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May 4, 2007

**VIA FEDERAL EXPRESS & Email**

Darryl M. Vernon, Esq.  
Vernon & Ginsburg, LLP  
261 Madison Avenue  
New York, New York 10016

RE: 160 Madison Avenue, Unit 1  
New York, New York  
Our File No. 14813

Dear Mr. Vernon:

Enclosed are two fully executed contracts of sale for the referenced transaction.

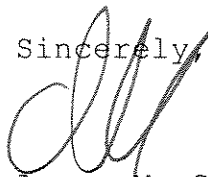
Please provide me with the following:

- Copy of your client's Mortgage application
- Contact person and phone number of your client's mortgage lender
- Status of mortgage application
- Title report

In addition, this will confirm my receipt of the contract deposit in the amount of \$150,000.

I await your submission of the foregoing to me as soon as possible.

Sincerely,



Aaron M. Stein

AMS:bs  
Encl.

**CONSULT YOUR LAWYER BEFORE SIGNING THIS AGREEMENT**

**Contract of Sale - Cooperative Apartment**

This Contract is made as of 7/4/ 2007 between the "Seller" and the "Purchaser" identified below.

**1 Certain Definitions and Information**

**1.1 The "Parties" are:**

**1.1.1 "Seller":**

Bernat Mikhli  
Shamuil Mikhli

**1.1.2 "Purchaser":**

Claude Simon

*Prior names used by Seller:*

*Address:*

160 Madison Avenue, Unit #1  
New York, New York 10016  
S.S. No.:

*Address:*

160 Madison Avenue  
New York, New York 10016  
S.S. No.:

**1.2 The "Attorneys" are (name, firm name, address and telephone, fax):**

**1.2.1 "Seller's Attorney"**

Aaron Stein  
Stein & Farkas, LLP  
1639 East 13th Street  
Brooklyn, NY 11229  
(T) 718-645-5600  
(F) 718-645-3767

**1.2.2 "Purchaser's Attorney"**

Darryl M. Vernon  
Vernon & Ginsburg, LLP  
261 Madison Avenue  
New York, New York 10016  
(T) 212-949-7300  
(F) 212-697-4432

1.3 The "Escrowee" is the [Seller's] [Purchaser's] Attorney provided seller's attorney can deposit the downpayment in an interest bearing account, otherwise Purchaser's attorney.  
(See ¶ 4)

**1.4 The Managing Agent is (name, address and telephone, fax):**

None.

1.18 The "Assessment", if any, payable to the Corporation, at the date of this Contract is \$ none, payable as follows:

**1.5 The real estate "Broker(s)" (see ¶ 12) is/are:**

None

1.19 [Seller] [Purchaser] shall pay the Corporation's flip tax, transfer fee (apart from the transfer agent fee) and/or waiver of option fee ("Flip Tax"), if any. *The parties agree that at closing there will be no Flip Tax imposed for this transaction*

**1.6 The name of the cooperative housing corporation ("Corporation") is:** 160 Madison Avenue Owners Corp.

1.20 Financing Options (Delete two of the following ¶¶ 1.20.1, 1.20.2 or 1.20.3)

**1.7 The "Unit" number is:** 1

1.20.1 Purchaser may apply for financing in connection with this sale and Purchaser's obligation to purchase under this Contract is contingent upon issuance of a Loan Commitment Letter by the Loan Commitment Date (¶ 18.1.2).

**1.8 The Unit is located in "Premises" known as:**  
160 Madison Avenue

NY, NY 10016

**1.9 The "Shares" are** the all of the shares of the Corporation allocated to the Unit.

~~1.20.2 Purchaser may apply for financing in connection with this sale but Purchaser's obligation to purchase under this Contract is not contingent upon issuance of a Loan Commitment letter.~~

**1.10 The "Lease" is** the Corporation's proprietary lease or occupancy agreement for the Unit, given by the Corporation which expires on

~~1.20.3 Purchaser shall not apply for financing in connection with this sale.~~

1.11 "Personalty" is the following personal property, to the extent existing in the Unit on the date hereof: the ~~refrigerators, freezers, ranges, ovens, built-in microwaves, ovens, dishwashers, garbage disposal units,~~ cabinets and counters, lighting fixtures, ~~chandeliers,~~ wall-to-wall carpeting, plumbing and heating fixtures, central air-conditioning and/or window or sleeve units, ~~washing machines, dryers, screens and storm windows,~~ window treatments, switch plates, door hardware, mirrors, built-ins not excluded in ¶ 1.12 and

1.21 If ¶ 1.20.1 or 1.20.2 applies, the "Financing Terms" for ¶ 18 are: a loan of \$ 1,200,000.00 for a term of 30 years or such lesser amount or shorter term as applied for or acceptable to Purchaser; and the "Loan Commitment Date" for ¶ 18 is 60 days from date of delivery of fully executed contract to Purchaser's attorney.

1.12 Specifically excluded from this sale is all personal property not included in ¶ 1.11 and: cabinets and cabinets will

1.22 The "Delivery Date" of this Contract is the date on which a fully executed counterpart of this Contract is deemed given to and received by Purchaser or Purchaser's Attorney as provided in ¶ 17.3.

1.13 The sale ~~[does not]~~ include Seller's interest in ~~[Storage]/ [Sanitary Room]/ [Parking Space]~~ by Seller.  
(*"Included Interests"*) \*\*

~~1.23 All "Proposed Occupants" of the Unit are:~~

1.23.1 persons and relationship to Purchaser:

Seller(s)

~~1.23.2 None~~

Not applicable.

**1.14 The "Closing" is** the transfer of ownership of the Shares and Lease.

1.24 The Contract Deposit shall be held in ~~[a non-]~~ [a] IOLA\*escrow account. If the account is a non-IOLA account then interest shall be paid to the Party entitled to the Contract Deposit. The Party receiving the interest shall pay any income taxes thereon. The escrow account shall be a segregated bank account at Depository: JP Morgan/Chase Bank or Bank of America if

1.15 The date scheduled for Closing is  
July 26, 2007 (*"Scheduled Closing Date"*)  
at 10 A.M. (See ¶¶ 9 and 10)

Address: (See ¶ 27) Purchaser's Attorney.

1.16 The "Purchase Price" is: \$ 1,500,000.00  
1.16.1 The "Contract Deposit" is: \$ 150,000.00  
1.16.2 The "Balance" of the Purchase Price due at Closing is: \$ 1,350,000.00 (See ¶ 2.2.2)

1.17 The monthly "Maintenance" charge is \$

\*\* and the conveyor belt system from the sidewalk opening to the basement and the alarm system.

