

NEW YORK EMPOWERMENT ZONE CORPORATION

MEETING OF THE DIRECTORS

Monday, October 26, 2015

NEW YORK EMPOWERMENT ZONE CORPORATION

Meeting of the Directors
Monday, October 26, 2015 at 3:30 P.M.
37th floor Conference Room
Empire State Development Corporation
633 Third Avenue, New York, NY 10017

AGENDA

JOSEPH CHAN, CHAIR DESIGNEE – CALL MEETING TO ORDER

I. CORPORATE ACTION

TAB

A. Authorization of Matters Recommended by Bronx Overall Economic Development Corporation (“BOEDC”)

1. Transcon International, Inc. – Authorization of \$2,200,000 loan towards the purchase of its current rental space located at 131 Walnut Avenue, Bronx, NY 10451.

1

II. OTHER BUSINESS

JOSEPH CHAN – MOTION TO ADJOURN MEETING

FOR CONSIDERATION

TO: New York Empowerment Zone Directors
FROM: MARLENE CINTRON, President
DATE: OCTOBER 14, 2015
SUBJECT: TRANSCON INTERNATIONAL, INC.
REQUEST FOR: FINANCING THROUGH THE BUSINESS ASSISTANCE INITIATIVE

I. INITIATIVE SUMMARY

BOEDC CONTACT: ALFREDO ANGUIERA, EZ EXECUTIVE DIRECTOR, 718-590-3949
COMPANY: PORT MORRIS REALTY LLC / TRANSCON INTERNATIONAL, INC.
CONTACT: JOHN J. MULLANE
CURRENT ADDRESS: 234 RIDER AVENUE, BRONX, NY 10451 – MAIN OFFICE
131 WALNUT AVENUE, BRONX NY 10451 – PROJECT ADDRESS
PHONE/FAX: 718-585-1600 / 718-585-1762
TYPE OF BUSINESS: REAL ESTATE HOLDING ENTITY / ART WAREHOUSING & STORAGE
TAX STRUCTURE: LLC / SUB CHAPTER S CORP.
IRS TAX ID#: PORT MORRIS REALTY 47-3871834 / TRANSCON 13-3521021
DATE INCORPORATED: 2015 / 1995
TOTAL PROJECT COST: \$11,300,000.00
FINANCING REQUESTED: \$2,200,000.00
FUNDING SOURCES: Federal EZ funds: \$733,333.33
State EZ funds: \$733,333.33
City EZ funds: \$733,333.34
TOTAL \$2,200,000.00

EMPLOYMENT:	<u>EZ</u>	<u>BRONX</u>	<u>TOTAL</u>
Currently employs 29	4	4	8
Projected through Year 3	8		

PROPOSAL SUMMARY:

The intent of this project is to allow Transcon International, Inc. the opportunity to own its current rental space located at 131 Walnut Avenue, Bronx, New York 10451.

The Total project cost is \$11,300,000 of which \$2,200,000 or 19.47% is the EZ contribution in the form of a loan for 20 years at a rate of Prime (3.25%).

The City of New York has placed the building on Public Auction scheduled for October 28, 2015. The EZ BAI loan proceeds will be used as the equity contribution in this project, since all Bidders must place a \$2,200,000 deposit before entities are allowed to bid on the property. Please refer to Exhibit 25A of the Loan Package.

All loan proceeds from the TD Bank and the Business Initiative Corporation of New York (BICNY) will be used to purchase the existing building as a rent-replacement transaction and projections-based expansion for Transcon.

In addition to this financing, the Small Business Concern has been approved for NYCIDA (New York City Industrial Development Agency) participation in the form of a straight-lease transaction. If meeting the program's job creation/economic development goals, the company will not receive any direct funds, but can benefit from mortgage recording tax exemption, sales and use tax exemption, and real property tax abatements, all of which will serve to improve cash flow. The mortgage recording tax on the TD Bank portion alone is \$158,200.00 and would be \$96,600.00 on the BICNY portion.

Transcon International, Inc. utilizes the subject property at 131 Walnut Street as an art storage facility, which is a second location for the company, about 10 blocks from the main office at 234 Rider Avenue. The company began leasing one floor in the subject property in 2004 and as business has grown, expanded the lease to encompass 5 floors of the 6 total in the building.

The City of New York has put this property at 131 Walnut Street up for auction purchase, and the Small Business Concern now has the opportunity to purchase the building that the company has utilized and improved over the past decade.

Port Morris Realty LLC (EPC) is owned 100% by John Mullane, and is a newly-formed company developed to take title to the subject real estate. This is an EPC / OC setup. The operating company, Transcon International, Inc., will occupy 5/6th of the entire building at loan inception, with 100% occupancy expected within 2 years. The guarantors will be Transcon International, Inc., John Mullane, and real estate holding company affiliate Mott Haven Holdings, LLC.

DESCRIPTION OF BUSINESS:

Please refer to the page 5, 6 and 10 of attached 24 page Credit Memorandum.

FINANCING REQUESTED:

Uses of Funds

Purchase Land and Building	\$11,000,000.00
Professional Fees	300,000.00
Total	\$11,300,000.00

Sources of Funds

TD Bank	\$5,650,000.00	50.00%
BICNY	\$3,450,000.00	30.53%
BOEDC	\$2,200,000.00	19.47%
Total	\$11,300,000	100%

Transcon International Inc. has requested the following financing terms under the Business Assistance Initiative:

Loan Amount:	\$2,200,000
Term:	20 years 240 months
Interest Rate:	Prime Rate (Prime Rate is 3.25% at time of writing)

EQUITY CONTRIBUTION:

The principal of the company Mr. John Mullane will contribute an additional \$400,000 in equity that will be used to offset the IDA fees and closing costs for the Bank, SBA and BOEDC loan.

COLLATERAL ADEQUACY:

The EZ BAI loan will be secured by a third position on the property located at 131 Walnut Avenue, Bronx, NY 10451. TD bank will have a first position and the BICNY/SBA will have a second position on the acquired property.

MANAGEMENT:

Please refer to page 5 of the attached 24 Page Credit Memorandum.

EMPLOYMENT:

Transcon International Inc. currently employs 29 individuals. Due to the nature of the business these are skilled jobs that include registrars who deal with art inventory management, sales people who deal with shipping, art handlers, and drivers. All new jobs will be created for EZ residents.

ELIGIBILITY:

Transcon is situated well within the boundaries of the BEZ and has been a prior borrower of BEZ funds. In our business interactions with them, they have proven to be a responsible borrower and an exemplary employer of Bronx residents. This loan will give them the ability to expand to the other floors, as well as become a permanent stake holder in the BEZ. This permanent foot hold will allow Transcon to train and hire more Bronx residents. Transcon needs and deserves a BEZ loan to meet the growing needs of the museum and art community in the City of New York that provides the city with an impressive amount of income and revenue from their business. Our client has looked at undervalued properties in New Jersey but prefers to stay within the city limits if given the opportunity to better service the needs of his client base and limit the security risk.

PERCEIVED STRENGTHS AND RISKS:*Strengths:*

- Good personal credit of principal John Mullane, with a FICO of 736 and net worth of \$885.5M.
- Company's 20-year history in this business.
- Rent replacement will allow business to build equity.
- Very solid company financially.
- Helps a strong business remain and expand in the Bronx Empowerment Zone.
- Will create 8 high-quality jobs for EZ residents.
- Collateral consists of a third position.

Risks:

- Art industry subject to fluctuations in the global economy, mitigated by the SBC's ongoing successful operations since 1995, with the same ownership and management since 1999.
- Lack of 2 historical years of positive cash flow coverage for the project debt, mitigated by debt service coverage of 1.4x at interim 8/31/15, and projected DSC of 1.65x in 2016 and 1.93x in 2017.

III. BENCHMARKS

The initiative will help in the expansion of the business that will create 8 jobs for Bronx Empowerment Zone residents.

Empowerment Zone desirability:

- Company is located within the Bronx Empowerment Zone
- The jobs to be created for Bronx EZ residents are Living Wage jobs with benefits

IV. RECOMMENDATION

Staff recommends financing Transcon's request, as follows:

Amount:	\$2,200,000
Term:	20 years
Rate:	3.25%
Fee:	1%

V. FINANCIAL STATEMENTS

Please refer to pages 12 through 21 for the financial spreads (Balance Sheets, Income Statements, Cash Flow, Debt Schedule, and Projections) included in the 24 page Credit Memorandum.

VI. OTHER ATTACHEMENTS:

- | | | |
|---------|----|--|
| Exhibit | 1a | Credit Memo with full Analysis |
| | 1b | Business History |
| Exhibit | 2 | SBA Eligibility Information |
| Exhibit | 3 | Personal History Statement SBA Form 912 |
| Exhibit | 4a | Personal Financial Statements SBA Form 413 of owner/guarantor. |
| | 4b | 2012 Tax Returns John & Julie Mullane |
| | 4c | 2013 Tax Returns John & Julie Mullane |
| | 4d | 2014 Tax Returns John & Julie Mullane |
| Exhibit | 5 | Resume of John Mullane |
| Exhibit | 6a | 12/31/2014 Financial Statement |
| | 6b | 12/31/2013 Financial Statement |
| | 6c | 12/31/2012 Financial Statement |
| | 6d | 12/31/2014 Tax Returns |
| | 6e | 12/31/2013 Tax Returns |
| | 6f | 12/31/2012 Tax Returns |
| Exhibit | 7a | 8/31/2015 Balance Sheet |

	7b	8/31/2015 Income Statement
	7c	8/31/2015 Accounts Receivables Aging
	7d	8/31/2015 Accounts Receivables Explanation and open invoices
	7e	8/31/2015 Accounts Payables Aging
Exhibit	8a	Financial Projections 2014 – 2018
	8b	Assumptions
	8c	Amortization Schedule
Exhibit	9	Not Applicable – Cash Flow in 8a
Exhibit	10	Debt Schedule
Exhibit	11	Other previous government debt in Exhibit 1.
Exhibit	12a	Articles of Organization Port Morris Realty LLC
	12b	Concluded Participation Port Morris Realty LLC
	12c	EIN# Port Morris Realty LLC
	12d	Operating Agreement Port Morris Realty LLC
Exhibit	13	Not Applicable – Franchise
Exhibit	14a	Public Auction Brochure
	14b	Terms and Conditions of Sale
Exhibit	15	TD Bank will obtain and Share. Typically a closing item.
Exhibit	16	Phase I Environmental
	16a	SBA Reliance Letter on Environmental
Exhibit	17	TD Bank SBA Participation Letter
Exhibit	18	John Mullane's ID
Exhibit	19a	Transcon International Inc. Credit Safe Report
	19b	Mott Haven Holdings LLL Credit Safe Report
	19c	John Mullane TransUnion Credit Report
Exhibit	20	Not Applicable - SBA form 159.
Exhibit	21	Not Applicable - Copies of debt instruments – for any re-finances
Exhibit	22	Credit Alert Verification Reporting System (CAIVRS) dated 8.17.15
Exhibit	23	Existing Lease for 131 Walnut Avenue, Bronx NY
Exhibit	24	IDA Application
Exhibit	25a	Vendex
	25b	Affidavit of No Change



RESOLUTION (2015)

BRONX EMPOWERMENT ZONE- Transcon International, Inc.– Business Assistance Initiative-Authorization to Make a Loan, Develop and Negotiate Benchmarks, and Take Related Actions

WHEREAS, the Board of Directors (the “Directors”) of the Bronx Overall Economic Development Corporation (“BOEDC”) has authorized a Bronx Empowerment Zone Business Assistance Initiative for Economic Development Projects (the “BAI”) for the purpose of creating or retaining permanent private sector job opportunities and business opportunities for Bronx Empowerment Zone (“Bronx EZ”) residents particularly minorities and women, and to leverage Business Assistance Initiative funds with private capital and investment; and

WHEREAS, guidelines for the BAI (the “Guidelines”) were developed to effectuate said initiative; and

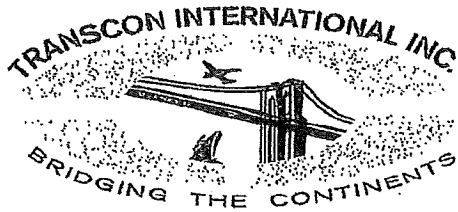
WHEREAS, in response to a solicitation for proposals meeting the criteria established by the Guidelines **Transcon International, Inc.** submitted a financing proposal for the purchase and renovations of 131 Walnut Avenue, Bronx, NY 10451 which will create job opportunities for 8 Bronx EZ residents; and

WHEREAS, the Financing Proposal has been deemed by BOEDC staff to meet criteria for impact, feasibility, and sustainability, sufficient to qualify for financial assistance pursuant to the Guidelines; and

NOW HEREBY BE IT RESOLVED, on this ___ Day of October, Two Thousand and Fifteen, that for the purposes and in accordance with the terms and conditions set forth in the materials presented at this meeting, the Executive Committee of the Directors (the “Executive Committee”) approves the Financing Proposal under the BAI, and authorizes a loan in an amount not to exceed \$2,200,000 to Transcon International, Inc.; and be it further

RESOLVED, that Executive Committee authorizes the President or another officer of BOEDC to formulate and submit to the New York Empowerment Zone Corporation benchmarks for the implementation of the Financing Proposal under the BAI; and be it further

RESOLVED, that the President or another officer of BOEDC be, and each of them hereby is, authorized to execute such documents and instruments and take such other action as may be necessary to effectuate the foregoing.



COMPANY HISTORY

Transcon Shipping Specialists Inc was founded and incorporated in the state of New York in 1989. Transcon International Inc was incorporated in the state of New York in 1995. In 2010 both corporations were merged and we now operating as Transcon International, Inc. Transcon International, Inc is solely owned by John Mullane and operates from two locations. Our main office, crating packing and shipping facility is located at 234 Rider Ave Bronx, NY 10451. The new storage facility is located at 131 Walnut Ave, Bronx, NY 10454.

We now have one of the world's premiere fine art storage facilities, and we are recognized as one of the leading packers and shippers of fine art worldwide. Recently we have remodeled our facilities based on new insurance requirements, standards and methods. With this in mind and New York being the center of the art world, our goal is to be number one in New York. We now have already spent upwards of \$4,000,000.00 on leasehold improvements, installing new security and camera systems, and HVAC and climate control systems to accommodate storage of high value artworks. In the process we are building a facility that is now being ranked by the insurance industry as one of the leading art facilities in the world. We have upgraded our trucks, equipment, workshops, and offices and built customized software systems to accommodate our unique industry. As a result we have attracted a lot of high end private and corporate art collectors, museums, galleries, foundations, and insurance underwriters as clients.

Our client base covers a wide variety of institutions, corporations and private collectors. These clients have been working with us for many years and are well known to us. Our client base breaks down as follows;

-Galleries	20%
-Museums	20%
-Private & corporate collections	30%
-Foreign agents & brokers	15%
-Foundations and estates	15%

All of the services related to this industry are provided with our own employees and our own equipment. The services are as diversified as the client base and are as follows:

- Worldwide shipping
- Import & export services
- Museum exhibitions
- Domestic & international art fairs
- Air & ocean freight
- Domestic shipping & transportation
- Packing & crating
- Climate controlled storage & trucking
- Collection management
- Courier service
- Digital imaging & cataloging
- Insurance

OPERATIONS

Territory: Most of our market is based in Western Europe, Japan, Brazil, Mexico, United States, Canada, and the tri-state area.

Our operations break down into 5 divisions: Imports, Exports, Transportation, Crating and Storage. All of these divisions all have their own related subdivisions.

IMPORTS

A typical import will originate either from our local client who requests us to coordinate and ship a shipment to New York from overseas. The other requests can come from our corresponding agents around the world who send us shipments for their clients. For imports, we coordinate and arrange all the paperwork, logistics, customs clearance, airport trucking, warehousing, unpacking, distribution and delivery to the ultimate consignee.

EXPORTS

Exports, just like imports, can range in volume from one work of art to full containers or several wooden cases for air freight. Our exports originate from our clients or our corresponding agents overseas. All exports will usually start with our estimate. If accepted, we will arrange and coordinate a collection or several collections if required. Once all the works have been consolidated at our facility they will be photographed and condition reports prepared for each work. Work orders are then prepared for crating. Upon completion of packing and casing, our export coordinator will arrange for shipping either by air or ocean. We will prepare all necessary documentation and pre-advise our corresponding agent overseas, who in turn, provide the necessary import services required in the country of destination.

All of these functions are completed by our own employees.

TRANSPORTATION

We coordinate local and interstate transportation of one art work to large scale museum exhibitions. Our larger shipments can range from several works to several trailers at one time. The larger shipments are exhibition in nature and can involve installation, de-installation, Crating, and climate controlled transportation.

Local transportation and trucking between points in Boston and Washington, DC is serviced with our own climate controlled trucks.

CRATING

Our crating facility is located at the Rider Ave location and currently occupies approximately 6,500 sq ft. This crating shop is designed and fitted with modern saws, dust control systems and a large compliment of modern tools and hardware.

Crating requirements can be from a simple case to museum quality casing.

The quantities and quality of the cases usually depends on the number, sizes and value of the various art works. This usually determined by the customer representatives in our office or by the museum or lenders. Most of the crating shop crew has been with the company for over fifteen years and they have a thorough knowledge of art handling and crating requirement

COLLECTION MANAGEMENT

The collection management facility is located approximately ten blocks from our Rider Ave facility at 131 Walnut Ave, Bronx, NY 10451

Over the past five years we have put a tremendous amount of financial resources and energy into building out the facility and bringing in new clients.

This is a very important part of our business and has grown to be approximately 35% of our revenues. This portion of the business has a fixed overhead and any related services are additional revenue. Additional services include warehouse handling, in booking, out booking, digital photography, and inventorying, crating, packing, and viewing room services.



575

UNI-37

ARTICLES OF ORGANIZATION
OF

Port Morris Realty LLC

Under and Pursuant to Section 203 of the Limited Liability Company Law
of the State of New York

1 cc
STATE OF NEW YORK
DEPARTMENT OF STATE

Moritt Hock & Hamroff LLP
400 Garden City Plaza
Garden City, NY 11530

FILED: MAR 17 2015
TAX \$ _____
BY: KE

RECEIVED
2015 MAR 17 AM 11:04

Customer Reference # PORTM45530

2015 MAR 17 PM 3:44

FILED

DRAWDOWN

575

150317000 515

ARTICLES OF ORGANIZATION

OF

Port Morris Realty LLC

**Under and Pursuant to Section 203 of the Limited Liability Company Law
of the State of New York**

The undersigned being the organizer of the Limited Liability Company does hereby certify:

FIRST: The name of the limited liability company is:

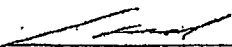
Port Morris Realty LLC

SECOND: The office of the Limited Liability Company shall be located in the County of Nassau.

THIRD: The Secretary of State is designated as the agent of the Limited Liability Company upon whom process against the Limited Liability Company may be served, and the address to which the Secretary of State shall mail a copy of any process against the Limited Liability Company served upon him is:

e/o Moritt Hock & Hamroff LLP
400 Garden City Plaza
Garden City, NY 11530

IN WITNESS WHEREOF, I hereunto sign my name this seventeenth day of March, 2015.



Thomas D. Osgood, Organizer

150317000515

OPERATING AGREEMENT

OF

PORT MORRIS REALTY LLC

This Operating Agreement (this "Agreement") of Port Morris Realty LLC is entered into by John Mullane (the "Member").

The Member has formed a limited liability company pursuant to and in accordance with the Limited Liability Company Law of the State of New York, as amended from time to time ("the LLCL"), and hereby agrees as follows:

1. **Name.** The name of the limited liability company formed hereby is Port Morris Realty LLC (the "Company").

2. **Purpose.** The Company is formed for the purpose of engaging in any lawful act or activity for which limited liability companies may be formed under the LLCL and engaging in any and all activities necessary or incidental to the foregoing.

3. **Member.** The name, ownership percentage of the Company, and the business, residence, or mailing address of each Member is as follows:

<u>Name</u>	<u>Ownership Percentage</u>	<u>Address</u>
John Mullane	100%	c/o Transcon International 234 Rider Avenue Bronx, New York 10451

4. **Management.** The business and affairs of the Company shall be managed by John Mullane.

5. **Powers.** The Member shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members under the LLCL.

6. **Books and Records.** The books and records of the Company shall be kept at the principal office of the Company, or such other address as authorized by the Member. The initial Capital Contribution to the Company from the Member shall be as set forth on the books and records of the Company.

7. **Additional Contributions.** No Member is required to make any additional capital contribution to the Company.

8. **Distributions.** Distributions shall be made to the Member at the times and in the aggregate amounts determined by John Mullane.

9. **Assignments.** The Member may assign, in whole or in part, his limited liability company interest to any third party in his discretion.

10. **Withdrawal of a Member.** A Member may withdraw from the Company in accordance with the LLCL.

11. **Admission of Additional Members.** One (1) or more additional members of the Company may be admitted to the Company with the consent of the Members.

12. **Indemnity of the Member.** The Company shall have the power to indemnify, to the full extent permitted by the LLCL, as amended from time to time, all persons whom it is permitted to indemnify pursuant thereto, including but not limited to the Member.

13. **Liability of Members.** The Members shall not have any liability for the obligations or liabilities of the Company except to the extent provided in the LLCL.

14. **Governing Law.** This Agreement shall be governed by, and construed under, the laws of the State of New York, all rights and remedies being governed by said laws.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Operating Agreement as of August __, 2015.

John Mullane

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the
Department of State, at the City of Albany,
on March 18, 2015.



Anthony Giardina

Anthony Giardina
Executive Deputy Secretary of State

FILING RECEIPT

ENTITY NAME: PORT MORRIS REALTY LLC

DOCUMENT TYPE: ARTICLES OF ORGANIZATION (DOM LLC)

COUNTY: NASS

FILED: 03/17/2015 DURATION: ***** CASH#: 150317000543 FILM #: 150317000515
DOS ID: 4727036

FILER:

EXIST DATE

MORITT HOCK & HAMROFF LLP
400 GARDEN CITY PLAZA

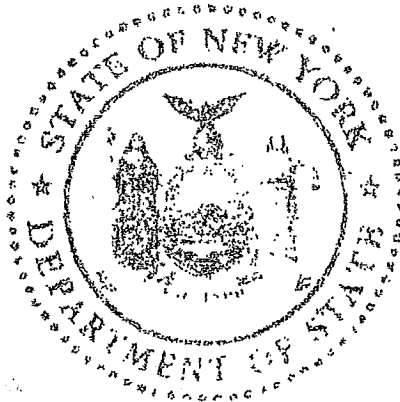
03/17/2015

GARDEN CITY, NY 11530

ADDRESS FOR PROCESS:

C/O MORITT HOCK & HAMROFF LLP
400 GARDEN CITY PLAZA
GARDEN CITY, NY 11530

REGISTERED AGENT:



The limited liability company is required to file a Biennial Statement with the Department of State every two years pursuant to Limited Liability Company Law Section 301. Notification that the biennial statement is due will only be made via email. Please go to www.email.ebiennial.dos.ny.gov to provide an email address to receive an email notification when the Biennial Statement is due.

SERVICE COMPANY: UNITED CORPORATE SERVICES - 37

SERVICE CODE: 37 *

FEEs 235.00
FILING 200.00
TAX 0.00
CERT 0.00
COPIES 10.00
HANDLING 25.00

PAYMENTS 235.00
CASH 0.00
CHECK 0.00
CHARGE 0.00
DRAWDOWN 235.00
OPAL 0.00
REFUND 0.00

PORTM45530

DOS-1025 (04/2007)

Date of this notice: 04-30-2015

Employer Identification Number:
47-3871834

Form: SS-4

Number of this notice: CP 575 G

PORT MORRIS REALTY LLC
JOHN MULLANE SOLE MBR
234 RIDER AVE
BRONX, NY 10451

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 47-3871834. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you. You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is PORT. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.



EIN Assistant

Your Progress: 1. Identify 2. Authentication 3. Addresses 4. Details 5. EIN Confirmation

Congratulations! Your EIN has been successfully assigned.


EIN Assigned: 47-9871834

Legal Name: PORT MORRIS REALTY LLC

IMPORTANT:

Save and/or print this page and the confirmation letter below for your permanent records.

The confirmation letter below is your official IRS notice and contains important information regarding your EIN.

 [CLICK HERE for Your EIN Confirmation Letter](#) [Help with saving and printing your letter](#)

Once you have saved or printed your letter, click "Continue" to get additional information about using your new EIN.

Help Topics

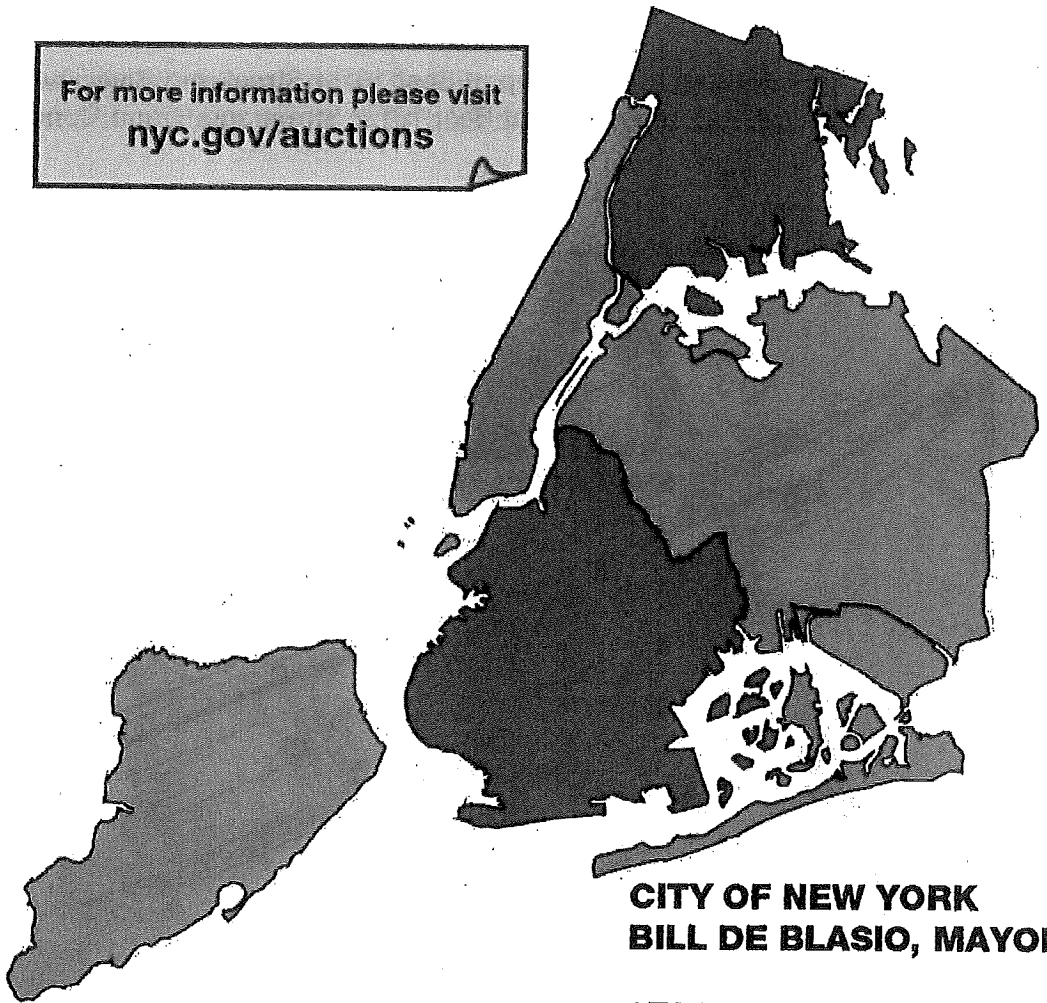
- [What if I do not have access to a printer at this time?](#)
- [Can I access this letter at a later date?](#)

PUBLIC AUCTION

NEW YORK CITY REAL ESTATE

**WEDNESDAY, OCTOBER 28, 2015
10:00 AM Bronx County Courthouse
851 Grand Concourse, Bronx, NY 10451**

For more information please visit
nyc.gov/auctions



**CITY OF NEW YORK
BILL DE BLASIO, MAYOR**

STACEY CUMBERBATCH
Commissioner,
Citywide Administrative Services

RICARDO E. MORALES
Deputy Commissioner,
Asset Management

NYC

**Citywide Administrative
Services**

AUCTION LOCATION
BRONX COUNTY COURTHOUSE
851 GRAND CONCOURSE, BRONX, NY 10451

BY SUBWAY

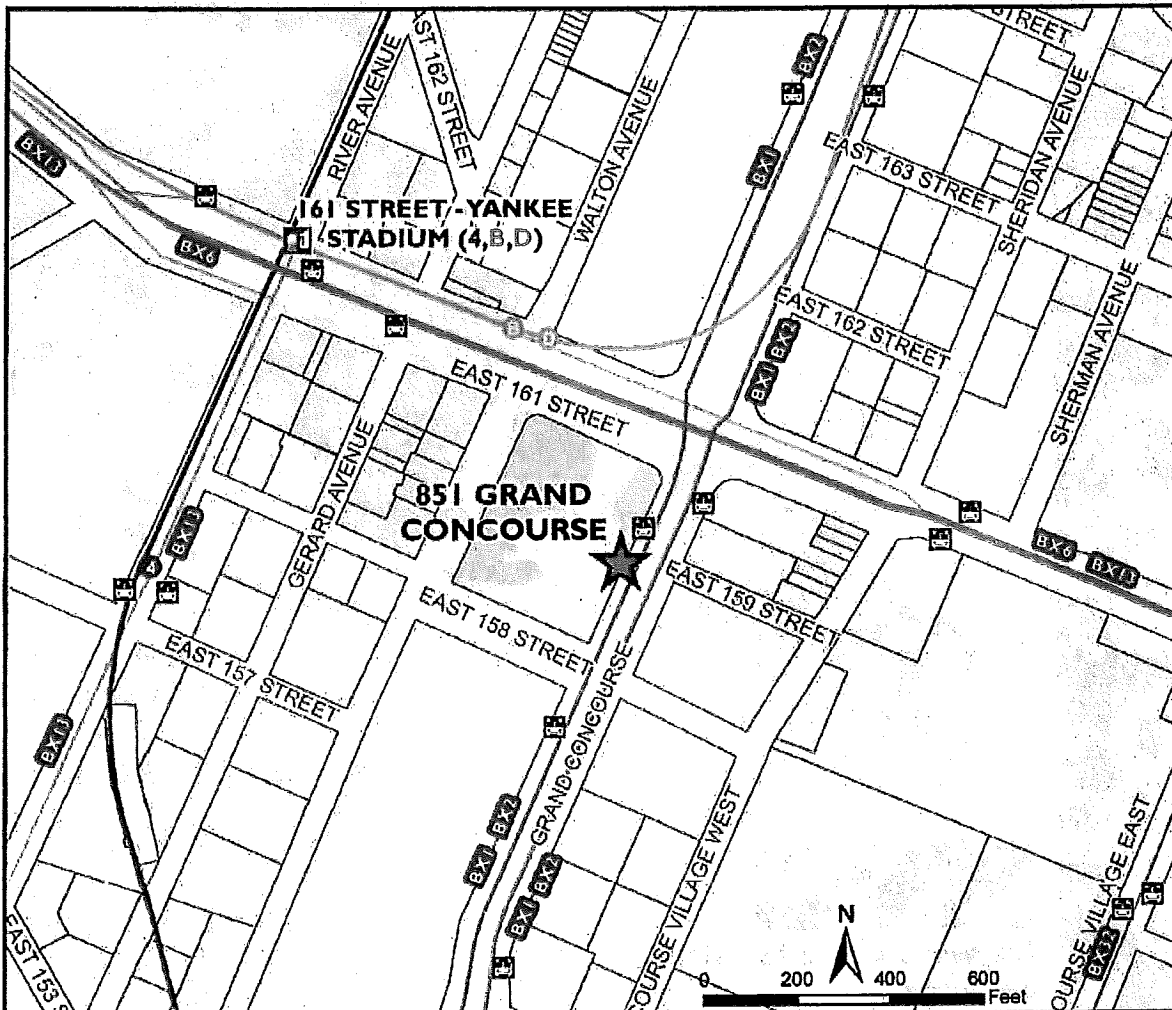
4, B, D trains to 161st Street – Yankee Stadium

BY CAR

Major Deegan Expressway (Interstate 87)
Exit 5 / East 161st Street – Northbound or Southbound

BY BUS

Bx6 and Bx13 buses stop at East 161st Street and River Avenue
Bx1 and Bx2 buses stop at East 161st Street and Grand Concourse



Your Chance to Own a Piece of New York City

Buy real estate by attending the New York City Real Estate Public Auction. Properties are located throughout the City of New York. Sizes and prices can meet the needs of a variety of buyers: from the homeowner looking to buy a lot to park a car, to the sophisticated investor looking to build new homes, stores or businesses. Buy property and make an investment by owning a piece of New York City.

Prior to the auction, carefully read and be certain that you understand the Standard Terms and Conditions of Sale and any special conditions that apply to certain properties. Anyone interested in purchasing a property is urged to inspect the premises before placing a bid on any property. Additional information regarding the auction and bidding process is available on the DCAS website at nyc.gov/auctions.

Going once, going twice . . . SOLD!

FOR INFORMATION CONTACT:

Department of Citywide Administrative Services
Asset Management
1 Centre Street, 20th Floor North
New York, NY 10007
(212) 386-0588
nyc.gov/auctions

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1

GENERAL INFORMATION

1. Auction Sale - This sale will be conducted as a public auction. Bidders must attend the auction. At the auction, the Purchaser must submit an Auction Deposit as printed in the parcel offering. The Auction Deposit for each parcel must be in the form of cash, official bank check, certified check, bank money order or postal money order payable to NYC/DCAS. If you are presenting cash, it should be in the form of \$100 bills. See Paragraph 4 of the Standard Terms and Conditions of Sale.

2. Standard Terms and Conditions of Sale - The Standard Terms and Conditions of Sale printed in this brochure contain complete information on the terms of the auction, including information on deed restrictions, and eligibility and financial requirements. **We urge you to read them carefully.** Certain parcels included in this auction are being sold subject to Special Terms and Conditions of Sale in addition to the Standard Terms and Conditions of Sale.

3. Assignment of Memorandum of Sale - The Purchaser can assign his/her Purchaser's rights under the Memorandum of Sale no later than (14) calendar days from the Date of Sale.

4. Minimum Eligibility Requirements

A. Purchasers will be required to execute and submit affidavits verifying, among other things, that they are not delinquent in the payment of real estate taxes for any property located in the City of New York or any other obligation with the City of New York.

B. At the auction a Purchaser must provide his/her Social Security Number. Where the Purchaser is a corporation, the Employer Tax I.D. Number is required; and an officer of the corporation must provide his/her Social Security Number. Purchasers must also provide two forms of identification on the Date of Sale, one of which must be a government issued photo I.D. (passport, driver's license, etc.).

5. Prospective purchasers are urged to contact the following City agencies for information regarding the properties being offered at this Public Auction.

A. To verify information on **ASSESSED VALUATION** and **REAL ESTATE TAXES**, contact the Department of Finance (DOF) borough office in which the property is located by calling 311 or visiting the DOF website at nyc.gov/dof.

The assessed value is the value placed on a property by the Department of Finance for the purpose of determining real estate taxes.

B. For information on **VIOLATIONS** and to see the original **BUILDING PLANS**, visit the Department of Buildings (DOB) borough office in which the property is located or visit the DOB website at nyc.gov/buildings.

Manhattan
280 Broadway
3rd Floor

Bronx
1932 Arthur Avenue
5th Floor

Brooklyn
Municipal Building,
210 Joralemon Street
8th Floor

Queens
Borough Hall,
120-55 Queens Blvd.
Kew Gardens
1st Floor

Staten Island
Borough Hall,
10 Richmond Terrace
2nd Floor

GENERAL INFORMATION

2

6. An **INSPECTION SCHEDULE** has been arranged for the buildings included in this auction. See Pages 7-10.
7. **No Brokerage Commissions** will be payable by the City of New York. See Paragraph 21 of the Standard Terms and Conditions of Sale.
8. **Purchase by City Employees** - The City Council amended Section 2604 of the New York City Charter on July 24, 1980. Most City employees are now eligible to purchase real property at auction or sealed bid sales. However, the following persons still may not bid on or purchase property: elected officials; employees in the Office of Property Management of the Department of Housing Preservation and Development (HPD); employees in Asset Management at the Department of Citywide Administrative Services (DCAS); Commissioners, Deputy Commissioners, Assistant Commissioners, and others of equivalent rank in HPD or DCAS; and any officer or employee who has participated in decisions or matters affecting the disposition of the City property to be sold or has such matters under active consideration.
9. **Requirements of Property Owners with Respect to Vacant Land-Cleaning and Fencing** - Bidders are advised that owners of vacant lots within the City of New York are required by law to fence such lots and maintain them in a clean and sanitary condition. Failure to clean and maintain such property could result in the imposition of substantial penalties based on enforcement actions as well as the exercise of other enforcement powers by the Department of Transportation, Department of Health and Mental Hygiene, Department of Sanitation and other agencies having jurisdiction.
10. **Penalty for Bid Rejection or Refusal to Proceed with a Sale** - If for any reason a bid is rejected or the successful Purchaser(s) refuses to proceed with the sale of any one parcel then, in either event, all bids shall be rejected and the parcel(s) reoffered, said bidder(s) shall be prohibited from further bidding, and will be required to leave the auction venue. A good faith effort will be made by DCAS to ensure that such bidder(s) not be permitted to re-enter the auction venue.
11. The information in this brochure is available for the convenience of prospective purchasers and is as accurate as can reasonably be provided. **For further information, please contact DCAS at (212) 386-0588 or visit the DCAS website at nyc.gov/auctions.**
12. The entire Balance of the Purchase Price must be paid within forty-five (45) calendar days of the Date of Sale. For example, if the Purchase Price is \$10,000, the Auction Deposit due on the Date of Sale is \$2,000, and the Balance of the Purchase Price due equals \$8,000, then the Balance of the Purchase Price of \$8,000 must be paid **within forty-five (45) calendar days of the Date of Sale. The City will not offer mortgages or any other payment plans.**

Bidders are advised that the City reserves the right to require prospective purchasers to present proof in advance of any bidding on a particular parcel that the bidder is in possession of the Auction Deposit in the appropriate amount and form for each parcel. The Auction Deposit must be payable in the form of cash, official bank check, certified check, bank money order or postal money order. When such proof is required, bidders who are unable to provide the aforesaid will not be permitted to participate in the bidding for that parcel.

Bidders are advised that due to security requirements, all persons entering the auction venue must pass through a magnetometer. Please allow extra time to enter. No eating, drinking or smoking is permitted in the auction venue. These rules will be strictly enforced.

NOTE: Individuals requesting Sign Language Interpreters should contact the Department of Citywide Administrative Services, 1 Centre Street, 20th Floor North, New York, NY 10007, phone (212) 386-0588 no later than 14 days prior to the Date of Sale. TDD users should call Verizon relay service.

ZONING

For information on Zoning, contact the Department of City Planning (DCP) helpdesk Monday through Friday at (212) 720-3291, 8:30 a.m.-5:00 p.m. For information regarding EXACT zoning requirements, visit the DCP website at nyc.gov/zoning.

The following information will assist potential purchasers in understanding and interpreting the applicable zoning regulations governing use of property in the City of New York. These guidelines apply to the development of vacant lots, use and expansion of existing buildings or to permitted accessory uses. To understand the uses permitted on a specific site, you are urged to seek professional advice, e.g., a licensed architect, engineer or land use counsel.

These guidelines are not intended as anything other than a general summary of terms used in this auction brochure and are provided for convenience of reference only. DCAS is not charged with the enforcement or interpretation of zoning laws and regulations and makes no representations in this regard. Purchasers are urged not to rely in any manner upon these guidelines and are urged to consult with their own advisers in this area.

DEFINITIONS

RESIDENTIAL: Residential Districts (R1-R10) vary according to bulk, permissible density and other controls, such as parking and open space.

COMMERCIAL: Commercial Districts (C1-C8) vary according to the area they are to serve (local vs. regional) and the compatibility with adjacent residential uses. All residential uses are permitted in C1-C6 districts. Many C districts are further subdivided by another numerical suffix, e.g., C6-9, which allows a greater range of bulk and parking standards.

MANUFACTURING: Manufacturing Districts (M1-M3) vary according to their impact on the environment and the types of materials used in the production processes. No residential use is permitted in M zones without first obtaining a variance from the Board of Standards and Appeals.

PARKING: Parking provisions differ according to the type of district and the use and size of the development. The Zoning Resolution controls the minimum number of spaces required, the maximum number of spaces permitted and the distance of the parking facility from the use to which it is accessory.

USE GROUPS: Within each zoning district, certain activities are permitted which are categorized as use groups. There are 18 use groups: residential and institutional activities are within use groups 1-4, local retail and services are within use groups 5-9, regional shopping is within use groups 10-12, open space activities are within use groups 13-15, manufacturing is within use groups 16-18. The following chart shows permitted use groups. For further information on what uses are allowable within specific zones contact the Department of City Planning or the borough office of the Department of Buildings.

