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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

2004 SEP 30 P 1:42

September 27, 2004

**By United Parcel Service**

Office of the General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC, 20463

Re. MUR 5529: Peter Hort

Gentlemen

This firm represents 145 6<sup>th</sup> Ave Associates, LLC and its principal, Harold Thurman. Our client's designation of our firm is enclosed herewith, together with Mr. Thurman's declaration showing that his entity has made no contributions of any kind to the Hort campaign

Our client's declaration describes a net lease of 145 Sixth Avenue to 145 Americas, LLC, an entity owned by Peter Moore. Because Mr. Moore's entity controls access to the building, we believe that Mr. Moore is most likely the landlord of the Peter Hort. Please be advised that Mr. Moore's address is 515 Canal Street, New York, NY 10013, and his attorney in our real estate transaction, Scott Rubman, Esq., may be found at 580 Broadway, Suite 1101, New York, NY 10012, telephone number (212) 965-0010

I invite you to call or correspond with me regarding any questions you may have

Yours truly,

William P. Walzer

Cc Harold Thurman  
Scott Rubman

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**STATEMENT OF DESIGNATION OF COUNSEL**

Please use one form for each respondent.

MUR 5529

NAME OF COUNSEL: William P Walzer

FIRM: Kozupsky &amp; Associates LLP

ADDRESS: 10 East 40th Street Suite 1710

NY NY 10016

TELEPHONE: (212) 684 3636

FAX: (212) 686 0976

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

145 6<sup>th</sup> Ave Associates LLC  
 By Harold Thurman  
 Date: 9-27-04  
 Signature  
 Print Name  
 Member  
 Title

RESPONDENT'S NAME: 145 6<sup>th</sup> Ave Assoc. LLC

ADDRESS: 2700 Grand Ave

Bellmore NY 11725

TELEPHONE: HOME(....)

BUSINESS(516) 783 6500

## BEFORE THE FEDERAL ELECTION COMMISSION

In Re:

PETER HORT, HORT FOR CONGRESS, and  
TAL WEITZMAN, as Treasurer,

Respondents

MUR # 5529

DECLARATION

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

2004 SEP 30 P 1:42

HAROLD THURMAN, Declares the following under penalties of perjury:

1. I am the Managing Member of 145 6<sup>th</sup> Ave Associates, LLC, a New York limited liability company having an office at 2700 Grand Avenue, Bellmore, NY 11710. My entity, 145 6<sup>th</sup> Ave Associates, LLC owns a single asset: The multi-story office building located at 145 Sixth Avenue, New York, New York (the "Building").

2. On March 1, 2004, 145 6<sup>th</sup> Ave Associates, LLC entered into two agreements with 145 Americas LLC, a New York limited liability company having an office at c/o Peter Moore Associates, 515 Canal Street, New York, New York 10017. The principal of 145 Americas, LLC is Peter Moore. The two agreements we executed were a contract of sale (the "Contract") in which my entity agreed to sell the Building to 145 Americas LLC (hereafter, the "Moore Entity"), and a net lease of the entire Building to the Moore Entity, subject to three existing tenancies (the "Net Lease"). A contract deposit was paid at the time, and is now being held by the law firm representing me: Kozupsky & Associates, LLP. In

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addition, the Moore Entity pre-paid a year's rent under the Net Lease, directly to my entity. Copies of the Contract and the Net Lease are annexed hereto.

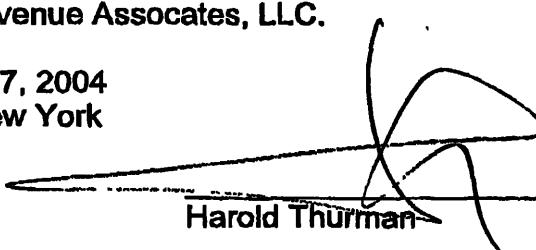
3. In sum, my plan, and that of the Moore Entity is that the Moore Entity will lease the Building for approximately one year, during which it will conduct certain construction within the Building, and, at the end of that period, the Moore Entity will pay the balance of the purchase price under the Contract and acquire the Building.

4. Since rent until February 28, 2005 was paid by the Moore Entity, we gave Mr. Moore the right to execute subleases for the Building (which the buyer would eventually "inherit" when it closed on the purchase of the Building).

5. I have never heard of Peter Hort, Hort for Congress or Tal Weitzman (the "Respondents"), and no one on my staff has dealt with them. Neither I or my entity has ever made a direct or, to my knowledge, indirect contribution to the Respondents' campaign. My entity has never entered into an occupancy agreement with the Respondents, and I never consented to their occupancy of any part of the Building. If the Respondents have had a presence in the Building, I can only assume that they dealt with Mr. Moore or his staff, who, as I said, had the right to sublease portions of the Building.

6. WHEREFORE, I request that the Commission close this matter as it concerns 145 6<sup>th</sup> Avenue Associates, LLC.

Dated: September 27, 2004  
Bellmore, New York



Harold Thurman

**LEASE**

**THIS INDENTURE OF LEASE** made as of this 1<sup>st</sup> day of March, 2004, by and between 145 6TH Ave Associates, LLC, a New York limited liability company having an office at 2700 Grand Avenue, Bellmore, New York 11710 (herein called "Landlord") and 145 Americas LLC, a New York limited liability company having an office in care of Peter Moore Associates, 515 Canal Street, New York, New York 10017 (herein called "Tenant").

**RECITALS**

1. The Parties have this day executed and delivered to each other, an Agreement of Sale (the "Agreement of Sale"), in which Tenant, as purchaser has agreed to purchase from Landlord, as seller, all of the following (herein collectively called the "Premises"):

(a) all of those certain tracts, plots, or parcels of land situated, lying and being in New York County, City of New York, State of New York, as more fully described in Schedule A annexed hereto and by this reference made a part hereof, and otherwise known as 145 Avenue of the Americas, New York, New York 10013 (Block 491, Lot 50) (herein collectively called the "Land");

(b) all of the buildings, structures and other improvements located on the Land (herein collectively called the "Improvements", and, with respect to the multi-story office building situated on the Land, the "Building");

(c) all of the fixtures and/or articles of personal property, if any, owned by the Landlord and either attached to, appurtenant to and/or used in connection with the management and/or operation of the Land and Improvements (herein collectively called the "Personal Property"); and

(d) all right, title and interest of the Seller, if any, in and to any strips, gores, easements, hereditaments, rights of way, licenses, options, privileges, awards, refunds and appurtenances and rights to the same in, to, or affecting the Land, as well as land lying in the bed of any street, road, or avenue, open or proposed, in front of or adjoining the Land, to the center line thereof (herein collectively called the "Appurtenances").

2. Pending the closing under the Agreement of Sale, Tenant desires to lease and Landlord desires to demise the Premises to Tenant pursuant to the terms and conditions set forth herein, subject to the rights of existing tenants.

**NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

Landlord, in consideration of the rents herein reserved, and of the agreements, conditions, covenants and terms on the part of the Tenant

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hereinafter contained, hereby demises and leases to the Tenant, and the Tenant hereby takes and hires from the Landlord, the Premises, subject to the rights of existing tenants ("Existing Tenants") to occupy space within the Building pursuant to written lease agreements (the "Space Leases")

**TO HAVE AND TO HOLD** the Premises unto Tenant, its successors and assigns for and during the term beginning on the date of execution of this Lease (the "Commencement Date") and ending on the first anniversary of the Commencement Date, unless sooner terminated as hereinafter provided, or unless extended by a period not to exceed three (3) months, as hereinafter provided.

Landlord and Tenant do hereby covenant and agree:

**ARTICLE I**  
**TERM; EXTENSION TERM; RENT AND ADDITIONAL RENT**

Section 1.01. **Term.** The term of this Lease shall commence on the Commencement Date and shall end on the first anniversary of the Commencement Date (the period between the Commencement Date and the fixed expiration date shall be referred to as the "Term").

Section 1.02. **Extension Term.** The term of this Lease may be extended, at Tenant's option, by an additional period up to three (3) months, provided that, not less than sixty (60) days prior to the end of the Term, Tenant notifies Landlord in writing that it elects to extend the Term by three months (the "Extension Term"), which notice shall be accompanied by a cashier's check or certified check, payable to the direct order of Landlord, drawn on a member of the New York Clearinghouse Association, in the amount of \$300,000, such sum to be deemed advance payment of Fixed Rent for the Extension Term. For the extension notice to be effective, the Scheduled Closing Date under the Agreement of Sale must likewise be extended by payment of a \$120,000 adjournment fee set forth therein.

Section 1.03. **Fixed Rent.** Upon execution of this Lease, Tenant has paid to the Landlord the entire net annual rental for the Term ("Fixed Rent") of Nine Hundred Thousand Dollars (\$900,000). This Lease provides for additional rent, but there shall be no other Fixed Rent during the Term. The Fixed Rent during the Extension Term shall be Three Hundred Thousand (\$300,000), payable as set forth in Section 1.02. The Agreement of Sale provides for adjustment of the Fixed Rent at the closing.

Section 1.04. **Net Lease.** It is mutually covenanted and agreed, that the Landlord shall receive the Fixed Rent free from all taxes which, by the terms of this Lease, are made payable by Tenant, and that Tenant shall pay all insurance premiums, operating costs, charges, expenses and damages which,

except for the execution and delivery of this Lease, could have been chargeable during the term hereby granted against the Premises and/or would have been payable by Landlord, except that nothing herein contained shall be deemed to require the payment by Tenant of any lien or encumbrance created by or attributable to Landlord, including, but not limited to, principal or interest of any mortgage or mortgages covering the Premises, and Tenant shall not be responsible for any such operating costs, charges, expenses and damages which are properly chargeable to periods prior to the Term.

Section 1.05. Real Estate Taxes and Water/Sewer Charges. (a)

Tenant shall pay as additional rent all real estate, school and other taxes, assessments, water rents, sewer rents and charges, duties, impositions, license and permit fees, charges for public utilities of every kind and other charges of every kind and nature whatsoever, ordinary or extraordinary, foreseen or unforeseen, general or special, in said categories, which, pursuant to present or future law or otherwise, during the term hereby granted, shall have been or shall be levied, charged, assessed, imposed upon or grow or become due and payable out of or for or have become a lien on the Premises or any part thereof, the income received by Tenant from the Premises or any use of the Premises and such franchises as may be appurtenant to the use and occupation of the Premises.

Section 1.06. Other Charges. Tenant shall pay as additional rent one hundred (100%) percent of all operating costs of the Building during the Term, including, without limitation, the premiums on Landlord's casualty and liability insurance policies, superintendents, porters and other building staff, the cost of cleaning and maintaining the Building and making ordinary repairs thereto, and the cost of providing services which are required to be provided to the Existing Tenants under the Space Leases, including the provision of electricity and heat to the Existing Tenants and to the common areas of the Building.

Section 1.07. Manner of Payment of Additional Rent. Pursuant to Article 3 hereof, Landlord shall continue to manage the Premises which are, by this Lease, demised to Tenant. Annexed hereto as Exhibit B is a budget of anticipated operating costs for the Term and a possible Extension Term (the "Operating Budget"). Tenant has paid to Landlord on the date of execution of this Lease the sum of \$200,000, (an "Operating Payment"). The Additional Rent collected by Landlord shall be deposited into a segregated account for the operation of the Building, and shall be utilized by Landlord to pay real estate taxes, water charges and the operating expenses of the Building during the Term and the Extension Term, if any. Funds which Landlord collects from the Existing Tenants shall be deposited into the operating account. The Budget may be reasonably adjusted by Landlord, according to experience, without the approval of Tenant, and Landlord may require Tenant to pay further Operating Payments accordingly. Tenant shall pay such further Operating Payments, as additional

rent, within five (5) business days following Landlord's written demand therefor. All items of operating expense will be appropriately adjusted at the beginning and end of the Term, so that Tenant only pays for expenses chargeable to periods during the Term. For example, an insurance premium that was paid prior to the Term, for an insurance contract which covers a one year term of which a period of six months is within the Term will be adjusted so that Tenant pays Landlord one half the premium.