\*interest bearing

## 2 Agreement to Sell and Purchase; Purchase Price; Escrow

2.1 Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, the Seller's Shares, Lease, Personalty and any Included Interests and all other items included in this sale, for the Purchase Price and upon the terms and conditions set forth in this Contract.

2.2 The Purchase Price is payable to Seller by Purchaser as follows:

2.2.1 the Contract Deposit at the time of signing this Contract by Purchaser's good check to the order of Escrowee; and

2.2.2 the Balance at Closing, only by cashier's or official bank check or certified check of Purchaser payable to the direct order of Seller. The check(s) shall be drawn on and payable by a branch of a commercial or savings bank, savings and loan association or trust company located in the same City or County as the Unit. Seller may direct, on reasonable Notice (defined in ¶ 17) prior to Closing, that all or a portion of the Balance shall be made payable to persons other than Seller (see ¶ 17.7).

## 3 Personalty

3.1 Subject to any rights of the Corporation or any holder of a mortgage to which the Lease is subordinate, this sale includes all of the Seller's interest, if any, in the Personalty and the Included Interests.

3.2 No consideration is being paid for the Personalty or for the Included Interests; nothing shall be sold to Purchaser if the Closing does not occur.

3.3 Prior to Closing, Seller shall remove from the Unit all the furniture, furnishings and other property not included in this sale, and repair any damage caused by such removal.

## 4 Representations and Covenants

4.1 Subject to any matter affecting title to the Premises (as to which Seller makes no representations or covenants), Seller represents and covenants that:

4.1.1 Seller is, and shall at Closing be, the sole owner of the Shares, Lease, Personalty and Included Interests, with the full right, power and authority to sell and assign them. Seller shall make timely provision to satisfy existing security interest(s) in the Shares and Lease and have the same delivered at Closing (See ¶ 10.1);

4.1.2 the Shares were duly issued, fully paid for and are non-assessable;

4.1.3 the Lease is, and will at Closing be, in full force and effect and no notice of default under the Lease is now or will at Closing be in effect;

4.1.4 the Maintenance and Assessments payable as of the date hereof are as specified in ¶ 1.17 and 1.18;

4.1.5 as of this date, Seller neither has actual knowledge nor has received any written notice of any increase in Maintenance or any Assessment which has been adopted by the Board of Directors of the Corporation and is not reflected in the amounts set forth in ¶¶ 1.17 and 1.18;

4.1.6 Seller has not made any material alterations or additions to the Unit without any required consent of the Corporation or, to Seller's actual knowledge, without compliance with all applicable law. This provision shall not survive Closing.

4.1.7 Seller has not entered into, shall not enter into, and has no actual knowledge of any agreement (other than the Lease) affecting title to the Unit or its use and/or occupancy after Closing, or which would be binding on or adversely affect Purchaser after Closing (e.g. a sublease or alteration agreement);

4.1.8 Seller has been known by no other name for the past 10 years except as set forth in ¶ 1.1.1.

4.1.9 at Closing in accordance with ¶ 15.2:

4.1.9.1 there shall be no judgments outstanding against Seller which have not been bonded against collection out of the Unit ("Judgments");

\*\* including all of Sellers' interest in the limited 2 partnership 160 Madison Avenue Owners Company.

4.1.9.2 the Shares, Lease, Personalty and any Included Interests shall be free and clear of liens (other than the Corporation's general lien on the Shares for which no monies shall be owed), encumbrances and adverse interests ("Liens");

4.1.9.3 all sums due to the Corporation shall be fully paid by Seller to the end of the payment period immediately preceding the date of Closing;

4.1.9.4 Seller shall not be indebted for labor or material which might give rise to the filing of a notice of mechanic's lien against the Unit or the Premises; and

4.1.9.5 no violations shall be of record which the owner of the Shares and Lease would be obligated to remedy under the Lease.

4.2 Purchaser represents and covenants that:

~~4.2.1 Purchaser is acquiring the Shares and Lease for residential occupancy of the Unit solely by the Proposed Occupants identified in ¶ 1.23~~

4.2.2 Purchaser is not, and within the past 7 years has not been, the subject of a bankruptcy proceeding;

~~4.2.3 if ¶ 1.20.3 applies, Purchaser shall not apply for financing in connection with this purchase.~~

4.2.4 Each individual comprising Purchaser is over the age of 18 and is purchasing for Purchaser's own account (beneficial and of record);

4.2.5 Purchaser shall not make any representations to the Corporation contrary to the foregoing and shall provide all documents in support thereof required by the Corporation in connection with Purchaser's application for approval of this transaction; and

4.2.6 there are not now and shall not be at Closing any unpaid tax liens or monetary judgments against Purchaser.

4.3 Each Party covenants that its representations and covenants contained in ¶ 4 shall be true and complete at Closing and, except for ¶ 4.1.6, shall survive Closing but any action based thereon must be instituted within one year after Closing.

## 5 Corporate Documents

Purchaser has examined and is satisfied with, or (except as to any matter represented in this Contract by Seller) accepts and assumes the risk of not having examined, the Lease, the Corporation's Certificate of Incorporation, By-laws, House Rules, minutes of shareholders' and directors' meetings, most recent audited financial statement and most recent statement of tax deductions available to the Corporation's shareholders under Internal Revenue Code ("IRC") §216 (or any successor statute).

## 6 Required Approval and References

6.1 This sale is subject to the unconditional consent of the Corporation.

6.2 Purchaser ~~shall in good faith~~ & Seller shall comply with the corporation's obligations for this transaction.

~~6.2.1 submit to the Corporation or the Managing Agent an application with respect to this sale on the form required by the Corporation, containing such data and together with such documents as the Corporation requires, and pay the applicable fees and charges that the Corporation imposes upon Purchaser. All of the foregoing shall be submitted within 10 business days after the Delivery Date, or, if ¶ 1.20.1 or 1.20.2 applies and the Loan Commitment Letter is required by the Corporation, within 3 business days after the earlier of (i) the Loan Commitment Date (defined in ¶ 1.21) or (ii) the date of receipt of the Loan Commitment Letter (defined in ¶ 18.1.2);~~

~~6.2.2 attend (and cause any Proposed Occupant to attend) one or more personal interviews, as requested by the Corporation; and~~

~~6.2.3 promptly submit to the Corporation such further references, data and documents reasonably requested by the Corporation.~~

6.3 Either Party, after learning of the Corporation's decision, shall promptly advise the other Party thereof. If the Corporation has not made a decision on or before the Scheduled Closing Date, the Closing shall be

~~adjourned for 30 business days for the purpose of~~  
obtaining such consent. If such consent is not given by such adjourned date, either Party may cancel this Contract by Notice, provided that the Corporation's consent is not issued before such Notice of cancellation is given. If such consent is refused at any time, either Party may cancel this Contract by Notice. In the event of cancellation pursuant to this ¶ 6.3, the Escrowee shall refund the Contract Deposit to Purchaser.