ZONING

RESIDENTIAL DISTRICTS: Permitted Uses

District	Uses	Permitted Use Groups
R1	Single Family Detached Residence; Community Facilities	1,3,4
R2	Single Family Detached Residence; Community Facilities	1,3,4
R3-1	Single or Two-Family Residence, Attached or Semi-attached; Community Facilities	1,2,3,4
R3-2 to R10	Residence of all kinds; Community Facilities	1,2,3,4

COMMERCIAL DISTRICTS: Permitted Uses

District	Uses	Permitted Use Groups
C1	Wide range of retail stores and personal service establishments for local shopping; Residential and Community Facilities.	1-6
C2	Wide range of local service establishments; Residential and Community Facilities.	1-9,14
C3	Waterfront recreation, related to boating and fishing; Residential and Community Facilities.	1-4,14
C4	General Commercial uses such as department stores, theatre, etc.; Residential and Community Facilities.	1-6,8-10,12
C5	Central Commercial uses which serve the entire metropolitan region; Residential and Community Facilities.	1-6,9-11
C6	Full range of commercial uses requiring a central location; Residential and Community Facilities.	1-12
C7	Large, noisy, traffic generating uses such as open amusement park.	4-10,12-15
C8	Service establishments such as automobile service stations.	4-14,16

MANUFACTURING DISTRICTS: Permitted Uses

District	Uses	Permitted Use Groups
M1	Light industrial uses such as research laboratories, or wholesale service facilities; certain Community Facilities.	4-14,16-17
M2	General industrial uses with performance characteristics less desirable than those permitted in M1 district.	5-17
M3	Heavy industrial uses such as chemical manufacturing, power plants, foundries, etc.	5-18

5 FREQUENTLY ASKED QUESTIONS

- 1. Q. What is the Minimum Upset Price?**
A. This is the price at which the bidding will begin. For example, if the Minimum Upset Price is \$9,000, the bidding cannot begin below \$9,000.
- 2. Q. If there are no bidders on a parcel at this sale, will the parcel come up for sale again?**
A. If there are no bids on a parcel when first offered at auction, it will be re-offered prior to the conclusion of the auction. If no bids are made the second time, the parcel will be re-evaluated and may be re-offered at public auction at a future date.
- 3. Q. How much money is due on the Date of Sale?**
A. You must submit the Auction Deposit as printed in the parcel offering in the allowable form on the Date of Sale.
- 4. Q. What is the Auction Deposit?**
A. The Auction Deposit is listed next to each parcel and is the amount payable at the close of bidding. Payment must be in the form of cash, official bank check, certified check, bank money order or postal money order. All checks must be made payable to **NYC/DCAS**. Personal checks will not be accepted for the Auction Deposit. Cash will only be accepted in \$100 bills. The Auction Deposit must be in its proper form when you bid on a parcel. **You must be prepared at the time of the bid to submit the Auction Deposit and any additional funds necessary to meet the deposit requirements. You will not be permitted to leave the auction venue without completing the payment process.**
- 5. Q. Are any other payments required on the Date of Sale?**
A. Yes. In addition to the Auction Deposit, the Purchaser is responsible for an **Auctioneer's Fee**. See Paragraph 20 of the Standard Terms and Conditions of Sale. This fee is payable by cash or personal check and must be paid to the auctioneer prior to signing the Memorandum of Sale.
- 6. Q. When are affidavits and business entity paperwork due?**
A. All affidavits, partnerships certificates, corporate resolutions, incumbency certificates and certificates of good standing must be duly executed and submitted within fourteen (14) calendar days of the Date of Sale. Failure to comply will result in a default.
- 7. Q. May I assign my Memorandum of Sale?**
A. You may apply to assign your Memorandum of Sale. All Assignments must be submitted within fourteen (14) calendar days of the Date of Sale. However, all Assignment requests must be on the form provided by DCAS, and accompanied by required affidavits and documents. A non-refundable fee of \$200 must accompany each request. The non-refundable assignment fee must be submitted in the form of an official bank check, certified check, bank money order or postal money order made payable to **NYC/DCAS**. No Assignments shall be valid for any purpose unless and until approved in writing by DCAS.
- 8. Q. When must title objections be filed and in what form?**
A. All title objections must be filed in writing within forty-five (45) calendar days of the Date of Sale. A title report issued by a Title Company certified to conduct business in the State of New York, and if applicable, a survey, must accompany each submission. Failure to submit in a timely manner may result in a waiver of all rights to file title objections.
- 9. Q. Will a title objection result in a cancellation of sale?**
A. If your title company identifies a title objection, it will be reviewed by the NYC Law Department with your title company. Most title objections are resolved and the property is conveyed. See Paragraph 15 of the Standard Terms and Conditions of Sales for further information regarding title objections.
- 10. Q. Am I responsible for liens and violations on property?**
A. Purchasers will NOT be responsible for any real estate taxes, water charges, sewer charges or City liens on the property prior to the date of Title Closing. However, Purchasers will be responsible for violations on the property from the Title Closing date if directly related to the property. See Paragraph 9 of the Standard Terms and Conditions of Sales for additional information.
- 11. Q. When must I pay the Balance of the Purchase Price still due on my parcel?**
A. The entire Balance of the Purchase Price must be paid within forty-five (45) calendar days of the Date of Sale. For example, if the Purchase Price is \$10,000, the Auction Deposit due on the Date of Sale is \$2,000, and the Balance of the Purchase Price due equals \$8,000, then the Balance of the Purchase Price of \$8,000 must be paid within forty-five (45) calendar days of the Date of Sale. The City will not offer mortgages or any other payment plans.

FREQUENTLY ASKED QUESTIONS

6

12. Q. What happens if I don't pay the Balance of the Purchase Price or submit required paperwork and A. affidavits?

DCAS will place you in default pursuant to the Standard Terms and Conditions of Sale. In the event that you are placed in default, the City will retain 20% of the Purchase Price as liquidated damages, and may resell the property at a future auction. Furthermore, the City of New York will not permit you to bid on, close title on or purchase property from the City for a period of five years.

13. Q. When is Title Closing?

A. When all requirements under the Standard Terms and Conditions of Sales have been met, the file is forwarded to the NYC Law Department. A Title Closing attorney will be assigned and a mutually convenient Title Closing date will be scheduled. You will be notified of the date and time.

14. Q. If the property is presently being used by other people, how do I claim possession?

A. You are not legally the owner of the property until title has closed and you have received your deed, at which time you are solely responsible for claiming possession in any legal manner you may deem necessary.

15. Q. What closing costs will I have to pay?

A. Before your Title Closing, you will receive an appointment letter confirming time, date and closing costs. The charges include recording fees for the deed, a State stamp tax, a City transfer tax, and taxes from the closing date to the end of the tax quarter. Should you adjourn your closing date, adjournment fees will be paid at closing in addition to the other charges.

16. Q. Do I need to hire an attorney to represent me?

A. Whether or not you wish to retain an attorney to represent your interests is your decision. If you are not represented at the time of Title Closing, the City's closing attorney will describe the documents you are signing and forward the appropriate instruments to the City Register for recording. Read and familiarize yourself with the Standard Terms and Conditions of Sale and the property offering described in this brochure.

17. Q. Do I need to use a broker to bid?

A. No. You do not need to be represented by a broker to bid on property. Please be aware that the City does not pay any brokers' commissions, pursuant to Paragraph 21 of the Standard Terms and Conditions of Sale.

PRE-AUCTION SEMINAR

The Pre-Auction Seminar is available online at:

nyc.gov/auctions

Bidders are encouraged to view the Pre-Auction Seminar slideshow to learn about the sales procedure in order to be prepared to bid on the Date of Sale.

The Pre-Auction Seminar is available to provide answers to commonly asked questions regarding the sales procedure, bidding requirements, acceptable payments, assignment requirements, etc.

INSPECTION SCHEDULE

UNIMPROVED PROPERTIES (vacant land)

To identify the location of unimproved parcels, visit the Department of Finance (DOF) website at nyc.gov/dof or visit the Office of Land Records, City Register for a tax map.

Bronx	3030 Third Avenue, 2nd Floor
Brooklyn	210 Joralemon Street, 6th Floor
Queens	144-06 94th Avenue, 2nd Floor
Staten Island	350 St. Mark's Place, 4th Floor

The following inspection schedule has been arranged for viewing the **buildings** offered for sale at this Auction. Prospective purchasers should go directly to the buildings at the time scheduled. The buildings will be open only during these times and will close promptly at the time indicated below. We strongly urge anyone interested in purchasing a property to inspect the premises before placing a bid on any property. Bring a flashlight with you to the inspection.

NOTE: WHILE THE CITY WILL MAKE A REASONABLE EFFORT TO PROVIDE ACCESS, THERE MAY BE INSTANCES WHERE ACCESS IS NOT AVAILABLE. ACCESS IS NOT A PRE-CONDITION OF SALE. PERSONS INSPECTING THESE BUILDINGS ARE PROHIBITED FROM BEING ACCOMPANIED BY CHILDREN UNDER 18 YEARS OF AGE.

INSPECTION SCHEDULE

Parcel # 1

BBL: 2-2586-26

Address: 131 Walnut Avenue, Bronx, NY

Inspection 1: **September 24, 2015**
10:00 a.m. to 11:00 a.m.

Inspection 2: **October 15, 2015**
1:00 p.m. to 2:00 p.m.

NOTE: Prospective purchasers wishing to attend the inspection will be required to provide government issued photo identification prior to entering the premises.



Wednesday, October 28, 2015

9

INSPECTION SCHEDULE

Parcel # 2

BBL: 2-3055-8

Address: 2374 Bathgate Avenue, Bronx, NY

Inspection 1: **September 23, 2015**
12:00 p.m. to 1:00 p.m.

Inspection 2: **October 15, 2015**
10:00 a.m. to 11:00 a.m.

NOTE: Prospective purchasers wishing to attend the inspection will be required to provide government issued photo identification prior to entering the premises.



INSPECTION SCHEDULE

Parcel # 5

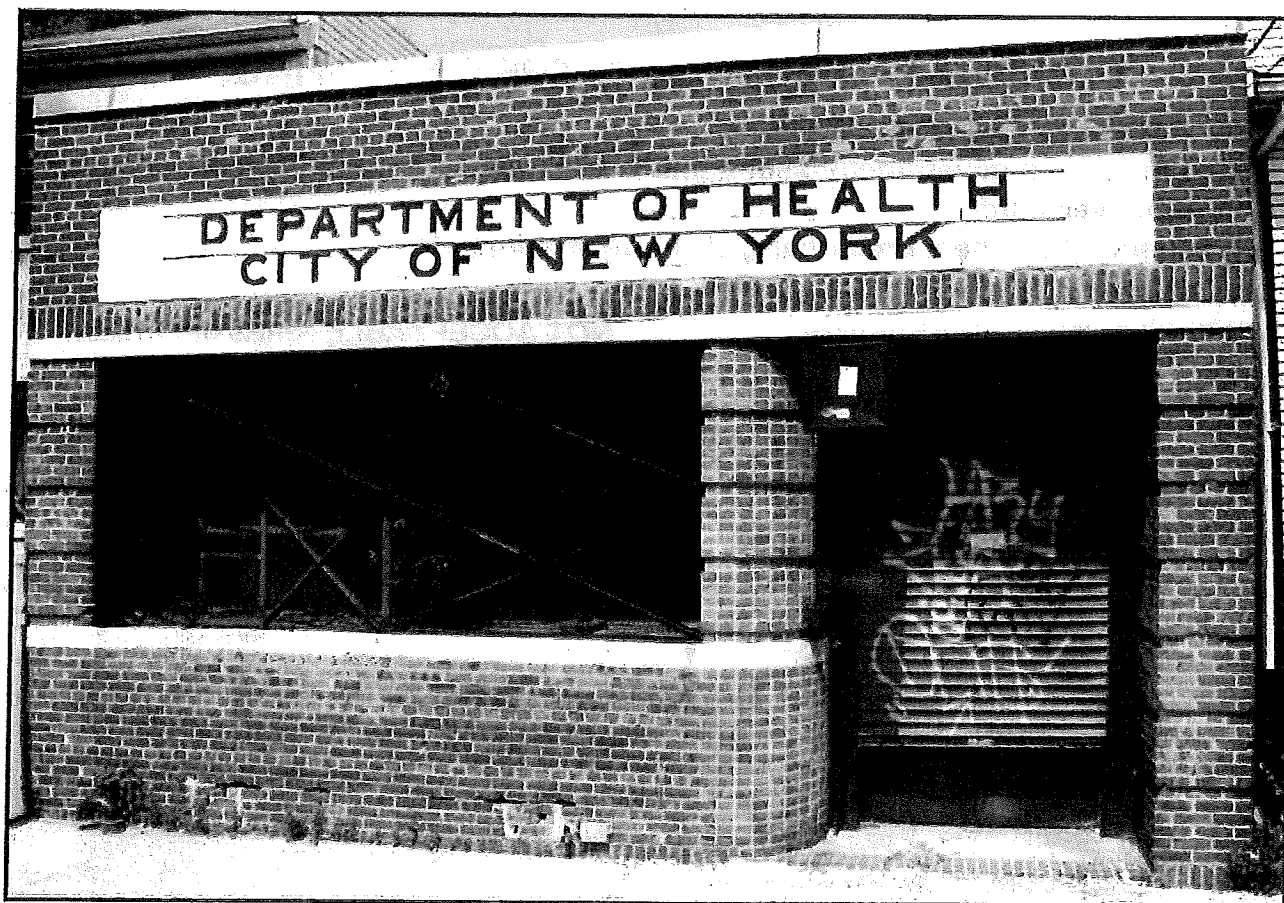
BBL: 4-10055-28

Address: 146-39 105th Avenue, Queens, NY

Inspection 1: **September 24, 2015**
1:00 p.m. to 2:00 p.m.

Inspection 2: **October 14, 2015**
10:00 a.m. to 11:00 a.m.

NOTE: Prospective purchasers wishing to attend the inspection will be required to provide government issued photo identification prior to entering the premises.



11

PURCHASER REQUIREMENTS

KEY TERMS

- Minimum Upset Price** Beginning Bid Price
- Purchase Price** High Bid Price
- Auction Deposit** Printed in the parcel offering
Must be in the form of cash, official bank check, certified check,
bank money order or postal money order payable to NYC/DCAS.
- Balance of the Purchase Price** Balance of the Sales Price
Total due forty-five (45) calendar days after the Date of Sale

PURCHASERS MUST HAVE THE FOLLOWING:

• **TWO FORMS OF IDENTIFICATION**

- One must be a government issued photo I.D. such as driver’s license, passport or employee card
- The second can be a credit card, alien registration, etc.

• **PAYMENT**

ACCEPTABLE FORMS OF PAYMENT

- cash
- official bank check
- certified check
- bank money order
- postal money order

NOT ACCEPTABLE FORMS OF PAYMENT

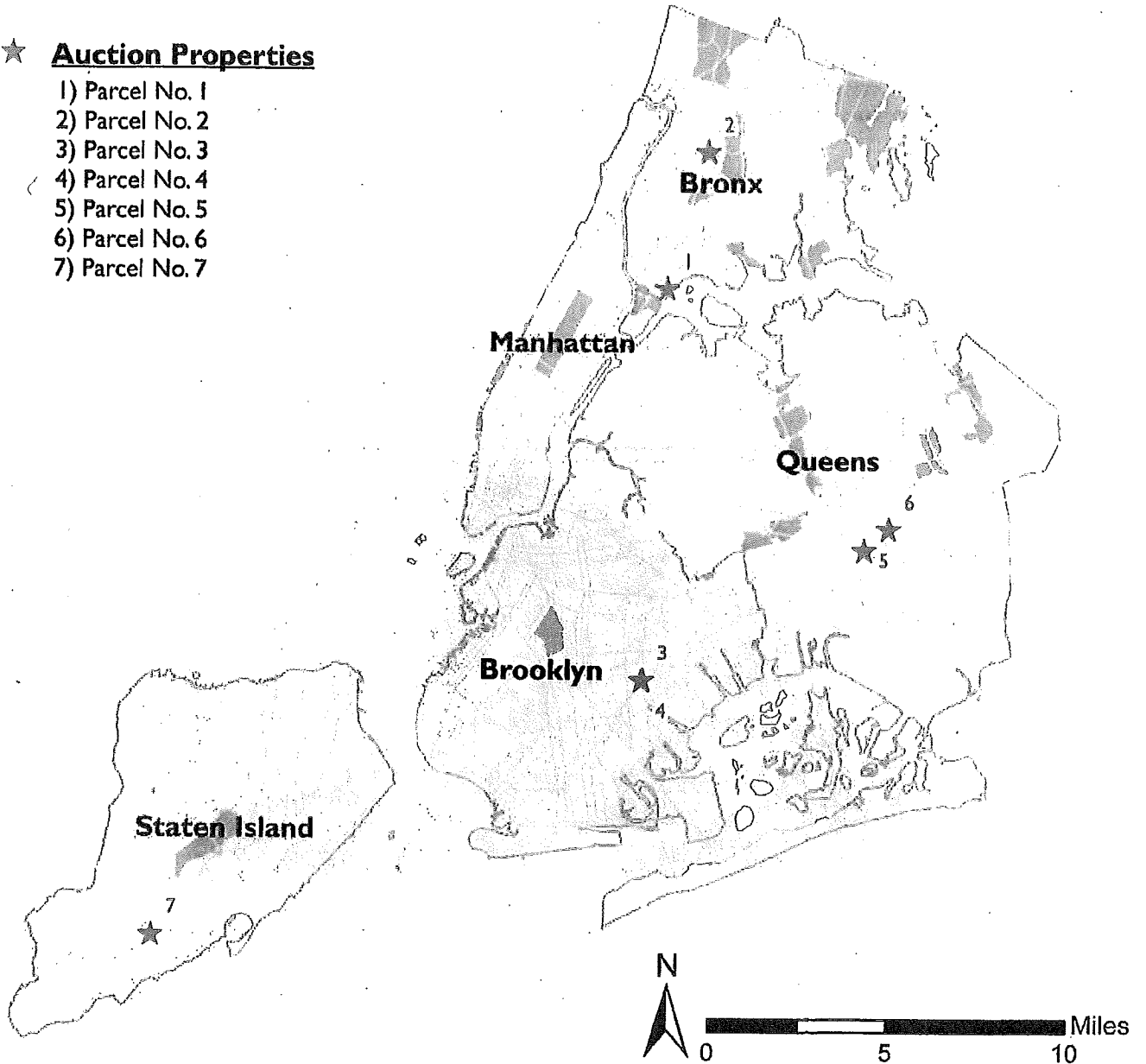
- non-postal or non-bank money order
- personal check
- third party check
- traveler’s check

If you are the Purchaser, you must pay an Auction Deposit as printed in the parcel offering. You must have this money available at the time you bid, and you will not be permitted to leave the auction venue until you have completed the payment process. The Auction Deposit must be in the form of cash, official bank check, certified check, bank money order or postal money order payable to NYC/DCAS.

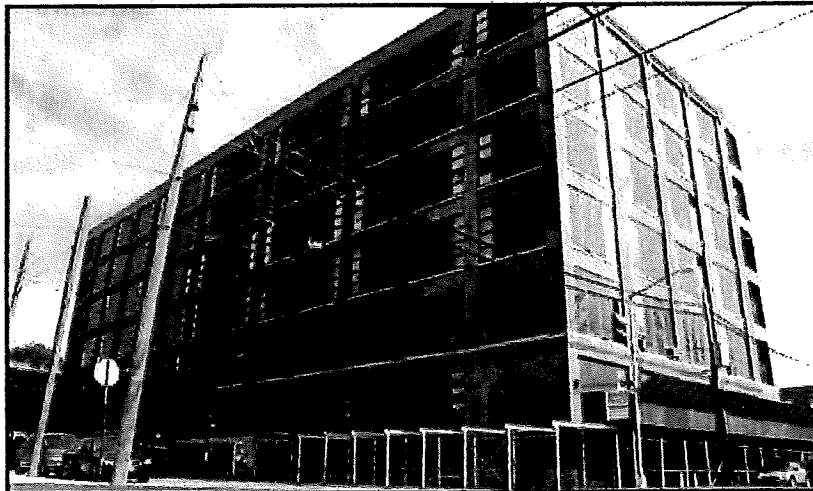
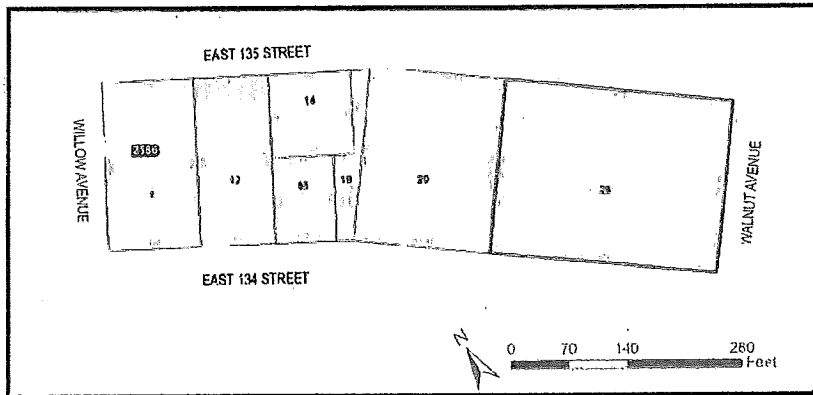
AUCTION PROPERTIES

★ **Auction Properties**

- 1) Parcel No. 1
- 2) Parcel No. 2
- 3) Parcel No. 3
- 4) Parcel No. 4
- 5) Parcel No. 5
- 6) Parcel No. 6
- 7) Parcel No. 7



PARCEL NO.	BLOCK	LOT	LOCATION/PROPERTY TYPE	SIZE	ZONING	TOTAL ASSESSED VALUE	AUCTION DEPOSIT	MINIMUM UPSET PRICE
1	2586	26	131 Walnut Avenue Blockfront Northwest side of Walnut Avenue Between East 134th Street and East 135th Street 6 Story Building See inspection schedule on page 8	207 x 275	M3-1	\$3,318,750	\$2,200,000	\$11,000,000



Parcel 1 is Being Sold Subject To The Following:

This parcel is currently burdened by a Property Management Agreement (Agreement) between the City of New York and the Economic Development Administration ("EDA"), United States of America dated September 10, 1986. Unless terminated and released by the EDA prior to closing, the Agreement shall run with the land and be so reflected in the deed until such time that the Agreement is terminated and released by the EDA. The aforesaid shall not be grounds for cancellation of the sale and your attention is called to Paragraph 9 of the Standard Terms and Conditions of Sale ("Property Sold Subject To") which remains in full force and effect.

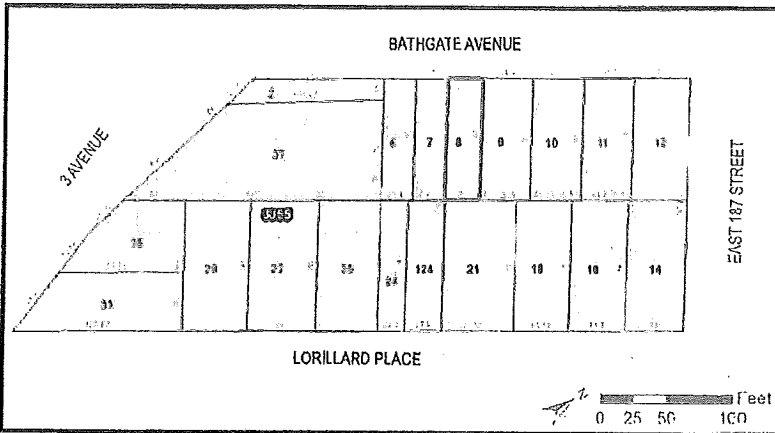
NOTE:

At the time of printing this brochure, the subject parcel is occupied by a tenant through a long term lease between The City of New York as landlord and SOBRO Development Corporation as tenant, dated June 7, 1982 (the "Lease"). The initial Lease expiration date was 9/30/2014, with two 10 year renewal options, one of which has been exercised. The first renewal option expiration date is 9/30/2024. In the event the tenant remains in good standing and exercises the second 10 year renewal option, the Lease will expire on 9/30/2034. The tenant has a right of first refusal if the City seeks to sell the parcel. The current tenant is subleasing a portion of the parcel to Transcon International Inc. In addition, two (2) other subleases exist on the parcel to Empire Erectors and Electrical Company, Inc. and Sam Bank Uniform Civilian Cap Company Inc. Prospective purchasers can contact DCAS, 1 Centre Street, 20th Floor North, New York, NY 10007, (212) 386-0614 to view the Lease and subleases.

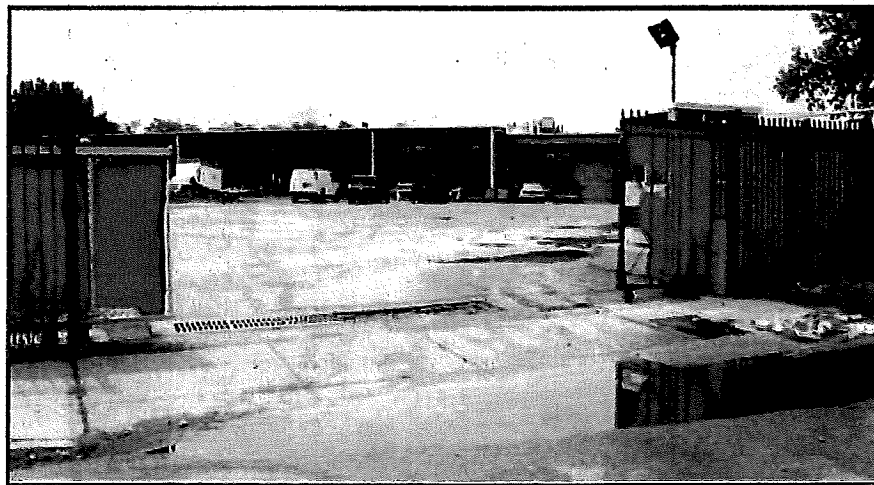
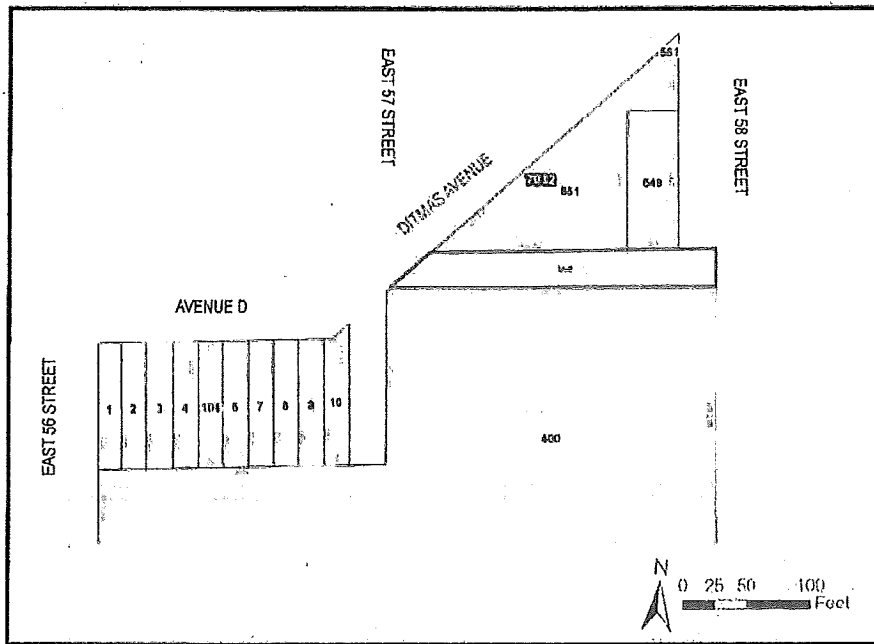
Your attention is called to Paragraph 9 of the Standard Terms and Conditions of Sale ("Property Sold Subject To"), which provides in pertinent part that the parcel is being sold subject to the rights of any tenant in occupancy.

BRONX

PARCEL NO.	BLOCK	LOT	LOCATION/PROPERTY TYPE	SIZE	ZONING	TOTAL ASSESSED VALUE	AUCTION DEPOSIT	MINIMUM UPSET PRICE
2	3055	8	2374 Bathgate Avenue Southeast side of Bathgate Avenue 154 feet southwest of East 187th Street 2 Story Building See inspection schedule on page 9	25 x 90	R6	\$70,002	\$57,000	\$285,000



PARCEL NO.	BLOCK	LOT	LOCATION/PROPERTY TYPE	SIZE	ZONING	TOTAL ASSESSED VALUE	AUCTION DEPOSIT	MINIMUM UPSET PRICE
3	7932	998	Southeast side of Ditmas Avenue 213 feet southwest of East 58th Street Vacant Lot	55 x 257 Irreg.	M1-1	To be determined	\$115,500	\$577,500



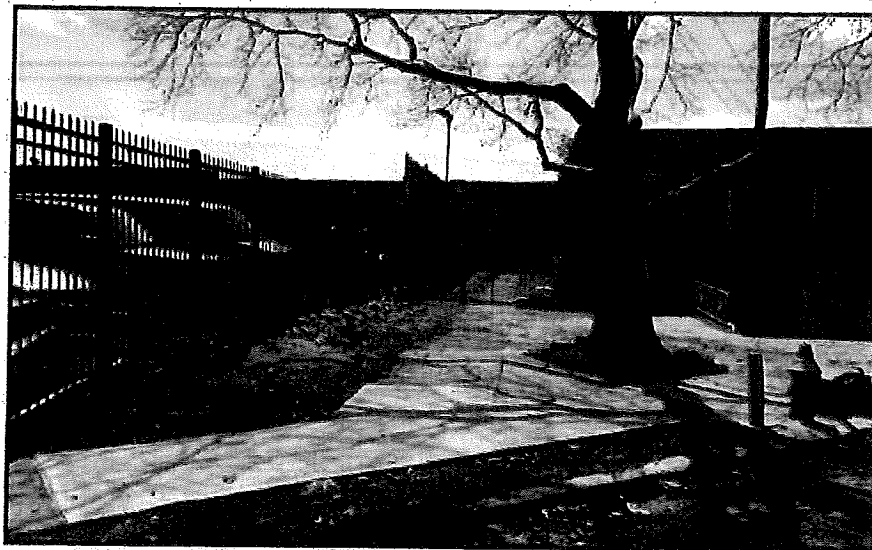
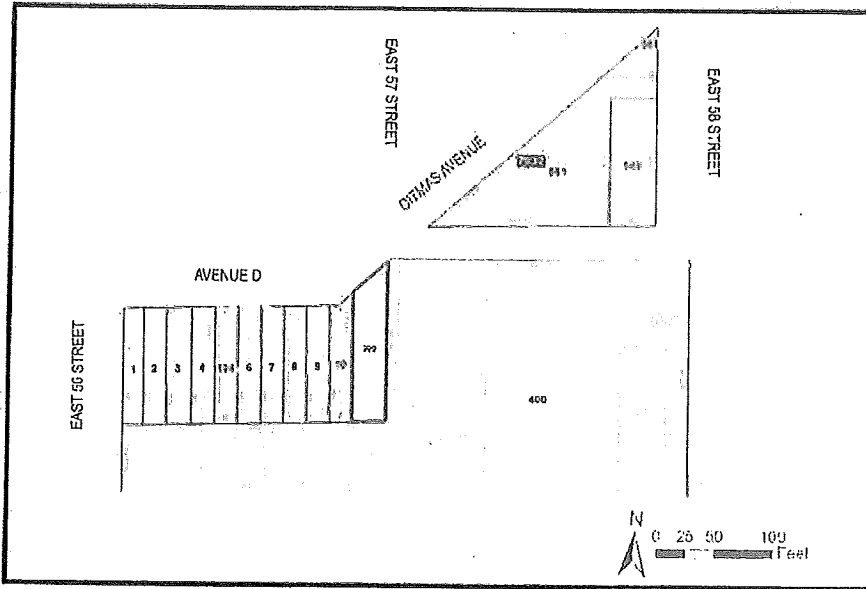
NOTE:

PRIOR TO AND AS A CONDITION PRECEDENT TO CLOSING, THE PURCHASER SHALL BE REQUIRED TO: Within sixty (60) days of the Date of Sale, (unless title objections have been submitted to Asset Management within 45 days of the Date of Sale pursuant to Paragraph 15 of the Standard Terms and Conditions of Sale) Purchaser shall deliver to DCAS a survey and legal metes and bounds description of the site prepared by a Professional Land Surveyor, licensed in the State of New York. Both survey and the legal metes and bounds descriptions must include the surveyor's signature and seal. This survey and legal metes and bounds description must be certified to the City of New York (the "City") and must be sufficient to enable the City to reapportion and convey the property. In the event that title objections are timely submitted pursuant to Paragraph 15 of the Standard Terms and Conditions of Sale, DCAS shall review the objections and if in DCAS' sole discretion it is determined that such title objections are not valid, the aforesaid sixty (60) day period for delivery of a survey and legal metes and bounds description shall be extended for an additional fourteen (14) calendar days from the date upon which DCAS notifies the Purchaser in writing of the invalidity of the title objections.

Failure to comply timely with the above condition precedent shall constitute a Purchaser's default as set forth in Paragraph 13 of the Standard Terms and Conditions of Sale.

BROOKLYN

PARCEL NO.	BLOCK	LOT	LOCATION/PROPERTY TYPE	SIZE	ZONING	TOTAL ASSESSED VALUE	AUCTION DEPOSIT	MINIMUM UPSET PRICE
4	7932	999	Southeast side of Avenue D 203 feet east of East 56th Street Vacant Lot	39 x 111 Irreg.	R4	To be determined	\$48,000	\$240,000



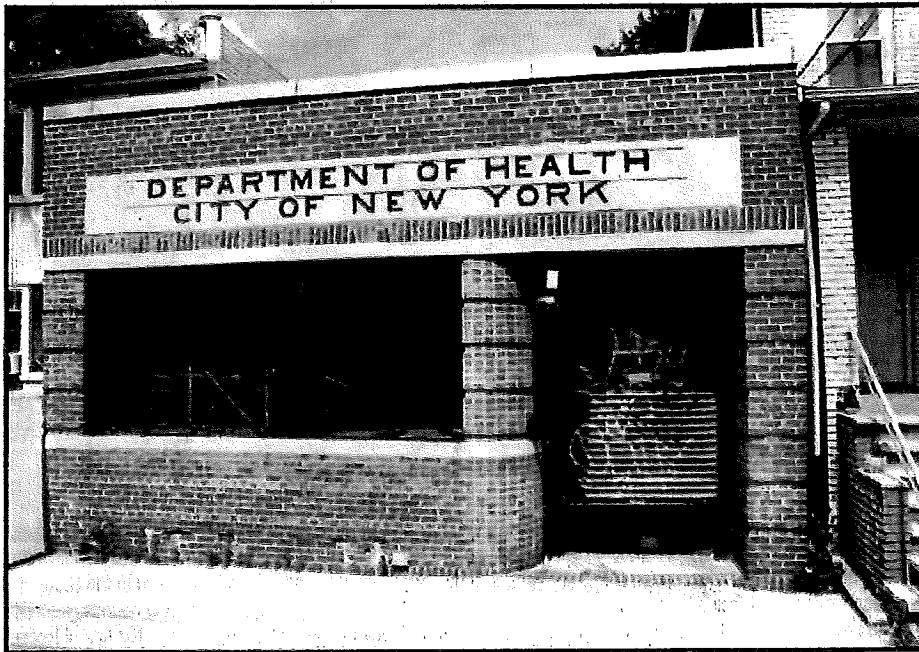
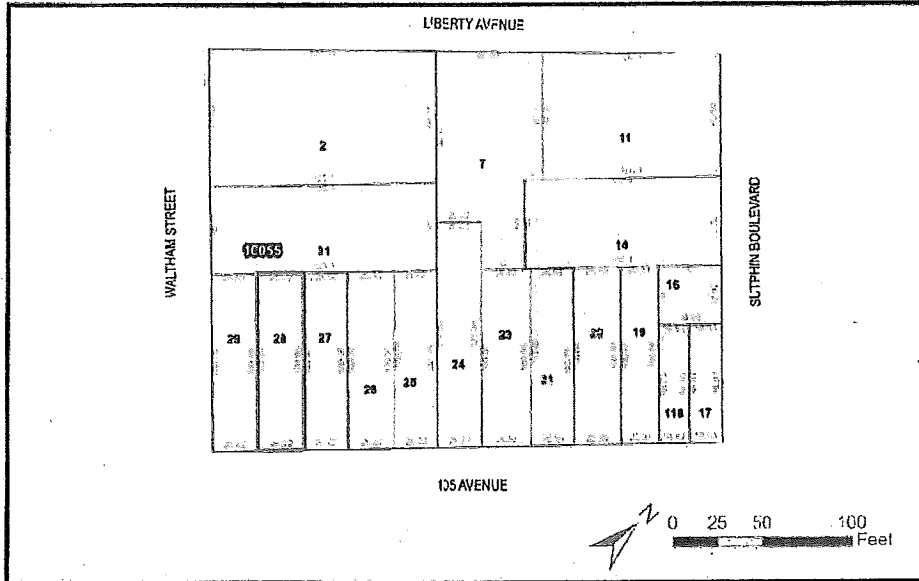
NOTE:

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Failure to comply timely with the above condition precedent shall constitute a Purchaser's default as set forth in Paragraph 13 of the Standard Terms and Conditions of Sale.

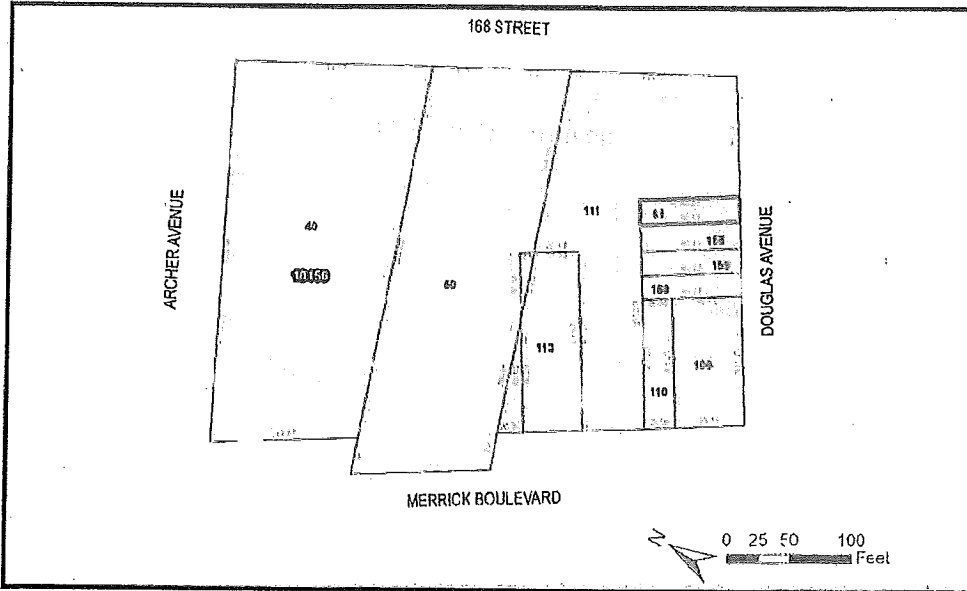
QUEENS

PARCEL NO.	BLOCK	LOT	LOCATION/PROPERTY TYPE	SIZE	ZONING	TOTAL ASSESSED VALUE	AUCTION DEPOSIT	MINIMUM UPSET PRICE
5	10055	28	146-39 105th Avenue Northwest side of 105th Avenue 25 feet northeast of Waltham Street 1 Story Building See inspection schedule on page 10	25 x 100	R4-1	\$62,964	\$39,000	\$195,000



QUEENS

PARCEL NO.	BLOCK	LOT	LOCATION/PROPERTY TYPE	SIZE	ZONING	TOTAL ASSESSED VALUE	AUCTION DEPOSIT	MINIMUM UPSET PRICE
6	10156	61	Northwest side of Douglas Avenue 96 feet southwest of 168th Street Vacant Lot	20 x 80	M1-1	\$33,097	\$19,500	\$97,500



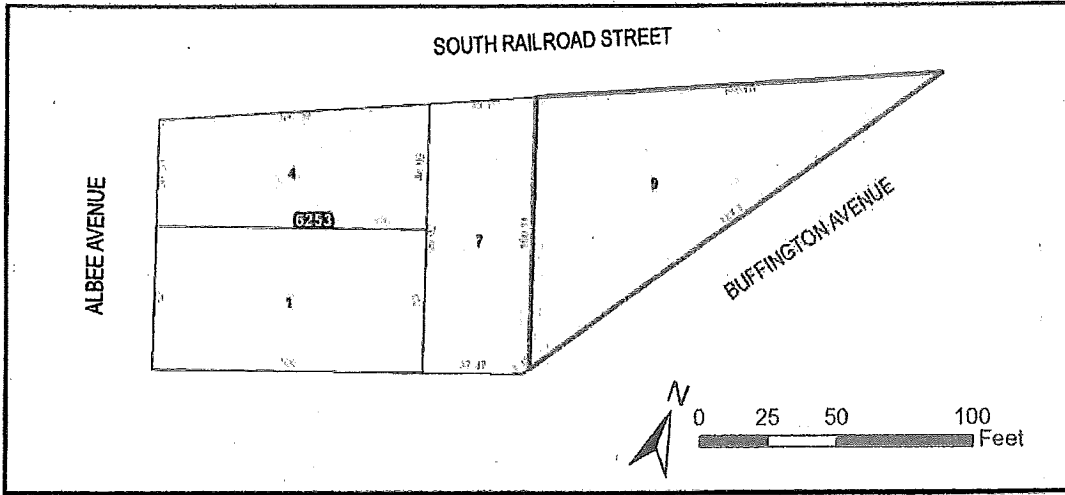
NOTE:

At the time of printing this brochure, the subject parcel is occupied by a tenant through a month-to-month lease with DCAS. The monthly base rent is \$520. Prospective purchasers can contact DCAS, 1 Centre Street, 20th Floor North, New York, NY 10007, (212) 386-0614 to view the lease. The lease held by DCAS and the security deposit held by the NYC Comptroller shall be assigned to the Purchaser at Title Closing.

Your attention is called to Paragraph 9 of the Standard Terms and Conditions of Sale ("Property Sold Subject To"), which remains in full force and effect.

STATEN ISLAND

PARCEL NO.	BLOCK	LOT	LOCATION/PROPERTY TYPE	SIZE	ZONING	TOTAL ASSESSED VALUE	AUCTION DEPOSIT	MINIMUM UPSET PRICE
7	6253	9	Southwest corner of South Railroad Street and Buffington Avenue Vacant Lot	146 x 100 Irreg.	R3X SRD	\$12,074	\$49,500	\$247,500



TERMS AND CONDITIONS OF SALE

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DEFINITIONS

Affiliate - A Business Entity in which the Purchaser has, directly or indirectly, a voting, control or ownership interest of twenty percent (20%) or more, or which has such an interest in Purchaser.

Assignee - The individual or entity to whom/which the contract is assigned.

Assignment - The transfer or conveyance of a right or contract from one person or Business Entity to another.

Assignor - The successful bidder at the auction sale who/which submits an Assignment Form to transfer his/her/its rights under the Memorandum of Sale.

Auction Deposit - The minimum amount as advertised in the auction brochure, payable at the close of bidding on the Property. This is paid in cash or by official bank check, certified check, bank money order or postal money order, made payable to the order of NYC/DCAS.

Balance of the Purchase Price - An amount equal to the Purchase Price minus the Auction Deposit, which amount is payable within forty-five (45) calendar days of the auction sale.

Business Entity - A legal being, other than an individual, natural person, e.g., a corporation, partnership, joint venture or syndication. A Business Entity must be duly formed in accordance with all applicable provisions of law and have the legal capacity, among other things, to be sued and to own and mortgage property in the State of New York.

City - The City of New York, acting by and through the Department of Citywide Administrative Services.

Date of Sale - The date of public auction.

Days-business - Monday through Friday, excluding City-observed holidays.

Days-calendar - All the days of the year, including Saturday, Sunday and City-observed holidays.

DCAS - The City of New York, acting by and through the Department of Citywide Administrative Services.

Deed - An instrument in writing, duly executed and delivered, that conveys title to real property.

Default - A failure by the Purchaser to comply with any provision of the Memorandum of Sale and/or Terms and Conditions as further defined in Paragraph 13 hereinafter.

Deputy Commissioner - The Deputy Commissioner of the Asset Management Line of Service of the Department of Citywide Administrative Services of the City of New York.

Lien - A claim or encumbrance on property, e.g., for the payment of a debt.

Memorandum of Sale - The contract between the City and the Purchaser for the purchase of the Property, which incorporates, by reference, the Terms and Conditions of Sale and any special terms and conditions.

