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Blockchain Coming to a Block Near You: How FinTech Is Changing Real Estate Investing

Caveat Emptor: Purchasers Win Under Special Facts Doctrine

Engel Is Dead: The Foreclosure Abuse Prevention Act Brings Sweeping Changes to the Lending Industry

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1950

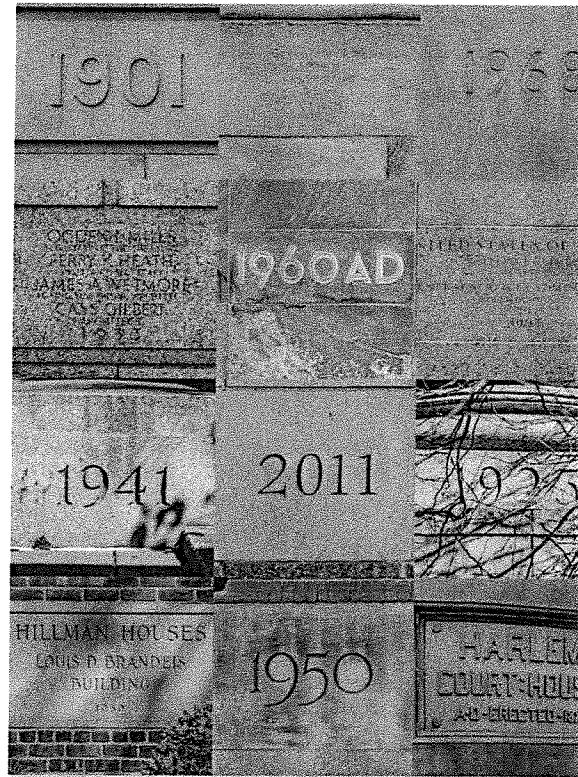
1950

HARLEM
COURT-HOUSE
AND DIRECTED BY

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Heralding Change: Introducing a New Co-Op Contract Form

By Margery N. Weinstein

The form of contract of sale currently used throughout New York State for the sale and purchase of a cooperative apartment was approved in 2001. Recognizing that the form no longer adequately addresses the needs of practitioners in the field—or that of their clients—and with the aim of better reflecting current laws and customs, a panel of the New York City Bar Association’s Committee on Cooperative & Condominium Law (the “City Bar”) began examining the form in the autumn of 2017.¹ The Committee’s work, which was interrupted by other matters during the coronavirus pandemic, resulted in a newly proposed contract form that received the approval of the entire City Bar in 2022. Following some further refinements, the new form was also approved in January 2023 by the Committee on Condominiums and Cooperatives of the Real Property Section of the New York State Bar Association (the “State Bar”).

The new contract form contains significant improvements and changes to the predecessor form. These revisions are primarily intended to accomplish the following goals:

- To update the predecessor form and make it easier to comprehend for parties and practitioners;
- To incorporate provisions frequently added to the predecessor form through riders with the recognition that “seller” and “purchaser” riders, and the resulting negotiation of common issues, may not be eliminated altogether but should be more abbreviated;
- To recognize customary methods of communication commonly in use; and
- To provide protection to parties and to practitioners who may be unfamiliar with the form of contract for cooperative transactions and/or with the laws applicable to cooperative corporations.

The most salient changes between the predecessor contract form and the new contract form are highlighted below. In this article, a word beginning with a capitalized letter has the meaning ascribed to that word in the new contract form. Notably, the general format and paragraph order between the predecessor form and the new form are unchanged, so the new form should seem familiar and easy to follow to most readers who have used the predecessor form.

Some of the changes between the predecessor form and the new form are the outcome of lengthy dialogue, debate (and disagreement) within members of the review panel; the resulting language, on occasion, presents a “compromise” position between a seller’s position and a purchaser’s position. In those situations, the respective attorneys to a transaction where the new form is utilized may want to continue to strengthen their position by augmenting the form with their own riders. The author attempts, below, to point out these instances where riders may continue to be a useful tool to one or both of the parties.

§ 1: **Certain Definitions and Information.** In practice, social security numbers are typically provided by telephone, near closing, so as to protect the Seller’s and Purchaser’s privacy. In listing the contact information of the parties and their attorneys, email addresses are included as email has become one of the standard means of contact.

§ 1.3: The term “Escrowee” is no longer limited to either the Seller’s or Purchaser’s Attorney, in recognition that many law firms no longer hold escrows.

§ 1.11: The term “Personalty” has been changed to “Personal Property” throughout the new contract form. To avoid ambiguity, ‘sconces, ceiling fans’ and ‘built-in bookshelves and articles of property and fixtures attached to or appurtenant to the Unit’ have been added to the Personal Property included in the sale. The above wording is intended to cover items such as built-in televisions (such as flat-screens) and other built-in audio equipment.

§ 1.12: To avoid confusion with the term “Personal Property” (as defined in § 1.11 to refer to all items included in the sale), the panel eliminates the word “personal” in § 1.12 when referring to property that is not included in the sale.

§ 1.13: The term “Included Interests” has been broadened (from Storage, Servant’s Room and Parking Space) to include “Fitness Room Membership.”

§ 1.14 & § 1.15 The panel discussed, at length, whether to add a “time-of-the-essence” concept to enforce the time for Closing. However, this concept was rejected due to the number of parties involved in a transfer and the multitude

of factual situations that can, and do, arise. **Note:** This topic may be covered in a rider provision, if and when appropriate given the specific facts of the transaction and market conditions.

§ 1.23: In describing “Proposed Occupants” of the Unit, a new subparagraph .2 has been added in which the Purchaser is to disclose which, if any, of the Proposed Occupants will be occupying the apartment as a primary residence and which Proposed Occupants will not be a primary resident. Such information is valuable to a cooperative corporation and its managing agent.

§ 1.23.3: This new subparagraph requires Purchaser to disclose any Proposed Occupants who “smoke tobacco or other products or utilize water pipes, electronic cigarettes, or vaping products”, information that may be valuable to a cooperative corporation and its managing agent, particularly since many cooperative corporations allow smoking within apartment units but continue to confront second-hand smoke issues in their buildings.