6.4 If such consent is refused, or not given, due to Purchaser's bad faith conduct, Purchaser shall be in default and ¶ 13.1 shall govern.

#### **7 Condition of Unit and Personalty; Possession**

7.1 Seller makes no representation as to the physical condition or state of repair of the Unit, the Personalty, the Included Interests or the Premises. Purchaser has inspected or waived inspection of the Unit, the Personalty and the Included Interests and shall take the same "as is", as of the date of this Contract, except for reasonable wear and tear. However, at the time of Closing, the appliances shall be in working order and required smoke detector(s) shall be installed and operable.

7.2 At Closing, Seller shall deliver possession of the Unit, Personalty and Included Interests in the condition required by ¶ 7.1, broom-clean, vacant and free of all occupants and rights of possession.

#### **8 Risk of Loss**

8.1 The provisions of General Obligations Law § 5-1311, as modified herein, shall apply to this transaction as if it were a sale of realty. For purposes of this paragraph, the term "Unit" includes built-in Personalty.

8.2 Destruction shall be deemed "material" under GOL § 5-1311, if the reasonably estimated cost to restore the Unit shall exceed 5% of the Purchase Price.

8.3 In the event of any destruction of the Unit or the Premises, when neither legal title nor the possession of the Unit has been transferred to Purchaser, Seller shall give Notice of the loss to Purchaser ("Loss Notice") by the earlier of the date of Closing or 7 business days after the date of the loss.

8.4 If there is material destruction of the Unit without fault of Purchaser, this Contract shall be deemed canceled in accordance with ¶ 16.3, unless Purchaser elects by Notice to Seller to complete the purchase with an abatement of the Purchase Price; or

8.5 Whether or not there is any destruction of the Unit, if without fault of Purchaser, more than 10% of the units in the Premises are rendered uninhabitable, or reasonable access to the Unit is not available, then Purchaser shall have the right to cancel this Contract in accordance with ¶ 16.3 by Notice to Seller.

8.6 Purchaser's Notice pursuant to ¶ 8.4 or ¶ 8.5 shall be given within 7 business days following the giving of the Loss Notice except that if Seller does not give a Loss Notice, Purchaser's Notice may be given at any time at or prior to Closing.

8.7 In the event of any destruction of the Unit, Purchaser shall not be entitled to an abatement of the Purchase Price (i) that exceeds the reasonably estimated cost of repair and restoration or (ii) for any loss that the Corporation is obliged to repair or restore; but Seller shall assign to Purchaser, without recourse, Seller's claim, if any, against the Corporation with respect to such loss.

#### **9 Closing Location**

The Closing shall be held at the location designated by the Corporation or, if no such designation is made, at the office of ~~Seller's Attorney~~. Co-op's attorney.

#### **10 Closing**

10.1 At Closing, Seller shall deliver or cause to be delivered:

10.1.1 Seller's certificate for the Shares duly endorsed for transfer to Purchaser or accompanied by a separate duly executed stock power to Purchaser, and in either case, with any guarantee of Seller's signature required by the Corporation; \*\*

10.1.2 Seller's counterpart original of the Lease, all assignments and assumptions in the chain of

\*\* and an assignment of all of Sellers' interest in 160 Madison Avenue Owners Company.

title and a duly executed assignment thereof to Purchaser in the form required by the Corporation;

10.1.3 FIRPTA documents required by ¶ 25;

10.1.4 keys to the Unit, building entrance(s), and, if applicable, ~~garage~~, mailbox, storage unit and any locks in the Unit; and alarm codes.

10.1.5 ~~if requested~~, an assignment to Purchaser of Seller's interest in the Personalty and Included Interests;

10.1.6 any documents and payments to comply with ¶ 15.2

10.1.7 If Seller is unable to deliver the documents required in

¶ 10.1.1 or 10.1.2 then Seller shall deliver or cause to be delivered all documents and payments required by the Corporation for the issuance of a new certificate for the Shares or a new Lease.

10.2 At Closing, Purchaser shall:

10.2.1 pay the Balance in accordance with ¶ 2.2.2;

10.2.2 execute and deliver to Seller and the Corporation an agreement assuming the Lease, in the form required by the Corporation; and

10.2.3 if requested by the Corporation, execute and deliver counterparts of a new lease substantially the same as the Lease, for the balance of the Lease term, in which case the Lease shall be canceled and surrendered to the Corporation together with Seller's assignment thereof to Purchaser.

10.3 At Closing, the Parties shall complete and execute all documents necessary:

10.3.1 for Internal Revenue Service ("IRS") form 1099-S or other similar requirements;

10.3.2 to comply with smoke detector requirements and any applicable transfer tax filings; and

10.3.3 to transfer Seller's interest, if any, in and to the Personalty and Included Interests.

10.4 Purchaser shall not be obligated to close unless, at Closing, the Corporation delivers:

10.4.1 to Purchaser a new certificate for the Shares in the name of Purchaser; and

10.4.2 a written statement by an officer or authorized agent of the Corporation consenting to the transfer of the Shares and Lease to Purchaser and setting forth the amounts of and payment status of all sums owed by Seller to the Corporation, including Maintenance and any Assessments, and the dates to which each has been paid.

#### **11 Closing Fees, Taxes and Apportionments**

11.1 At or prior to Closing,

11.1.1 Seller shall pay, if applicable:

11.1.1.1 the cost of stock transfer stamps; and

11.1.1.2 transfer taxes, except as set forth in ¶ 11.1.2.2

11.1.2 Purchaser shall pay, if applicable:

11.1.2.1 any fee imposed by the Corporation relating to Purchaser's financing; and

11.1.2.2 transfer taxes imposed by statute primarily on Purchaser (e.g., the "mansion tax").

11.2 The Flip Tax, if any, shall be paid by the Party specified in ¶ 1.19.

11.3 Any fee imposed by the Corporation and not specified in this Contract shall be paid by the Party upon whom such fee is expressly imposed by the Corporation, and if no Party is specified by the Corporation, then such fee shall be paid by Seller.

11.4 The Parties shall apportion as of 11:59 P.M. of the day preceding the Closing, the Maintenance, and any other periodic charges due the Corporation (other than Assessments) and STAR Tax Exemption (if the Unit is the beneficiary of same), based on the number of the days in the month of Closing.