Property - The particular parcel of City-owned real property, and any improvements thereon, sold at public auction to the Purchaser.

Purchase Price - The highest bid made and accepted for the Property at the auction.

Purchaser - The successful bidder(s) at the auction sale and, where the purchaser is a Business Entity, then each partner or any director(s), officer(s), shareholder(s) or member(s) having a total of twenty percent (20%) or more of the purchaser's voting stock, ownership interest or control.

Title Closing - The transfer of title to or ownership of the Property to the Purchaser; the date upon which such transfer is made.

Upset Price - The amount at which bidding starts on the Property.

Verified Statement and Tax Affidavit - A document in which the Purchaser provides certain information to the City about ownership of property and obligations to the City and swears that such information is true.

TERMS AND CONDITIONS OF SALE

1. GENERAL ELIGIBILITY TO BID

(a) The City will not restrict an otherwise eligible bidder on the basis of race, color, creed, national origin, sex, age, handicap, marital status or sexual orientation from purchasing property.

(b) Successful bidders shall be required to provide two pieces of identification, satisfactory to DCAS, at the time of the auction. Failure to provide such satisfactory proof of identity may result in rejection of the bid and reoffer of the Property for sale.

2. INELIGIBILITY TO PURCHASE

(a) Bidder Has Defaulted On Other Obligations

No bidder, including, without limitation, any Business Entity or subsidiary, parent or Affiliate thereof, or any trustee(s), director(s), officer(s), shareholder(s) or member(s) with voting interests or owning a total of twenty (20%) percent or more of any of the foregoing, who or which is or has been in default in or on any contract, obligation or agreement of any kind or nature whatsoever entered into with the City of New York, or any of its agencies, within a period of five (5) years prior to the date of the auction sale, will be accepted as an eligible bidder for any Property. Such obligations include, among other things, the obligation to pay in full all New York City property taxes and charges when due.

(b) Bidder Was a Former Owner of the Property

No bidder, including, without limitation, any Business Entity or subsidiary, parent or Affiliate thereof, or any director(s), officer(s), shareholder(s) or member(s) with voting interests or owning a total of twenty (20%) percent or more of any of the foregoing, who or which was a former owner of the Property within a period of five (5) years prior to the Date of Sale and defaulted on any debt or obligation to the City will be accepted as the Purchaser for the Property.

(c) Penalty for Bidding When Ineligible

The Deputy Commissioner reserves the right, if an investigation establishes to his or her satisfaction that any of the provisions in subparagraphs 2(a) or 2(b) above has been violated, to declare a Default pursuant to paragraph 13 below and revoke the sale or to take any other action permitted under the Terms and Conditions of Sale and any Special Terms and Conditions of Sale or applicable provisions of law.

(d) Eligibility of City Employees To Purchase

The City Council amended Section 2604 of the New York City Charter on July 24, 1980. Most City of New York employees are eligible to purchase real property at auction sales. However, the following persons may not bid on or purchase property:

- (i) Elected Officials;
- (ii) Employees in the Office of Property Management of the Department of Housing Preservation and Development (HPD);

- (iii) Employees of Asset Management, DCAS;
- (iv) Commissioners, Deputy Commissioners, Assistant Commissioners and others of equivalent rank in HPD or the Department of Citywide Administrative Services; and
- (v) Any officer or employee who has participated in decisions or matters affecting the disposition of the Property to be purchased or has such matters under active consideration.

3. AFFIDAVIT REQUIRED

(a) The Purchaser shall submit a Verified Statement and Tax Affidavit within fourteen (14) calendar days of the Date of Sale.

(b) For the purposes of Paragraph 2 above:

(i) Where the Purchaser is an individual:

- (A) the interests and defaults of the Purchaser's spouse may be attributed to the Purchaser; and
- (B) the interests and defaults of a Business Entity (and of any parent, subsidiary or Affiliate of such Business Entity) in which the Purchaser has a twenty (20%) percent or greater ownership or voting interest shall be attributed to the Purchaser;

(ii) Where the Purchaser is a Business Entity:

- (A) the interests and defaults of any trustee(s), director(s) or officer(s) and any shareholder(s) or member(s) having a total of twenty (20%) percent or more of its voting stock, ownership interest or control shall be attributed to it (for purposes of these subparagraphs (ii) (A) and (B), the interests and defaults of the family members listed in subparagraph (i) (A), above, shall be attributed to the individuals set forth in these subparagraphs); and

- (B) the interests and defaults of a Business Entity (and of any parent, subsidiary or Affiliate of such Business Entity) in which the Purchaser or any subsidiary, parent or Affiliate thereof or any trustee(s), director(s), officer(s), shareholder(s) or member(s) thereof has a total of twenty (20%) percent or greater ownership, voting interest or control shall be attributed to the Purchaser; and

- (C) the principal operating officer of a Business Entity shall make the Verified Statement and Tax Affidavit on behalf of such Business Entity.

(c) In order to establish the truth of any statement or representation made in the Verified Statement and Tax Affidavit, the Deputy Commissioner may require from the Purchaser, prior to Title Closing, a certification of the chain of title and/or a supplementary affidavit setting forth the Purchaser's interest in any properties located in the City of New York. Further, at the request of any agency, department or subdivision of the City of New York, including, without limitation, the Department of Investigation, the Purchaser will be required to produce, upon three (3) business days notice and without the necessity of a subpoena, such files and records as may pertain to any such statement or representation. In addition, the Deputy Commissioner may require additional Verified Statement and Tax

TERMS AND CONDITIONS OF SALE

Affidavits from any person or Business Entity associated in any way with a Purchaser.

(d) (i) If the City discovers any material misrepresentation, omission or false statement in such Verified Statement and Tax Affidavit, supplementary affidavit or supplementary information required by the City; or

(ii) if any of these documents is not submitted; or

(iii) if the Purchaser fails to verify the representations contained in these documents where required; then the City may declare the same to be a Default before the Title Closing and the City may exercise any of its rights under Paragraph 13 below.

(e) If any material misrepresentation, omission or false statement is discovered after the Title Closing, the City may avail itself of all remedies available to it at law, it being acknowledged that these representations are being relied upon by the City and are material to this transaction. This clause shall survive the Title Closing.

THE VERIFIED STATEMENT AND TAX AFFIDAVIT IS A SWORN STATEMENT AND THE MAKING OF A FALSE REPRESENTATION IN IT MAY BE PUNISHABLE AS A CRIME.

4. SALES PAYMENTS AND DEPOSITS

(a) The **AUCTION DEPOSIT** listed in the auction brochure **MUST** be paid, at the close of bidding on the Property, in United States dollars, in cash or by official bank check, certified check, bank money order or postal money order, made payable to the order of NYC/DCAS. If the Purchaser wishes to buy more than one Property at the auction sale, separate checks, money orders or cash payments are required for the purchase of each Property. No other form of payment will be accepted for the Auction Deposit. The City reserves the right to re-offer the Property for bid if the bidder is unable to pay the Auction Deposit as required.

(b) Balance of the Purchase Price

The Balance of the Purchase Price shall be paid within forty-five (45) calendar days of the Date of Sale, by official bank check, certified check, bank money order or postal money order, made payable to the order of NYC/DCAS or by wire transfer. Failure to do so shall be deemed a Default pursuant to Paragraph 13 below.

Submission of the Balance Payment is not authorization to enter upon and take possession of the property prior to date of title closing.

If any check(s) described above is not honored upon being presented for payment, the same shall be deemed a Default pursuant to Paragraph 13 below. A charge of twenty dollars (\$20.00) shall be imposed for any check not honored upon first being presented for payment.

PURCHASERS ARE ALSO ADVISED THAT THE DISHONOR OF A CHECK, UNDER CERTAIN CIRCUMSTANCES, MAY BE THE BASIS FOR CRIMINAL PROSECUTION.

5. ASSIGNMENT OF MEMORANDUM OF SALE

(a) No assignment of a Purchaser's rights under the Memorandum of Sale shall be valid unless made on the form of Assignment provided by DCAS, and (i) the documents required by such form, duly and fully completed and executed, (ii) such form and all required documents and (iii) fees are filed with DCAS not later than fourteen (14) calendar days from the Date of Sale (iv) the assignment of the Memorandum of Sale to any other person, firm or corporation whatsoever may be granted or denied by DCAS in its sole discretion. Any purported assignment not made in accordance herewith shall be void and of no force and effect.

(b) Upon receipt of written approval of the Assignment from DCAS, the assignor, at the option and in the sole discretion of DCAS, may be released from any and all liabilities and obligations pursuant to the Memorandum of Sale.

(c) A nonrefundable processing fee in the sum of \$200 will be imposed for the submission of an Assignment Form.

(d) Nothing herein contained shall limit the City's right to reject any proposed assignee pursuant to the provisions of Paragraphs 2 and 3 above. No purported assignment shall be valid for any purpose unless and until approved in writing by DCAS. In the event that DCAS does not render such approval, the purported assignment shall be void and of no force and effect and the obligations of Purchaser shall be and remain solely with the assignor.

6. PROPERTY SOLD "AS IS"

The Purchaser will be required to accept the Property in its "as is" condition as of Title Closing. DCAS shall have no obligation to evict any tenant or occupant of any Property.

7. RISK OF LOSS TO PROPERTY

If, between the Date of Sale and the Title Closing, damage occurs to the Property from fire or any other cause, the Purchaser shall bear the risk of such loss and the Purchase Price will not be reduced.

8. DESCRIPTIONS

Descriptions made in sales catalogs and auction brochures published and distributed by DCAS, or statements made by officials, agents and employees of the City concerning the Property are for information only and should be verified by Purchasers. No such description or statement or omissions thereof, shall be deemed to be a representation or warranty and Purchaser acknowledges not having relied on any representation or warranty or omissions thereof, concerning the Property, its condition, state of title or lawful use.

DCAS reserves the right to cancel a sale pursuant to Paragraph 14 where DCAS has concluded that there was a material misstatement regarding the Property as advertised in the auction brochure, the existence of which could not be ascertained prior to the Date of Sale by a site inspection of the Property by the Purchaser.

9. PROPERTY SOLD SUBJECT TO

All Sales Are Made Subject to:

- (a) building restrictions and zoning regulations in effect up to Title Closing and any facts disclosed in the City of New York tax and zoning maps and zoning resolutions;
- (b) covenants, agreements, restrictions, easements whether of record or not, encroachments, liens, utility easements and rights of way, if any, affecting the Property, provided that the same do not prohibit the maintenance or present use of an existing property;
- (c) the provisions of all laws, codes, statutes, ordinances, acts, rules, regulations, etc., of any local, state or federal government, or any agency or subdivision thereof, having jurisdiction, or any violations of same, existing at the time of sale and/or the Title Closing;
- (d) any state of facts an accurate survey would show, provided the same does not render title unmarketable;
- (e) the rights of any tenants and persons in possession;
- (f) any state of facts that a thorough inspection of the Property would reveal;
- (g) the location of all or any part of the Property within the bed of a mapped street, or the Property not fronting on or giving access to a street shown on the City Map.

10. SPECIAL CONDITIONS OF SALE

Special conditions may apply to the sale of a Property, as set forth in the listing of that Property in the auction brochure. Such special conditions are deemed to be a part of the Terms and Conditions for that Property and are deemed incorporated into the Memorandum of Sale. If there is an inconsistency between the standard Terms and Conditions and any special conditions, the special conditions shall prevail.

11. CONDEMNATION OF ALL OR ANY PART OF THE PROPERTY

In the event of the acquisition by the City of New York, by condemnation or otherwise, of any part or portion of the above Property (except for the portion of the Property containing a building as of the date of Title Closing), lying within the bed of any street, avenue, parkway, expressway, park, public place or catch-basin, as said street, avenue, parkway, expressway, park, public place or catch-basin is shown on the present City Map, the Purchaser shall only be entitled as compensation for such acquisition by the City of New York to the amount of One Dollar (\$1.00), and shall not be entitled to compensation for any buildings or structures erected thereon after the date of sale, within the lines of the street, avenue, parkway, expressway, park, public place or catch-basin, so laid out and acquired. This covenant shall be binding upon and run with the

Property (and the deed for the Property shall so reflect) and shall endure until the owner of the Property obtains a written release of this covenant executed by the Deputy Commissioner or a person designated by the City's Mayor who may in his/her sole discretion execute such release if the City Map has already been changed so as to eliminate the lines of said street, avenue, parkway, expressway, park, public place or catch-basin from any part or portion of the Property. If the City Map has not been so changed, the said officer may execute such a release after authorization by the City's Mayor. The owner shall pay such consideration for the release as said officer shall deem appropriate.

12. POWERS OF THE DEPUTY COMMISSIONER

(a) To Withdraw a Property from Sale

The Deputy Commissioner shall have the right to withdraw any Property from the sale and to reject any and all bids.

(b) To Act in Best Interests of the City

Nothing contained in the Terms and Conditions shall be deemed to limit the authority of the Deputy Commissioner, in his/her discretion, to take such steps as may be deemed to be in the best interest of the City of New York.

(c) To Indemnify

In the event that a title objection is raised pursuant to Paragraph 15 that the Property was acquired without due notice to a lien holder of record, then the Deputy Commissioner may, but shall not be obligated to, agree to indemnify Purchaser and Purchaser's successors in interest against claims arising therefrom, provided, however, that no such indemnification shall exceed the amount of the Purchase Price.

13. PURCHASER'S DEFAULT

(a) Any of the following shall constitute a Default by Purchaser:

- (i) failure to make the Auction Deposits due on the Date of Sale;
- (ii) failure timely to make any other payment(s) and/or fees required to be made pursuant to the Terms and Conditions;
- (iii) failure duly, timely and completely to fulfill any other obligation imposed upon Purchaser pursuant to the Terms and Conditions;
- (iv) failure timely to make payments for real estate taxes and related charges, rent or mortgage payments due and owing to the City of New York with respect to other properties owned by purchaser;
- (v) the making of any material misrepresentation, omission or false statement in the Verified Statement and Tax Affidavit or any supplementary information or affidavits;
- (vi) discovery by DCAS, prior to Title Closing, of evidence that the Purchaser plans to develop the Property in violation of restrictions contained in the Property's special conditions of sale;
- (vii) failure to appear or appearing and refusing to close at the Title Closing;
- (viii) unlawfully entering upon and/or occupying any City-owned property, including the subject auction property (i.e., without written authorization from the City).

TERMS AND CONDITIONS OF SALE

(b) Multiple Successful Bids for Properties Offered At The Same or Different Auction Sale(s)

A Default with respect to any one Property shall constitute a Default with respect to all other Properties offered at any auction sale. For example, if the Purchaser is the successful bidder for two Properties offered at the same or different auction sale(s), the Purchaser must close title on both Properties. Otherwise Purchaser shall be in Default of its obligations with respect to both Properties and will not be permitted to close on either Property.

(c) Effect of Default

(i) In the event of a default under Paragraph 13 (a)(viii) the Deputy Commissioner may, in addition to other remedies, determine and impose a fair and reasonable use and occupancy fee.

(ii) In the event of a Default, the Deputy Commissioner may grant a grace period to the Purchaser to cure the said Default. If the Default involves the failure timely to make any payment, including use and occupancy fees, a non-refundable late charge at the rate of eighteen (18%) percent per annum on such unpaid sum shall be imposed as a condition to granting such grace period, from the date on which such payment was due to the date on which such Default is cured. If the Default is not cured within said grace period, or if the Deputy Commissioner, in his/her discretion, does not grant such a grace period, then DCAS may revoke the sale, and retain the Auction Deposit as liquidated damages. In addition, a Purchaser so held in default will not be eligible to bid on, close title on or purchase property at any City auction sale for a period of five (5) years from the date of the Default.

14. DCAS' RIGHT TO CANCEL A SALE

DCAS shall have the right in its sole discretion to cancel a sale at any time before delivery of the Deed. In such event or in the event that DCAS is unable to convey a marketable title, subject to the provisions of Paragraphs 9 and 11 above, and the Purchaser is not in default pursuant to Paragraph 13 above, the City's sole liability shall be the return of all payments or fees collected by DCAS on account of the proposed sale. Upon the return of such funds, the parties shall be mutually released from all obligations regarding the sale.

15. TITLE OBJECTIONS

Any objections to title, including, without limitation, survey objections, must be submitted in the form of a title report issued by a title company which is a member of the New York Land Title Association, its successors and/or assigns, by notice to DCAS, no later than forty-five (45) calendar days from the Date of Sale, which time is of the essence of this agreement. The failure timely to submit any such objection shall be deemed a waiver of any and all title objections. **The submission of title objections does not relieve the Purchaser of any responsibility to comply with all other obligations hereunder, including but not limited to the timely submission of the balance payment pursuant to Paragraph 4(b).** A Purchaser submits a title report solely at their own cost and expense.

16. THE DEED

The Deed to be delivered shall be a bargain and sale deed without covenants in the form prepared by the City.

17. DATE OF THE TITLE CLOSING

The Title Closing shall take place on a date determined by the Deputy Commissioner, upon not less than fifteen (15) calendar days notice to the Purchaser, which date shall be within two hundred forty (240) days from the Date of Sale.

Upon Title Closing, or in the event that there is a Title Closing postponement caused by the Purchaser for reasons other than valid objections to title as determined by DCAS, all customary adjustments including, but not limited to, taxes, sewer rents, maintenance and repair expenditures of the seller, reasonable management fees, fuel and water rates and interest, will be apportioned as of the date originally fixed for the Title Closing. Nothing herein contained shall be construed as requiring DCAS to consent to any request to postpone a Title Closing.

18. LOCATION OF THE TITLE CLOSING

All Title Closings shall be held at the office of Corporation Counsel, 100 Church Street, New York, N.Y., or at such other place as the Deputy Commissioner may direct in writing.

19. PAYMENT OF TAXES AND RECORDING FEES AT TITLE CLOSING

At Title Closing, the Purchaser shall pay any and all taxes, fees or charges which may be in force at the time of the Title Closing and which are required as a prerequisite to the recording of a deed in the City and State of New York, as well as provide, at Purchaser's sole cost and expense, any and all required revenue stamps.

20. FEES

(a) All Fees, unless otherwise specifically provided, shall be paid by official bank check, certified check, bank money order or postal money order payable to the order of NYC/DCAS.

(b) An auctioneer's fee, in the amount shown immediately below, is due from the Purchaser at the auction and is payable by check drawn to the order of the auctioneer identified at the time of the sale.

\$10 where the Purchase Price is	\$1,000.
\$25 where the Purchase Price is	\$1,001 to \$5,000.
\$35 where the Purchase Price is	\$5,001 to \$7,500.
\$50 where the Purchase Price is	\$7,501 to \$25,000.
\$75 where the Purchase Price is	\$25,001 to \$50,000.
\$100 where the Purchase Price is	\$50,001 to \$75,000.
\$150 where the Purchase Price is	\$75,001 to \$100,000.
\$200 where the Purchase Price is	\$100,001 to \$200,000.

Where the Purchase Price exceeds \$200,000, such auctioneer's fee shall be an amount equal to 1/10 of 1% of the Purchase Price, but in no event greater than \$500.

(c) Duplicate Instrument Fee

A fee of \$250 shall be imposed for the preparation of a duplicate instrument payment of which fee shall be due upon submission of any request for such duplicate instrument. DCAS may grant or deny the request for a duplicate instrument in its reasonable discretion.

(d) If DCAS agrees to attend any Title Closing at a location other than its office, a fee of \$250 for each day or part thereof must be paid for the attendance by each employee of DCAS who attends.

21. BROKER'S COMMISSIONS

No broker's commission will be paid by the City of New York.

22. NOTICES

Any notice which, under the provisions of the Terms and Conditions may or must be given to either party shall be effective if such notice is in writing and sent by certified mail, prepaid and return receipt requested, to the following addresses:

to the Purchaser:

at the address provided by the Purchaser on the
Memorandum of Sale;

to the City (DCAS):

Executive Director of Strategic Real Estate Initiatives
1 Centre Street, 20th Floor North
New York, NY 10007

Any notice given in the foregoing manner shall be deemed effective on the day of mailing. Personal delivery shall not constitute effective service of any notice.

Transcon International Inc.
Balance Sheet
As of August 31, 2015

	Aug 31, 15
2100 · 2090 - Payroll Liabilities	
2096 · NY DBL PAYABLE	33.03
Total 2100 · 2090 - Payroll Liabilities	33.03
2319 · M&T LINE OF CREDIT	200,125.00
2352.1 · LOAN PAYABLE - BOEDC I - ST	40,958.00
2355 · LOAN PAYABLE - BOEDC II - ST	10,000.00
2359 · LOAN PAYABLE - COLSON - ST	9,497.72
Total Other Current Liabilities	543,477.25
Total Current Liabilities	779,969.95
Long Term Liabilities	
2400 · LOAN PAYABLES	
2426 · SUBARU MOTOR'S FINANCE (NEW)	11,716.24
2424 · CHASE WHOLESALE LOAN OPERATIONS	139,354.59
Total 2400 · LOAN PAYABLES	151,070.83
2418 · AUDI FINANCIAL SERVICES	42,057.00
2440 · AccessIG Payable	4,740.00
2452 · LOANS PAYABLE - BOEDC	-23,892.02
2455 · LOANS PAYABLE - BOEDC II	39,166.24
2459 · LOANS PAYABLE - COLSON SVCS	43,149.06
Total Long Term Liabilities	256,291.11
Total Liabilities	1,036,261.06
Equity	
1700 - Treasury Stock	-210,000.00
3050 - Capital Stock	1,000.00
3020 · Dividend Distribution	-141,916.14
3050.1 · CAPITAL STOCK - TI (OLD)	500.00
3070 · Additional Pd in Capital	-180,000.00
3071.1 · APIC - TI (OLD)	2,000.00
3100 · Retained Earnings - "S"	1,578,636.81
3100.1 · RETAINED EARNINGS - TI (OLD)	-16,316.00
3101 · Retained Earnings "C"	213,224.37
Net Income	852,542.18
Total Equity	2,459,671.22
TOTAL LIABILITIES & EQUITY	3,495,932.28

Transcon International Inc.
Balance Sheet
 As of August 31, 2015

	Aug 31, 15
ASSETS	
Current Assets	
Checking/Savings	
1005 · M&T - Operating	118,693.31
1001 · Operating Account - 137th St	2,265.16
1003 · Credit Card - 137th St	1,872.37
1007 · Chase Payroll Acct*	32,149.85
1002 · TD BANK - Checking	197.56
1008 · Money Market - 137th St	36.93
Total Checking/Savings	155,215.18
Accounts Receivable	
1200 · ACCOUNTS RECEIVABLE	1,274,013.89
Total Accounts Receivable	1,274,013.89
Other Current Assets	
1201 · A/R In collections	-635.00
1205 · A/R offset by A/P balance	1,541.74
1210 · Allowance for Doubtful D	-16,781.20
1230 · Employee Receivables	5,001.58
1240 · QEZE Tax	915.97
1360 · Security Deposits	33,910.00
1600 · 1600 - Prepaid insurance	26,210.81
1700 · 1700 - Prepaid Expenses	59,994.70
2040 · Due to/from Winchester	68,320.17
Total Other Current Assets	178,478.77
Total Current Assets	1,607,707.84
Fixed Assets	
1400 · Fixed Assets	
1410 · Furniture & Fixtures	59,378.65
1420 · Leasehold Improvements	1,731,078.43
1421 · Accumulated Depreciation	-2,058,958.02
1422 · Auto	285,919.69
1423 · Computers & EDP Equipment	338,928.52
1424 · Office Equipment	79,191.32
1425 · Vehicles - Trucks	1,086,605.68
1426 · Warehouse Equipment	296,110.13
1400 · Fixed Assets - Other	69,970.04
Total 1400 · Fixed Assets	1,888,224.44
Total Fixed Assets	1,888,224.44
TOTAL ASSETS	3,495,932.28
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · 2000 - ACCOUNTS PAYABLE	235,767.92
Total Accounts Payable	235,767.92
Credit Cards	
2004 · Capital One	175.26
2006 · AMERICAN EXPRESS - JM	549.52
Total Credit Cards	724.78
Other Current Liabilities	
2050 · Accrued Taxes	22,500.00
2025 · 2025 - Accrued Expenses	129,355.00
2060 · Deferred Taxes Payable	64,263.00
2061 · Deferred Taxes Payable - LT	66,528.00
2085 · DUE TO ACS SUPPORT	30.00
2086 · DUE TO NEW YORK SCU	187.50

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:crual Basis

Transcon International Inc.
Profit & Loss
January through August 2015

	Jan - Aug 15
6970 - 6300 - Bad Debt Expense	-20,000.00
Total Expense	1,302,745.04
Net Ordinary Income	854,042.18
Other Income/Expense	
Other Expense	
6885 - WALNUT PETTY CASH	1,500.00
Total Other Expense	1,500.00
Net Other Income	-1,500.00
Net Income	<u>852,542.18</u>

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accrual Basis

Transcon International Inc.
Profit & Loss
 January through August 2015

	Jan - Aug 15
6560 · Payroll Expenses	
6562 · Payroll Service (ADP)	4,684.31
Total 6560 · Payroll Expenses	4,684.31
6580 · Payroll Taxes	
6585 · FICA	74,464.70
6590 · FUTA	3,962.82
6605 · SUI/SDI	17,152.92
6607 · NY METRO COMM	1,169.23
Total 6580 · Payroll Taxes	96,749.67
6610 · Postage and Delivery	10,043.62
6620 · Printing and Reproduction	4,736.28
6640 · Professional Fees	
6650 · Accounting	31,110.99
6660 · Legal Fees	31,857.92
6661 · Consulting Fees	341.17
6662 · Software Consulting	4,060.42
6640 · Professional Fees - Other	10,312.50
Total 6640 · Professional Fees	77,683.00
6680 · Recruiting	125.00
6690 · Rent	526,664.60
6710 · Repairs and Maintenance	
6711 · Artwork Repair / Restoration	90.88
6740 · Equipment Repairs	838.60
6750 · Janitorial Exp	2,240.00
6790 · Truck Repairs & Maint	21,609.49
6710 · Repairs and Maintenance - Other	11,825.02
Total 6710 · Repairs and Maintenance	36,603.99
6745 · Pest Control Services	4,783.93
6755 · Rubbish	1,506.49
6760 · Violations	
6770 · Violations Fees	155.00
6760 · Violations - Other	2,114.00
Total 6760 · Violations	2,269.00
6780 · Security / Alarm Systems	10,790.79
6820 · Taxes	
6821 · NYC - MOTOR VEHICLE TAX	900.00
6823 · HWY USE TAX	5,308.95
6824 · IFTA	6,903.45
6830 · Federal	10,000.00
6840 · Local	25,351.00
6860 · State	11,500.00
Total 6820 · Taxes	59,963.40
6880 · Telephone	21,107.49
6900 · Travel & Ent	
6910 · Entertainment	1,135.30
6920 · Meals	75.48
6931 · Hotels	1,377.91
6932 · Parking & Tolls	282.75
6933 · Taxi / Subway / Limosine	139.90
Total 6900 · Travel & Ent	3,011.34
6940 · Utilities	
6950 · Gas and Electric	126,430.10
6960 · Water	827.25
Total 6940 · Utilities	127,257.35

Transcon International Inc.
Profit & Loss
 January through August 2015

	Jan - Aug 15
51491 · Tolls/Parking	11,200.00
5151 · M.P.F./ User Fees	23,406.36
5153 · VACIS	123.04
5190 · Surcharges	
5191 · Fuel	40,877.23
5192 · Security	9,297.93
Total 5190 · Surcharges	50,175.16
5350 · Reimbursed Expenses	44,300.00
5000 · Cost of Goods - Other	125.00
Total 5000 - Cost of Goods	423,346.09
5200 · Payroll / Salaries	
5201 · Officer Salary	72,600.00
5202 · Administration Salary	443,290.90
5203 · Drivers	123,268.21
5204 · Crate Shop	61,167.50
5205 · Packers	99,306.50
5207 · Walnut Ave Staff	197,933.52
Total 5200 · Payroll / Salaries	997,556.63
5300 · Warehouse Expense	
5301 · Warehouse Supplies	7,749.99
5302 · Warehouse Repairs/Maint	72,849.87
5300 · Warehouse Expense - Other	333.87
Total 5300 · Warehouse Expense	80,933.73
Total COGS	1,501,836.45
Gross Profit	2,156,787.22
Expense	
6380 - Christmas Expense	746.67
6390 - Cr. Card Processing Fees	8,166.91
6850 - GRATUITIES	131.36
6050 · 6200 - Automobile Expense	10.00
6060 · 6300 - Bank Service Charges	6,940.70
6180 · Contributions	2,970.00
6220 · 6800 - Dues and Subscriptions	692.85
6240 · 6820 - Equipment Rental	27,645.62
6380 · 6900 - Insurance	
Flood Insurance	6,263.00
6381 · Insurance (Combined)	57,918.96
6385 · Health	103,329.69
6386 · Life Ins. - Employee	1,381.38
6387 · Life Ins. - Officers	14,159.50
6388 · Dental Insurance	2,095.52
6420 · Work Comp	63,326.66
Total 6380 · 6900 - Insurance	248,474.71
6440 · 7000 - Interest Expense	
6460 · Loan Interest	7,846.57
6440 · 7000 - Interest Expense - Other	5,782.12
Total 6440 · 7000 - Interest Expense	13,628.69
6500 · Licenses and Permits	409.00
6540 · Office Expenses	
6545 · Bonuses	5,000.00
6546 · Employee Screening	690.48
6540 · Office Expenses - Other	10,263.79
Total 6540 · Office Expenses	15,954.27
6550 · Office Supplies	8,994.00

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accrual Basis

Transcon International Inc.
Profit & Loss
 January through August 2015

Jan - Aug 15

Ordinary Income/Expense	
Income	
4070 · 4270 - SERVICES	
4075 · Air freight	123,527.19
4079 · Terminal Handling Charges	6,179.29
4081 · Bond Fees	14,798.51
4082 · Charges For Cash Outlay	4,566.98
4084 · Crating	263,120.00
4087 · Customs Clearance	13,620.00
4091 · Disposal / Rubbish	16,872.00
4093 · Documentation	11,670.00
4099 · Equipment Rental	27,625.00
4101 · Foreign Charges	17,741.77
4109 · Fuel Surcharge	58,309.98
4113 · Harbor Maintenance	2,776.55
4121 · Inspection	2,455.00
4123 · Installation / De-Installation	97,909.50
4125 · Insurance	15,303.00
4127 · Labor	24,062.50
4133 · Ocean Freight	22,892.50
4141 · Coordination - Administration	46,853.26
4143 · Security Surcharge	20,522.60
4145 · Storage	1,604,573.00
4147 · Materials	12,192.77
4148 · Supervision	8,995.00
4149 · Trucking	503,597.48
4151 · M.P.F./ User Fees	17,358.25
4153 · VACIS Exam	123.04
4167 · Warehouse Handling	230,928.50
4070 · 4270 - SERVICES - Other	20,750.00
Total 4070 · 4270 - SERVICES	3,189,323.67
4092 · Reimburse Expenses	44,300.00
7030 · 4300 - Other Income	425,000.00
Total Income	3,658,623.67
Cost of Goods Sold	
5000 - Cost of Goods	
5075 · Air-Freight	54,736.81
5077 · Airline Storage	90.00
5079 · Airline/Terminal Handling Chg	3,372.14
5081 · Bond Fees	2,925.00
5084 · Crating (COS)	2,440.00
5085 · Crating - Wood Purchases	52,858.10
5087 · Customs Clearance	10,590.00
5088 · Container Haulage	6,249.00
5091 · Disposal / Rubbish	7,010.00
5093 · Documentation	155.04
5099 · Equipment Rental	1,633.14
5101 · Foreign Charges	19,327.99
5103 · Freight Forwarding	155.25
5107 · Fuel	13,162.73
5123 · Installation/ De-Installation	-2,497.50
5133 · Ocean Freight	12,347.57
5137 · Per Diem/Demmurage	4,497.03
5140 · Domestic Agent Charges	6,141.50
5143 · Security	1,099.69
5147 · Materials	227.04
51471 · Supplies - Hardware	4,369.98
51472 · Supplies - Packing Materials	32,520.22
5149 · Trucking	
Delivery To	690.00
5149 · Trucking - Other	59,915.80
Total 5149 · Trucking	60,605.80

Transcon International Inc.
A/R Aging Summary
As of August 31, 2015

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
AARGAUJSCHER KUNSTVEREIN	0.00	455.00	0.00	0.00	0.00	455.00
ABA GALLERY	0.00	100.00	0.00	0.00	0.00	100.00
ADAM SHOPKORN ART ADVISORY GROUP, LLC	0.00	300.00	300.00	0.00	0.00	600.00
AGOSTINI, DIANA	0.00	800.00	0.00	0.00	0.00	800.00
ALBERT WATSON STUDIO	0.00	2,000.00	0.00	0.00	0.00	2,000.00
ALDRICH CONTEMPORARY ART MUSEUM	0.00	0.00	0.00	0.00	-810.00	-810.00
ALISON JACQUES GALLERY	0.00	9,456.60	0.00	0.00	0.00	9,456.60
AMERICAN MUSEUM OF NATURAL HISTORY 1	0.00	945.00	0.00	0.00	0.00	945.00
AMJ ADVISORS LLC	0.00	3,000.00	380.00	0.00	0.00	3,380.00
ANGLO PACIFIC INTERNATIONAL ANTIQUARIUM, LTD.	0.00	12,834.00	0.00	0.00	0.00	12,834.00
ANTIQUARIUM - BENINGSON, ROBERT	0.00	700.00	0.00	0.00	0.00	700.00
ANTIQUARIUM, LTD. - Other	0.00	310.00	0.00	65.00	0.00	375.00
Total ANTIQUARIUM, LTD.	0.00	1,010.00	0.00	65.00	0.00	1,075.00
ARMAN, CORICE	0.00	5,000.00	6,733.89	5,000.00	11,545.00	28,278.89
ARTSOURCE CONSULTING	0.00	1,035.00	0.00	0.00	0.00	1,035.00
ARTVIEW LLLP	4,860.00	6,000.00	0.00	0.00	0.00	10,860.00
ASPEN ART MUSEUM	0.00	195.00	0.00	0.00	0.00	195.00
AVELLINO MRS.	0.00	250.00	0.00	0.00	0.00	250.00
AXA ART INSURANCE CORPORATION	0.00	1,735.00	0.00	0.00	0.00	1,735.00
BAGHDADLIAN, HAGOP & SILVA	0.00	100.00	0.00	0.00	0.00	100.00
BANERJEE, RINA	0.00	0.00	0.00	1,000.00	0.00	1,000.00
BARTH, JACK	0.00	100.00	0.00	0.00	0.00	100.00
BERKOWITZ, IVAN	0.00	100.00	0.00	0.00	0.00	100.00
BERMAN, NATHAN & LIZA	0.00	890.00	0.00	0.00	0.00	890.00
BERNARD JACOBSON GALLERY	0.00	1,660.00	1,160.00	0.00	0.00	2,820.00
BERNSTEIN, JILL	0.00	288.00	0.00	0.00	0.00	288.00
BLANCO, ALFREDO	0.00	0.00	2,125.00	0.00	0.00	2,125.00
BLUMENTHAL, RICHARD	0.00	200.00	0.00	0.00	0.00	200.00
BRONDESBURY HOLDINGS LTD	0.00	2,410.00	0.00	0.00	0.00	2,410.00
BRONX COUNCIL ON THE ARTS	0.00	0.00	0.00	1,575.00	0.00	1,575.00
BRONX MUSEUM	0.00	65.00	0.00	0.00	0.00	65.00
BROOKE ALEXANDER EDITIONS	0.00	1,300.00	0.00	0.00	0.00	1,300.00
BRUCE SILVERSTEIN GALLERY	0.00	0.00	0.00	1,010.00	0.00	1,010.00
BUCK FINE ARTS	0.00	150.00	0.00	0.00	0.00	150.00
CAI STUDIO	0.00	5,994.00	0.00	0.00	0.00	5,994.00
CASEY KAPLAN GALLERY	0.00	8,015.00	0.00	3,474.00	0.00	11,489.00
CASTELLI GALLERY, INC.	0.00	1,415.00	0.00	0.00	0.00	1,415.00
CCA INSURANCE TRUST COLLECTION	0.00	800.00	800.00	800.00	3,330.00	5,730.00
CHARLES SIMONDS STUDIO	0.00	800.00	0.00	0.00	0.00	800.00
CHERMAYEFF, SAM	0.00	0.00	0.00	1,465.00	0.00	1,465.00
CHIANALE, ANGELO	0.00	0.00	0.00	0.00	-73.01	-73.01
CHRISTIE'S ROCK	0.00	0.00	1,330.00	0.00	0.00	1,330.00
CHRISTOPHER WOOL STUDIO	0.00	1,525.00	0.00	0.00	0.00	1,525.00
CLEVELAND MUSEUM OF ART	3,025.21	0.00	0.00	0.00	0.00	3,025.21
COBIA, REUBEN	0.00	665.00	0.00	0.00	0.00	665.00

Transcon International Inc.
A/R Aging Summary
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	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
COHEN, ANDREW B. (NYC)	0.00	130.00	0.00	0.00	0.00	130.00
COMBINED ART LLC	0.00	2,895.00	0.00	0.00	0.00	2,895.00
COPLAN, CARON	0.00	280.00	0.00	0.00	0.00	280.00
COWLES SCHROTH,VIRGINIA	0.00	100.00	0.00	0.00	0.00	100.00
DAVID HEALD PHOTOGRAPHS	0.00	110.00	110.00	110.00	330.00	660.00
DAVID NOLAN GALLERY	0.00	3,050.00	0.00	0.00	0.00	3,050.00
DAVID ZWIRNER, INC.	0.00	400.00	400.00	0.00	0.00	800.00
DB SCHENKER*	0.00	0.00	3,890.00	0.00	0.00	3,890.00
DECHANT, BERNIE	0.00	100.00	0.00	0.00	0.00	100.00
DELMAN-PORTNOY, NANCY	0.00	1,430.00	0.00	0.00	0.00	1,430.00
DENES, AGNES	0.00	900.00	900.00	0.00	0.00	2,700.00
DICTROW, JOEL	0.00	2,086.96	0.00	900.00	680.00	2,766.96
DOROTHEA TANNING	0.00	800.00	0.00	0.00	0.00	800.00
EDELBAUM, JANA	0.00	120.00	0.00	0.00	0.00	120.00
EDELMAN ARTS, INC.	0.00	1,765.00	11,121.50	0.00	0.00	12,886.50
EDELMAN, MICHELLE & ASHER	0.00	150.00	130.00	0.00	0.00	300.00
EDWARDS, PERRY	0.00	150.00	150.00	0.00	0.00	300.00
EKSTROM, LUCY	0.00	0.00	100.00	0.00	0.00	100.00
EL MUSEO DEL BARRIO	0.00	0.00	0.00	-5,390.00	0.00	-5,390.00
ELLEN GALLAGHER STUDIO	0.00	320.00	0.00	0.00	0.00	320.00
ELLEN KERN FINE ARTS	0.00	317.00	0.00	0.00	-43.00	274.00
ENRICO NAVARRA GALLERY	0.00	1,115.00	1,115.00	5,305.70	10,530.36	18,066.06
ESKENAZI, DAVID	0.00	275.00	0.00	0.00	0.00	275.00
EVANS,JOHN MICHAEL	0.00	550.00	0.00	0.00	0.00	550.00
EVERGREENE PAINTING STUDIOS, INC.	0.00	31,935.00	0.00	0.00	0.00	31,935.00
FAGGIONATO FINE ART	0.00	175.00	175.00	0.00	0.00	350.00
FEATURE INC/PATRICIA	0.00	745.00	0.00	0.00	0.00	745.00
FENSTERSTOCK, LIZ	0.00	250.00	260.00	0.00	0.00	510.00
FIELD, MARSHALL V	0.00	200.00	0.00	0.00	0.00	200.00
FIRST STAR INC.	0.00	200.00	1,531.00	200.00	0.00	1,931.00
FISHER, MARC	0.00	3,870.00	0.00	0.00	0.00	3,870.00
FLAG ART FOUNDATION, THE	0.00	945.00	0.00	0.00	0.00	945.00
FONSECA, ELIZABETH	0.00	360.00	0.00	0.00	0.00	360.00
FRANK STELLA STUDIO	0.00	-325.00	-260.00	0.00	0.00	-585.00
FRANKLIN BOWLES GALLERIES	0.00	-1,550.00	0.00	0.00	0.00	-1,550.00
FRIEDMAN, JOHN	0.00	-820.00	0.00	0.00	0.00	-820.00
FULD, KATHY	0.00	500.00	0.00	0.00	0.00	500.00
GASSNER, BROOKE	0.00	100.00	-85.00	0.00	-65.00	-50.00
GLENN FUHRMAN STUDIO	0.00	4,860.00	4,860.00	0.00	0.00	9,720.00
GLOBAL PURSUITS	0.00	2,800.00	0.00	0.00	0.00	2,800.00
GOLDFRANK, JOEL	0.00	450.00	0.00	0.00	0.00	450.00
GOTTESMAN, NOAM	0.00	7,587.50	0.00	0.00	0.00	7,587.50
HAMM, TEDD	0.00	1,100.00	0.00	0.00	0.00	1,100.00
HANS MAYER GALLERY	0.00	0.00	0.00	0.00	18,203.26	18,203.26

