

DUE DILIGENCE REPORT  
146-150 10TH AVENUE  
NEW YORK, N.Y. 10011

[REDACTED]  
HPD MULTIPLE DWELLING REGISTRATION #: [REDACTED]  
DHCR REGISTRATION IDENTIFICATION #: [REDACTED]

[REDACTED]  
HPD MULTIPLE DWELLING REGISTRATION #: [REDACTED]  
DHCR REGISTRATION IDENTIFICATION #: [REDACTED]

[REDACTED]  
HPD MULTIPLE DWELLING REGISTRATION #: [REDACTED]  
DHCR REGISTRATION IDENTIFICATION #: [REDACTED]

PREPARED FOR

[REDACTED]

PREPARED BY

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## Introduction

This report includes our due diligence research findings and analysis of the rent regulatory status of each of the residential units of the three buildings that comprise [REDACTED] (Manhattan Block # [REDACTED] Lots [REDACTED]) and an analysis of whether current or previous ownership properly deregulated each free market apartment.

Our research also includes a review of the status of any open violations the Department of Housing Preservation and Development of the City of New York and the New York City Department of Buildings issued against the building.

We also searched the files of the Supreme Court of the State of New York, New York County, the Civil Court of the City of New York and the Housing Court of the City of New York for pending litigation with respect to this building. Our court investigations also included a review of any judgments and liens held against the properties.

Our investigations produced the following results.

### Overview of the Buildings

[REDACTED]

[REDACTED] consists of 16 Class A residential units spread over 5 stories. There are three Certificates of Occupancy the Department of Buildings issued for this building. The most recent Certificate of Occupancy was issued on or about October 18, 1984 but does not indicate the number of apartments on each floor. A 1978 Certificate of Occupancy indicates there are 16 Class A apartments, which is consistent with the number of units provided on the current HPD multiple dwelling registration. We provide a copy of the 1984 and 1978 Certificates of Occupancy in the Drop Box we set up for this report. The issuance of the 1984 and 1978 Certificates obviously supersede the third Certificate of Occupancy, dating from 1920.

### Confirmation of J-51 Tax Benefit Program Participation

On March 6, 2002, the Seller filed an application to the Division of Housing and Community Renewal ("DHCR") seeking a determination as to whether this building was exempt from rent regulation. In its Order and Determination dated March 18, 2003, DHCR held that the J-51 Tax Abatement Benefits expired on June 30, 1998, and therefore, effective July 1, 1998, all apartments in the building then vacant became deregulated and any tenant who moved in thereafter is not under rent regulation.

We also cross-verified the building's participation in the J-51 program on the Department of Finance of the City of New York J-51 Benefit History website to determine the exact perimeters of the tax benefit periods. The building enjoyed a tax exemption from July 1, 1979 through June 30, 1991 and a tax abatement from July 1, 1978 through June 30, 1998.

Assuming the Seller accurately reported the lease commencement dates provided on the Seller's Rent Roll, all units, except for those discussed in the "Rent Regulated" section below, are free market because the tenancies commenced after the expiration of the J-51 tax benefit period, that is, June 30, 1998. As discussed below, there are a number of instances where the lease commencement date of "regulated" tenancies was not consistent the dates provided on the Seller's Rent Roll. Therefore, we strongly suggest you request to see the first lease with all the current, market tenants to confirm that the start dates are prior to June 30, 1998.

### **Rent Regulated Units at [REDACTED]**

As a result of the building's participation in the J-51 Tax Benefit Program, two apartments – Apartments 2 and 15 – are rent stabilized today because the tenancies in these units began during the J-51 tax benefit period and the original leases with these tenants did not contain the requisite J-51 tax benefit rider that would have operated to deregulate the unit at the end of the J-51 tax benefit period.<sup>1</sup>

[REDACTED] occupies Apartment 2. We did not receive for our review the original lease with this tenant, but we presume that no adequate J-51 Rider was attached to the original lease. If you decide to pursue the purchase of this building, you should require the Seller produce a copy of the original lease to confirm whether or not there is a proper J-51 Rider annexed to it.