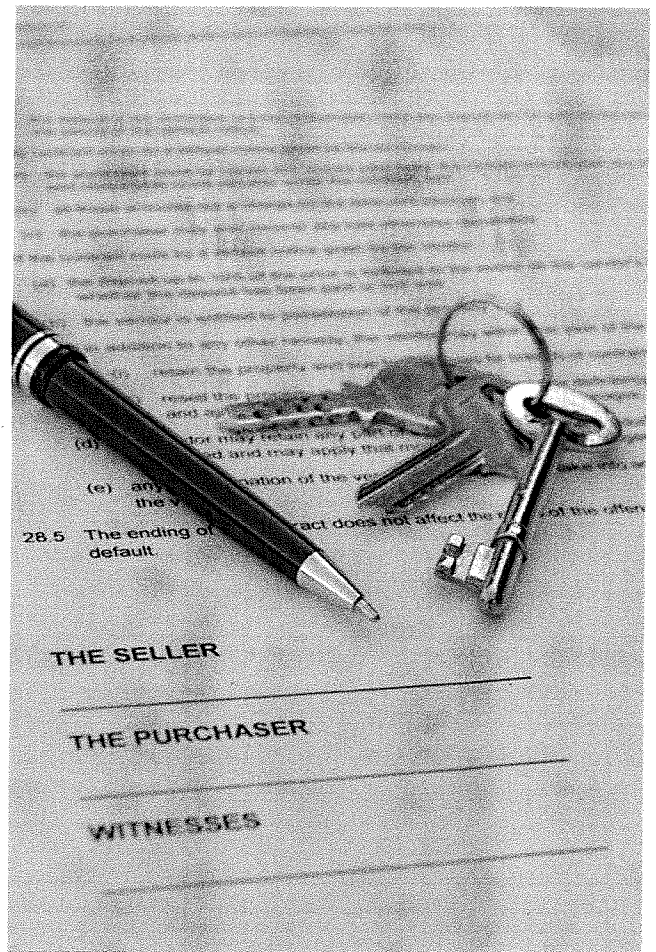
§ 1.23.4: While Purchaser is still required to disclose the presence of “pets”, this new subparagraph clarifies that service animals or any other animals which Purchaser may harbor under disability statutes “relating to a disability which Purchaser is able to document” are not “pets” and do not need to be disclosed.

§ 1.25: This new section applies within the City of New York and potentially other jurisdictions, as required by law. It is a reminder to practitioners to *attach* the applicable cooperative corporation’s smoking policy as an exhibit to the contract.

§ 1.26: This new paragraph defines “Business Day.” Note that, generally, the panel retained “Business Days” throughout the Contract for short time periods of approximately 10 or fewer days. For longer time periods in the Contract, the panel generally chose to express time periods in calendar days rather than Business Days.

§ 2.2.1: **Agreement to Sell and Purchase; Purchase Price; Escrow.** Language has been added to allow for the Contract Deposit to be paid by wire if the parties and Escrowee approve. This language recognizes that, while wire transfers have become the preferred means of payment for many parties involved in cooperative transfer transactions, some parties continue to refuse to receive wired funds due to concerns with wire fraud.

§ 2.2.2: Provision has been made for paying the balance at Closing by wire transfer, if Seller allows. Similar to § 2.2.1 above, this recognizes that certain sellers and their attorneys continue to prefer bank checks to avoid wire fraud and the possible delay in acknowledging receipt of wired funds.



§ 4.1.6: **Representations and Covenants.** In the predecessor form, Seller represented that Seller has not made any material alterations or additions to the Unit without any required consent of the cooperative corporation or without compliance with applicable laws. However, this representation did not survive Closing. Seller’s representations in § 4.1.6 in the new form now survives in the same manner as all other Seller representations. As with all other Seller representations, any action thereon must be instituted within one year after Closing (see also § 4.3).

Further, language has been added to § 4.1.6 requiring that all governmental permits and approvals for alterations that a Seller performed have been closed, completed, withdrawn and/or signed off. Typically, language similar to this appears in many current Purchaser’s attorney’s riders. **Note:** This clause was the subject of internal debate; the panel did not extend the Seller representations to alterations performed by predecessors of Seller.

§ 4.1.7: The provision now includes language stating that a Seller ‘is not a party to’, and has no knowledge of, any agreement “which has not been delivered to Purchaser” affecting title to the Unit, its use or its occupancy, or which

would be binding upon Purchaser (such as a sublease or an alteration agreement). If any such agreements exist, the new contract form now requires Seller to deliver a copy thereof prior to Contract execution. **Note:** When a Seller has renovated an apartment but cannot locate and deliver to the Purchaser a copy of the pertinent alterations agreement, the Purchaser's attorney may wish to add a rider paragraph addressing the situation. This is especially important when the cooperative corporation requires an incoming purchaser to deliver a "hold harmless" agreement at Closing in favor of the cooperative corporation, with respect to the work performed under a predecessor owner's alterations agreement.

§ 4.1.10 & § 4.1.15: **New Seller Representations.** New Seller representations have been added to reflect provisions that are commonly included in most current Purchaser's riders to give additional protection to the Purchasers. The review panel considered other time-frames (12 months, 18 months) but deemed 24 months to be most proper as it is consistent with the time-frame utilized in the most recent form of contract of sale for a condominium transaction. The new Seller representations are as follows:

§ 4.1.10: This new subparagraph adds a Seller representation, qualified as to knowledge, that there have been no bed bugs "in the Unit or an adjacent or contiguous unit." The topic of Seller's knowledge of bedbug infestation building-wide was also raised within the panel, but panelists concluded that the Purchaser could obtain such information from the Managing Agent.

§ 4.1.11: This new subparagraph adds a Seller representation, qualified as to knowledge, that there has been no determination by a licensed inspector as to the presence of toxic mold in the Unit. Note that the term "toxic mold" is not defined.

§ 4.1.12: This new subparagraph adds a Seller representation, qualified as to knowledge, that there have been no leaks into or from the Unit and that the Unit shall be delivered free of leaks which are Seller's responsibility to repair.

§ 4.1.13: This new subparagraph adds a Seller representation that Seller has made no insurance claims – this could give insight to the condition of the Unit (or the building) that a Purchaser's review of the Board minutes might not otherwise reveal.

§ 4.1.14: This new subparagraph adds a Seller representation that neither Seller nor any shareholder or occupant of the Unit have made any written complaints to the Board, Managing Agent or any other unit owner, shareholder or occupant regarding the Unit, the building or any other shareholder, occupant or unit in the building. The Board minutes may not cover this type of important information.

§ 4.1.15: This new paragraph adds a Seller representation, qualified as to knowledge, that there is no material default or condition which Seller must cure. Also see new § 27.2, which provides that, as a requirement of Purchaser's obligation to close, if Seller has actual knowledge of a material default or condition requiring Seller to cure prior to Closing, Seller shall cure same before Closing.

§ 4.2.7 & § 4.2.9: **New Purchaser Representations.** These Purchaser representations have been added to reflect provisions almost universally included in Seller's riders and to give additional protection to Sellers, as follows:

§ 4.2.7: This new paragraph adds a Purchaser representation that the cooperative corporation will not be required to approve alterations prior to or as a condition of Closing. **Note:** The parties can provide in a rider whenever the terms of the transaction are otherwise.