11.5 Assessments, whether payable in a lump sum or installments, shall not be apportioned, but shall be paid by the Party who is the owner of the Shares on the date specified by the Corporation for payment. Purchaser shall pay any installments payable after Closing

provided Seller had the right and elected to pay the Assessment in installments.

11.6 Each Party shall timely pay any transfer taxes for which it is primarily liable pursuant to law by cashier's, official bank, certified or attorney's escrow check. This ¶ 11.6 shall survive Closing.

11.7 Any computational errors or omissions shall be corrected within 6 months after Closing. This ¶ 11.7 shall survive Closing.

#### **12 Broker**

12.1 Each Party represents that such Party has not dealt with any person acting as a broker, whether licensed or unlicensed, in connection with this transaction ~~other than the Broker(s) named in ¶ 1.5.~~

12.2 Seller shall pay the Broker's commission pursuant to a separate agreement. The Broker(s) shall not be deemed to be a third-party beneficiary of this Contract.

12.3 This ¶ 12 shall survive Closing, cancellation or termination of this Contract.

#### **13 Defaults, Remedies and Indemnities**

13.1 In the event of a default or misrepresentation by Purchaser, Seller's sole and exclusive remedies shall be to cancel this Contract, retain the Contract Deposit as liquidated damages and, if applicable, Seller may enforce the indemnity in ¶ 13.3 as to brokerage commission or sue under ¶ 13.4. Purchaser prefers to limit Purchaser's exposure for actual damages to the amount of the Contract Deposit, which Purchaser agrees constitutes a fair and reasonable amount of compensation for Seller's damages under the circumstances and is not a penalty. The principles of real property law shall apply to this liquidated damages provision.

13.2 In the event of a default or misrepresentation by Seller, Purchaser shall have such remedies as Purchaser is entitled to at law or in equity, including specific performance, because the Unit and possession thereof cannot be duplicated.

13.3 Subject to the provisions of ¶ 4.3, each Party indemnifies and holds harmless the other against and from any claim, judgment, loss, liability, cost or expense resulting from the indemnitor's breach of any of its representations or covenants stated to survive Closing, cancellation or termination of this Contract. Purchaser indemnifies and holds harmless Seller against and from any claim, judgment, loss, liability, cost or expense resulting from the Lease obligations accruing from and after the Closing. Each indemnity includes, without limitation, reasonable attorneys' fees and disbursements, court costs and litigation expenses arising from the defense of any claim and enforcement or collection of a judgment under this indemnity, provided the indemnitee is given Notice and opportunity to defend the claim. This ¶ 13.3 shall survive Closing, cancellation or termination of this Contract.

13.4 In the event any instrument for the payment of the Contract Deposit fails of collection, Seller shall have the right to sue on the uncollected instrument. In addition, such failure of collection shall be a default under this Contract, provided Seller gives Purchaser Notice of such failure of collection and, within 3 business days after Notice is given, Escrowee does not receive from Purchaser an unendorsed good certified check, bank check or immediately available funds in the amount of the uncollected funds. Failure to cure such default shall entitle Seller to the remedies set forth in ¶ 13.1 and to retain all sums as may be collected and/or recovered.

#### **14 Entire Agreement; Modification**

14.1 All prior oral or written representations, understandings and agreements had between the Parties with respect to the subject matter of this Contract, and with the Escrowee as to ¶ 27, are merged in this Contract, which alone fully and completely expresses the Parties' and Escrowee's agreement.

14.2 The Attorneys may extend in writing any of the time limitations stated in this Contract. Any other provision of this Contract may be changed or waived

only in writing signed by the Party or Escrowee to be charged.

#### **15 Removal of Liens and Judgments**

15.1 Purchaser shall deliver or cause to be delivered to Seller or Seller's Attorney, not less than 10 calendar days prior to the Scheduled Closing Date a Lien and Judgment search, except that Liens or Judgments first disclosed in a continuation search shall be reported to Seller within 2 business days after receipt thereof, but not later than the Closing. Seller shall have the right to adjourn the Closing pursuant to ¶ 16 to remove any such Liens and Judgments. Failure by Purchaser to timely deliver such search or continuation search shall not constitute a waiver of Seller's covenants in ¶ 4 as to Liens and Judgments. However, if the Closing is adjourned solely by reason of untimely delivery of the Lien and Judgment search, the apportionments under ¶ 11.3 shall be made as of 11:59 P.M. of the day preceding the Scheduled Closing Date in ¶ 1.15.

15.2 Seller, at Seller's expense, shall obtain and deliver to the Purchaser the documents and payments necessary to secure the release, satisfaction, termination and discharge or removal of record of any Liens and Judgments. Seller may use any portion of the Purchase Price for such purposes.

15.3 This ¶ 15 shall survive Closing.

#### **16 Seller's Inability**

16.1 If Seller shall be unable to transfer the items set forth in ¶ 2.1 in accordance with this Contract for any reason other than Seller's failure to make a required payment or other willful act or omission, then Seller shall have the right to adjourn the Closing for periods not exceeding 60 calendar days in the aggregate, but not extending beyond the expiration of Purchaser's Loan Commitment Letter, if ¶ 1.20.1 or 1.20.2 applies.

16.2 If Seller does not elect to adjourn the Closing or (if adjourned) on the adjourned date of Closing Seller is still unable to perform, then unless Purchaser elects to proceed with the Closing without abatement of the Purchase Price, either Party may cancel this Contract on Notice to the other Party given at any time thereafter.

16.3 In the event of such cancellation, the sole liability of Seller shall be to cause the Contract Deposit to be refunded to Purchaser and to reimburse Purchaser for the actual costs incurred for Purchase's lien and title search, if any and attorneys' fees.

#### **17 Notices and Contract Delivery**

17.1 Any notice or demand ("Notice") shall be in writing and delivered either by hand, overnight delivery or certified or registered mail, return receipt requested, to the Party and simultaneously, in like manner, to such Party's Attorney, if any, and to Escrowee at their respective addresses or to such other address as shall hereafter be designated by Notice given pursuant to this ¶ 17.

17.2 The Contract may be delivered as provided in ¶ 17.1 or by ordinary mail.

17.3 The Contract or each Notice shall be deemed given and received:

17.3.1 on the day delivered by hand;

17.3.2 on the business day following the date sent by overnight delivery;

17.3.3 on the 5th business day following the date sent by certified or registered mail; or

17.3.4 as to the Contract only, 3 business days following the date of ordinary mailing.

