

Contract of Sale for New York office, commercial and multi-family residential premises

Contract of Sale — Office, Commercial and Multi-Family Residential Premises

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CONTRACT dated the _____, day of July, 2013

Between
Torkan's Story House Inc.

Torkan's Story House Inc.

Address: 352 East 55th Street

352 East 55th Street

(“Seller”)

and
Claude Simon or a newly formed entity.

Address:

("Purchaser").

Seller and Purchaser hereby covenant and agree as follows:

Schedule A
DESCRIPTION OF PREMISES

The Premises are located at or known as:

Street Address: 352 East 55th Street

City: New York State: NY Zip: 10022

Tax Map Designation: Section: Block: 1347

(☐ metes and bounds description attached hereto)

Schedule B
PERMITTED EXCEPTIONS

1. Zoning regulations and ordinances which are not violated by the existing structures or present use thereof and which do not render title uninsurable.
2. Consents by the Seller or any former owner of the Premises for the erection of any structure or structures on, under or above any street or streets on which the Premises may abut.
3. The Existing Mortgage(s) and financing statements, assignments of leases and other collateral assignments ancillary thereto.
4. Leases and Tenancies specified in the Rent Schedule and any ~~new leases or tenancies not prohibited by this contract.~~ rent stabilization
5. Unpaid installments of assessments not due and payable on or before the Closing Date. renewals
6. Financing statements, chattel mortgages and liens on personally filed more than 5 years prior to the Closing Date and not renewed, or filed against property or equipment no longer located on the Premises or owned by Tenants.
7. (a) Rights of utility companies to lay, maintain install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Premises, provided that none of such rights imposes any monetary obligation on the owner of the Premises.
(b) Encroachments of stoops, areas, cellar steps, trim cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping and retaining walls projecting from the Premises over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Premises:
 - (c) Revocability or lack of right to maintain vaults, coal chutes, excavations or sub-surface equipment beyond the line of the Premises.
 - (d) Any state of facts that an accurate survey would disclose, provided that such facts do not render title unmarketable. For the purposes of this contract, none of the facts shown on the survey, if any, identified below shall be deemed to render title unmarketable, and Purchaser shall accept title subject thereto:

Schedule C
PURCHASE PRICE

The Purchase Price shall be paid as follows:

- | | |
|---|-----------------------------|
| (a) By check subject to collection, the receipt of which is hereby acknowledged by Seller: | \$ 420,000.00 |
| (b) By check or checks delivered to Seller at the Closing in accordance with the provisions of §2.02: | \$ 3,780,000.00 |
| (c) By acceptance of title subject to the following Existing Mortgage(s): | \$ |
| (d) By execution and delivery to Seller by Purchaser or its assignee of a note secured by a Purchase Money Mortgage on the Premises, in the sum of \$ | \$ 4,200,000.00 |
| Interest Rate: | |
| Term: | Monthly payment: Prep. Fee: |
| Making for a total Purchase Price of | Other provisions: |

\$ 420,000.00

\$3,780,000.00

59

\$4,200,000.00

1. Title insurer designated by the parties (§1.02): Purchaser
2. Last date for consent by Existing Mortgagee(s) (§2.03(b)):
3. Maximum Interest Rate of any Refinanced Mortgage (§2.04(b)):
4. Prepayment Date on or after which Purchase Money Mortgage may be prepaid (§2.04(c)):
5. Seller's tax ID Nos (§2.05) #1: #2: #3: #4:
6. Buyer's tax ID Nos (§2.05) #1: #2: #3: #4:
* on or before September 12, 2013, ~~Time of the Essence~~
7. Scheduled time and date of Closing (§3.01): Date: ~~May 15, 2013~~ Time: 10:00 o'clock a.m.
8. Place of Closing (§3.01): Law Office of Fredrick A. Becker
122 East 42nd Street, Suite 2100
New York, NY 10022
9. Assessed valuation of Premises (§4.10): \$391,285.00
10. Fiscal year and annual real estate taxes on Premises (§4.10): Fiscal Year: 2012/2013 Annual Taxes: \$51,575.26
11. Tax abatements or exemptions affecting Premises (§4.10): None
12. Assessments on Premises (§4.13): None
13. Maximum Amount which Seller must spend to cure violations, etc. (§7.02): ~~*\$1,500.00~~ \$50,000.00
14. Maximum Expense of Seller to cure title defects, etc. (§13.02): ~~*\$1,500.00~~ \$50,000.00
15. Broker, if any (§14.01): Leslie J. Garfield & Co., Inc. and Halstead Property
16. Party to pay broker's commission (§14.01): Seller
17. Address for notices (§15.01):
If to Seller: Ms. Torkan Maham
Torkan's Story House LLC
352 East 55th Street
New York, NY 10022

with a copy to: Fredrick A. Becker, Esq.
Law Office of Fredrick A. Becker
122 East 42nd Street, Suite 2100
New York, NY 10168
(212) 867-3820; (212) 983-5276 (fax); fbecker@fbeckerlaw.com
18. If to Purchaser: Claude Simon

with a copy to: Darryl M. Vernon
Vernon & Ginsburg LLP
261 Madison Avenue 26th Floor
New York, New York 10016
(212)949-7300; dvernon@vglp.com
18. Limitation Date for actions based on Seller's surviving representations and other obligations (§16.01):
19. Additional Schedules or Riders (§17.08):

Schedule E

RENT SCHEDULE

☐(if more than four tenants, check, and annex a rent schedule rider hereto; otherwise, enter information below)

Name	Apt. No.	Rent	Due	Security
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Not Applicable	Delivered Vacant	Delivered Vacant	Basement	First Floor Apartment and Store	Market	Stabilized	Market	Market	Market	Stabilized
				2A	2B	3A	3B	4A	4B	

Section 1. Sale of Premises and Acceptable Title

§1.01. Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, at the price and upon the terms and conditions set forth in this contract:

- (a) the parcel of land more particularly described in Schedule A attached hereto ("Land")
- (b) all buildings and improvement situated on the Land (collectively, "Building");
- (c) all right, title and interest of Seller, if any, in and to the land lying in the bed of any street or highway in front of or adjoining the Land in the center line thereof and to any unpaid award for any taking by condemnation or any damage to the Land by reason of a change of grade of any street or highway;
- (d) the appurtenances and all the estate and rights of Seller in and to the Land and Building; and
- (e) all right, title and interest of Seller, if any, in and to the fixtures, equipment and other personal property attached or appurtenant to the Building (collectively, "Premises"). The Premises are located at or known as

Street Address: 352 East 55th Street
City: New York State: NY Zip: 10022
Tax Map Designation: Section: Block: 1347 Lot: 130

§1.02. Seller shall convey and Purchaser shall accept fee simple title to the Premises in accordance with the terms of this contract, subject only to:

- (a) the matters set forth in Schedule B attached hereto (collectively, "Permitted Exceptions"); and
- (b) such other matters as (i) the title insurer specified in Schedule D attached hereto (or if none is so specified, then any member of the New York Board of Title Underwriters) shall be willing, without special premium, to omit as exceptions to coverage or to except with insurance against collection out of or enforcement against the Premises and (ii) shall be accepted by any lender described in Section 274-a of the Real Property Law ("Institutional Lender") which has committed in writing to provide mortgage financing to Purchaser for the purchase of the Premises ("Purchaser's Institutional Lender"), except that if such acceptance by Purchaser's Institutional Lender is unreasonably withheld or delayed, such acceptance shall be deemed to have been given.