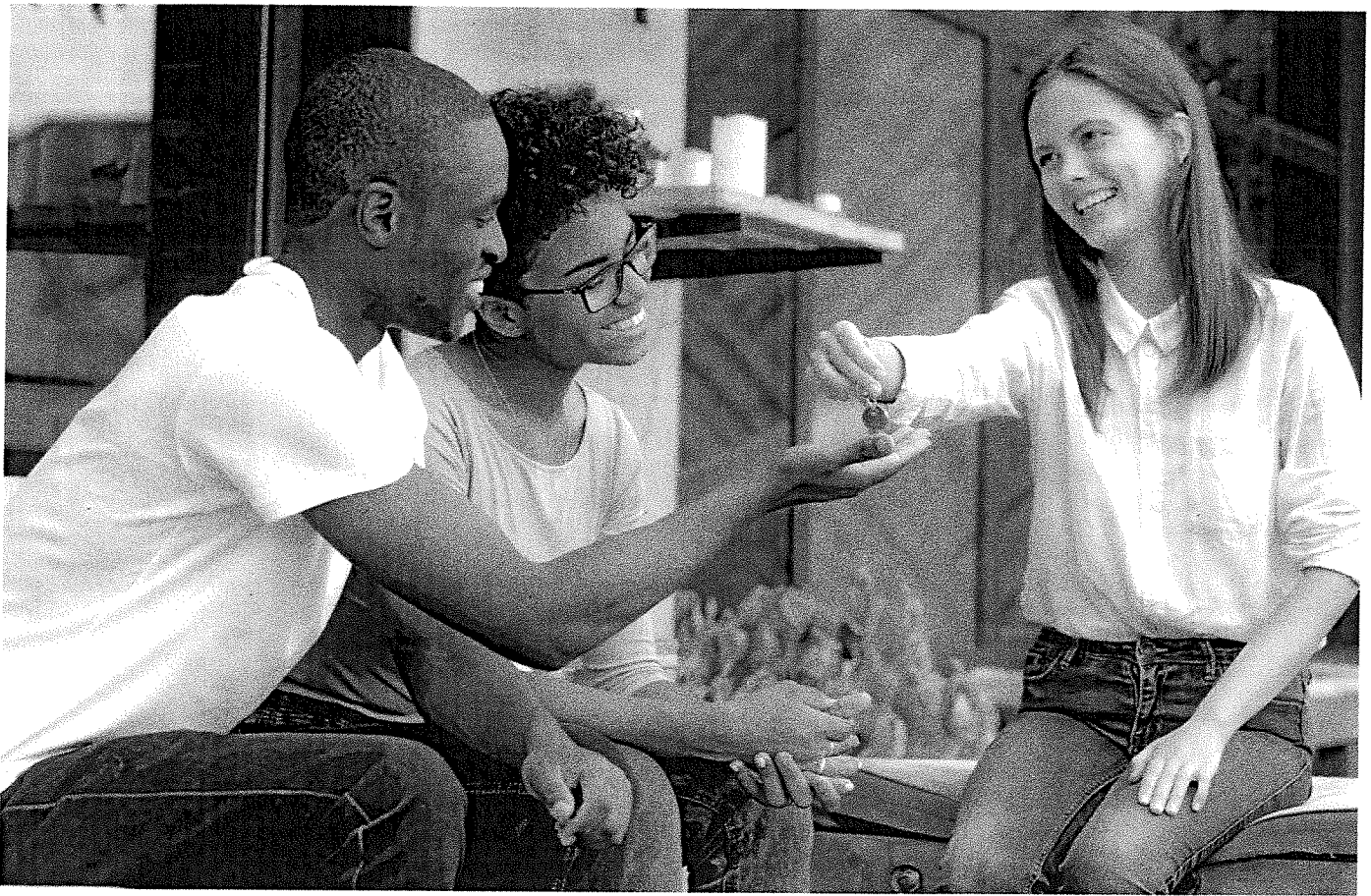
§ 4.2.8: This new paragraph adds a Purchaser representation that the prospective Purchaser will not require the cooperative corporation to approve a trust or limited liability company prior to or as a condition of closing. **Note:** The parties can provide in a rider whenever the terms of the transaction are otherwise.

§ 4.2.9 & § 4.2.10: The predecessor contract form included certain Purchaser financial representations in an "optional rider" (all of which appeared at the end of the printed form). The new contract form incorporates and clarifies such representations in § 4.2.9 and § 4.2.10.

§ 4.3 & § 4.1.6: **Note:** The survival clause was the subject of substantial debate in the review panel, particularly whether § 4.1.6 (Seller's representation as to alterations) should continue to be carved out from surviving Closing. The panel finally determined that all representations, including § 4.1.6, would survive Closing, but that any action based thereon must be instituted within one year. This treatment is consistent with the most recent (2015) form of contract suggested for use in condominium transfers throughout the State of New York.

§ 5: **Corporate Documents.** This newly revised provision now requires the Purchaser to confirm that, in addition to reviewing other documents of the Corporation, Purchaser has reviewed the Corporation's purchase application, with the proviso that such purchase application has been made available to Purchaser prior to execution of the contract of sale.

§ 6.2.1 **Required Approvals and References.** The change to this subparagraph reflects that a copy of the Loan Commitment Letter, if one has been issued to the prospective borrower, is a standard requirement of the cooperative



corporation's purchase application and is no longer an optional component.

¶ 6.3: The definition "Scheduled Closing Date" (defined in ¶ 1.15) is utilized consistently; also, adjournment where the cooperative corporation has not made a decision on the application has been changed to either "30 Business Days or to such earlier date, as agreed" by the parties. The predecessor form mandated a full 30 Business Day adjournment in all such situations.

¶ 7.1: **Condition of Unit and Personal Property.** In addition to covenanting that all appliances and the smoke detector will be in working order at Closing, this paragraph has been modified to require Seller to covenant that all building systems and fixtures in the Unit, to the extent that they are Seller's responsibility under the proprietary lease, shall work, and that there shall be a working carbon monoxide detector in the Unit. These changes are frequently included in a Purchaser's attorney's rider.

¶ 7.2: In the new form, Seller is required to repair damage to the Unit caused by the removal of Personal Property but immaterial damage "such as small holes that can be removed by touch-up plaster, spackle or similar material or touch-up paint" are expressly not required to be repaired. Again, language such as this frequently appears in a Purchaser's attorney's rider.

¶ 8.3: **Risk of Loss.** New language has been added requiring Seller to indicate in a Loss Notice whether Seller "reasonably estimates" the casualty damage to be material (as defined in the GOL 5-1311 as more than 5% of the Purchase Price).