According to the Seller's Rent Roll, [REDACTED] moved in in September 1994 but the lease provided to support that commencement date was a lease executed with another tenant, [REDACTED]. That lease is marked "terminated," therefore, we suspect that either [REDACTED] moved in shortly after [REDACTED] moved out or perhaps [REDACTED] moved in in September 1994 and [REDACTED] never lived in the building. According to the Seller, [REDACTED] and [REDACTED] were a couple and [REDACTED] took over [REDACTED] lease, which is also a possibility. Nonetheless, [REDACTED] tenancy is rent stabilized because he obviously moved in during the tax benefit period. An eyeball review of the rent increases applied during [REDACTED] tenancy appear to be consistent with the increases permitted by the Rent Guidelines Board ("RGB"). Notably, [REDACTED] initial lease contained a rider that

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<sup>1</sup> For this purpose, a rider our team deemed improper or inadequate, under constraint of law we judge to be the equivalent of no J-51 rider at all. Our review did find improper riders.

states the legal regulated monthly rent was \$1,025.73 in 1994 though [REDACTED] was given a preferential rent at the rate of \$775 per month. While we do not have the initial lease with [REDACTED] his 1999 rent was \$1,001.52, which is a viable increase over 5 years, 1994 to 1999.<sup>2</sup> What is of greater concern is the fact that the Seller renewed the lease even though the 2013-2015 lease had not expired, creating a rent overcharge of \$44.11 per month for the months September 2014 through January 2015 and ongoing until the issue is resolved (assuming the tenant paid the overcharged rent during those months). If you purchase the building, we recommend that you require the Seller to notify the tenant of the error and refund the overcharge immediately to stop the accumulating damages.

[REDACTED] occupies Apartment 15, having moved into the apartment in November 1996, also during the tax benefit period. An eyeball review of the rent increases applied during his tenancy appear to be consistent with the increases permitted by the Rent Guidelines Board ("RGB"). Upon request, we can run those calculations to rule out overcharge liability and confirm that they are indeed compliant with the RGB Orders over the years.

[REDACTED]

[REDACTED] each consist of 16 Class A residential units spread over 5 stories. There are no Certificates of Occupancy issued for these buildings, indicating that the buildings were constructed prior to 1938 and there have been no changes in use of the property nor have there been any additions to the building. If ever you need to know the legal use of the building, or any building in New York City, you can obtain a Letter of No Objection from the Department of Buildings' borough office in Manhattan, or wherever the subject property is located. Upon request, we can obtain the Letter of No Objection for you. For your convenience, we provide below a link to details regarding obtaining a Letter of No Objection from the Department of Buildings.

<http://www1.nyc.gov/nyc-resources/service/1350/certificate-of-occupancy-and-letter-of-no-objection>

### **Confirmation of J-51 Tax Benefit Program Participation**

[REDACTED]

We verified [REDACTED] participation in the J-51 program on the Department of Finance of the City of New York J-51 Benefit History website and determined the exact parameters of the tax benefit periods. The buildings enjoyed a tax exemption from at least 1972 through June 30, 1979 and a tax abatement from at least 1972 through June 30, 1976, then a *second* abatement from

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<sup>2</sup> For any of the rent stabilized units, upon request, we can run the year to year calculations to verify that the legal rent was properly increased in accordance with the increases permitted by Rent Guidelines Board.

July 1, 1984 through June 30, 1996. In order to determine the start date for the tax exemption and abatement benefit periods that commenced in the 70s, we need to submit a FOIL Request to the Department of Finance. That effort was not necessary for our purposes since there are no tenancies in the buildings that date back to that point in time.