Transcon International Inc.
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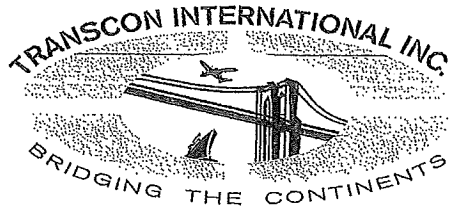
	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
HARRIS, DEDE	0.00	100.00	0.00	0.00	0.00	100.00
HARRIS, ROBERT	0.00	100.00	0.00	0.00	0.00	100.00
HASTED, KRAEUTLER	0.00	0.00	0.00	0.00	450.00	450.00
HELEN FRANKENTHALER FOUNDATION	0.00	4,000.00	130.00	0.00	0.00	4,130.00
HELLER GROUP LLC*	0.00	0.00	0.00	5,585.00	1,105.00	6,690.00
HILPMAN, ELIZABETH	0.00	100.00	0.00	0.00	0.00	100.00
HOPP, DANIEL	0.00	100.00	0.00	0.00	0.00	100.00
HOUSER, DAN & KRYSSTYNA	0.00	1,090.00	0.00	0.00	0.00	1,090.00
HUGHES, ANDREW	0.00	0.00	0.00	-270.00	0.00	-270.00
ITTIHADIEH, ALIREZA	0.00	465.00	0.00	0.00	0.00	465.00
J.D MACK & COMPANY	0.00	85.00	0.00	0.00	0.00	85.00
JACKSON, LISA	0.00	0.00	0.00	0.00	0.00	0.00
JACOBS, BRADLEY S	0.00	500.00	0.00	0.00	0.00	500.00
JACOBY, STEPHEN	0.00	160.00	0.00	0.00	0.00	160.00
JACQUETTE-BURCKHARDT, YVONNE	0.00	400.00	0.00	0.00	0.00	400.00
JAVIER LOPEZ GALERIA	0.00	0.00	33,747.50	0.00	0.00	33,747.50
JK BROWN & ERIC DIEFENBACH	0.00	6,330.00	0.00	0.00	0.00	6,330.00
JOAN WASHBURN GALLERY	0.00	320.00	0.00	0.00	0.00	320.00
JOHNSON, JESSE	0.00	200.00	0.00	0.00	0.00	200.00
JUDD FOUNDATION	0.00	703.00	0.00	0.00	-167.00	536.00
KAPLAN, AL	0.00	300.00	300.00	0.00	0.00	600.00
KENT FINE ART	0.00	1,965.00	1,465.00	2,930.00	1,465.00	7,825.00
KERN, DEBORAH	0.00	230.00	0.00	0.00	0.00	230.00
KI COLLECTIONS LTD.	0.00	1,761.00	0.00	0.00	0.00	1,761.00
WENDYWOOD INVESTMENT HOLDINGS LTD	0.00	925.00	0.00	0.00	0.00	925.00
KI COLLECTIONS LTD. - Other	0.00	2,686.00	0.00	0.00	0.00	2,686.00
Total KI COLLECTIONS LTD.	0.00	0.00	0.00	0.00	0.00	0.00
KIM HEIRSTON ART ADVISORY LLC	0.00	0.00	-195.00	0.00	0.00	-195.00
KIMBERLY GOULD ART ADVISORY	0.00	0.00	0.00	690.00	0.00	690.00
KLONDIKE RESOURCES INC.	0.00	4,950.00	2,700.00	1,265.00	0.00	8,915.00
KRAUS, PETER & JILL	0.00	13,336.77	0.00	0.00	0.00	13,336.77
KUSHNER, ROBERT	0.00	1,500.00	0.00	0.00	0.00	1,500.00
LATCHFORD, DOUGLAS	0.00	100.00	100.00	0.00	0.00	200.00
Laurie Anderson Studio	0.00	460.00	655.00	0.00	0.00	1,115.00
LEE, R. MAY	0.00	100.00	0.00	0.00	0.00	100.00
LEILA HELLER GALLERY	0.00	0.00	800.00	0.00	0.00	800.00
LENORE G. TAWNEY FOUNDATION	0.00	1,015.00	0.00	0.00	0.00	1,015.00
LEVENE, RALPH	0.00	125.00	0.00	0.00	0.00	125.00
LICHTMAN, MITCHEL	0.00	250.00	0.00	0.00	0.00	250.00
LILA B.V.	0.00	0.00	0.00	2,525.00	0.00	2,525.00
LILLIAN HEIDENBERG GALLERY	0.00	125.00	6,202.00	1,362.00	0.00	7,689.00

Transcon International Inc.
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	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
LISSON GALLERY	0.00	27,640.61	21,395.87	0.00	1,640.00	50,676.48
MA-CO ITALIA S.R.L.	0.00	0.00	3,675.30	0.00	0.00	3,675.30
MACK, CHRISTINE	0.00	100.00	0.00	0.00	0.00	100.00
MAGNUS HESSEL, CARL	0.00	120.00	240.00	240.00	0.00	600.00
MARC STRAUS LLC	0.00	500.00	0.00	0.00	0.00	500.00
MARDEN, IRIS	0.00	700.00	0.00	0.00	0.00	700.00
MARY BOONE GALLERY	0.00	65.00	0.00	0.00	0.00	65.00
MASTERPIECE INTERNATIONAL LTD.	0.00	18,923.00	9,653.00	0.00	0.00	28,576.00
MATLIN, LISA	0.00	250.00	0.00	0.00	0.00	250.00
MAXWELL, DOUGLAS F.	0.00	531.00	0.00	0.00	0.00	531.00
MCSWEENEY, JENNIFER	0.00	1,165.00	0.00	0.00	0.00	1,165.00
MIMRAN, JOSEPH	0.00	200.00	0.00	0.00	0.00	200.00
MITCHELL-INNES & NASH	0.00	0.00	390.00	0.00	0.00	390.00
MOMART	0.00	14,434.50	0.00	0.00	0.00	14,434.50
MTEC INTERNATIONAL LTD.	0.00	1,995.00	0.00	20,472.40	50,362.79	72,830.19
MURRAY GUY	0.00	340.00	590.00	0.00	0.00	930.00
MUSEUM OF MODERN ART	0.00	390.00	0.00	0.00	0.00	390.00
NEUBERGER MUSEUM OF ART	945.00	0.00	0.00	0.00	0.00	945.00
NEW MUSEUM	0.00	3,680.00	0.00	0.00	0.00	3,680.00
NEW YORK HISTORICAL SOCIETY	0.00	1,174.00	3,530.00	0.00	0.00	7,299.00
NOLAN-SMITH, PETER	0.00	900.00	300.00	2,595.00	0.00	4,800.00
ORACLE TECHNOLOGIES CORP.	0.00	0.00	-900.00	300.00	0.00	1,500.00
OUTIS INVESTMENT, LLP	0.00	1,210.00	0.00	0.00	0.00	1,210.00
P.P.O.W. GALLERY	0.00	1,575.00	0.00	0.00	0.00	1,575.00
PARALLAX CORP	0.00	120.00	0.00	0.00	0.00	120.00
PAUL KASMIN GALLERY	0.00	0.00	585.00	390.00	0.00	975.00
PAULA COOPER GALLERY	0.00	0.00	65.00	0.00	0.00	65.00
PERRY CAPITAL	0.00	462.00	0.00	0.00	0.00	462.00
PERRY, MR. & MRS.	0.00	250.00	0.00	0.00	0.00	250.00
PETER FREEMAN, INC.	0.00	27,445.00	310.00	2,425.00	0.00	30,180.00
PETER RACZEK	0.00	500.00	0.00	0.00	0.00	500.00
PITE, CARL & RUTH	0.00	420.00	0.00	0.00	0.00	420.00
POP IMAGING INC.	0.00	100.00	0.00	0.00	0.00	100.00
PUBLIC ART FUND	0.00	130.00	0.00	0.00	0.00	130.00
RBC TRUST COMPANY	0.00	1,950.00	0.00	0.00	0.00	1,950.00
RBS COLLECTION LLC	0.00	0.00	416.00	525.00	1,505.00	2,446.00
REGENT INVESTMENTS LTD	0.00	6,000.00	6,000.00	18,000.00	30,490.00	60,490.00
RENAISSANCE ART INVESTORS LLC	0.00	700.00	700.00	700.00	0.00	2,100.00
RHULEN, PETER L.	0.00	580.00	0.00	0.00	0.00	580.00
RICHARD MISHAAN DESIGN, LLC	0.00	0.00	2,623.75	585.00	0.00	3,208.75
RICHMAN COHEN, SHELLEY	0.00	100.00	100.00	100.00	100.00	400.00
RICHMOND BURTON STUDIO	0.00	750.00	750.00	0.00	0.00	1,500.00
ROBERT KUSHNER TRUST	0.00	250.00	0.00	0.00	0.00	250.00
ROGER WESTON COLLECTION	0.00	3,060.00	0.00	0.00	0.00	3,060.00
ROHR, RITA FICHER	0.00	0.00	2,042.50	0.00	0.00	2,042.50
ROSS BLECKNER STUDIO	0.00	1,525.00	0.00	0.00	0.00	1,525.00
RUBENSTEIN HATCH, HILARY	0.00	330.00	0.00	0.00	0.00	330.00

**Transcon International Inc.
A/R Aging Summary
As of August 31, 2015**

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
RUBIN ARYEH	0.00	170.00	0.00	0.00	0.00	170.00
SANDHYA	0.00	592.00	592.00	0.00	0.00	1,184.00
SEAN KELLY GALLERY	0.00	0.00	1,998.00	1,103.00	0.00	3,101.00
SEBASTIAN IZZARD LLC	0.00	767.00	0.00	0.00	0.00	767.00
SENDOWSKI, ORLEE	0.00	140.00	140.00	140.00	985.00	1,405.00
SHEARMAN, CHRISTINA	0.00	1,012.58	0.00	0.00	0.00	1,012.58
SHEINBERG, ERIC P.	0.00	120.00	0.00	0.00	0.00	120.00
SIGG, DANIEL	0.00	1,770.00	0.00	0.00	0.00	1,770.00
SILVERSTEIN, PATRICIA AND HOWARD	0.00	100.00	0.00	0.00	0.00	100.00
SOLOMON R. GUGGENHEIM MUSEUM	0.00	32,000.00	33,835.00	0.00	65.00	65,900.00
SOTHEY'S, INC.	0.00	0.00	0.00	0.00	-865.00	-865.00
STARR, SUSANNA	0.00	0.00	0.00	205.00	0.00	205.00
STEINBERG, TODD	0.00	125.00	125.00	0.00	0.00	250.00
STEPHEN FRIEDMAN GALLERY	0.00	720.00	720.00	0.00	0.00	1,440.00
STUDIO MUSEUM OF HARLEM	0.00	65.00	400.00	0.00	0.00	465.00
SUSAN ALMRUD LLC	0.00	100.00	2,999.30	1,725.00	0.00	4,824.30
TOM WESSELMANN ART	0.00	71,400.00	0.00	0.00	0.00	71,400.00
TOZER, ZIBBY	0.00	0.00	5,674.96	0.00	0.00	5,674.96
TRANSCON BILLING	0.00	425,000.00	0.00	0.00	0.00	425,000.00
TRANSCON CUSTOMER COLLECTIONS	0.00	85.00	85.00	85.00	12,355.29	12,355.29
VALHAL - SHELDON STEIN	0.00	390.00	0.00	0.00	0.00	390.00
WF NYC HOME TRUST	0.00	0.00	0.00	0.00	260.00	260.00
WHITWORTH ART GALLERY	0.00	100.00	100.00	0.00	2,200.00	2,400.00
WIDER, TODD M.D.	0.00	1,150.00	1,150.00	0.00	0.00	2,300.00
WILDENSTEIN & CO., INC	0.00	185.00	185.00	0.00	0.00	370.00
WOODMAN, GEORGE & BETTY	0.00	1,808.00	0.00	0.00	0.00	1,808.00
YOSHII GALLERY	0.00	0.00	11,395.00	0.00	0.00	11,395.00
ZAMPINO, JOHN PC	0.00	200.00	0.00	0.00	0.00	200.00
ZINSSER, JOHN	0.00	1,951.80	0.00	0.00	0.00	1,951.80
ZOBEL, FERNANDO	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	8,830.21	844,181.32	194,996.57	79,192.10	146,813.69	1,274,013.89



234 RIDER AVENUE • BRONX, NY 10451 U.S.A. • TEL: (718) 585-1600 • FAX: (718) 585-4600

- Most accounts that are past due have storage holdings.
- These clients tend to pay us in lump sums 3 to 4 times a year.
- A lot of our clients are away for the summer which means they do not pay during the summer months.
- No storage account is closed or has art works released unless we are paid in full.
- All past due accounts are good and we are not concerned about collections.

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
AARGAUISCHER KUNSTVEREIN						
Invoice	08/12/2015	70353		DQ	19	455.00
Total AARGAUISCHER KUNSTVEREIN						455.00
ABA GALLERY						
Invoice	08/27/2015	70382		ST	4	100.00
Total ABA GALLERY						100.00
ADAM SHOPKORN ART ADVISORY GROUP, LLC						
Invoice	07/27/2015	70123		ST	35	300.00
Invoice	08/27/2015	70383		ST	4	300.00
Total ADAM SHOPKORN ART ADVISORY GROUP, LLC						600.00
AGOSTINI, DIANA						
Invoice	08/27/2015	70384		ST	4	800.00
Total AGOSTINI, DIANA						800.00
ALBERT WATSON STUDIO						
Invoice	08/27/2015	70385		ST	4	2,000.00
Total ALBERT WATSON STUDIO						2,000.00
ALDRICH CONTEMPORARY ART MUSEUM						
Payment	01/05/2015	33383				-200.00
Payment	01/05/2015	33381				-610.00
Total ALDRICH CONTEMPORARY ART MUSEUM						-810.00
ALISON JACQUES GALLERY						
Invoice	08/26/2015	70567	6635 / 3331	DQ	5	9,456.60
Total ALISON JACQUES GALLERY						9,456.60
AMERICAN MUSEUM OF NATURAL HISTORY 1						
Invoice	08/11/2015	70344	2390	MB	20	795.00
Invoice	08/27/2015	70387		ST	4	150.00
Total AMERICAN MUSEUM OF NATURAL HISTORY 1						945.00

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
AMJ ADVISORS LLC						
Invoice	07/22/2015	70119		DQ	40	380.00
Invoice	08/27/2015	70388		ST	4	3,000.00
Total AMJ ADVISORS LLC						3,380.00
ANGLO PACIFIC INTERNATIONAL						
Invoice	08/07/2015	70339	3151	DH	24	12,834.00
Total ANGLO PACIFIC INTERNATIONAL						12,834.00
ANTIQUARIUM, LTD.						
ANTIQUARIUM - BENINGSON, ROBERT						
Invoice	08/27/2015	70389		ST	4	700.00
Total ANTIQUARIUM - BENINGSON, ROBERT						700.00
ANTIQUARIUM, LTD. - Other						
Invoice	06/23/2015	70036		MB	69	65.00
Invoice	08/27/2015	70390		ST	4	310.00
Total ANTIQUARIUM, LTD. - Other						375.00
Total ANTIQUARIUM, LTD.						1,075.00
ARMAN, CORICE						
Invoice	04/06/2015	69357		MB	147	1,545.00
Invoice	04/23/2015	69436		ST	130	5,000.00
Invoice	05/22/2015	69657		ST	101	5,000.00
Invoice	06/26/2015	69884		ST	66	5,000.00
Invoice	07/02/2015	70074	3185	WH	60	1,733.89
Invoice	07/27/2015	70131		ST	35	5,000.00
Invoice	08/27/2015	70391		ST	4	5,000.00
Total ARMAN, CORICE						28,278.89
ARTSOURCE CONSULTING						
Invoice	08/19/2015	70451	3300	CN	12	1,035.00

Has Storage Account

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total ARTSOURCE CONSULTING						
ARTVIEW LLLP						
Invoice	07/23/2015	70268	3153	ST	9	6,000.00
Invoice	08/26/2015	70569	3153	JM		4,860.00
Total ARTVIEW LLLP						10,860.00
ASPEN ART MUSEUM						
Invoice	08/19/2015	70399	3351	CN	12	195.00
Total ASPEN ART MUSEUM						195.00
AVELLINO MRS.						
Invoice	08/27/2015	70392		ST	4	250.00
Total AVELLINO MRS.						250.00
AXA ART INSURANCE CORPORATION						
Invoice	08/20/2015	70544	1490	CN	11	1,735.00
Total AXA ART INSURANCE CORPORATION						1,735.00
BAGHDADLIAN, HAGOP & SILVA						
Invoice	08/27/2015	70393		ST	4	100.00
Total BAGHDADLIAN, HAGOP & SILVA						100.00
BANERJEE, RINA						
Invoice	06/01/2015	69813	3052	MB	91	1,235.00
Invoice	06/30/2015	70067	3213	MB	62	1,000.00
Total BANERJEE, RINA						2,235.00
BARTH, JACK						
Invoice	08/27/2015	70395		ST	4	100.00
Total BARTH, JACK						100.00
BERKOWITZ, IVAN						
Invoice	08/27/2015	70396		ST	4	100.00

Has Storage Account

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total BERKOWITZ, IVAN						
						100.00
BERMAN, NATHAN & LIZA						
Invoice	08/27/2015	70397		ST	4	890.00
						890.00
BERNARD JACOBSON GALLERY						
Invoice	07/27/2015	70137		ST	35	1,160.00
Invoice	08/17/2015	70377		DH	14	500.00
Invoice	08/27/2015	70398		ST	4	1,160.00
						2,820.00
Total BERNARD JACOBSON GALLERY						
BERNSTEIN, JILL						
Invoice	08/27/2015	70401		ST	4	288.00
						288.00
BLANCO, ALFREDO						
Invoice	07/28/2015	67916	2373	CN	34	2,125.00
						2,125.00
Total BLANCO, ALFREDO						
BLUMENTHAL, RICHARD						
Invoice	08/27/2015	70402		ST	4	200.00
						200.00
Total BLUMENTHAL, RICHARD						
BRONDESBURY HOLDINGS LTD						
Invoice	08/06/2015	70326		MB	25	195.00
Invoice	08/26/2015	70566		MB	5	1,515.00
Invoice	08/27/2015	70403			4	700.00
						2,410.00
Total BRONDESBURY HOLDINGS LTD						
BRONX COUNCIL ON THE ARTS						
Invoice	06/11/2015	69848	3056	WH	81	1,575.00
						1,575.00
Total BRONX COUNCIL ON THE ARTS						

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
BRONX MUSEUM						
Invoice	08/21/2015	70553		CN	10	65.00
Total BRONX MUSEUM						65.00
BROOKE ALEXANDER EDITIONS						
Invoice	08/27/2015	70404		ST	4	1,300.00
Total BROOKE ALEXANDER EDITIONS						1,300.00
BRUCE SILVERSTEIN GALLERY						
Invoice	06/30/2015	69271	2783	DH	62	1,010.00
Total BRUCE SILVERSTEIN GALLERY						1,010.00
BUCK FINE ARTS						
Invoice	08/27/2015	70405		ST	4	150.00
Total BUCK FINE ARTS						150.00
CAI STUDIO						
Invoice	08/27/2015	70406		ST	4	5,994.00
Total CAI STUDIO						5,994.00
CASEY KAPLAN GALLERY						
Invoice	06/26/2015	69897		ST	66	3,474.00
Invoice	08/06/2015	70334		DQ	25	1,040.00
Invoice	08/11/2015	70343		DQ	20	975.00
Invoice	08/17/2015	70374		ST	14	3,000.00
Invoice	08/27/2015	70407		ST	4	3,000.00
Total CASEY KAPLAN GALLERY						11,489.00
CASTELLI GALLERY, INC.						
Invoice	08/20/2015	70540		JG	11	65.00
Invoice	08/27/2015	70408		ST	4	1,350.00
Total CASTELLI GALLERY, INC.						1,415.00

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
CCA INSURANCE TRUST COLLECTION						
Invoice	02/23/2015	68796		ST	189	800.00
Invoice	03/11/2015	68978		WH	173	130.00
Invoice	03/23/2015	69047		ST	161	800.00
Invoice	04/23/2015	69459		ST	130	800.00
Invoice	05/22/2015	69674		ST	101	800.00
Invoice	06/26/2015	69899		ST	66	800.00
Invoice	07/27/2015	70147		ST	35	800.00
Invoice	08/27/2015	70409		ST	4	800.00
Total CCA INSURANCE TRUST COLLECTION						5,730.00
CHARLES SIMONDS STUDIO						
Invoice	08/27/2015	70410		ST	4	800.00
Total CHARLES SIMONDS STUDIO						800.00
CHERMAYEFF, SAM						
Invoice	06/12/2015	69854	3023	MB	80	1,465.00
Total CHERMAYEFF, SAM						1,465.00
CHIANALE, ANGELO						
Payment	12/08/2014	WIRE				-73.01
Total CHIANALE, ANGELO						-73.01
CHRISTIE'S ROCK						
Invoice	07/20/2015	69399	2930	MB	42	1,330.00
Total CHRISTIE'S ROCK						1,330.00
CHRISTOPHER WOOL STUDIO						
Invoice	08/27/2015	70412		ST	4	1,525.00
Total CHRISTOPHER WOOL STUDIO						1,525.00
CLEVELAND MUSEUM OF ART						
Invoice	08/26/2015	70565	C-CURVE	CN		3,025.21

Has Storage Account

Transcon International Inc.

Open Invoices

As of August 31, 2015

	Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total CLEVELAND MUSEUM OF ART							3,025.21
COBIA, REUBEN							
	Invoice	08/17/2015	70370	JG		14	665.00
Total COBIA, REUBEN							665.00
COHEN, ANDREW B. (NYC)							
	Invoice	08/27/2015	70413	ST		4	130.00
Total COHEN, ANDREW B. (NYC)							130.00
COMBINED ART LLC							
	Invoice	08/27/2015	70414	ST		4	2,895.00
Total COMBINED ART LLC							2,895.00
COPLAN, CARON							
	Invoice	08/27/2015	70415	ST		4	280.00
Total COPLAN, CARON							280.00
COWLES SCHROTH, VIRGINIA							
	Invoice	08/27/2015	70416	ST		4	100.00
Total COWLES SCHROTH, VIRGINIA							100.00
DAVID HEALD PHOTOGRAPHS							
	Invoice	03/23/2015	69055	ST		161	110.00
	Invoice	04/23/2015	69467	ST		130	110.00
	Invoice	05/22/2015	69793	ST		101	110.00
	Invoice	06/26/2015	69908	ST		66	110.00
	Invoice	07/23/2015	70155	ST		39	110.00
	Invoice	08/27/2015	70417	ST		4	110.00
Total DAVID HEALD PHOTOGRAPHS							660.00
DAVID NOLAN GALLERY							
	Invoice	08/17/2015	70367	ST		14	1,525.00
	Invoice	08/27/2015	70418	ST		4	1,525.00
Total DAVID NOLAN GALLERY							3,050.00

Has Storage Account

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total DAVID NOLAN GALLERY						
DAVID ZWIRNER, INC.						
Invoice	07/27/2015	70156		ST	35	400.00
Invoice	08/27/2015	70419		ST	4	400.00
						<u>800.00</u>
DB SCHENKER*						
Invoice	07/21/2015	69414	28112	JG	41	1,795.00
Invoice	07/24/2015	70269	3245 / 6611	WH	38	2,095.00
						<u>3,890.00</u>
DECHANT, BERNIE						
Total DECHANT, BERNIE						
Invoice	08/27/2015	70400		ST	4	100.00
						<u>100.00</u>
DELMAN-PORTNOY, NANCY						
Total DELMAN-PORTNOY, NANCY						
Invoice	08/27/2015	70420		ST	4	1,430.00
						<u>1,430.00</u>
DENES, AGNES						
Total DENES, AGNES						
Invoice	06/26/2015	69911		ST	66	900.00
Invoice	07/27/2015	70158		ST	35	900.00
Invoice	08/27/2015	70421		ST	4	900.00
						<u>2,700.00</u>
DICTROW, JOEL						
Total DICTROW, JOEL						
Invoice	02/25/2015	68917	2740	MB	187	310.00
Invoice	03/26/2015	69202	2806	MB	158	305.00
Invoice	05/13/2015	69635		MB	110	65.00
Invoice	08/06/2015	70333	3154	MB	25	886.96
Invoice	08/27/2015	70422		ST	4	1,200.00
						<u>2,766.96</u>
DOROTHEA TANNING						

Has Storage Account

Transcon International Inc.

Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Invoice	08/27/2015	70423		ST	4	800.00
Total DOROTHEA TANNING						
Invoice	08/27/2015	70424		ST	4	120.00
Total EDELBAUM, JANA						
Invoice	07/06/2015	70077	3155	JG	56	8,461.50
Invoice	07/10/2015	70097	3239	JG	52	960.00
Invoice	07/27/2015	70162		ST	35	1,700.00
Invoice	08/17/2015	70368		JG	14	65.00
Invoice	08/27/2015	70425		ST	4	1,700.00
Total EDELMAN ARTS, INC.						
Invoice	07/07/2015	70085		JG	55	130.00
Total EDELMAN, MICHELLE & ASHER						
Invoice	07/27/2015	70163		ST	35	150.00
Invoice	08/27/2015	70426		ST	4	150.00
Total EDWARDS, PERRY						
Invoice	07/23/2015	70164		ST	39	100.00
Total EKSTROM, LUCY						
Credit Memo	06/26/2015	69918		ST	66	-5,390.00
Total EL MUSEO DEL BARRIO						
Invoice	08/27/2015	70428		ST	4	320.00
Total ELLEN GALLAGHER STUDIO						

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total ELLEN GALLAGHER STUDIO						
Payment	05/04/2015	1961				320.00
Invoice	08/27/2015	70429		ST	4	-43.00
						<u>317.00</u>
						274.00
ELLEN KERN FINE ARTS						
Total ELLEN KERN FINE ARTS						
ENRICO NAVARRA GALLERY						
Invoice	01/23/2015	68587		ST	220	1,025.00
Invoice	02/12/2015	68743	2694	WH	200	930.00
Invoice	02/26/2015	68927		ST	186	1,025.00
Invoice	03/23/2015	69068		ST	161	1,025.00
Invoice	04/23/2015	69478		ST	130	1,025.00
Invoice	05/11/2015	67970	2304	WH	112	2,335.36
Invoice	05/22/2015	68288		ST	101	1,025.00
Invoice	05/22/2015	69798		ST	101	1,115.00
Invoice	05/25/2015	68038		ST	98	1,025.00
Invoice	06/25/2015	70050	3007	WH	67	1,564.70
Invoice	06/25/2015	70054	3057	WH	67	1,196.00
Invoice	06/26/2015	69922		ST	66	1,115.00
Invoice	06/26/2015	70059	3035	WH	66	1,300.00
Invoice	06/26/2015	70060		WH	66	130.00
Invoice	07/27/2015	70168		ST	35	1,115.00
Invoice	08/27/2015	70430		ST	4	1,115.00
						<u>18,066.06</u>
Total ENRICO NAVARRA GALLERY						
ESKENAZI, DAVID						
Invoice	08/03/2015	70316		DQ	28	155.00
Invoice	08/27/2015	70431		JM	4	120.00
						<u>275.00</u>
Total ESKENAZI, DAVID						
EVANS, JOHN MICHAEL						
Invoice	08/26/2015	70568		MB	5	65.00
Invoice	08/27/2015	70432		ST	4	485.00
						<u>550.00</u>
Total EVANS, JOHN MICHAEL						

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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
EVERGREENE PAINTING STUDIOS, INC.						
Invoice	07/23/2015	70267	3091	JM	9	31,935.00
Total EVERGREENE PAINTING STUDIOS, INC.						31,935.00
FAGGIONATO FINE ART						
Invoice	07/23/2015	70171		ST	39	175.00
Invoice	08/27/2015	70433		ST	4	175.00
Total FAGGIONATO FINE ART						350.00
FEATURE INC/PATRICIA						
Invoice	08/18/2015	70378		MB	13	195.00
Invoice	08/27/2015	70434		ST	4	550.00
Total FEATURE INC/PATRICIA						745.00
FENSTERSTOCK, LIZ						
Invoice	07/31/2015	70294		CN	31	260.00
Invoice	08/27/2015	70435		ST	4	250.00
Total FENSTERSTOCK, LIZ						510.00
FIELD, MARSHALL V						
Invoice	08/27/2015	70436		ST	4	200.00
Total FIELD, MARSHALL V						200.00
FIRST STAR INC.						
Invoice	06/26/2015	69931		ST	66	200.00
Invoice	07/10/2015	70095	3218	MB	52	1,331.00
Invoice	07/27/2015	70175		ST	35	200.00
Invoice	08/27/2015	70437		ST	4	200.00
Total FIRST STAR INC.						1,931.00
FISHER, MARC						
Invoice	08/14/2015	70364	3062	DQ	17	1,050.00
Invoice	08/19/2015	70506	3229	DQ	12	670.00
Invoice	08/20/2015	70546		DH	11	500.00

Transcon International Inc.
Open Invoices
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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Invoice	08/27/2015	70438		ST	4	1,650.00
Total FISHER, MARC						
FLAG ART FOUNDATION, THE						
Invoice	08/12/2015	70350		DQ	19	65.00
Invoice	08/14/2015	70363	3109	DQ	17	880.00
Total FLAG ART FOUNDATION, THE						
FONSECA, ELIZABETH						
Invoice	08/27/2015	70439		ST	4	360.00
Total FONSECA, ELIZABETH						
FRANK STELLA STUDIO						
Payment	07/06/2015	2694				-260.00
Payment	08/05/2015	2719				-325.00
Total FRANK STELLA STUDIO						
FRANKLIN BOWLES GALLERIES						
Payment	08/17/2015	13590				-2,150.00
Invoice	08/27/2015	70440		ST	4	600.00
Total FRANKLIN BOWLES GALLERIES						
FRIEDMAN, JOHN						
Payment	08/20/2015	WIRE				-820.00
Total FRIEDMAN, JOHN						
FULD, KATHY						
Invoice	08/27/2015	70442		ST	4	500.00
Total FULD, KATHY						
GASSNER, BROOKE						
Payment	06/01/2015	881258				-65.00
Payment	07/06/2015	881261				-85.00
Invoice	08/27/2015	70443		ST	4	100.00

Transcon International Inc.
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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total GASSNER, BROOKE						
						-50.00
GLENN FUHRMAN STUDIO						
Invoice	07/23/2015	70182		ST	39	4,860.00
Invoice	08/27/2015	70444		ST	4	4,860.00
Total GLENN FUHRMAN STUDIO						9,720.00
GLOBAL PURSUITS						
Invoice	08/27/2015	70445		ST	4	2,800.00
Total GLOBAL PURSUITS						2,800.00
GOLDFRANK, JOEL						
Invoice	08/27/2015	70446		ST	4	450.00
Total GOLDFRANK, JOEL						450.00
GOTTESMAN, NOAM						
Invoice	08/14/2015	70361	3132	WH	17	1,737.50
Invoice	08/27/2015	70448		ST	4	5,850.00
Total GOTTESMAN, NOAM						7,587.50
HAMM, TEDD						
Invoice	08/27/2015	70450		ST	4	1,100.00
Total HAMM, TEDD						1,100.00
HANS MAYER GALLERY						
Invoice	03/31/2015	69244	6463 ~ 2672	DH	153	5,063.75
Invoice	03/31/2015	69263	6508 ~ 2851	DH	153	2,040.00
Invoice	04/27/2015	67404	6184 ~ 1694	DH	126	6,173.55
Invoice	05/27/2015	68455	6387 ~ 2416	DH	96	1,302.21
Invoice	05/29/2015	67932	6327 ~ 1023	DH	94	3,623.75
Total HANS MAYER GALLERY						18,203.26
HARRIS, DEDE						
Invoice	08/27/2015	70452		ST	4	100.00

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Transcon International Inc.

Open Invoices

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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total HARRIS, DEDE						
HARRIS, ROBERT						100.00
Invoice	08/27/2015	70453		ST	4	100.00
Total HARRIS, ROBERT						
HASTED KRAEUTLER						
Invoice	04/23/2015	69502		ST	130	200.00
Invoice	05/18/2015	69643		MB	105	250.00
Total HASTED KRAEUTLER						
HELEN FRANKENTHALER FOUNDATION						
Invoice	07/20/2015	70108		JM	42	130.00
Invoice	08/27/2015	70454		ST	4	3,000.00
Invoice	08/27/2015	70455		JM	4	1,000.00
Total HELEN FRANKENTHALER FOUNDATION						
HELLER GROUP LLC*						
Invoice	05/21/2015	65248	1227	CN	102	575.00
Invoice	05/25/2015	65390	1283	CN	98	530.00
Invoice	06/06/2015	69831	3070	JM	86	4,710.00
Invoice	05/08/2015	65734	1373	JM	84	875.00
Total HELLER GROUP LLC*						
HILPMAN, ELIZABETH						
Invoice	08/27/2015	70456		ST	4	100.00
Total HILPMAN, ELIZABETH						
HOPP, DANIEL						
Invoice	08/27/2015	70458		ST	4	100.00
Total HOPP, DANIEL						
HOUSER, DAN & KRISTYNA						
Invoice	08/11/2015	70346	3254	MB	20	1,090.00
Total HOUSER, DAN & KRISTYNA						

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As of August 31, 2015

	Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total HOUSER, DAN & KRYSZYNA							1,090.00
HUGHES, ANDREW							
	Payment	06/03/2015	0005				-270.00
Total HUGHES, ANDREW							-270.00
ITTIHADIEH, ALIREZA							
	Invoice	08/03/2015	70313	3278	WH	28	465.00
Total ITTIHADIEH, ALIREZA							465.00
J.D MACK & COMPANY							
	Invoice	08/27/2015	70459		ST	4	85.00
Total J.D MACK & COMPANY							85.00
JACKSON, LISA							
	Payment	08/19/2015	7316				-100.00
	Invoice	08/27/2015	70460		ST	4	100.00
Total JACKSON, LISA							0.00
JACOBS, BRADLEY S							
	Invoice	08/27/2015	70461		ST	4	500.00
Total JACOBS, BRADLEY S							500.00
JACOBY, STEPHEN							
	Invoice	08/27/2015	70462		ST	4	160.00
Total JACOBY, STEPHEN							160.00
JACQUETTE-BURCKHARDT, YVONNE							
	Invoice	08/27/2015	70463		ST	4	400.00
Total JACQUETTE-BURCKHARDT, YVONNE							400.00
JAVIER LOPEZ GALERIA							
	Invoice	07/27/2015	68456	6398 ~ 2459	DH	35	2,315.00
	Invoice	07/29/2015	68457	6422 ~ 2531	DH	33	1,515.00

Transcon International Inc.
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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Invoice	07/31/2015	68518	6386 ~ 2335	DH	31	29,917.50
						33,747.50
Total JAVIER LOPEZ GALERIA						
JK BROWN & ERIC DIEFENBACH						
Invoice	08/21/2015	70554	3065	CN	10	1,850.00
Invoice	08/27/2015	70464		ST	4	4,480.00
						6,330.00
Total JK BROWN & ERIC DIEFENBACH						
JOAN WASHBURN GALLERY						
Invoice	08/17/2015	70375		ST	14	160.00
Invoice	08/27/2015	70529		ST	4	160.00
						320.00
Total JOAN WASHBURN GALLERY						
JOHNSON, JESSE						
Invoice	08/27/2015	70465		ST	4	200.00
						200.00
Total JOHNSON, JESSE						
JUDD FOUNDATION						
Payment	10/06/2014	3615				-167.00
Invoice	08/27/2015	70466		ST	4	703.00
						536.00
Total JUDD FOUNDATION						
KAPLAN, AL						
Invoice	07/27/2015	70204		ST	35	300.00
Invoice	08/27/2015	70467		ST	4	300.00
						600.00
Total KAPLAN, AL						
KENT FINE ART						
Invoice	05/22/2015	69729		ST	101	1,465.00
Invoice	06/23/2015	69518		ST	69	1,465.00
Invoice	06/26/2015	69965		ST	66	1,465.00
Invoice	07/27/2015	70205		ST	35	1,465.00
Invoice	08/17/2015	70373		DH	14	500.00
Invoice	08/27/2015	70469		ST	4	1,465.00
						1,465.00
						1,465.00
						1,465.00
						1,465.00
						500.00
						1,465.00

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Transcon International Inc.

Open Invoices

As of August 31, 2015

	Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total KENT FINE ART							7,825.00
KERN, DEBORAH							
Invoice		08/27/2015	70470		ST	4	230.00
Total KERN, DEBORAH							230.00
KI COLLECTIONS LTD.							
WENDYWOOD INVESTMENT HOLDINGS LTD							
Invoice		08/27/2015	70530		ST	4	1,761.00
Total WENDYWOOD INVESTMENT HOLDINGS LTD							1,761.00
KI COLLECTIONS LTD. - Other							
Invoice		08/27/2015	70471		ST	4	925.00
Total KI COLLECTIONS LTD. - Other							925.00
Total KI COLLECTIONS LTD.							2,686.00
KIMI HEIRSTON ART ADVISORY LLC							
Credit Memo		07/16/2015	70106		CN	46	-195.00
Total KIMI HEIRSTON ART ADVISORY LLC							-195.00
KIMBERLY GOULD ART ADVISORY							
Payment		06/22/2015	386856612				-195.00
Invoice		06/26/2015	69969		ST	66	885.00
Total KIMBERLY GOULD ART ADVISORY							690.00
KLONDIKE RESOURCES INC.							
Invoice		06/18/2015	64171	5590	MB	74	530.00
Invoice		06/18/2015	68849		MB	74	735.00
Invoice		07/27/2015	70208		ST	35	2,310.00
Invoice		07/30/2015	70291	3029	CN	32	390.00
Invoice		08/06/2015	70327		MB	25	1,360.00
Invoice		08/11/2015	70345	3220	MB	20	780.00
Invoice		08/17/2015	70376		DH	14	500.00

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Transcon International Inc.

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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Invoice	08/27/2015	70558		ST	4	2,310.00
Total KLONDIKE RESOURCES INC.						
KRAUS, PETER & JILL						
Payment	08/03/2015	1348				-325.00
Invoice	08/19/2015	70538	2207	CN	12	2,366.77
Invoice	08/21/2015	70551	3157	CN	10	1,340.00
Invoice	08/21/2015	70552	3064	CN	10	865.00
Invoice	08/27/2015	70472		ST	4	9,090.00
Total KRAUS, PETER & JILL						
KUSHNER, ROBERT						
Invoice	08/27/2015	70473		ST	4	1,500.00
Total KUSHNER, ROBERT						
LATCHFORD, DOUGLAS						
Invoice	07/27/2015	70211		ST	35	100.00
Invoice	08/27/2015	70474		ST	4	100.00
Total LATCHFORD, DOUGLAS						
LAURIE ANDERSON STUDIO						
Invoice	07/20/2015	70109		MB	42	195.00
Invoice	07/23/2015	70212		ST	39	460.00
Invoice	08/27/2015	70475		ST	4	460.00
Total LAURIE ANDERSON STUDIO						
LEE, R. MAY						
Invoice	08/27/2015	70479		ST	4	100.00
Total LEE, R. MAY						
LEILA HELLER GALLERY						
Invoice	07/31/2015	70300	3192	CN	31	800.00
Total LEILA HELLER GALLERY						

Transcon International Inc.

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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
LENORE G. TAWNEY FOUNDATION						
Invoice	08/27/2015	70480		ST	4	1,015.00
Total LENORE G. TAWNEY FOUNDATION						1,015.00
LEVENE, RALPH						
Invoice	08/27/2015	70481		ST	4	125.00
Total LEVENE, RALPH						125.00
LIGHTMAN, MITCHEL						
Invoice	08/27/2015	70482		ST	4	250.00
Total LIGHTMAN, MITCHEL						250.00
LILA B.V.						
Invoice	06/29/2015	69818	6506 ~ 2841	DH	63	2,525.00
Total LILA B.V.						2,525.00
LILLIAN HEIDENBERG GALLERY						
Invoice	06/17/2015	66888		JM	75	195.00
Invoice	06/22/2015	66484		JM	70	325.00
Invoice	06/30/2015	67632		ST	62	842.00
Invoice	07/03/2015	66842		JM	59	830.00
Invoice	07/14/2015	67973		JM	48	1,105.00
Invoice	07/22/2015	68337		ST	40	125.00
Invoice	07/23/2015	67896		ST	39	842.00
Invoice	07/29/2015	68407	2499	JM	33	3,300.00
Invoice	08/27/2015	70483		ST	4	125.00
Total LILLIAN HEIDENBERG GALLERY						7,689.00
LISSON GALLERY						
Invoice	03/27/2015	69216	2717	CN	157	980.00
Invoice	05/13/2015	69633		CN	110	660.00
Invoice	07/06/2015	70078	3228	MB	56	6,960.00
Invoice	07/20/2015	70110		CN	42	1,735.00
Invoice	07/27/2015	70218		ST	35	8,524.00
						Has Storage Account

Transcon International Inc.
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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Invoice	07/28/2015	70278	3105	CN	34	1,130.00
Invoice	07/28/2015	70279	3159	CN	34	1,405.00
Invoice	07/28/2015	70280	3042	CN	34	1,251.87
Invoice	07/30/2015	70286	3116	CN	32	390.00
Invoice	08/03/2015	70317	3236	CN	28	11,035.00
Invoice	08/06/2015	70329		MB	25	525.00
Invoice	08/10/2015	70341	3252	MB	21	3,826.50
Invoice	08/12/2015	70355	3271	CN	19	670.00
Invoice	08/13/2015	70356	1221	CN	18	4,940.30
Invoice	08/20/2015	70542	2908	CN	11	520.00
Invoice	08/20/2015	70545	WHS16189	CN	11	371.81
Invoice	08/27/2015	70484		ST	4	5,752.00
Total LISSON GALLERY						50,676.48
MA-CO ITALIA S.R.L.						
Invoice	07/07/2015	70089	3204 / 6600	DQ	55	1,810.30
Invoice	07/07/2015	70091	3204	DQ	55	1,865.00
Total MA-CO ITALIA S.R.L.						3,675.30
MACK, CHRISTINE						
Invoice	08/27/2015	70485		ST	4	100.00
Total MACK, CHRISTINE						100.00
MAGNUS HESSEL, CARL						
Invoice	06/22/2015	69744		ST	70	120.00
Invoice	06/26/2015	69983		ST	66	120.00
Invoice	07/23/2015	69530		ST	39	120.00
Invoice	07/27/2015	70220		ST	35	120.00
Invoice	08/27/2015	70486		ST	4	120.00
Total MAGNUS HESSEL, CARL						600.00
MARC STRAUS LLC						
Invoice	08/20/2015	70548		DH	11	500.00
Total MARC STRAUS LLC						500.00

Transcon International Inc.