Section 2. Purchase Price, Acceptable Funds, Existing Mortgages, Purchase Money Mortgage and Escrow of Down payment

§2.01. The purchase price ("Purchase Price") to be paid by Purchaser to Seller for the Premises as provided in Schedule C attached hereto is \$ ~~7,425,000.00~~ \$4,200,000.00

§2.02. All monies payable under this contract, unless otherwise specified in this contract, shall be paid by:

- (a) certified checks of Purchaser or any person making a purchase money loan to Purchaser drawn on any bank, savings bank, trust company or savings and loan association having a banking office in the State of New York or
- (b) official bank checks drawn by any such banking institution, payable to the order of Seller, except that uncertified checks of Purchaser payable to the order of Seller up to the amount of one-half of one percent of the Purchase Price shall be acceptable for sums payable to Seller at the Closing.

§2.03: (a) If Schedule C provides for the acceptance of title by Purchaser subject to one or more existing mortgages (collectively, "Existing Mortgage(s)"), the amounts specified in Schedule C with reference thereto may be approximate. If at the Closing the aggregate principal amount of the Existing Mortgage(s), as reduced by payments required there under prior to the Closing, is less than the aggregate amount of the Existing Mortgage(s) as specified in Schedule C, the difference shall be added to the monies payable at the Closing, unless otherwise expressly provided herein:

- (b) If any of the documents constituting the Existing Mortgage(s) or the note(s) secured thereby prohibits or restricts the conveyance of the Premises or any part thereof without the prior consent of the holder or holders thereof ("Mortgage(s)") or confers upon the Mortgage(s) the right to accelerate payment of the indebtedness or to change the terms of the Existing Mortgage(s) in the event that a conveyance is made without consent of the Mortgage(s), Seller shall notify such Mortgage(s) of the proposed conveyance to Purchaser within 10 days after execution and delivery of this contract, requesting the consent of such Mortgage(s) thereto. Seller and Purchaser shall furnish the Mortgage(s) with such information as may reasonably be required in connection with such request and shall

otherwise cooperate with such Mortgage(s) and with each other in an effort expeditiously to procure such consent, but neither shall be obligated to make any payment to obtain such consent. If such Mortgage(s) shall fail or refuse to grant such consent in writing on or before the date set forth in Schedule D or shall require as a condition of the granting of such consent

(i) that additional consideration be paid to the Mortgage(s) and neither Seller nor Purchaser is willing to pay such additional consideration or

(ii) that the terms of the Existing Mortgage(s) be changed and Purchaser is unwilling to accept such change, then unless Seller and Purchaser mutually agree to extend such date or otherwise modify the terms of this contract, Purchaser may terminate this contract in the manner provided in §13.02.

If Schedule C provides for a Purchase Money Mortgage (as defined in §2.04), Seller may also terminate this contract in the manner provided in §13.02 if any of the foregoing circumstances occur or if Seller is unwilling to accept any such change in the terms of the Existing Mortgage(s):

§2.04: (a) If Schedule C provides for payment of a portion of the Purchase Price by execution and delivery to Seller of a note secured by a purchase money mortgage ("Purchase Money Mortgage"), such note and Purchase Money Mortgage shall be drawn by the attorney for the Seller on the standard forms of the New York Board of Title Underwriters then in effect for notes and for mortgages of like tenor, as modified by this contract. At the Closing, Purchaser shall pay the mortgage recording tax and recording fees therefore and the filing fees for any financing statements delivered in connection therewith:

(b) If Schedule C provides for the acceptance of title by Purchaser subject to Existing Mortgage(s) prior in lien to the Purchase Money Mortgage, the Purchase Money Mortgage shall provide that it is subject and subordinate to the lien(s) of the Existing Mortgage(s) and shall be subject and subordinate to any extensions, modifications, renewals, consolidations, substitutions or replacements thereof (collectively, "Refinancing" or "Refinanced Mortgage"), provided that (i) the rate of interest payable under a Refinanced Mortgage shall not be greater than that specified in Schedule D as the Maximum Interest Rate or, if no Maximum Interest Rate is specified in Schedule D, shall not be greater than the rate of interest that was payable on the refinanced indebtedness immediately prior to such Refinancing, and (ii) if the principal amount of the Refinanced Mortgage plus the principal amount of a other Existing Mortgage(s), if any, remaining after placement of a Refinanced Mortgage exceeds the amount of principal owing and unpaid on all mortgages on the Premises superior to the Purchase Money Mortgage immediately prior to the Refinancing, an amount equal to the excess shall be paid at the closing of the Refinancing to the holder of the Purchase Money Mortgage in reduction of the principal payments due there under in inverse order of maturity. The Purchase Money Mortgage shall further provide that the holder thereof shall, on demand and without charge therefore, execute, acknowledge and deliver any agreement or agreements reasonably required by the mortgagee to confirm such subordination.

(c) The Purchase Money Mortgage shall contain the following additional provisions:

_____(i) The mortgagee or any owner of the mortgaged premises shall have the right to prepay the entire unpaid indebtedness together with accrued interest, but without penalty, at any time on or after [insert the day following the last day of the fiscal year of the mortgage in which the Closing occurs or, if a Prepayment Date is specified in Schedule D, the specified Prepayment Date], or not less than 10 days' written notice to the holder hereof;

_____(ii) Notwithstanding anything to the contrary contained herein, the obligation of the mortgagee for the payment of the indebtedness and for the performance of the terms, covenants and conditions contained herein and in the note secured hereby is limited solely to recourse against the property secured by this mortgage, and in no event shall the mortgagee or any principal of the mortgage, disclosed or undisclosed, be personally liable for any breach of or default under the note or this mortgage or for any deficiency resulting from or through any proceedings to foreclose this mortgage, nor shall any deficiency judgment, money judgment or other personal judgment be sought or entered against the mortgagee or any principal of the mortgage, disclosed or undisclosed, but the foregoing shall not adversely affect the lien of this mortgage or the mortgagee's right of foreclosure."

(iii) "In addition to performing its obligations under Section 274-a of the Real Property Law, the mortgagee, if other than one of the institutions listed in Section 274-a agrees that;

within 10 days after written request by the mortgagee, but not more than twice during any period of 12 consecutive months, it will execute, acknowledge and deliver without charge a certificate of reduction in recordable form (a) certifying as to (1) the then unpaid principal balance of the indebtedness secured hereby; (2) the maturity date thereof; (3) the rate of interest; (4) the last date to which interest has been paid; and (5) the amount of any escrow deposits then held by the mortgagee; and (b) stating, to the knowledge of the mortgagee, whether there are any alleged defaults hereunder and, if so, specifying the nature thereof."

(iv) "All notices required or desired to be given under this mortgage shall be in writing and shall be delivered personally or shall be sent by prepaid registered or certified mail, addressed to the mortgagee and mortgagee at the addresses specified in this mortgage or to such other parties or at such other addresses, not exceeding two, as may be designated in a notice given to the other party or parties in accordance with the provisions hereof."

(v) The additional provisions, if any, specified in a rider hereto:

§2.05. (a) If the sum paid under paragraph (a) of Schedule C or any other sums paid on account of the Purchase Price prior to the Closing (collectively, "Downpayment") are paid by check or checks drawn to the order of and delivered to Seller's attorney or another escrow agent ("Escrowee"), the Escrowee shall hold the proceeds thereof in escrow in a special bank account (or as otherwise agreed in writing by Seller, Purchaser and Escrowee) until the Closing or sooner termination of this contract and shall pay over or apply such proceeds in accordance with the terms of this section. Escrowee

will

~~need not~~ hold such proceeds in an interest-bearing account, but if any interest is earned thereon, such interest shall be paid to the same party entitled to the escrowed proceeds, and the party receiving such interest shall pay any income taxes thereon. The tax identification numbers of the parties are either set forth in Schedule D or shall be furnished to Escrowee upon request. At the Closing, such proceeds and the interest thereon, if any, shall be paid by Escrowee to Seller. If for any reason the Closing does not occur and either party makes a written demand upon Escrowee for payment of such amount, Escrowee shall give written notice to the other party of such demand. If Escrowee does not receive a written objection from the other party to the proposed payment within 10 business days after the giving of such notice, Escrowee is hereby authorized to make such payment. If Escrowee does receive such written objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by written instructions from the parties to this contract or a final judgment of a court. However, Escrowee shall have the right at any time to deposit the escrowed proceeds and interest thereon, if any, with the clerk of the Supreme Court of the county in which the Land is located. Escrowee shall give written notice of such deposit to Seller and Purchaser. Upon such deposit Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that Escrowee is acting solely as a stakeholder at their request and for their convenience, that Escrowee shall not be deemed to be the agent of either of the parties, and that Escrowee shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this contract or involving gross negligence. Seller and Purchaser shall jointly and severally indemnify and hold Escrowee harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith, in willful disregard of this contract or involving gross negligence on the part of Escrowee.