17.4 A Notice to Escrowee shall be deemed given only upon actual receipt by Escrowee.

17.5 The Attorneys are authorized to give and receive any Notice on behalf of their respective clients.

17.6 Failure or refusal to accept a Notice shall not invalidate the Notice.

17.7 Notice pursuant to ¶¶ 2.2.2 and 13.4 may be delivered by confirmed facsimile to the Party's Attorney and shall be deemed given when transmission is confirmed by sender's facsimile machine.

#### **18 Financing Provisions**

18.1 The provisions of ¶¶ 18.1 and 18.2 are applicable only if ¶ 1.20.1 or 1.20.2 applies.

18.1.1 An "Institutional Lender" is any of the following that is authorized under Federal or New York State law to issue a loan secured by the Shares and Lease and is currently extending similarly secured loan commitments in the county in which the Unit is located: a bank, savings bank, savings and loan association, trust company, credit union of which Purchaser is a member, mortgage banker, insurance company or governmental entity.

18.1.2 A "Loan Commitment Letter" is a written offer from an Institutional Lender to make a loan on the Financing Terms (see ¶ 1.21) at prevailing fixed or adjustable interest rates and on other customary terms generally being offered by Institutional Lenders making cooperative share loans. An offer to make a loan conditional upon obtaining an appraisal satisfactory to the Institutional Lender shall not become a Loan Commitment Letter unless and until such condition is met. An offer conditional upon any factor concerning Purchaser (e.g. sale of current home, payment of outstanding debt, no material adverse change in Purchaser's financial condition, etc.) is a Loan Commitment Letter whether or not such condition is met. Purchaser accepts the risk that, and cannot cancel this Contract if, any condition concerning Purchaser is not met.

18.2 Purchaser, directly or through a mortgage broker registered pursuant to Article 12-D of the Banking Law, shall diligently and in good faith:

18.2.1 apply only to an Institutional Lender for a loan on

the Financing Terms (see ¶ 1.21) on the form required by the Institutional Lender containing truthful and complete information, and submit such application together with such documents as the Institutional Lender requires, and pay the applicable fees and charges of the Institutional Lender, all of which shall be performed ~~within 5 business days after the Delivery Date~~ by May 30, 2007.

18.2.2 promptly submit to the Institutional Lender such further references, data and documents requested by the Institutional Lender; and

18.2.3 accept a Loan Commitment Letter meeting the Financing Terms and comply with all requirements of such Loan Commitment Letter (or any other loan commitment letter accepted by Purchaser) and of the Institutional Lender in order to close the loan; and

18.2.4 furnish Seller with a copy of the Loan Commitment Letter promptly after Purchaser's receipt thereof.

18.2.5 Purchaser is not required to apply to more than one Institutional Lender.

18.3 If ¶ 1.20.1 applies, then

18.3.1 provided Purchaser has complied with all applicable provisions of ¶ 18.2 and this ¶ 18.3, Purchaser may cancel this Contract as set forth below, if:

18.3.1.1 any Institutional Lender denies Purchaser's application in writing prior to the Loan Commitment Date (see ¶ 1.21); or

18.3.1.2 a Loan Commitment Letter is not issued by the Institutional Lender on or before the Loan Commitment Date; or

18.3.1.3 any requirement of the Loan Commitment Letter other than one concerning Purchaser is not met (e.g. failure of the Corporation to execute and deliver the Institutional Lender's recognition agreement or other document, financial condition of the Corporation, owner occupancy quota, etc.); or

18.3.1.4 (i) the Closing is adjourned by Seller or the Corporation for more than 30 business days from the Scheduled Closing Date and (ii) the Loan Commitment Letter expires on a date more than 30 business days after the Scheduled Closing Date and before the new date set for Closing pursuant to this paragraph and (iii) Purchaser is unable in good faith to obtain from the Institutional Lender an extension of the Loan Commitment Letter or a new Loan Commitment

Letter on the Financing Terms without paying additional fees to the Institutional Lender, unless Seller agrees, by Notice to Purchaser within 5 business days after receipt of Purchaser's Notice of cancellation on such ground, that Seller will pay such additional fees and Seller pays such fees when due. Purchaser may not object to an adjournment by Seller for up to 30 business days solely because the Loan Commitment Letter would expire before such adjourned Closing date.

18.3.2 Purchaser shall deliver Notice of cancellation to Seller within 5 business days after the Loan Commitment Date if cancellation is pursuant to ¶ 18.3.1.1 or 18.3.1.2 and on or prior to the Scheduled Closing Date if cancellation is pursuant to ¶ 18.3.1.3 or 18.3.1.4.

18.3.3 If cancellation is pursuant to ¶ 18.3.1.1, then Purchaser shall deliver to Seller, together with Purchaser's Notice, a copy of the Institutional Lender's written denial of Purchaser's loan application. If cancellation is pursuant to ¶ 18.3.1.3, then Purchaser shall deliver to Seller together with Purchaser's Notice evidence that a requirement of the Institutional Lender was not met.

~~18.3.4 Seller may cancel this Contract by Notice to Purchaser, sent within 5 days after the Loan Commitment Date, if Purchaser shall not have sent by then either (i) Purchaser's Notice of cancellation or (ii) a copy of the Loan Commitment Letter to Seller, which cancellation shall become effective if Purchaser does not deliver a copy of such Loan Commitment Letter to Seller within 10 business days after the Loan Commitment Date.~~

18.3.5 Failure by either Purchaser or Seller to deliver Notice of cancellation as required by this ¶ 18.3 shall constitute a waiver of the right to cancel under this ¶ 18.3.

18.3.6 If this Contract is canceled by Purchaser pursuant to this ¶ 18.3, then thereafter neither Party shall have any further rights against, or obligations or liabilities to, the other by reason of this Contract, except that the Contract Deposit shall be promptly refunded to Purchaser and except as set forth in ¶ 12. If this Contract is canceled by Purchaser pursuant to ¶ 18.3.1.4, then Seller shall reimburse Purchaser for any non-refundable financing and inspection expenses and other sums reimbursable pursuant to ¶ 16.

18.3.7 Purchaser cannot cancel this Contract pursuant to ¶ 18.3.1.4 and cannot obtain a refund of the Contract Deposit if the Institutional Lender fails to fund the loan:

18.3.7.1 because a requirement of the Loan Commitment Letter concerning Purchaser is not met (e.g., Purchaser's financial condition or employment status suffers an adverse change; Purchaser fails to satisfy a condition relating to the sale of an existing residence, etc.) or

18.3.7.2 due to the expiration of a Loan Commitment Letter issued with an expiration date that is not more than 30 business days after the Scheduled Closing Date.

#### **19 Singular/Plural and Joint/Several**

The use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires. If more than one person constitutes Seller or Purchaser, their obligations as such Party shall be joint and several.