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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
MARDEN, IRIS						
Invoice	08/27/2015	70487		ST	4	700.00
Total MARDEN, IRIS						700.00
MARY BOONE GALLERY						
Invoice	08/14/2015	70365		DQ	17	65.00
Total MARY BOONE GALLERY						65.00
MASTERPIECE INTERNATIONAL LTD.						
Invoice	07/27/2015	70222		ST	35	593.00
Invoice	07/27/2015	70223		ST	35	700.00
Invoice	07/27/2015	70224		ST	35	300.00
Invoice	07/27/2015	70225		ST	35	4,000.00
Invoice	07/28/2015	69841	2719	WH	34	375.00
Invoice	07/28/2015	69842	2903	WH	34	650.00
Invoice	07/28/2015	69843	2969	WH	34	650.00
Invoice	07/28/2015	69844	3130	WH	34	870.00
Invoice	07/28/2015	69845	3146	WH	34	495.00
Invoice	07/31/2015	70301		CN	31	1,020.00
Invoice	08/03/2015	70302	3145	WH	28	1,455.00
Invoice	08/03/2015	70303	3174	WH	28	1,695.00
Invoice	08/03/2015	70304	3186	WH	28	820.00
Invoice	08/03/2015	70305	3205	WH	28	905.00
Invoice	08/03/2015	70306	3231	WH	28	675.00
Invoice	08/03/2015	70307	3248	WH	28	760.00
Invoice	08/03/2015	70309	3279	WH	28	640.00
Invoice	08/03/2015	70310	3268	WH	28	905.00
Invoice	08/03/2015	70311	3295	WH	28	675.00
Invoice	08/14/2015	70358	3292	WH	17	1,540.00
Invoice	08/14/2015	70359	3314	WH	17	675.00
Invoice	08/14/2015	70360	3322	WH	17	1,220.00
Invoice	08/24/2015	70557	N/A	CN	7	1,365.00
Invoice	08/27/2015	70488		ST	4	593.00
Invoice	08/27/2015	70489		ST	4	700.00

Transcon International Inc.
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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Invoice	08/27/2015	70490		ST	4	300.00
Invoice	08/27/2015	70491		ST	4	4,000.00
Total MASTERPIECE INTERNATIONAL LTD.						
MATLIN, LISA						
Invoice	08/27/2015	70492		ST	4	250.00
Total MATLIN, LISA						
MAXWELL, DOUGLAS F.						
Invoice	08/27/2015	70493		ST	4	531.00
Total MAXWELL, DOUGLAS F.						
MCSWEENEY, JENNIFER						
Invoice	08/06/2015	70330		JG	25	65.00
Invoice	08/27/2015	70494		ST	4	1,100.00
Total MCSWEENEY, JENNIFER						
MIMRAN, JOSEPH						
Invoice	08/27/2015	70495		ST	4	200.00
Total MIMRAN, JOSEPH						
MITCHELL-INNES & NASH						
Invoice	07/20/2015	70113		MB	42	390.00
Total MITCHELL-INNES & NASH						
MOMART						
Invoice	08/27/2015	70570	16215	MB		14,434.50
Total MOMART						
MTEC INTERNATIONAL LTD.						
Invoice	01/07/2015	68437	6419	CN	236	1,726.56
Invoice	03/11/2015	68979	6449	WH	173	8,077.50
Invoice	03/12/2015	68987	2545	WH	172	9,480.75
Invoice	03/18/2015	69013	2624	CN	166	5,855.00

Transcon International Inc.
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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Invoice	03/31/2015	69252	6453 ~ 2269	DH	153	4,895.65
Invoice	04/16/2015	66883	1568,1739,1848, WH	WH	137	1,805.17
Invoice	04/22/2015	67113	6133	DH	131	2,838.15
Invoice	04/22/2015	67393	6308	WH	131	1,106.25
Invoice	04/30/2015	67637	2234	DH	123	2,840.37
Invoice	05/21/2015	67753	2271	WH	102	6,817.14
Invoice	05/27/2015	67907	2176	WH	96	4,920.25
Invoice	06/30/2015	68450	2522 / 6413	WH	62	2,618.80
Invoice	06/30/2015	68470	2520/6411	WH	62	5,834.00
Invoice	06/30/2015	68471	2519/6410-6421	WH	62	4,457.60
Invoice	06/30/2015	68472	2521/6412	WH	62	7,562.00
Invoice	08/03/2015	70315	6628 / 3303	DQ	28	1,995.00
Total MTEC INTERNATIONAL LTD.						72,830.19
MURRAY GUY						
Invoice	07/20/2015	60833	4879	CV	42	315.00
Invoice	07/24/2015	65919		ST	38	275.00
Invoice	08/06/2015	70331		MB	25	65.00
Invoice	08/14/2015	67340		ST	17	275.00
Total MURRAY GUY						930.00
MUSEUM OF MODERN ART						
Invoice	08/19/2015	70468	3323	CN	12	390.00
Total MUSEUM OF MODERN ART						390.00
NEUBERGER MUSEUM OF ART						
Invoice	08/19/2015	70478	3223	DQ		945.00
Total NEUBERGER MUSEUM OF ART						945.00
NEW MUSEUM						
Invoice	08/10/2015	70340		CN	21	3,680.00
Total NEW MUSEUM						3,680.00
NEW YORK HISTORICAL SOCIETY						
Invoice	06/22/2015	68347		ST	70	1,421.00

Transcon International Inc.
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Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Invoice	06/23/2015	69540		ST	69	1,174.00
Invoice	07/15/2015	70103	3214	MB	47	565.00
Invoice	07/21/2015	68057	2341	MB	41	370.00
Invoice	07/24/2015	68098		ST	38	1,421.00
Invoice	07/27/2015	70230		ST	35	1,174.00
Invoice	08/27/2015	70496		ST	4	1,174.00
Total NEW YORK HISTORICAL SOCIETY						
NOLAN-SMITH, PETER						
Invoice	06/26/2015	69994		ST	66	300.00
Invoice	07/27/2015	70231		ST	35	300.00
Invoice	08/27/2015	70497		ST	4	900.00
Total NOLAN-SMITH, PETER						
ORACLE TECHNOLOGIES CORP.						
Payment	07/24/2015	11892				-900.00
Total ORACLE TECHNOLOGIES CORP.						
OUTIS INVESTMENT, LLP						
Invoice	08/27/2015	70498		ST	4	1,210.00
Total OUTIS INVESTMENT, LLP						
P.P.O.W. GALLERY						
Invoice	08/12/2015	70352	3311	WH	19	1,575.00
Total P.P.O.W. GALLERY						
PARALLAX CORP						
Invoice	08/27/2015	70499		ST	4	120.00
Total PARALLAX CORP						
PAUL KASMIN GALLERY						
Invoice	06/22/2015	69912		CN	70	390.00
Invoice	07/20/2015	70111		MB	42	585.00
Total PAUL KASMIN GALLERY						

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
PAULA COOPER GALLERY						
Invoice	07/28/2015	70275		DQ	34	65.00
Total PAULA COOPER GALLERY						<u>65.00</u>
PERRY CAPITAL						
Invoice	08/27/2015	70500		ST	4	462.00
Total PERRY CAPITAL						<u>462.00</u>
PERRY, MR. & MRS.						
Invoice	08/27/2015	70501		MB	4	250.00
Total PERRY, MR. & MRS.						<u>250.00</u>
PETER FREEMAN, INC.						
Invoice	06/26/2015	70000		ST	66	2,425.00
Invoice	07/22/2015	70120		DQ	40	310.00
Invoice	08/05/2015	70321		DQ	26	655.00
Invoice	08/11/2015	70347	3235	DQ	20	9,297.00
Invoice	08/17/2015	70369		ST	14	2,489.00
Invoice	08/20/2015	70549	3277	DQ	11	4,495.00
Invoice	08/24/2015	70556	3071	DQ	7	8,020.00
Invoice	08/27/2015	70502		ST	4	2,489.00
Total PETER FREEMAN, INC.						<u>30,180.00</u>
PETER RACZECK						
Invoice	08/20/2015	70547		DH	11	500.00
Total PETER RACZECK						<u>500.00</u>
PITE, CARL & RUTH						
Invoice	08/27/2015	70503		ST	4	420.00
Total PITE, CARL & RUTH						<u>420.00</u>
POP IMAGING INC.						
Invoice	08/19/2015	70504		ST	12	100.00

Transcon International Inc.

Open Invoices

As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total POP IMAGING INC.						
						100.00
PUBLIC ART FUND						
						130.00
Total PUBLIC ART FUND						
RBC TRUST COMPANY						
Invoice	08/19/2015	70476	N/A	CN	12	130.00
Total RBC TRUST COMPANY						
RBS COLLECTION LLC						
Invoice	08/20/2015	70541		MB	11	700.00
Invoice	08/27/2015	70505		ST	4	1,250.00
						1,950.00
Has Storage Account						
Invoice	03/02/2015	68937		MB	182	130.00
Invoice	03/30/2015	69235		MB	154	310.00
Invoice	04/20/2015	69403		MB	133	670.00
Invoice	04/28/2015	69581		MB	125	395.00
Invoice	06/22/2015	69925		MB	70	75.00
Invoice	06/22/2015	69926		MB	70	450.00
Invoice	07/06/2015	70082	6481	MB	56	416.00
						2,446.00
REGENT INVESTMENTS-LTD						
Has Storage Account						
Invoice	04/20/2015	69404		JM	133	375.00
Invoice	04/21/2015	60664		ST	132	6,000.00
Invoice	05/19/2015	61946		ST	104	6,000.00
Invoice	05/22/2015	69752		JM	101	65.00
Invoice	05/29/2015	62136		DH	94	18,050.00
Invoice	06/18/2015	65079		ST	74	6,000.00
Invoice	06/23/2015	66743		ST	69	6,000.00
Invoice	06/24/2015	63511		ST	68	6,000.00
Invoice	07/24/2015	66976		ST	38	6,000.00
Invoice	08/21/2015	68356		ST	10	6,000.00
						60,490.00
Total REGENT INVESTMENTS LTD						
RENAISSANCE ART INVESTORS LLC						

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Invoice	06/26/2015	70005		ST	66	700.00
Invoice	07/27/2015	70239		ST	35	700.00
Invoice	08/27/2015	70507		ST	4	700.00
Total RENAISSANCE ART INVESTORS LLC						2,100.00
RHULEN, PETER L.						
Invoice	08/27/2015	70508		ST	4	580.00
Total RHULEN, PETER L.						580.00
RICHARD MISHAAN DESIGN, LLC						
Invoice	06/26/2015	66805	1811	DH	66	585.00
Invoice	07/14/2015	67186	1959	DH	48	2,623.75
Total RICHARD MISHAAN DESIGN, LLC						3,208.75
RICHMAN COHEN, SHELLEY						
Invoice	05/22/2015	69765		ST	101	100.00
Invoice	06/26/2015	70007		ST	66	100.00
Invoice	07/27/2015	70240		ST	35	100.00
Invoice	08/27/2015	70509		ST	4	100.00
Total RICHMAN COHEN, SHELLEY						400.00
RICHMOND BURTON STUDIO						
Invoice	07/27/2015	70241		ST	35	750.00
Invoice	08/27/2015	70510		ST	4	750.00
Total RICHMOND BURTON STUDIO						1,500.00
ROBERT KUSHNER TRUST						
Invoice	08/27/2015	70511		ST	4	250.00
Total ROBERT KUSHNER TRUST						250.00
ROGER WESTON COLLECTION						
Invoice	08/19/2015	70477	3048	DQ	12	1,385.00
Invoice	08/20/2015	70543	3190	DQ	11	1,675.00
Total ROGER WESTON COLLECTION						3,060.00

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
ROHR, RITA FICHER						
Invoice	07/31/2015	69243	TBD		31	2,042.50
Total ROHR, RITA FICHER						<u>2,042.50</u>
ROSS BLECKNER STUDIO						
Invoice	08/27/2015	70512		ST	4	1,525.00
Total ROSS BLECKNER STUDIO						<u>1,525.00</u>
RUBENSTEIN HATCH, HILARY						
Invoice	08/27/2015	70513		ST	4	330.00
Total RUBENSTEIN HATCH, HILARY						<u>330.00</u>
RUBIN ARYEH						
Invoice	08/27/2015	70514		ST	4	170.00
Total RUBIN ARYEH						<u>170.00</u>
SANDHYA						
Invoice	07/27/2015	70246		ST	35	592.00
Invoice	08/27/2015	70515		ST	4	592.00
Total SANDHYA						<u>1,184.00</u>
SEAN KELLY GALLERY						
Invoice	06/26/2015	70052		ST	66	1,103.00
Invoice	07/07/2015	69368	6512 ~ 2873	DH	55	895.00
Invoice	07/27/2015	70247		ST	35	1,103.00
Total SEAN KELLY GALLERY						<u>3,101.00</u>
SEBASTIAN IZZARD LLC						
Invoice	08/27/2015	70516		ST	4	767.00
Total SEBASTIAN IZZARD LLC						<u>767.00</u>
SENDOWSKI, ORLEE						
Invoice	02/23/2015	68889		ST	189	100.00

Transcon International Inc.

Open Invoices

As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance	Has Storage Account pays once a year	
Invoice	03/23/2015	69164		ST	161	100.00		
Invoice	04/23/2015	69557		ST	130	100.00		
Invoice	05/08/2015	69626	2977	MB	115	545.00		
Invoice	05/22/2015	69802		ST	101	140.00		
Invoice	06/26/2015	70015		ST	66	140.00		
Invoice	07/23/2015	70249		ST	39	140.00		
Invoice	08/27/2015	70517		ST	4	140.00		
Total SENDOWSKI, ORLEE							1,405.00	
SHEARMAN, CHRISTINA								
Invoice	08/07/2015	70338	3305	CN	24	1,012.58		
Total SHEARMAN, CHRISTINA							1,012.58	
SHEINBERG, ERIC P.								
Invoice	08/27/2015	70518		ST	4	120.00		
Total SHEINBERG, ERIC P.							120.00	
SIGG, DANIEL								
Invoice	08/25/2015	70559	3194	CN	6	845.00		
Invoice	08/25/2015	70560	3036	CN	6	325.00		
Invoice	08/27/2015	70519		ST	4	600.00		
Total SIGG, DANIEL							1,770.00	
SILVERSTEIN, PATRICIA AND HOWARD								
Invoice	08/27/2015	70520		ST	4	100.00		
Total SILVERSTEIN, PATRICIA AND HOWARD							100.00	
SOLOMON R. GUGGENHEIM MUSEUM								
Invoice	05/18/2015	69644		JM	105	65.00		
Invoice	07/23/2015	70250	3273	JM	39	1,575.00		
Invoice	07/27/2015	70254		ST	35	13,000.00		
Invoice	07/27/2015	70255		ST	35	19,000.00		
Invoice	07/27/2015	70272		JM	35	260.00		
Invoice	08/27/2015	70521		ST	4	13,000.00		
Invoice	08/27/2015	70522		ST	4	19,000.00		

Transcon International Inc.

Open Invoices

As of August 31, 2015

	Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total SOLOMON R. GUGGENHEIM MUSEUM							
SOTHEBY'S, INC.	Payment	04/20/2015	WIRE				-865.00
Total SOTHEBY'S, INC.							-865.00
STARR, SUSANNA							
Total STARR, SUSANNA	Invoice	06/26/2015	70021		ST	66	205.00
							205.00
STEINBERG, TODD							
Total STEINBERG, TODD	Invoice	07/27/2015	70256		ST	35	125.00
	Invoice	08/27/2015	70523		ST	4	125.00
							250.00
STEPHEN FRIEDMAN GALLERY							
Total STEPHEN FRIEDMAN GALLERY	Invoice	07/27/2015	70257		ST	35	720.00
	Invoice	08/27/2015	70524		ST	4	720.00
							1,440.00
STUDIO MUSEUM OF HARLEM							
Total STUDIO MUSEUM OF HARLEM	Invoice	07/14/2015	70101	3232	CN	48	400.00
	Invoice	08/19/2015	70457	N/A	CN	12	65.00
							465.00
SUSAN ALMRUD LLC							
Total SUSAN ALMRUD LLC	Invoice	06/17/2015	69387	2914	WH	75	725.00
	Invoice	06/17/2015	69388	2916	WH	75	115.00
	Invoice	06/17/2015	69391	2962	WH	75	685.00
	Invoice	06/22/2015	69879		ST	70	100.00
	Invoice	06/23/2015	69431		ST	69	100.00
	Invoice	07/07/2015	69367	2746	WH	55	2,799.30
	Invoice	07/22/2015	69652		ST	40	100.00
	Invoice	07/27/2015	70126		ST	35	100.00
	Invoice	08/27/2015	70386		ST	4	100.00

Transcon International Inc.
Open Invoices
As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Total SUSAN ALMRUD LLC						
						4,824.30
TOM WESSELMANN ART						
Invoice	08/27/2015	70526		ST	4	60,000.00
Invoice	08/27/2015	70527		MB	4	11,400.00
Total TOM WESSELMANN ART						
						71,400.00
TOZER, ZIBBY						
Invoice	07/07/2015	70084	3196	WH	55	5,674.96
Total TOZER, ZIBBY						
						5,674.96
TRANSCON BILLING						
General Journal	08/26/2015					425,000.00
Total TRANSCON BILLING						
						425,000.00
TRANSCON CUSTOMER COLLECTIONS						
Invoice	12/30/2013	65221	5442		579	9,980.29
Invoice	03/12/2014	65748	1386		537	270.00
Invoice	04/21/2014	66120	1238		497	2,105.00
Total TRANSCON CUSTOMER COLLECTIONS						
						12,355.29
VALHAL - SHELDON STEIN						
Invoice	06/26/2015	70024		ST	66	85.00
Invoice	07/27/2015	70258		ST	35	85.00
Invoice	08/27/2015	70528		ST	4	85.00
Total VALHAL - SHELDON STEIN						
						255.00
WF NYC HOME TRUST						
Invoice	08/27/2015	70531		ST	4	390.00
Total WF NYC HOME TRUST						
						390.00
WHITWORTH ART GALLERY						
Invoice	01/16/2015	68501		DQ	227	260.00
Total WHITWORTH ART GALLERY						
						260.00

Transcon International Inc.
Open Invoices
As of August 31, 2015

WIDER, TODD M.D.

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
Invoice	09/11/2013	64188		MB	719	100.00
Invoice	09/23/2013	64370		ST	707	100.00
Invoice	10/23/2013	64590		ST	677	100.00
Invoice	11/21/2013	64845		ST	648	100.00
Invoice	12/18/2013	65108		ST	621	100.00
Invoice	01/23/2014	65384		ST	585	100.00
Invoice	02/19/2014	65642		ST	558	100.00
Invoice	03/24/2014	65954		ST	525	100.00
Invoice	04/23/2014	66267		ST	495	100.00
Invoice	05/21/2014	66474		ST	467	100.00
Invoice	06/23/2014	66768		ST	434	100.00
Invoice	07/25/2014	67073		ST	402	100.00
Invoice	08/22/2014	67373		ST	374	100.00
Invoice	09/24/2014	67603		ST	341	100.00
Invoice	10/23/2014	67884		ST	312	100.00
Invoice	11/24/2014	68129		ST	280	100.00
Invoice	12/22/2014	68378		ST	252	100.00
Invoice	01/23/2015	68674		ST	220	100.00
Invoice	02/23/2015	68902		ST	189	100.00
Invoice	03/23/2015	69176		ST	161	100.00
Invoice	04/23/2015	69570		ST	130	100.00
Invoice	05/22/2015	69787		ST	101	100.00
Invoice	07/27/2015	70261		ST	35	100.00
Invoice	08/27/2015	70532		ST	4	100.00
						<u>2,400.00</u>
Invoice	07/27/2015	70262		ST	35	1,050.00
Invoice	07/27/2015	70263		ST	35	100.00
Invoice	08/27/2015	70533		ST	4	1,050.00
Invoice	08/27/2015	70534		ST	4	100.00
						<u>2,300.00</u>

In Dispute

Total WIDER, TODD M.D.

WILDENSTEIN & CO., INC

Total WILDENSTEIN & CO., INC

Transcon International Inc.

Open Invoices

As of August 31, 2015

Type	Date	Num	P. O. #	Rep	Aging	Open Balance
WOODMAN, GEORGE & BETTY						
Invoice	07/23/2015	70264		ST	39	185.00
Invoice	08/27/2015	70535		ST	4	185.00
Total WOODMAN, GEORGE & BETTY						<u>370.00</u>
YOSHII GALLERY						
Invoice	08/27/2015	70536		ST	4	1,808.00
Total YOSHII GALLERY						<u>1,808.00</u>
ZAMPINO, JOHN PC						
Invoice	07/27/2015	69205	2464	WH	35	11,395.00
Total ZAMPINO, JOHN PC						<u>11,395.00</u>
ZINSER, JOHN						
Invoice	08/27/2015	70537		ST	4	200.00
Total ZINSER, JOHN						<u>200.00</u>
ZOBEL, FERNANDO						
Invoice	08/19/2015	70525		MB	12	1,951.80
Total ZOBEL, FERNANDO						<u>1,951.80</u>
TOTAL						<u><u>1,274,013.89</u></u>

Transcon International Inc.
A/P Aging Summary
 As of August 31, 2015

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
*PETTY CASH	0.00	5,804.04	0.00	0.00	2,460.34	8,264.38
ACCESSIG	0.00	0.00	19,980.00	0.00	0.00	19,980.00
ADP SCREENING & SELECTION SERVICE	0.00	0.00	86.56	0.00	0.00	86.56
AETNA LIFE INSURANCE COMPANY	0.00	15,381.82	0.00	0.00	0.00	15,381.82
AFA PROTECTIVE SYSTEMS, INC.	0.00	0.00	775.18	0.00	0.00	775.18
ALEF CONTRACTING CORP	0.00	0.00	7,200.00	0.00	0.00	7,200.00
AMERICAN EXPRESS (TRANSCON INTL)	0.00	2,287.54	0.00	0.00	0.00	2,287.54
AMERICAN SECURITY SHEREDDING CORP	0.00	518.25	0.00	0.00	0.00	518.25
AMRO CARTING CORP.	0.00	0.00	1,875.00	0.00	0.00	1,875.00
ANR TRANSPORT*	0.00	972.00	0.00	0.00	0.00	972.00
APPLE AUTO & TRUCK CARE, INC.	0.00	10.00	4,460.79	4,382.80	0.00	8,853.59
ASSOCIATED GLOBAL SYSTEMS	0.00	0.00	5,588.31	0.00	0.00	5,588.31
AT&T MOBILITY	0.00	0.00	924.06	0.00	0.00	924.06
ATLAS VAN LINES	0.00	0.00	0.00	2,892.01	0.00	2,892.01
AVALON RISK MANAGEMENT, INC	0.00	225.00	0.00	0.00	0.00	225.00
BABACO ALARM SYSTEM	0.00	571.60	0.00	0.00	0.00	571.60
BRIDGE BUILDING SUPPLY CO.	0.00	14.14	259.74	0.00	0.00	273.88
CADOGAN TATE FINE ART	0.00	0.00	0.00	460.00	0.00	460.00
CAPITAL ONE BANK	0.00	121.42	0.00	0.00	0.00	121.42
CIT	0.00	664.14	0.00	0.00	0.00	664.14
CJS VIOLATIONS SERVICES	0.00	0.00	116.00	0.00	0.00	116.00
CORDOVA PLAZA*	0.00	0.00	0.00	2,662.03	0.00	2,662.03
DB SCHENKER	0.00	892.67	0.00	0.00	0.00	892.67
EXCELL CUSTOMS BROKERS, INC	0.00	996.62	2,490.48	0.00	0.00	3,487.10
FALSO CARTING INC.	0.00	203.60	0.00	203.60	0.00	407.20
FEDERAL EXPRESS CORP.	0.00	523.70	0.00	0.00	0.00	523.70
FIRE FOE CORP	0.00	0.00	548.54	0.00	0.00	548.54
FOAM PRODUCTS INC	0.00	728.32	0.00	1,163.72	0.00	1,892.04
GUARDIAN	0.00	261.94	0.00	0.00	0.00	261.94
HARTFORD LIFE INSURANCE CO.	0.00	157.06	0.00	0.00	0.00	157.06
INTERGLOBE COMMUNICATIONS - 234	0.00	1,620.96	0.00	0.00	0.00	1,620.96
LE NOBLE LUMBER CO., INC.	0.00	3,162.96	7,544.32	0.00	0.00	10,707.28
LIBERTY PAPER	0.00	0.00	880.00	0.00	0.00	880.00
LOVELL SAFETY MANAGEMENT CO., LLC	0.00	808.21	808.21	0.00	0.00	1,616.42
MESSE SCHWEIZ	0.00	0.00	0.00	0.00	7,144.80	7,144.80
MORITT, HOCK & HAMROFF	0.00	0.00	3,481.51	0.00	0.00	3,481.51
MTEC WAREHOUSING LTD	0.00	0.00	0.00	3,117.73	0.00	3,117.73
MUTUAL CENTRAL ALARM SERVICES	0.00	0.00	0.00	800.23	0.00	800.23
NISSAN MOTOR ACCEPTANCE CORP	0.00	487.71	0.00	0.00	0.00	487.71
OMNITRANS CORP. LTD.	0.00	6,319.10	8,244.86	15,785.64	39,164.66	69,514.26
PACKAGE RESEARCH LABORATORY, LLC	0.00	305.00	305.00	305.00	0.00	915.00
PARACO GAS CORP.	0.00	142.95	0.00	0.00	0.00	142.95
PURCHASE POWER	0.00	331.53	328.92	0.00	0.00	660.45
QUILL CORP	0.00	0.00	633.38	0.00	0.00	633.38
READY REFRESH	0.00	120.82	0.00	0.00	0.00	120.82
SBA INC.	0.00	0.00	185.00	392.00	0.00	577.00
SECURITY EXPERTS, INC	0.00	306.00	0.00	0.00	0.00	306.00
SHER-DEL TRANSFER	0.00	2,040.00	582.00	0.00	0.00	2,622.00
SOHO SOLUTIONS, INC.	0.00	187.50	368.75	0.00	0.00	556.25
STAPLES BUSINESS ADVANTAGE	0.00	123.71	968.59	0.00	0.00	1,092.30
STATE INSURANCE FUND	0.00	7,367.26	0.00	0.00	0.00	7,367.26
STEVENS PEST MANAGEMENT, LTD	0.00	0.00	272.19	163.31	0.00	435.50
TROY CONTAINER LINE, LTD.	0.00	5,429.01	0.00	0.00	0.00	5,429.01
TSIGONIA PAINT SALES, INC.	0.00	173.20	247.12	0.00	0.00	420.32
TULNOY LUMBER INC.	0.00	0.00	5,137.12	1,761.80	0.00	6,898.92
VERIZON - 718 402 8307	0.00	0.00	48.23	47.62	0.00	95.85
WISS & COMPANY, LLP	0.00	0.00	9,600.00	9,660.99	0.00	19,260.99
TOTAL	0.00	59,259.78	83,939.86	43,798.48	48,769.80	235,767.92

Transcon International, Inc.
Financial Projections
2014 to 2018

Consolidated Statement of Income

Year	Historical		Current		Projected	
	#	2014	2015	2016	2017	2018
Net sales	\$	4,751,331	\$ 5,400,000	\$ 6,000,000	6,600,000	\$ 7,450,000
Cost of goods sold *		1,766,736	2,031,746	1,727,334	1,813,700	1,904,385
Gross Profit on net sales		2,984,595	3,368,254	4,272,666	4,786,300	5,545,615
GP %		62.8%	62.4%	71.2%	72.5%	74.4%
Operating expenses *		2,264,561	2,336,835	2,324,405	2,463,869	2,611,701
Income from Operations		720,034	1,031,419	1,948,262	2,322,431	2,933,913
Other (income) and Expense						
Rental income				(240,000)	(40,000)	(40,000)
Interest expense		76,616	60,000	#REF!	#REF!	#REF!
Depreciation		343,953	300,000	420,000	445,000	470,000
Amortization				15,000	15,000	15,000
Total other (income) and expense		420,569	360,000	#REF!	#REF!	#REF!
Net income		299,465	671,419	#REF!	#REF!	#REF!
EBITDA adjustments:						
Interest expense		76,616	60,000	#REF!	#REF!	#REF!
Depreciation		343,953	300,000	420,000	445,000	470,000
Amortization				15,000	15,000	15,000
EBITDA	\$	720,034	\$ 1,031,419	#REF!	#REF!	#REF!

* Rent Expense of \$600K was allocated between COGS & Operating Expenses
This has been replaced by Interest & Mortgage Payments on the building

Transcon International, Inc.
Financial Projections
2014 to 2018

Year	#	2014	2015	2016	2017	2018
			Current		Projected	
Cash Flow Statement						
Cash inflow						
Proceeds from:						
Accounts receivable collections	\$	4,757,103	5,290,745	5,819,729	6,392,688	7,211,591
Building acquisition and renovation loans			#REF!			
Rental income			240,000		40,000	40,000
Cash outflow						
Payments for:						
Accounts payable & overhead expenses		(4,083,988)	(4,425,740)	(4,001,738)	(4,277,569)	(4,466,087)
Interest expense		(76,616)	(60,000)	#REF!	#REF!	#REF!
Fixed Asset acquisitions			(11,000,000)			
Walnut Ave. - land and building		(304,241)	(100,000)	(100,000)	(100,000)	(100,000)
Other			(300,000)			
Deferred financing costs						
Payments for:						
Walnut Ave bank loan				#REF!	#REF!	#REF!
Walnut Ave. SBA loan				#REF!	#REF!	#REF!
Walnut Ave. BOEDC loan				#REF!	#REF!	#REF!
Obligations under capital leases and term financing		(148,843)	(131,496)	(65,293)	(65,667)	(65,101)
Mott Haven LLC mortgages payable		(50,568)	#REF!	#REF!	#REF!	#REF!
Loans to stockholder		(19,264)				
Bank line of credit			(200,125)			
Stockholder dividend distribution		(117,916)	(268,568)	#REF!	#REF!	#REF!
Beginning Cash Balance		70,718	26,385	#REF!	#REF!	#REF!
Ending Cash Balance	\$	26,385	#REF!	#REF!	#REF!	#REF!

Transcon International, Inc.
Financial Projections
2014 to 2018

Year	Historical		Current		Projected	
	2014	2015	2016	2017	2018	

Balance Sheet

Current Assets

Cash	\$ 26,385	#REF!	#REF!	#REF!	#REF!
Accounts receivable	1,092,552	1,201,807	1,382,078	1,589,390	1,827,799
Prepaid expenses	86,257	86,257	86,257	86,257	86,257
Total Current Assets	1,205,194	#REF!	#REF!	#REF!	#REF!

Fixed Assets

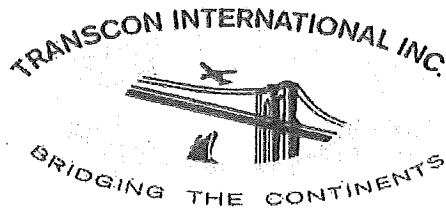
Fixed assets - existing	5,472,643	5,572,643	5,672,643	5,772,643	5,872,643
Walnut Ave - land and building		11,000,000	11,000,000	11,000,000	11,000,000
Renovations					
Total	5,472,643	16,572,643	16,672,643	16,772,643	16,872,643
Less: accumulated depreciation	(2,146,613)	(2,446,613)	(2,866,613)	(3,311,613)	(3,781,613)
Fixed Assets - net	3,326,030	14,126,030	13,806,030	13,461,030	13,091,030

Other Assets

Goodwill	174,015	174,015	174,015	174,015	174,015
Deferred financing costs		300,000	285,000	270,000	255,000
Securit deposits and other assets	33,910	33,910	33,910	33,910	33,910
Total Assets	\$ 4,739,149	#REF!	#REF!	#REF!	#REF!

Transcon International, Inc.
Financial Projections
2014 to 2018

	Historical		Current		Projected	
	2014	2015	2016	2017	2018	
Current Liabilities						
Accounts payable	\$ 507,159	\$ 450,000	\$ 500,000	\$ 500,000	\$ 550,000	
Bank line of credit	200,125					
Current Portion of:						
Loans payable - Walnut Ave.	-	#REF!	#REF!	#REF!	#REF!	#REF!
Mortgages payable - Mott Haven	52,433	#REF!	#REF!	#REF!	#REF!	#REF!
Obligations under capital leases and term financing	120,248	65,293	65,667	65,101	60,176	
Accrued & other liabilities	64,263	64,264	64,263	64,263	64,263	
Total Current Liabilities	944,228	#REF!	#REF!	#REF!	#REF!	#REF!
Non-Current Liabilities						
Loan payable - Walnut Ave:						
Bank loan		#REF!	#REF!	#REF!	#REF!	#REF!
SBA loan		#REF!	#REF!	#REF!	#REF!	#REF!
BOEDC		#REF!	#REF!	#REF!	#REF!	#REF!
Mortgages payable - Mott Haven	1,262,860	190,944	125,277	60,176	-	
Obligations under capital leases and term financing	267,485					
Deferred taxes payable - NYC	66,528	66,528	66,528	66,528	66,528	
Total Non-Current Liabilities	1,596,873	#REF!	#REF!	#REF!	#REF!	#REF!
EQUITY						
Additional Pd in Capital	182,000	182,000	182,000	182,000	182,000	
Capital Stock	1,500	1,500	1,500	1,500	1,500	
Treasury Stock	(210,000)	(210,000)	(210,000)	(210,000)	(210,000)	
Dividend Distribution	(117,916)	(268,568)	#REF!	#REF!	#REF!	#REF!
Retained Earnings	2,042,999	2,224,548	2,627,399	#REF!	#REF!	#REF!
Net Income	299,465	671,419	#REF!	#REF!	#REF!	#REF!
Total Equity	2,198,048	2,600,899	#REF!	#REF!	#REF!	#REF!
Total Liabilities and Equity	\$ 4,739,149	#REF!	#REF!	#REF!	#REF!	#REF!



Assumptions Underlying the 2016/2017/2018 Projections

Income

- The 2016/2017/2018 projection assumes an increase in storage income as new clients will be occupying an additional floor at the Walnut Ave facility.
We currently have 5 floors completed at the Walnut Ave facility which generates approximately \$2.5 million in revenues from storage per year plus another \$400,000. Per year in handling charges related to storage.
We expect full occupancy of the last floor by end of 2017, thus increasing our storage revenue by approximately \$100,000 for 2016 and \$400,000 for 2017
2018 will have an increase of approximately \$500,000 due to the completion of the last available floor in the building and also rate increases.
- The increase in storage brings with it new clients who require additional services that will have a positive impact on other areas of our business, such as transportation, packing and casing, installations, inventory management, digital imaging, viewing room rental and warehouse handling fees. We anticipate the additional services to generate income of approximately \$100,000 for 2016 and \$200,000 for 2017.
2018 will generate modest increase of \$350,000 due to handling and shipping charges that will be the result of new storage clients.
- We are currently expanding our international shipping department and we are now training new staff to service the increased volume.
We are preparing a new web site and brochures and mounting an intensive sales campaign with international shipping agents, museums, galleries and art institutions to make them aware of our unique ability to provide all the services in house. We are confident that we can increase sales in this department by approximately \$350,000 in 2015, \$300,000 in 2016, \$300,000 in 2017 and \$400,000 in 2018
- All of these services combined will increase our revenue by approximately \$500,000 for 2016, \$800,000 for 2017 and \$850,000 for 2018. These assumptions are based on our performance over the past five years and we are very confident that we can achieve these goals without any difficulty.

Expenses

- The 2016, 2017 and 2018 projection assumes an increase of 5% pay raises and an increase of five additional employees in 2016, five additional employees in 2017 and four additional employees in 2018. The additional staffing will be required to service the increased volume such as account representatives, storage, trucking, art handling, and crating.
- The current rental expense of \$600,000 has been removed from COGS and expenses.
- The projection now shows the mortgage and interest payments commencing in 2016 going forward.
- Insurance premiums including health care coverage's have an assumption of approximately 10% for 2016, 2017 & 2018
- We have assumed the cost of goods to increase only slightly to cover the additional cost to service the additional revenue. Overall we only anticipate an increase 5% to 10% to cover the cost of the additional business.
- We expect our normal operating expenses to increase by only approximately 10% Some costs will be reduced such as maintenance of older equipment due the recent purchases of new equipment, and bulk purchasing of materials which substantially reduces our materials costs
- Our volume of sales can be significantly increased without having an adverse effect on our operating expenses.
- These projections are based on our current costs for 2014 and 2015 and we have taken into account our ability to service additional business without having any additional investment in our current infrastructure. We have factored cost of living increases, increased sales volumes and additional staff

Transcon International, Inc.
Proposed Funding For Walnut Street Project.
Jul-15

BOEDC \$2,200,000
 Interest rate 3.25%
 Yrs amortization 15
 Payment \$ 15,459

Bank loan \$ 5,650,000
 Interest rate 5.50%
 Yrs amortization 20
 Payment \$ 38,866

SBA loan \$ 3,450,000
 Interest rate 5.50%
 Yrs amortization 20
 Payment \$ 23,732

	Payment	Interest	Principle	Balance		Payment	Interest	Principle	Balance		Payment
Dec-15				2,200,000	Dec-15				5,650,000	Dec-15	
Jan-16	15,459	5,958	9,501	2,190,499	Jan-16	38,866	25,896	12,970	5,637,030	Jan-16	23,732
Feb-16	15,459	5,933	9,526	2,180,973	Feb-16	38,866	25,836	13,030	5,624,000	Feb-16	23,732
Mar-16	15,459	5,907	9,552	2,171,421	Mar-16	38,866	25,777	13,089	5,610,911	Mar-16	23,732
Apr-16	15,459	5,881	9,578	2,161,843	Apr-16	38,866	25,717	13,149	5,597,762	Apr-16	23,732
May-16	15,459	5,855	9,604	2,152,239	May-16	38,866	25,656	13,210	5,584,552	May-16	23,732
Jun-16	15,459	5,829	9,630	2,142,609	Jun-16	38,866	25,596	13,270	5,571,282	Jun-16	23,732
Jul-16	15,459	5,803	9,656	2,132,953	Jul-16	38,866	25,535	13,331	5,557,951	Jul-16	23,732
Aug-16	15,459	5,777	9,682	2,123,270	Aug-16	38,866	25,474	13,392	5,544,559	Aug-16	23,732
Sep-16	15,459	5,751	9,708	2,113,562	Sep-16	38,866	25,413	13,453	5,531,105	Sep-16	23,732
Oct-16	15,459	5,724	9,735	2,103,827	Oct-16	38,866	25,351	13,515	5,517,590	Oct-16	23,732
Nov-16	15,459	5,698	9,761	2,094,066	Nov-16	38,866	25,289	13,577	5,504,013	Nov-16	23,732
Dec-16	15,459	5,671	9,788	2,084,278	Dec-16	38,866	25,227	13,639	5,490,374	Dec-16	23,732
Jan-17	15,459	5,645	9,814	2,074,464	Jan-17	38,866	25,164	13,702	5,476,672	Jan-17	23,732
Feb-17	15,459	5,618	9,841	2,064,624	Feb-17	38,866	25,101	13,765	5,462,908	Feb-17	23,732
Mar-17	15,459	5,592	9,867	2,054,756	Mar-17	38,866	25,038	13,828	5,449,080	Mar-17	23,732
Apr-17	15,459	5,565	9,894	2,044,862	Apr-17	38,866	24,975	13,891	5,435,189	Apr-17	23,732
May-17	15,459	5,538	9,921	2,034,941	May-17	38,866	24,911	13,955	5,421,234	May-17	23,732
Jun-17	15,459	5,511	9,948	2,024,994	Jun-17	38,866	24,847	14,019	5,407,215	Jun-17	23,732
Jul-17	15,459	5,484	9,975	2,015,019	Jul-17	38,866	24,783	14,083	5,393,133	Jul-17	23,732
Aug-17	15,459	5,457	10,002	2,005,017	Aug-17	38,866	24,719	14,147	5,378,985	Aug-17	23,732
Sep-17	15,459	5,430	10,029	1,994,989	Sep-17	38,866	24,654	14,212	5,364,773	Sep-17	23,732
Oct-17	15,459	5,403	10,056	1,984,933	Oct-17	38,866	24,589	14,277	5,350,495	Oct-17	23,732
Nov-17	15,459	5,376	10,083	1,974,850	Nov-17	38,866	24,523	14,343	5,336,152	Nov-17	23,732
Dec-17	15,459	5,349	10,110	1,964,739	Dec-17	38,866	24,457	14,409	5,321,744	Dec-17	23,732
Jan-18	15,459	5,321	10,138	1,954,601	Jan-18	38,866	24,391	14,475	5,307,269	Jan-18	23,732
Feb-18	15,459	5,294	10,165	1,944,436	Feb-18	38,866	24,325	14,541	5,292,728	Feb-18	23,732
Mar-18	15,459	5,266	10,193	1,934,243	Mar-18	38,866	24,258	14,608	5,278,120	Mar-18	23,732

Apr-18	15,459	5,239	10,220	1,924,023	Apr-18	38,866	24,191	14,675	5,263,446	Apr-18	23,732
May-18	15,459	5,211	10,248	1,913,775	May-18	38,866	24,124	14,742	5,248,704	May-18	23,732
Jun-18	15,459	5,183	10,276	1,903,499	Jun-18	38,866	24,057	14,809	5,233,894	Jun-18	23,732
Jul-18	15,459	5,155	10,304	1,893,195	Jul-18	38,866	23,989	14,877	5,219,017	Jul-18	23,732
Aug-18	15,459	5,127	10,332	1,882,864	Aug-18	38,866	23,920	14,946	5,204,072	Aug-18	23,732
Sep-18	15,459	5,099	10,360	1,872,504	Sep-18	38,866	23,852	15,014	5,189,058	Sep-18	23,732
Oct-18	15,459	5,071	10,388	1,862,116	Oct-18	38,866	23,783	15,083	5,173,975	Oct-18	23,732
Nov-18	15,459	5,043	10,416	1,851,701	Nov-18	38,866	23,714	15,152	5,158,823	Nov-18	23,732
Dec-18	15,459	5,015	10,444	1,841,257	Dec-18	38,866	23,645	15,221	5,143,601	Dec-18	23,732
Jan-19	15,459	4,987	10,472	1,830,784	Jan-19	38,866	23,575	15,291	5,128,310	Jan-19	23,732
Feb-19	15,459	4,958	10,501	1,820,284	Feb-19	38,866	23,505	15,361	5,112,949	Feb-19	23,732
Mar-19	15,459	4,930	10,529	1,809,755	Mar-19	38,866	23,434	15,432	5,097,517	Mar-19	23,732
Apr-19	15,459	4,901	10,558	1,799,197	Apr-19	38,866	23,364	15,502	5,082,015	Apr-19	23,732
May-19	15,459	4,873	10,586	1,788,611	May-19	38,866	23,293	15,573	5,066,442	May-19	23,732
Jun-19	15,459	4,844	10,615	1,777,996	Jun-19	38,866	23,221	15,645	5,050,797	Jun-19	23,732
Jul-19	15,459	4,815	10,644	1,767,352	Jul-19	38,866	23,149	15,717	5,035,080	Jul-19	23,732
Aug-19	15,459	4,787	10,672	1,756,680	Aug-19	38,866	23,077	15,789	5,019,292	Aug-19	23,732
Sep-19	15,459	4,758	10,701	1,745,979	Sep-19	38,866	23,005	15,861	5,003,431	Sep-19	23,732
Oct-19	15,459	4,729	10,730	1,735,248	Oct-19	38,866	22,932	15,934	4,987,497	Oct-19	23,732
Nov-19	15,459	4,700	10,759	1,724,489	Nov-19	38,866	22,859	16,007	4,971,491	Nov-19	23,732
Dec-19	15,459	4,670	10,789	1,713,701	Dec-19	38,866	22,786	16,080	4,955,411	Dec-19	23,732
Jan-20	15,459	4,641	10,818	1,702,883	Jan-20	38,866	22,712	16,154	4,939,257	Jan-20	23,732
Feb-20	15,459	4,612	10,847	1,692,036	Feb-20	38,866	22,638	16,228	4,923,029	Feb-20	23,732
Mar-20	15,459	4,583	10,876	1,681,159	Mar-20	38,866	22,564	16,302	4,906,727	Mar-20	23,732
Apr-20	15,459	4,553	10,906	1,670,254	Apr-20	38,866	22,489	16,377	4,890,350	Apr-20	23,732
May-20	15,459	4,524	10,935	1,659,318	May-20	38,866	22,414	16,452	4,873,898	May-20	23,732
Jun-20	15,459	4,494	10,965	1,648,353	Jun-20	38,866	22,339	16,527	4,857,371	Jun-20	23,732
Jul-20	15,459	4,464	10,995	1,637,358	Jul-20	38,866	22,263	16,603	4,840,768	Jul-20	23,732
Aug-20	15,459	4,435	11,024	1,626,334	Aug-20	38,866	22,187	16,679	4,824,089	Aug-20	23,732
Sep-20	15,459	4,405	11,054	1,615,280	Sep-20	38,866	22,110	16,756	4,807,333	Sep-20	23,732
Oct-20	15,459	4,375	11,084	1,604,195	Oct-20	38,866	22,034	16,832	4,790,501	Oct-20	23,732
Nov-20	15,459	4,345	11,114	1,593,081	Nov-20	38,866	21,956	16,910	4,773,591	Nov-20	23,732
Dec-20	15,459	4,315	11,144	1,581,937	Dec-20	38,866	21,879	16,987	4,756,604	Dec-20	23,732
Jan-21	15,459	4,284	11,175	1,570,762	Jan-21	38,866	21,801	17,065	4,739,539	Jan-21	23,732
Feb-21	15,459	4,254	11,205	1,559,557	Feb-21	38,866	21,723	17,143	4,722,396	Feb-21	23,732
Mar-21	15,459	4,224	11,235	1,548,322	Mar-21	38,866	21,644	17,222	4,705,175	Mar-21	23,732
Apr-21	15,459	4,193	11,266	1,537,056	Apr-21	38,866	21,565	17,301	4,687,874	Apr-21	23,732
May-21	15,459	4,163	11,296	1,525,760	May-21	38,866	21,486	17,380	4,670,494	May-21	23,732
Jun-21	15,459	4,132	11,327	1,514,433	Jun-21	38,866	21,406	17,460	4,653,034	Jun-21	23,732
Jul-21	15,459	4,102	11,357	1,503,076	Jul-21	38,866	21,326	17,540	4,635,495	Jul-21	23,732