Section 1.08. Late Payment. In the event that any installment of additional rent is not received within ten (10) days after its due date for any reason whatsoever, it is agreed that an administrative charge equal to five percent of the amount overdue shall become immediately due and payable by Tenant to Landlord. Any rents continuing to be unpaid after thirty days from its due date shall bear interest at the rate of twelve (12%) per centum per annum, but in no event greater than the maximum contractual rate which could legally be charged in the State of New York, such interest to accrue continuously on any unpaid balance due to Landlord by Tenant during the period commencing with the aforesaid due date and terminating with the date on which Tenant makes full payment of all amounts owing to Landlord at the time of said payment. Any such interest shall be payable as additional rent hereunder, and shall be payable immediately on demand.

## **ARTICLE II** **USE OF THE PREMISES**

Section 2.01. Use. Tenant may use and occupy the Premises for office purposes, and for no other purpose. Tenant may prepare the Premises for its ownership as set forth in Article V.

Section 2.02. Nuisance. Tenant shall not use or knowingly permit to be used any part of the Demised Premises for any unlawful purpose, nuisance, disreputable purpose or extrahazardous purposes.

Section 2.03. Limitations On Use. Tenant shall not at any time use or occupy the Demised Premises in violation of any Certificate of Occupancy issued therefor or zoning ordinance, but Landlord shall not object to the present uses of the Existing Tenants.

## **ARTICLE III** **MAINTENANCE OF DEMISED PREMISES;** **OBLIGATIONS OF TENANT**

Section 3.01. Designation of Landlord as Tenant's Manager. Tenant shall, during the demised term, be financially responsible for the condition, operation, management, and maintenance of the Premises. Tenant

hereby designates Landlord to be its managing agent, which designation is irrevocable and is coupled with an interest. Landlord shall, solely at Tenant's cost and expense, manage the Premises, which responsibility shall include but not be limited to:

- (i) taking care of the Premises and every part thereof including the systems and equipment, and maintaining and keeping same in good working order, condition, and repair, and, upon Tenant's request replacing same as needed;
- (ii) making and paying from the Operating Payments the cost of all repairs, cleaning, maintenance, painting and replacements required to all portions of the Building, interior and exterior, structural and non-structural;
- (iii) using reasonable care in suffering or permitting no waste, overloading, damaging, defacing, nuisance, or injury to the Building;
- (iv) maintaining, repairing and replacing, as needed, sidewalks, driveways, streets, curbs, and parking areas within or adjacent to the Building and keeping same free of snow, ice, dirt, rubbish, and other obstacles;
- (v) paying for all utility, operating and maintenance expenses of the Premises, including those to its heating, plumbing, and air conditioning systems; and
- (vi) maintaining the security of the Premises so that they are free from vandalism and danger to persons.
- (vii) performing and reasonably complying with all the orders, regulations, rules and requirements of every kind and nature of the municipal, county, town, village, state and federal authorities, and of any applicable board of fire underwriters

Section 3.02. Collections from Tenants. Landlord shall continue to deal with Existing Tenants as Tenant's managing agent. All payments collected by Landlord from Existing Tenants which cover periods during the Term or the Extension Term shall be held by Landlord for the benefit of Tenant, and shall be credited against Tenant's Additional Rent obligations. Any such funds which are on hand at the time of the Closing under the Agreement of Sale shall be turned over to the Tenant, as purchaser, subject to the provisions for adjustment which are contained in the Agreement of Sale. Landlord may collect from Existing Tenants any rents which are outstanding for periods prior to the Term.

Section 3.03. No Effect on Closing. No alleged breach of any obligation on the part of Landlord hereunder shall be the basis of a claim that the Agreement of Sale has been breached.

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Section 3.04. Operating Reports. Landlord shall provide Tenant with monthly operating reports, including income and expense.

#### **ARTICLE IV** **ACCEPTANCE OF DEMISED PREMISES**

Section 4.01. Premises "As Is". Tenant represents that it has inspected the Premises, and expects to occupy same as an owner. Tenant accepts the Premises on an "as is" basis in its present condition and without any representation or warranty by Landlord as to the condition of the Premises or as to the lawful use or occupancy which may be made thereof, the expenses of operation or any other matter or thing affecting or relating to the Premises. Landlord shall not be responsible for any latent or other defect or change of condition in the Premises.

#### **ARTICLE V** **CHANGES OR ALTERATIONS TO DEMISED PREMISES**

Section 5.01. Alterations By Consent. The Demised Premises, and no part thereof, may be altered or changed without the prior written consent of Landlord which consent, as it pertains to non-structural demolition and the erection of partitions, shall not be unreasonably withheld or delayed following submission by Tenant of plans sufficient for filing with the Department of Buildings, and specifications providing the details of the proposed alteration. Tenant shall pay the reasonable cost incurred by Landlord for review by Landlord's architect of the plans submitted by Tenant, not to exceed \$2,500 for each submission.

Section 5.02. Conditions. In the event Landlord gives its written consent to any alteration or change to the Premises, such alteration shall comply with all rules and regulations of all governmental authorities having jurisdiction therein, and Tenant shall, at its own cost and expense, promptly procure all necessary and required permits, approvals and licenses in connection with the performance of the alterations. Tenant shall prosecute such work so as not to interfere with the use and operations of the Existing Tenants. Landlord shall have the right to reasonably inspect ongoing work to ensure the safety of persons and property, and to verify that work is proceeding in accordance with the approved plans, however, Landlord, by conducting inspections, assumes no obligation with respect to such work.

Section 5.03. Insurance. As a precondition to Tenant being permitted to perform any alteration, and throughout the entire period during which

alteration is being performed, it shall be the obligation of Tenant to require Tenant's contractor to carry and maintain, at no expense to Landlord:

(a) Commercial general liability insurance, including, but not limited to, contractor's liability coverage, completed operations coverage, broad form property damage endorsement and contractor's protective liability coverage, to afford protection with limits, for each occurrence of not less than \$5,000,000. with respect to personal injury or death of any one person, and \$10,000,000 in respect of personal injury or death to two (2) or more persons, and \$1,000,000 with respect to property damage; and

(b) Worker's compensation or similar insurance in form and amounts required by law; and all policies of insurance required under this Article 54 shall name Landlord as an additional insured, and the policies or certificates thereof shall be delivered to Landlord prior to the commencement of the work.

Section 5.04. Removal Of Liens. If at any time prior to, or during the Term or Extension Term any mechanic's or other lien or order for payment of money shall be filed against the Premises or any part thereof, Tenant shall at its own cost and expense procure the same to be discharged by payment, bonding or otherwise, as provided by law, within thirty (30) days after notice to Tenant of the filing thereof, but nothing herein contained shall in any wise prejudice the rights of Tenant to contest to final judgment or decree any such lien. Tenant shall, upon reasonable notice and request in writing by Landlord, defend for Landlord, at Tenant's sole cost and expense, any action or proceeding which may be brought on or for the enforcement of any such lien or order for payment of money, and will pay any damages and satisfy and discharge any judgment entered in such action or proceeding and save harmless Landlord from any liability, claim or damage resulting therefrom, so long as such damages or judgment do not result from Landlord's own actions. In default of Tenant's procuring the discharge of any such lien as aforesaid Landlord may, without notice, and without prejudice to its other remedies hereunder, procure the discharge thereof by bonding or payment or otherwise, and all cost and expense which Landlord shall incur shall be paid by Tenant to Landlord as additional rent on the first day of the next succeeding month. Notwithstanding anything to the contrary contained herein, Landlord shall remain liable for, and shall indemnify Tenant for mechanics liens and other charges, costs and expenses which it undertakes outside of its role as owner and manager of the Premises. Landlord will seek input from Tenant prior to expending any material sums for the non-emergency repair or upkeep of the Premises.

Section 5.05. No Liability To Landlord For Work. Landlord shall not under any circumstances be liable to pay for any work, labor or services rendered or materials furnished to or for the account of Tenant upon or in connection with the Premises, and no mechanic's or other lien for such work, labor or services or material furnished shall, under any circumstances, attach to

or affect the reversionary interest of Landlord in and to the Premises or any part thereof, unless Landlord performs such work, labor or services outside of its role as owner and Managing Agent. Landlord will seek input from Tenant prior to expending any material sums for the non-emergency repair or upkeep of the Premises. Nothing in this Lease contained shall be deemed or construed in any way as constituting the request or consent of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the Premises.

## **ARTICLE VI** **ACCESS TO DEMISED PREMISES BY LESSOR**

Section 6.01. Access to Premises. Landlord shall continue to have the right to enter the Premises, without the permission of, or prior notice to, the Tenant, for the purpose of managing and reasonably inspecting them, which right shall be co-extensive with Tenant's, except that Tenant shall not enter areas of the Premises which are subject to the rights of Existing Tenants. Landlord has equipment stored on the second floor of the Premises, which may remain there without molestation until thirty days after Tenant gives Landlord notice that Tenant requires the second floor for improvements Tenant desires to make.

## **ARTICLE VII** **INSURANCE**

Section 7.01. Casualty Insurance. Throughout the term of this Lease, Landlord shall, at Tenant's cost and expense, keep the Building insured for the benefit of Tenant, Landlord and any mortgagee now or hereafter holding a mortgage upon the Building, as their respective interests may appear against loss or damage by fire and against loss and damage by other risks now and hereafter embraced by "Extended Coverage", to the full amount of the replacement value thereof as reasonably determined by Landlord.

Section 7.02. Additional Coverage. {intentionally omitted prior to execution}.

Section 7.03. Liability Coverage. Throughout the term of this Lease, Landlord shall, at Tenant's own cost and expense, provide and keep in force, for the benefit of the Landlord and Tenant as their respective interests shall appear, general liability insurance policies, including elevator coverage, in limits not less than \$3,000,000 for injury to any one person and \$3,000,000 for any one occurrence, and for property damage of not less than \$1,000,000 or such greater limits as may be reasonably required by the Landlord consistent with insurance

coverage in buildings in the locality similarly constructed, occupied and maintained.

Section 7.04. Boiler Insurance. Landlord may provide, at Tenant's cost, adequate boiler and pressure vessel insurance policies for the benefit of Landlord against any and all liability resulting from the operation of any heating plants and/or any pressure vessels located in the Demised Premises.

Section 7.05. Rent Insurance. Landlord may obtain, at Tenant's cost, rent insurance, for Landlord's benefit, sufficient to cover Tenant's obligations to make Additional Rent Payments according to the Operating Budget, with the assumptions that Fixed Rent has been pre-paid and that no rent will be collected from Existing Tenants.

Section 7.06. Tenant's Insurance. Tenant will obtain, at its sole cost and expense, (i) a policy of fire and extended coverage insurance on Tenant's personal property, if any, located at the Premises, and (ii) rent insurance, for Landlord's benefit, sufficient to cover Tenant's obligations to make Additional Rent Payments according to the Operating Budget, with the assumption that no rent will be collected from Existing Tenants.