¶ 8.4 & ¶ 8.7: Certain clarifications have been made to the predecessor form that recognize that if there is material damage and Purchaser elects to proceed, the parties shall negotiate whether there will be a price abatement, and if so, its amount. If no consensus is reached, the Purchaser simply will not close.

¶ 9: **Closing Location.** The Closing is to be held in the same county as the Premises or to be held remotely upon the request of the cooperative corporation request; this latter change recognizes the frequency with which remote closings now occur.

¶ 10.1.3: **Closing.** Seller's deliverables have been updated to include the Form IT-2664 (to reflect situations where Seller is subject to a non-resident income tax).

¶ 10.1.5: Key fobs, key cards, remote control devices and security codes have been added as deliverables, reflecting current devices available for providing access.

¶ 10.1.8: This provision adds the delivery of an affidavit that there is an operable carbon monoxide detector.

§ 10.3.2: The language “other governmental filing requirements” has been inserted to reflect modifications to existing filings, or new filing requirements imposed in the future.

§ 10.3.4: In order to avoid future disputes as to the authenticity of closing documents, the parties will have to deliver proof of the authority of a person signing on behalf of an entity that such person can bind such entity.

§ 10.4.2: As an addition to, or an alternative to, the cooperative corporation assigning the existing proprietary lease to the Purchaser at Closing, language has been added to reflect the common practice of issuing a new proprietary lease to the Purchaser at Closing.

§ 11.3: **Closing Fees, Taxes, Apportionments.** The word “expense” is added throughout, to reflect that certain funds paid in connection with a Closing are not necessarily “fees” imposed but rather are expenses incurred (for example, the expense of a lien search required by the cooperative corporation).

§ 11.7: This new paragraph has been added to clarify that Seller or its designee is responsible for filing the transfer tax forms and the Form IT-2664 and making the payments thereunder in a timely manner, unless Purchaser or its designee expressly takes on that responsibility. This paragraph survives Closing.

§ 12.3: **Broker.** This new paragraph includes a mutual indemnity for breaches of the brokerage representations and covenants; frequently, such an indemnity has been part of the parties’ riders to the predecessor form of contract.

§ 13.2: **Defaults, Remedies and Indemnities.** In the new form, Purchaser’s remedies in the event of a Seller default or misrepresentation have been clarified to specifically include the enforcement of the brokerage indemnity in § 12.3.

§ 13.4: Wire transfers have been added as a method of payment of the Contract Deposit.

§ 14.1: **Entire Agreement; Modification.** A new sentence has been added that neither party to the Contract has relied on any statements, representations, covenants or agreements by any person which is not stated specifically in this Contract.

§ 14.2: In recognition of the widespread use of email, the new form includes a clause that clarifies that an email “confirmed by the recipient” constitutes “a writing” for the purposes of extending time limitations, making changes or waiving provisions in the Contract.

§ 16.1: **Seller’s Inability.** If Seller is unable to perform, the time period for Seller’s adjournment of Closing has been reduced to 45 calendar days (from 60 calendar days), with such period commencing “from the Scheduled Closing Date, or the date on which the Board communicates its approval to either party, whichever is later. . . .” The panel considered other time periods, but determined that the 45 calendar day period is most fair to both parties. The remaining portion of the change is included in the new form in order to clarify an ambiguity that has often been dealt within riders.

§17.2, §17.3.4 & §17.7: **Notices and Contract Delivery.** The changes to the notice provision provide for email delivery of the signed Contract and other notices. The panel considered requiring receipted emails when final, fully signed Contracts are circulated, which is now the common practice, but felt that very few practitioners actually require, or wait for, such a receipt. Confirmation of transmission of an email, however, is required for notices sent only by email; panel members felt that mere emails are likely to be overlooked while the receipt of a final, fully signed Contract would not be disregarded, as the attorney would be anticipating its arrival.

§ 18.1.2: **Financing Provisions.** There is new language clarifying that a lender’s conditional offer to make a loan does not become a “Loan Commitment Letter” for purposes of the Contract unless “Project Approval” (as defined by various governmental lending authorities) has been met. In addition, there is new language that provides that neither a “pre-qualification letter” nor a “pre-approval letter” is to be considered a “Loan Commitment Letter.”

§ 18.2.1: The time period for Purchaser to make an application to an Institutional Lender has been changed from 5 Business Days to 7 Business Days to afford purchasers the possibility of at least one weekend to gather documents and prepare a loan application.

§ 18.3.1.4 & § 18.3.7.2: The time period for which a Loan Commitment Letter must remain in effect after the Scheduled Closing Date has been changed (from 30 Business Days to 45 calendar days) to simplify the calculation of days.

§ 18.3.2: Common experience is that closings rarely occur on the date designated as the Scheduled Closing Date. The italicized clause below has been added to the new form to reflect this: a cancellation of the Contract pursuant to § 18.3.1.3 or § 18.3.1.4 must be delivered prior to the Scheduled Closing Date “*as same may be adjourned...*”

§ 18.3.4: New language has been added to clarify the procedure by which Seller can terminate the Contract if

Purchaser has not obtained a Loan Commitment Letter or has failed to waive the loan commitment contingency, while also allowing for flexibility as to the means of such notification.

¶ 21: **Inspections.** Inspections are now to take place in the presence of Seller or a Seller representative. Purchaser is now responsible for any damage caused by Purchaser's representatives prior to Closing. Such clarifications are frequently found in the parties' riders to the predecessor form.

¶ 23.2: **No Assignment by Purchaser; Death of Purchaser.** If Purchaser dies, the Contract is terminated; new language provides that Purchaser's attorney shall direct the refund of the Contract Deposit. This will facilitate the ease with which Seller's responsibility under the Contract ends and should avoid Seller having to wade into Purchaser's estate/intestate issues. **Note:** The panel discussed, but decided against, having the termination provision apply in the event of death of *either* person comprising Purchaser, if Purchaser is comprised of multiple persons. This clarification may be the subject of a Purchaser's rider provision when factually appropriate.

¶ 26: **Internal Revenue Service Reporting Requirement.** A new section has been added to require compliance with IRC § 6054(e) as to reporting of real estate transactions.

¶ 29: **Prevailing Party Legal Fees.** This new section has been added to put both Purchaser and Seller on notice that all fees, including reasonable legal fees, related to enforcement and/or redress for breaches of the Contract shall be paid by the non-prevailing party in such a dispute. This language is intentionally broad.

¶ 31: **Contract Not Binding Until Signed and Delivered.** Provisions have been added stating that the Contract is not binding until Seller delivers a fully signed Contract to Purchaser or Purchaser's attorney in accordance with ¶ 17, which includes email delivery. Providing for counterpart language and digital, electronic or scanned copies recognizes realities of practice and provisions that are frequently included in riders to the predecessor form.