(c) Escrowee has acknowledged agreement to these provisions by signing in the place indicated on the signature page of this contract.

Section 3. The Closing

§3.01. Except as otherwise provided in this contract, the closing of title pursuant to this contract ("Closing") shall take place on the scheduled date and time of closing specified in Schedule D (the actual date of the Closing being herein referred to as "Closing Date") at the place specified in Schedule D.

Section 4. Representations and Warranties of Seller

Seller represents and warrants to Purchaser as follows:

§4.01. Unless otherwise provided in this contract, Seller is the sole owner of the Premises.

§4.02. If the Premises are encumbered by an Existing Mortgage(s), no written notice has been received from the Mortgagee(s) asserting that a default or breach exists thereunder which remains uncured and no such notice shall have been received and remain uncured on the Closing Date. If copies of documents constituting the Existing Mortgage(s) and note(s) secured thereby have been exhibited to and initiated by Purchaser or its representative, such copies are true copies of the originals and the Existing Mortgage(s) and note(s) secured thereby have not been modified or amended except as shown in such documents.

§4.03. The information concerning written leases (which together with all amendments and modifications thereof are collectively referred to as "Leases") and any tenancies in the Premises not arising out of the Leases (collectively, "Tenancies") set forth in Schedule E attached hereto ("Rent Schedule") is accurate as of the *date set forth therein or, if no date is set forth therein, as of the date hereof, and there are no Leases or Tenancies of any space in the Premises other than those set forth therein and any subleases or subtenancies. Except as otherwise set forth in the Rent Schedule or elsewhere in this contract: *closing

(a) all of the Leases are in full force and effect and none of them has been modified, amended or extended; *as of closing

(b) no renewal or extension options have been granted to tenants; *as of the closing date

(c) no tenant has an option to purchase the Premises;

(d) the rents set forth are being collected on a current basis and there are no arrearages in excess of one month;

(e) no tenant is entitled to rental concessions or abatements for any period subsequent to the scheduled date of closing;

(f) Seller has not sent written notice to any tenant claiming that such tenant is in default, which default remains uncured;

(g) no action or proceeding instituted against Seller by any tenant of the Premises is presently pending in any court, except with respect to claims involving personal injury or property damage which are covered by insurance; and

(h) there are no security deposits other than those set forth in the Rent Schedule.

If any Leases which have been exhibited to and initialed by Purchaser or its representative contain provisions that are inconsistent with the foregoing representations and warranties, such representations and warranties shall be deemed modified to the extent necessary to eliminate such inconsistency and to conform such representations and warranties to the provisions of the Leases.

§4.04. If the Premises or any part thereof are subject to the New York City Rent Stabilization Law, Seller is and on the Closing Date will be a member in good standing of the Real Estate Industry Stabilization Association, and, except as otherwise set forth in the Rent Schedule, there are no proceedings with any tenant presently pending before the Conciliation and Appeals Board in which a tenant has alleged an overcharge of rent or diminution of services or similar grievance, and there are no outstanding orders of the Conciliation and Appeals Board that have not been complied with by Seller.

NYS Division of Housing & Comm. Renewal or any forum

§4.05. If the Premises or any part thereof are subject to the New York City Emergency Rent and Rehabilitation Law, the rents shown are not in excess of the maximum collectible rents, and, except as otherwise set forth in the Rent Schedule, no tenants are entitled to abatements as senior citizens; there are no proceedings presently pending before the rent commission in which a tenant has alleged an overcharge of rent or diminution of services or similar grievance, and there are no outstanding orders of the rent commission that have not been complied with by Seller.

§4.06. If an insurance schedule is attached hereto, such schedule lists all insurance policies presently affording coverage with respect to the Premises, and the information contained therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof;

§4.07. If a payroll schedule is attached hereto, such schedule lists all employees presently employed at the Premises, and the information contained therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof, and, except as otherwise set forth in such schedule, none of such employees is covered by a union contract and there are no retroactive increases or other accrued and unpaid sums owed to any employee.

§4.08. If a schedule of service, maintenance, supply and

management contracts ("Service Contracts") is attached hereto, such schedule lists all such contracts affecting the Premises, and the information set forth therein is accurate as of the date set forth therein, if no date is set forth therein, as of the date hereof.

§4.09. If a copy of a certificate of occupancy for the Premises has been exhibited to and initialed by Purchaser or its representative, such copy is a true copy of the original and such certificate has not been amended, ~~but Seller makes no~~ represents compliance with any such certificate. A copy of the Certificate of Occupancy is attached.

§4.10. The assessed valuation and real estate taxes set forth in Schedule D, if any, are the assessed valuation of the Premises and the taxes paid or payable with respect thereto for the fiscal year indicated in such schedule. Except as otherwise set forth in Schedule D, there are no tax abatements or exemptions affecting the Premises.

§4.11. ~~Except as otherwise set forth in a schedule attached hereto, if any, if the Premises are used for residential purposes, each apartment contains a range and a refrigerator, and all of the ranges and refrigerators and all of the items of personal property (or replacements thereof) listed in such schedule, if any, are and on the Closing Date will be owned by Seller free of liens and encumbrances other than the lien(s) of the Existing Mortgage(s), if any.~~

§4.12. Seller has no actual knowledge that any incinerator, boiler or other burning equipment on the Premises is being operated in violation of applicable law. If copies of a certificate or certificates of operation therefor have been exhibited to and initialed by Purchaser or its representative, such copies are true copies of the originals.

§4.13. Except as otherwise set forth in Schedule D, Seller has no actual knowledge of any assessment payable in annual installments, or any part thereof, which has become a lien on the Premises.

Section 5. Acknowledgments of Purchaser

Purchaser acknowledges that:

§5.01. Purchaser has inspected the Premises, is fully familiar with the physical condition and state of repair thereof, and, subject to the provisions of §7.01, §8.01, and §9.04, shall accept the Premises "as is" and in their present condition, subject to reasonable use, wear, tear and natural deterioration between now and the Closing Date, without any reduction in the Purchase Price for any change in such condition by reason thereof subsequent to the date of this contract.

§5.02. Before entering into this contract, Purchaser has made such examination of the Premises, the operation, income and expenses thereof and all other matters affecting or relating to this transaction as Purchaser deemed necessary. In entering into this contract, Purchaser has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Seller or any agent, employee or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, which are not expressly set forth in this contract, whether or not any such representations, warranties or statements were made in writing or orally.

Section 6. Seller's Obligations as to Leases

§6.01. Unless otherwise provided in a schedule attached to this contract, between the date of this contract and the Closing, Seller shall not, without Purchaser's prior written consent, which consent may ~~shall not be unreasonably~~ withheld: for any reason.

- (a) amend, renew or extend any Lease in any respect, unless required by law;
- (b) grant a written lease to any tenant occupying space pursuant to a Tenancy; or
- (c) terminate any Lease or Tenancy except by reason of a default by the tenant thereunder.

