PROPRIETARY LEASE

Apt. No.:
Shares:

---

85 LIVINGSTON TENANTS CORP.

LESSOR,

TO

LESSEE.

PROPRIETARY LEASE

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PROPRIETARY LEASE

PROPRIETARY LEASE, made as of _____, 20___, by and between 85 Livingston Tenants Corp., a New York Corporation, having and office care of its managing agent, hereinafter called the Lessor, and _____ hereinafter called the Lessee.

WHEREAS, the Lessor is the owner of the building hereinafter called the Building, and the land in the County of Kings, City of New York, known as and by the street number 85 Livingston Street, Brooklyn, New York.

WHEREAS, the Lessee is the owner of _____ shares of the Lessor, to which this Lease is appurtenant and which have been allocated to Apartment _____ in the Building;

Demised Premises / Term

NOW, THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee hires form the Lessor, subject to the terms and conditions hereof, Apartment _____ in the Building (hereinafter referred to as the Apartment) for a term from _____, 20___ until September 30, 2089 (unless sooner terminated as hereinafter provided). As used herein "the Apartment" means the rooms in the building as partitioned on the date of the execution of this lease designated by the above-stated apartment number, together with their appurtenances and fixtures and any closets, terraces, balconies, roof, or portion thereof outside of said partitioned rooms, which are allocated exclusively to the occupant of the Apartment.

Rent (Maintenance) How Fixed

1. (a) The rent (sometimes called maintenance) payable by the Lessee for each year, or portion of a year, during the term shall equal that proportion of the Lessor's cash requirements for such year, or portion of a year, which the number of shares of Lessor allocated to the apartment bears to the total number of shares of the Lessor issued and outstanding on the date of the determination of such cash requirements. Such maintenance shall be payable in equal monthly installments in advance on the first day of each month, unless the Board of Directors of the Lessor (hereinafter called Directors) at the time of its determination of the cash requirements shall otherwise direct. The Lessee shall also pay such additional rent as may be provided for herein when due.

Accompanying Shares to be Specified in Proprietary Lease

(b) In every Proprietary Lease heretofore executed by the Lessor there has been specified, and in every Proprietary Lease hereafter executed by it there will be specified, the number of shares for the Lessor issued to a lessee simultaneously therewith.

Cash Requirements Defined

(c) "Cash requirements" whenever used herein shall mean the estimated amount in cash which the Directors shall from time to time in its judgment determine to be necessary or proper for

(1) the operation, maintenance, care, alteration and improvement of the corporate property during the year or portion of the year for which such determination is made; (2) the creation of such reserve for contingencies as it may deem proper, and (3) the payment of any obligations, liabilities or expenses incurred or to be incurred after giving consideration to (i) income expected to be received during such period (other than rent from proprietary lessees), and (ii) cash on hand which the Directors in its discretion may choose to apply. The Directors may from time to time modify their prior determination and increase or diminish the amount previously determined as cash requirements of the corporation for a year or portion thereof. No determination of cash requirements shall have any retroactive effect on the amount of the rent payable by the lessee for any period prior to the date of such determination. All determinations of cash requirements shall be conclusive as to all lessees.

Authority Limited to Board of Directors

(d) Whenever in this paragraph or any other paragraph of this lease, a power or privilege is given to the Directors, the same may be exercised only by the Directors, and in no event may any such power or privilege be exercised by a creditor receiver or trustee.

Issuance of Additional Shares

(e) If the Lessor shall hereafter issue shares (whether now or hereafter authorized) in addition to those issued on the date of the execution of this Lease the holders of the shares hereafter issued shall be obligated to pay rent at the same rate as the other proprietary lessees from and after the date of issuance. If any such shares be issued on a date other than the first or last day of the month, the rent for the month in which issued shall be apportioned. The cash requirements as last determined shall, upon the issuance of such shares, be deemed increased by an amount equal to such rent.

Paid-in Surplus

(f) The directors may from time to time as may be proper determine how much of the maintenance and other receipts, when received (but not more than such amount as represents payments on account of principal of mortgages on the property and other capital expenditure), shall be credited on the corporate accounts to "Paid-in Surplus." Unless the Directors shall determine otherwise, the amount of payments on account of principal of any mortgages shall be credited to Paid-in Surplus.

Failure to Fix Cash Requirements

(g) The omission of, or failure by, the Directors to determine the Lessor's cash requirements for any year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof, or a release of the Lessee from the obligation to pay the maintenance or any installment thereof, but the maintenance computed on the basis of the cash requirements as last determined for any year or portion thereof shall thereafter continue to be the maintenance until a new determination of cash requirements shall be made.

Lessor's Repairs

2. The Lessor shall at its expense keep in good repair all of the building including all of the apartments, the sidewalks and courts surrounding the same, and its equipment and apparatus except those portions of the maintenance and repair which are expressly stated to be the responsibility of the Lessee pursuant to other provisions of this lease.

Services by Lessor

3. The Lessor shall maintain and manage the building as a first-class apartment building and shall keep the elevators and the public halls cellars and stairways clean and properly lighted and heated, and shall provide the number of attendants requisite, in the judgment of the Directors, for the proper care and service of the Building, and shall provide the Apartment with a proper and sufficient supply of hot and cold water and of heat, and if there be central air conditioning equipment it shall be provided when deemed appropriate by the Directors. The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Directors to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the Building, and also what existing services shall be increased, reduced, changed modified or terminated.