Aug-21	11,388	4,071	11,388	1,491,688	Aug-21	38,866	21,246	17,620	4,617,875	Aug-21	23,732
Sep-21	11,419	4,040	11,419	1,480,269	Sep-21	38,866	21,165	17,701	4,600,174	Sep-21	23,732
Oct-21	11,450	4,009	11,450	1,468,819	Oct-21	38,866	21,084	17,782	4,582,392	Oct-21	23,732
Nov-21	11,481	3,978	11,481	1,457,338	Nov-21	38,866	21,003	17,863	4,564,529	Nov-21	23,732
Dec-21	11,512	3,947	11,512	1,445,826	Dec-21	38,866	20,921	17,945	4,546,584	Dec-21	23,732
Jan-22	11,543	3,916	11,543	1,434,283	Jan-22	38,866	20,839	18,027	4,528,556	Jan-22	23,732
Feb-22	11,574	3,885	11,574	1,422,708	Feb-22	38,866	20,756	18,110	4,510,446	Feb-22	23,732
Mar-22	11,606	3,853	11,606	1,411,102	Mar-22	38,866	20,673	18,193	4,492,253	Mar-22	23,732
Apr-22	11,637	3,822	11,637	1,399,465	Apr-22	38,866	20,589	18,277	4,473,976	Apr-22	23,732
May-22	11,669	3,790	11,669	1,387,796	May-22	38,866	20,506	18,360	4,455,616	May-22	23,732
Jun-22	11,700	3,759	11,700	1,376,096	Jun-22	38,866	20,422	18,444	4,437,172	Jun-22	23,732
Jul-22	11,732	3,727	11,732	1,364,364	Jul-22	38,866	20,337	18,529	4,418,643	Jul-22	23,732
Aug-22	11,764	3,695	11,764	1,352,600	Aug-22	38,866	20,252	18,614	4,400,029	Aug-22	23,732
Sep-22	11,796	3,663	11,796	1,340,804	Sep-22	38,866	20,167	18,699	4,381,330	Sep-22	23,732
Oct-22	11,828	3,631	11,828	1,328,977	Oct-22	38,866	20,081	18,785	4,362,545	Oct-22	23,732
Nov-22	11,860	3,599	11,860	1,317,117	Nov-22	38,866	19,995	18,871	4,343,674	Nov-22	23,732
Dec-22	11,892	3,567	11,892	1,305,225	Dec-22	38,866	19,909	18,957	4,324,716	Dec-22	23,732
Jan-23	11,924	3,535	11,924	1,293,301	Jan-23	38,866	19,822	19,044	4,305,672	Jan-23	23,732
Feb-23	11,956	3,503	11,956	1,281,345	Feb-23	38,866	19,734	19,132	4,286,540	Feb-23	23,732
Mar-23	11,989	3,470	11,989	1,269,356	Mar-23	38,866	19,647	19,219	4,267,321	Mar-23	23,732
Apr-23	12,021	3,438	12,021	1,257,335	Apr-23	38,866	19,559	19,307	4,248,013	Apr-23	23,732
May-23	12,054	3,405	12,054	1,245,281	May-23	38,866	19,470	19,396	4,228,617	May-23	23,732
Jun-23	12,086	3,373	12,086	1,233,195	Jun-23	38,866	19,381	19,485	4,209,133	Jun-23	23,732
Jul-23	12,119	3,340	12,119	1,221,076	Jul-23	38,866	19,292	19,574	4,189,558	Jul-23	23,732
Aug-23	12,152	3,307	12,152	1,208,924	Aug-23	38,866	19,202	19,664	4,169,895	Aug-23	23,732
Sep-23	12,185	3,274	12,185	1,196,739	Sep-23	38,866	19,112	19,754	4,150,141	Sep-23	23,732
Oct-23	12,218	3,241	12,218	1,184,521	Oct-23	38,866	19,021	19,845	4,130,296	Oct-23	23,732
Nov-23	12,251	3,208	12,251	1,172,270	Nov-23	38,866	18,931	19,935	4,110,361	Nov-23	23,732
Dec-23	12,284	3,175	12,284	1,159,986	Dec-23	38,866	18,839	20,027	4,090,334	Dec-23	23,732
Jan-24	12,317	3,142	12,317	1,147,669	Jan-24	38,866	18,747	20,119	4,070,215	Jan-24	23,732
Feb-24	12,351	3,108	12,351	1,135,318	Feb-24	38,866	18,655	20,211	4,050,004	Feb-24	23,732
Mar-24	12,384	3,075	12,384	1,122,934	Mar-24	38,866	18,563	20,303	4,029,701	Mar-24	23,732
Apr-24	12,418	3,041	12,418	1,110,516	Apr-24	38,866	18,469	20,397	4,009,304	Apr-24	23,732
May-24	12,451	3,008	12,451	1,098,065	May-24	38,866	18,376	20,490	3,988,814	May-24	23,732
Jun-24	12,485	2,974	12,485	1,085,580	Jun-24	38,866	18,282	20,584	3,968,230	Jun-24	23,732
Jul-24	12,519	2,940	12,519	1,073,061	Jul-24	38,866	18,188	20,678	3,947,552	Jul-24	23,732
Aug-24	12,553	2,906	12,553	1,060,508	Aug-24	38,866	18,093	20,773	3,926,779	Aug-24	23,732
Sep-24	12,587	2,872	12,587	1,047,921	Sep-24	38,866	17,998	20,868	3,905,911	Sep-24	23,732
Oct-24	12,621	2,838	12,621	1,035,300	Oct-24	38,866	17,902	20,964	3,884,947	Oct-24	23,732
Nov-24	12,655	2,804	12,655	1,022,645	Nov-24	38,866	17,806	21,060	3,863,887	Nov-24	23,732

Dec-24	15,459	2,770	12,689	1,009,956	Dec-24	38,866	17,709	21,157	3,842,730	Dec-24	23,732
Jan-25	15,459	2,735	12,724	997,232	Jan-25	38,866	17,613	21,253	3,821,477	Jan-25	23,732
Feb-25	15,459	2,701	12,758	984,474	Feb-25	38,866	17,515	21,351	3,800,126	Feb-25	23,732
Mar-25	15,459	2,666	12,793	971,681	Mar-25	38,866	17,417	21,449	3,778,677	Mar-25	23,732
Apr-25	15,459	2,632	12,827	958,854	Apr-25	38,866	17,319	21,547	3,757,130	Apr-25	23,732
May-25	15,459	2,597	12,862	945,992	May-25	38,866	17,220	21,646	3,735,484	May-25	23,732
Jun-25	15,459	2,562	12,897	933,095	Jun-25	38,866	17,121	21,745	3,713,739	Jun-25	23,732
Jul-25	15,459	2,527	12,932	920,163	Jul-25	38,866	17,021	21,845	3,691,895	Jul-25	23,732
Aug-25	15,459	2,492	12,967	907,196	Aug-25	38,866	16,921	21,945	3,669,950	Aug-25	23,732
Sep-25	15,459	2,457	13,002	894,194	Sep-25	38,866	16,821	22,045	3,647,904	Sep-25	23,732
Oct-25	15,459	2,422	13,037	881,157	Oct-25	38,866	16,720	22,146	3,625,758	Oct-25	23,732
Nov-25	15,459	2,386	13,073	868,084	Nov-25	38,866	16,618	22,248	3,603,510	Nov-25	23,732
Dec-25	15,459	2,351	13,108	854,977	Dec-25	38,866	16,516	22,350	3,581,160	Dec-25	23,732
Jan-26	15,459	2,316	13,143	841,833	Jan-26	38,866	16,414	22,452	3,558,708	Jan-26	23,732
Feb-26	15,459	2,280	13,179	828,654	Feb-26	38,866	16,311	22,555	3,536,152	Feb-26	23,732
Mar-26	15,459	2,244	13,215	815,439	Mar-26	38,866	16,207	22,659	3,513,494	Mar-26	23,732
Apr-26	15,459	2,208	13,251	802,189	Apr-26	38,866	16,104	22,762	3,490,731	Apr-26	23,732
May-26	15,459	2,173	13,286	788,902	May-26	38,866	15,999	22,867	3,467,865	May-26	23,732
Jun-26	15,459	2,137	13,322	775,580	Jun-26	38,866	15,894	22,972	3,444,893	Jun-26	23,732
Jul-26	15,459	2,101	13,358	762,222	Jul-26	38,866	15,789	23,077	3,421,816	Jul-26	23,732
Aug-26	15,459	2,064	13,395	748,827	Aug-26	38,866	15,683	23,183	3,398,633	Aug-26	23,732
Sep-26	15,459	2,028	13,431	735,396	Sep-26	38,866	15,577	23,289	3,375,344	Sep-26	23,732
Oct-26	15,459	1,992	13,467	721,929	Oct-26	38,866	15,470	23,396	3,351,949	Oct-26	23,732
Nov-26	15,459	1,955	13,504	708,425	Nov-26	38,866	15,363	23,503	3,328,446	Nov-26	23,732
Dec-26	15,459	1,919	13,540	694,885	Dec-26	38,866	15,255	23,611	3,304,835	Dec-26	23,732
Jan-27	15,459	1,882	13,577	681,308	Jan-27	38,866	15,147	23,719	3,281,116	Jan-27	23,732
Feb-27	15,459	1,845	13,614	667,694	Feb-27	38,866	15,038	23,828	3,257,289	Feb-27	23,732
Mar-27	15,459	1,808	13,651	654,043	Mar-27	38,866	14,929	23,937	3,233,352	Mar-27	23,732
Apr-27	15,459	1,771	13,688	640,355	Apr-27	38,866	14,820	24,046	3,209,306	Apr-27	23,732
May-27	15,459	1,734	13,725	626,631	May-27	38,866	14,709	24,157	3,185,149	May-27	23,732
Jun-27	15,459	1,697	13,762	612,869	Jun-27	38,866	14,599	24,267	3,160,882	Jun-27	23,732
Jul-27	15,459	1,660	13,799	599,070	Jul-27	38,866	14,487	24,379	3,136,503	Jul-27	23,732
Aug-27	15,459	1,622	13,837	585,233	Aug-27	38,866	14,376	24,490	3,112,013	Aug-27	23,732
Sep-27	15,459	1,585	13,874	571,359	Sep-27	38,866	14,263	24,603	3,087,410	Sep-27	23,732
Oct-27	15,459	1,547	13,912	557,448	Oct-27	38,866	14,151	24,715	3,062,695	Oct-27	23,732
Nov-27	15,459	1,510	13,949	543,498	Nov-27	38,866	14,037	24,829	3,037,866	Nov-27	23,732
Dec-27	15,459	1,472	13,987	529,511	Dec-27	38,866	13,924	24,942	3,012,923	Dec-27	23,732
Jan-28	15,459	1,434	14,025	515,486	Jan-28	38,866	13,809	25,057	2,987,867	Jan-28	23,732
Feb-28	15,459	1,396	14,063	501,424	Feb-28	38,866	13,694	25,172	2,962,695	Feb-28	23,732
Mar-28	15,459	1,358	14,101	487,323	Mar-28	38,866	13,579	25,287	2,937,408	Mar-28	23,732

Apr-28	15,459	1,320	14,139	473,183	Apr-28	38,866	13,463	25,403	2,912,005	23,732
May-28	15,459	1,282	14,177	459,006	May-28	38,866	13,347	25,519	2,886,486	23,732
Jun-28	15,459	1,243	14,216	444,790	Jun-28	38,866	13,230	25,636	2,860,850	23,732
Jul-28	15,459	1,205	14,254	430,536	Jul-28	38,866	13,112	25,754	2,835,096	23,732
Aug-28	15,459	1,166	14,293	416,243	Aug-28	38,866	12,994	25,872	2,809,224	23,732
Sep-28	15,459	1,127	14,332	401,911	Sep-28	38,866	12,876	25,990	2,783,234	23,732
Oct-28	15,459	1,089	14,370	387,541	Oct-28	38,866	12,756	26,110	2,757,124	23,732
Nov-28	15,459	1,050	14,409	373,131	Nov-28	38,866	12,637	26,229	2,730,895	23,732
Dec-28	15,459	1,011	14,448	358,683	Dec-28	38,866	12,517	26,349	2,704,546	23,732
Jan-29	15,459	971	14,488	344,195	Jan-29	38,866	12,396	26,470	2,678,075	23,732
Feb-29	15,459	932	14,527	329,668	Feb-29	38,866	12,275	26,591	2,651,484	23,732
Mar-29	15,459	893	14,566	315,102	Mar-29	38,866	12,153	26,713	2,624,771	23,732
Apr-29	15,459	853	14,606	300,497	Apr-29	38,866	12,030	26,836	2,597,935	23,732
May-29	15,459	814	14,645	285,852	May-29	38,866	11,907	26,959	2,570,976	23,732
Jun-29	15,459	774	14,685	271,167	Jun-29	38,866	11,784	27,082	2,543,894	23,732
Jul-29	15,459	734	14,725	256,442	Jul-29	38,866	11,660	27,206	2,516,687	23,732
Aug-29	15,459	695	14,764	241,678	Aug-29	38,866	11,535	27,331	2,489,356	23,732
Sep-29	15,459	655	14,804	226,873	Sep-29	38,866	11,410	27,456	2,461,899	23,732
Oct-29	15,459	614	14,845	212,029	Oct-29	38,866	11,284	27,582	2,434,317	23,732
Nov-29	15,459	574	14,885	197,144	Nov-29	38,866	11,157	27,709	2,406,608	23,732
Dec-29	15,459	534	14,925	182,219	Dec-29	38,866	11,030	27,836	2,378,773	23,732
Jan-30	15,459	494	14,965	167,253	Jan-30	38,866	10,903	27,963	2,350,809	23,732
Feb-30	15,459	453	15,006	152,247	Feb-30	38,866	10,775	28,091	2,322,718	23,732
Mar-30	15,459	412	15,047	137,201	Mar-30	38,866	10,646	28,220	2,294,498	23,732
Apr-30	15,459	372	15,087	122,113	Apr-30	38,866	10,516	28,350	2,266,148	23,732
May-30	15,459	331	15,128	106,985	May-30	38,866	10,387	28,479	2,237,669	23,732
Jun-30	15,459	290	15,169	91,816	Jun-30	38,866	10,256	28,610	2,209,059	23,732
Jul-30	15,459	249	15,210	76,605	Jul-30	38,866	10,125	28,741	2,180,318	23,732

Motti Haven
M&T Mortgage Loan 728058
 Interest rate 5.00%
 Yrs amortization 20
 Payment \$ 4,249

TOTAL \$ 11,300,000

Interest	Principle	Balance	Interest Paid	Principle Paid	Total Payment	11,300,000	Payment	Interest	Principle
15,813	7,920	3,450,000	47,667	30,390			4,249	3,034	1,215
15,776	7,956	3,442,081	47,545	30,512			4,249	3,029	1,220
15,740	7,992	3,434,125	47,423	30,634			4,249	3,023	1,225
15,703	8,029	3,426,132	47,301	30,756			4,249	3,018	1,230
15,666	8,066	3,418,104	47,178	30,879			4,249	3,013	1,235
15,629	8,103	3,410,038	47,054	31,003			4,249	3,008	1,240
15,592	8,140	3,401,935	46,930	31,127			4,249	3,003	1,246
15,555	8,177	3,393,795	46,806	31,251			4,249	2,998	1,251
15,517	8,215	3,385,618	46,681	31,376			4,249	2,992	1,256
15,480	8,252	3,377,404	46,555	31,502			4,249	2,987	1,261
15,442	8,290	3,369,151	46,429	31,628			4,249	2,982	1,267
15,404	8,328	3,360,861	46,302	31,755	936,684	10,927,186	4,249	2,977	1,272
15,366	8,366	3,352,533	563,870	372,814		372,814	4,249	2,971	1,277
15,327	8,405	3,344,167	46,175	31,882			4,249	2,966	1,282
15,289	8,443	3,335,763	46,047	32,010			4,249	2,961	1,288
15,250	8,482	3,327,319	45,919	32,138			4,249	2,955	1,293
15,211	8,521	3,318,838	45,790	32,267			4,249	2,950	1,299
15,172	8,560	3,310,317	45,661	32,396			4,249	2,945	1,304
15,133	8,599	3,301,757	45,531	32,526			4,249	2,939	1,309
15,094	8,638	3,293,158	45,400	32,657			4,249	2,934	1,315
15,054	8,678	3,284,520	45,270	32,787			4,249	2,928	1,320
15,014	8,718	3,275,842	45,138	32,919			4,249	2,923	1,326
14,974	8,758	3,267,124	45,006	33,051			4,249	2,917	1,331
14,934	8,798	3,258,367	44,873	33,184			4,249	2,912	1,337
14,894	8,838	3,249,569	44,740	33,317	936,684	10,536,052	4,249	2,906	1,342
14,853	8,879	3,240,731	44,606	33,451		391,134	4,249	2,900	1,348
14,813	8,919	3,231,852	44,472	33,585			4,249	2,895	1,354
		3,222,933	44,337	33,720			4,249		

12,973	10,759	2,819,791	38,290
12,924	10,808	2,808,983	38,129
12,875	10,857	2,798,126	37,968
12,825	10,907	2,787,218	37,805
12,775	10,957	2,776,261	37,642
12,725	11,007	2,765,254	37,479
12,674	11,058	2,754,196	37,314
12,623	11,109	2,743,087	37,149
12,572	11,160	2,731,928	36,984
12,521	11,211	2,720,717	36,817
12,470	11,262	2,709,455	36,650
12,418	11,314	2,698,141	36,482
12,366	11,366	2,686,776	36,314
12,314	11,418	2,675,358	36,144
12,262	11,470	2,663,888	35,974
12,209	11,523	2,652,366	35,804
12,157	11,575	2,640,790	35,632
12,104	11,628	2,629,162	35,460
12,050	11,682	2,617,480	35,287
11,997	11,735	2,605,745	35,114
11,943	11,789	2,593,956	34,939
11,889	11,843	2,582,113	34,764
11,835	11,897	2,570,216	34,588
11,780	11,952	2,558,264	34,412
11,725	12,007	2,546,257	34,235
11,670	12,062	2,534,196	34,057
11,615	12,117	2,522,079	33,878
11,560	12,172	2,509,906	33,698
11,504	12,228	2,497,678	33,518
11,448	12,284	2,485,394	33,337
11,391	12,341	2,473,053	33,155
11,335	12,397	2,460,656	32,972
11,278	12,454	2,448,202	32,789
11,221	12,511	2,435,691	32,605
11,164	12,568	2,423,122	32,420
11,106	12,626	2,410,496	32,234
11,048	12,684	2,397,812	32,047
10,990	12,742	2,385,070	31,860
10,932	12,800	2,372,270	31,672
10,873	12,859	2,359,411	31,483

10,814	12,918	2,346,493	31,293
10,755	12,977	2,333,516	31,103
10,695	13,037	2,320,479	30,911
10,636	13,096	2,307,382	30,719
10,576	13,156	2,294,226	30,526
10,515	13,217	2,281,009	30,332
10,455	13,277	2,267,732	30,138
10,394	13,338	2,254,393	29,942
10,333	13,399	2,240,994	29,746
10,271	13,461	2,227,533	29,549
10,210	13,522	2,214,011	29,351
10,148	13,584	2,200,426	29,152
10,085	13,647	2,186,780	28,952
10,023	13,709	2,173,070	28,752
9,960	13,772	2,159,298	28,551
9,897	13,835	2,145,463	28,348
9,833	13,899	2,131,565	28,145
9,770	13,962	2,117,602	27,941
9,706	14,026	2,103,576	27,737
9,641	14,091	2,089,485	27,531
9,577	14,155	2,075,330	27,324
9,512	14,220	2,061,110	27,117
9,447	14,285	2,046,825	26,909
9,381	14,351	2,032,474	26,700
9,316	14,416	2,018,058	26,490
9,249	14,483	2,003,575	26,279
9,183	14,549	1,989,026	26,067
9,116	14,616	1,974,410	25,854
9,049	14,683	1,959,728	25,640
8,982	14,750	1,944,978	25,426
8,914	14,818	1,930,160	25,210
8,847	14,885	1,915,275	24,994
8,778	14,954	1,900,321	24,776
8,710	15,022	1,885,299	24,558
8,641	15,091	1,870,208	24,339
8,572	15,160	1,855,048	24,119
8,502	15,230	1,839,818	23,898
8,432	15,300	1,824,519	23,676
8,362	15,370	1,809,149	23,453
8,292	15,440	1,793,709	23,229

8,221	15,511	1,778,198	23,004
8,150	15,582	1,762,616	22,778
8,079	15,653	1,746,963	22,552
8,007	15,725	1,731,238	22,324
7,935	15,797	1,715,441	22,095
7,862	15,870	1,699,571	21,865
7,790	15,942	1,683,629	21,635
7,717	16,015	1,667,613	21,403
7,643	16,089	1,651,525	21,170
7,569	16,163	1,635,362	20,937
7,495	16,237	1,619,125	20,702
7,421	16,311	1,602,814	20,466
7,346	16,386	1,586,429	20,230
7,271	16,461	1,569,968	19,992
7,196	16,536	1,553,431	19,754
7,120	16,612	1,536,819	19,514
7,044	16,688	1,520,131	19,273
6,967	16,765	1,503,366	19,031
6,890	16,842	1,486,525	18,789
6,813	16,919	1,469,606	18,545
6,736	16,996	1,452,610	18,300
6,658	17,074	1,435,536	18,054
6,580	17,152	1,418,383	17,807
6,501	17,231	1,401,152	17,559
6,422	17,310	1,383,842	17,310
6,343	17,389	1,366,453	17,060
6,263	17,469	1,348,983	16,809
6,183	17,549	1,331,434	16,556

Mott Haven SBA

Balance			
728,058	559,084	1,287,142	
726,843			
725,623			
724,398			
723,168			
721,932			
720,692			
719,446			
718,195			
716,939			
715,678			
714,411			
713,139	531,494	27,590	42,509
711,862			
710,580		1,244,633	
709,292			
707,999			
706,700			
705,396			
704,087			
702,772			
701,452			
700,126			
698,795			
697,458			
696,115	503,231	28,263	43,945
694,767			
693,414			
	14,919		
			15,682

692,054				
690,689				
689,319				
687,942				
686,560				
685,172				
683,778				
682,379				
680,974	16,484	474,278	28,953	45,437
679,563				
678,145				
676,723				
675,294				
673,859				
672,418				
670,971				
669,518				
668,059				
666,595				
665,123				
663,646	17,327	444,620	29,658	46,985

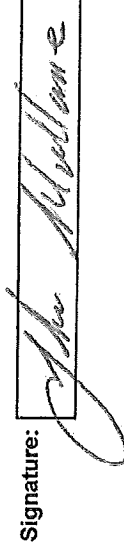
BUSINESS DEBT SCHEDULE

Company Name: Transcon International, Inc. Balance Sheet Date: 7/31/2015

This form must have the same date(s) and note balances as the current Balance Sheet.
 Attach copies of notes, including all revolving and term loans to be paid with loan proceeds

Creditor Name / Address	Original Date	Original Balance	Current Balance	Current Interest Rate	Maturity Date	Monthly Payment	Payment Status	Collateral	Original Use of Loan
BIIE Bronx, NY 851 Grand Concourse BX NY 10451	12/20/2005	\$ 389,105	\$ 17,070	0.00%	12/1/2015	\$ 3,413	current	HVAC Ground Floor	HVAC Ground Floor
BIIE Bronx, NY 851 Grand Concourse BX NY 10451	2/19/2010	\$ 100,000	\$ 48,873	0.00%	3/1/2020	\$ 833	current	HVAC Partial 4th Floor	HVAC Partial 4th Floor
Colson Svcs Corp PO Box 942 Bowling Green Sta NY 10274	2/19/2010	\$ 100,000	\$ 53,743	5.25%	3/1/2020	\$ 1,073	current	HVAC Partial 4th Floor	HVAC Partial 4th Floor
Audi Financial Svcs PO Box 5215 Carol Stream IL 60197	11/9/2013	\$ 62,821	\$ 43,092	2.90%	11/24/2018	\$ 1,127	current	car Audi	car Audi
Chase Wholesale Loan Operations PO Box 6026 Mailcode IL.1-0054 Chicago IL 60680	12/24/2013	\$ 209,032	\$ 142,838	4.25%	12/24/2018	\$ 3,866	current	Trucks (Mitsubishi & Kenworth)	2 Trucks (2014 Mitsubishi & 2014 Kenworth)
Totals:									
									\$ 10,312
									\$ 860,958
									\$ 305,616

Printed Name / Title: Dona Nallane President

Signature: 

STANDARD FORM OF STORE LEASE
The Real Estate Board of New York, Inc.

7/04

Agreement of Lease, made as of this 4TH day of November in the year 2007, between
SOBRO Development Corporation
party of the first part, hereinafter referred to as OWNER, and
Transcon International, Inc.

party of the second part, hereinafter referred to as TENANT,

Witnesseth: Owner hereby leases to Tenant and Tenant hereby hires from Owner

The first, fourth, fifth & sixth floors

in the building known as 131 Walnut Avenue, Bronx, New York 10454

in the Borough of Bronx

City of New York, for the term of Twenty-Three years

(or until such term shall sooner cease and expire as hereinafter provided) to commence on the

1st day of January in the year 2008

31st day of December

in the year 2031

both dates inclusive, at the annual rental rate of

(See Rider attached herto)

which Tenant agrees to pay in lawful money of the United States which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, in equal monthly installments in advance on the first day of each month during said term, at the office of Owner or such other place as Owner may designate, without any setoff or deduction whatsoever, except that Tenant shall pay the first monthly installment(s) on the execution hereof (unless this lease be a renewal).

In the event that, at the commencement of the term of this lease, or thereafter, Tenant shall be in default in the payment of rent to Owner pursuant to the terms of another lease with Owner or with Owner's predecessor in interest, Owner may at Owner's option and without notice to Tenant add the amount of such arrears to any monthly installment of rent payable hereunder and the same shall be payable to Owner as additional rent.

The parties hereto, for themselves, their heirs, distributees, executors, administrators, legal representative, successors and assigns, hereby covenant as follows:

- Rent:** 1. Tenant shall pay the rent as above and as hereinafter provided.
Occupancy: 2. Tenant shall use and occupy the demised premises for. See Rider

and for no other purpose. Tenant shall at all times conduct its business in a high grade and reputable manner, shall not violate Article 37 hereof, and shall keep show windows and signs in a neat and clean condition.

Alterations: 3. Tenant shall make no changes in or to the demised premises of any nature without Owner's prior written consent. Subject to the prior written consent of Owner, and to the provisions of this article, Tenant, at Tenant's expense, may make alterations, installations, additions or improvements which are non-structural and which do not affect utility services or plumbing and electrical lines, in or to the interior of the demised premises by using contractors or mechanics first approved in each instance by Owner. Tenant shall, before making any alterations, additions, installations or improvements, at its expense, obtain all permits, approvals and certificates required by any governmental or quasi-governmental bodies and (upon completion) certificates of final approval thereof, and shall deliver promptly duplicates of all such permits, approvals and certificates to Owner, and Tenant agrees to carry, and will cause Tenant's contractors and sub-contractors to carry, such worker's compensation, commercial general liability, personal and property damage insurance as Owner may require. If an mechanic's lien is filed against the demised premises, or the building of which the same forms a part, for work claimed to have been done for, or materials furnished to, Tenant, whether or not done pursuant to this article, the same shall be discharged by Tenant within 30 days thereafter, at Tenant's expense, by payment or filing a bond as permitted by law. All fixtures and all paneling, partitions, railings and like installations, installed in the demised premises at any time, either by Tenant or by Owner on Tenant's behalf, shall, upon installation, become the property of Owner and shall remain upon and be surrendered with the demised premises unless Owner, by notice to Tenant no later than twenty days prior to the date fixed as the termination of this lease, elects to relinquish Owner's rights thereto and to have them removed by Tenant, in which event, the same shall be removed from the demised premises by Tenant prior to the expiration of the lease, at Tenant's expense. Nothing in this article shall be construed to give Owner title to, or to prevent Tenant's removal of, trade fixtures, moveable office furniture and equipment, but upon removal of same from the demised premises or upon removal of other installations as may be required by Owner, Tenant shall immediately and at its expense, repair and restore the demised premises to the condition existing prior to any such installations, and repair any damage to the demised premises or the building due to such removal. All property permitted or required to be removed by Tenant at the end of the term remaining in the demised premises after Tenant's removal shall be deemed abandoned and may, at the election of Owner, either be retained as Owner's property or may be removed from the demised premises by Owner at Tenant's expense.

Repairs: 4. Owner shall maintain and repair the public portions of the building, both exterior and interior, except that if Owner allows Tenant to erect on the outside of the building a sign or signs, or a hoist, lift or sidewalk elevator for the exclusive use of Tenant, Tenant shall maintain such exterior installations in good appearance, shall cause the same to be operated in a good and workmanlike manner, shall make all repairs thereto necessary to keep same in good order and condition, at Tenant's own cost and expense, and shall cause the same to be covered by the insurance provided for hereafter in Article 8. Tenant shall, throughout the term of the lease, take good care of the demised premises (including, without limitation, the storefront) and

the fixtures and appurtenances therein, and the sidewalks adjacent thereto, and at its sole cost and expense, make all non-structural repairs thereto as and when needed to preserve them in good working order and condition, reasonable wear and tear, obsolescence and damage from the elements, fire or other casualty, excepted. If the demised premises be or become infested with vermin, Tenant shall at Tenant's expense, cause the same to be exterminated from time to time to the satisfaction of Owner. Except as specifically provided in Article 9 or elsewhere in this lease, there shall be no allowance to the Tenant for the diminution of rental value and no liability on the part of Owner by reason of inconvenience, annoyance or injury to business arising from Owner, Tenant or others, making or failing to make any repairs, alterations, additions or improvements in or to any portion of the building, including the erection or operation of any crane, derrick or sidewalk shed, or in or to the demised premises or the fixtures, appurtenances or equipment thereof. It is specifically agreed that Tenant shall be not entitled to any set off or reduction of rent by reason of any failure of Owner to comply with the covenants of this or any other article of this lease. Tenant agrees that Tenant's sole remedy at law in such instance will be by way of an action for damages for breach of contract. The provisions of this Article 4 with respect to the making of repairs shall not apply in the case of fire or other casualty, which are dealt with in Article 9 hereof.

Window Cleaning: 5. Tenant will not clean nor require, permit, suffer or allow any window in the demised premises to be cleaned from the outside in violation of Section 202 of the New York State Labor law or any other applicable law or of the Rules of the Board of Standards and Appeals, or of any other Board or body having or asserting jurisdiction.

Requirements of Law, Fire Insurance: 6. Prior to the commencement of the lease term, if Tenant is then in possession, and at all times thereafter, Tenant, at Tenant's sole cost and expense, shall promptly comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law, and all orders, rules and regulations of the New York Board of Fire, Underwriters or the Insurance Services Office, or any similar body which shall impose any violations, order or duty upon Owner or Tenant with respect to the demised premises, and with respect to the portion of the sidewalk adjacent to the demised premises, if the demised premises are on the street level, whether or not arising out of Tenant's use or manner of use thereof, or with respect to the building, if arising out of Tenant's use or manner of use of the demised premises or the building (including the use permitted under the lease). Except as provided in Article 29 hereof, nothing herein shall require Tenant to make structural repairs or alterations unless Tenant has by its manner of use of the demised premises or method of operation therein, violated any such laws, ordinances, orders, rules, regulations or requirements with respect thereto. Tenant shall not do or permit any act or thing to be done in or to the demised premises which is contrary to law, or which will invalidate or be in conflict with public liability, fire or other policies of insurance at any time carried by or for the benefit of Owner, or

which shall or might subject Owner to any liability or responsibility to any person, or for property damage. Tenant shall pay all costs, expenses, fines, penalties or damages, which may be imposed upon Owner by reason of Tenant's failure to comply with the provisions of this article. If the fire insurance rate shall, at the beginning of the lease, or at any time thereafter, be higher than it otherwise would be, then Tenant shall reimburse Owner, as additional rent hereunder, for that portion of all fire insurance premiums thereafter paid by Owner which shall have been charged because of such failure by Tenant, to comply with the terms of this article. In any action or proceeding wherein Owner and Tenant are parties, a schedule or "make-up" of rate for the building or the demised premises issued by a body making fire insurance rates applicable to said demised premises shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rate than applicable to said demised premises.

Sub-ordination: 7. This lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such leases or the real property of which the demised premises are a part, and to all renewals, modifications, consolidations, replacements and extensions of any such underlying leases and mortgages. This clause shall be self-operative and no further instrument of subordination shall be required by any ground or underlying lessor or by any mortgagee, affecting any lease or the real property of which the demised premises are a part. In confirmation of such subordination, Tenant shall from time to time execute promptly any certificate that Owner may request.

Tenant's Liability Insurance Property Loss, Damage, Indemnity: 8. Owner or its agents shall not be liable for any damage to property of Tenant or of others entrusted to employees of the building, nor for loss of, or damage to, any property of Tenant by theft or other wise, nor for any injury or damage to persons or property resulting from any cause of whatsoever nature, unless caused by or due to the negligence of Owner, its agents, servants or employees. Owner or its agents will not be liable for any such damage caused by other tenants or persons in, upon or about said building, or caused by operations in construction of any private, public or quasi public work. Tenant agrees, at Tenant's sole cost and expense, to maintain commercial general liability insurance in standard form in favor of Owner and Tenant against claims for bodily injury or death or property damage occurring in or upon the demised premises, effective from the date Tenant enters into possession of the demised premises and during the term of this lease. Such insurance shall be in an amount and with carriers acceptable to the Owner. Such policy or policies shall be delivered to the Owner. On Tenant's default in obtaining or delivering any such policy or policies or failure to pay the charges therefor, Owner may secure or pay the charges for any such policy or policies and charge the Tenant as additional rent therefore. Tenant shall indemnify and save harmless Owner against and from all liabilities, obligations, damages, penalties, claims, costs and expenses for which Owner shall not be reimbursed by insurance, including reasonable attorneys' fees, paid, suffered or incurred as a result of any breach by Tenant, Tenant's agent, contractors, employees, invitees, or licensees, of any covenant on condition of this lease or by the carelessness, negligence or improper conduct of the Tenant, Tenant's agents, contractors, employees, invitees or licensees. Tenant's liability under this lease extends to the acts and omissions of any subtenant, and any agent, contractor, employee, invitee or licensee of any subtenant. In case any action or proceeding is brought against Owner by reason of any such claim, Tenant, upon written notice from Owner, will, at Tenant's expense, resist or defend such action or proceeding by counsel approved by Owner in writing, such approval not to be unreasonably withheld.

Destruction, Fire, and Other Casualty: 9. (a) If the demised premises or any part thereof shall be damaged by fire or other casualty, Tenant shall give immediate notice thereof to Owner and this lease shall continue in full force and effect except as hereinafter set forth. (b) If the demised premises are partially damaged or rendered partially unusable by fire or other casualty, the damages thereto shall be repaired by and at the expense of Owner, and the rent and other items of additional rent, until such repair shall be substantially completed, shall be apportioned from the day following the casualty according to the part of the demised premises which is usable. (c) If the demised premises are totally damaged or rendered wholly unusable by fire or other casualty, then the rent and other items of additional rent as hereinafter expressly provided shall be proportionately paid up to the time of the casualty and thenceforth shall cease until the date when the demised premises shall have been repaired and restored by Owner (or sooner reoccupied in part by the Tenant then rent shall be apportioned as provided in subsection (b) above), subject to Owner's right to elect not to restore the same as hereinafter provided. (d) If the demised premises are damaged in whole or in part) if the building shall be so damaged that Owner shall decide to demolish it or to rebuild it, then, in any of such events, Owner may elect to terminate this lease by written notice to Tenant given within 90 days after such fire or casualty, or 30 days after adjustment of the insurance claim for such fire or casualty, whichever is sooner, specifying a date for the expiration of the lease, which date shall not be more than 60 days after the giving of such notice, and upon the date specified in such notice the term of this lease shall expire as fully and completely as if such date were the date set forth above for the termination of this lease and Tenant shall forthwith quit, surrender and vacate the demised premises without prejudice however, to Owner's rights and remedies against Tenant under the lease provisions in effect prior to such termination, and any rent owing shall be paid up to such date and any payments of rent made by Tenant which were on account of any period subsequent to such date shall be returned to Tenant. Unless Owner shall serve a termination notice as provided for herein, Owner shall make the repairs and restorations under the conditions of (b) and (c) hereof, with all reasonable expedition subject to delays due to adjustment of insurance claims, labor troubles and causes beyond Owner's control. After any such casualty, Tenant shall cooperate with Owner's restoration by removing from the premises as promptly as reasonably possible, all of Tenant's salvagable inventory and movable equipment, furniture, and other property. Tenant's liability for rent shall resume five (5) days after written notice from Owner that the demised premises are substantially ready for Tenant's occupancy. (e) Nothing contained hereinabove shall relieve Tenant from liability that may exist as a result of damage from fire or other


casualty. Notwithstanding anything contained to the contrary in subdivisions (a) through (e) hereof, including Owner's obligation to restore under subparagraph (b) above, each party shall look first to any insurance in its favor before making any claim against the other party for recovery for loss or damage resulting from fire or other casualty, and to the extent that such insurance is in force and collectible, and to the extent permitted by law, Owner and Tenant each hereby releases and waives all right of recovery with respect to subparagraphs (b), (d) and (e) above, against the other, or any one claiming through or under each of them by way of subrogation or otherwise. The release and waiver herein referred to shall be deemed to include any loss or damage to the demised premises and/or to any personal property, equipment, trade fixtures, goods and merchandise located therein. The foregoing release and waiver shall be in force only if both lessors' insurance policies contain a clause providing that such a release or waiver shall not invalidate the insurance. Tenant acknowledges that Owner will not carry insurance on Tenant's furniture and/or furnishings or any fixtures or equipment, improvements, or appurtenances removable by Tenant, and agrees that Owner will not be obligated to repair any damage thereto or replace the same. (f) Tenant hereby waives the provisions of Section 227 of the Real Property Law and agrees that the provisions of this article shall govern and control in lieu thereof.

Eminent Domain: 10. If the whole or any part of the demised premises shall be acquired or condemned by Eminent Domain for any public or quasi public use or purpose, then and in that event, the term of this lease shall cease and terminate from the date of title vesting in such proceeding, and Tenant shall have no claim for the value of any unexpired term of said lease. Tenant shall have the right to make an independent claim to the condemning authority for the value of Tenant's moving expenses and personal property, trade fixtures and equipment, provided Tenant is entitled pursuant to the terms of the lease to remove such property, trade fixtures and equipment at the end of the term, and provided further such claim does not reduce Owner's award.

Assignment, Mortgage, Etc.: 11. Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns expressly covenants that it shall not assign, mortgage or encumber this agreement, nor underlet, or suffer or permit the demised premises or any part thereof to be used by others, without the prior written consent of Owner in each instance. Transfer of the majority of the stock of a corporate tenant or the majority interest in any partnership or other legal entity which is tenant shall be deemed an assignment. If this lease be assigned, or if the demised premises or any part thereof be underlet or occupied by anybody other than Tenant, Owner may, after default by Tenant, collect rent from the assignee, under-tenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting or occupancy or collection shall be deemed a waiver of the covenant, or the acceptance of the assignee, under-tenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. The consent by Owner to an assignment or underletting shall not in any way be construed to relieve Tenant from obtaining the express consent in writing of Owner to any further assignment or underletting.

Electric Current: 12. Rates and conditions in respect to submetering or rent inclusion, as the case may be, to be added in RIDER attached hereto. Tenant covenants and agrees that at all times its use of electric current shall not exceed the capacity of existing feeders to the building or the risers or wiring installation, and Tenant may not use any electrical equipment which, in Owner's opinion, reasonable exercised, will overload such installations or interfere with the use thereof by other tenants of the building. The change at any time of the character of electric service shall in no way make Owner liable or responsible to Tenant, for any loss, damages or expenses which Tenant may sustain.

Access to Premises: 13. Owner or Owner's agents shall have the right (but shall not be obligated) to enter the demised premises in any emergency at any time, and, at other reasonable times, to examine the same and to make such repairs, replacements and improvements as Owner may deem necessary and reasonably desirable to any portion of the building or which Owner may elect to perform, in the demised premises, following Tenant's failure to make repairs or perform any work which Tenant is obligated to perform under this lease, or for the purpose of complying with laws, regulations and other directions of governmental authorities. Tenant shall permit Owner to use and maintain and replace pipes and conduits in and through the demised premises and to erect new pipes, ducts, and conduits therein, provided they are concealed within the walls, floors or ceiling, wherever practicable. Owner may, during the progress of any work in the demised premises, take all necessary materials and equipment into said premises without the same constituting an eviction, nor shall the Tenant be entitled to any abatement of rent while such work is in progress, nor to any damages by reason of loss or interruption of business or otherwise. Throughout the term hereof Owner shall have the right to enter the demised premises at reasonable hours for the purpose of showing the same to prospective purchasers or mortgagees of the building, and during the last six months of the term for the purpose of showing the same to prospective tenants, and may, during said six months period, place upon the demised premises the usual notice "to Let" and "For Sale", which notices Tenant shall permit to remain thereon without molestation. If Tenant is not present to open and permit an entry into the demised premises, Owner or Owner's agents may enter the same whenever such entry may be necessary or permissible, by master key or forcibly, and provided reasonable care is exercised to safeguard Tenant's property, such entry shall not render owner or its agents liable therefore, nor in any event shall the obligations of Tenant hereunder be affected. If during the last month of the term Tenant shall have removed all or substantially all of Tenant's property therefrom, Owner may immediately enter, alter, renovate or redecorate the demised premises without limitation or abatement of rent, or incurring liability to Tenant for any compensation, and such act shall have no effect on this lease or Tenant's obligations hereunder. Owner shall have the right at any time, without the same constituting an eviction and without incurring liability to Tenant therefore, to change the arrangement and/or location of public entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets, or other

 Rider to be added if necessary

public parts of the building, and to change the name, number or designation by which the building may be known.