§6.02. ~~Unless otherwise provided in a schedule attached to this contract, between the date of this contract and the Closing, Seller shall not permit occupancy of, or enter into any new lease for, space in the Building which is presently vacant or which may hereafter~~

become vacant without first giving Purchaser written notice of the identity of the proposed tenant, together with

(a) either a copy of the proposed lease or a summary of the terms thereof in reasonable detail and

(b) a statement of the amount of the brokerage commission, if any, payable in connection therewith and the terms of payment thereof. If Purchaser objects to such proposed lease, Purchaser shall so notify Seller within 4 business days after receipt of Seller's notice if such notice was personally delivered to Purchaser, or within 7 business days after the mailing of such notice by Seller to Purchaser, in which case Seller shall not enter into the proposed lease. Unless otherwise provided in a schedule attached to this contract, Purchaser shall pay to Seller at the Closing, in the manner specified in §2.02, the rent and additional rent that would have been payable under the proposed lease from the date on which the tenant's obligation to pay rent would have commenced if Purchaser had not so objected until the Closing Date, less the amount of the brokerage commission specified in Seller's notice and the reasonable cost of decoration or other work required to be performed by the landlord under the terms of the proposed lease to suit the premises to the tenant's occupancy ("Retletting Expenses"), prorated in each case over the term of the proposed lease and apportioned as of the Closing Date. If Purchaser does not so notify Seller of its objection, Seller shall have the right to enter into the proposed lease with the tenant identified in Seller's notice and Purchaser shall pay to Seller, in the manner specified in §2.02, the Retletting Expenses, prorated in each case over the term of the lease and apportioned as of the later of the Closing Date or the rent commencement date. Such payment shall be made by Purchaser to Seller at the Closing. In no event shall the amount so payable to Seller exceed the sums actually paid by ~~Seller on account thereof.~~

§6.03. ~~If any space is vacant on the Closing Date, Purchaser shall accept the Premises subject to such vacancy, provided that the vacancy was not permitted or created by Seller in violation of any restrictions contained in this contract. Seller shall not grant any concessions or rent abatements for any period following the Closing without Purchaser's prior written consent. Seller shall not apply all or any part of the security deposit of any tenant unless such tenant has vacated the Premises.~~

§6.04. Seller does not warrant that any particular Lease of Tenancy will be in force or effect at the Closing or that the tenants will have performed their obligations thereunder. The termination of any Lease or Tenancy prior to the Closing by reason of the tenant's default shall not affect the obligations of Purchaser under this contract in any manner or entitle Purchaser to an abatement of or credit against the Purchaser Price or give rise to any other claim on the part of Purchaser.

Section 7. Responsibility for Violations

§7.01. Except as provided in §7.02 and §7.03, all notes or notices of violations of law or governmental ordinances, orders or requirements which were noted or issued prior to the date of ~~this contract~~ by any governmental department, agency or bureau having jurisdiction as to conditions affecting the Premises and all liens which have attached to the Premises prior to the Closing pursuant to the Administrative Code of the City of New York, if applicable, shall be removed or complied with by Seller. If such removal or compliance has not been completed prior to the Closing, Seller shall pay to Purchaser at the Closing the reasonably estimated unpaid cost to effect or complete such removal or compliance, and Purchaser shall be required to accept title to the Premises subject thereto, except that Purchaser shall not be required to accept such title and may terminate this contract as provided in §13.02 if ~~*closing~~ (a) Purchaser's Institutional Lender reasonably refuses to provide financing by reason thereof or

(b) the Building is a multiple dwelling and either

(i) such violation is rent impairing and causes rent to be unrecoverable under Section 302-a of the Multiple Dwelling Law or

(ii) a proceeding has been validly commenced by tenants and is pending with respect to such violation for a judgment directing deposit and use of rents under Article 7-A of the Real Property Actions and Proceedings Law. All such notes or notices of violations noted or issued on or after the date of this contract shall be the sole responsibility of Purchaser.

§ 7.02. If the reasonably estimated aggregate cost to remove or comply with any violations or liens which Seller is required to remove or comply with pursuant to the provisions of § 7.01 shall exceed the Maximum Amount specified in Schedule D (or if none is so specified, the Maximum Amount shall be one-half of one percent of the Purchase Price), Seller shall have the right to cancel this contract, in which event the sole liability of Seller shall be as set forth in § 13.02, unless Purchaser elects to accept title to the Premises subject to all such violations or liens; ~~in which event Purchaser shall be entitled to a credit of an amount equal to the Maximum Amount against the monies payable at the Closing.~~

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§ 7.03. Regardless of whether a violation has been noted or issued prior to the date of this contract, Seller's failure to remove or fully comply with the following violations shall not be an objection to title:

- (a) any violations of New York City Local Law 5 of 1973, as amended (relating to fire safety in office buildings), if applicable, or
- (b) any violations which a tenant is required to remove or comply with pursuant to the terms of its lease by reason of such tenant's use or occupancy. Purchaser shall accept the Premises subject to all such violations without any liability of Seller with respect thereto or any abatement of or credit against the Purchase Price; ~~except that if Purchaser's Institutional Lender reasonably refuses to provide financing by reason of the violations described in (b) above, Purchaser shall not be required to accept the Premises subject thereto and Purchaser shall have the right to terminate this contract in the manner provided in § 13.02.~~

§ 7.04. If required, Seller, upon written request by Purchaser, shall promptly furnish to Purchaser written authorizations to make any necessary searches for the purposes of determining whether notes or notices of violations have been noted or issued with respect to the Premises or liens have attached thereto.

Section 8. Destruction, Damage or Condemnation

§ 8.01. The provisions of Section 5-1311 of the General Obligations Law shall apply to the sale and purchase provided for in this contract.

Section 9. Covenants of Seller

Seller covenants that between the date of this contract and the Closing:

§ 9.01. ~~The Existing Mortgage(s) shall not be amended or supplemented or prepaid in whole or in part. Seller shall pay or make, as and when due and payable, all payments of principal and interest and all deposits required to be paid or made under the Existing Mortgage(s).~~

§ 9.02. Seller shall not modify or amend any Service Contract or enter into any new service contract unless same is terminable without penalty by the then owner of the Premises upon not more than 30 days notice.

§ 9.03. If an insurance schedule is attached hereto, Seller shall maintain in full force and effect until the Closing the insurance policies described in such schedule or renewals thereof for no more than one year of those expiring before the Closing.

§ 9.04. No fixtures, equipment or personal property included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing.

§ 9.05. Seller shall not withdraw, settle or otherwise compromise any protest or reduction proceeding affecting real estate taxes assessed against the Premises for any fiscal period in which the Closing is to occur or any subsequent fiscal period without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. Real estate tax refunds and credits received after the Closing Date which are attributable to the fiscal tax year during which the Closing Date occurs shall be apportioned between Seller and Purchaser, after deducting the expenses of collection thereof, which obligation shall survive the Closing.

§ 9.06. Seller shall allow Purchaser or Purchaser's representatives access to the Premises, the Leases and other

documents required to be delivered under this contract upon reasonable prior notice at reasonable times.

Section 10. Seller's Closing Obligations

At the Closing, Seller shall deliver the following to Purchaser:

§ 10.01. A statutory form of bargain and sale deed ~~without~~ covenant against grantor's acts, containing the covenant required by Section 13 of the Lien Law, and properly executed in proper form for recording so as to convey the title required by this contract.

§ 10.02. All Leases initiated by Purchaser and all others in Seller's possession.