## ARTICLE VIII RESTORATION OR REPAIR OF BUILDING

Section 8.01. Restoration. If the Building shall be damaged or destroyed to any extent, by any cause whatsoever, during the term of this Lease, this Lease shall not terminate. Landlord may elect after a reasonable period of investigation to either make the repairs itself or allow Tenant to do so. If permitted by Landlord to perform the repairs, Tenant shall repair and replace the damaged or destroyed Building at its own expense, so that the Premises after such repair and replacement shall be as near as possible in the same condition as prior to the damage or destruction, provided that the proceeds of any insurance policies shall be insufficient to reimburse the Tenant therefore. Landlord shall make such insurance proceeds as Landlord collects available to Tenant to pay the costs of repair or replacement, based upon a 10% retention, a budget approved by Landlord, and monthly requisitions and inspections to ensure that the available proceeds are sufficient to complete the work. In the event the reasonably estimated cost of repairing or replacing the Building exceeds \$3,500,000, Landlord may elect not to repair or replace the Building, and upon such written election, the Lease Term shall terminate and Landlord shall refund to Tenant the pro rata portion of the pre-paid Fixed Rent from the date of such termination.

Section 8.02. Supervision. If performed by Tenant, restoration shall be made under the supervision of an architect retained by Tenant who is

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reasonably satisfactory to Landlord and pursuant to plans and specifications filed with and approved by Landlord.

Section 8.03. No Abatement. Tenant shall not be entitled to any abatement of rent, nor shall any obligations hereunder be terminated during the term hereof, notwithstanding any destruction or damage to the Premises by any cause whatsoever. Tenant waives the benefits of Section 227 of the Real Property Law.

#### **ARTICLE IX** **MORTGAGING; ASSIGNMENT; SUBLETTING**

Section 9.01. No Assignment Or Subletting. The Tenant shall not sublet any portion of the Premises, nor assign this Lease without the Landlord's prior written consent. Landlord will not unreasonably withhold or delay its consent to sublettings which are co-terminus with this Lease. Tenant may assign this Lease to permitted assignees of the Agreement of Sale.

Section 9.02. No Mortgaging Lease. Tenant shall not have the right to mortgage or encumber its interest in this Lease or to give occupancy of any part of the Premises to any other person, firm or corporation, without prior written consent of Landlord.

Section 9.03. No Waivers By Landlord. If this Lease shall be assigned or if the Premises or any part thereof be sublet or occupied by any person or persons other than Tenant, Landlord may, after default by Tenant, collect rent, additional rent and other sums from the assignee, subtenant, or occupant and apply the net amount collected to the fixed rent and additional rent and other sums provided for under the Lease, but no such assignment, subletting, occupancy, or collection shall be deemed a waiver of the covenants in this Article, nor shall it be deemed acceptance of the assignee, subtenant, or occupant as a tenant, or a release of Tenant from the full performance by Tenant of all the terms, conditions and covenants of this Lease.

#### **ARTICLE X** **SUBORDINATION**

Section 10.01. Subordination And Attornment. Tenant agrees that this Lease shall be subordinated to any mortgage encumbering the Premises which now exists, or which may hereafter be placed upon the Premises, and to any advances to be made thereunder, any interest thereon, and all renewals, replacements, and extensions thereof. Notwithstanding that such subordination is automatic, without the need for Tenant to execute a subordination agreement, Tenant shall execute and deliver, without cost to Landlord, all instruments that may be required to confirm such subordination, including an agreement to attorn

to any mortgagee or any purchaser at foreclosure sale or any transferee by deed in lieu of foreclosure. In the event that Tenant shall fail, neglect, or refuse to execute and deliver any such document within ten (10) days after receipt of written notice so to do and the receipt by Tenant of the document to be executed by it, Tenant hereby appoints Landlord and its successors and assigns as the attorney-in-fact of Tenant irrevocably to execute and deliver any and all documents necessary or desirable to effect such subordination, for and on behalf of Tenant. Tenant's appointment of Landlord as its attorney in fact is limited to the purpose of this Article only. Landlord shall not request more than three such certificates.

## **ARTICLE XI** **DEFAULT BY TENANT**

Section 11.01. Events Of Default. Each of the following shall be deemed a default by the Tenant and a breach of this Lease:

- (i) If Fixed Rent during the Extension Term, or an Additional Rent Payment or any other sum of money payable to Landlord under this Lease shall not be paid as and when the same shall become due and payable, and such failure to pay shall continue for a period of ten (10) days after written notice by Landlord to Tenant;
- (ii) If the Tenant shall fail to comply with any term, agreement, condition or covenant of this Lease, other than the payment of additional rent or other sum of money payable to Landlord, and such failure to comply shall continue for a period of thirty (30) days after written notice by Landlord to Tenant, provided, however, if compliance cannot reasonably be effected within such thirty (30) day period, it shall not be a default if Tenant commences such compliance within such thirty (30) day period and diligently pursues and effects such compliance within a reasonable period thereafter, and otherwise complies with any additional conditions of any grace period provided for in this Lease;
- (iii) If Tenant shall file under any section or chapter of the United States Bankruptcy Code or under any similar law or statute of the United States or any State; or Tenant shall be adjudged bankrupt or insolvent in any such proceedings filed against Tenant;
- (iv) If in a case under any section or chapter of the United States Bankruptcy Code or under any similar law or statute of the United States or any State, this Lease, or the Agreement of Sale shall be rejected; or
- (v) If Landlord, as Seller under the Agreement of Sale shall terminate the Agreement of Sale due to the purchaser's default.

Section 11.02. Lease Termination; Reentry. (a) In any such events of default, following the expiration of the grace period, if any, above referred to, and if the said default shall not have been theretofore cured, Landlord shall have the right thereafter to terminate and end this Lease and the term hereby granted, as well as all of the right, title and interest of the Tenant hereunder, by giving to the Tenant a written notice of the termination of this Lease, and upon the expiration of the time fixed in such termination notice, which shall not be less than ten (10) days after the giving thereof, this Lease and the term hereby granted, as well as all of the right, title and interest of the Tenant hereunder, shall wholly cease and expire in the same manner, and with the same force and effect (except as to the Tenant's liability) as if the expiration of time fixed in such notice were the end of the term herein originally demised.

(b) In this Lease shall terminate as aforesaid, or, if Tenant shall default in the payment of Fixed Rent during the Extension Term, if any, or in the payment of any Additional Rent and such default shall continue for five (5) days, then Tenant shall immediately quit and surrender to Landlord the Premises, including the Building and any other improvements erected thereon, and the Landlord and its agents may enter into or repossess the Premises, whether by force, summary proceedings, action in ejectment or otherwise (without a breach of the peace); and the Tenant hereby waives any and all rights to recover or regain possession of the said Premises; or to reinstate or to redeem this Lease, under any statute, law or decision now or hereafter in force and effect; and Tenant hereby also waives the service of any further notice demanding rent, or of intention to re-enter, as provided by any present or future statute, law or decision. Tenant, any assignees, and any and all persons claiming rights through Tenant together with any mortgagee of this Lease and creditors of all classes, do hereby waive, surrender and relinquish all right or privilege by present or future law or decision to redeem the Premises or have a continuance of this Lease for the term herein demised after having been dispossessed or ejected therefrom by process of law or otherwise, and waive any right or privilege to apply for a stay of issuance or execution of a judgment or warrant of dispossess or ejectment. Tenant further waives its rights and agrees not to interpose any counterclaim or offset (other than payment) in any summary proceedings or action in ejectment which may be brought by Landlord against Tenant.

Section 11.03. Tenant To Remain Liable. In the event of a cancellation or termination of this Lease, either by operation of law, or by the issuance of a warrant of dispossess, or by the service of a notice of termination as above provided, or otherwise, for any cause or causes whatsoever, the Tenant shall, nevertheless, remain liable to the Landlord in a sum equal to the items of Fixed Rent and additional rent for the balance of the Term or, if applicable, the Extended Term, together with a sum for use and occupancy for all periods of continued occupancy following the expiration of the Term or, if applicable, the Extended Term, and together with such costs and expenses as

Landlord may incur for legal expenses, reasonable attorneys fees, including those incident to the recovery of possession.

Section 11.04. Deficiency Upon Re-letting. Should any rent so collected by Landlord, after the payments aforesaid, be insufficient fully to pay to the Landlord a sum equal to the Fixed Rent (after giving Tenant credit for rent paid in advance), taxes and charges and other items of additional rent and any other sum of money payable by Tenant to Landlord hereunder, the balance or deficiency shall be paid by Tenant on the rent days specified in this Lease; that is, upon each of such rent days, the Tenant shall pay to the Landlord the amount of the deficiency then existing; and the Tenant hereby agrees to be and remain liable for any such deficiency. The right of Landlord to recover from Tenant the amount of such deficiency, or, if there shall be no re-letting, a sum equal to the amount of Fixed Rent, taxes and charges and other items of additional rent, and any other sum of money payable by Tenant to Landlord under this Lease, shall survive the issuance of any warrant of dispossess, or other termination of this Lease; and the Tenant hereby expressly waives any defense that might be predicated upon the issuance of such warrant of dispossess, or other termination or cancellation of the hereby demised term. A suit or suits for the recovery of such deficiency or damages, or for a sum equal to any installment or installments of fixed rent, taxes and charges or other items of additional rent hereunder or other sum of money payable by Tenant to Landlord hereunder, may be brought by the Landlord, from time to time, at its election, and nothing herein contained shall be deemed to require the Landlord to wait the date whereon this Lease, or the term hereof, would have expired by limitation, had there been no such default by the Tenant or no such termination or cancellation.

Section 11.05. No Waiver By Landlord. (a) The acceptance of rent by Landlord, with knowledge of any breach or default in the performance of the agreements, conditions, covenants, obligations or terms of this Lease by Tenant, shall not be deemed to be a waiver by Landlord of any provision of this lease or of any right to take action on account of any such breach or default with the exception of the non-payment of rent so accepted.

(b) No act or thing done by Landlord or its agents or employees shall be deemed an acceptance of a surrender of the Premises in the absence of a writing signed by Landlord accepting such surrender.

(c) The failure of Landlord after notice to enforce any agreement, condition, covenant, obligation or term of this lease, by reason of its breach by Tenant, shall not be deemed to void or affect the right of Landlord to enforce the same agreement, condition, covenant, obligation or term on the occasion of a continuing or a subsequent default or breach.

ARTICLE XII  
OTHER REMEDIES OF LANDLORD

Section 12.01. Landlord's Right To Perform. In the event that Tenant shall default in the performance of any of the agreements, conditions, covenants or terms herein contained, which default remains uncured after notice given as provided for in Article XI hereof, Landlord may immediately, or at any time thereafter, perform the same for the account of Tenant. Landlord shall have the right to enter the Premises for the purpose of correcting or remedying such default and to remain therein until the same shall have been corrected or remedied. Landlord need not wait for the full cure period allowed under Article XI to expire if the Premises are threatened with material injury or immediate governmental action. Landlord shall not be responsible to Tenant for any loss, damage, or injury by reason of any work done by Landlord in or about the Premises.

Section 12.02. Landlord's Expenses. Whenever Landlord shall incur any reasonable expense by reason of the performance of any of the terms, covenants or conditions of this Lease on the Tenant's part to be performed, by reason of the default of Tenant in performing the same, the reasonable cost or expense incurred by Landlord shall be and be deemed to be additional rent and shall be forthwith due and payable to Landlord with the next succeeding monthly installment of fixed rent due hereunder, together with interest from the date the cost or expense is incurred at the rate of eighteen 18% per centum, per annum or, if such interest rate would subject the Landlord to a defense of usury, the maximum lawful rate of interest then in effect under the laws of the State of New York.

Section 12.03. No performance by Landlord of any of the obligations on Tenant's part to be performed hereunder shall be deemed to be a waiver of the Tenant's default in failure to perform the same nor shall the performance thereof by Landlord release or relieve Tenant from any obligations on its part to be performed under this Lease.

Section 12.04. In the event of a breach, or threatened breach, by either party of any of the agreements, conditions, covenants or terms herein, the non-breaching party shall have the right of injunction to restrain the same, and the right to invoke any remedy allowed by law, or in equity, as if specific remedies, indemnity or reimbursement were not herein provided for.