Damage to Apartment or Building

4. (a) If the Apartment or the means of access thereto or the Building shall be damaged by fire, water (including, but not limited to, leaks from elsewhere in the building), or other cause covered by multi-peril policies commonly carried by cooperative corporations in New York City (any other damage(s) to be repaired by Lessor or Lessee pursuant to other paragraphs of this Lease, as the case may be), the Lessor shall, at its own cost and expense, with reasonable dispatch after receipt of notice of said damage, repair or replace, or cause to be repaired or replaces, with materials of a kind and quality then customary in buildings of the type of the building, the Building, the apartment, and the means of access thereto, including walls, floors, ceilings, pipes, wiring and conduits in the Apartment. With respect to tiling, wood flooring, and fixtures, the Lessor is only responsible for repairing or replacing items that were part of the Building's original construction as noted within the Offering Plan. The Lessor is not responsible for repairing or replacing non-structural elements of the walls, floors, and ceilings such as wood flooring, tiling and external fixtures that were previously replaced or upgraded. The Lessor is responsible for plastering and priming if damage occurred to the walls or ceiling of an apartment. Anything in this Paragraph, or Paragraph 2 to the contrary, Lessor shall not be required to repair or replace, or cause to be repaired or replaced, equipment, fixtures, furniture, furnishings, finishings, floor coverings, cabinetry, improvements of any kind, or decorations installed by Lessee or any of Lessee's predecessors in title nor shall Lessor be obligated to repaint or replace wallpaper, tiles, or other decorations, interior furnishings, wallpaper or carpeting in apartments. Additionally, under no circumstance will Lessor be responsible for damage to Lessee's personal belongings, including but not limited to clothing, furniture, appliances, electronics, and other valuables. These personal items should be covered by an insurance policy entered and paid for by the Lessee. Such a policy is customarily known as individual coop apartment insurance, or renter's insurance. Lessee agrees to procure and maintain their individual coop apartment insurance and/or renter's insurance from inception to termination of their tenancy.

Rent Abatement

(b) In case the damage resulting from fire or other cause shall be so extensive as to render the Apartment partly or wholly untenantable, or if the means of access thereto shall be destroyed, then the portion of the rent attributable to the cost of maintaining and operating the building (including, but not limited to, salaries, utility replacement and repair) hereunder (but not the portion of the rent attributable to the Lessee's proportionate share of real estate taxes, mortgage interest and principal, capital improvements, assessments, professional fees, reserve and surplus funds) shall proportionately abate until the Apartment shall again be rendered wholly tenantable or the means of access restored; but if said damage shall be caused by the act or negligence of the Lessee or agents, employees, guests or members of the family of the Lessee or any occupant of the Apartment, such rental shall abate only to the extent of the rental value insurance, if any, collected by Lessor with respect to the Apartment.

Expiration of Lease Due to Damage

(c) If the Directors shall determine that: (i) the Building is totally destroyed by fire or other cause; or (ii) the Building is so damaged that it cannot be repaired within a reasonable time after the loss shall have been adjusted with the insurance carriers; or (iii) the destruction or damage was caused by hazards which are not covered under the Lessor's insurance policies then in effect, and if in any such case the record holders of at least two-thirds of the issued shares at a shareholders' meeting duly called for that purpose held within 120 days after the determination of the Directors, shall vote not to repair, restore or rebuild, then upon the giving of notice pursuant to Paragraph 31 hereof, this Lease and all other proprietary leases and all right, title, and interest of the parties thereunder and the tenancies thereby created, shall thereupon wholly cease and expire and rent shall be paid to the date of such destruction or damage. The Lessee hereby waives any and all rights under Section 227 of the Real Property Law and in no event shall the Lessee have any option or right to terminate this Lease.

Waiver of Subrogation

(d) Lessor agrees to use its best efforts to obtain a provision in all insurance policies carried by it waiving the right of subrogation against the Lessee; and, to the extent that any loss or damage is covered by the Lessor by any insurance policies which contain such waiver of subrogation, the Lessor releases the Lessee from any liability with respect to such loss or damage. In the event that the Lessee suffers loss or damage for which Lessor would be liable, and Lessee carries insurance which covers such loss or damage and such insurance policy or policies contain a waiver of subrogation against the Landlord, then in such event Lessee releases Lessor from any liability with respect to such loss or damage.

Inspection of Books on Account; Annual Report

5. The Lessor shall keep full and correct books of account at its principal office or at such other place as the Directors may from time to time determine, and the same shall be open during all reasonable hours to inspection by the Lessee or a representative of the Lessee. The Lessor- shall deliver to the Lessee within a reasonable time after ·the end of each fiscal year an annual report of corporate financial affairs, including a balance sheet and a statement of income and expenses, certified by a licensed independent public accountant.

Changes in Terms and Conditions of Proprietary Lease

6. Each proprietary lease shall be in the form of' this lease, unless a variation of any lease is authorized by lessees owning at least 66-2/3 % of the Lessor's shares then issued and executed by the Lessor and lessee affected. The form and provisions of all the proprietary leases then in effect and thereafter to be executed may be changed by the approval of lessees owning at least two-thirds of the Lessor's shares then issued, and such changes shall be binding on all lessees even if they did not vote for such changes except that the proportionate share of rent or cash requirements payable by any lessee may not be increased, nor may his right to cancel the lease under the conditions set forth in Paragraph 35 be eliminated or impaired without his express consent. Approval by lessees as provided for herein shall be evidenced by written consent, or by affirmative vote taken at a meeting called for such purpose. Notwithstanding the aforesaid, proprietary leases for apartments allowing professional use, if any, issued as part of the original offering of stock, may contain appropriate additional clauses consistent with the offering plan, without further approval of other lessees; and, if the then current certificate of occupancy does not allow use as a dwelling residence, the Lessee of such apartment may file appropriate documents with the applicable governmental agencies, to secure, where available, an amendment to the certificate of occupancy that would allow residential use, and perform necessary alterations at Lessee's sole cost and expense in furtherance thereof, subject to prior approval by Lessor

of the filings, quality of work, and adequacy of insurance, which shall not be unreasonably withheld.