§ 10.03. A schedule of all cash security deposits and a check or credit to Purchaser in the amount of such security deposits, including any interest thereon, held by Seller on the Closing Date under the Leases or, if held by an Institutional Lender, an assignment to Purchaser and written instructions to the holder of such deposits to transfer the same to Purchaser, and appropriate instruments of transfer or assignment with respect to any lease securities which are other than cash.

§ 10.04. A schedule updating the Rent Schedule and setting forth all arrears in rents and all prepayments of rents.

§ 10.05. ~~All Service Contracts initiated by Purchaser and all others in Seller's possession which are in effect on the Closing Date and which are assignable by Seller.~~

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§ 10.06. ~~An assignment to Purchaser, without recourse or warranty, of all of the interest of Seller in those Service Contracts, insurance policies, certificates, permits and other documents to be delivered to Purchaser at the Closing which are then in effect and are assignable by Seller.~~

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§ 10.07. ~~(a) Written consent(s) of the Mortgagee(s), if required under § 2.03(b); and (b) certificate(s) executed by the Mortgagee(s) in proper form for recording and certifying (i) the amount of the unpaid principal balance thereof; (ii) the maturity date thereof; (iii) the interest rate; (iv) the last date to which interest has been paid thereon and (v) the amount of any escrow deposits held by the Mortgagee(s). Seller shall pay the fees for recording such certificate(s). Any Mortgagee which is an Institutional Lender may furnish a letter complying with Section 274-a of the Real Property Law in lieu of such certificate.~~

§ 10.08. ~~An assignment of all Seller's right, title and interest in escrow deposits for real estate taxes, insurance premiums and other amounts, if any, then held by the Mortgagee(s).~~

§ 10.09. All original insurance policies with respect to which premiums are to be apportioned or, if unobtainable, true copies or certificates thereof.

§ 10.10. To the extent they are then in Seller's possession and not posted at the Premises, certificates, licenses, permits, authorizations and approvals issued for or with respect to the Premises by governmental and quasigovernmental authorities having jurisdiction.

§ 10.11. Such affidavits as Purchaser's title company shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against persons or entities whose names are the same as or similar to Seller's name.

§ 10.12. Checks to the order of the appropriate officers in payment of all applicable real property transfer taxes and copies of any required tax returns therefor executed by Seller, which checks shall be certified or official bank checks if required by the taxing authority, unless Seller elects to have Purchaser pay any of such taxes and credit Purchaser with the amount thereof.

§ 10.13. To the extent they are then in Seller's possession, copies of current painting and payroll records. Seller shall make all other Building and tenant files and records available to Purchaser for copying, which obligation shall survive the Closing.

§ 10.14. An original letter, executed by Seller or by its

agent, advising the tenants of the sale of the Premises to Purchaser and directing that rents and other payments thereafter be sent to Purchaser or as Purchaser may direct.

~~§10.15. Notice(s) to the Mortgage(s); executed by Seller or by its agent, advising of the sale of the Premises to Purchaser and directing that future bills and other correspondence should thereafter be sent to Purchaser or as Purchaser may direct.~~

§10.16. If Seller is a corporation and if required by Section 909 of the Business Corporation Law, a resolution of Seller's board of directors authorizing the sale and delivery of the deed and a certificate executed by the secretary or assistant secretary of Seller certifying as to the adoption of such resolution and setting forth facts showing that the transfer complies with the requirements of such law. The deed referred to in §10.01 shall also contain a recital sufficient to establish compliance with such law.

§10.17. Possession of the Premises in the condition required by this contract, subject to the Leases and Tenancies, and keys therefor.

§10.18. Any other documents required by this contract to be delivered by Seller.

Section 11. Purchaser's Closing Obligations

At the Closing, Purchaser shall:

§11.01. Deliver to Seller checks in payment of the portion of the Purchase Price payable at the Closing, as adjusted for apportionments under Section 12, plus the amount of escrow deposits, if any, assigned pursuant to §10.08.

~~§11.02. Deliver to Seller the Purchase Money Mortgage, if any, in proper form for recording, the note secured thereby, financing statements covering personal property, fixtures and equipment included in this sale and replacements thereof, all property executed, and Purchaser shall pay the mortgage recording tax and recording fees for any Purchase Money Mortgage.~~

~~§11.03. Deliver to Seller an agreement indemnifying and agreeing to defend Seller against any claims made by tenants with respect to tenants' security deposits to the extent paid, credited or assigned to Purchaser under §10.03.~~

§11.04. Cause the deed to be recorded, duly complete all required real property transfer tax returns and cause all such returns and checks in payment of such taxes to be delivered to the appropriate officers promptly after the Closing.

§11.05. Deliver any other documents required by this contract to be delivered by Purchaser.

Section 12. Apportionments

§12.01. The following apportionments shall be made between the parties at the Closing as of the close of business on the day prior to the Closing Date:

- (a) prepaid rents and Additional Rents (as defined in §12.03);
- ~~(b) interest on the Existing Mortgage(s);~~
- (c) real estate taxes, water charges, sewer rents and vault charges, if any, on the basis of the fiscal period for which assessed, except that if there is a water meter on the Premises, apportionment at the Closing shall be based on the last available reading, subject to adjustment after the Closing when the next reading is available;
- ~~(d) wages, vacation pay, pension and welfare benefits and other fringe benefits of all persons employed at the Premises whose employment was not terminated at or prior to the Closing;~~
- ~~(e) value of fuel stored on the Premises, at the price then charged by Seller's supplier, including any taxes;~~
- (f) charges under transferable Service Contracts or permitted renewals or replacements thereof;
- (g) permitted administrative charges, if any, on tenants' security deposits;
- ~~(h) dues to rent stabilization associations, if any;~~
- ~~(i) insurance premiums on transferable insurance policies listed on a schedule hereto or permitted renewals thereof;~~
- (j) Reletting Expenses under §6.02, if any; and
- (k) any other items listed in Schedule D.

** in their rental obligations and none are in default to the best of Seller's knowledge.

If the Closing shall occur before a new tax rate is fixed, the apportionment of taxes at the Closing shall be upon the basis of the old tax rate for the preceding period applied to latest assessed valuation. Promptly after the new tax rate is fixed, the apportionment of taxes shall be recomputed. Any discrepancy resulting from such recomputation and any errors or omissions in computing apportionments at Closing shall be promptly corrected, which obligations shall survive the Closing and will escrow a reasonable amount.

§12.02. If any tenant is in arrears in the payment of rent on the Closing Date, rents received from such tenant after the Closing shall be applied in the following order of priority:

- (a) first to the month preceding the month in which the Closing occurred;
- (b) then to the month in which the Closing occurred;
- (c) then to any month or months following the month in which the Closing occurred; and
- (d) then to the period prior to the month preceding the month in which the Closing occurred.

If rents or any portion thereof received by Seller or Purchaser after the Closing are payable to the other party by reason of this allocation, the appropriate sum, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, shall be promptly paid to the other party, which obligation shall survive the Closing. Seller represents that all tenants are current **

§12.03. If any tenants are required to pay percentage rent, escalation charges for real estate taxes, operating expenses, cost-of-living adjustments or other charges of a similar nature ("Additional Rents") and any Additional Rents are collected by Purchaser after the Closing which are attributable in whole or in part to any period prior to the Closing, then Purchaser shall promptly pay to Seller Seller's proportionate share thereof, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, if and when the tenant paying the same has made all payments of rent and Additional Rent then due to Purchaser pursuant to the tenant's Lease, which obligation shall survive the Closing.