Further confirmation of [REDACTED] J-51 participation came on July 2, 2001 when DHCR issued an Order resolving an overcharge complaint the former tenant of Apartment 2A filed, determining that the building was no longer under the jurisdiction of the agency since its J-51 Tax Abatement and Exemption benefits expired on June 30, 1996. According to the DHCR Case List for [REDACTED] that tenant appealed to DHCR for reconsideration and the appeal was granted. Unfortunately, we do not know the nature of the tenant's appeal or the extent to which DHCR granted reconsideration of its prior order. If you purchase the building, you should submit a Freedom of Information Law ("FOIL") Request to DHCR for a complete copy of those case files (Docket Nos. [REDACTED] and [REDACTED]).

#### **Rent Regulated Units at [REDACTED]**

#### **Apartment 4B [REDACTED] – Rent Stabilized**

As a result of [REDACTED] participation in the J-51 Tax Benefit Program, Apartment 4B is rent stabilized today because the tenancy began during a J-51 tax benefit period and the original lease did not contain the requisite J-51 tax benefit rider that operates to deregulate the unit at the end of the J-51 tax benefit period.

Notably, the original lease with the tenant of Apartment 4B had attached to it a rider notifying of the building's participation in the tax benefit program and that upon expiration of the benefits, the apartment would no longer be subject to rent regulation. What the rider fails to do is notify the tenant of the specific repercussion stemming from the deregulation of the apartment, i.e. that landlord can charge an unregulated rent, that landlord not renew the lease after the tax benefits expire and that any landlord offered by the landlord at that point shall be at a rent not regulated by law. Apparently, the Seller used that inadequate rider to leverage negotiations in a past nonpayment proceeding. Among the documents provided for our review is a letter from the Seller's landlord-tenant counsel that indicates he negotiated payment of legal and late fees based on the fact that the Seller could collect a market rent from the apartment. Nevertheless, the tenancy is subject to rent regulation as discussed above.

## Apartments 2D [REDACTED] and 3D [REDACTED] Rent Control, Rent Stabilized or Free Market?

### Apartment 2D

While the Seller's rent roll indicates that [REDACTED] moved in on October 1, 1997, [REDACTED] is a tenant registered with the DHCR dating back to 1984 when the owner filed the building's first registration,<sup>3</sup> raising the question of when exactly is the tenancy commencement date for [REDACTED]. This tenancy **may be** subject to rent control or even free of regulation altogether, depending on when the tenant moved into the apartment.<sup>4</sup>

Below is a timeline to help determine the regulatory status of the apartment.

<b>Move In Date</b>	<b>Regulatory Status</b>
Prior to 1971	Rent Control
1971 through June 30, 1979	Rent Stabilized (J-51) <sup>5</sup>
July 1, 1979 through June 30, 1984	Not Regulated
July 1, 1984 through June 30, 1996	Rent Stabilized (J-51)

We recommend you ask the Seller to review its records and confirm Seebachan's move in date, knowing that October 1, 1997 could not possibly be the move in date if [REDACTED] is registered with DHCR as early as 1984.

If you confirm that this tenancy is rent stabilized, note that Apartment 2D's lease expired on September 30, 2014. Therefore, that tenant is entitled to a lease renewal, if one has not already been offered. We then recommend you ask the Seller to provide an update on the status of Apartment 2D's lease. If a lease has not been offered, than the Seller should offer a lease renewal, upon your approval to ensure that the offer is compliant with RGB Guidelines and the rent stabilization law.

### Apartment 3D

All the lease renewals governing the tenancy in Apartment 3D (Persaud) were not provided by the Seller and as discussed below, the Seller has failed to

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<sup>3</sup> We provide the DHCR Rent Registration Reports and Case Lists for each of the buildings in the Drop Box we set up for this report.

<sup>4</sup> Rent Control tenants are generally in buildings built before February 1, 1947, where the tenant is in continuous occupancy prior to July 1, 1971. If the tenant moved in prior to July 1, 1971, then the tenancy is a rent control tenancy governed by statute.