¶ 31.4: The panel inserted language to cover the frequent occasion of Escrowee forgetting to sign the Contract, but such language is not applicable where a separate escrow agreement has been executed by the Escrowee and all parties.

¶ Exhibit A: **Smoking.** A placeholder has been inserted for attachment of the Corporation's Smoking Policy, which is a requirement of law in the City of New York.²

The new form of contract of sale clarifies many provisions of the predecessor form and, in an even-handed manner, addresses many of the "hot-button" topics of the last

two decades in the field of cooperative conveyancing. A primary goal of the City Bar and the State Bar, in approving the new form, is that it become the industry standard. The new form should help to reduce the time and expense of negotiations, leading to a more streamlined cooperative transfer process for all participants.

Margery N. Weinstein is a partner at Ganfer Shore Leeds & Zauderer LLP in Manhattan, and a member of the firm's real estate transactions and cooperative and condominium practice groups. She served as chairperson of the City Bar's Committee on Cooperative & Condominium Law (2019-2022).

New contract form starts on next page.

Endnotes

1. The review panel of attorneys met regularly for approximately three years at the offices of Ganfer Shore Leeds & Zauderer LLP. The author is greatly indebted to their wisdom, creativity, expertise, and perseverance, all of which were necessary to bring this project to fruition. The panel was initially led by Robert J. Smith, Esq. and then by the author. Along with Mr. Smith and the author, active participants included Andrew P. Brucker, Esq., Douglas P. Heller, Esq., Richard Klein, Esq., Jeffrey S. Lederman, Esq., Steven Troup, Esq., and (at the time) law students Tatiana Z. Pawlowski and Andrew E. Zeyer. The author also wishes to thank Alfred R. Fuente, Esq., Ronald Gold, Esq., Elise Kessler, Esq., Christopher Tumulty, Esq., and the City Bar's Policy Counsel, Mary Margulis-Ohnuma, Esq., for their encouragement in moving this project forward. In addition, this project would not have been completed without the perceptive comments and assistance of Erica Buckley, Esq., Arun Chandra, Esq., Kenneth Finger, Esq., Steven M. Goldman, Esq., Diane M. Lowenberger, Esq., Ingrid Manevitz, Esq., and Roger Wolper, Esq., all representing the State Bar. The author apologizes if she has inadvertently failed to mention someone who contributed to this project but, of course, their assistance and support continue to be very much appreciated.
2. NYC Administrative Code §§17-506.1(b)(2)-(5).

CONSULT YOUR LAWYER BEFORE SIGNING THIS AGREEMENT

Note: This form is intended to deal with matters common to most transactions involving the sale of a cooperative unit. Provisions should be added, altered or deleted to suit the circumstances of a particular transaction. No representation is made that this form of contract complies with Section 5-702 of the General Obligations Law ("Plain Language Law").

In the event of any alteration to this form which is not clearly indicated as such, the provisions of the original unaltered form as approved by the New York City Bar Association and the New York State Bar Association shall be deemed controlling, regardless of such change.

Contract of Sale – Cooperative Apartment

This Contract is made as of _____ between the "Seller" and the "Purchaser" identified below.

1 Certain Definitions and Information

1.1 The "Parties" are:

1.1.1 "Seller":

*Prior or other names used by Seller:
Address:*

For security, social security numbers are not included on this form but shall be provided to the attorneys for the Parties upon request.

1.1.2 "Purchaser":

Address:

1.2 The "Attorneys" are (name, address, telephone and email address):

1.2.1 "Seller's Attorney"

1.2.2 "Purchaser's Attorney"

1.3 The "Escrowee" is:

1.4 The "Managing Agent" is (name, address, telephone and email address):

If the Managing Agent is not the transfer agent ("Transfer Agent"), the Transfer Agent is (name, address, telephone and email address):

1.5 The real estate "Broker(s)" (see ¶ 12) is/are: (name, address, telephone and email address)

Company Name(s):

1.6 The name of the cooperative housing corporation ("Corporation") is:

1.7 The "Unit" number is:

1.8 The Unit is located in "Premises" known as:

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

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

1.11 "Personal Property" is the following personal property the extent existing in the Unit on the date hereof: refrigerators, freezers, ranges, ovens, built-in microwave ovens, dishwashers, garbage disposal units, cabinets and countertop lighting fixtures, chandeliers, sconces, ceiling fans, wall-wall carpeting, plumbing and heating fixtures, central air conditioning and/or window or sleeve units, washing machines, dryers, screens and storm windows, window treatments, switches, plates, door hardware, mirrors, built-in bookshelves and articles of property and fixtures attached to or appurtenant to the Unit, not excluded in ¶ 1.12, all of which included property and fixtures are represented to be owned by Seller, free and clear of all liens and encumbrances other than those encumbrances ("Permitted Exceptions") set forth on Schedule A and made part hereof; and

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

1.13 The sale includes Seller's interest in all of the following that apply (*insert "X" where appropriate*): Storage/ "Maid's" Room/ Parking Space/ Fitness Room Membership (each, an "Included Interest" and collectively, "Included Interests").

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

1.15 The date scheduled for Closing is ("Scheduled Closing Date") at .M (See ¶¶ 9 and 10)

1.16 The "Purchase Price" is: \$

1.16.1 The "Contract Deposit" is: \$

1.16.2 The "Balance" of the Purchase Price due at Closing is: \$ (See ¶ 2.2.2)

1.17 The monthly "Maintenance" charge is \$ (See ¶ 4)

1.18 The "Assessment", if any, payable to the Corporation, at the date of this Contract is \$, payable as follows:

1.19 [Seller] [Purchaser] shall pay the Corporation's flip tax, transfer fee (apart from the transfer agent fee) and/or waiver of option fee ("Flip Tax"), if any.

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

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

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

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

1.21 If ¶ 1.20.1 or 1.20.2 applies, the "Financing Terms" for ¶ 18 are:

a loan of \$ for a term of years or such lesser amount as applied for or acceptable to Purchaser; and the "Loan Commitment Date" for ¶ 18 is _____ calendar days after the Delivery Date.

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

1.23 All "Proposed Occupants" of the Unit are (*fill in the information, as applicable*):

1.23.1 persons (and relationship to Purchaser) who are occupying the Unit as their primary residence:

[Purchaser] [and]

1.23.2 persons (and relationship to Purchaser) who are occupying the Unit, but not as their primary residence:

1.23.3 all Proposed Occupants who smoke tobacco or other products, or utilize water pipes, electronic cigarettes, or vaping products:

1.23.4 Pets:

(NOTE: Pets do not include a service animal or any other animal which Purchaser may harbor under any Federal, State or local statute relating to a disability which Purchaser is able to document, and which need not be disclosed herein).