Vault, Vault Space, Area: 14. No vaults, vault space or area, whether or not enclosed or covered, not within the property line of the building, is leased hereunder, anything contained in or indicated on any sketch, blue print or plan, or anything contained elsewhere in this lease to the contrary notwithstanding. Owner makes no representation as to the location of the property line of the building. All vaults and vault space and all such areas not within the property line of the building, which Tenant may be permitted to use and/or occupy, is to be used and/or occupied under a revocable license, and if any such license be revoked, or if the amount of such space or area be diminished or required by any federal, state or municipal authority or public utility, Owner shall not be subject to any liability, nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such revocation, diminution or requisition be deemed constructive or actual eviction. Any tax, fee or charge of municipal authorities for such vault area shall be paid by Tenant.

Occupancy: 15. Tenant will not at any time use or occupy the demised premises in violation of Articles 2 or 37 hereof, or of the certificate of occupancy issued for the building of which the demised premises are a part. Tenant has inspected the demised premises and accepts them "as-is", subject to the riders annexed hereto with respect to Owner's work, if any. In any event, Owner makes no representation as to the condition of the demised premises, and Tenant agrees to accept the same subject to violations, whether or not of record.

Bankruptcy: 16. (a) Anything elsewhere in this lease to the contrary notwithstanding, this lease may be cancelled by Landlord by the sending of a written notice to Tenant within a reasonable time after the happening of any one or more of the following events: (1) the commencement of a case in bankruptcy or under the laws of any state naming Tenant (or a guarantor of any of Tenant's obligations under this lease) as the debtor; or (2) the making by Tenant (or a guarantor of any of Tenant's obligations under this lease) of an assignment or any other arrangement for the benefit of creditors under any state statute. Neither Tenant nor any person claiming through or under Tenant, or by reason of any statute or order of court, shall thereafter be entitled to possession of the premises demised but shall forthwith quit and surrender the demised premises. If this lease shall be assigned in accordance with its terms, the provisions of this Article 16 shall be applicable only to the party then owning Tenant's interest in this lease.

(b) It is stipulated and agreed that in the event of the termination of this lease pursuant to (a) hereof, Owner shall forthwith, notwithstanding any other provisions of this lease to the contrary, be entitled to recover from Tenant, as and for liquidated damages, an amount equal to the difference between the rent reserved hereunder for the unexpired portion of the term demised and the fair and reasonable rental value of the demised premises for the same period. In the computation of such damages the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the demised premises for the period for which such installment was payable shall be discounted to the date of termination at the rate of four percent (4%) per annum. If the demised premises, or any part thereof, be re-let by the Owner for the unexpired term of said lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of rent reserved upon such re-letting shall be deemed to be the fair and reasonable rental value for the part or the whole of the demised premises so re-let during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of the Owner to prove for and obtain as liquidated damages, by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

Default: 17. (1) If Tenant defaults in fulfilling any of the covenants of this lease other than the covenants for the payment of rent or additional rent, or if the demised premises become vacant or deserted; or if any execution or attachment shall be issued against Tenant or any of Tenant's property, whereupon the demised premises shall be taken or occupied by someone other than Tenant; or if this lease be rejected under Section 365 of Title 11 of the U.S. Code (Bankruptcy Code); or if Tenant shall have failed, after five (5) days written notice, to redeposit with Owner any portion of the security deposit hereunder which Owner has applied to the payment of any rent and additional rent due and payable hereunder, or if Tenant shall be in default with respect to any other lease between Owner and tenant; or if Tenant shall fail to move into or take possession of the demised premises within thirty (30) days after the commencement of the term of this lease, of which fact Owner shall be the sole judge; then, in any one or more of such events, upon Owner serving a written fifteen (15) day notice upon Tenant specifying the nature of said default, and upon the expiration of said fifteen (15) days, if Tenant shall have failed to comply with or remedy such default, or if the said default or omission complained of shall be of a nature that the same cannot be completely cured or remedied within said fifteen (15) day period, and if Tenant shall not have diligently commenced curing such default within such fifteen (15) day period, and shall not thereafter with reasonable diligence and in good faith proceed to remedy or cure such default, then Owner may serve a written five (5) days notice of cancellation of this lease upon Tenant, and upon the expiration of said five (5) days, this lease and the term thereunder shall end and expire as fully and completely as if the expiration of such five (5) day period were the day herein definitely fixed for the end and expiration of this lease and the term thereof and Tenant shall then quit and surrender the demised premises to Owner, but Tenant shall remain liable as hereinafter provided.

(2) If the notice provided for in (1) hereof shall have been given, and the term shall expire as aforesaid; or if Tenant shall make default in the payment of the rent reserved herein, or any item of additional rent herein mentioned, or any part of either, or in making any other payment herein required; then, and in any of such events, Owner may without notice, re-enter the demised premises either by force or otherwise, and dispossess Tenant by summary proceedings or otherwise, and the legal representative of Tenant or other occupant of the demised premises, and remove their effects and hold the demised premises as if this lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end.

Remedies of Owner and Waiver of Redemption:

18. In case of any such default, re-entry, expiration and/or dispossession by summary proceedings or otherwise, (a) the rent, and additional rent, shall become due thereupon and be paid up to the time of such re-entry, dispossession and/or expiration, (b) Owner may re-let the demised premises or any part or parts thereof, either in the name of Owner or otherwise, for a term or terms, which may at Owner's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease, and may grant concessions or free rent or charge a higher rental than that in this lease, and/or (c) Tenant or the legal representatives of Tenant shall also pay Owner, as liquidated damages, for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the subsequent lease or leases of the demised premises for each month of the period which would otherwise have constituted the balance of the term of this lease. The failure of Owner to re-let the demised premises or any part or parts thereof shall not release or affect Tenant's liability for damages. In computing such liquidated damages there shall be added to the said deficiency such expenses as Owner may incur in connection with re-letting, such as legal expenses, reasonable attorney's fees, brokerage, advertising and for keeping the demised premises in good order, or for preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this lease. Owner, in putting the demised premises in good order or preparing the same for re-rental may, at Owner's option, make such alterations, repairs, replacements, and/or decorations in the demised premises as Owner, in Owner's sole judgment, considers advisable and necessary for the purpose of re-letting the demised premises, and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Tenant from liability. Owner shall in no event be liable, in any way whatsoever, for failure to re-let the demised premises, or in the event that the demised premises are re-let, for failure to collect the rent thereof under such re-letting, and in no event shall Tenant be entitled to receive any excess, if any, of such net rent collected over the sums payable by Tenant to Owner hereunder. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Owner shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this lease of any particular remedy, shall not preclude Owner from any other remedy, in law or in equity. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws.

Fees and Expenses:

19. If Tenant shall default in the observance or performance of any term or covenant on the terms or provisions in any article of this lease, after notice if required, and upon expiration of any applicable grace period if any, (except in an emergency), then, unless otherwise provided elsewhere in this lease, Owner may immediately, or at any time thereafter, and without notice, perform the obligation of Tenant thereunder, and if Owner, in connection therewith or in connection with any default by Tenant in the covenant to pay rent hereunder, makes any expenditures or incurs any obligations for the payment of money, including but not limited to reasonable attorney's fees, in instituting, prosecuting or defending any actions or proceedings and prevails in any such action or proceeding, such sums so paid or obligations incurred with interest and costs shall be deemed to be additional rent hereunder and shall be paid by Tenant to Owner within ten (10) days of rendition of any bill or statement to Tenant therefore, and if Tenant's lease term shall have expired at the time of making of such expenditures or incurring of such obligations, such sums shall be recoverable by Owner as damages.

No Representations by Owner:

20. Neither Owner nor Owner's agent have made any representations or promises with respect to the physical condition of the building, the land upon which it is erected or the demised premises, the rents, leases, expenses of operation, or any other matter or thing affecting or related to the demised premises, except as herein expressly set forth, and no rights, easements or licenses are acquired by Tenant by implication or otherwise, except as expressly set forth in the provisions of this lease. Tenant has inspected the building and the demised premises and is thoroughly acquainted with their condition, and agrees to take the same "as-is", and acknowledges that the taking of possession of the demised premises by Tenant shall be conclusive evidence that the said premises and the building of which the same form a part were in good and satisfactory condition at the time such possession was so taken, except as to latent defects. All understandings and agreements heretofore made between the parties hereto are merged in this contract, which alone fully and completely expresses the agreement between Owner and Tenant, and any executory agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part, unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

End of Term:

21. Upon the expiration or other termination of the term of this lease, Tenant shall quit and surrender to Owner the demised premises, "broom-clean", in good order and condition, ordinary wear excepted, and Tenant shall remove all its property. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of this lease. If the last day of the term of this lease or any renewal thereof, falls on Sunday, this lease shall expire at noon on the preceding Saturday, unless it be a legal holiday, in which case it shall expire at noon on the preceding business day.

Quiet Enjoyment:

22. Owner covenants and agrees with Tenant that upon Tenant paying the rent and additional rent and observing and performing all the terms, covenants and conditions, on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the premises hereby demised, subject, nevertheless, to the terms and conditions of this lease including, but not limited to, Article 33 hereof and to the ground leases, underlying leases and mortgages hereinbefore mentioned.

GUARANTY

The undersigned Guarantor guarantees to Owner, Owner's successors and assigns, the full performance and observance of all the agreements to be performed and observed by Tenant in the attached lease, including the "Rules and Regulations" as therein provided, without requiring any notice to Guarantor of nonpayment, or nonperformance, or proof, or notice of demand, to hold the undersigned responsible under this guaranty, all of which the undersigned hereby expressly waives, and expressly agrees that the legality of this agreement and the agreements of the Guarantor under this agreement, shall not be ended, or changed by reason of the claims to Owner against Tenant of any of the rights or remedies given to Owner as agreed in the attached lease. The Guarantor further agrees that this guaranty shall remain and continue in full force and effect as to any renewal, change or extension of the lease. As a further inducement to Owner to make the lease, Owner and Guarantor agree that in any action or proceeding brought by either Owner or the Guarantor against the other on any matters concerning the lease or of this guaranty, that Owner and the undersigned shall and do waive trial by jury.

Dated: in the year

Guarantor

Witness

Guarantor's Residence

Business Address

Firm Name

STATE OF NEW YORK) ss.:

COUNTY OF)

On the day of in the year before me, the undersigned, a Notary Public in and for said State, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument

Notary



IMPORTANT - PLEASE READ

RULES AND REGULATIONS ATTACHED TO AND MADE A PART OF THIS LEASE IN ACCORDANCE WITH ARTICLE 35.

- The sidewalks, entrances, driveways, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than for ingress to and egress from the demised premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Owner. There shall not be used in any space, or in the public hall of the building, either by any tenant or by jobbers, or others in the delivery or receipt of merchandise, any hand trucks except those equipped with rubber tires and safeguards.
- If the demised premises are situated on the ground floor of the building, Tenant thereof shall further, at Tenant's expense, keep the sidewalks and curb in front of said premises clean and free from ice, snow, etc.
- The water and wash closets and plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed.
- Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in the demised premises, or permit or suffer the demised premises to be occupied or used in a manner offensive or objectionable to Owner or other occupants of the building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein.
- No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or fixed by Tenant on any part of the outside of the demised premises or the building, or on the inside of the demised premises if the same is visible from the outside of the demised premises, without the prior written consent of Owner, except that the name of Tenant may appear on the entrance door of the demised premises. In the event of the violation of the foregoing by Tenant, Owner may remove same without any liability and may change the expense incurred by such removal to Tenant. Signs on interior doors and directory tablet shall be inscribed, painted or affixed for Tenant by Owner at the expense of Tenant, and shall be of a size, color and style acceptable to Owner.
- Tenant shall not mark, paint, drill into, or in any way deface any part of the demised premises or the building of which they form a part. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Owner, and as Owner may direct. Tenant shall not lay linoleum, or other similar floor covering, so that the same shall come in direct contact with the floor of the demised premises, and, if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall

be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

- Freight, furniture, business equipment, merchandise and bulky matter of any description shall be delivered to and removed from the demised premises only on the freight elevators and through the service entrances and corridors, and only during hours and in a manner approved by Owner. Owner reserves the right to inspect all freight to be brought into the building and to exclude from the building all freight which violates any of these Rules and Regulations or the lease of which these Rules and Regulations are a part.
- Owner reserves the right to exclude from the building between the hours of 6 P.M. and 8 A.M. and at all hours on Sundays and holidays all persons who do not present a pass to the building signed by Owner. Owner will furnish passes to persons for whom Tenant requests same in writing. Tenant shall be responsible for all persons for whom it requests such pass, and shall be liable to Owner for all acts of such person.
- Owner shall have the right to prohibit any advertising by Tenant which, in Owner's opinion, tends to impair the reputation of Owner or the building's desirability as a building for stores or offices, and upon written notice from Owner, Tenant shall refrain from or discontinue such advertising.
- Tenant shall not bring or permit to be brought or kept in or on the demised premises, any inflammable, combustible, or explosive, or hazardous fluid, material, chemical or substance, or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors, to permeate in or emanate from the demised premises.
- Tenant shall not place a load on any floor of the demised premises exceeding the floor load per square foot area which was designated to carry and which is allowed by law. Owner reserves the right to prescribe the weight and position of all safes, business machines and mechanical equipment. Such installations shall be placed and maintained by Tenant at Tenant's expense in such setting sufficient in Owner's judgment to absorb and prevent vibration, noise and annoyance.
- Refuse and Trash - Tenant covenants and agrees, at its sole cost and expense, to comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash. Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed on Owner or Tenant by reason of Tenant's failure to comply with the provisions of this Building Rule 12, and, at Tenant's sole cost and expense, shall indemnify, defend and hold Owner harmless (including reasonable legal fees and expenses) from and against any actions, claims and suits arising from such non-compliance, utilizing counsel reasonably satisfactory to Owner.

Address
 Premises
 TO
 STANDARD FORM OF


 Store Lease
 The Real Estate Board of New York, Inc.
 Copyright 2004. All rights Reserved.
 Reproduction in whole or in part prohibited.
 Dated in the year
 Rent Per Year
 Rent Per Month
 Term From To
 Drawn by
 Checked by
 Entered by
 Approved by

Failure to Give Possession: 23. If Owner is unable to give possession of the demised premises on the date of the commencement of the term hereof, because of the holding-over or retention of possession of any tenant, undertenant or occupants, or if the demised premises are located in a building being constructed, because such building has not been sufficiently completed to make the demised premises ready for occupancy, or because of the fact that a certificate of occupancy has not been procured, or for any other reason, Owner shall not be subject to any liability for failure to give possession on said date and the validity of the lease shall not be impaired under such circumstances, nor shall the same be construed in any way to extend the term of this lease, but the rent payable hereunder shall be abated (provided Tenant is not responsible for the inability to obtain possession or complete construction) until after Owner shall have given Tenant written notice that the Owner is able to deliver possession in the condition required by this lease. If permission is given to Tenant to enter into the possession of the demised premises or to occupy premises other than the demised premises prior to the date specified as the commencement of the term of this lease, Tenant covenants and agrees that such possession and/or occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this lease, except the obligation to pay the fixed annual rent set forth in page one of this lease. The provisions of this article are intended to constitute "an express provision to the contrary" within the meaning of Section 223-a of the New York Real Property Law.

No Waiver: 24. The failure of Owner to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this lease or of any of the Rules or Regulations set forth or hereafter adopted by Owner, shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation. The receipt by Owner of rent and/or additional rent with knowledge of the breach of any covenant of this lease shall not be deemed a waiver of such breach, and no provision of this lease shall be deemed to have been waived by Owner unless such waiver be in writing signed by Owner. No payment by Tenant or receipt by Owner of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Owner may accept such check or payment without prejudice to Owner's right to recover the balance of such rent or pursue any other remedy in this lease provided. No act or thing done by Owner or Owner's agents during the term hereby demised shall be deemed in acceptance of a surrender of the demised premises and no agreement to accept such surrender shall be valid unless in writing signed by Owner. No employee of Owner or Owner's agent shall have any power to accept the keys of the demised premises prior to the termination of the lease, and the delivery of keys to any such agent or employee shall not operate as a termination of the lease or a surrender of the demised premises.

Waiver of Trial by Jury: 25. It is mutually agreed by and between Owner and Tenant that the respective parties hereto 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 (except for personal injury or property damage) on any matters whatsoever arising out of, or in any way connected with, this lease, the relationship of Owner and Tenant, Tenant's use of or occupancy of the demised premises, and any emergency statutory or any other statutory remedy. It is further mutually agreed that in the event Owner commence any proceeding or action for possession, including a summary proceeding for possession of the demised premises, Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding, including a counterclaim under Article 4, except for statutory mandatory counterclaims.

Inability to Perform: 26. This lease and the obligation of Tenant to pay rent hereunder and perform all of the other covenants and agreements hereunder on part of Tenant to be performed shall in no way be affected, impaired or excused because Owner is unable to fulfill any of its obligations under this lease, or to supply, or is delayed in supplying, any service expressly or impliedly to be supplied, or is unable to make, or is delayed in making, any repair, additions, alterations or decorations; or is unable to supply, or is delayed in supplying, any equipment, fixtures or other materials, if Owner is prevented or delayed from so doing by reason of strike or labor troubles, government preemption or restrictions, or by reason of any rule, order or regulation of any department or subdivision thereof of any government agency, or by reason of the conditions of which have been or are affected, either directly or indirectly, by war or other emergency, or when, in the judgment of Owner, temporary interruption of such services is necessary by reason of accident, mechanical breakdown, or to make repairs, alterations or improvements.

Bills and Notices: 27. Except as otherwise in this lease provided, any notice, statement, demand or other communication required or permitted to be given, rendered or made by either party to the other, pursuant to this lease or pursuant to any applicable law or requirement of public authority, shall be in writing (whether or not so stated elsewhere in this lease) and shall be deemed to have been properly given, rendered or made, if sent by registered or certified mail (express mail, if available), return receipt requested, or by courier guaranteeing overnight delivery and furnishing a receipt in evidence thereof, addressed to the other party at the address hereinabove set forth (except that after the date specified as the commencement of the term of this lease, Tenant's address, unless Tenant shall give notice to the contrary, shall be the building), and shall be deemed to have been given, rendered or made (a) on the date delivered, if delivered to Tenant personally, (b) on the date delivered, if delivered by overnight courier or (c) on the date which is two (2) days after being mailed. Either party may, by notice as aforesaid, designate a different address or addresses for notices, statements, demand or other communications intended for it. Notices given by Owner's managing agent shall be deemed a valid notice if addressed and set in accordance with the provisions of this Article. At Owner's option, notices and bills to Tenant may be sent by hand delivery.


Water Charges: 28. If Tenant requires, uses or consumes water for any purpose in addition to ordinary lavatory purposes (of which fact Tenant constitutes Owner to be the sole judge) Owner may install a water meter and thereby measure Tenant's water consumption for all purposes. Tenant shall pay Owner for the cost of the meter and the cost of the installation thereof, and throughout the duration of the Tenant's occupancy Tenant shall keep said meter and installation equipment in good working order and repair at Tenant's own cost and expense. Tenant agrees to pay for water consumed, as shown on said meter, as and when bills are rendered. Tenant covenants and agrees to pay the sewer rent, charge or any other tax, rent, levy or charge which now or hereafter is assessed, imposed or a lien upon the demised premises or the realty of which they are part pursuant to law, order or regulation made or issued in connection with the use, consumption, maintenance or supply of water, water system or sewage or sewage connection or system. The bill rendered by Owner shall be payable by Tenant as additional rent. If the building or the demised premises, or any part thereof, be supplied with water through a meter through which water is also supplied to other premises, Tenant shall pay to Owner as additional rent, on the first day of each month,

$\frac{\$}{\%}$ of the total meter charges, as Tenant's portion. Independently of, and in addition to, any of the remedies reserved to Owner hereinabove or elsewhere in this lease, Owner may sue for and collect any monies to be paid by Tenant or paid by Owner for any of the reasons or purposes hereinabove set forth.

Sprinklers: 29. Anything elsewhere in this lease to the contrary notwithstanding, if the New York Board of Fire Underwriters or the Insurance Services Office, or any bureau, department or official of the federal, state or city government, require or recommend the installation of a sprinkler system or that any changes, modifications, alterations, or additional sprinkler heads or other equipment be made or supplied in an existing sprinkler system by reason of Tenant's business, or the location of partitions, trade fixtures, or other contents of the demised premises, or for any other reason, or if any such sprinkler system installations, changes, modifications, alterations, additional sprinkler heads or other such equipment, become necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate set by any said Exchange or by any fire insurance company, Tenant shall, at Tenant's expense, promptly make such sprinkler system installations, changes, modifications, alterations, and supply additional sprinkler heads or other equipment as required, whether the work involved shall be structural or non-structural in nature. Tenant shall pay to Owner as additional rent the sum of \$ _____ on the first day of each month during the term of this lease, as Tenant's portion of the contract price for sprinkler supervisory service.

Elevators, Heat, Cleaning: 30. As long as Tenant is not in default under any of the covenants of this lease beyond the applicable grace period provided in this lease for the curing of such defaults, Owner shall, if and insofar as existing facilities permit, furnish heat to the demised premises, when and as required by law, on business days from 8:00 a.m. to 6:00 p.m. and on Saturdays from 8:00 a.m. to 1:00 p.m. Tenant shall at Tenant's expense, keep the demised premises clean and in order, to the satisfaction of Owner, and if the demised premises are situated on the street floor, Tenant shall, at Tenant's own expense, make all repairs and replacements to the sidewalks and curbs adjacent thereto, keep said sidewalks and curbs free from snow, ice, dirt and rubbish and maintain said sidewalks in a reasonably safe condition in compliance with requirements of law. Tenant shall pay to Owner the cost of removal of any of Tenant's refuse and rubbish from the building. Bills for the same shall be rendered by Owner to Tenant at such times as Owner may elect, and shall be due and payable when rendered, and the amount of such bills shall be deemed to be, and be paid as, additional rent. Tenant shall, however, have the option of independently contracting for the removal of such rubbish and refuse in the event that Tenant does not wish to have same done by employees of Owner. Under such circumstances, however, the removal of such refuse and rubbish by others shall be subject to such rules and regulations as, in the judgment of Owner, are necessary for the proper operation of the building.

Security: 31. Tenant has deposited with Owner the sum of \$ _____ as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this lease; it is agreed that in the event Tenant defaults in respect of any of the terms, provisions and conditions of this lease, including, but not limited to, the payment of rent and additional rent, Owner may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent, or any other sum as to which Tenant is in default, or for any sum which Owner may expend or may be required to expend by reason of Tenant's default in respect of any of the terms, covenants and conditions of this lease, including but not limited to, any damages or deficiency in the retaking of the demised premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Owner. In the case of every such use, application or retention, Tenant shall, within five (5) days after demand, pay to Owner the sum so used, applied or retained which shall be added to the security deposit so that the same shall be replenished to its former amount. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this lease, the security shall be returned to Tenant after the date fixed as the end of the lease and after delivery of entire possession of the demised premises to Owner. In the event of a sale of the land and building or leasing of the building, of which the demised premises form a part, Owner shall have the right to transfer the security to the vendee or lessee and Owner shall thereupon be released by Tenant from all liability for the return of such security, and Tenant agrees to look to the new Owner solely for the return of said security; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Owner. Tenant further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as security, and that neither Owner nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

 Space to be filled in or deleted

Captions: 32. The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this lease nor the intent of any provision thereof.

Definitions: 33. The term "Owner" as used in this lease means only the Owner, or the mortgagee in possession, for the time being of the land and building (or the Owner of a lease of the building or of the land and building) of which the demised premises form a part, so that in the event of any sale or sales or conveyance, assignment or transfer of said land and building or of said lease, or in the event of a lease of said building, or of the land and building, the said Owner shall be and hereby is entirely freed and relieved of all covenants and obligations of Owner hereunder, and it shall be deemed and construed without further agreement between the parties or their successors in interest, or between the parties and the purchaser, grantee, assignee or transferee at any such sale, or the said lessee of the building, or of the land and building, that the purchaser, grantee, assignee or transferee at any such sale, or the said lessee of the building has assumed and agreed to carry out any and all covenants and obligations of Owner hereunder. The words "re-enter" and "re-entry" as used in this lease are not restricted to their technical legal meaning. The term "business days" as used in this lease shall exclude Saturdays, Sundays and all days designated as holidays by the applicable building service union employees service contract or by the applicable Operating Engineers contract with respect to HVAC service. Wherever it is expressly provided in this lease that consent shall not be unreasonably withheld, such consent shall not be unreasonably delayed.

Adjacent Excavation-Shoring: 34. If an excavation shall be made upon land adjacent to the demised premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, a license to enter upon the demised premises for the purpose of doing such work, as said person shall deem necessary, to preserve the wall or the building of which the demised premises form a part from injury or damage and to support the same by proper foundations, without any claim for damages or indemnity against Owner, or diminution or abatement of rent.

Rules and Regulations: 35. Tenant and Tenant's servants, employees, agents, visitors, and licensees shall observe faithfully, and comply strictly with the Rules and Regulations and such other and further reasonable Rules and Regulations as Owner or Owner's agents may from time to time adopt. Notice of any additional rules or regulations shall be given in such manner as Owner may elect. In case Tenant disputes the reasonableness of any additional Rule or Regulation hereafter made or adopted by Owner or Owner's agents, the parties hereto agree to submit the question of the reasonableness of such Rule or Regulation for decision to the New York office of the American Arbitration Association, whose determination shall be final and conclusive upon the parties herein. The right to dispute the reasonableness of any additional Rule or Regulation upon Tenant's part shall be deemed waived unless the same shall be asserted by service of a notice, in writing, upon Owner, within fifteen (15) days after giving of notice thereof. Nothing in this lease contained shall be construed to impose upon Owner any duty or obligation to enforce the Rules and Regulations or terms, covenants or conditions in any other lease, as against any other tenant, and Owner shall

not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees.

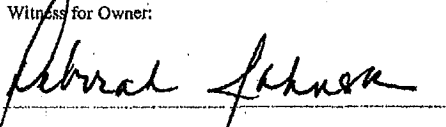
Glass: 36. Owner shall replace, at the expense of Tenant, any and all plate and other glass damaged or broken from any cause whatsoever in and about the demised premises. Owner may insure, and keep insured, at Tenant's expense, all plate and other glass in the demised premises for and in the name of Owner. Bills for the premiums therefore shall be rendered by Owner to Tenant at such times as Owner may elect, and shall be due from, and payable by, Tenant when rendered, and the amount thereof shall be deemed to be, and be paid as, additional rent.

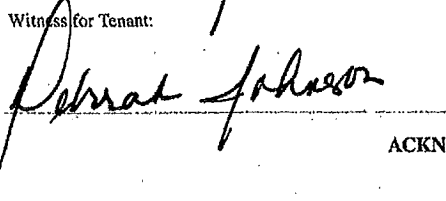
Pornographic Uses Prohibited: 37. Tenant agrees that the value of the demised premises and the reputation of the Owner will be seriously injured if the demised premises are used for any obscene or pornographic purposes or any sort of commercial sex establishment. Tenant agrees that Tenant will not bring or permit any obscene or pornographic material on the demised premises, and shall not permit or conduct any obscene, nude, or semi-nude live performances on the demised premises, nor permit use of the demised premises for nude modeling, rap sessions, or as a so called rubber goods shop, or as a sex club of any sort, or as a "massage parlor." Tenant agrees further that Tenant will not permit any of these uses by any sublessee or assignee of the demised premises. This Article shall directly bind any successors in interest to the Tenant. Tenant agrees that if at any time Tenant violates any of the provisions of this Article, such violation shall be deemed a breach of a substantial obligation of the terms of this lease and objectionable conduct. Pornographic material is defined for purposes of this Article as any written or pictorial matter with prurient appeal, or any objects of instrument that are primarily concerned with lewd or prurient sexual activity. Obscene material is defined here as it is in Penal Law §235.00.

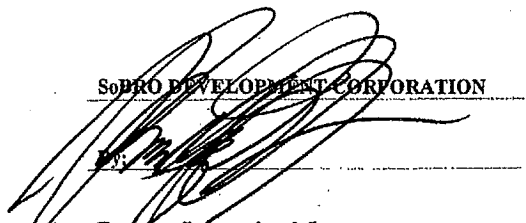
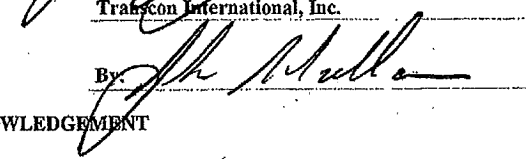
Estoppel Certificate: 38. Tenant, at any time, and from time to time, upon at least 10 days prior notice by Owner, shall execute, acknowledge and deliver to Owner, and/or to any other person, firm or corporation specified by Owner, a statement certifying that this lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), stating the dates which the rent and additional rent have been paid, stating whether or not there exists any defaults by owner under this lease, and, if so, specifying each such default and such other information as shall be required of Tenant.

Successors and Assigns: 39. The covenants, conditions and agreements contained in this lease shall bind and inure to the benefit of Owner and Tenant and their respective heirs, distributees, executors, administrators, successors, and except as otherwise provided in this lease, their assigns. Tenant shall look only to Owner's estate and interest in the land and building for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) against Owner in the event of any default by Owner hereunder, and no other property or assets of such Owner (or any partner, member, officer or director thereof, disclosed or undisclosed), shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under, or with respect to, this lease, the relationship of Owner and Tenant hereunder, or Tenant's use and occupancy of the demised premises.

In Witness Whereof, Owner and Tenant have respectively signed and sealed this lease as of the day and year first above written.

Witness for Owner:


Witness for Tenant:


SoPRO DEVELOPMENT CORPORATION

By: 
Philip Morow

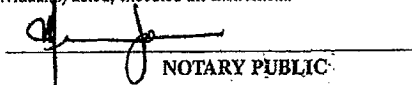
ACKNOWLEDGEMENT

STATE OF NEW YORK,

SS.:

COUNTY OF Bronx

On the 4th day of December in the year 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared John Mullane / Philip Morow, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


NOTARY PUBLIC

MIRIAM D.A. JOHNSON
Notary Public, State of New York
No. 01J0004253
Qualified in Bronx County
Commission Expires 7/24/2010

**RIDER TO LEASE BETWEEN SOBRO DEVELOPMENT CORPORATION
("SOBRO") AS OWNER AND TRANSCON INTERNATIONAL INC., AS TENANT**

37. By the execution of this Lease and Rider, any and all existing lease and/or sublease agreements between Owner and Tenant with respect to the rental of space within the Demised Premises are hereby terminated as of December 31, 2007.
38. (A) Tenant covenants to pay Owner without previous demand therefor and without setoff or deduction, except as expressly set forth herein, base rent at the following rental rates for the successive periods indicated below:

The Rent Commencement Date shall be February 1, 2008. The initial Annual Base Rent for the Demised Premises, which shall be paid in monthly installments in advance on the first day of each month, shall be commencing as of the date of this Lease through December 31, 2009, Four Hundred Thirty-Eight Thousand Dollars (\$438,000) annually, payable in monthly installments of Thirty-Six Thousand Five Hundred Dollars (\$36,500) per month. Thereafter, commencing January 1, 2010, and continuing through the term of the Lease which expires on December 31, 2031, the annual Base Rent shall increase, on the first (1st) day of every twenty-fourth (24th) month, by an amount equal to Three Percent (3%) of the Annual Base Rent in effect for the prior year (Annual Base Rent Increase), as follows:

Year	Annual Rent	Monthly Rent
3-4	\$451,140	\$37,595
5-6	\$464,674	\$38,723
7-8	\$478,614	\$39,885
9-10	\$492,972	\$41,038
11-12	\$507,762	\$42,313
13-14	\$522,995	\$43,583
15-16	\$538,685	\$44,890
17-18	\$554,845	\$46,237
19-20	\$571,491	\$47,624
21-22	\$588,635	\$49,053
23	\$606,294	\$50,525

If the the Rent Commencement Date is not the first day of a calendar month, Base Rent for the period from the the Rent Commencement Date to the end of that month shall be pro-rated.

Possession of the Demised Premises by Tenant shall commence as of the execution of this Lease ("Possession Commencement Date").

Tenant will have an option to terminate this Lease upon one year written notice to Owner.

Tenant shall also have the right of first refusal in the leasing of available vacant space within the Building and vacant land at site. In such event, Owner shall provide Tenant notice of the availability of such space and Tenant shall have ninety (90) days to inform Owner in writing whether or not Tenant will exercise such right of first refusal.

(B) Tenant shall deposit with Owner upon the execution of this Lease, the amount of Base Rent reserved hereunder for the first calendar month of the term.

39. (A) Supplementing Paragraph Thirty-One (31) of this Lease, Tenant shall deposit with Owner, in two equal installments of Thirty-Six Thousand Five Hundred Dollars (\$36,500), the sum of Seventy-Three Thousand Dollars (\$73,000), which represents two months' rent of the Demised Premises. The first installment shall be due and payable upon execution of this Lease. The second installment shall be paid no later than June 30, 2008 or six (6) months following the execution of this Lease, whichever date occurs earlier. Owner acknowledges that the sum of Twenty Thousand Two Hundred Fifty Dollars (\$20,250), which has been previously paid by Tenant as a Security Deposit and is currently being held by Owner, shall

be credited toward Tenant's first installment obligation. Tenant shall simultaneously increase its deposit each and every time that the Annual Base Rent increases so that the Security Deposit always equals two-twelfths (2/12) of the total Annual Base Rent of the Demised Premises.

(B) Tenant hereby authorizes Owner to co-mingle the sums deposited or to be deposited as Security under this Lease in a special account with any and all other sums similarly deposited with Owner. Owner shall not be obligated to deposit such sums into an interest-bearing account. Owner shall receive an administration fee of one (1%) percent of the amount of the security deposit, to be paid annually.

(C) Notwithstanding anything herein or elsewhere to the contrary, Tenant agrees that any interest earned on Tenant's security deposit shall be retained by Owner throughout the term of this Lease as additional security. Furthermore, if at any time or for any reason the amount of Tenant's security deposit shall be less than the value of two months' Base Rent at the then prevailing base rental rate, Tenant shall deposit with Owner, within ten (10) days of Owner's written demand to Tenant, an amount, which when added to the amount of the security deposit then held by Owner, shall equal two-twelfths (2/12) of the total Annual Base Rent of the Demised Premises at the then prevailing rate.

40. Each year, during the term of this Lease, Tenant shall pay in addition to the Base Rent, Tenant's proportionate share of Sixty-Seven Percent (67%) of the common area, water and sewer charges paid, payable, or incurred by Owner according to a cash method of accounting in each calendar year or partial calendar year. Payment of Tenant's proportionate share of common area, water and sewer charges shall be made within fifteen (15) days after demand based upon a statement furnished by Owner to Tenant with each such demand.
41. During the first year of this Lease and Amendment, in addition to the Base Rent, Tenant shall pay Fifteen Percent (15%) of the natural gas charges paid, payable, or incurred by Owner according to a cash method of accounting in each calendar year or partial calendar year. Payment of natural gas charges shall be made within fifteen (15) days after demand based upon a statement furnished by Owner to Tenant with each such demand. Based on Tenant's actual usage of natural gas during the first year of this Lease, Owner shall, if necessary, adjust Tenant's proportionate share of natural gas charges for the subsequent Lease years.
42. (A) Subject to Paragraphs 42(B) and 83 herein and provided that Tenant is still in possession of the Demised Premises, this Lease are in full force and effect and Tenant is not in default hereunder either at the time Tenant gives notice exercising its option or upon the expiration of the original Lease term, Tenant shall have an option to renew this Lease for an additional ten (10) years commencing upon the expiration of the original term of this Lease and terminating on the tenth (10th) anniversary of the date originally herein set forth for the expiration of the term of this Lease (the "Renewal Term"). Tenant shall exercise this option to renew by delivering written notice to Owner not later than six (6) months prior to the expiration of the original Lease term. The Renewal Term shall be on the same terms, covenants and conditions as are contained in this Lease and Amendment, except as to the Base Rent. The Annual Base Rent at the commencement of the Renewal Term shall be increased by an amount equal to Three Percent (3%) of the Annual Base Rent in effect at the time of the expiration of the Lease, and subsequently increase every twenty-four (24) months by an amount equal to Three Percent (3%) during the Renewal Term.
- (B) Tenant acknowledges that Tenant's rights under this Lease, including the option to renew and the length of the term, are subject and subordinate to the terms and conditions of the Overlease between Owner and the City of New York as Overlandlord as those terms are defined herein, dated as of June 7, 2002, which are more particularly described in Paragraph 83 herein.
43. The terms of this Lease and the obligations of Tenant hereunder are conditioned upon the delivery by Owner and Overlandlord to Tenant and its Subtenant as the case may be, at no cost to Tenant or Tenant's Subtenant, on or before the Commencement Date of an agreement (a "Non-Disturbance Agreement") from all existing and future holders of any mortgages or

deeds of trust, and all existing and future lessor (including, but not limited to sub-lessors), in recordable form reasonably acceptable to Tenant and Tenant's Subtenant, which Non-Disturbance Agreement shall provide that such party shall agree that if and so long as no event of default hereunder shall have occurred and be continuing under the Lease, (A) Tenant and Tenant's Subtenant shall not be named or joined as a party defendant or otherwise, in any suit, action or proceeding, and (B) the leasehold estate granted to Tenant and Tenant's Subtenant and the rights of Tenant and Tenant's Subtenant pursuant to this Lease and any sublease, as the case may be, to quiet and peaceful possession and enjoyment of the Premises shall not be terminated, modified, affected or disturbed by any action which such party may take to foreclose any such mortgage or deed of trust or terminate any such superior lease, and that any successor lessor or sub-lessor shall recognize this Lease as being in full force and effect as if it were a direct lease between such successor lessor and Tenant upon all of the terms, covenants, conditions and options granted to Tenant under this Lease.

44. Tenant presently intends to use the Demised Premises for warehouse purposes (the "Proposed Use"), but Tenant shall have the right to use the Demised Premises for any lawful use, including a collections storage facility, a library, a research facility, conservation lab, photography studio, and general office use (collectively, the "Permitted Use"). Tenant shall, at its own cost and expenses, obtain all required permits and approvals to operate the Demised Premises for its Proposed or Permitted Use and in compliance with all government agencies having jurisdiction therefore, providing to Owner copies of all duly issued permits and approvals thereof in advance of the conduct of any work, repair, alteration and/or additions thereon.
46. (A) Tenant is permitted access to and use of the roof for the installation and maintenance of its equipment under the following conditions. Tenant shall have the right, at its cost and expense, to install and maintain a reasonable number of satellite antenna(s) and/or dish(es), or other communication equipment/infrastructure (collectively, "Rooftop Equipment") supporting Tenant's operations on the roof of the Building. Prior to the installation of any Rooftop Equipment, Tenant shall submit the plans, schematics and specifications therefor to Owner for the Owner's approval and the Overlandlord's approval. The Owner's approval shall not be unreasonably withheld. Such plans, schematics and specifications shall be prepared by a duly licensed and credentialed architect or engineer. In no case shall the Rooftop Equipment exceed the weight-bearing capacity of the roof. Such Rooftop Equipment shall be installed in a mutually-agreed upon rooftop location provided Owner and/or the Overlandlord may request Tenant to relocate such Rooftop Equipment after installation with the Owner paying the cost of any such relocation and re-installation. Tenant's right shall be non-exclusive and Owner and/or the Overlandlord may permit, or cause to be installed, other antennas, towers, dishes or communications or transmission devices as Owner and/or the Overlandlord deems appropriate in its sole and absolute discretion. Tenant's transmission frequency may not unreasonably interfere with any other antenna, reception or transmission device installed by Owner, Overlandlord or any other tenant. Tenant shall be required to install and to maintain, at its sole cost and expense, and in a location approved by Owner and/or Overlandlord, an electric sub-meter with respect to the electricity consumed in connection with the operation of the Rooftop Equipment.
- (B) Tenant agrees to keep and maintain the rooftop area where the Rooftop Equipment is installed watertight and free of leaks. Tenant further agrees to pay any additional insurance costs related to its installation, maintenance and operation of such Rooftop Equipment.
- (C) Tenant agrees, at its cost and expense, to obtain any and all necessary permits for the installation and/or maintenance of the Rooftop Equipment. Tenant further covenants that any Rooftop Equipment installed on the roof of the Building will comply with all applicable laws, codes, ordinances and regulations.
- (D) Tenant covenants and agrees that if and when Tenant installs Rooftop Equipment, such Rooftop Equipment will be solely for the business use of Tenant, Tenant's Subtenant and any permitted occupant of the Demised Premises and no rights, licenses or leases of any part of such Rooftop Equipment shall be granted to any third-party for any reason.

(E) Tenant shall indemnify, defend and hold Owner and the Overlandlord harmless from and against any claim, loss, cost, expense, proceeding, action, settlement or complaint, including reasonable attorneys' fees and expenses, arising out of or related to Tenant's installation, operation and maintenance of the Rooftop Equipment.

(F) Tenant, at its cost and expense, prior to the expiration of the Term of this Lease, will remove the Rooftop Equipment from the roof of the Building and will repair the roof so same shall be watertight and free of leaks after such removal. This obligation shall survive the expiration or termination of this Lease.

46. Tenant has examined the Demised Premises and is fully familiar therewith and, accepts the same in its present "as is" condition. Tenant will not call upon the Owner during the term of this Lease to make any alterations, repairs, replacements or to do any decorating in the Demised Premises, except as specifically set forth herein.