<sup>5</sup> Submit a FOIL Request to obtain the Certificate of Eligibility to receive the J-51 benefits enjoyed in the 70's through June 30, 1979 in order to ascertain the benefit period start date.

register the building with the Division of Housing and Community Renewal from 2004 to date. That absence of data makes it difficult to evaluate overcharge exposure and we have no suspicion of overcharge considering the rent has increased a mere \$348.35 over a thirty year period. The DHCR Rent Registration Report shows the tenant in the apartment as early as 1984 when the building was first registered with DHCR. The legal rent at that time was \$187.65. Thirty years later, the rent has only increased by \$348.35, which is incredibly low, even given the slow increase rates allowed by the RGB and the rent stabilization law.

Remarkably, the issue of overcharge exposure could indeed be moot here since, since similar to the [REDACTED] tenancy discussed above, the [REDACTED] tenancy **may be** subject to rent control or even free of regulation altogether, depending on when the tenant moved into the apartment.

Below is a timeline to help determine the regulatory status of the apartment.

<b>Move In Date</b>	<b>Regulatory Status</b>
Prior to 1971	Rent Control
1971 through June 30, 1979	Rent Stabilized (J-51) <sup>6</sup>
July 1, 1979 through June 30, 1984	Not Regulated
July 1, 1984 through June 30, 1996	Rent Stabilized (J-51)

We recommend you ask the Seller to review its records and confirm the [REDACTED] family's move in date knowing that October 1, 1990 could not possibly be the move in date if [REDACTED] is registered with DHCR as early as 1984.

The [REDACTED] apartment was subject to a nuisance holdover proceeding in 2005 which resulted in a stipulation of settlement allowing the tenant to stay so long as the building passed a scheduled inspection. That case file is currently in court archives and can take up to four months for the court to retrieve and produce it for us to review. If you decide to purchase the building, we recommend you pull that court file if the Seller cannot firmly nail down when they moved into the building. Perhaps the court file indicates when the [REDACTED] family moved in.

Also, in 2010, the tenants applied to DHCR for a rent reduction for a rent reduction based on conditions in the apartment caused by a fire that the tenants started. That case was dismissed for tenant's failure to prosecute. In reality, the tenants abandoned the case because the owner repaired the apartment.

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<sup>6</sup> Submit a FOIL Request to obtain the Certificate of Eligibility to receive the J-51 benefits enjoyed in the 70's through June 30, 1979 in order to ascertain the benefit period start date.

## **Apartments 4A ( [REDACTED] ) and 5D ( [REDACTED] )**

Apartments 4A and 5D are rent stabilized according to the Seller's rent roll; however, since those tenancies commenced on August 1, 1996 and October 1, 1996, after the expiration of the J-51 tax benefit period (June 30, 1996), they are not subject to rent regulation despite that the owner has treated them as stabilized for all those years. Rent stabilization coverage is a matter of statutory right and cannot be created by waiver or estoppel. Therefore, these units are free market apartments. If you decide to purchase the building, we recommend you consider submitting an application to DHCR for a formal determination on the regulatory status of these units so that you can easily obtain legal possession of these apartments whether it be through litigation or direct communications with the tenants. Or, on the other hand, you could take the more aggressive approach and simply cease treating the tenants as regulated.

## **Rent Regulated Units at [REDACTED]**

### **Apartment 5D ( [REDACTED] )**

As a result of this building's participation in the J-51 Tax Benefit Program, Apartment 5D ( [REDACTED] ) is rent stabilized because the tenancy began during the J-51 tax benefit period and the original leases did not contain the requisite J-51 tax benefit rider that would have operated to deregulate the unit at the end of the J-51 tax benefit period.