1.24 The Contract Deposit shall be held in [*a non-*] [*an*] IOLA escrow account. If the account is a non-IOLA account then interest shall be paid to the Party entitled to the Contract Deposit. The Party receiving the interest shall pay any income taxes thereon. The escrow account shall be a segregated bank account at Depository: Address:

(See ¶ 27)

1.25 In the City of New York and elsewhere, if required by law, the Corporation's smoking policy is attached hereto as an exhibit and made a part hereof.

1.26 A "Business Day" is any day that is not a Saturday, Sunday, or any State of New York or federal holiday.

1.27 This Contract is [*not*] continued on attached rider(s).

2 Agreement to Sell and Purchase; Purchase Price; Escrow

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

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

2.2.1 the Contract Deposit at the time of signing this Contract, by Purchaser's good check to the order of Escrowee or wire transfer if the Parties and Escrowee agree; and

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

3 Personal Property

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

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

3.3 Prior to Closing, Seller shall remove from the Unit all the furniture, furnishings and other property not included in this sale and repair any damage caused by such removal as may be required by Par 7.2.

4 Representations and Covenants

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

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

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

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

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

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

4.1.6 Seller has not made any material alterations or additions to the Unit without any required consent of the Corporation and, to Seller's actual knowledge, without compliance with all applicable governmental laws, rules and regulations. All governmental permits and approvals for alterations that Seller has performed have been closed, completed, withdrawn of record and/or signed off.

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

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

4.1.9 at Closing in accordance with ¶ 15.2:

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

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

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

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

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

4.1.10 Seller has no actual knowledge of the presence of bed bugs in the Unit or an adjacent or contiguous unit in the Premises during the twenty-four (24) months prior to the date of this Contract.

4.1.11 Seller has no actual knowledge of any determination by a licensed inspector that there has been toxic mold in the Unit during the twenty-four (24) months prior to the date of this Contract.

4.1.12 Seller has no actual knowledge of any leaks into or emanating from the Unit during the twenty-four (24) months prior to the date of this Contract, and the Unit shall be delivered free from leaks which are the responsibility of Seller to repair at the time of Closing.

4.1.13 Seller has made no insurance claims with respect to **damage** to the Unit during the twenty-four (24) months prior to the date of this Contract.

4.1.14 During the twenty-four (24) months prior to the date of this Contract, neither Seller nor to Seller's actual knowledge any occupants of the Unit have/has made any written complaints to the Board, Managing Agent or any other shareholder or occupant regarding the Unit, the Premises or any other shareholder, occupant or unit in the Premises.

4.1.15 Seller has no actual knowledge of a material default or condition which Seller is required to cure under the Lease and which remains uncured.

4.2 Purchaser represents and covenants that:

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

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

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

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

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

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

4.2.7 Purchaser shall not request that the Corporation approve any proposed alterations as a condition of Closing or prior to Closing;

4.2.8 Purchaser shall not request that the Corporation approve an assignment or transfer to a trust or a limited liability company as a condition of closing or prior to Closing;

4.2.9 Purchaser has, and will at the Closing, have available unencumbered cash and cash equivalents (including publicly traded securities) in a sum at least equal to (and having a then

current value of) the Balance; if ¶ 1.20.1 applies, this amount shall include loan proceeds for which Purchaser is applying hereunder; and

4.2.10 Purchaser has, and will at and immediately following the Closing have, a positive net worth.

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

5 Corporate Documents

Purchaser has examined and is satisfied with, or (except as to any matter represented in this Contract by Seller) accepts and assumes the risk of not having examined, the Lease, the Corporation's Certificate of Incorporation, By-laws, House Rules, minutes of shareholders' and directors' meetings, most recent audited financial statement and most recent statement of tax deductions available to the Corporation's shareholders under Section 216 of the United States Internal Revenue Code of 1986, as amended ("IRC") or under any successor statute or any regulations promulgated pursuant thereto), and the Corporation's application required to be completed by Purchaser, if available prior to the date hereof.

6 Required Approval and References

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

6.2 Purchaser shall in good faith:

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

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

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

6.3 Either Party, after learning of the Corporation's decision, shall promptly advise the other Party thereof. If the Corporation has not made a decision on or before the Scheduled Closing Date, the Scheduled Closing Date shall be adjourned for 30 Business Days or to such earlier date as agreed to for the purpose of obtaining such consent. If such consent is not given by such adjourned date, either Party may cancel this Contract by Notice, provided that the Corporation's consent is not issued before such Notice of cancellation is given. If such consent is refused at any time, either Party may cancel this Contract by Notice. In the event of cancellation pursuant to this ¶ 6.3, the Escrowee shall refund the Contract Deposit to Purchaser.

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

7 Condition of Unit and Personal Property; Possession

7.1 Other than as expressly stated in this Contract, Seller makes no representation as to the physical condition or state of repair of the Unit, the Personal Property, the Included Interests or the Premises. Purchaser has inspected or waived inspection of the Unit, the Personal Property and the Included Interests and shall take the same "as is", as of the date of this Contract, except for reasonable wear and tear. However, at the time of Closing, the appliances and the electrical, plumbing and HVAC systems and fixtures in the Unit, to the extent they are the Seller's responsibility under the Lease, shall be in working order and required smoke detector(s) and carbon monoxide detector(s) shall be installed and operable.

7.2 At Closing, Seller shall deliver possession of the Unit, Personal Property and Included Interests in the condition required by ¶ 7.1, broom-clean, vacant and free of all occupants and rights of possession, and prior to Closing shall repair any damage caused by the removal of the furniture, furnishings and other personal property not included in this sale. Seller shall not be responsible for immaterial damage such as small holes that can be repaired with touch-up plaster, spackle or similar material or touch-up paint.

8 Risk of Loss

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

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

8.3 In the event of any destruction of the Unit or the Premises, when neither legal title nor the possession of the Unit has been transferred to Purchaser, Seller shall give Notice of the loss to Purchaser ("Loss Notice") and if to the Unit indicating whether Seller reasonably estimates the damage to be material by the earlier of the date of Closing or 7 Business Days after the date of the loss.

8.4 If there is material destruction of the Unit without fault of Purchaser, Purchaser's contractors or agents ("Purchaser's Agents"), this Contract shall be deemed canceled in accordance with ¶ 16.3, unless Purchaser elects by Notice to Seller to complete the purchase with an abatement of the Purchase Price subject to ¶ 8.7; or

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

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

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

9 Closing Location

The Closing shall be held at the location designated by the Corporation or, if no such designation is made, at the office of Seller's Attorney, if in the same county as the Premises. If not, then the Closing shall be held at an agreed-upon location in the same county as the Premises or, if requested by the Corporation, it may be held remotely.

