONDITION RIDER

THE TERMS SET FORTH IN THIS SECURED LOAN CONDITION RIDER SHALL APPLY, AT SELLER'S SOLE OPTION, ONLY IF AGREED TO BY THE SPONSOR IN THE SPACE PROVIDED BELOW. PURCHASER'S SIGNATURE ALONE DOES NOT EFFECTUATE THIS SECURED LOAN CONDITION RIDER.

THIS RIDER IS ANNEXED TO AND FORMS A PART OF THE PURCHASE AGREEMENT, DATED \_\_\_\_\_, BETWEEN \_\_\_\_\_, SELLER, AND \_\_\_\_\_, AS PURCHASER, RELATIVE TO THE SALE OF UNIT \_\_\_\_\_ AT 534 West 42nd Street, New York, NEW YORK.

A. The name of the proposed lending institution or mortgage broker shall is \_\_\_\_\_.

B. Seller shall send notice to Purchaser that an application for a mortgage must be made by Purchaser. Within two (2) weeks of receipt of said notice, Purchaser must make a mortgage application. Within seven (7) days thereafter, the Purchaser must provide the Seller and/or Seller's attorney with the name and address of the bank or mortgage broker to which application has been made. Seller and/or Seller's attorney shall be permitted to deal directly with Purchaser's bank or mortgage broker. Failure to send such notice will be considered to be a waiver of the mortgage contingency.

C. The obligations of Purchaser hereunder are conditioned upon issuance on a date which is on or before forty-five (45) days from date of notice set forth in Paragraph A ("Mortgage Contingency Expiration Date"), of a written commitment from any Institutional Lender (which shall include a mortgage banker and broker) pursuant to which such Institutional Lender agrees to make a first mortgage loan to Purchaser, at Purchaser's sole cost and expense, of an amount equal to 75% of the purchase price or such lesser sum as Purchaser shall be willing to accept, at prevailing interest rates for a term of at least thirty (30) years and on other customary commitment terms, whether or not conditional upon any factors other than an appraisal satisfactory to the Institutional Lender.

D. Purchaser shall (a) make an application within two (2) weeks after receiving the notice referred to in Paragraph A above, (b) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (c) pay all fees, points and charges required in connection with such application and loan, (d) pursue such application with diligence, (e) cooperate in good faith with such Institutional Lender to obtain such commitment and (f) give notice within three (3) weeks to Seller of the name and address of each Institutional Lender to which Purchaser has made such application. Purchaser shall comply with all requirements of such commitment (or of any other commitment accepted by Purchaser) and shall furnish Seller with a copy thereof promptly after receipt thereof.

E. If such commitment is not issued on or before the Mortgage Contingency Expiration Date, or a rejection is received, Purchaser shall within five (5) days of the Mortgage Contingency Expiration Date or rejection date, notify the Seller of the failure to receive a commitment or of the rejection and at such time, Purchaser may cancel this contract by giving notice to Seller, in which case this contract shall be deemed cancelled and thereafter neither party shall have any further rights against or obligations or liabilities to, the other by reason of this contract and the downpayment shall be promptly refunded to Purchaser. Provided, however,

that at such time, the Seller, at its option, shall within fifteen (15) days, cause the Purchaser to submit an application together with the required fees to an Institutional Lender and Purchaser shall be required to accept the commitment under terms equal to or better than the terms originally sought by the purchaser.

F. If such commitment is not issued on or before the forty five (45) days from the date of this agreement, or a rejection is received, Purchaser shall within five (5) days of the Expiration Date or rejection date, notify the Seller of the failure to receive a commitment or of the rejection and at such time, Purchaser must apply for a mortgage if he has not done so previously with Pan Am Mortgage & Financial Services, Inc., a licensed mortgage broker with an office at 261 Madison Avenue, 25<sup>th</sup> floor, New York, New York 10016. If such commitment is obtained from Pan Am Mortgage & Financial Services, Inc., then Purchaser shall notify Seller within five days of such commitment and the Purchaser will no longer be allowed to terminate the Purchase Agreement as a result of this Secured Loan Condition Rider. If Pan Am Mortgage & Financial Services, Inc. fail to issue a commitment within forty-five (45) days from the date that an application is made to either of them, then Purchaser may cancel this contract by giving notice to Seller, in which case this contract shall be deemed cancelled and thereafter neither party shall have any further rights against or obligations or liabilities to, the other by reason of this contract and the downpayment shall be promptly refunded to Purchaser. If Purchaser fails to give notice of cancellation then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Downpayment by reason of the contingency contained in this Rider and the mortgage contingency will no longer apply.