Penthouses, Terraces and Balconies

7. If the Apartment includes a terrace, balcony, patio, greenhouse, solarium, or a portion of the roof adjoining a penthouse, the Lessee shall have and enjoy the exclusive use of the terrace or balcony or that portion of the roof appurtenant to the penthouse, subject to the applicable provisions of this lease and to the use of the terrace, balcony, patio, greenhouse, solarium, or roof by the Lessor to the extent herein permitted. The Lessee's use thereof shall be subject to such regulations as may, from time to time, be prescribed by the Directors. The Lessor shall have the right to erect equipment on the roof, including any communication device, equipment or antenna, for its use and the use of the lessees in the building and shall have the right of access thereto for such installations and for the repair thereof. The Lessee shall keep the terrace, balcony, patio, greenhouse, solarium, or portion of the roof appurtenant to his apartment clean and free from snow, ice, leaves and other debris and shall maintain all screens-and-drain boxes in good condition. No planting, fences, structures or lattices shall be erected or installed on the terraces, balconies, or roof of the building without the prior written approval of the Lessor, nor shall the walls thereof be painted by the Lessee without the prior written approval of the Lessor. No cooking or grilling shall be permitted on any terraces, patios, or the roof of the building, nor shall Lessee place a charcoal, gas, or electric grill on any terrace, patio, or roof of the building, or utilize same except as otherwise explicitly permitted by the House Rules. Any planting or other structures erected by the Lessee or Lessee's predecessor in interest may be removed and restored by Lessor at the expense of Lessee for the purpose of repairs, upkeep or maintenance of the Building, and if same are to be restores, all of the costs and expenses of restoring same shall be paid by the Lessee to the Lessor as additional rent. The Lessee shall be responsible for repairing damage to the roof, patio or terrace and leaks to apartments adjacent to or below the roof, patio or terrace if caused by the Lessee's use of the roof, patio or terrace, or Lessee's use or occupancy of a greenhouse or solarium located thereon.

Assignment of Lessor's Rights Against Occupant

8. (a) If at the date of the commencement of this lease any third party shall be in possession or have the right to possession of the Apartment, then the Lessor hereby assigns to the Lessee all of the Lessor's rights against said third party from and after the date of the commencement of the term hereof, and the Lessee by the execution hereof assumes an of the Lessor's obligations to said third party from said date. The Lessor agrees to cooperate with the Lessee, but at the Lessee's expense, in the enforcement of the Lessees rights against said third party.

Non-Purchasing Tenant's Rights

(b) Non-purchasing tenants pursuant to the cooperative Offering Plan as defined in Paragraph 38(a) hereof may not be evicted by the Lessee for purposes of owner occupancy. Such right is intended for the benefit of non-purchasing tenants and is not intended to abrogate any rights of the Lessee, as against the Apartment Corporation. Such non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto. The rentals of any such non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy, and any such non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Plan has become effective, shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period or their occupancy. Any tenant's renewal lease or renewal sublease may provide that eviction proceedings may be commenced for non-payment of rent illegal use or occupancy of the premises refusal of access to the owner or a similar breach by the non-purchasing tenant of his

or her obligations to the landlord. Notwithstanding the provisions of Paragraph 6 hereof, this Paragraph 8(b) concerning non-purchasing tenants may not be amended or deleted.

Cancellation of Prior Agreements

9. If, at the date of the commencement of this lease, the Lessee has the right to possession of the apartment under any agreement or statutory tenancy, this lease shall supersede any agreement or statutory tenancy, which will be of no further effect after the date of commencement of this lease, except for claims theretofore arising thereunder.

Quiet Enjoyment

10. The Lessee, upon paying the rent and performing the covenants and complying with the conditions on the part of the Lessee to be performed as herein set forth, shall, at all times during the term hereby granted quietly have, hold and enjoy the apartment without any let, suit, trouble or hindrance from the Lessor, subject, however, to the rights of present tenants or occupants of the apartment, and subject to any and all mortgages and underlying leases of the land and building.

Indemnity

11. The Lessee shall be responsible for repairing damage to the building or to other apartments if caused by Lessee's negligence. To the greatest extent permitted by Law, the Lessee agrees to save the Lessor harmless from all liability, loss damage and expense arising from injury to person or property occasioned by the failure of the Lessee to comply with any provision hereof, or due wholly or in part to any act, default or omission of the Lessee or of any person dwelling or visiting in the apartment, or by the Lessor, its agents, servants or contractors when acting as agent for the Lessee as in this lease provided. This paragraph shall not apply to any loss or damage when Lessor is covered by insurance which provides for waiver of subrogation against the Lessee.

Payment of Rent

12. The Lessee will pay the rent to the Lessor upon the terms and at the times herein provided, without any deduction on account of any set-off or claim which the Lessee may have against the Lessor, and if the Lessee shall fail to pay any installment of rent within 15 days from the date same is due, Lessee shall pay a monthly late charge in an amount to be determined from time to time by the Directors, and the lessee shall also pay interest on the unpaid amount at the lesser of one and one half (1.5%) percent per month, or the maximum legal rate from the date when such installment shall have become due to the date of the payment thereof, and such late charge(s) and interest shall be deemed additional rent hereunder. The Directors of Lessor may also, from time to time, prescribe customary reasonable fees in connection with late payments, sublets, assignments of stock and proprietary lease, alterations, move-ins, move-outs, purchases, refinances, breaches of a House Rule and other customary and reasonable fees in other circumstances as it shall deem proper, and all such fees shall also be deemed to be an additional rent hereunder. Lessee shall further pay to Lessor upon demand as additional rent, such amounts as shall reimburse Lessor for its legal fees incurred in connection with any issue specific and/or pertaining to Lessee whether or not a suit or proceeding is commenced.