Section 12.05. The rights and remedies given to the Landlord in this Lease are distinct, separate and cumulative rights and remedies, and no one

of them, whether or not exercised by the Landlord, shall be deemed to be in exclusion of any of the others.

### **ARTICLE XIII** **CONDEMNATION**

Section 13.01. If during the term of this Lease the whole or any portion of the Premises, shall be condemned by any government agency then this Lease shall nonetheless, remain in full force and effect, with no right of termination on the part of Tenant and no abatement in Fixed Rent or additional rent.

### **ARTICLE XIV** **ESTOPPEL CERTIFICATES**

Section 14.01. Tenant agrees at any time and from time to time upon not less than five (5) days' prior notice by Landlord to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), and the dates up to which the fixed rent, taxes and charges and other items of additional rent have been paid, and stating whether Tenant is in default in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Lease and, if in default, specifying each such default, it being intended that any such statement delivered pursuant to this Article may be relied upon by the Landlord or any prospective purchaser of the fee or mortgagee thereof or any assignee of any mortgagee upon the fee of the Premises.

### **ARTICLE XV** **QUIET ENJOYMENT**

Section 15.01. Tenant, upon payment of the rent hereinabove reserved and upon the due performance and observance of all the agreement covenants, conditions, obligations and terms herein contained on Tenant's part to be performed and observed, shall peaceably and quietly have, hold and enjoy the Premises without any manner of suit, trouble or hindrance of and from Landlord or any person claiming by, through or under Landlord, subject to any right of eminent domain or condemnation.

### **ARTICLE XVI** **SURRENDER**

Section 16.01. Tenant shall on the last day of the Term or of the Extended Term, if Tenant's option to extend the term is exercised, or upon the

sooner termination of the said term, surrender to Landlord the Premises, broom clean, and in good order, condition and state of repair, reasonable wear and tear excepted, and subject to the occupancy of Existing Tenants and any other occupancy beyond the term to which Landlord has consented in writing. Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises as required by this section, including, without limitation, claims made by a succeeding lessee resulting from Tenant's failure to surrender the Premises in good order.

## ARTICLE XVII MISCELLANEOUS PROVISIONS

Section 17.01. Waiver of Trial by Jury. it is mutually agreed by and between Landlord and Tenant that the respective parties shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage.

Section 17.02. Headings and Marginal Notes. The headings and marginal notes are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Lease or any provision thereof nor in any way affect this Lease.

Section 17.03. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to a contract made in and to be performed wholly within the State of New York.

Section 17.04. Successors and Assigns. The agreements, terms, covenants, obligations and conditions of this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, personal representatives, successors and, except as otherwise provided herein, their assigns.

Section 17.05. Notices. Notice wherever provided for herein shall be in writing and be given by certified or registered mail, return receipt requested, or by hand delivery at the address herein specified of the person to whom such notice is to be given, unless a different address has been furnished by such person to the person giving such notice, in which case the latter address shall be used, and shall be deemed to have been given on the date of the mailing thereof or, if by hand delivery, on the date of such hand delivery. Copies of all notices and demands sent by either party to the other shall be sent to the attorney for the party in the same manner that such notice is sent to the party. Legal process, such as rent demands which are predicate to a non-payment summary

proceeding, Notices of Petition and Petition, and Summons and Complaints, need not be served on the attorneys for the parties.

The attorneys for the parties are:

For the Landlord: William P. Walzer, Esq.  
Kozupsky & Associates, LLP  
10 East 40<sup>th</sup> Street, Suite 1710  
New York, NY 10016

For the Tenant: Scott A. Rubman, Esq.  
580 Broadway, Suite 1101  
New York, NY 10012

Section 17.06. Recording of Lease. Tenant covenants and agrees not to record this Lease.

Section 17.07. Merger Provision. This Lease, together with the Agreement of Sale, covers the entire agreement and understanding between the parties hereto concerning the Premises, and no verbal agreements or implied covenants shall be held to vary the provisions hereof, notwithstanding any statute, law or custom to the contrary. All understandings, negotiations and agreements heretofore made between the parties hereto are merged in this Lease and the Agreement of Sale, which alone fully and completely expresses the agreement between Landlord and Tenant and any executory agreement hereafter made shall be ineffective to change, modify, waive, discharge or effect an abandonment of this Lease or any provision thereof, in whole or in part, unless such executory agreement is in writing and signed by an authorized person of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

Section 17.08. Covenant to Execute Instruments. Landlord and Tenant agree to execute and deliver any instruments in writing necessary to carry out any provision contained in this Lease and will do so promptly whenever the occasion shall arise and a request for such instrument made.

Section 17.09. Broker. The parties agree that Newmark & Company brought about this transaction, whose commission Landlord will pay pursuant to a separate agreement. Each party will indemnify the other against the claims of any other broker or finder who claims a commission based upon the actions of the indemnifying party.

Section 17.10. **No Personal Liability of Landlord.** Tenant shall look solely to the estate and property of Landlord in the Premises for the satisfaction of any remedy by Tenant for the collection of any judgment or money from Landlord in the event of any default or breach by Landlord in any of the terms, covenants and conditions of this Lease, to be observed and/or performed by Landlord, and no other property or assets of Landlord shall be subject to levy, execution or other enforcement procedures for the satisfaction of Tenant's remedies. Landlord shall not have, and no employee, officer, director, agent or shareholder of Landlord shall have, any personal liability whatsoever under this Lease or arising out of the landlord-tenant relationship of the parties, and such exculpation of personal liability is a material and special inducement for Landlord to enter into this Lease and such relationship. As the sole exception to this provision, Tenant may pursue the principals of Landlord to the extent of any funds that are required to be paid to Tenant from the Operating Account and to the extent of security deposits of the Existing Tenants.

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

Landlord:

**145 6TH AVE ASSOCIATES, LLC**  
By: 145 CGP, Inc., its Managing Member

By: \_\_\_\_\_  
Name: Harold Thurman  
Title: President

Tenant:

**145 AMERICAS LLC**

By: \_\_\_\_\_  
Name: Peter A. Moore  
Title: Managing Member

Schedule A - Description of Demised Premises  
Schedule B - Operating Budget

SCHEDULE A

All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

**BEGINNING** at the corner formed by the intersection of the northerly side of Dominick Street and the westerly side of Avenue of the Americas;

**RUNNING THENCE** westerly, along the northerly side of Dominick Street, 125 feet;

**THENCE** northerly, parallel with Avenue of the Americas, 75 feet;

**THENCE** easterly, parallel with Dominick Street, 125 feet to said westerly side of Avenue of the Americas; and

**THENCE** southerly, along the westerly side of Avenue of the Americas, 75 feet to th

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**Schedule B**  
**Estimated Budget for the Year Beginning 3-1-04**

**Income:** **\$180,000\***

### Expense:

Wages and Payroll Tax	\$ 81,000
Maintenance/Repairs	100,000
Utilities	96,000
Administrative	3,000
Water	17,000
RE Tax	300,000
Insurance	60,000
Miscellaneous	5,000

(\$662,000)

**Shortfall: (\$482,000)**

**Lessee payment as signing:** \$200,000

**Anticipated shortfall: \$272,000  
to be paid approximately \$25,000 per month beginning in second  
month.**

\* Anticipating that current rent will be paid only by Tiny Mythic Theatre (12 mos.) and McHattan (4 mos).

## AGREEMENT OF SALE

AGREEMENT OF SALE (this "Agreement") dated as of the 1<sup>st</sup> day of March, 2004, made by and between 145 6TH Ave Associates, LLC, a New York limited liability company having an office at 2700 Grand Avenue, Bellmore, New York 11710 (herein called "Seller") and 145 Americas, LLC, a New York limited liability company having an office in care of Peter Moore Associates, 515 Canal Street, New York, New York 10017 (herein called "Purchaser").

### **RECITALS**

1. Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser all of the following (herein collectively called the "Premises"):

(a) all of those certain tracts, plots, or parcels of land situated, lying and being in New York County, City of New York, State of New York, as more fully described in Schedule A annexed hereto and by this reference made a part hereof, and otherwise known as 145 Avenue of the Americas, New York, New York 10013 (Block 491, Lot 50) (herein collectively called the "Land");

(b) all of the buildings, structures and other improvements located on the Land (herein collectively called the "Improvements");

(c) all of the fixtures and/or articles of personal property, if any, owned by the Seller and either attached to, appurtenant to and/or used in connection with the management and/or operation of the Land and Improvements (herein collectively called the "Personal Property"); and

(d) all right, title and interest of the Seller, if any, in and to any strips, gores, easements, hereditaments, rights of way, licenses, options, privileges, awards, refunds and appurtenances and rights to the same in, to, or affecting the Land, as well as land lying in the bed of any street, road, or avenue, open or proposed, in front of or adjoining the Land, to the center line thereof (herein collectively called the "Appurtenances"), it being the intent that every and all assets of Seller relating to the Land are being conveyed and transferred to Purchaser. Seller shall execute and deliver to Purchaser at Closing (hereinafter defined) or thereafter on demand, all proper instruments for the conveyance of title to, and the assignment and collection of, any such assets.

2. The parties hereto now desire to set forth their agreements concerning the sale of the Premises to Purchaser.

3. Simultaneously herewith, the parties are executing a Lease Agreement pursuant to which Seller is demising the Premises to Purchaser for a term of one year.

**NOW, THEREFORE**, in consideration of the Downpayment and the mutual covenants herein set forth, Seller and Purchaser agree as follows:

**Article 1  
Premises**

**1.1** Seller hereby agrees to sell and convey the Premises to Purchaser, and Purchaser hereby agrees to purchase the Premises from Seller, upon and subject to all of the terms, covenants and conditions herein set forth.

**Article 2  
Purchase Price**

**2.1** The purchase price for the Premises (herein called the "Purchase Price") is **FIFTEEN MILLION DOLLARS (\$15,000,000.00)**, payable as follows:

**(a)** **SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00)** (herein called the "First Downpayment") shall be paid by Purchaser to Escrow Agent (as herein defined) upon delivery of a signed Agreement by Purchaser to Seller, in Acceptable Funds (hereinafter defined), which Downpayment shall be held in escrow pursuant to Section 2.5 herein;

**(b)** **THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$375,000.00)** (the "Second Downpayment"), on the date which is nine months following the execution and delivery by both parties of this Agreement, to be added to the First Downpayment and held by Escrow Agent pursuant to the terms of this Agreement (the First Downpayment and the Second Downpayment being referred to herein as the "Downpayment"). The date that the Second Downpayment is due is set forth on the signature page of this Agreement and Purchaser shall be in default hereunder if Purchaser shall fail to pay the Second Downpayment for five (5) days after written notice of non-payment;

**(c)** **THIRTEEN MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$13,875,000.00)** subject to adjustment as provided in Section 4.1 of this Agreement (herein called the "Balance") shall be paid by Purchaser to the Seller on the Closing Date in the manner set forth in Section 2.2.

**2.2** All amounts payable by Purchaser to the Seller, or to Seller's designee, or to the Escrow Agent pursuant to the terms of this Agreement, other than the First Downpayment, shall be paid by Purchaser by:

**(a)** a cashier's check drawn on a bank (herein called a "Member Bank") that is a member of the New York Clearing House, or

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(b) a certified check of Purchaser drawn on a Member Bank;

in either event unendorsed and made payable directly to the order of the Escrow Agent (in the case of the Second Downpayment) or (in the case of the Balance) to the respective parties and in the respective amounts specified by the Seller in a written notice (the "Funding Notice") given to Purchaser not less than two (2) business days prior to the Closing Date (as herein defined), unless otherwise agreed. Payment made in the form required by this Section 2.2 shall be deemed "Acceptable Funds". With respect to items payable at Closing other than the Purchase Price, Seller shall accept Purchaser's uncertified checks totaling no more than \$10,000.00.