In addition, if Purchaser fails to notify Seller within fifty (50) days of the date of the Mortgage Contingency Commencement Date set forth in Paragraph A that he has received a commitment, Seller may at its option cancel the contract and thereafter neither party shall have any further rights against or obligations or liabilities to, the other by reason of this contract, and upon cancellation the downpayment shall be promptly refunded to Purchaser.

Provided that the purchaser complies with all of the above terms, if the financing commitment lapses or expires prior to closing and the purchaser has made a good faith effort to extend the commitment, the Sponsor will grant to purchaser a right of rescission and a reasonable period of time to exercise such right.

A purchaser seeking financing will be responsible for all fees and costs imposed by the lender, including (but not limited to) appraisal and origination fees (if any).

In accordance with the Secured Loan Condition Rider, the purchaser will have the right to terminate the Purchase Agreement and be refunded all monies deposited thereunder, without interest, in the event:

an institutional lender fails, through no fault of the purchaser, to issue its commitment on the terms described above within 45 days (or such greater period as the Sponsor may permit, in Sponsor's sole discretion), provided the purchaser gives notice of termination not later than five (5) days after the expiration of the aforementioned period; or

the commitment issued by the lender is not funded by the closing through no fault of the purchaser, provided the purchaser gives notice of termination no later than ten (10) days before the closing.

In the event purchaser fails to exercise the right of termination within time periods set forth above or has failed to satisfy the conditions set forth in the Secured Loan Condition Rider, then, in either case, the Purchase Agreement shall remain in full force and effect.



SELLER:

By: \_\_\_\_\_

\_\_\_\_\_  
Purchaser

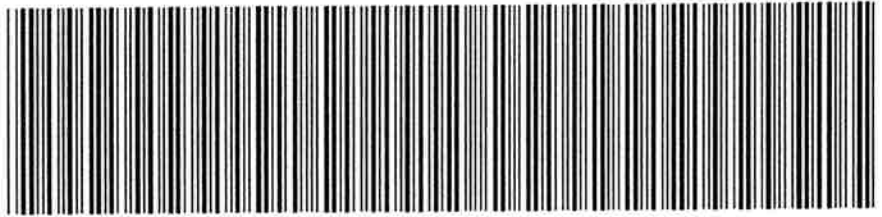
\_\_\_\_\_  
Purchaser

**EXHIBIT D**

**RECORDED AMENDMENT TO DECLARATION**

**NYC DEPARTMENT OF FINANCE  
OFFICE OF THE CITY REGISTER**

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument. The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.



2012120501293001002EA876

**RECORDING AND ENDORSEMENT COVER PAGE**

**PAGE 1 OF 8**

**Document ID: 2012120501293001**

**Document Date: 12-03-2012**

**Preparation Date: 12-05-2012**

**Document Type: AMENDED CONDO DECLARATION**

**Document Page Count: 6**

**PRESENTER:**

RIVERSIDE ABSTRACT LLC  
HOLD FOR PICKUP  
3839 FLATLANDS AVE #208 - RA-REC-8134  
BROOKLYN, NY 11234  
718-252-4200  
pkohan@rsabstract.com

**RETURN TO:**

RIVERSIDE ABSTRACT LLC  
HOLD FOR PICKUP  
3839 FLATLANDS AVE #208 - RA-REC-8134  
BROOKLYN, NY 11234  
718-252-4200  
pkohan@rsabstract.com

**PROPERTY DATA**

Borough	Block	Lot	Unit	Address
MANHATTAN	1071	1101	Entire Lot	14B 500 WEST 43RD STREET

**Property Type: SINGLE RESIDENTIAL CONDO UNIT**

Borough	Block	Lot	Unit	Address
MANHATTAN	1071	1102	Entire Lot	14C 500 WEST 43RD STREET

**Property Type: SINGLE RESIDENTIAL CONDO UNIT**

x Additional Properties on Continuation Page

**CROSS REFERENCE DATA**

**CRFN: 2012000360385**

**PARTIES**

**PARTY ONE:**

534 WEST 42ND STREET CONDOMINIUM  
534 WEST 42ND STREET  
NEW YORK, NY 10036

**FEES AND TAXES**

<b>Mortgage</b>			<b>Filing Fee:</b>	
Mortgage Amount:	\$	0.00		\$ 0.00
Taxable Mortgage Amount:	\$	0.00	NYC Real Property Transfer Tax:	
Exemption:				\$ 0.00
<b>TAXES: County (Basic):</b>	\$	0.00	NYS Real Estate Transfer Tax:	
City (Additional):	\$	0.00		\$ 0.00
Spec (Additional):	\$	0.00		
TASF:	\$	0.00		
MTA:	\$	0.00		
NYCTA:	\$	0.00		
Additional MRT:	\$	0.00		
<b>TOTAL:</b>	\$	0.00		
Recording Fee:	\$	87.00		
Affidavit Fee:	\$	0.00		