#### **20 No Survival**

No representation and/or covenant contained herein shall survive Closing except as expressly provided. Payment of the Balance shall constitute a discharge and release by Purchaser of all of Seller's obligations hereunder except those expressly stated to survive Closing.

#### **21 Inspections**

Purchaser and Purchaser's representatives shall have the right to inspect the Unit within 48 hours prior to Closing, and at other reasonable times upon reasonable request to Seller.

## 22 Governing Law and Venue

This Contract shall be governed by the laws of the State of New York without regard to principles of conflict of laws. Any action or proceeding arising out of this Contract shall be brought in the county or Federal district where the Unit is located and the Parties hereby consent to said venue.

## 23 No Assignment by Purchaser; Death of Purchaser

23.1 Purchaser may ~~not~~ assign this Contract or any of Purchaser's rights hereunder. ~~Any such purported assignment shall be null and void, not~~

23.2 This Contract shall ~~terminate~~ upon the death of all persons comprising Purchaser ~~and the Contract Deposit~~ shall be refunded to the Purchaser. Upon making such refund and reimbursement, neither Party shall have any further liability or claim against the other hereunder, ~~except as set forth in ¶ 12.~~

## 24 Cooperation of Parties

24.1 The Parties shall each cooperate with the other, the Corporation and Purchaser's Institutional Lender and title company, if any, and obtain, execute and deliver such documents as are reasonably necessary to consummate this sale.

24.2 The Parties shall timely file all required documents in connection with all governmental filings that are required by law. Each Party represents to the other that its statements in such filings shall be true and complete. This ¶ 24.2 shall survive Closing.

## 25 FIRPTA

The parties shall comply with IRC §§ 897, 1445 and the regulations thereunder as same may be amended ("FIRPTA"). If applicable, Seller shall execute and deliver to purchaser at Closing a Certification of Non-Foreign Status ("CNS") or deliver a Withholding Certificate from the IRS. If Seller fails to deliver a CNS or a Withholding Certificate, Purchaser shall withhold from the Balance, and remit to the IRS, such sum as may be required by law. Seller hereby waives any right of action against Purchaser on account of such withholding and remittance. This ¶ 25 shall survive Closing.

## 26 Additional Requirements

26.1 Purchaser shall not be obligated to close unless all of the following requirements are satisfied at the time of the Closing:

26.1.1 the Corporation is in good standing;

26.1.2 the Corporation has fee or leasehold title to the Premises, whether or not marketable or insurable; and

26.1.3 there is no pending *in rem* action, tax certificate/lien sale or foreclosure action of any underlying mortgage affecting the Premises.

26.2 If any requirement in ¶ 26.1 is not satisfied at the time of the Closing, Purchaser shall give Seller Notice and if the same is not satisfied within a reasonable period of time thereafter, then either Party may cancel this Contract (pursuant to ¶ 16.3) by Notice.

## 27 Escrow Terms

27.1 The Contract Deposit shall be deposited by Escrowee in an escrow account as set forth in ¶ 1.24 and the proceeds held and disbursed in accordance with the terms of this Contract. At Closing, the Contract Deposit shall be paid by Escrowee to Seller. If the Closing does not occur and either Party gives Notice to Escrowee demanding payment of the Contract Deposit, Escrowee shall give prompt Notice to the other Party of

such demand. If Escrowee does not receive a Notice of objection to the proposed payment from such other Party within 10 business days after the giving of Escrowee's Notice, Escrowee is hereby authorized and directed to make such payment to the demanding party. If Escrowee does receive such a Notice of objection within said period, or if for any reason Escrowee in good faith elects not to make such payment, Escrowee may continue to hold the Contract Deposit until otherwise directed by a joint Notice by the Parties or a final, non-appealable judgment, order or decree of a court of competent jurisdiction. However, Escrowee shall have the right at any time to deposit the Contract Deposit and the interest thereon, if any, with the clerk of a court in the county as set forth in ¶ 22 and shall give Notice of such deposit to each Party. Upon disposition of the Contract Deposit and interest thereon, if any, in accordance with this ¶ 27, Escrowee shall be released and discharged of all escrow obligations and liabilities.

27.2 The Party whose Attorney is Escrowee shall be liable for loss of the Contract Deposit. If the Escrowee is Seller's attorney, then Purchaser shall be credited with the amount of the contract Deposit at Closing.

27.3 Escrowee will serve without compensation. Escrowee is acting solely as a stakeholder at the Parties' request and for their convenience. Escrowee shall not be liable to either Party for any act or omission unless it involves bad faith, willful disregard of this Contract or gross negligence. In the event of any dispute, Seller and Purchaser shall jointly and severally (with right of contribution) defend (by attorneys selected by Escrowee), indemnify and hold harmless Escrowee from and against any claim, judgment, loss, liability, cost and expenses incurred in connection with the performance of Escrowee's acts or omissions not involving bad faith, willful disregard of this Contract or gross negligence. This indemnity includes, without limitation, reasonable attorneys' fees either paid to retain attorneys or representing the fair value of legal services rendered by Escrowee to itself and disbursements, court costs and litigation expenses.

27.4 Escrowee acknowledges receipt of the Contract Deposit, by check subject to collection.

27.5 Escrowee agrees to the provisions of this ¶ 27.

27.6 If Escrowee is the Attorney for a Party, Escrowee shall be permitted to represent such Party in any dispute or lawsuit.

27.7 This ¶ 27 shall survive Closing, cancellation or termination of this Contract

## 28 Margin Headings

The margin heading do not constitute part of the text of this Contract.

## 29 Miscellaneous

This Contract shall not be binding unless and until Seller delivers a fully executed counterpart of this Contract to Purchaser (or Purchaser's Attorney) pursuant to ¶ 17.2 and 17.3. This Contract shall bind and inure to the benefit of the Parties hereto and their respective heirs, personal and legal representatives and successors in interest.

## 30 Lead Paint

If applicable, the complete and fully executed Disclosure of Information on Lead Based Paint and or Lead-Based Paint Hazards is attached hereto and made a part hereof.