2.3 In the event that any check is given by Purchaser in payment of any of its obligations hereunder shall not be paid or delivered in due course, the same shall constitute a default by Purchaser under this Agreement, entitling the Seller to exercise the remedy set forth in Section 10.1 upon five (5) days prior written notice.

2.4 The parties hereto agree that no part of the Purchase Price paid or to be paid hereunder has been, or will be, paid by Purchaser for any Personal Property transferred hereunder and any Personal Property transferred hereunder shall be deemed part of the Premises. However, if any federal, state, or local governmental body determines that any portion of the Purchase Price has been paid by Purchaser for any Personal Property transferred hereunder, Purchaser agrees to pay to the Seller on the Closing Date or subsequent thereto (if such determination shall be made after the Closing Date) the amount of any sales tax due and payable in connection therewith. The provisions of this Section 2.4 shall survive the Closing Date.

2.5 The Escrow Agent shall be Kozupsky & Associates, LLP, (the "Escrow Agent"), of which William P. Walzer is a member, who shall acknowledge receipt of the First Downpayment, subject to collection, by executing this Agreement. Escrow Agent shall place the Downpayment in an interest bearing escrow account in a federally insured financial institution following the execution and delivery of this Agreement by both parties, and advise the parties of the bank and account number in which the Downpayment is deposited. Escrow Agent does not guaranty that the Downpayment shall earn any particular rate of interest. The parties recognize that the amount of the Downpayment exceeds the limit of insurance provided by FDIC for bank insolvency losses. The Downpayment shall be held by the Escrow Agent until disbursed in accordance with the terms of this Agreement. Except as otherwise expressly provided in this Agreement, any and all references in this Agreement to the term "Downpayment" shall refer to the First and Second Downpayments together with any interest earned thereon. The Downpayment shall be held in escrow by the Escrow Agent pursuant to an express provision of this Agreement. Interest earned on the Downpayment shall be paid to the same party entitled to

the Downpayment and the party receiving same shall pay income taxes thereon. If for any reason the Closing does not occur and either Seller or Purchaser makes a written demand upon Escrow Agent for payment of the Downpayment, Escrow Agent shall give written notice to the other party of such demand. If Escrow Agent does not receive a written objection from the other party to the proposed payment within ten (10) business days after the receipt of such notice by the party to whom such notice is forwarded, Escrow Agent hereby is authorized to make such payment. If Escrow Agent does receive such written objection within such ten (10) day period or if for any other reason, Escrow Agent, in good faith, shall elect not to make such payment, Escrow Agent shall continue to hold such amount until otherwise directed by written instructions from the Seller and Purchaser or a final judgment of a court. Seller and Purchaser acknowledge that Escrow Agent is acting solely as a stakeholder at their request and for their convenience, that Escrow Agent shall not be deemed to be liable to Seller or Purchaser for any act or omission on its part with respect to the Downpayment unless taken or suffered in bad faith, in willful disregard of this Agreement or involving gross negligence. The Seller and Purchaser, jointly and severally, shall indemnify and hold Escrow Agent free and harmless from and against any and all claims, losses, damages, liabilities and expenses, including reasonable costs of investigations, counsel fees and disbursements, which may be imposed upon or incurred by Escrow Agent in connection with its acting as such hereunder or in any litigation or dispute arising hereunder or involving the Downpayment, provided that Escrow Agent shall not be entitled to any fee or other compensation in connection with its duties as Escrow Agent under this Agreement. Escrow Agent is Seller's attorney, and Purchaser consents to Escrow Agent's representation of Seller in connection with any claim made regarding the Downpayment.

### **Article 3 Sale Subject to Permitted Encumbrances**

3.1 The Premises shall be sold and conveyed to Purchaser subject to the following, herein collectively referred to as the "Permitted Encumbrances": (a) the agreement recorded in reel 135, page 1594 together with such other covenants, easements and restrictions of record provided that the Improvements do not presently violate such recorded documents; (b) such liens, claims, encumbrances, exceptions and matters that the Title Insurer (as hereinafter defined) shall be willing to omit as exceptions to coverage from and provide affirmative insurance for Purchaser's title insurance policy at no additional cost or premium beyond standard premium costs; (c) the standard exclusions from coverage and other standard provisions contained in the form of insuring agreement employed by the Title Insurer; (d) the state of facts an accurate survey would show provided that the Title Insurer is willing to insure that any material encroachments revealed on such survey may remain unmolested; (e) possible projections and/or encroachments of retaining walls, stoops, areas, steps, sills, trim, cornices, standpipes, fire escapes, coal chutes, casings ledges,

water tables, lintels, porticos, keystones, bay windows, hedges, coping, cellar doors, sidewalk elevator, fences, fire escapes and the like, or similar projections or objects on, under or above any adjoining streets or the Premises, or within any set-back areas, and variations between the lines of record title and fences, retaining walls, hedges, and the like provided such matters do not interfere with the present use of the Building; (f) rights of any utility company to maintain and operate lines, wires, poles, cables and distribution boxes, in, over and upon the Premises provided they are not presently violated; (g) variations between the tax lot lines and the description of the Premises as set forth in Exhibit A; (h) any lien for real estate taxes, school taxes, special assessments, business improvement district charges, water and sewer taxes, school taxes, special assessments, business improvement district charges, water and sewer taxes, rents and charges and other governmental charges and impositions not yet due and payable, provided same as adjusted at Closing under Section 4.1 herein; (i) all present and future laws, ordinances, codes, orders, restrictions and regulations of all federal, state, city or other governmental departments, authorities or other entities asserting jurisdiction over the Premises and use thereof; (j) the existing lease agreements for portions of the Premises which are summarized in Schedule B annexed hereto (the "Space Leases"); and (k) that certain lease of the entire Premises between Purchaser, as lessee, and Seller, as lessor, which is to be terminated at the Closing as described in Section 3.3.; and (l) any exceptions and matters specifically set forth in the Agreement.

3.2 Between the date hereof and the Closing Date, Seller shall not enter into, renew or extend (i) any Space Leases, (ii) any agreement relating to the occupancy of any portion of the Premises; or (iii) any other contracts or agreements affecting title to the Premises or the management or operation of the Premises which cannot be terminated on notice of 30 days or less, without the consent of Purchaser. Seller gives no assurance that any of the existing Space Leases will still be in effect at the time of Closing. Evictions for Space Lease rent arrears which begin to accrue after the Net Lease term begins shall require the consent of the Purchaser, but Seller may evict Space Lease tenants without Purchaser's consent for rent owed prior to the term of the Net Lease.

3.3 Simultaneously with the execution and delivery of this Agreement, Seller, as lessor, and Purchaser, as lessee, have executed and delivered to each other a net lease of the Premises (the "Net Lease"). A default by Purchaser (as lessee) under the Net Lease, which continues beyond any applicable notice and cure period provided in the Net Lease, shall constitute a default under this Agreement, entitling Seller to terminate this Agreement pursuant to Section 10.1. The permitted use and operation of the Premises by Purchaser prior to Closing, as well as provisions for the management of the Premises by Seller are set forth in the Net Lease. One year's rental of \$900,000 is being paid by Purchaser to Seller upon execution and delivery of the Net Lease.

3.4 If, on the Closing Date, there shall be conditional bills of sale, chattel mortgage(s), or security interests filed against the Premises or any portion, the same shall not be considered to be valid objections to title, provided that the Seller executes and delivers an affidavit, undertaking and/or escrow reasonably acceptable to the Title Insurer to the effect that either: (a) the personal property covered by said conditional bills of sale, chattel mortgage(s), or security interests are no longer in or on the Premises, or (b) if such personal property is still in or on the Premises, it has been fully paid for.

#### **Article 4** **Closing Date**

4.1 (a) The closing of title hereunder, the delivery of the deed and other closing documents and the payment of the Purchase Price, as well as the other payments provided for in this Agreement to be made at the closing of title (herein called the "Closing"), shall take place at the office of Seller's attorneys on the "Scheduled Closing Date." The Scheduled Closing Date shall mean the date which is one year following the execution and delivery by both parties, of this Agreement, as set forth on the signature page hereof.

(b) Purchaser may advance the Closing to a date earlier than the Scheduled Closing Date by written notice given not less than sixty (60) days prior to the advanced Closing date.

(c) Purchaser shall have a one-time right to adjourn the Scheduled Closing Date upon written notice from Purchaser to Seller given at least sixty (60) days prior to the Scheduled Closing Date, for a period not to exceed ninety (90) days (such date, being referred to as the "Adjourned Closing Date"). The notice designating the Adjourned Closing Date shall be accompanied by Acceptable Funds, payable to Seller (and not Escrow Agent) in the amount of Four Hundred Twenty Thousand Dollars (\$420,000), representing a \$120,000 Adjournment Fee, and three months of rent under the Net Lease at \$100,000 per month. The Adjourned Closing Date may be advanced by Purchaser upon written notice to Seller of not less than ten (10) business days.

(d) In the event that Purchaser does not close on either the Scheduled Closing Date or the Adjourned Closing Date, Seller may unilaterally set a law date for closing, not less than seven days from the Scheduled Closing Date or the Adjourned Closing Date, as the case may be, and the parties hereby agree that on the date, and at the time and place designated in Seller's notice for closing, Purchaser's obligation to close shall be deemed "time is of the essence".

## **Article 5 Adjustments**

5.1 The following items shall be apportioned as of 11:59 p.m. of the day immediately preceding the Closing Date. Except as otherwise specifically provided for herein, all adjustments shall be made in the manner recommended by the Customs in Respect to title Closings of the Real Estate Board of New York, Inc., and there shall be no other adjustments unless otherwise agreed. The items to be adjusted are:

- (a) Real estate taxes, on the basis of the fiscal year for which assessed;
- (b) Water rates, water meter and/or frontage charges and sewer rents, if any (unfixed water meter charges and sewer rents, if any, shall be apportioned on the basis of the last meter reading);
- (c) Charges for all utility services supplied to the Premises (including, without limitation, gas, steam and electricity);
- (d) Funds which have been collected by Seller as manager of the Premises, from Space Lease tenants, which are applicable to the term of the Net Lease, shall be credited at Closing to Purchaser to the extent not previously offset from the Operating Payments required to be paid by Purchaser under the Net Lease. Seller shall be entitled to apply funds it collects under stipulations with the Space Lease tenants following commencement of the Net Lease to the rent arrears listed in Schedule C. If the Net Lease does not commence on the first day of a calendar month, then the funds received from Space Lease tenants shall be adjusted at Closing for the first month of the Net Lease term;
- (e) Rent which has been prepaid by Purchaser to Seller under the Net Lease shall be adjusted on a per diem basis, with Purchaser receiving a pro rata credit for prepaid rent if the Closing occurs prior to the Initial Closing Date, or the Adjourned Closing Date, as the case may be;
- (f) The Adjournment Fee shall be adjusted on a per diem basis, with Purchaser receiving a pro rata credit if the Closing occurs prior to the Adjourned Closing Date;
- (g) Charges, if any, arising out of any service contracts for the Premises, provided, however, that Purchaser shall have no obligation to assume (and shall not assume) any service contracts for the Premises unless Purchaser has expressly agreed to do so in writing; and
- (h) Purchaser shall receive a credit of \$25,000, paid to Seller as a good faith deposit prior to the finalization of this Agreement.

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5.2 The parties acknowledge that Purchaser is required by the Net Lease to pay the expenses set forth in items a, b and c. If Purchaser has paid the said items for the period in which the Closing occurs then there shall be no adjustment for these items for such period. However, it is agreed that, at Closing, the parties shall adjust items a, b and c for the period in which the Net Lease commenced. Any balance in the Seller's operating account which has been funded by Purchaser under the Net Lease in order for Seller, as managing agent, to pay operating expenses shall be refunded to Purchaser at Closing or credited against the Purchase Price (at Purchaser's option).