House Rules

13. The Lessor has adopted House Rules which are appended hereto, and the Directors may alter, amend, or repeal such House Rules and adopt new House Rules. This Lease shall be in all respect subject to such House Rules which, when a copy thereof has been furnished to the Lessee, shall be taken to be part hereof, and the Lessee hereby covenants to comply with all such House Rules and see that they are faithfully observed by the family, guests, employees and subtenants of the Lessee. Breach

of a House Rule shall be a default under this Lease. The Lessor shall not be responsible to the Lessee for the non-observance or violation of House Rules by any other lessee or person. The Lessor shall have the authority to impose fines in amounts to be determined by the Directors for violations of the House Rules, and such fines shall be deemed additional rent hereunder.

Use of Premises

14. The Lessee shall not occupy or use the apartment or permit the same or any part thereof to be occupied or used for any purpose other than as a private dwelling for the Lessee and Lessee's spouse, their children, grandchildren, parents, grandparents, brothers and sisters and domestic employees. In no event shall more than one married couple occupy the apartment without the prior written consent of the Lessor. The Lessee shall notify the Lessor of the identity of every person whom Lessee authorizes to have access to the Apartment in the absence of Lessee. Consent of Lessor to the occupancy of the apartment by any persons not permitted in this paragraph or to the use of the premises for other than dwelling purposes may be withheld for any reason, or for no reason, and may be granted on such conditions as the Board of Directors, in its discretion, may impose, including the payment of a fee to be determined by the Board of Directors, and such consent shall be revocable by the Board of Directors in its sole discretion. In addition to the foregoing, the apartment may be occupied from time to time by non-paying guests of the Lessee for a period of time not exceeding one month, unless a longer period is approved in writing by the Lessor, but no guests may occupy the apartment unless one or more of the permitted adult residents are then in occupancy or unless consented to in writing by the Lessor.

Subletting

15. Except as provided for in Paragraph 38 of this lease, Lessee shall not sublet the whole or any part of the apartment or renew or extend any previously authorized sublease, unless consent thereto shall have been duly authorized by a resolution of the Directors, or given in writing by a majority for the Directors or, if the Directors shall have failed or refused to give such consent, then by Lessees owning at least 65% of then issued shared of the Lessor. Consent by Lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Any consent to subletting may be subject to such conditions as the Directors or Lessees, as the case may be, may impose, including the payment of a sublet fee to the Lessor in an amount to be determined by the Directors and any additional reasonable and customary fees of the managing agent. There shall be no limitation on the right of Directors or Lessor, to grant or withhold consent, for any reason or for no reason to a subletting, except as limited by law. No consent to a subletting shall operate to release Lessee from any obligations hereunder. The word "sublease" shall include the occupancy of the apartment by anyone other than those permitted in Paragraph 14 of this Lease if the Lessee is not also in residence in the apartment.

Assignment

16. Except as provided in Paragraph 38 of this Lease:

(a) The Lessee shall not assign this Lease or transfer the shares to which it is appurtenant or any interest therein, and no such assignment or transfer shall take effect as against the Lessor for any purpose, until:

(i) Except in the case of an assignment or transfer between spouses, an instrument of assignment in form approved by Lessor executed and acknowledged by the assignor shall be delivered to the Lessor, and

(ii) An agreement executed and acknowledged by the assignee in form approved by Lessor

assuming and agreeing to be bound by all the covenants and conditions of this Lease to be performed or complied with by the Lessee on and after the effective date of said assignment shall have been delivered to the Lessor, or, at the request of the Lessor, the assignee shall have surrendered the assigned lease and entered into a new lease in the same form for the remainder of the term, in which case the Lessee's lease shall be deemed cancelled as of the effective date of said assignment; and

(iii) All shares of the Lessor to which this lease is appurtenant shall have been transferred to the assignee, with proper transfer taxes paid and stamps affixed; and

(iv) All sums due from the lessee shall have been paid to the Lessor, inclusive of any then applicable transfer fees as determined by the Directors from time to time, and any late or other fees due, together with a sum to be fixed by the Directors to cover reasonable legal and other expenses of the Lessor and its managing agent in connection with such assignment and transfer of shares; and

(v) A search or certification from a title or abstract company as the Directors may require; and

(vi) such other documents including insurance and/or bond as may be reasonably required by Lessor; and

(vii) Except in the case of an assignment, transfer or bequest to the Lessee's spouse of the shares of this Lease, and except as provided in Paragraph 38 of this lease, consent to such assignment shall have been authorized by resolution of the Directors, or given in writing by a majority of the Directors; or, if the Director shall have failed or refused to give such consent within 30 days after submission or references to them or Lessor's agent, then by lessees owning of record at least 65% of the then issued shares of the Lessor. Consent by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose in the manner as provided in the Bylaws; and

(viii) Except in the case of an assignment or transfer between members of a Lessee's immediate family (spouse, parents, children, grandchildren, grandparents, brothers or sisters), registered domestic partner or to a Lessee's Trust or Estate, or from a Lessee's Trust or Estate to a beneficiary, or in the case of an assignment or transfer by a Lessee to an existing lessee of the Corporation owning a contiguous apartment where the transfer is for the purpose of combining the two (2) units, or in the case of a transfer by the Sponsor and/or holder(s) of Unsold Shares, a transfer fee in an amount equal to one (1%) percent of the Contract sales price for an apartment shall have been paid to the Lessor in connection with all closings conducted on or after a date that is one year after the date of written notice of the adoption of this resolution by the shareholders; and

(ix) The transfer fees collected by the Corporation shall be deposited into the Corporation's Capital Reserve account and shall be utilized by the Corporation for purposes including, but not limited to, payment for capital improvements to the premises, mitigation of maintenance increases due to significant increases in operating costs, mitigation of assessments resulting from emergency repairs or city ordinances, and/or the reduction/prepayment of the Corporation's mortgage as secured by the premises and its appurtenances.