The Seller and [REDACTED] have a history of lease disputes in the years dating back to the inception of his tenancy through 2009 when the disputes were resolved by an Order issued by DHCR on May 27, 2009 that held all future lease renewals be based on \$953.56, which is the rent set forth in the then last fully executed lease renewal between the parties, the 2002-2004 lease renewal. All lease renewals between the parties following the May 27, 2009, appear to be consistent with the increases permitted by the RGB and are signed by the tenant without dispute. Historically, [REDACTED] is not shy about putting his repair and lease renewal complaints in writing to the landlord. There was a 2004 HP proceeding brought by the tenant against the landlord for various conditions in this apartment (i.e. intercom, smoke detector, ceiling damage from a water leak). That case was settled by a Consent Order requiring the tenant give the landlord access to correct the conditions.



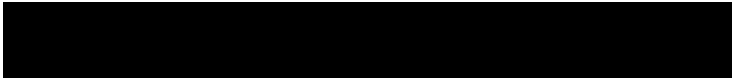
## New York City Violations Issued Against the Building

### NYC Department of Buildings (DOB)

There are no violations considered open by the DOB for any of the three buildings. We recommend that on the eve of closing you verify that no new violations have been issued against the building between the date of this report and your date of closing. You can check the status of DOB violations on the Buildings Information Systems website of the NYC DOB. A link to the website is provided below. Nonetheless, we recommend that the purchase contract require the seller to correct any violations issued between now and closing or at a minimum, require the seller to credit you at closing for the cost of correcting and removing any newly issued violations from the building.

<http://a810-bisweb.nyc.gov/bisweb/bsqpm01.jsp>

### Department of Housing Preservation and Development of the City of New York ("HPD")



<b>The selected address:</b> [REDACTED]											
HPD#	Range	Block	Lot	CD	CensusTract	Stories	A Units	B Units	Ownership	Registration#	Class
[REDACTED]	Active	[REDACTED]	[REDACTED]	4	[REDACTED]	5	16	0	PVT	[REDACTED]	G

### Building Registration Summary Report

Owner	Last Reg Dt Reg Expire Dt	Organization	Last Nm	First Nm	House No	Street Nm	Apt	City	State	Zip
Head Officer	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		NY	NY	[REDACTED]
Officer	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		NEW YORK	NY	[REDACTED]
Corporation	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		NY	NY	[REDACTED]
Managing Agent	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		NY	NY	[REDACTED]

#### Open Violations - ALL DATES

There are 4 Violations. Arranged by category: A class: 0 B class: 2 C class: 2 I class: 0

Apt	Reported	Hzrd	Order	Violation	Violation Description	Status	Certify By
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Story	Date, nov ISSUED Date	Class	no_	ID, NOV ID		Status Date	Date Actual Cert. Date
		B			adm code properly secure the loose handrail 2 sty public hall north section.		
4B		B			adm code repair or replace the smoke detector 4th sty northwest apt 4b missing tenant steinberg. , section " "		
Cellar		C			adm code post notice, in form approved by the department, stating the name and location of the person designated by the owner to have key to building's heating system at or near mailboxes 1st sty public hall.		
Cellar		C			code provide ready access to building's heating system boiler room door locked at cellar.		



**The selected address:** [Redacted]

HPD#	Range	Block	Lot	CD	CensusTract	Stories	A Units	B Units	Ownership	Registration#	Class
[Redacted]	Active	[Redacted]	[Redacted]	4	[Redacted]	5	16	0	PVT	[Redacted]	G

### Building Registration Summary Report

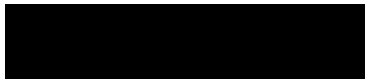
Owner	Last Reg Dt Reg Expire Dt	Organization	Last Nm	First Nm	House No	Street Nm	Apt	City	State	Zip
Head Officer	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]		NEW YORK	NY	[Redacted]
Corporation	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]		NEW YORK	NY	[Redacted]
Managing Agent	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]		NEW YORK	NY	[Redacted]

### Open Violations - ALL DATES

There are 5 Violations. Arranged by category: A class: 3 B class: 2 C class: 0 I class: 0