5.3 Any errors or omissions in computing closing adjustments shall promptly be corrected with payment to be remitted ten (10) days after mistakes are reconciled. The obligations set forth in this article 4 shall survive the Closing Date for a period of six (6) months.

5.4. Seller shall assign to the Purchaser any proceedings for reduction of the assessed valuation of the Premises that are pending on the Closing Date together with the right to settle or compromise the same. Any settlement or compromise in connection with such proceedings brought with respect to the tax year in which the Net Lease commencement date occurred shall be made by the Purchaser in consultation with, and with the consent of, Seller (which consent shall not be unreasonably withheld or delayed). If a tax refund shall be obtained by reason of an adjustment of the assessed valuation of the Premises attributable to a period prior to the Net Lease commencement date, the same shall be the property of the Seller and Purchaser shall immediately remit same to Seller (less the cost paid by Purchaser of obtaining the same, including, without limitation, attorneys' fees and disbursements). If any such refund shall be obtained for a period including the Net Lease commencement date, the amount of such refund (less the cost of obtaining the same, including, without limitation, attorneys' fees and disbursements) shall be apportioned according to length of the respective portions of such period during which each party owned the Premises. The provisions of this Section 4.3 shall survive the Closing Date.

## Article 6 As Is

6.1 Purchaser acknowledges that it has inspected the Premises, is familiar with the physical condition thereof, including without limitation, all environmental conditions, structural conditions, heating, air conditioning, ventilation and other mechanical systems, fire protection systems, electrical systems and plumbing systems, and is purchasing the Premises "as is" on the date of the Closing with no warranty or representation as to any legal, physical or other conditions with respect to the Premises, other than as expressly set forth herein. This Agreement, as written, contains all the terms of the agreement between the parties, and Purchaser acknowledges that Seller has made no representations and held out no inducements to Purchaser other than those

herein expressed. Without limiting the generality of the foregoing, Purchaser has not relied on any representations or warranties, and Seller has not made any representations or warranties other than as expressly set forth in this Agreement, as to any matter relating to the Premises, including without limitation, (i) the current or future real estate tax liability, assessment or valuation of the Premises, (ii) the potential qualification of the Premises for benefits conferred by federal, state or municipal laws, whether for subsidies, special real estate tax treatment, insurance, mortgages, or any other benefits, whether similar or is similar to those enumerated, (iii) the compliance of the Premises, in its current or any future state, with applicable zoning ordinances and the ability to obtain a change in the zoning or a variance with respect to the Unit's non-compliance, if any, with said zoning ordinances, (iv) the current or future use of the Premises, (v) the present or future structural or physical condition and operating state of the Premises and any and all machinery, appliances or equipment in the Premises, (vi) the ownership or state of title of any personal property in the Premises, (vii) the presence or absence of any laws, ordinances, rules or regulations issued by any governmental authority, agency or board and any violations thereof, (viii) the layout, income, expenses, operation, agreements, licenses, easements, instruments, documents or service contracts if any, of or in any way affecting the Premises, (ix) the presence or absence of any hazardous waste, toxic substance, asbestos or asbestos containing material ("Toxic Substances"), and (x) the compliance or non-compliance with any laws, rules or regulations regarding Toxic Substances or other environmental laws, rules or regulations, including, but not limited to, those relating to clean-ups or storage requirements, and in this connection no representation or warranty set forth herein, whether stated expressly or otherwise, shall be construed in any way, directly or indirectly, to be a representation or warranty with respect to such environmental laws, rules or regulations, or the compliance or non-compliance with same. Seller has provided Purchaser with printouts of income and expense history maintained by Seller. This information is not warranted by Seller to be prepared in accordance with generally accepted accounting principals and is not otherwise warranted as true and accurate, except that Seller represents that the information is in the form compiled for Seller's manager and relied upon by him, and has not be revised for purposes of this transaction. Except as expressly set forth in this Agreement, Seller is not liable or bound in any manner by any verbal or written statements, representations, real estate brokers' "set-ups" or information pertaining to the Premises or the operation, layout, expenses condition, income, lease, rents, agreements, licenses, easements, instruments, documents or service contracts or relating to the specific matters and items set forth hereinabove furnished by any real estate broker, agent, employee, or other person.

## **Article 7** **Taxes and Other Expenses**

7.1 All recording charges in connection with this transfer, and all premiums and fees for title examination and title insurance obtained by

Purchaser, and all related charges and survey costs in connection therewith, shall be paid by Purchaser at Closing.

7.2 Seller agrees to comply with Article 31 of the Tax Law of the State of New York and exhibit to Purchaser and mail to the appropriate taxing authority at the Closing a completed Combined Real Estate Transfer Return and Credit Line Mortgage Certificate (Form TP-584). Seller further agrees to pay the New York State transfer tax at the Closing.

7.3 Seller shall take any and all action necessary, prior to or by the Closing, in order to comply with the provisions of Title 11, Chapter 21 of the New York City Administrative Code ("RPT"), including, without limitation, the payment of any tax which may be determined to be due under the RPT in connection with this transaction, and the preparation, execution and filing of any and all affidavits and form required by the RPT in connection with this transaction. Seller agrees to pay the New York City transfer tax at the Closing. Purchaser, shall cooperate with Seller in connection with the preparation, execution and filing of affidavits and forms required by the RPT and TP-584.

7.4 The provisions of this Article 7 shall survive the Closing.

#### **Article 8 Title**

8.1 (a) Upon the execution of this Agreement, Purchaser shall promptly order a title report from a reputable title insurance company licensed to do business in the State of New York (the "Title Insurer") and an update of the Survey from a land surveyor licensed to do business in the State of New York. Purchaser shall cause to be delivered to Seller's counsel a copy of said report and survey (and of any updates) promptly after Purchaser's receipt thereof. Purchaser shall further provide Seller's counsel within fourteen (14) days after receipt of such title report and survey with written notice of any defect, lien, encumbrance, claim or exception related to title other than the Permitted Encumbrances (herein collectively called "Title Defects").

(b) In order to satisfy any Title Defects which Seller is obligated to satisfy hereunder, Seller shall be entitled to reasonable adjournments of the Scheduled Closing Date (but not more than two adjournments) in order to accomplish the same. If Seller elects to adjourn the Scheduled Closing as provided for herein, this Agreement and the Net Lease shall remain in effect for the period or periods of adjournment, in accordance with their respective terms, except that any adjournment requested by Seller beyond the Initial Term or the Extended Term of the Net Lease, as the case may be, shall be without further payment of rent by Purchaser. Nothing contained herein shall be deemed to require Seller to take or begin any action or proceeding or any other steps to remove any defect in or objection to title or to expend any moneys therefor. Notwithstanding the foregoing

provisions of this Article, Purchaser may at any time accept such title as Seller can convey, notwithstanding the existence of any title defect not provided for in this Agreement, without reduction of the Purchase Price or any credit or allowance on account thereof or any claim against Seller, except as provided in this Article.

(c) If Seller has elected to cure a Title Defect hereunder, Seller shall be deemed to have satisfied the same and Purchaser shall have no right to raise such Title Defect or otherwise be excused from its obligations to close title to the Premises, if the Title Insurer shall either omit as exceptions to coverage or insure at the Title Insurer's regular rates without additional premium against the collection out of, or enforcement against, the Premises, as appropriate, in any owner's policy of title insurance to be obtained at Closing.

(d) If on the date of Closing there are any other liens or encumbrances which Seller has elected to cure hereunder Seller may use any portion of the balance of the Purchase Price to satisfy the same. Purchaser agrees to wire at Closing to the Title Company or any other party requested by Seller all or any portion of the balance of the Purchase Price in order to facilitate the satisfaction of any such liens or encumbrances. The existence of any such taxes, assessments, water charges or sewer rents or other liens or encumbrances shall not be deemed objections to title if Seller shall comply with the foregoing requirements.

(e) If a search of the title discloses judgments, bankruptcies or other returns against the Seller, Seller may deliver to the Title Insurer such affidavits reasonably satisfactory to the Title Insurer in order to remove or omit as exceptions to coverage or insure at the Title Insurer's regular rates without additional premium against the collection out of, or enforcement against, the Premises, as appropriate, in any owner's policy of title insurance to be obtained at Closing.

8.2 Seller shall convey and Purchaser shall accept such title as the Title Insurer will approve and insure, without additional or special premium, subject only to the Permitted Encumbrances and other matters set forth herein.

8.3 In the event that Seller shall be unable to convey title to the Premises, subject only to the Permitted Encumbrances and other matters set forth herein, by the Closing Date as may be extended hereby by Seller, Purchaser shall either (i) waive objection to each Title Defect and close this transaction without abatement of the Purchase Price, credit or allowance of any kind or any claim or right of action against Seller for damages or otherwise (except as expressly provided in Section 8.4 below), or (ii) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Seller shall reimburse Purchaser for the Downpayment, with interest earned thereon, if any, as well as the cost of title examination without issuance of a policy and any survey costs actually incurred by Purchaser. Upon such reimbursement, this

Agreement shall be null and void and the parties hereto shall be relieved of all further obligation and liability.

### **Article 9 Closing Obligations**

9.1 At the Closing, Seller shall deliver to Purchaser the following documents duly executed, and where appropriate, acknowledged by Seller and the following other items (such documents and other items referred to herein as "Seller's Closing Documents"):

(a) A Bargain and Sale Deed with Covenants against Grantor's Acts in compliance with Lien Law §13(5) (the "Deed"), in recordable form, conveying to Purchaser title to the Premises, free and clear of all liens and encumbrances other than the Permitted Encumbrances and other matters set forth herein. The Deed shall be executed and acknowledged by Seller in proper statutory form for recording;

(b) Evidence reasonably satisfactory to the Title Insurer that (i) Seller is authorized to consummate the transaction contemplated herein as of the Closing, and (ii) the individual executing the documents on behalf of Seller is authorized to do so on behalf of Seller, as evidenced by (x) a resolution of its members authorizing the sale and delivery of the Deed and (y) a certificate by the managing member of the Seller certifying such resolution.

(c) An affidavit of Seller pursuant to and in form required by Section 1445 (b)(2) of the Internal Revenue Code of 1986, as amended, stating that Seller is not a foreign person within the meaning of such Section;

(d) TP-584 and RPT tax returns prepared by Seller, to be executed and acknowledged by Seller and Purchaser, in proper form for submission;

(e) All keys and access codes, if any, to the Premises; copies of service contracts, certificates of occupancy, permits, etc., if any, in Seller's possession, custody or control;

(f) All original Space Leases in Seller's possession;

(g) Acceptable Funds, or an attorney's escrow account check, payable to Purchaser, paying over all unapplied tenant security deposits under the Space Leases, for which Purchaser shall execute an acknowledgement of receipt;

(h) Original letters, executed by Seller, addressed to the tenants under the Space Leases, informing them of the sale and the transfer of their security deposits;

(i) any other documents required by this Agreement to be delivered by Seller; and

(j) proof that Seller has requested estoppel certificates from the Space Lease tenants, and, if any have been provided, delivery of the original certificates, but Seller's delivery of estoppel certificates is not a condition of Purchaser's obligations hereunder.

9.2 At the Closing, Purchaser shall deliver or cause to be delivered the following documents (collectively, the "Purchaser's Closing Documents"):

(a) the Purchase Price in accordance with Article 2 of this Agreement:

(b) evidence of Purchaser's action authorizing the purchase, certified by an authorized representative of Purchaser;

(c) any other documents required by this Agreement to be delivered by Purchaser.