Consents on Death of Lessor

(b) If the Lessee shall die, consent shall not be unreasonably withheld to an assignment of the lease and shares to a financially responsible member of the Lessee's family (other than the

Lessees spouse as to whom no consent is required).

Consents Generally; Stockholders' and Directors' Obligation to Consent

(c) There shall be no limitation, except as above specifically provided, on the right of Directors or lessees to grant or withhold consent, for any reason or for no reason to an assignment.

Release of Lessee Upon Assignment

(d) If the lease shall be assigned in compliance herewith the Lessee-assignor shall have no further liability on any of the covenants of this lease to be thereafter performed.

Further Assignment or Subletting

(e) Regardless of any prior consent given, neither the Lessee nor his executor, nor administrator, nor any trustee or receiver of the property of the Lessee, nor anyone to whom the interests of the Lessee shall pass by law, shall be entitled further to assign this lease, or to sublet the apartment or any part thereof, except upon compliance with the requirements of this lease.

Statement by Lessor

(f) If this lease is then in force and effect, Lessor will, upon request of Lessee, deliver to the assignee a written statement that this lease remains on the date thereof in force and effect; but no such statement shall be deemed an admission that there is no default under the lease.

Pledge of Shares and Lease

17. The Lessee may pledge and assign this lease and the shares of the Lessor allocated to the Apartment as security for a loan made to the Lessee by a bank, trust company, insurance company, or other recognized lending institution ("Lender"), for any purpose whatsoever, provided, however, that the certificate representing the shares allocated to the Apartment and this Lease may be assigned to the Lender only as security for repayment of the loan. Lender may include the seller or any third party when the pledge. and assignment are solely for the purpose of securing a loan to effectuate the acquisition by the Lessee of the shares allocated to the apartment and this Lease and said shares are assigned to the Lender only as security for the repayment of the Loan.

In the event of a default by the Lessee in any of the terms, covenants, provisions or conditions of this lease, the Lessor will give written notice thereof to the Lender if written notice of the name and address of the Lender has been given by registered or certified mail to the Lessor prior to the date of any such default. If the Lessee shall fail to cure said default within the time and in the manner provided for in this lease then the Lender shall have an additional period of time equal to the time originally given to the Lessee to cure said default. and the Lessor will not act upon said default until the time of the Lender to cure said default has elapsed and the Lender has not cured said default.

In the event of a default by the Lessee in any of the terms, covenants, provisions or conditions of this lease or in the payment to the Lender of any installment of principal or interest or in the performance of any other obligation of the Lessee to the Lender, the Lessor after written notice thereof from the- Lender will exercise the right -of termination- of this lease granted to the Lessor pursuant to Paragraph 31 hereof and if the Lessee shall fail to vacate the apartment, will institute summary dispossess proceedings against the Lessee and take all steps and do all acts thereafter required.fo order to obtain possession of the apartment, all at the expense of the Lender. provided, however, that the Lender shall meanwhile pay all maintenance charges and other charges becoming due hereunder for the account of the Lessee until this lease and the shares allocated to the apartment are acquired for personal occupancy.

If Lessor shall fail to exercise its right to terminate and/or to commence summary proceedings or to take all steps or do all acts required to be done pursuant hereto, then and in that event, Lessor shall execute and deliver to the Lender a power of attorney coupled with an interest to act in the name of the Lessor in any of the ways provided for herein at the Lender's sole expense, and if the Lessor shall fail to execute and deliver such power of attorney within five days after demand, such power of attorney may be executed by the Lender on behalf of and as the agent for the Lessor. The Lessee agrees that until any such loan is repaid to the Lender in full with interest the Lessee shall not have any right to cancel this lease as provided in Paragraph 35 hereof, and the Lessor agrees that until it receives written notice from the Lender that the entire amount of the loan with interest has been paid in full or discharged, the Lessor will not accept any surrender of this lease by Lessee under Paragraph 35 hereof.

If this lease is terminated at the Lender's request by reason of a default by the Lessee in any of the terms, covenants, provisions or in the payment to the Lender of any installment of principal or interest or in the performance of any other obligation of the Lessee to the Lender, the Lender may sell and assign the shares of the Lessor allocated to the apartment and this lease, or sublet the apartment, for the account of the Lender to a reputable person of good financial standing subject only to the approval of the then Managing Agent of the Lessor, which approval shall not be unreasonably withheld. If written notice of any such loan has been given to the Lessor by the Lender as aforesaid the Lender may assign all its rights thereto and to the shares of Lessor allocated to the apartment and this lease by giving written notice to the Lessor by certified or registered mail setting forth the name and address of the assignee, and such assignee and any subsequent assignee or assignees shall thereupon have all the rights of the Lender under this Paragraph 17.

Notwithstanding anything to the contrary contained within the lease the Lessor will not make or consent to any change or alteration in the terms or conditions of any paragraph of the lease pertaining to the rights of a lender without the consent of the Lender.