**In Witness Whereof**, the Parties hereto have duly executed this Contract as of the date first above written.

ESCROW TERMS AGREED TO:

SELLER:

PURCHASER:

ESCROWE

BERNAT MIKHILI

CLAUDE SIMON

SHAMUIL MIKHILI

14813R

RIDER TO CONTRACT

SELLER:

PURCHASER:

PREMISES:

DATED:

1. (a) If the cost of removal of violations required to be removed by the seller pursuant to the printed provisions of this contract shall be in excess of ~~\$500.00~~, the seller is hereby granted an option to withdraw from this contract, in which event seller shall refund to purchaser the monies paid on execution hereof, together with the net cost of examination of title and any survey actually incurred by purchaser, not exceeding rates usually charged by any major title company where no policy is issued and where title shall fail to close; whereupon this contract shall become null and void without further liability from either party to the other unless purchaser shall agree to take title subject to said violations and assume the performance thereof and receive an abatement in reduction of the purchase price in the sum of ~~\$500.00~~. The options herein granted shall be exercised by notice in writing by either party on or before the time fixed for closing by certified mail, return receipt requested, *or fax or email.*

(b) Violations that may be required to be removed by seller shall not constitute objections to title provided seller, at closing, deposits with his attorneys a sum reasonably sufficient to remedy and cure said violations within ninety (90) days from the date of closing and submit proof of the discharge of said violations of record to purchaser or his attorney within one hundred twenty (120) days from the date of closing, provided same is acceptable to the lending institution, if this contract is subject to the procurement of a mortgage.

(c) A sum sufficient shall be that sum *required by title co, or* agreed by the attorney for the buyer and seller and if said parties cannot agree, then both attorneys shall choose an independent contractor whose decision as to said amount shall be deemed final and binding on all parties.

2. (a) The seller has not made and does not take any representations as to the physical conditions, income, expenses, operation, or any other matter or thing affecting or relating to the aforesaid premises except as herein specifically set forth. The purchaser hereby expressly acknowledges that no such representations have been made. The purchaser has inspected the premises and agrees to take the premises "as is" in its present physical condition and the seller has made no representation or warranty other than set forth herein with referenced to physical condition. The seller shall not be liable or bound in any way verbal or written statements, representations, real estate broker "set-ups" or information pertaining to the above premises furnished by any real estate broker, agent, employee, servant, or other person unless the same are specifically set forth herein.

3. If *either party* ~~the purchaser~~ willfully defaults or willfully fails to carry out any of the provisions of this agreement, the ~~seller~~ *non defaulting party* can elect to ~~cancel the~~



proceed of any monies *at equitable* *within 10 days* *sent by mail, fax or email*  
 upon ten (10) days *written* *and*  
 same, and fifteen (15) days after mailing written notice of such election to the purchaser or his attorney at their last known address, or personal delivery of such notice to the purchaser, this agreement shall become void and of not effect, and the seller shall retain all monies paid thereunder as liquidated damages, ~~the same as if the agreement had never been made.~~

*Core*  
*pen*  
*or*  
*recy.*

~~except as otherwise provided herein,~~  
 4. In the event of the seller's default, except willful, in failing to deliver title in accordance with the terms of this contract; or seller is unable to convey good and marketable title to the said premises, free from encumbrances, restrictions, objections, easements, liens, violations or other defects, except as herein specified, the purchaser shall, at his election, have the right to accept such title as seller is able to convey without any claim on the part of the purchaser for abatement for defects, or objections, or the purchaser shall have the right to rescind this contract, upon which rescission, shall return the amount paid at the time of signing of this contract, plus the net cost of title examination and survey, if incurred in an amount not exceeding the established net rates of title companies authorized to business in the City of New York and upon such repayment this contract shall be null and void and of no force or effect and the seller shall then be under no obligation or liability whatsoever to the purchaser for any damages that the purchaser may have sustained by reason of the seller's failure to convey title hereunder.

6. The purchaser agreed that at least ten (10) days before the date set for closing of title hereunder said purchaser will advise Aaron M. Stein, Esq., c/o Stein and Farkas, LLP in writing, addressed to his office at 1639 East 13th Street, Brooklyn, New York 11229 of any objections or exceptions which may be returned by the title company or anyone else examining title to such premises and if it appears from such objections or exceptions that time will be required within which to remove the same, then in such event the seller shall have reasonable adjournments of closing of title from time to time not to exceed ninety (90) days within which to clear such objections, and all adjustments shall be made as of the date of closing, *but provided*  
*Purch commitment can be extended w/o charge & increase in rate (if*

*X*  
*K*

7. Purchaser has been advised that the Seller or the stockholders, officers or principals on whose behalf the seller is acting, may be a licensed real estate broker and may be receiving a commission in connection with this transaction.

*X*

8. The downpayment hereunder shall be held in escrow by the attorney for the seller as escrow agent in a ~~non~~ interest bearing account until closing of title, or as hereinafter provided. In the event the purchaser is unable to obtain the loan as set forth herein, then the said escrow agent shall return to the purchaser in the full amount of said downpayment. In the event of closing escrow shall be released to seller. In the event a dispute arises under this contract between the parties, the parties agree to hold escrow agent harmless from any and all liability as escrow agent and escrow agent may deposit the escrow with a court of competent jurisdiction or retain the deposit in escrow until ordered to release escrow by the parties or a court of competent jurisdiction. In the event a dispute arises between the parties it is agreed that escrow agent may represent the seller in said dispute and under this contract and continue to act as escrow agent under the contract.

*NO*  
*interest*  
*if*  
*Purch*  
*elects*

9. (a) ~~It is hereby agreed that this contract is subject to the purchaser's procuring a conventional first mortgage commitment in the sum of \$1,200,000.00 with interest at the prevailing rate for a period of 25/30 years within 60 days from the date hereof. In the event said purchaser shall be unable to procure the aforesaid mortgage commitment within 60 days, then in that event this contract may be considered null and void by either party and~~

*X*

*only an added charge, but no increase in rate,*  
*Purch may elect to pay such charge for the adj.*

~~after written notice all monies paid hereunder shall be returned with no liability on the part of either party. However, in the event that the attorney for the seller is not notified by registered or certified mail, return receipt requested, within 60 days from the date hereof that said mortgage commitment cannot be procured, or in the event that the mortgage commitment is procured under the terms and conditions aforesaid, then in that event this contract shall be binding and in full force and effect as if the purchaser had procured said mortgage.~~

(b) In the event that seller's attorney has not received written notice of said mortgage commitment within 50 days from the date hereof, the seller, at his option, may cancel this contract and upon the return of the downpayment to the purchaser, this contract shall be deemed null and void.

(c) The purchaser further agrees that he will make a prompt, truthful and diligent written application for such a mortgage loan and shall do everything required by such lending institution as a condition for approval of such loan, including verification of bank accounts and employment.