Section 13. Objections to Title, Failure of Seller or Purchaser to Perform and Vendor's Lien

~~§13.01. Purchaser shall promptly order an examination of title and shall cause a copy of the title report to be forwarded to Seller's attorney upon receipt. Seller shall be entitled to a reasonable adjournment or adjournments of the Closing for up to 60 days or until the expiration date of any written commitment of Purchaser's Institutional Lender delivered to Purchaser prior to the scheduled date of Closing, whichever occurs first, to remove any defects in or objections to title noted in such title report and any other defects or objections which may be disclosed on or prior to the Closing Date.~~

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~~§13.02. If Seller shall be unable to convey title to the Premises at the Closing in accordance with the provisions of this contract or if Purchaser shall have any other grounds under this contract for refusing to consummate the purchase provided for herein, Purchaser, nevertheless, may elect to accept such title as Seller may be able to convey with a credit against the monies payable at the Closing equal to the reasonably estimated cost to cure the same (up to the Maximum Expense described below), but without any other credit or liability on the part of Seller. If Purchaser shall not so elect, Purchaser may terminate this contract and the sole liability of Seller shall be to refund the Down payment to Purchaser and to reimburse Purchaser for the net cost of title examination, but not to exceed the net amount charged by Purchaser's title company therefor without issuance of a policy, and the net cost of updating the existing survey of the Premises or the net cost of a new survey of the Premises if there was no existing survey or the existing survey was not capable of being updated and a new survey was required by Purchaser's Institutional Lender. Upon such refund and reimbursement, this contract shall be null and void and the parties hereto shall be relieved of all further obligations and liability other than any arising under Section 14. Seller shall not be required to bring any action or proceeding or to incur any expense in excess of the Maximum Expense specified in Schedule D (or if none is so specified, the Maximum Expense shall be one-half of one percent of the Purchase Price) to cure any title defect or to enable Seller otherwise to comply with the provisions of this contract, but the foregoing shall not permit Seller to refuse to pay off at the Closing, to the extent of the monies payable at the Closing, mortgages on the Premises, other than Existing Mortgages, of which Seller has actual~~

knowledge:

§13.03 Any unpaid taxes, assessments, water charges and sewer rents, together with the interest and penalties thereon to a date not less than two days following the Closing Date, and any other liens and encumbrances which Seller is obligated to pay and discharge or which are against corporations, estates or other persons in the chain of title, together with the cost of recording or filing any instruments necessary to discharge such liens and encumbrances of record, may be paid out of the proceeds of the monies payable at the Closing if Seller delivers to Purchaser on the Closing Date official bills for such taxes, assessments, water charges, sewer rents, interest and penalties and instruments in recordable form sufficient to discharge any other liens and encumbrances of record. Upon request made a reasonable time before the Closing, Purchaser shall provide at the Closing separate checks for the foregoing payable to the order of the holder of any such lien, charge or encumbrance and otherwise complying with §2.02. If Purchaser's title insurance company is willing to insure both Purchaser and Purchaser's Institutional Lender, if any, that such charges, liens and encumbrances will not be collected out of or enforced against the Premises, then, unless Purchaser's Institutional Lender reasonably refuses to accept such insurance in lieu of actual payment and discharge, Seller shall have the right in lieu of payment and discharge to deposit with the title insurance company such funds or assurances or to pay such special or additional premiums as the title insurance company may require in order to so insure. In such case the charges, liens and encumbrances with respect to which the title insurance company has agreed so to insure shall not be considered objections to title.

§13.04. If Purchaser shall default in the performance of its obligation under this contract to purchase the Premises, the sole remedy of Seller shall be to retain the Downpayment as liquidated damages for all loss, damage and expense suffered by Seller, including without limitation the loss of its bargain.

~~§13.05: Purchaser shall have a vendee's lien against the Premises for the amount of the Downpayment, but such lien shall not continue after default by Purchaser under this contract.~~

Section 14. Broker

§14.01. If a broker is specified in Schedule D, Seller and Purchaser mutually represent and warrant that such broker is the only broker with whom they have dealt in connection with this contract and that neither Seller nor Purchaser knows of any other broker who has claimed or may have the right to claim a commission in connection with this transaction, unless otherwise indicated in Schedule D. The commission of such broker shall be paid pursuant to separate agreement by the party specified in Schedule D. If no broker is specified in Schedule D, the parties acknowledge that this contract was brought about by direct negotiation between Seller and Purchaser and that neither Seller nor Purchaser knows of any broker entitled to a commission in connection with this transaction. Unless otherwise provided in Schedule D, Seller and Purchaser shall indemnify and defend each other against any costs, claims or expenses, including attorneys' fees, arising out of the breach on their respective parts of any representations, warranties or agreements contained in this paragraph. The representations and obligations under this paragraph shall survive the Closing or, if the Closing does not occur, the termination of this contract except that Purchaser dealt with Peter Sikora at Corcoran approximately two years ago.

Section 15. Notices

§15.01. All notices under this contract shall be in writing and shall be delivered personally or shall be sent by prepaid registered or certified mail, addressed as set forth in Schedule D, or as Seller or Purchaser shall otherwise have given notice as herein provided.*

*Notices may also be sent by fax ~~or~~ email provided that they are received by 5:00 p.m. on a business day.

Section 16. Limitations on Survival of Representations, Warranties, Covenants and other Obligations

§16.01. Except as otherwise provided in this contract, no representations, warranties, covenants or other obligations of Seller set forth in this contract shall survive the Closing, and no action base thereon shall be commenced after the Closing. The

representations, warranties, covenants and other obligations of Seller set forth in §4.03, §6.01 and §6.02 shall survive until the Limitation Date specified in Scheduled D (or if none is so specified, the Limitation Date shall be the date which is six months after the Closing Date), and no action based thereon shall be commenced after the Limitation Date.

§16.02 The delivery of the deed by Seller, and the acceptance thereof by Purchaser, shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed hereunder, except those obligations of Seller which are expressly stated in this contract to survive the Closing.

Section 17. Miscellaneous Provisions

~~§17.01: If consent of the Existing Mortgagee(s) is required under §2.03(b), Purchaser shall not assign this contract or its rights hereunder without the prior written consent of Seller. No permitted assignment of Purchaser's rights under this contract shall be effective against Seller unless and until an executed counterpart of the instrument of assignment shall have been delivered to Seller and Seller shall have been furnished with the name and address of the assignee. The term "Purchaser" shall be deemed to include the assignee under any such effective assignment.~~

§17.02. This contract embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein and all prior agreements, understandings, representations and statements, oral or written, are merged into this contract. Neither this contract nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

§17.03. This contract shall be governed by, and construed in accordance with, the law of the State of New York.

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

§17.05. This contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs or successors and permitted assigns.

§17.06. This contract shall not be binding or effective until properly executed and delivered by Seller and Purchaser.

§17.07. As used in this contract, the masculine shall include the feminine and neuter; the singular shall include the plural and the plural shall include the singular, as the context may require.

§17.08. If the provisions of any schedule or rider to this contract are inconsistent with the provisions of this contract, the provisions of such schedule or rider shall prevail. Set forth in Schedule D is a list of any and all schedules and riders which are attached hereto but which are not listed in the Table of Contents.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Contract as of the date first above written.

SELLER(S):

BUYER(S):

Torkan's Story House LLC

By:

Claude Simon

Receipt by Escrowee:

The undersigned Escrowee hereby acknowledges receipt of, by check subject to collection, to be held in escrow pursuant to §2.05.

Fredrick A. Becker, Esq.

SELLER'S RIDER ATTACHED TO AND MADE PART OF CONTRACT OF SALE
DATED JULY __, 2013
BY AND BETWEEN
TORKAN STORY HOUSE LLC, AS SELLER
AND
CLAUDE SIMON, AS PURCHASER

Section 18.

§18.1. The printed part of this contract is hereby modified and supplemented. Wherever there is any conflict between this Rider and the printed part of this contract, the provisions of this Rider are paramount and the contract shall be construed accordingly.

Section 19.