**RECORDED OR FILED IN THE OFFICE  
OF THE CITY REGISTER OF THE  
CITY OF NEW YORK**

Recorded/Filed 12-11-2012 11:28

City Register File No.(CRFN):

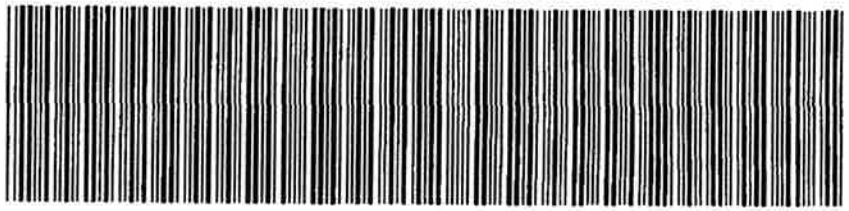
**2012000484755**



*Annette McHill*

**City Register Official Signature**

NYC DEPARTMENT OF FINANCE  
OFFICE OF THE CITY REGISTER



2012120501293001002CAAF6

RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION) PAGE 2 OF 8

Document ID: 2012120501293001

Document Date: 12-03-2012

Preparation Date: 12-05-2012

Document Type: AMENDED CONDO DECLARATION

PROPERTY DATA

Borough	Block	Lot	Unit	Address
MANHATTAN	1071	1103	Entire Lot 14D	500 WEST 43RD STREET
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
Borough	Block	Lot	Unit	Address
MANHATTAN	1071	1104	Entire Lot 14E	500 WEST 43RD STREET
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
Borough	Block	Lot	Unit	Address
MANHATTAN	1070	1105	Entire Lot 5	534 WEST 42ND STREET
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
Borough	Block	Lot	Unit	Address
MANHATTAN	1070	1106	Entire Lot 6	534 WEST 42ND STREET
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
Borough	Block	Lot	Unit	Address
MANHATTAN	1070	1107	Entire Lot 7	534 WEST 42ND STREET
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
Borough	Block	Lot	Unit	Address
MANHATTAN	1070	1108	Entire Lot 8	534 WEST 42ND STREET
Property Type: SINGLE RESIDENTIAL CONDO UNIT				

**FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM**

of the Premises known as

The 534 West 42<sup>nd</sup> Street Condominium  
534 West 42<sup>nd</sup> Street  
New York, New York

Pursuant to Article 9-B of the Real Property  
Law of the State of New York

Declarant:

534 West 42<sup>nd</sup> Street LLC

Date: *December, 3, 2012*

Record & return to:

Law Offices of Allan Lebovits, P.C.  
266 Broadway, Suite 304  
Brooklyn, New York 11211

The land affected by the within instrument lies in  
Block 1070,  
F/K/A Lot 49  
N/K/A Lots 1101 through 1108, inclusive,  
on the Tax Map of the County of New York,  
City and State of New York

**FIRST AMENDMENT TO**

**DECLARATION**

of

**THE 534 WEST 42<sup>ND</sup> STREET CONDOMINIUM**

534 West 4nd Street LLC, hereby declares as follows:

1. A Declaration of Condominium dated July 25, 2012, (the "Declaration") was made pursuant to Article 9-B of the Real Property Law of the State of New York and established condominium ownership of the premises known as The Deuce Condominium, 534 West 42nd Street, New York, New York (The "Condominium"). Said Declaration was filed in the Real Property Assessment Bureau of the City of New York, Borough of Manhattan as Condominium Plan No. 2341 and was recorded together with the Bylaws of the Condominium (the "Bylaws") in the Office of the City Register, New York County on September 12, 2012 under City Register file No. (CRFN) 2012000360385 and together with the Floor Plans of the Condominium known as Maps, certified by the Architect and recorded together with the Declaration under City Register file No. (CRFN) 2012000360386.

2. The By-Laws, shall heretofore be amended by adding the following section to the By-Laws:

**I. Article 7: "SELLING AND LEASING OF UNITS";**

Section 7.1. General. Any Unit Owner shall be free to sell or lease or to convey or transfer his or her Unit, together with its Appurtenant Interests, by sale, gift, lease, or to devise the same by will or to have the same pass by intestacy to persons or entities, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to all the provisions of this Declaration and By-Laws.