10 Closing

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

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

10.1.2 Seller's counterpart original of the Lease, and to the extent provided by the Corporation in the ordinary course all assignments and assumptions in the chain of title, and a duly executed assignment of the Lease to Purchaser in the form required by the Corporation;

10.1.3 New York State Real Estate Transfer Tax Return, any city and local transfer tax return, if applicable, and Form IT-2664 or successor form and nonresident income tax, if applicable, in proper form for submission.

10.1.4 FIRPTA documents required by ¶ 25;

10.1.5 Keys, key cards, key fobs, remote control devices or security codes to the Unit, building entrance(s), and, if applicable, garage, mailbox, storage unit and any locks in the Unit;

10.1.6 An assignment to Purchaser of Seller's interest in the Included Interests, if applicable;

10.1.7 Any documents and payments to comply with ¶ 15.2;

10.1.8 An affidavit confirming installation of operable carbon monoxide detector;

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

10.2 At Closing, Purchaser shall:

10.2.1 pay the Balance in accordance with ¶ 2.2.2;

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

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

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

10.3.1 to comply with the requirements of Internal Revenue Service ("IRS") form 1099-S or a successor form;

10.3.2 to comply with smoke detector requirements, and any applicable transfer tax filings, and other governmental filing requirements;

10.3.3 to transfer Seller's interest, if any, in and to the Personal Property and Included Interests; and

10.3.4 to prove the authority of the person signing on behalf of an entity to bind such entity.

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

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

10.4.2 a new Lease in Purchaser's name and/or the Lease, properly assigned to Purchaser; and

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

11 Closing Fees, Taxes and Apportionments

11.1 At or prior to Closing,

11.1.1 Seller shall pay, if applicable:

11.1.1.1 the cost of stock transfer stamps;

11.1.1.2 transfer taxes, except as set forth in ¶ 11.1.2.2; and

11.1.1.3 nonresident income tax, if applicable.

11.1.2 Purchaser shall pay, if applicable:

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

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

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

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

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

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

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

11.7 Seller or its designee is responsible for the timely submission of the transfer tax forms and Form IT-2664 or successor form, if applicable, and the payment required thereunder, and any interest and penalties arising from the failure to submit, unless Purchaser or its designee has taken responsibility for filing same. This ¶ 11.7 shall survive Closing.

11.8 Any computational errors or omissions shall be corrected within 6 months after Closing. This ¶ 11.8 shall survive Closing.

12 Broker

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

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

12.3 The Parties shall indemnify and defend each other against any costs, claims or expenses (including reasonable attorneys' fees) arising out of the breach on their respective parts of any representation or agreement set forth in this ¶ 12.

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

13 Defaults, Remedies and Indemnities

13.1 In the event of a default or misrepresentation by Purchaser, Seller's sole and exclusive remedies shall be to cancel this Contract, retain the Contract Deposit as liquidated damages and, if applicable, Seller may enforce the indemnity in ¶ 12.3 as to brokerage commission or sue under ¶ 13.4. Purchaser prefers to limit Purchaser's exposure for actual damages to the amount of the Contract Deposit, which Purchaser agrees constitutes a fair and reasonable amount of compensation for Seller's damages under the circumstances and is not a penalty. The principles of real property law shall apply to this liquidated damages provision.

13.2 In the event of a default or misrepresentation by Seller, Purchaser shall have such remedies as Purchaser is entitled to at law or in equity, including but not limited to the enforcement of the indemnity in ¶ 12.3 and specific performance, because the Unit and possession thereof cannot be duplicated.

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

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

14 Entire Agreement; Modification

14.1 All prior oral or written representations, understandings and agreements had between the Parties with respect to the subject matter of this Contract, and with the Escrowee as to ¶ 27, are merged in this Contract, which alone fully and completely expresses the Parties' and Escrowee's agreement. Neither Party is relying upon any statement, representation, covenant or agreement by any person which is not specifically embodied in this Contract.

14.2 The Attorneys may extend in writing any of the time limitations stated in this Contract. Any other provision of this Contract may be changed or waived only in writing signed by the Party or Escrowee to be charged. For purposes of this provision, an email confirmed by the recipient shall be considered a writing.

15 Removal of Liens and Judgments

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

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

15.3 This ¶ 15 shall survive Closing.

16 Seller's Inability

16.1 If Seller shall be unable to transfer the items set forth in ¶ 2.1 in accordance with this Contract for any reason other than Seller's failure to make a required payment or other willful act or omission, then Seller shall have the right to adjourn the Closing for periods not exceeding 45 calendar days from the Scheduled Closing Date or the date on which the Board communicates its approval to either Party, whichever is later, but not extending beyond the expiration of Purchaser's Loan Commitment Letter, if ¶ 1.20.1 or 1.20.2 applies.

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

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

17 Notices and Contract Delivery

17.1 Any notice or demand ("Notice") shall be in writing and delivered either by hand, overnight delivery or certified mail, return receipt requested, to the Party and simultaneously, in like manner, to such Party's Attorney, if any, and to Escrowee at

their respective addresses or to such other address as shall hereafter be designated by Notice given pursuant to this ¶ 17.

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

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

17.3.1 on the day delivered by hand;

17.3.2 on the Business Day following the date sent by overnight delivery;

17.3.3 on the 5th Business Day following the date sent by certified or registered mail; or

17.3.4 as to the Contract only, if sent by email, on the date sent by email if sent prior to 5 o'clock P.M. Eastern Standard Time on a Business Day, or on the First Business Day following the date the email is sent if sent on a day other than a Business Day.

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

17.5 The Attorneys are authorized to give and receive any Notice on behalf of their respective clients, including notices under ¶ 14.2.

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

17.7 Notice pursuant to ¶¶ 2.2.2 and 13.4 shall be delivered by the means set forth in ¶ 17.1 or by email to the Party's Attorney and shall be deemed given on the date sent by email if such notice is sent prior to 5 o'clock P.M. Eastern Standard Time on a Business Day, or on the First Business Day following the date the email is sent if sent on a day other than a Business Day.

18 Financing Provisions

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

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

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

qualification letter" does not constitute a Loan Commitment Letter.

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

18.2.1 apply only to an Institutional Lender for a loan on the Financing Terms (see ¶ 1.21) on the form required by the Institutional Lender containing truthful and complete information, and submit such application together with such documents as the Institutional Lender requires, and pay the applicable fees and charges of the Institutional Lender, all of which shall be performed within 7 Business Days after the Delivery Date;

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

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

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

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

18.3 If ¶ 1.20.1 applies, then

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

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

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

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

18.3.1.4 (i) the Closing is adjourned by Seller or the Corporation for more than 45 days from the Scheduled Closing Date and (ii) the Loan Commitment Letter expires on a date more than 45 days after the Scheduled Closing Date and before the new date set for Closing pursuant to this paragraph and (iii) Purchaser is unable in good faith to obtain from the Institutional Lender an extension of the Loan Commitment Letter or a new Loan Commitment Letter on the Financing Terms without paying additional fees to the Institutional Lender, unless Seller agrees, by Notice to Purchaser within 5 Business Days after receipt of Purchaser's Notice of cancellation on such ground, that Seller will pay such additional fees and Seller pays such fees when due. Purchaser may not object to an adjournment by Seller for up to 45 days solely because the Loan Commitment Letter would expire before such adjourned Closing date.