§19.1 In addition to the representations and warranties of Seller set forth in Section 4 of the printed form of contract, the Seller represents and warrants as follows:

§4.14. Seller is not a "foreign person" as defined in the Code Withholding Section.

§4.15. The Premises constitutes one (1) tax lot.

§4.16. Seller has not received written notice of and has no knowledge of any action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Seller with respect to the Premises which if adversely determined could have a material adverse effect on the Premises or interfere with the consummation of the transaction contemplated by this contract.

§4.17. Seller is not, and is not acting directly or indirectly for or on behalf of any, person, group, entity or nation named by any Executive Order of the United States Treasury Department as a terrorist, "Specifically Designated National and Blocked Persons," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control and Seller is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of any such person, group, entity, or nation.

§4.18. To Seller's knowledge, there are no underground fuel storage tanks at the Premises.

§4.19. Seller has received no notice of and has no knowledge of any actual or proposed taking in condemnation of all or any part of the Premises.

§4.20. Seller has not made and does not know of any improvements that were made to the Premises that would have required approval by the municipality in which the Premises are located. The Premises does not constitute a nonconforming use under any applicable zoning law or code and no special permits or exceptions or zoning variances are required for the lawful and proper use and operation of the Premises, or any portion thereof. This representation shall survive closing of title.

§4.21. Except where limited specifically to the date of this contract and closing or other date, the representations and warranties made by Seller in this contract are made as of the date of execution and delivery of this contract shall be deemed restated and shall be true and accurate on the Closing Date.

Section 20. Notices

§20.01. All notices under this contract shall be in writing and shall be delivered personally with receipt acknowledged or shall be sent by (i) prepaid certified mail, or (ii) prepaid nationally recognized overnight courier for next business day delivery with receipt acknowledged, or (iii) legible facsimile transmission (with copy acknowledged) or email, in each case addressed as set forth in Schedule D or as Seller or Purchaser shall otherwise have given notice as herein provided. Notice sent by certified mail shall be deemed received on the third business day following mailing. Notice sent by overnight courier shall be deemed received ~~on~~ ^{when} ~~the first business day following delivery to the~~ ^{delivered} overnight courier. Notices sent by facsimile transmission or email shall be deemed received on the date received and must be received by 5:00 p.m. (or, if the date of receipt is not a business day, on the first business day following date of receipt). Any notice under this contract may be given by the attorneys of the respective parties who are hereby authorized to do so on their behalf.

Section 21. Governing Law

§21.01. This contract shall be governed by the laws of the State of New York. The Supreme Court of the State of New York, County of New York, shall be the only forum at which claims under this contract may be litigated.

SELLER:
TORKAN STORY HOUSE LLC

By: _____

PURCHASER:

CLAUDE SIMON

**BUYERS' RIDER ATTACHED TO AND MADE PART OF CONTRACT
OF SALE BETWEEN TORKAN'S STORY HOUSE, INC. AS SELLER
AND**

**CLAUDE SIMON AS PURCHASER OF THE PREMISES KNOWN AS
352 EAST 55TH STREET, NEW YORK, NEW YORK 10022**

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

23. Seller represents that Seller (i) has received no notice and has no knowledge of any pending or threatened litigation or claim against or concerning Seller, the building, or the personal property included in this sale, (ii) has no knowledge of any violations or assessments or other actions affecting the building, has no knowledge of any violations of record affecting the building other than the open violation #8390430 regarding Unit 2B.

24. Supplementing and modifying the printed form of this Contract, Seller represents and warrants that at closing, (a) the appliances, air conditioning, heating, electrical, alarm and security system will be in good working order and (b) the entire premises will be free from leaks; and (c) the premises will be free from infestation, including without limitation bedbugs. The representation and warranty contained in this Paragraph shall survive the closing.

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

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

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

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

operate and repair utility distribution service to the Premises.

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

26. Seller represents that:

- (a) Each of the leases of the Tenants and all amendments, and modifications in Seller's Possession thereto (collectively, the "Leases"), have been exhibited to Purchaser or its attorney;
- (b) There are no applications, orders, protests or complaints with reference to rents, services or equipment pending with any agency or any court; there has been no diminution of services and/or equipment required by any of the Leases; and there are no known claims, counterclaims or offsets by any Tenant or occupant;

(c) The Leases expire as indicated on the Rent Schedule; and

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

27. Seller represents that there are no complaints or proceedings pending as of the date hereof for rent overcharges or for the reduction of any rents, and if any are filed or if any are filed prior to the Closing, Seller agrees to comply with any orders made at its sole cost and expense and if said complaints or proceedings are not dismissed prior to the Closing Date, Purchaser shall be entitled to a credit for the amount of the cost of complying with any order made as a result of such complaints or proceedings at the Closing. Seller agrees to defend, indemnify and hold Purchaser harmless for any rent overcharges referable to the period of Seller's ownership. The provisions of this paragraph shall survive the Closing, without time limitation.

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

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

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

31. Seller warrants and represents that there two (2) rent-stabilized and four (4) deregulated tenants. Seller further warrants that the deregulated/fair market units were either legally deregulated or never regulated.

32 Seller warrants and represents that:

(a) The entire Premises is legally occupied for its present use and such occupancy has been approved by each applicable Governmental Authority (as hereinafter defined). As used in this Contract, the terms "Governmental Authority" shall mean the Federal, State, County and Municipal governments, the subdivisions of each, including

without limitation, all departments, bureaus and agencies thereof and any quasi-governmental authority, having or asserting jurisdiction over the Premises and the term "Governmental Regulations" shall mean all statutes, laws, ordinances, rules and regulations of any Governmental Authority.

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

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

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

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

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

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

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

(i) That: (a) Seller has the power and authority to enter into this Contract and to consummate the transaction provided for herein; (b) this Contract is a valid and binding agreement of Seller; (c) the person executing this Contract on behalf of Seller has the authority to do so and the power to bind Seller thereby and if Seller is a corporation, the Board of Directors of Seller has duly authorized the execution and delivery of this Contract; (d) neither the execution of this Contract nor consummation of the transaction contemplated hereunder requires the consent of the shareholders of Seller or of any other person, firm, corporation nor will either such execution or consummation constitute a violation or breach by Seller or its Certificate of Incorporation, its by-laws or of any agreement to which Seller is a party. The provisions of this paragraph shall survive the Closing.

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

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

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

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

34 Seller warrants and represents that smoke detectors have been installed in those portions of the Premises occupied or used for residential purposes and all required certifications with respect thereto has been duly filed.

35 Seller warrants and represents that the Premises are insured against fire and under casualty to the extent of the full replacement cost of the building and other improvements thereon. If, at any time prior to the Closing Date, all or any part of the Premises are damaged by fire or other casualty, Seller shall immediately notify Purchaser of such event and of the particulars thereof. In the event of such fire or other casualty,

Purchaser shall have the right to terminate this Contract by giving Seller written notice of its election to do so within thirty (30) days after receipt of Seller's notice. If Purchaser elects to terminate this Contract, the Contract Deposit shall forthwith be returned to Purchaser whereupon this Contract shall be deemed null and void and of no force or effect and Seller and Purchaser shall each be deemed from any and all further liability hereunder. If Purchaser does not elect to terminate this Contract, this Contract shall remain in full force and effect and, at the Closing, Purchaser shall be entitled to a credit against the purchase price equal to the sum of (a) any and all damage awards and insurance proceeds paid to Seller and (b) the deductible provided for in Seller's insurance policy, if any. If any such award or proceeds has not paid to Seller on or before the Closing Date, Seller shall, at the Closing, assign to Purchaser all of Seller's right, title and interest thereto and shall credit Purchaser with the aforesaid deductible. Seller agrees not to settle any insurance claim without the prior written consent of Purchaser.