Repairs by the Lessee

18. (a) The Lessee shall take possession of the apartment and all of its appurtenances and fixtures in "as is" condition as of the commencement of the term hereof. Subject to the provisions of Paragraph 4 hereof, the Lessee shall keep the terrace, terrace floor tiles, patio, patio pavers, greenhouse, solarium, and the interior of the apartment (including interior walls, floors, flooring, wallpaper, wall covering, wall and floor tiles, and ceilings, but excluding windows, window panes, window frames, sashes, sills, entrance and terrace doors, frames and saddles) in good repair, shall do all of the painting and decorating required for the Apartment, including the interior of window frames, sashes and sills, and shall be solely responsible for the maintenance, repair, and replacement of all plumbing, gas and heating fixtures and equipment in the Apartment, as well as all refrigerators, dishwashers, removeable and through the wall air conditioners, washing machines, ranges and other appliances, as may be present in the Apartment. The terms plumbing, gas and heating fixtures shall include exposed gas, steam and water pipes attached to fixtures, radiators, appliances and equipment and the fixtures, appliances, and equipment to which they are attached, as well as any special pipes or equipment which the Lessee may install within the wall and/or the ceiling, or under the floor. The terms plumbing, gas, and heating fixtures shall not include gas, steam, water, or other pipes or conduits that exist solely within the walls, ceilings, or floors, nor air conditioning or heating equipment which is part of the standard building equipment provided same has not been moved, altered, or replaced by the Lessee or any of Lessee's predecessors in interest. The Lessee shall be solely responsible for the maintenance, repair, and replacement of all exterior door locks installed by Lessee, and lighting and electrical fixtures, appliances, and equipment, as well as all meters, fuse boxes or circuit breakers, and electrical wiring and conduits from the junction box at the riser into and through the Apartment. Any ventilator or air conditioning device which shall be visible from the outside of the building shall at all times be painted by the Lessee in a standard color which the Lessor may select for the building.

Odors and Noises

(b) In the event that due to the act or neglect or carelessness of the Lessee or any of the family, guests, employees, contractors, agents, or subtenants of the Lessee, the building or any part thereof, including any furniture, furnishings, fixtures and equipment of the Lessor and also including the Apartment of another Lessee or the contents thereof, shall be damaged, the Lessor shall have the right to repair such damage and replace such contents and to collect the cost of such repairs replacements from the Lessee, which shall be deemed as additional rent due from the Lessee for the Apartment and collectible as such. In the event that this Lessor shall repair damage to the Apartment including fixtures and equipment thereof, whether or not the Lessor shall be obligated hereunder to make such repairs, caused by the negligence of the occupant or Lessee of any other apartment or any of the family, guests, employees, contractors, agents or subtenants of the Lessee or occupant of any other apartment, the Lessee authorizes the Lessor to collect from such Lessee or occupant the cost of such repairs and to bring such appropriate action in the name of the Lessee, if the Lessor shall deem it advisable, to recover such cost.

Equipment and Appliances

(c) In no event shall the Lessor be responsible for any damage to the apartment or its contents or the building caused by the act or neglect or carelessness of the lessee or any of the family, guests, employees or subtenants of the Lessee.

Rules and Regulations and Requirements of Mortgage

(d) In the event the Lessee or the Lessee's predecessor in interest replaced the windows, or doors, or modified the plumbing, gas or electrical lines (the "Utility Lines") servicing the apartment and such windows, doors or Utility Lines require repair, the Lessee shall be responsible for the cost of making such repairs, including repairs to the Utility Lines running from the Apartment to the riser. In the event of damage to the apartment by fire, casualty, or a leak from outside of the apartment, unless the Lessor caused such casualty, the Lessee shall repair the apartment but the Lessor shall not be responsible for repair or replacement of the furniture, fixtures, personal property, wall and floor coverings and other decorations that are damaged in the Apartment.

(e) The Lessee shall not permit unreasonable cooking, smoking, or other odors to escape into the building. The Lessee shall not permit or suffer any unreasonable noises or anything which will interfere with the rights of other lessees, or unreasonably annoy them or obstruct the public halls or stairways, including sustained loud or high-pitched sound levels. Lessee acknowledges and understands the State and City of New York have enacted legislation specifically recognizing the health dangers inherent in environmental tobacco smoke, commonly known as "second hand smoke." Lessee further acknowledges and understands that causing the infiltration of second-hand smoke into the common areas of the Building and/or into other apartments in the Building may constitute a nuisance and health hazard and be a material infringement on the quiet enjoyment of the other tenants in the Building. For the foregoing reasons, Lessee shall take all measures necessary to prevent the infiltration of second-hand smoke from Lessee's apartment into the common areas of the Building and/or into other apartments in the Building.

(f) If, in the Lessor's sole judgment, any of the Lessee's structures, equipment or appliances shall result in damage to the building or poor quality or interruption of service to the other portions of the building, or overloading of, or damage to the facilities maintained by the Lessor for the supplying of water, gas, electricity or air conditioning to the building, or if any such equipment, structures, or appliances visible from the outside of the building shall become rusty or discolored the Lessee shall promptly on notice from the Lessor remedy the condition and, pending such remedy, shall cease using any appliance or equipment which may be creating the objectionable condition.

(g) The Lessee will comply with all the requirements of the Board of Fire Underwriters, insurance authorities and any governmental authorities and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the apartment. If any mortgage affecting the land or the building shall contain any provisions pertaining to the right of the Lessee to make changes or alterations in the Apartment, or to remove any of the fixtures, appliances, equipment or installations, the Lessee herein shall comply with the requirements of such mortgage or mortgages relating thereto. Upon the Lessee's written request, Lessor will furnish Lessee with copies of applicable provisions of each and every such mortgage.