10. Possession of entire premises owned by seller shall be delivered vacant and broom clean at closing of title or date of possession subject to the following paragraph:

The seller shall have the right to remain in possession for a period of 180 days after the actual closing of title and delivery of the deed upon depositing in escrow with ~~seller's~~ attorney the sum of \$5,000.00, to insure delivery of possession. During the first 90 days there shall be no charge for seller's post closing possession. For days 91 through 180 or any part thereof seller shall pay purchaser per diem at the rate that seller paid common charges during it's ownership. In the event seller fails to remove by the end ~~of said period,~~ seller's attorney is authorized to pay to the purchaser as use and occupancy the sum of \$100.00 a day for each day the seller remains in possession beyond said period. Said payment shall not create a landlord-tenant relationship. The seller's attorney is authorized, unless notified in writing by fax (telecopier), overnight next day mail service, or hand delivery, to release all funds held in escrow forty eight (48) hours after the seller's removal from the premises without any further written or verbal notification of the purchaser or his attorney. This provision shall survive delivery of the deed. *If seller breaches this prom. P shall be*

16. The parties herein agree that none <sup>of them</sup> brought about this sale and the seller agrees to pay the commission upon closing of title herein in accordance with separate agreement. The ~~purchaser~~ <sup>buyer</sup> represents to the seller that the ~~purchaser~~ <sup>buyer</sup> has had no dealings with any duly licensed real estate broker except said none <sup>of them</sup> or attorney acting as broker in connection with the property. The ~~buyer~~ <sup>seller</sup> agrees that if any claim should be asserted by any broker in connection with any negotiations made by ~~purchaser~~ <sup>seller</sup> affecting the subject property that the ~~purchaser~~ <sup>seller</sup> shall hold the ~~seller~~ <sup>buyer</sup> harmless in any action resulting from said brokerage claim, including reasonable counsel fees in defending such action, unless ~~purchaser~~ <sup>the defendant</sup>, at his sole cost and expense, defends such action brought against the ~~seller~~ <sup>buyer</sup>. This provision shall survive delivery of the deed herein.

17. Intentionally omitted

18. In no event shall the incorrectness or inaccuracy of any warranty or representation made by seller hereunder provide a basis for claim for damages or abatement of purchase price. It being the intention of the parties that if such breach or warranty or any misrepresentation occur, the sole and

Apr-05-07 11:50am From-

T-569 P.013/013 F-403

~~exclusive remedy of purchaser shall be a cancellation of this contract of sale prior to the closing of title pursuant hereto.~~

Bernard A. Mann  
 , Seller

Seller

Claudio S. ...  
Purchaser

, Purchaser

RIDER ATTACHED TO AND MADE PART OF CONTRACT OF SALE  
DATED FEBRUARY \_\_\_\_\_ 2007 BETWEEN  
**BERNAT MIKHLI and SHAMUIL MIKHLI AS SELLER AND**  
**CLAUDE SIMON AS**  
PURCHASER OF THE PREMISES KNOWN AS  
160 MADISON AVENUE, UNIT 1  
NEW YORK, NEW YORK

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

32. a. Sellers represent that Sellers (i) have received no notice and have no knowledge of any pending or threatened litigation or claim against or concerning Seller, the Unit or the personal property included in this sale, (ii) have no knowledge of any violations or assessments or other actions affecting the Unit, and (iii) have no knowledge of any violations of record affecting the Unit. The representations contained in this subparagraph shall survive the Closing.

b. Sellers shall promptly send Purchaser a copy of every notice and shall promptly notify Purchasers of any knowledge concerning or affecting this sale, including without limitation, any notice or knowledge concerning the Premises or the personal property included in this sale, any assessments, liens, (including mechanic's liens), violations of record or any pending or threatened litigation or claim.

33. Supplementing Paragraph 18 of the printed contract the term Institutional Lender shall be deemed to include a licensed mortgage broker or banker who has contractual relationships with a bank, savings bank, trust company, savings and loan association or any other banking association as defined in the banking law.

34. Supplementing Paragraph 18 a written offer to make the loan, even if issued by the Institutional Lender and even if denominated a loan commitment letter by the Institutional Lender, shall not be deemed to be a "Loan Commitment Letter", as that term is used in this Contract, if such a written offer to make the loan is conditional upon any factor other than the execution of customary documents at closing. Purchasers shall use reasonable efforts to satisfy any conditions which are raised by the Institutional Lender relating to the Purchasers in connection with the loan that are within the control and ability of Purchasers to satisfy. The foregoing shall not operate to obligate Purchasers to sell any real property or any interest in real property and shall not operate to require Purchasers to cancel or terminate any credit card, charge card, or other line of credit. Furthermore, in the event that Seller exercises Seller's

right to adjourn the Closing as set forth in this Contract, Seller shall not adjourn the Closing beyond the earlier expiration date of either the interest rate or the commitment itself as stated in the Loan Commitment Letter, Purchasers shall have the option to cancel this Contract and receive back the Contract Deposit with interest thereon, if any. Purchasers shall not exercise the immediately aforescribed option to cancel if Purchasers are able, without the payment of any additional or increased fee, costs or expenses to obtain an extension of the Loan Commitment Letter with the same or better financial terms and provisions (including, without limitation, the rate of interest) as were granted in the original Loan Commitment Letter. If the inability to get an extension of the commitment is caused by Purchasers delay, or previous adjournments by Purchasers, then Purchasers may not cancel under the terms of this provision.

35. Purchasers shall have the right on reasonable notice to have an architect and/or engineer or other professionals visit the premises to make inspections and take measurements on reasonable notice by appointment with Seller.

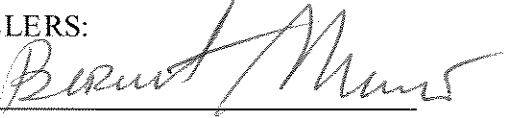
36. It is agreed and acknowledged by the parties that the Property transferred with the Unit is appurtenant to the Unit and has no value apart therefrom.

37. Seller represents that it has not filed or been named in a bankruptcy or insolvency proceeding and there are no judgments against Seller.

38. During the past five years, Seller is not aware of any complaints about noise or offensive odors emanating from any other portion of the Premises nor any complaint concerning any leaks emanating from or to the Unit. In addition, the Unit has not been affected by any leaks or water infiltration during the past five years. This Paragraph shall survive closing.

39. Seller represents as follows: All alterations and additions made to the Unit by Seller has been performed in compliance with all requirements of applicable governmental authorities. Seller has no knowledge of any alterations or additions to the Unit that were not made in compliance with any of the requirements of applicable governmental authorities. No repair or improvement has been made or commenced with respect to which the Unit is or can be subject to any lien or assessment.

SELLERS:

  
BERNAT MIKHLI

PURCHASER:

  
CLAUDE SIMON

  
SHAMUIL MIKHLI