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

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

38. Seller shall deliver to Purchaser:

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

(b) An affidavit of Seller certifying to Purchaser that no security interest in any personal property included in this sale has been granted during the ten (10)

days then last past, that not written or oral promises, understandings or commitments between Seller or any former owner of the Premises and any Tenant exists other than those contained in the Leases; and that all work required under the Leases has been completed.

(c) An Architect's or Engineer's report showing compliance with Local law #10, if applicable.

(d) A non-foreign affidavit pursuant to Section 1445 of the Internal Revenue Code, as amended (the "Code"), sufficient to provide an exemption under Subdivision (b) thereof, or if Seller be a foreign person under the terms of the Code, it is agreed that ten (1 0%) percent of the purchase price will be retained by Purchaser for remission to Internal Revenue Service in accordance with the Code, unless Seller has received a Qualifying Statement from the Treasury Department pursuant to the Code, in which case the withholding will be pursuant to such Qualifying Statement.

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

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

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

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

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

43. Seller warrants and represents that:

(i) The Premises are assessed for the current fiscal tax year for approximately \$391,285.00 and the taxes paid for 2012/2013 were

\$51,575.26 and for fiscal year 2013/2014 will be \$51,079.49.

- (ii) The water and sewer charges for the current fiscal year amount to approximately \$ _____
- (iii) The total cost of fuel for the Premises for the twelve (12) months immediately prior hereto did not exceed \$ _____
- (iv) The total cost of electricity and other utilities for the same period did not exceed \$ _____
- (v) The total cost of electricity and other utilities for the same period did not exceed \$ _____
- (vi) Seller has been duly organized and validly exist as a New York corporation and is in good standing in the State of New York and is qualified to do business in the State of New York.
- (vii) Seller is not a "foreign person" as defined in Internal Revenue Code Section 1445 and the regulations issued thereunder.
- (viii) Notwithstanding anything contained in this Contract or Riders to the contrary, Purchaser does not agree to any title exceptions that would in any manner prohibit or encumber the continued use of the Premises for current use or, in any manner, render title unmarketable or uninsurable at regular rates.
- (ix) Seller represents that it has not filed or been named in a bankruptcy or insolvency proceeding.

44. The prevailing party in any litigation concerning this Contract, or concerning any breach of this Contract, shall be entitled to reasonable attorneys' fees and expenses incurred in such litigation.

Dated: July, ____, 2013

SELLER:

PURCHASER:

TORKAN'S STORY HOUSE, INC.

CLAUDE SIMON

By: _____



ALT 103303480

CERTIFICATE OF OCCUPANCY

BOROUGH MANHATTAN

DATE: MAY 27 2003

NO. 103303480

This certificate supersedes C.O. NO.

ZONING DISTRICT C1-5/R10

THIS CERTIFIES that the ~~XXXXX~~-altered ~~XXXXXX~~-building—premises located at

Block 1347

Lot 130

352 EAST 55TH STREET

CONFORMS SUBSTANTIALLY TO THE APPROVED PLANS AND SPECIFICATIONS AND TO THE REQUIREMENTS OF ALL APPLICABLE LAWS, RULES, AND REGULATIONS FOR THE USES AND OCCUPANCIES SPECIFIED HEREIN.

PERMISSIBLE USE AND OCCUPANCY

STORY	LIVE LOAD LBS PER SQ FT.	MAXIMUM NO OF PERSONS PERMITTED	ZONING DWELLING OR ROOMING UNITS	BUILDING CODE HABITABLE ROOMS	ZONING USE GROUP	BUILDING CODE OCCUPANCY GROUP	DESCRIPTION OF USE
CELLAR	OG		1/2		2	RES	1/2 CLASS A APARTMENT AND STORAGE
1ST FLOOR	40	7	1/2		2 6	COM RES	1/2 CLASS A APARTMENT AND BARBER SHOP
2ND FLOOR	40		2			RES.	TWO CLASS A APARTMENTS
3RD FLOOR	40		2			RES.	TWO CLASS A APARTMENTS
4TH FLOOR	40		2			RES.	TWO CLASS A APARTMENTS
TOTAL: SEVEN CLASS A APARTMENTS AND ONE BARBER SHOP							

THIS CERTIFICATE OF OCCUPANCY MUST BE POSTED
WITHIN THE BUILDING IN A CON-
SPICUOUS LOCATION. EXPIRATION DATE: MAY 27, 2006.

OPEN SPACE USES

(SPECIFY—PARKING SPACES, LOADING BERTHS, OTHER USES, NONE)

M. G.

NO CHANGES OF USE OR OCCUPANCY SHALL BE MADE UNLESS
A NEW AMENDED CERTIFICATE OF OCCUPANCY IS OBTAINED.
THIS CERTIFICATE OF OCCUPANCY IS ISSUED SUBJECT TO FURTHER LIMITATIONS, CONDITIONS AND
SPECIFICATIONS NOTED ON THE REVERSE SIDE.

[Signature]
BOROUGH COMMISSIONER

Commissioner:

MAN 117

BOROUGH SUPERINTENDENT

COMMISSIONER

☐ ORIGINAL☐ OFFICE COPY - DEPARTMENT OF BUILDINGS☐ COPY



ALT 103303480

CERTIFICATE OF OCCUPANCY

BOROUGH MANHATTAN

DATE: MAY 27 2003

NO. 103303480

THIS certificate supersedes C.O. NO. ~~XXXXXX~~ X-~~XXXXXX~~ building—premises located at
352 EAST 55TH STREET Block 1347 Lot 130

CONFORMS SUBSTANTIALLY TO THE APPROVED PLANS AND SPECIFICATIONS AND TO THE REQUIREMENTS OF ALL APPLICABLE LAWS, RULES, AND REGULATIONS FOR THE USES AND OCCUPANCIES SPECIFIED HEREIN.

PERMISSIBLE USE AND OCCUPANCY

STORY	FULL LOAD LBS PER SQ FT	MAXIMUM NO OF PERSONS PERMITTED	ZONING DISTRICTING OR HOUSING LAW	BUILDING CODE HABITABLE ROOMS	ZONING USE GROUP	BUILDING CODE OCCUPANCY GROUP	DESCRIPTION OF USE
CELLAR	OG		1/2		2	RES	1/2 CLASS A APARTMENT AND STORAGE
1ST FLOOR	40	7	1/2		2 6	COM6 RES	1/2 CLASS A APARTMENT AND BARBER SHOP
2ND FLOOR	40		2			RES.	TWO CLASS A APARTMENTS
3RD FLOOR	40		2			RES.	TWO CLASS A APARTMENTS
4TH FLOOR	40		2			RES.	TWO CLASS A APARTMENTS
TOTAL: SEVEN CLASS A APARTMENTS AND ONE BARBER SHOP							
THIS CERTIFICATE OF OCCUPANCY MUST BE POSTED WITHIN THE BUILDING IN A CONSPICUOUS PLACE OF THE LOT. IT IS THE RESPONSIBILITY OF THE OWNER TO MAINTAIN THIS LIST.							

OPEN SPACE USES

(SPECIFY—PARKING SPACES, LOADING BERTHS, OTHER USES, NONE)

M.G.

NO CHANGES OF USE OR OCCUPANCY SHALL BE MADE UNLESS
A NEW AMENDED CERTIFICATE OF OCCUPANCY IS OBTAINED
THIS CERTIFICATE OF OCCUPANCY IS ISSUED SUBJECT TO FURTHER LIMITATIONS, CONDITIONS AND
SPECIFICATIONS NOTED ON THE REVERSE SIDE.

BOURGH COMMISSIONER

JOHN J. COHEN, JR.
BOURGH COMMISSIONER

Commissioner

MAN 11

JOHN J. COHEN, JR.
BOURGH COMMISSIONER

Commissioner

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