Section 7.2. Right of First Refusal, Section 7.3 Acceptance of Offer, Section 7.4 Failure to accept Offer & Section 7.5 Termination of and Exceptions to, the Right of First Refusal shall heretofore be removed from the By-Laws of the declaration. Provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, all of the remaining terms and conditions of this Article 7.

## II. Article 8.7 "Additional Rights of Mortgagee"

A. If the Declaration and the By-Laws of the Condominium are to be amended and such amendment would materially interfere with any right or interest of any mortgagee such amendment may only be filed upon approval of 51% of all mortgagees.

B. Any first mortgagee who obtains title to a condominium unit pursuant to the legal remedies in the mortgage or through foreclosure will not be liable for more than six months of the units unpaid regularly budgeted charges accrued before the acquisition of title to the unit by mortgagee.

C. Intentionally Omitted.

D. In addition to any other notices provided for in the Declaration and By-Laws, Notices will be sent to any mortgagee, by certified or registered mail return receipt requested, upon the happening of any of the following circumstances to either the building or to a mortgaged unit:

1) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss"), or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), as described and in accordance with the By-Laws: (iii) In addition to the notice thereto provided for herein, in the event of Taking or a Casualty Loss referred to in this subsection as described in elsewhere in the declaration and or the By-Laws, when applicable, no termination of condominium shall occur without the written consent and approval of 51% of all mortgagees.

2) In the event that any party whose unit or interest is mortgaged to a mortgagee defaults in performing any act or making any payment which is that party's responsibility hereunder, including common charges and or special assessments, for a period of sixty days after the obligation to pay, and said default is not cured within fifteen (15) days of written notice of said default.

3) If any insurance policies insuring the Building and all service machinery contained therein covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear may not be either cancelled, or be allowed to lapse, or substantially modified except upon at least ten days' prior written notice to all of the insured, including all Permitted Mortgagees.

4) If the Declaration and the By-Laws of the Condominium are to be amended and such amendment would materially interfere with any right or interest of any mortgagee.

E. Notwithstanding the foregoing provisions in the event a mortgagee fails to respond to written notice within 60 days of said written notice, provided notice was delivered by certified or registered mail return receipt requested said silence shall be construed as an

implied approval by an Mortgagee.

3. The Condominium shall be known as "The 534 West 42<sup>nd</sup> Street Condominium", any reference or mention in the Declaration or Bylaws of "The Deuce Condominium" shall be replaced with "The 534 West 42<sup>nd</sup> Street Condominium."

4. The Sponsor's attorney shall be revised to Law Offices of Allan Lebovits, P.C., 266 Broadway, Suite 304, Brooklyn, New York 11211. Any reference or mention of Sponsor's attorney in the Declaration or Bylaws shall be revised to read "Law Offices of Allan Lebovits, P.C., 266 Broadway, Suite 304, Brooklyn, New York 11211."

5. Other than as set forth above, there are no other changes in the terms of the Declaration of Condominium or Bylaws.

**{REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK}**



IN WITNESS WHEREOF, the Declarant has executed this document as of the day and year first above written.

Declarant: 534 West 42<sup>nd</sup> Street LLC

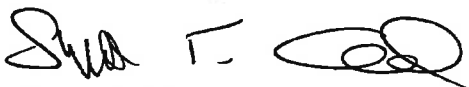
By:

  
Brian Shatz  
Authorized Person

STATE OF NEW YORK )

COUNTY OF NY ) SS.:

On the 3 day of December in the year 2012, before me, the undersigned, a notary public in and for said state, personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) acted, executed the instrument.



Notary Public

**SHOSHANA T. CARMEL**  
Notary Public, State of New York  
No. 01CA8153598  
Qualified in New York County  
Commission Expires October 10, 2014

**SEAL**

**FIRST AMENDMENT TO  
DECLARATION OF  
THE 534 WEST 42<sup>ND</sup> STREET CONDOMINIUM**

**Declarant:**

**534 West 42<sup>nd</sup> Street LLC**

**Premises:**

**534 West 42<sup>nd</sup> Street  
New York, New York**

**County: New York**

**Block: 1070**

**F/K/A Lot: 49**

**N/K/A Lots: 1101 through 1108**

**Record and return to:**

**Law Offices of Allan Lebovits, P.C.**

**266 Broadway, Suite 304**

**Brooklyn, NY 11211**