Apt Story	Reported Date, nov ISSUED Date	Hzrd Class	Order no_	Violation ID, NOV ID	Violation Description	Status Status Date	Certify By Date Actual Cert. Date
3D 3	[Redacted]	A	[Redacted]	[Redacted]	S [Redacted] adm code repair the broken or defective plastered surfaces and paint in a uniform color walls and ceiling in the entire apartment located at apt 3d, 3rd story, 1st apartment from south at west , section at south	[Redacted]	[Redacted]

3D 3		A			adm code properly repair the broken or defective bottom window sashes in the entire apartment located at apt 3d, 3rd story, 1st apartment from south at west , section at south		
3D 3		A			adm code properly repair with similar material the broken or defective ceramic wall tiles in the bathroom located at apt 3d, 3rd story, 1st apartment from south at west , section at south		
3D 3		B			adm code abate the nuisance consisting of vermin mice in the entire apartment located at apt 3d, 3rd story, 1st apartment from south at west , section at south		
3D 3		B			2007 adm code fire egress defective. remove obstructing bars or unlawful gates from window to fire escape or provide approved type gate . in the entire apartment located at apt 3d, 3rd story, 1st apartment from south at west , section at south		0



**The selected address:** [Redacted]

HPD#	Range	Block	Lot	CD	CensusTract	Stories	A Units	B Units	Ownership	Registration#	Class
[Redacted]	Active	[Redacted]	[Redacted]	4	[Redacted]	5	16	0	PVT	[Redacted]	G

### Building Registration Summary Report

Owner	Last Reg Dt Reg Expire Dt	Organization	Last Nm	First Nm	House No	Street Nm	Apt	City	State	Zip
Head Officer	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]		NY	NY	10001
Corporation	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]		NEW YORK	NY	10011
Managing Agent	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]		NEW YORK	NY	10001

### Open Violations - ALL DATES

There are 11 Violations. Arranged by category: A class: 3 B class: 7 C class: 1 I class: 0

Apt Story	Reported Date, nov ISSUED Date	Hzrd Class	Order no_	Violation ID, NOV ID	Violation Description	Status Status Date	Certify By Date Actual Cert. Date
2A 2	[Redacted]	C	* [Redacted]	[Redacted]	S [Redacted] adm code provide hot water at all hot water fixtures in the entire apartment located at apt 2a, 2nd story, 1st apartment from south at west	[Redacted]	[Redacted]

5D 5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] adm code properly repair with similar material the broken or defective wood floor in the kitchen located at apt 5d, 5th story, 1st apartment from east at south	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] adm code provide dwelling with a janitor or responsible person or janitorial service.	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] adm code post sign on wall of entrance story bearing name, address including apartment number if any, and telephone number of superintendent, janitor or housekeeper.	[REDACTED]
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] adm code properly repair with similar material the broken or defective ceramic tile floor at public hall, 1st story	[REDACTED]
5D 5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] adm code repair the broken or defective plastered surfaces and paint in a uniform color water damage ceiling in the 1st room from east at south located at apt 5d, 5th story, 2nd apartment from north at east	[REDACTED]
5B 5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] adm code properly repair the broken or defective intercom system located at apt 5b, 5th story	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] adm code readjust and grade with a proper slope toward the rain leader, the gutter roof , roof	[REDACTED]
5D 5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] adm code repair or replace the smoke detector missing [most] located at apt 5d, 5th story	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] 79	[REDACTED] adm code properly repair with similar material the broken or defective fire retarding ceiling at public hall, 2nd story	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] adm code properly repair with similar material the broken or defective fire retarding ceiling at public hall, 3rd story	[REDACTED]

We suggest you negotiate a credit for each of the open HPD violations or have them resolved by the closing date and demand proof of payment for all associated administrative fees, if any. When you conduct the pre-closing walk-thru of the building, you should confirm that each violation has been corrected and photograph each repair.

### Property Shark Report

The Property Shark Report for the building, which includes information pertaining to the neighborhood, ownership, property tax assessment, zoning and size, is provided in the Drop Box set up for this report.