Lessor's Right to Remedy Lessee's Defaults

19. If the Lessee shall fail for 30 days after notice to make repairs to any part of the Apartment, its fixtures, equipment, appliances or any alteration existing therein, not otherwise the obligation of the Lessor, as herein required, or shall fail to remedy a condition which has become objectionable to the Lessor, or if the Lessee or any person dwelling in the Apartment shall request the lessor, its agents or employees to perform any act not hereby required to be performed by the Lessor, the Lessor may, but shall not be obligated to, make such repairs, or arrange for others to do the same, or remove such objectionable condition or equipment, or perform such act, without liability to the Lessor; provided that, if the condition requires prompt action, notice of less than 30 days or, in case of an emergency, no notice to Lessee need be given. In all such cases, Lessee shall provide access to the Apartment upon demand by Lessor (and if Lessee does not provide such access, Lessor may enter the Apartment for these sole purposes), and Lessor, its agents, employees and contractors shall, as between Lessor and Lessee, be conclusively deemed to be acting as agents of the Lessee and all contracts therefore made by the lessor shall be so construed whether or not made in the name of the Lessee. If Lessee shall fail to perform or comply with any of the other covenants or provisions of this lease within the time required by a notice from Lessor (not less than 5 days), then Lessor may, but hall not be obligated, to comply therewith, and for such purpose may enter upon the Apartment. Lessor shall be entitled to recover from the Lessee all costs and expenses, including the fees of its attorneys and other professionals incurred on for which it has contracted hereunder, such expenses to be payable by the Lessee on demand as additional rent.

Increase in Rate of Fire Insurance

20. The Lessee shall not permit or suffer anything to be done or kept in the Apartment which will increase the rate of fire insurance on the building or contents thereof, or which is illegal or hazardous. If, by reason of the occupancy or use of the Apartment (and/or any outside space of the Building) by the Lessee, the rate of fire insurance on the building or an apartment or the contents of either shall be increased, the Lessee shall (if such occupancy or use continues for more than 30 days after the written notice from the Lessor specifying the objectionable occupancy or use) become liable for the additional insurance premiums incurred by Lessor or any lessee or lessees of apartments in the building on all policies so affected, and the Lessor shall have the right to collect the same for its benefit or the benefit of any such lessees as additional rent for the Apartment due on the first day of the calendar month following written demand therefor by the Lessor.

Alterations

21. (a) The Lessee shall not, without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld, make in the Apartment or building, or on any roof, penthouse, terrace or balcony appurtenant thereto, any alteration, enclosure or addition or any alteration of or addition to the water, gas, or steam risers or pipes, heating or air conditioning system or units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, or any other installation or facility in the Apartment or building. The

performance by Lessee of any work in the Apartment shall be in accordance with any applicable rules and regulations of the Lessor, governmental agencies having jurisdiction thereof. The Lessee shall not in any case install any clothes washing machines or clothes dryers or any other major appliances (including, but not limited to ovens, stoves, ranges, refrigerators, etc.) which, in the opinion of Lessor, will overload the existing plumbing or electrical systems or equipment in the building. Anything contained herein or in subparagraph (b) herein below notwithstanding, the written consent of the Lessor shall not be required for any of the foregoing alterations, enclosures, additions made by a holder of Unsold Shares, or the removal of any additions, improvements or fixtures from the apartment by a holder of Unsold Shares, subject only to the consent of Lessor's then managing agent which shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, a proposed alteration may not be made if, in the opinion of the Lessor, it will adversely affect the integrity of the structure of the Building or its mechanical systems. Alterations of any apartment shall not encroach or impinge on public areas of the Building.

Removal of Fixtures

(b) Without Lessor's written consent, the Lessee shall not remove any fixtures, major appliances (including, but not limited to, ovens, stoves, ranges, refrigerators, etc.), additions or improvements from the apartment except as hereinafter provided. If the Lessee, or a prior lessee, shall have heretofore placed, or the Lessee shall hereafter place in the apartment, at the Lessee's own expense, any additions, improvements, major appliances or the Lessee shall hereafter place in the apartment, at the Lessee's own expense, any additions, improvements, appliances or fixtures, including but not limited to fireplace mantels, lighting fixtures, refrigerators, air conditioners, dishwashers, washing machines, ranges, woodwork, wail paneling, ceilings, special doors or decorations, special cabinet work, special stair railings or other built-in ornamental items, which can be removed without structural alterations or permanent damage to the Apartment and/or building, then title thereto shall remain in the Lessee and the Lessee shall have the right, prior to the termination of this lease, to remove the same at the Lessee's own expense, provided: (i) that the Lessee at the time of such removal shall not be in default in the payment of rent or in the performance or observance of any other covenants or conditions of this lease; and (ii) that the Lessee shall at the Lessee's own expense and in compliance with all state and local rules, regulations, and ordinances, as well as the Lessor's alteration policies and procedures, prior to the termination of this lease, repair all damage to the apartment which shall have been caused by either the installation or removal of any such additions, improvements, appliances or fixtures; (iii) that if the Lessee shall have removed from the apartment any articles or materials owned by the Lessor or its predecessor in title, or any fixtures or equipment necessary for the use of the apartment the Lessee shall either restore such articles and materials and fixtures and equipment and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality customary in comparable buildings and satisfactory to the Lessor, and (iv) that if any mortgagee had acquired a lien on any such property prior to the execution of this lease, Lessee shall not remove such property if Lessor does not procure from such mortgagee its written consent to such removal.

Surrender on Expiration of Term

(c) On the expiration or termination of this lease the Lessee shall surrender to the Lessor possession of the apartment with all additions, improvements, appliances, and fixtures then included therein. except as hereinabove provided. Any additions, improvements. fixtures or appliances not removed by the Lessee on or before such expiration or termination of this lease shall at the option of the Lessor, be deemed abandoned and shall become the property of the Lessor and may be disposed of by the Lessor without liability or accountability to the Lessee.

Lease Subordinate to Mortgage and Ground Lease

22. This lease is and shall be subject and subordinate to all present and future-ground or underlying leases and to any mortgages now or hereafter liens upon such leases or on the land and buildings, and to any and all extensions, modifications, consolidations, renewals and replacements thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any such mortgagee or ground or underlying lessee. In confirmation of such subordination the Lessee shall at any time, and from time to time on demand, execute any instruments that may be required by any mortgagee or by the Lessor, for the purpose of more formally subjecting this lease to the lien of any such mortgage or mortgages or ground or underlying leases., and the duly elected officers, for the time being. of the Lessor are and each of them is hereby irrevocably appointed the attorney-in-fact and agent of the Lessee to execute the same upon such demand and the Lessee hereby ratifies any such instrument hereafter executed by virtue of the power of attorney hereby given.