**9.3 At the Closing, Seller and Purchaser shall execute a termination of the Net Lease.**

## Article 10 Remedies for Default

10.1 In the event of a default by Purchaser under this Agreement, the Seller shall be entitled to terminate this Agreement. The parties agree that in the event of Purchaser's default, the Seller's actual damages will be difficult, if not impossible, to ascertain. Therefore, in the event Seller terminates this Agreement pursuant to this Section 10.1, Seller shall be entitled to receive and retain as its sole and exclusive remedy, as fixed and liquidated damages and not as a penalty, the amount of the Downpayment (both the First and Second Downpayments, and all accrued interest) together with the adjournment fee, if it has been paid, set forth in Section 4.1(c). In the event of such default Purchaser also acknowledges that Purchaser will not be entitled to a refund of any of the rents paid to Seller, as lessor, under the Net Lease.

10.2 In the event of a default by Seller under of this Agreement, then Purchaser's sole and exclusive remedies shall be limited to either (i) canceling this Agreement, whereby Purchaser shall be entitled to a return of the Downpayment (or portion thereof collected by Escrow Agent, and all accrued

interest), reimbursement of any unused portion of the previously paid adjournment fee and reimbursement for all title and survey charges actually incurred by Purchaser, or (ii) seeking an action for specific performance against Seller compelling Seller to transfer title to the Premises in accordance with the terms hereof.

### **Article 11 Broker**

11.1 The Seller and Purchaser each covenant, warrant and represent to the other that there was no broker or finder other than Newmark & Company, (the "Broker") instrumental in consummating this Agreement, and that no conversations or negotiations were had by each party with any other broker or finder concerning the sale of the Premises. Purchaser agrees to indemnify and hold the Seller harmless from and against any reasonable damages, costs expenses and claims for brokerage commissions or other fees made by any broker (other than the Broker) claiming to have dealt with Purchaser (including, without limitation, reasonable attorneys' fees and disbursements). Seller agrees to pay the commission of the Broker, and to indemnify and hold the Purchaser harmless from and against any damages, costs, expenses and claims for brokerage commissions or other fees made by any broker (including Seller's Broker) claiming to have dealt with Seller (including, without limitation, attorneys' fees and disbursements). Purchaser shall not be responsible for the commission of Seller's Broker.

11.2 The respective representations and agreements made by the Seller and Purchaser in this Article 11 shall survive the Closing Date or any termination of this Agreement under Article 10 or otherwise.

### **Article 12 Casualty; Condemnation**

12.1 If, prior to the Closing, the Premises are destroyed or damaged by fire or other casualty, this Agreement shall nonetheless remain in full force and effect, and Purchaser shall have no right of termination. The Closing shall proceed without abatement in the Purchase Price. The Closing shall proceed without adjournment, whether or not either of the parties have begun restoration or repair of the Premises pursuant to the Lease Agreement, and whether or not the Lease Agreement is still in force and effect. Following a casualty event, Seller shall, in its discretion, either:

(i) settle the insurance claim prior to Closing (but settlement of any claim greater than \$100,000 shall require Purchaser's prior written consent) and, depending upon whether the settlement has been received by Seller, either credit against the Purchase Price the amount of settlement received by Seller or assign

to Purchaser, without recourse, at the Closing its right to receive such settlement; or

(ii) assign to Purchaser, without recourse, Seller's interest in and to the insurance proceeds with respect to said damage.

12.2 If, prior to the Closing, any proceeding shall be commenced or concluded for the taking of all, or any part of the Land or Improvements for any public or quasi-public use pursuant to the power of eminent domain or otherwise this Agreement shall nonetheless remain in full force and effect, and Purchaser shall have no right of termination. The Closing shall proceed without abatement in the Purchase Price. In such event, Seller shall, in its discretion, either:

(i) settle its condemnation claim prior to Closing (but settlement of any claim greater than \$100,000 shall require Purchaser's prior written consent) and depending upon whether the settlement has been received by Seller, either credit against the Purchase Price the amount of any such settlement or assign to Purchaser, without recourse, at the Closing its right to receive such settlement; or

(ii) assign to Purchaser, without recourse, Seller's interest in and to any condemnation award with respect to said taking.

12.3 Seller has exhibited its policy of casualty insurance to Purchaser and Purchaser deems such policy to be satisfactory. Seller covenants to keep such policy or comparable coverage in effect until Closing. Seller shall pay for any deductible on Seller's casualty insurance in the event of any casualty loss. Upon a casualty event or a condemnation, Seller may, but shall not be obligated to restore or rebuild the Improvements. If the proceeds of insurance or a condemnation award are received by Seller prior to Closing and Seller does not wish to restore or rebuild the Premises, then, subject to the rights of any mortgagee, Seller will make such funds available to Purchaser for the purpose repair or restoration, based upon a 10% retention, an approved work budget, and monthly requisitions and inspections to ensure that the available funds are sufficient to complete the work.

12.4 Seller shall, upon Purchaser's request, cooperate with Purchaser, at Purchaser's sole cost and expense, in seeking such proceeds, awards and other compensation. To the extent that Seller shall receive any such proceeds, awards or compensation, Seller shall receive the same as trust funds for the benefit of, and shall pay the same forthwith over to, Purchaser. The provisions of this Section 12.5 shall survive the Closing.

Article 13  
Violations

13.1 Purchaser has had an opportunity to order a violations search with respect to the Premises. Purchaser agrees that Purchaser shall close title and accept delivery of the Deed subject to any and all notes or notices of violations of law or municipal ordinances, order or requirements noted in or issued by any governmental authority having jurisdiction, against or affecting the Premises, without regard to the extent or the date of any such notes or notices.

Article 14  
Seller's Representations

14.1 Seller represents to Purchaser that as of the date of this Agreement:

(a) To Seller's knowledge, it has no written notice of any pending or threatened litigation, condemnation or eminent domain proceedings against or affecting the Premises, except for litigation which is covered by insurance or which is for eviction of tenants and except for the summary proceedings against two tenants which are pending pursuant to stipulations of settlement;

(b) Except for matters which are covered by Seller's insurance coverage, Seller is not aware of any pending formal charges, complaints, actions or proceedings against or involving the Premises that, if adversely determined, would prevent the transfer of title to the Premises;

(c) Seller is a limited liability company, duly organized, validity existing and in good standing under the laws of the State of New York.

(d) Seller has all requisite authority to enter into and perform all of the transactions contemplated by this Agreement. This Agreement is a legal, valid and binding obligation of Seller without the requirement of any consent from any other party and does not constitute a breach or violation of any of the terms of any contract, agreement, lease, judicial order, judgment, governmental order, mortgage or any other instrument to which Seller is a party or to which the Premises is subject;

(f) Seller has duly authorized the execution, delivery and performance of this Agreement and each document related or required in connection with Seller's obligations pursuant to this Agreement;

(g) Seller is the sole owner of the Premises;

(h) Seller shall execute any and all documents and other instruments necessary without any cost, expense or liability to Seller, to enable Purchaser to make a search of the records of any federal, state or city agency, in order to verify the representations made herein.

(i) There is to Seller's knowledge no assessment of any kind or nature which constitutes a lien on the Premises, or any portion thereof.

(j) Seller has not entered into, nor is Seller aware of any presently effective agreement to sell, grant an option or right of first refusal or otherwise convey the Premises or any portion thereof;

(k) Seller is not a "foreign person" as defined in the Internal Revenue Code of 1986, as amended.

(I) The Premises are not "in rem" due to non-payment of taxes or water and sewer charges.

For purposes of this Article 14, Seller's knowledge shall be limited to the actual knowledge of Harold Thurman. Seller's representations shall survive the Closing for a period of six (6) months.

## **Article 15 Purchaser's Representations**

**15.1 Purchaser represents to Seller that as of the date of this Agreement:**

(a) Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York and is authorized to do business in the State of New York:

(b) Purchaser has all requisite authority to enter into and perform all of the transactions contemplated by this Agreement. This Agreement is a legal, valid and binding obligation of Purchaser;

(c) Purchaser has duly authorized the execution, delivery and performance of this Agreement and each document related or required in connection with Purchaser's obligations pursuant to this Agreement;

(d) Purchaser has all requisite authority to enter into and perform all of the transactions contemplated by this Agreement. This Agreement is a legal, valid and binding obligation of Purchaser without the requirement of any consent from any other party and does not constitute a breach or violation of any of the terms of any contract, agreement, lease, judicial order, judgment,

governmental order, mortgage or any other instrument to which Purchaser is a party or to which the Premises is subject; and

(e) Purchaser has received copies of, and reviewed the Space Leases, as well as the stipulations of settlement of summary proceedings. Seller has explained to Purchaser that Tiny Mythic Theatre Company claims that it has exercised its option to renew its lease. Seller's position concerning this tenant is that the Tenant did not exercise its option and that it is a month to month tenant, however, Seller does not warrant any particular result if the issue is litigated.

Purchaser's representations shall survive the closing for a period of six (6) months.

### **Article 16 Assignment**

16.1 Except as hereinafter provided, neither this Agreement nor any of the rights of Purchaser hereunder (nor the benefit of such rights) may be assigned or encumbered by Purchaser, in whole or in part, without Seller's prior written consent, and any purported assignment or encumbrance without Seller's prior written consent shall be void and constitute a default hereunder. Notwithstanding the foregoing, Purchaser may, without Seller's consent, assign all of its rights and obligations in, to and under this Agreement to a Permitted Affiliate (as hereinafter defined), provided that all of the following conditions are satisfied: (i) a duplicate original of an instrument of assignment is delivered to Seller at or prior to Closing; (ii) the Permitted Affiliate assumes, for the benefit of Seller and Escrow Agent, in writing, all of Purchaser's obligations hereunder; and (iii) Purchaser provides proof that the Permitted Affiliate controls or is controlled or owned by Purchaser. For purposes hereof, the term "Permitted Affiliate" shall mean any entity that is directly or indirectly under common control with, is controlled by, or controls, Purchaser. An entity will be deemed a Permitted Affiliate if Peter Moore, or a family trust he controls, is the owner of at least \$20% of the equity interests issued by that entity.

16.2 Purchaser shall remain primarily and jointly and severally liable with its assignee.

### **Article 17 Miscellaneous**

17.1 Any notice, communication, or demand that may be, or is required to be, given or made to the Seller or Purchaser or the Escrow Agent pursuant to the terms of this Agreement shall be in writing, and any such notice, communication, or demand shall be deemed to have been given or made three (3) business days after the same is mailed to such party by Certified, Return Receipt Requested, addressed to such party at such party's address

hereinabove set forth, or if hand delivered and received before 5:00 p.m. on the same business day as received; or if hand delivered and received after 5:00 p.m., or if sent by Federal Express or other overnight courier, on the next business day. Duplicate copies of every notice, communication, or demand sent or made hereunder shall be sent concurrently in the same manner:

If to the Seller, to: William P. Walzer, Esq.  
Kozupsky & Associates, LLP  
10 East 40<sup>th</sup> Street, Suite 1710  
New York, NY 10016

If to Purchaser, to: Scott A. Rubman, Esq.  
580 Broadway, Suite 1101  
New York, NY 10012

Communications to the Escrow Agent shall be made to Seller's attorney.

The respective attorneys listed above shall have the right, but not the obligation, to give any notice, communication, or demand on behalf of their respective clients, and any such notice or demand so given shall be deemed to have been given by such attorney's client.

17.2 It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged into this Agreement and the accompanying Lease Agreement, which together fully and completely expresses their agreement, and that the same is entered into after full investigation, neither party relying upon any statement or representation not embodied in this Agreement or in the Lease Agreement made by the other.

17.3 Each party hereto shall, from time to time, execute, acknowledge and deliver such further instruments and perform such additional acts (not creating any obligations additional to those otherwise imposed by this Agreement) as the other party may reasonably request to effectuate the intent of this Agreement.