### Court Investigations

A complete list of all the cases brought by and against the owners of the buildings is available for your review in the Court Investigations Case List folders

of the Drop Box set up for this report. If you would like us to retrieve and copy any court files, please let us know. Any Housing Court cases dated 2008 and earlier are currently in court archives and will take up to fourteen weeks for the court to retrieve them.

### Housing Court

██████████ of Apartment 4B at 148 10<sup>th</sup> Avenue is the only stabilized tenant against whom there is a history of litigation by the landlord. There were two nonpayment cases against the tenant in 2003. One case was started and resolved shortly thereafter when the tenant paid the rent owed. The other 2003 case was settled by a Stipulation of Settlement which presumably gave the tenant a payment schedule to satisfy the arrears. Similarly, a 2004 nonpayment case against this tenant was also settled by a Stipulation of Settlement. We can request a copy of these files to determine precisely what happened in the litigation but that request can take up to fourteen weeks for the Court to complete.

### Civil Court

The current owners, ██████████ and ██████████, were parties to the following cases. "██████████" and "██████████" are former tenants of the buildings. We suspect that the below cases against them were collections case commenced after the landlord evicted them. If ever you need further details on these, or any of the cases listed below, we can request the court file on your behalf.

\*\**All City Insurance v. ██████████* Index No. ██████████ Judgment \$6,694.01 7/7/95  
██████████ v. *Crane*, Index No. ██████████ consumer credit, no further data provided on court's database.

██████████ v. *Bertyoletti*, 2003 case disposed after inquest on October 13, 2003

\*\**Holbreich v. Lyclear*, Index No. ██████████ disposed after inquest October 14, 2012

*148 Development v. ██████████* Index No. ██████████ Judgment \$14,663.97- 2/5/03

*148 Development v. ██████████* Index No. # ██████████ Judgment \$31,809.89- 8/23/06

The ██████████ and ██████████ cases culminated in a judgment though it is not clear from the court's computer database if the judgment is held against ██████████ or not. Notably, our judgment search in Supreme Court did not reveal judgments held against the property by either party. Nonetheless, simultaneous with the issuance of this report, we are requesting a copy of these files to rule out any judgments issued against ██████████ and ██████████

### Supreme Court

Our Supreme Court research revealed the following three cases, all of which we suspect are personal injury (i.e. slip and fall) cases. The 1986, 1999 and 2000 cases are in court archives. Upon request, we can retrieve copies of these court files.

Andrew Kowalczyk v. [REDACTED] et al., Index No. [REDACTED]  
Kimberly Burton v. [REDACTED], Index No. [REDACTED]  
Kimberly Burton v. [REDACTED], Index No. [REDACTED]  
Mary Jane Kedenberg v. [REDACTED], Index No. [REDACTED]

We confirmed that the 2008 case, *Mary Jane Kedenberg v. L [REDACTED] y [REDACTED]* was a slip and fall case against [REDACTED] and the restaurant, Midan Restaurant, better known today as Moran's Chelsea. The case was ultimately resolved. Upon request, we can retrieve copies of this court file for further details.

We do not anticipate that any of the four cases listed above will have any impact on you as a future owner.

We also ran judgment and lien searches by block and lot number and found one sidewalk lien docketed in 1998 against [REDACTED] held by the New York City Bureau of Highway Operations which is likely to be for sidewalk repair work that the City undertook since the owner did not do so. We recommend you ensure that a satisfaction of judgment is filed for this lien prior to closing, should you choose to purchase the building.

As you know, customarily prior to closing a title search is run on the property which provides a more complete and up to date picture of the liens held against the property.

### Conclusion

While these buildings are not as legally pristine as some this office has previously researched, they display a reasonably high level of management in their history, with the only serious errors being in the lease J51 notices. The latent liabilities in these buildings seem to be on the low side of normal and the buildings would seem to present relatively few headaches and, given the free market status of so many apartments, considerable opportunities for profit.