18.3.2 Purchaser may cancel this Contract by Notice to Seller sent within 5 Business Days after the Loan Commitment Date, if cancellation is pursuant to ¶ 18.3.1.1 or

18.3.1.2, and on or prior to the Scheduled Closing Date, as same may be adjourned, if cancellation is pursuant to ¶ 18.3.1.3 or 18.3.1.4.

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

18.3.4 Seller may cancel this Contract by Notice to Purchaser, sent within 5 Business Days after the Loan Commitment Date, if Purchaser shall not have sent to Seller by then either (i) Purchaser's Notice of cancellation, (ii) a copy of the Loan Commitment Letter, or (iii) Purchaser's written confirmation that Purchaser has waived the loan contingency. Seller's cancellation shall become effective unless Purchaser shall deliver either a copy of such Loan Commitment Letter or Purchaser's written waiver of the loan contingency within 5 Business Days from receipt of Seller's Notice of cancellation.

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

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

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

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

18.3.7.2 due to the expiration of a Loan Commitment Letter issued with an expiration date that is not more than 45 days after the Scheduled Closing Date.

19 Singular/Plural and Joint/Several

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

20 No Survival

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

21 Inspections

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

responsible for any damage caused by Purchaser or Purchaser's representatives prior to Closing.

22 Governing Law and Venue

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

23 No Assignment by Purchaser; Death of Purchaser

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

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

24 Cooperation of Parties

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

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

25 FIRPTA

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

26 Internal Revenue Service Reporting Requirement

Each of the Parties shall execute, acknowledge and deliver to the other Party such instruments, and take such other actions, as such other Party may reasonably request in order to comply with IRC § 6045(e), or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions. The provisions of this ¶ 26 shall survive Closing. The Parties designate Purchaser's lending institution, if applicable, or Purchaser's attorney or such other Party as shall be jointly designated by Seller and Purchaser as the person responsible for reporting this information as required by law.

27 Additional Requirements

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

27.1.1 the Corporation is in good standing;

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

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

27.2 If, prior to Closing, Seller acquires actual knowledge of a material default or condition which Seller is required to cure under the Lease, Seller shall cure same at or prior to Closing.

27.3 If any requirement in ¶ 27.1 and ¶ 27.2 is not satisfied at the time of the Closing. Purchaser shall give Seller Notice and if the same is not satisfied within a reasonable period of time thereafter, then either Party may cancel this Contract (pursuant to ¶ 16.3) by Notice.

28 Escrow Terms

28.1 The Contract Deposit shall be deposited by Escrowee in an escrow account as set forth in ¶ 1.24 and the proceeds held and disbursed in accordance with the terms of this Contract. At Closing, the Contract Deposit shall be paid by Escrowee to Seller or as directed by Seller. If the Closing does not occur and either Party gives Notice to Escrowee demanding payment of the Contract Deposit, Escrowee shall give prompt Notice to the other Party of such demand. If Escrowee does not receive a Notice of objection to the proposed payment from such other Party within 10 Business Days after the giving of Escrowee's Notice, Escrowee is hereby authorized and directed to make such payment to the demanding party. If Escrowee does receive such a Notice of objection within said period, or if for any reason Escrowee in good faith elects not to make such payment, Escrowee may continue to hold the Contract Deposit until otherwise directed by a joint Notice by the Parties or a final, non-appealable judgment, order or decree of a court of competent jurisdiction. However, Escrowee shall have the right at any time to deposit the Contract Deposit and the interest thereon, if any, with the clerk of a court in the county as set forth in ¶ 22 and shall give Notice of such deposit to each Party. Upon disposition of the Contract Deposit and interest thereon, if any, in accordance with this ¶ 28, Escrowee shall be released and discharged of all escrow obligations and liabilities.

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

28.3 Escrowee will serve without compensation. Escrowee is acting solely as a stakeholder at the Parties' request and for their convenience. Escrowee shall not be liable to either Party for any act or omission unless it involves bad faith, willful disregard of this Contract or gross negligence. In the event of any dispute, Seller and Purchaser shall jointly and severally (with right of contribution) defend (by attorneys selected by Escrowee), indemnify and hold harmless Escrowee from and against any claim, judgment, loss, liability, cost and expenses

incurred in connection with the performance of Escrowee's acts or omissions not involving bad faith, willful disregard of this Contract or gross negligence. This indemnity includes, without limitation, reasonable attorneys' fees either paid to retain attorneys or representing the fair value of legal services rendered by Escrowee to itself and disbursements, court costs and litigation expenses.

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

28.5 Escrowee agrees to the provisions of this ¶ 28.

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

28.7 This ¶ 28 shall survive Closing, cancellation or termination of this Contract.

29 Prevailing Party Legal Fees

Notwithstanding anything set forth in this Contract to the contrary, if either Party seeks to enforce the provisions of this Contract or to obtain redress for the breach or a violation of any of its provisions, whether by litigation or other proceedings, the prevailing Party shall be entitled to recover from the other Party, all costs and expenses associated with such litigation or other proceedings, including reasonable attorney's fees.

30 Margin Headings

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

31 Contract Not Binding Until Signed and Delivered

31.1 This Contract shall not be binding unless and until Seller delivers a fully executed Contract to Purchaser (or Purchaser's Attorney) pursuant to ¶ 17.

31.2 Digital, electronic or scanned copies of original handwritten signatures shall be considered valid.

31.3 This Contract may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

31.4 Escrowee shall be deemed to have accepted the escrow provisions of this Contract even in the absence of its signature on the Contract by depositing the Contract Deposit in its designated bank account, unless a separate escrow agreement has been executed by Escrowee and all Parties.

32 Successors

This Contract shall bind and inure to the benefit of the Parties hereto and their respective heirs, personal and legal representatives and successors in interest.

33 Lead Paint

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

[SIGNATURE PAGE FOLLOWS]

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

ESCROW TERMS AGREED TO:

SELLER:

PURCHASER:

ESCROWEE

Exhibit A: Corporation's Smoking Policy (attached)

Exhibit B: Disclosure of Information on Lead-Based Paint and or Lead-Based Paint Hazards (attached)