17.4 No waiver, change, modification, amendment, or discharge of any of the provisions of this Agreement shall be valid unless effected by an agreement in writing signed by both parties hereto. No failure or delay of either party in the exercise of any right given to such party hereunder or the waiver by any party of any condition hereunder for its benefit (unless the time specified herein for exercise of such right, or satisfaction of such condition, has expired) shall constitute a waiver of any other or further right nor shall any single or partial exercise of any right preclude other or further exercise thereof or any other right. The waiver of any breach hereunder shall not be deemed to be a waiver of any other or any subsequent breach hereof.

17.5 This Agreement and performance thereof shall be construed, regulated and governed by the laws of the State of New York. If any of the provisions of this Agreement shall be unenforceable or invalid, the same shall not affect the remaining provisions of this Agreement and, to this end, the provisions of this Agreement are intended to be, and shall be, severable.

17.6 Submission by the Seller of this Agreement for execution by Purchaser shall confer no rights nor impose any obligations on either party unless and until both the Seller and Purchaser shall have executed this Agreement and duplicate originals thereof have been delivered to the Seller and Purchaser.

17.7 This Agreement may be executed by the parties hereto in two or more counterparts and each executed counterpart shall be considered an original.

17.8 All sums paid to the Seller on account of this Agreement are hereby made liens on the Premises, but such liens shall not continue after default by Purchaser under this Agreement.

17.9 Purchaser shall not record this Agreement.

17.10 This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and to their respective heirs, executors, administrators, successors and assigns.

17.11 Purchaser has informed Seller that it is Purchaser's intention to file a condominium offering plan with the New York State Law Department during the pendency of this contract. Seller has no objection to this filing provided that (i) it shall not be deemed an offeror, (ii) it shall incur no additional expense or exposure, and (iii) it shall not be asked to convey the premises in more than one parcel. No consent is given to Purchaser to record a declaration of condominium or any other document in the office of the New York City Register. If requested, Seller will confirm the statements in this section in a separate writing.

[Balance of this page intentionally left blank]

17.12. The parties hereto knowingly, voluntarily, irrevocably, unconditionally and intentionally waive the right to a trial by jury in respect of any dispute or litigation arising hereunder or arising out of, under, or in connection with any document or agreement executed in connection herewith or the exercise by any party of their rights hereunder.

**IN WITNESS WHEREOF**, the parties hereto have each duly executed this Agreement as of the day and year first above written.

**145 6TH AVE ASSOCIATES, LLC**  
By: 145 CGP, Inc., its Managing Member

By: \_\_\_\_\_  
Name: Harold Thurman  
Title: President

**145 AMERICAS LLC**

By: \_\_\_\_\_  
Name: Peter A. Moore  
Title: Managing Member

Escrow Provisions Agreed to:

~~Kozupsky & Associates, LLP~~  
By: William P. Walzer

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Agreed Dates:

Section 2.1(b): Due Date for Second Deposit: December 1, 2004

Section 4.1(a): Scheduled Closing Date: March 1, 2005

Initial: \_\_\_\_\_

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Exhibits Annexed Hereto:

- A: Metes and Bounds Description
- B: Space Leases
- C: Rent Arrears

## SCHEDULE A

All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Dominick Street and the westerly side of Avenue of the Americas;

RUNNING THENCE westerly, along the northerly side of Dominick Street, 125 feet;

THENCE northerly, parallel with Avenue of the Americas, 75 feet;

THENCE easterly, parallel with Dominick Street, 125 feet to said westerly side of Avenue of the Americas; and

THENCE southerly, along the westerly side of Avenue of the Americas, 75 feet to the point or place of BEGINNING.

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SCHEDULE B – SPACE LEASES

1. Tiny Mythic Theatre Co and Home for Contemporary Theatre and Art, dated March 26, 1993, for the ground floor and basement.
2. Isis Films, Ltd., dated July 26, 1994, for room 602, with amendment dated April 6, 2000; and
3. McHattan, Inc., dated October 7, 1998, for the entire 8<sup>th</sup> floor.

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**SCHEDULE C – RENT ARREARS**

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RUN DATE 3/01/2004 RUN TIME: 10:05:53

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## TENANT TRIAL BALANCE AS OF- 3/01/2004

COMP NO. 20 COMPANY NAME - 145 6TH AVE ASSOC'S

BUILD NO. 145

UNIT	TENANT NUMBER	TENANT NAME	REFERENCE NUMBER	DATE	DESCRIPTION	BILL AMOUNT	PAYMENT AMOUNT	BALANCE	ENDING BALANCE	SECURITY DEPOSIT
401	101	THEATER 6TH AVENUE								

2/13/2004 20030501	AIR CONDITIONING	19	19760.00	19760.00	0.00	0.00	0.00	0.00	12000.00
2/13/2004 20030512	LATE FEE	03	50.00	50.00	0.00	0.00	0.00	0.00	0.00
2/13/2004 20030601	RENT RCVBLE	01	13333.33	13333.33	0.00	0.00	0.00	0.00	0.00
2/13/2004 20030610	LATE FEE	06	50.00	50.00	0.00	0.00	0.00	0.00	0.00
2/24/2004 20030701	RENT RCVBLE	01	13333.33	13333.33	0.00	0.00	0.00	0.00	0.00
2/24/2004 20030701	RENT RCVBLE	14	31450.85	3902.26	25548.39	0.00	0.00	0.00	0.00
7/14/2003 20030714	LATE FEE	07	03	50.00	0.00	50.00	0.00	0.00	0.00
8/01/2003 20030801	RENT RCVBLE	01	13333.33	0.00	13333.33	0.00	0.00	0.00	0.00
8/11/2003 20030801	LATE FEE	08	03	50.00	0.00	50.00	0.00	0.00	0.00
9/01/2003 20030901	RENT RCVBLE	01	13333.33	0.00	13333.33	0.00	0.00	0.00	0.00
9/11/2003 20030911	LATE FEE	09	03	50.00	0.00	50.00	0.00	0.00	0.00
10/01/2003 20031001	RENT RCVBLE	01	13333.33	0.00	13333.33	0.00	0.00	0.00	0.00
1/09/2004 20040101	RENT RCVBLE	01	13333.33	0.00	13333.33	0.00	0.00	0.00	0.00
1/12/2004 20040112	LATE FEE	01	03	50.00	0.00	50.00	0.00	0.00	0.00
2/24/2004 20040201	RENT RCVBLE	01	13333.33	0.00	13333.33	0.00	0.00	0.00	0.00
2/10/2004 20040210	LATE FEE	02	03	50.00	0.00	50.00	0.00	0.00	0.00
3/01/2004 20040301	RENT RCVBLE	01	14166.67	0.00	14166.67	0.00	0.00	0.00	0.00
6/04/2003 37372000	LEGAL RCVBLE	12	83.00	0.00	85.00	0.00	0.00	0.00	0.00
7/02/2003 37797000	LEGAL FEE	12	34.00	0.00	34.00	0.00	0.00	0.00	0.00
2/05/2004 38976000	LEGAL FEES	12	2571.04	0.00	2571.04	0.00	0.00	0.00	0.00
27/05/2004 39097000	LEGAL FEE	12	17.00	0.00	17.00	0.00	0.00	0.00	0.00

MONTHLY ENDING BALANCE

161767.84 79095.58 82672.26 12000.00

700 7008 ISIS FILMS LTD.

1/09/2004 20030801	RENT RCVBLE	01	11701.72	9938.80	1762.92	0.00	0.00	0.00	0.00
8/12/2002 20020812	LATE FEE	03	50.00	0.00	50.00	0.00	0.00	0.00	0.00
9/01/2002 20020901	RENT RCVBLE	01	11701.72	0.00	11701.72	0.00	0.00	0.00	0.00
9/10/2002 20020910	LATE FEE	09	03	50.00	0.00	50.00	0.00	0.00	0.00
10/01/2002 20021001	RENT RCVBLE	01	11701.72	0.00	11701.72	0.00	0.00	0.00	0.00
10/10/2002 20021010	LATE FEE	10	03	50.00	0.00	50.00	0.00	0.00	0.00
11/01/2002 20021101	RENT RCVBLE	01	11701.72	0.00	11701.72	0.00	0.00	0.00	0.00
12/20/2002 20021201	LATE FEE	11	03	50.00	0.00	50.00	0.00	0.00	0.00
12/10/2002 20021210	LATE FEE	12	03	50.00	0.00	50.00	0.00	0.00	0.00
1/22/2003 20030101	RENT RCVBLE	01	11701.72	8000.00	3701.72	0.00	0.00	0.00	0.00
1/10/2003 20030110	LATE FEE	01	03	50.00	0.00	50.00	0.00	0.00	0.00
3/19/2003 20030201	RENT RCVBLE	01	11701.72	9000.00	2701.72	0.00	0.00	0.00	0.00
2/12/2003 20030212	LATE FEE	02	03	50.00	0.00	50.00	0.00	0.00	0.00
3/19/2003 20030301	RENT RCVBLE	01	11701.72	9000.00	2701.72	0.00	0.00	0.00	0.00
4/09/2003 20030401	RENT RCVBLE	01	12169.79	9000.00	3169.79	0.00	0.00	0.00	0.00
2/10/2004 20030701	REAL ESTATE/BID TAX	14	15670.12	1000.00	14670.12	0.00	0.00	0.00	0.00
9/11/2003 20030911	LATE FEE	09	03	50.00	0.00	50.00	0.00	0.00	0.00
10/16/2003 20031001	RENT RCVBLE	01	12169.79	12169.79	0.00	0.00	0.00	0.00	0.00
10/10/2003 20031010	LATE FEE	10	03	50.00	0.00	50.00	0.00	0.00	0.00
11/10/2003 20031101	RENT RCVBLE	01	12169.79	12169.00	0.00	0.00	0.00	0.00	0.00
12/09/2003 20031201	RENT RCVBLE	01	12169.79	12169.00	0.00	0.00	0.00	0.00	0.00

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RUN DATE 3/01/2004 RUN TIME: 11:22 AM  
TENANT TRIAL BALANCE AS OF: 3/01/2004

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COMP NO. 20 COMPANY NAME - 145 6TH AVE ASSOC  
BUILD NO 145 BUILDING NAME - 145 6TH AVE

UNIT NUMBER	TENANT NAME	DATE NUMBER	REFERENCE	BILL	BILLING AMOUNT	PAYMENT AMOUNT	ENDING BALANCE	SECURITY DEPOSIT
		12/10/2003 200331210	LATE FEE	12 03	50.00	50.00	50.00	0.00
		1/09/2004 20040101	RENT RCVBLF	01	12169.77	12169.00	79	0.00
		1/12/2004 20040112	LATE FEE	01 03	50.00	50.00	50.00	0.00
		2/09/2004 20040201	RENT RCVBLF	01	12169.79	12169.00	79	0.00
		2/10/2004 20040210	LATE FEE	02 03	50.00	50.00	50.00	0.00
		3/01/2004 20040301	RENT RCVBLF	01	12169.79	12169.79	12169.79	0.00
			MONTHLY ENDING BALANCE		114283.80	80768.65	21137.80	

8H-H	8FH-B	MACHATTAN, INC.	1/12/2004 20040101	RENT RCVBLF	01	4466.81	4466.81	0.00	7000.00
			2/10/2004 20040201	RENT RCVBLF	01	4466.81	4466.81	0.00	7000.00
			3/01/2004 20040301	RENT RCVBLF	01	4466.81	4466.81	0.00	7000.00
			MONTHLY ENDING BALANCE		13400.43	8933.62	4466.81	7000.00	

MONTHLY BUILDING ENDING BALANCE	370240.68	202313.00	167927.68	40137.80
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