47. All alterations and improvements made by Tenant shall be at Tenant's sole cost and expense and subject to the following conditions:

(i) Prior to making any alterations or improvements costing One Hundred Thousand Dollars (\$100,000) or more, Tenant shall submit the plans and specifications therefor to Owner for the Owner's approval and the Overlandlord's approval. The Owner's approval shall not be unreasonably withheld. The Owner's approval shall not be required with respect to painting or decoration of the Demised Premises by the Tenant. Tenant shall provide Owner with a layout of placement of machinery as per their engineer's specifications. Owner agrees to review said plans and specifications without any unreasonable delay and notify Tenant of its decision as soon as possible. The Plans and Specifications annexed to this Lease as Exhibit A have been approved by Owner subject to approval by the Overlandlord. Any amendment or modification of such Plans and Specifications shall be subject to approval by the Owner and Overlandlord in accordance with this Paragraph 47. Owner may, from time to time during the progress of such work, inspect the Demised Premises to determine whether or not the work is being performed in accordance with the plans and specifications. Owner may notify Tenant of any respect in which the work may not be in substantial compliance with such plans and specifications, and upon receipt of such notice, Tenant will take the necessary steps to correct same. If the Overlandlord requires that Tenant's plans and specifications be reviewed by an architect or other licensed contractor, then the amount of any such professional fees or costs incurred in connection with the review of said plans and specifications shall be paid to Owner by Tenant immediately upon receipt of a bill therefor, as additional rent.

(ii) Before the commencement of any work, plans and specifications shall be filed with and approved by all governmental departments or authorities having jurisdiction and any public utility company having an interest therein and all such work shall be done subject to and in accordance with the requirements of law and legal regulations of all governmental departments or authorities having jurisdiction, including but not limited to Local Law 58/1987 of the City of New York, as amended, and the Americans with Disabilities Act and of each public utility company and Tenant shall also procure all necessary permits of any and all governmental authorities having jurisdiction over such work, if required. Owner shall cooperate with Tenant at no cost to Owner, in connection with Tenant's obtaining the above approvals, including the signing by Owner of any permits or applications, and the filing by Owner of all necessary paperwork.

(iii) Tenant shall provide Owner with evidence of Worker's Compensation Insurance in connection with such work and shall deliver a certificate of such insurance to Owner.

(iv) All damages to the building of which the Demised Premises form a part or any part thereof resulting from such work shall be promptly repaired by Tenant at Tenant's sole cost and expense and Tenant will and hereby does indemnify Owner against any claims for damages to any other tenants in the building resulting from such work.

(v) During any construction, Tenant shall take all necessary steps to see that the public

areas, including without limitation the loading dock, of the building containing the Demised Premises and the sidewalk and parking areas adjacent to the building are free from all materials, equipment or fixtures used in the alteration or repair of the Demised Premises.

(vi) All work shall be done in a good and workmanlike manner in accordance with all orders, rules and regulations of any and all governmental authorities having jurisdiction and all material shall be fire rated.

(vii) All work shall be performed in such a manner as not to unreasonably interfere with the operations of Owner or other tenants in the building.

(viii) Before the commencement of any such work, the Tenant shall pay the amount of any increase in Owner's or Tenant's premiums on insurance policies on account of endorsements to be made thereon covering the risk during the course of such work.

(ix) Tenant shall furnish Owner (a) with certificates of completion of all alterations in accordance with the plans and specifications and (b) evidence satisfactory to Owner that all contractors, subcontractors and materialmen have been paid in full for Tenant's alterations.

(x) Tenant agrees prior to making any alterations or installations in the Demised Premises costing in excess of \$50,000 in the aggregate, to deliver to Owner a Payment and Performance Bond or Letter of Credit in the full amount of the cost of Tenant's work in form and content satisfactory to Owner, in its sole discretion, guaranteeing payment of all contractors, subcontractors and materialmen and insuring Owner that the Tenant's work will be completed within a reasonable time after commencement of such work. Such Bond or Letter of Credit shall be issued by, respectively, a surety or banking institution satisfactory to Owner in Owner's sole discretion. In lieu of such Bond or Letter of Credit, Tenant may deposit with Owner the full amount, in cash, of the cost of Tenant's work, in which case, Owner will agree with Tenant, on reasonable terms, to the release of such funds to Tenant in increments based upon the progress of the completion of such work.

(x) Notwithstanding any other provisions within this Lease, tenant is permitted to install non-structural, decorative items within their Demised Premises without notice to Owner irregardless of cost. All such items shall comply with local laws and building codes.

48. (A) Tenant covenants to protect, indemnify, and hold the Overlandlord, Owner and their respective agents and employees harmless from any and all liability, damage or expense by reason of any death, injury or injuries sustained by anyone or to property or loss of property received, done or occurring in or about the Demised Premises, or the entrances and exits thereof, except with respect to any injury or injuries sustained to person or property, or loss of property caused by the negligent acts or omissions of Owner, its servants or employees. Tenant further covenants to protect, indemnify and hold the Overlandlord, Owner and their respective agents and employees harmless from any and all liability, damage or expense by reason of any injury or injuries sustained by anyone or to property or loss of property received, done or occurring in or about the Demised Premises, the public areas of the land and building in which the Demised Premises are located, including without limitation the loading dock of the building containing the Demised Premises and sidewalk and parking areas adjacent to the building as a result of the negligent act or omission of Tenant, Tenant's agents, contractors, employees, servants, licensees, sublessees or by anyone permitted to be on the Demised Premises by Tenant, except with respect to any injury or injuries sustained to person or property, or loss of property caused by the negligent acts or omissions of Owner, its servants or employees. In addition Tenant agrees, at Tenant's sole cost and expense, to provide and keep in full force and effect during the entire term of this Lease boiler insurance (if a boiler or boilers provide heat or hot water to the Demised Premises), property damage insurance (including without limitation insurance upon all glass and plate glass in the Demised Premises) and comprehensive general public liability insurance against liability, loss or expenses for damage or injury to persons including without limitation death by reason of any accident upon the Demised Premises, the entrances and exits thereof, the public areas, including without limitation the loading dock of the building containing the Demised Premises and sidewalk and parking areas adjacent to the building. Such insurance shall

provide protection to the limit of \$3,000,000.00 in the event of personal injury and/or death and/or property damage. Said policies of insurance shall be obtained by Tenant from companies with a rating of not less than A: VIII in Bests Insurance Reports and licensed to do business in the State of New York and insure Tenant, Overlandlord, Owner and their respective agents and employees and Overlandlord and Owner and their respective agents and employees shall specifically be named as additional insureds thereunder. This insurance shall not be invalidated should the insured waive in writing prior to a loss any or all rights of recovery against any party for a loss required to be insured against hereunder. Said insurance shall not have a deductible exceeding \$5,000.00. The delivery of said insurance to Overlandlord and Owner is hereby made a condition precedent to the letting of the Demised Premises hereunder. All certificates of insurance shall provide that Overlandlord and Owner shall receive written notice of cancellation or any change of said policies. In the event that Tenant shall fail to comply with the provisions of this Paragraph 48, Owner is hereby authorized, at Owner's option, if Tenant does not obtain same within five (5) days after written notice of Tenant's failure to comply with the terms of this Paragraph 48, to purchase said insurance and charge Tenant for the premiums of same and such expenditure on the part of Owner shall be deemed further additional rent and shall be paid by Tenant immediately upon being billed by Owner. During the entire term of this Lease, if any or all insurance premiums paid by Owner for the land and building containing the Demised Premises for fire, extended coverage, public liability, all risk rental value in amounts determined by Owner to cover all rent, additional rent and other charges payable in connection with the land and building containing the Demised Premises, umbrella liability, sprinkler liability, and water and legal liability exceed, at any time or times as related to said premises, the premiums in effect on August 31, 2000 on an annual basis, then Tenant shall pay to Owner as additional rent, one hundred (100%) percent of such excess immediately upon being billed by Owner.

(B) All insurance policies required to be obtained by Tenant hereunder shall carry and have endorsed thereon the following endorsements, it being understood that the names of Overlandlord and Owner shall be stated therein where applicable:

(i) It is understood and agreed that in the event of cancellation, or change in policy affecting Overlandlord and/or Owner's interests, sixty (60) days prior written notice will be given to Overlandlord and Owner by certified mail, return receipt requested.

(ii) It is understood and agreed that this policy is taken out at the request of Tenant, who is therefore responsible for all premiums on said policy.

(iii) It is understood and agreed that Overlandlord and Owner will be named as additional insureds on Tenants' insurance.

49. Tenant and Owner warrants and represents that neither party has dealt with a broker in connection with this Lease. Tenant agrees to and hereby does indemnify and hold Owner harmless from all liability for the payment of a commission to any broker with whom it or its representatives have dealt in connection with this Lease, together with any legal expenses or other charges in connection with such a brokerage claim. Owner agrees to and hereby does indemnify and hold Tenant harmless from all liability for the payment of a commission to any broker with whom it or its representatives have dealt in connection with this Lease, together with any legal expenses or other charges in connection with such a brokerage claim.

50. Tenant covenants and agrees not to obstruct in any way the entrances and exits to the Demised Premises or stairways and passage ways inside the building containing the Demised Premises or the loading dock or the sidewalks or parking lot area adjacent to the building and further agrees not to allow any merchandise or debris of any kind to accumulate in and about the Demised Premises or the aforesaid areas. Tenant agrees, at Tenant's sole cost and expense to keep the Demised Premises in a clean and neat condition at all times and to remove all garbage and debris from the Demised Premises on a daily basis. At any time during the term of this Lease, Owner shall have the right upon not less than ten (10) days written notice to Tenant, to implement from time to time reasonable rules and regulations governing the removal of garbage from the Demised Premises, which rules and regulations Tenant agrees to promptly comply with. Such rules and regulations shall not result in Tenant

bearing any cost which is inconsistent with Tenant's obligations hereunder. Upon a breach of the covenants set forth in this Paragraph 50, Owner may but shall not be obligated to remove such obstruction, garbage or debris, and charge Tenant for such removal, in addition to Owner's other remedies for a default by Tenant under this Lease. Such charge will be collectible as additional rent, and be paid by Tenant immediately upon being billed by Owner.

51. In addition to the terms and conditions of Paragraph 29 hereof, with respect to the sprinkler system (including a monitoring system) installed in the Demised Premises, the entire cost of maintenance (to the extent same is not included within the sprinkler maintenance and supervisory contract described in the last sentence of Paragraph 29 hereof) repair and/or alteration thereof shall be borne by Tenant. Tenant further agrees that Owner shall not be liable to Tenant for any damages to the Demised Premises (other than damage caused by the negligence of Owner or its agents or employees) or painting in connection with the repair, maintenance or alteration of the sprinkler system in the Demised Premises (including a monitoring system) nor for damages for inconvenience, disturbance of access to facilities or interruption of Tenant's business or otherwise. Tenant further agrees that it will obtain sprinkler insurance in amounts and in form reasonably satisfactory to Owner. Owner warrants that all mechanical, HVAC and sprinkler systems within the Demised Premises are operable at Lease commencement.
52. In case Overlandlord or Owner or their respective agents or employees shall, without fault on their part, be made an additional party to any litigation commenced by or against Tenant, in connection with this Lease and/or the use and occupancy of the Demised Premises, then Tenant shall protect and hold Overlandlord and Owner and their respective agents and employees harmless and shall pay all reasonable costs, expenses and legal fees incurred or paid by Owner, its agents and employees in connection with such litigation and shall pay all costs, expenses and legal fees incurred by Overlandlord, its agents and employees.
53. Tenant shall not, without compliance with all laws and governmental regulations and the prior written consent of Owner in each instance: (1) erect, install, display, inscribe, paint or affix any sign, lettering or advertising medium to, upon or above the exterior of the Demised Premises nor to the interior or exterior glass surface of any entrance door or window or anywhere in the Demised Premises; (2) install any exterior lighting or decoration; (3) conduct auction sales or "going out of business sales" in the Demised Premises; or (4) install any radio or TV antenna or flag pole.
54. In the event there is any conflict or inconsistency between the printed portion of this Lease and the typewritten portion of this Lease, then all conflicts or inconsistencies shall be determined in favor of the typewritten portions hereof, which shall control.
55. Tenant shall maintain exterminating services to the end that the Demised Premises shall be free of vermin, insects, noxious odors, rubbish and debris. Tenant shall also maintain such other sanitary services, reasonably satisfactory to Owner, to the end that all parts of the Demised Premises including the drains and sewers shall be free of accumulation of refuse.
56. In the event Tenant, Tenant's agents, representatives or employees shall be convicted of violating any local, state or federal law with respect to alcoholic beverages, drugs, prostitution or gambling on the Demised Premises, then Owner is hereby given the right to terminate this Lease and all monies deposited by Tenant as security hereunder shall be immediately forfeited to Owner in addition to all other rights Owner may have hereunder, unless the violator is an employee of Tenant and such employee is promptly discharged after such conviction, unless such discharge is prohibited by law.
57. Tenant shall repair at Tenant's sole cost and expense all damage or destruction of any plate glass or window glass in the Demised Premises. If Tenant fails to repair the damage to any plate glass or window glass in the Demised Premises, then Owner may repair said damage or destruction at Tenant's sole cost and expense and the amount thereof shall be paid by Tenant to Owner immediately upon being billed by Owner, as additional rent.

58. Tenant shall look only to Owner's interest in the Overlease for the satisfaction of Tenant's remedies for the collection of any judgment (or other judicial process) requiring the payment of money by Owner or its agents or employees in the event of any default by Owner or Owner's agents or employees under this Lease, and no other property or other assets of Owner or Owner's agents or employees shall be subject to any levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to this Lease, the relationship of Owner and tenant hereunder or Tenant's use and occupancy of the Demised Premises.
59. Except as specifically set forth herein, Owner shall not be required to furnish any service to the Demised Premises, including but not limited to electricity, air conditioning, light and power and shall not be liable for any failure of water supply or electric current or of any service by any utility, unless caused by the negligence of Owner, its agents or employees or other tenants. In no event shall Owner be responsible for any consequential damages related to such matters. Owner shall not be liable to Tenant, its agents or employees, for injury or damage from gas, electricity, water, rain or snow which may flow or leak from any part of the Demised Premises, or from any pipes, appliances or plumbing works of the same, or from the street or subsurface or from any other place nor from interference with light or other incorporeal hereditaments or easements, unless caused by the negligence of Owner, its agents or employees. In no event shall Owner be responsible for any consequential damages related to such matters. Tenant agrees to arrange for the supply of and to pay all charges for electricity, lights, air conditioning, power and/or other services used or charges imposed in or about or supplied to the Demised Premises and shall indemnify Owner and Owner's agents against any and all liability on such account. Tenant further agrees to connect all Tenant's utility services to the appropriate meters serving the Demised Premises which Tenant shall install to the extent same are not already installed and maintain at Tenant's sole cost and expense. Said meters shall measure Tenant's use of such utilities in the Demised Premises. Except as otherwise specifically set forth in this Lease, Tenant hereby assumes full and sole responsibility for the condition, operation, repair and ordinary maintenance of the Demised Premises, including without limitation all equipment and fixtures within the Demised Premises. Tenant's maintenance obligations shall also include maintaining the fire extinguishers in the Demised Premises and maintaining the heat in the Demised Premises at a temperature so as to prevent the plumbing and sprinkler lines and pipes from freezing in the Demised Premises. Such repairs or replacements shall be of reasonable quality and good workmanship. Owner and Owner's agents and employees shall not be required to provide any services, or do any act in connection with the Demised Premises except as specifically provided in this Lease, the rent, additional rent and other sums reserved hereunder shall be paid to Owner without any claim on the part of Tenant for diminution or abatement and the fact that Tenant's use and occupancy of the Demised Premises shall be disturbed or prevented for any cause whatsoever shall not in any way suspend, abate or reduce the rental, additional rental and other sums to be paid hereunder.
60. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and enforced to the fullest extent permitted by law.
61. Tenant hereby acknowledges that late payment by Tenant to Owner of rent, additional rent and other sums due hereunder will cause Owner to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Owner by the terms of any lease or mortgage covering the building containing the Demised Premises. Accordingly if any installment of rent, additional rent or any other sum due from Tenant shall not be mailed by Tenant within five (5) days after such amount shall be due and received by Owner within ten (10) days after such amount shall be due, Tenant shall pay to Owner a late charge equal to five (5%) percent of such overdue amount not to exceed the maximum allowed by law as additional rent. It is specifically agreed and understood that if Tenant is billed for additional rent and does not pay the amount billed in a

timely manner, because it is contesting the amount thereof and if Tenant is successful in contesting the amount of additional rent billed, Tenant shall not be liable for a late charge on the incorrect amount billed, provided however, that when the amount is corrected, Tenant must pay the corrected amount billed within the applicable time period or be subject to a late charge on same. Notwithstanding anything herein to the contrary, Owner agrees to waive the late charge on the first late payment in each twelve (12) month period commencing on the Lease commencement date hereof provided that any such late payment is received not later than fifteen (15) days after the due date thereof. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Owner will incur by reason of late payment by Tenant. Acceptance by Owner of such late charge together with all past due amounts shall constitute a waiver of Tenant's default with respect to such overdue amount. However, Owner shall be under no duty or obligation to accept such late payment and late charge and may exercise any and all rights and remedies granted in this Lease, at law or in equity, as a result of such default in payment.

62. Overlandlord or Owner or their respective agents or employees or other parties authorized by Overlandlord or Owner, shall have the right, at the times provided in the next sentence, to inspect the Demised Premises including but not limited to all utility systems and utility meters therein and in the event changes are necessary to require Tenant to promptly remove any dangerous or hazardous condition created by Tenant in the Demised Premises and/or the utility systems or utility meters within the Demised Premises and/or the operation of the equipment or machinery located therein, to the extent same is a violation of law or any insurance regulation or policy. Tenant shall at Tenant's sole cost and expense, immediately make such changes and/or repairs upon receipt of written notice from Owner. Owner's right of access to the Demised Premises for the purposes described in this Paragraph 62 shall be at reasonable times during business hours upon prior notice, provided that Owner shall have such access at any time in an emergency; Overlandlord shall have such access at any time.
63. In the event any party succeeds to the interest of Owner hereunder, Tenant shall attorn to said party and recognize it as the Owner under this Lease and Tenant further agrees to promptly execute and deliver an attornment agreement upon request of such party.
64. Tenant further agrees that when Tenant vacates the Demised Premises Tenant will remove, at Tenant's sole cost and expense, subject to the provisions of Paragraph 3 hereof, all of Tenant's trade fixtures, machinery and equipment, which have been furnished and installed for the operation of Tenant's business in the Demised Premises, and Tenant shall repair and restore, at Tenant's sole cost and expense, all damage to the Demised Premises caused by such removal.
65. Any transfer by operation, of law or otherwise, of Tenant's interest in this Lease or of any percentage interest in a corporate or partnership tenant (whether stock, partnership interest or otherwise) in a single transaction or a related or unrelated series of transactions or any increase in the amount of issued and/or outstanding shares of capital stock of any corporate tenant and/or the creation of one or more additional classes of capital stock of any corporate tenant, in a single transaction or a related or unrelated series of transactions, with the result that fifty (50%) percent or more of the beneficial interest and record ownership in and to such tenant shall no longer be identically held in the same proportion by the beneficial and record owners of the capital stock of such corporate tenant or the partnership interests of a partnership tenant, as of the date hereof, or such other date agreed to in writing by Owner, shall be deemed an assignment of this Lease within the meaning of Paragraph 11 hereof and this Paragraph 63, except for a transfer or related series of transfers between the present shareholders or transfers on or as a result of the death of a present shareholder or a transfer to the spouse or children of the present shareholders; of the Tenant.
66. If any prospective mortgagee of the land, building or any leasehold interest herein requires, as a condition precedent to issuing its loan, the modification of this Lease in such manner as does not materially lessen Tenant's rights or increase Tenant's obligations hereunder, Tenant shall not delay or withhold Tenant's consent to such modification and shall execute and deliver such reasonable documents therefor as such mortgagee requires provided, however, that Tenant shall not be obligated to deliver Tenant's financial statements to such mortgagee.

67. Notwithstanding anything to the contrary contained in this Paragraph or elsewhere in this Lease, the parties further agree that: (i) all references in Paragraph 19 to expenses to which Owner is entitled are to be deemed illustrative only and Owner will be entitled (in addition to all other sums recoverable by Owner under that Paragraph) to all expenses of every nature which it may incur in connection with any default, re-entry, expiration and/or dispossession by summary proceedings or otherwise; and (ii) wherever in this Lease Tenant is required to pay to Owner any monies as "additional rent" such monies will be payable to Owner at the times specified in this Lease for the payment thereof, as if there had not occurred any default, re-entry, expiration and/or dispossession by summary proceedings or otherwise.
68. If Tenant shall holdover after the expiration of the term of this Lease and if Owner shall then not proceed to remove Tenant from the Demised Premises in the manner permitted by law, the parties hereby agree that Tenant's occupancy of the Demised Premises after the expiration of the term shall be under a month-to-month tenancy commencing on the first day after the expiration of the term, which tenancy shall be upon all of the terms set forth in this Lease except: (a) Tenant shall pay on the first day of each month (prorated for the initial partial month, if any) of the holdover period, as Basic Monthly Rent, an amount equal to two (2) times the monthly installment of Annual Base Rent payable by Tenant during the last year of the term of this Lease (i.e. the year immediately prior to the holdover period). And it is further stipulated and agreed that if Owner shall, at any time after the expiration of the term of this Lease, proceed to remove Tenant from the Demised Premises as a holdover, the fixed Basic Monthly Rent for the use and occupancy of the Demised Premises during any holdover period shall be at the aforesaid rate equal to two (2) times the monthly installment of basic annual rent payable by Tenant during the last year of the Lease.
69. If any mechanics or other lien or order for the payment of money or any notice of intention to file a lien shall be filed against the Demised Premises or the building in which the Demised Premises are contained relating to labor or material provided during the term of this Lease, by reason of or arising out of any labor or material furnished to or for the Tenant or any occupant thereof, or for or by reason of any change, alteration or addition or the cost or expense thereof, or any contract relating thereto, or against the interest of Owner (except as a result of materials, services, brokerage services or other work in the Demised Premises which is requested by Owner or Owner's agents, servants or employees, provided such work and/or the cost thereof is not Tenant's obligation pursuant to the terms of this Lease), Tenant shall cause the same to be canceled and discharged of record by bond or otherwise as allowed by law at the expense of Tenant within twenty (20) business days after notice of the filing thereof; and Tenant shall also defend on behalf of Owner, at Tenant's sole cost and expense, any action, suit or proceeding which may be brought thereon, or for the enforcement of such lien, liens or orders, and Tenant will pay any damages and satisfy and discharge any judgment entered thereon and save harmless Owner from any claim or damage resulting therefrom.

Nothing herein contained shall be construed as a consent on the part of Owner to subject the estate of the Owner to liability under the Lien Law of the State of New York or any other law, it being expressly understood that the Owner's estate shall not be subject to such liability.

70. In the event Tenant shall fail to comply with and perform any of the covenants, conditions or agreements herein contained on the Tenant's part to be performed (after notice and the expiration of any applicable cure period) and Owner shall exercise its right to perform any such covenants, conditions or agreements, Tenant agrees to pay to Owner on demand as additional rent hereunder, in addition to a sum equal to the amount expended by Owner in the performance of such covenants, conditions or agreements, ten (10%) percent of the amount spent by Owner in connection with performing such covenants, conditions or agreements. In the event Tenant fails to pay the amounts set forth in this Paragraph within fifteen (15) days of rendition of a bill therefore, interest shall be added to the amount due at two (2%) percent over the "prime rate" of interest charged from time to time by The Chase Manhattan Bank, or other major commercial bank in New York City, with assets in excess of three billion dollars from the date of Owner's invoice. In the event Owner shall perform any such covenants,

conditions or agreements, Tenant agrees that the Owner, its agents or employees, may enter the Demised Premises in connection therewith and that such entry and such performance shall not constitute an eviction of Tenant, in whole or in part, nor relieve Tenant from the continued performance of all covenants, conditions, and agreements of this Lease, and further agrees that except for the negligence of Owner, its agents or employees directly resulting in claims, loss or damage not covered by Tenant's insurance, Owner, its agents or employees shall not be liable for any claim for loss or damage to Tenant or any one claiming through or under Tenant.

71. Owner shall have the right without assigning its interest in this Lease, to assign from time to time the whole or any part of the rent, additional rent or other amounts, at any time payable hereunder to any person, firm, corporation, trust or other entity designated by Owner in a written notice to Tenant and in any such case, Tenant shall pay same, subject to the terms of this Lease, to Owner's said designee at the address mentioned in any such notice for the period set forth in such notice.
72. Tenant agrees to obtain at Tenant's sole cost and expense all permits required by any governmental or administrative agency or department or insurance company in connection with Tenant's use and occupancy of the Demised Premises and Tenant further agrees to maintain such permits during the entire term of this Lease. Owner makes no warranty or representation with respect to whether or not Tenant's use of the Premises as set forth in Paragraph 2 hereof is permissible under the existing certificate of occupancy or whether or not an amended certificate of occupancy is required or if same is required, if same is obtainable.
73. (A) Tenant may not assign Tenant's interest in this Lease or enter into a sublease of the Demised Premises without compliance in each instance with the following terms:
 - (i) Tenant obtains Owner's consent (and if required by the terms of the Overlease, Overlandlord's consent) to such assignment or subletting in writing, which consent shall not be unreasonably withheld by Owner;
 - (ii) That at the time of the assignment or subletting Tenant shall not be in default (after notice and the expiration of any applicable cure period) of the terms, provisions and covenants of this Lease;
 - (iii) Any proposed assignment or sublease must be submitted to Owner at least sixty (60) business days before the commencement date thereof;
 - (iv) A sublease must provide that the same is subject to all of the terms and conditions of this Lease and the sublease must provide that in the event of cancellation or termination of this Lease for any reason whatsoever or of the surrender of this Lease whether voluntary, involuntary or by operation of law, prior to the expiration date of such sublease, including extensions and renewals granted thereunder, the proposed subtenant agrees to make full complete attornment to Owner for the balance of the sublease, at the option of Owner at any time during the proposed subtenant's occupancy of the Demised Premises, which attornment shall be evidenced by an agreement in form and substance satisfactory to Owner and its counsel, which the proposed subtenant agrees to execute and deliver at any time within ten (10) business days after request of Owner, and the proposed subtenant waives the provisions of any law now or hereafter in effect which may give the proposed subtenant any right of election to terminate the sublease or to surrender possession of the Demised Premises in the event any proceeding is brought by Owner under this Lease to terminate this Lease;
 - (v) The assignee or subtenant must be a United States citizen or citizens or a corporation qualified to do business in the State of New York and organized and existing under the laws of one of the States of the United States or a general or limited partnership of which at least one general partner is a United States citizen or a corporation qualified to do business in the State of New York and organized and existing under the laws of one of the States of the United States;

(vi) No assignment or subletting shall relieve Tenant of Tenant's obligations or liabilities hereunder, or shall be deemed a consent to a further assignment or subletting;

(vii) Tenant shall pay as additional rent the reasonable cost of Owner's attorney's fees in connection with reviewing such assignment or subletting;

(viii) Any assignee assumes all the obligations of this Lease and an assignment and assumption agreement in form reasonably acceptable to Owner is fully executed and a copy thereof is mailed to the Owner within five (5) business days after such assignment and assumption by certified mail, return receipt requested to the address stated above.

(ix) Such assignee or subtenant furnishes to Owner such additional security in such amount as Owner may reasonably request, on or before the effective date of any assignment of the Tenant's interest in this Lease.

(x) Tenant may, without Owner's prior written consent, assign its entire interest in this Lease or sublet all or part of the Demised Premises to any corporation or other business entity which control, is controlled by, or is under common control with Tenant, subject however to compliance with Tenant's obligations under this Lease, provided that (i) Tenant shall not be in default in the performance of any of its obligations under this Lease, and (ii) sixty (60) days prior to such subletting or assignment Tenant furnishes Owner with notice of the subletting or assignment, which shall include the name of any such related corporation, together with a certification of Tenant that such subtenant or assignee is a related corporation of Tenant and continues to remain such during the term of this Lease. In connection with the information to be provided to Owner pursuant to this Paragraph, Owner shall have the right, at any reasonable time and from time to time, to examine such books and records of Tenant as may be necessary to establish that such subtenant or assignee remains a related corporation of Tenant. If Tenant sublets all or part of the Demised Premises, such subletting shall not be deemed to vest in any such related corporation any right or interest in this Lease or the Demised Premises nor shall it relieve, release, impair or discharge any of Tenant's obligations hereunder. For the purposes hereof, "control" shall be deemed to mean ownership of not less than fifty percent (50%) of all of the voting stock of such corporation or not less than fifty percent (50%) of all of the legal and equitable interest in any other business entities.

(xi) Tenant may not collect rent, additional rent or any other sums related to the use or occupancy of the Demised Premises, from or for the benefit of any assignee or subtenant, in amounts which exceed that required of Tenant under this Lease, nor may Tenant collect rent or additional rent for more than one month in advance.

(B) Notwithstanding the provisions of Paragraph 73(A) requiring the consent of the Owner for any assignment or subletting of the Demised Premises, Tenant may, subject to all the other requirements of Paragraph 73(A) and the use restrictions of Paragraphs 2 and 44 hereof, sublet a portion of any single floor that Tenant occupies (not to exceed one-third of the total gross area of that particular floor), without the consent of the Owner.

(C) Notwithstanding anything to contrary contained in this Lease, in the event that the Tenant obtains a loan from the Small Business Administration (the "Lender"), the Lender shall be permitted to place a leasehold mortgage on the Property. In addition, in the event that the Tenant defaults under its loan with the Lender, the Lender would be permitted to assign the Lease (subject to the prior written consent of Landlord, which consent shall not be unreasonably withheld) and obtain the difference, if any, of rent collected pursuant to the assignment and the rent currently due under the Lease.

75. In the event Tenant claims or asserts that Owner has violated or failed to perform a specific covenant of Owner set forth in this Lease, if any, not to unreasonably withhold its consent or approval or in any case where Owner has agreed to be reasonable in exercising its judgment on a specific matter, and Owner's reasonableness in exercising its judgment is at issue, such dispute shall be resolved by arbitration before a panel of three arbitrators in the City of New York, in accordance with the prevailing rules and regulations of the American Arbitration

Association (or any organization which is a successor thereto). Tenant's sole remedy in such event shall be to seek injunctive or declaratory relief in said arbitration and in no event shall Tenant be entitled to any money damages for a breach of such covenant by Owner, nor shall Tenant be entitled to claim or assert any claims for money damages in any such action or by way of setoff, defense or counterclaim and Tenant hereby specifically waives the right to any money damages or other remedies in such event. The arbitrators shall be bound by the provisions of this Lease and shall not add to, subtract from or otherwise modify such provisions. The decision in such arbitration may be enforced, on the application of either party, by the order or judgment of a court of competent jurisdiction. The fees and expenses of any arbitration shall be borne by the parties equally, but each party shall bear the expense of its own attorneys and experts and of presenting its own proof.

75. If an occupancy tax or rent tax is required by any existing or future law or regulation to be paid with respect to this Lease, Tenant shall pay same directly to the taxing authority responsible for the collection of same. In the event such occupancy tax or rent tax is payable by Owner in the first instance or hereafter required to be paid by Owner, the amount of such tax shall be paid by Tenant to Owner as additional rent within ten (10) business days following Owner's written demand therefor. Nothing contained herein shall be deemed to require Tenant to pay municipal, state or federal income, inheritance, estate, succession, transfer or gift taxes of Owner, or any corporate franchise tax imposed upon Owner.

76. (A) Tenant shall protect, indemnify, save harmless and defend Overlandlord and Owner and their agents and employees from and against all liabilities, obligations, claims, damages, penalties, costs and expenses (including without limitation attorneys' fees) incurred by or asserted against Overlandlord or Owner and arising during the term of this Lease, by reason of Tenant's acts or omissions resulting in the presence, disposal, escape, seepage, leakage, spillage, discharge, omission or release, of any Hazardous Materials (as hereinafter defined in subsection B of this Paragraph 76) on, from, or affecting the Demised Premises or any other property, any personal injury or property damage arising out of or related to such acts or omissions of Tenant, any lawsuit brought, settlement reached, or government order relating to such acts or omissions of Tenant or any violation of laws, orders, regulations, or demands of government authorities, which are based upon or in any way related to such acts or omissions including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. Any amounts payable to Owner by reason of the application of this Paragraph shall be payable within ten (10) days of receipt of an invoice therefor. This Paragraph shall survive any termination or assignment of this Lease or subletting of all or any portion of the Demised Premises.

(B) Tenant covenants that the Demised Premises shall be kept free of Hazardous Materials in accordance with applicable law, and shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, and Tenant shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of Tenant or any assignee, sublessee, or occupant, the installation or placement of Hazardous Materials in or on the Demised Premises or suffer the presence of Hazardous Materials in or on the Demised Premises. Tenant shall comply with, and ensure compliance by all sublessees and occupants of any portion of the Demised Premises or any assignee of this Lease with all applicable federal, state and local laws, ordinances, rules or regulations, with respect to Hazardous Materials, and shall keep the Demised Premises free and clear of any liens imposed pursuant to such laws, ordinances, rules or regulations. In the event that Tenant receives any notice or advice from any governmental agency, assignee, sublessee, occupant or any other party with regard to Hazardous Materials on, from or affecting the Demised Premises, Tenant shall immediately notify Owner. The term "Hazardous Materials" as used in this Lease shall include any toxic or hazardous materials or substances, as defined by any federal, state or local laws, ordinance, rule or regulation. The obligations and liabilities of Tenant under this Paragraph shall survive the assignment, subletting or termination of this Lease. Notwithstanding anything herein to the contrary, Tenant shall be permitted to store and use in the Demised Premises cleaning materials, in reasonable quantities, for ordinary office cleaning purposes to the extent that same would not violate any laws or rules of any governmental agency.

77. Notwithstanding anything to the contrary contained in Paragraph 76 hereof, Owner agrees that Tenant's liability with respect to Hazardous Materials shall not include the presence, disposal, escape, seepage, leakage, spillage, discharge, omission or release of any Hazardous Materials in the building containing the Demised Premises prior to Tenant's occupancy thereof.
78. If Tenant is a partnership (or is comprised of 2 or more persons, individually, or as joint venturers or as co-partners of a partnership) or if Tenant's interest in this Lease shall be assigned to a partnership (or to 2 or more persons, individually, or as joint venturers or as co-partners of a partnership) pursuant to Paragraphs 11, 65 and/or 71 hereof (any such partnership and such persons are referred to in this Paragraph 78 as "Partnership Tenant"), the following provisions of this Paragraph 78 shall apply to such Partnership Tenant; (i) each of the parties comprising Partnership Tenant hereby consents in advance to, and agrees to be bound by, any modifications, termination, discharge or surrender of this Lease which may hereafter be made and by any notices demands, requests or other communications which may hereafter be given, by Partnership Tenant or by any of the parties comprising Partnership Tenant, and (ii) any bills, statements, notices, demands, requests or other communications given or rendered to Partnership Tenant or to any of the parties comprising Partnership Tenant shall be deemed given or rendered to Partnership Tenant and to all such parties and shall be binding upon Partnership Tenant and all parties.

The liability of each of the partners or persons comprising the Partnership Tenant shall be joint and several. The technical dissolution of Tenant by reason of the death, retirement, resignation, bankruptcy or adjudication of incompetency of one or more partners, shall not affect this Lease or the liability thereunder of the partners, and Tenant agrees that the partnership shall nevertheless continue as Tenant with respect to the remaining partners.

79. (A) If any term, covenant or condition of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and enforced to the fullest extent permitted by law.

(B) If at the commencement of, or at any time during the term of this Lease, the rents reserved in this Lease shall not be fully collectible for reason of any Federal, State, County or City law, proclamation, order or regulation, or direction of a public officer or body pursuant to law, Tenant shall enter into such agreements and take such other steps as Owner may reasonably request and as may be legally permissible to permit Owner to collect the maximum rents which may from time to time during the continuance of such legal rent restriction be legally permissible (and not in excess of the amounts reserved therefor under this Lease). Upon the termination of such legal rent restriction prior to the expiration of the term of this Lease, (a) the rents shall become and thereafter be payable hereunder in accordance with the amounts reserved in this Lease for the periods following such termination, and (b) Tenant shall pay to Owner, if legally permissible, an amount equal to (i) the rents which would have been paid pursuant to this Lease but for such legal rent restriction less (ii) the rents paid by Tenant to Owner during the period or periods such legal rent restriction was in effect.

80. Tenant agrees that the heating, air conditioning and ventilating equipment, fixtures and ductwork (the "HVAC") in the Demised Premises is the sole property of Overlandlord and that Tenant will maintain said HVAC in a good and workmanlike manner at Tenant's sole cost and expense. Tenant further agrees that, at the termination of this Lease, Tenant will deliver said HVAC to Owner in good working condition reasonable wear and tear excepted. Tenant agrees that if said HVAC breaks down or Tenant decides not to use same in the Demised Premises and/or new HVAC is required, Tenant will replace same at Tenant's sole cost and expense with HVAC equipment of at least the same or similar quality to the equipment that is being replaced. Such HVAC shall (i) not be installed without Owner's reasonable approval as to type, size, make and method of installation, and (ii) shall be the property of Overlandlord. In addition, Tenant agrees that in the event Tenant replaces all or

any part of the HVAC Tenant will, at Tenant's sole cost and expense, dismantle the old equipment and fixtures and place them in an area to be designated by Owner. All existing HVAC will be properly inspected and in good working order at the commencement of lease.

81. Notwithstanding anything in Paragraph 9 of this Lease to the contrary, if the entire Demised Premises is totally damaged or rendered wholly unusable by fire or other casualty, which is not the result of the negligent act or omission of Tenant, its agents, employees, contractors, invitees, licensees or sublessees, and such damage is not substantially repaired by Owner within four (4) months after such fire or casualty (the "Repair Period"), other than because of delays caused by Tenant, its agents, employees, contractors, invitees, licensees or sublessees, then Tenant shall have the right to terminate this Lease upon ten (10) days prior written notice to Owner, provided Tenant notifies Owner of such election to terminate this Lease within thirty (30) business days after the expiration of the Repair Period. In the event that Owner is prevented from substantially completing such repairs within the Repair Period because of delays caused by Tenant, its agents, employees, contractors, invitees, licensees or sublessees, then the Repair Period shall be extended by the length of such delays. In the event Tenant fails to notify Owner of its election to terminate this Lease pursuant to the terms hereof, such right of termination shall be null and void, as if this Paragraph 82 was not in this Lease.
82. Notwithstanding anything herein or elsewhere to the contrary, it is understood and agreed that Owner's interest in the land and building containing the Demised Premises is as the tenant under the Lease between The City of New York (the "Overlandlord") and Owner covering the land and building containing the Demised Premises dated June 7, 1982 (the "Overlease"), a copy of which, excluding those clauses of a confidential nature, has been initialed for identification and is annexed hereto as Exhibit A and made a part hereof and this Lease is subject and subordinate thereto.

Tenant covenants and agrees to use the Demised Premises in accordance with the terms of said Overlease, as same may be limited by the terms of this Lease and further covenants not to do or omit to do any act which will result in a violation of the terms of said Overlease.

In the event of cancellation or termination of the Overlease, whether voluntary, involuntary or by operation of law, prior to the expiration date of this Lease, Tenant agrees, at the option of the Overlandlord, to make full and complete attornment to Overlandlord under the Overlease for the balance of the term of this Lease and pursuant to the terms of this Lease, which attornment shall be evidenced by an agreement in form and substance satisfactory to Overlandlord, which Tenant agrees to execute and deliver at any time within five (5) days after request of Overlandlord, and Tenant waives the provisions of any law now or hereafter in effect which may give Tenant any right of election to terminate this Lease or to surrender possession of the Demised Premises in the event any proceeding is brought by Overlandlord to terminate the Overlease.

83. Tenant covenants and agrees not to discriminate upon the basis of race, sex, age, color, religion, creed or national origin in the use or occupancy of the Demised Premises, and will state in all solicitations or advertisements for employees placed by or on behalf of Tenant with regard to the Demised Premises that all equally qualified applicants will be afforded equal employment opportunities without discrimination because of race, sex, age, color, religion, creed or national origin.
84. Tenant agrees to assume, with respect to the period beginning on the Lease Commencement Date and continuing during the entire term of this Lease including any renewal term, the entire cost of all ordinary and necessary maintenance and repair of the land and Building ("Property Maintenance and Repair") including but not limited to the plumbing, heating, air conditioning, ventilating, sprinklers, alarm and electrical systems, lighting facilities, parking lot, snow and ice removal. Property Maintenance and Repair shall also include the cost of full service and maintenance contracts on and necessary replacements of, all equipment and building systems and landscaping and snow removal contracts inclusive of inspections, labor, parts, repairs and emergency service for each Lease Year. Property Maintenance and Repair shall also include the hiring of a full-time building superintendent in the event Owner, in its

sole discretion, feels same is necessary.

Notwithstanding anything herein to the contrary, Property Maintenance and Repair shall not include: (a) any structural repairs to the Building or (b) costs which would properly be classified as "capital expenditures" under generally accepted accounting principles.

85. Tenant shall have the nonexclusive right to use the loading dock area on the first floor of the building in which the Demised Premises are contained. Tenant acknowledges and agrees that Owner, its agents and employees and any other occupant or tenant in the building containing the Demised Premises shall have complete and unobstructed ingress and egress to and use of said loading dock area together with Tenant. At any time during the term of this Lease, Owner shall have the right upon not less than ten (10) days written notice to Tenant, to implement from time to time reasonable rules and regulations governing the use of the loading dock area, which rules and regulations Tenant agrees to promptly comply with.
86. The parking lot adjacent to the building is the sole property of Owner and nothing herein contained shall be construed as granted to the Tenant any rights in and to the same, provided, however, that Tenant, Tenant's visitors and business invitees shall have the exclusive right to six (6) parking slots in the parking lot during the period of time they are in the building, along with other tenants and their visitors and business invitees. Tenant further agrees at all times to fully comply with all rules and regulations laid down from time to time by Owner in connection with said parking lot.
87. In the event Tenant fails to vacate the Demised Premises within five (5) days after the expiration or sooner termination of this Lease, all Tenant's lighting fixtures and equipment shall at Owner's option become the property of Owner. This provision only covers title to Tenant's lighting fixtures and equipment in the event Tenant fails to vacate the Demised Premises as set forth in this Lease.
88. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(Remainder of page intentionally left blank)

SOBRO DEVELOPMENT CORPORATION

By: [Signature]
Name: Phillip Morrow
Title: pres.

TRANSCON INTERNATIONAL, INC.

By: [Signature]
Name: John Mullane
Title: PRESIDENT

Sworn to before me this
4th day of December, 2007

[Signature]
Notary Public

ACKNOWLEDGMENT

State of New York)
)ss.:
County of Bronx)

On the 4th day of December, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared John Mullane, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

MIRIAM B.A. JOHNSON
Notary Public, State of New York
No. 01J08045235
Qualified in Bronx County
Commission Expires 7/24/10

Sworn to before me this
4th day of December, 2007

[Signature]
Notary Public

ACKNOWLEDGMENT

State of New York)
)ss.:
County of Bronx)

On the 4th day of December, 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Phillip Morrow, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

MIRIAM B.A. JOHNSON
Notary Public, State of New York
No. 01J08045235
Qualified in Bronx County
Commission Expires 7/24/10