In the event that a ground or underlying lease is executed and delivered to the holder of a mortgage or mortgages on such ground or underlying lease or to a nominee or designee of or a corporation formed by or for the benefit of such holder, the Lessee hereunder will attorn to such mortgagee or the nominee or designee of such mortgagee or to any corporation formed by or for the benefit of such mortgagee.

Mechanic's Lien

23. In case a notice of mechanic s lien against the building shall be filed purporting to be for labor or material furnished or delivered at the building or the apartment to or for the Lessee, or anyone claiming under the Lessee the Lessee shall forthwith cause such lien to be discharged by payment, bonding or otherwise; and if the Lessee shall fail to do so within ten days after notice from the Lessor, then the Lessor may cause such lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or any offsets or defenses thereto, and shall have the right to collect, as additional rent, all amounts so paid and all costs and expenses paid or incurred in connection therewith, including reasonable attorneys' fees and disbursements, together with interest thereon from time or times of payment.

Cooperation

24. The Lessee shall always in good faith endeavor to observe and promote the cooperative purposes for the accomplishment of which the Lessor is incorporated.

Right of Entry/Key

25. The Lessor and its agents and their authorized workmen shall be permitted to visit, examine, or enter the apartment and any storage space assigned to Lessee at any reasonable hour of the day upon notice, or at any time and without notice in case of emergency, to make or facilitate repairs in any part of the building or to cure any default by the Lessee and remove such portions of the walls, floors and ceilings of the Apartment and storage space as may be required for any such purpose, or to investigate an alleged or suspected default, but the Lessor shall thereafter restore the Apartment and storage space, if any, to its proper and usual condition at Lessor's expense if such repairs are the obligation of Lessor, or at Lessee's expense if such repairs are the obligation of Lessee or are caused by the act or omission of the Lessee or any of the Lessee's family, guests, agents, employees or subtenants. In order that the Lessor shall at all times have access to the Apartment or storage rooms for the purposes provided for in this Lease, the Lessee shall provide the Lessor with a key to each lock providing access to the Apartment or the storage room(s), and if any lock shall be altered or new lock installed, the Lessee shall provide the lessor with a key thereto immediately upon installation. If the Lessee shall not be personally present to open and permit an entry at any time when an entry therein shall be necessary or permissible hereunder, and shall not have furnished a key to lessor, the Lessor or

Lessor's agents (but, except in an emergency, only when specifically authorized by an officer of Lessor or an officer of the Managing Agent) may forcibly enter the Apartment or storage space without liability for damages by reason thereof (if during such entry the lessor shall accord reasonable care to the Lessee's property), and without in any manner affecting the obligations and covenants of this lease. If no key is left with the Lessor, and Lessor must obtain access to the apartment in the event of an emergency, the Lessee shall also reimburse Lessor for all costs incurred in gaining access to the apartment, and same shall be paid by the Lessee to the Lessor on demand as additional rent. The right and authority hereby reserved do not impose, nor does the Lessor assume by reason thereof, any responsibility or liability for the care or supervision of the Apartment, or any of the pipes, fixtures, appliances or appurtenances therein contained, except as herein specifically provided.

Waivers

26. The failure of the Lessor to insist, in any one or more instances, upon a strict performance of any of the provisions of this lease, or to exercise any right or option herein contained, or to serve any notice to institute any action or proceeding, shall not be construed as a waiver, or a relinquishment for the future, of any such provisions, options, or rights but such provision, option or right shall continue and remain in full force and effect. The receipt by the Lessor of rent with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Lessor of any provision hereof shall be deemed to have been made unless in a writing expressly approved by the Directors.

Notices

27. Any notice by or demand from either party shall be duly deemed given only if in writing and three business days after mailing by certified mail return receipt requested, or upon delivery to a national overnight courier business; if by the Lessee addressed to the Lessor at the building with a copy sent to the Lessor's managing agent; if to the Lessee, addressed to the building. Either party may, by notice served in accordance herewith, designate a different address for service of such notice or demand.

Reimbursement of Lessor's Expenses

28. Lessee shall reimburse Lessor for any expenses (including attorneys' fees and disbursements) incurred by Lessor in enforcing its rights hereunder, and same shall be paid by the Lessee to the Lessor on demand as additional rent.

Lessor's Immunities

29. (a) The Lessor shall not be liable, except by reason of Lessor's negligence, for any failure or insufficiency of heat, or of air conditioning (where air conditioning is supplied or air conditioning equipment is maintained by the Lessor), water supply, electric current, gas, telephone, or elevator service or other service to be supplied by, or through, the Lessor hereunder, or for interference with light, air or other interests of the Lessee. No abatement of rent or other compensation or claim of eviction shall be made or allowed because of the making or failure to make or delay in making any repairs, alterations or decorations to the building or any fixtures or appurtenances therein, or for space taken to comply with any law, ordinance, or governmental regulation, or for interruption or curtailment of any service agreed to be furnished by the Lessor, due to accidents, alterations or repairs, or to difficulty or delay in securing supplies or labor or other cause beyond Lessor's control, unless due to Lessor's negligence.

Storage Space and Laundry

(b) If the Lessor shall furnish to the Lessee any storage bins or space, or any facility outside of an individual apartment, including but not limited to a satellite dish, solar panel, etc., Lessor reserves the right to do so pursuant to a revocable license for which Lessor may charge a fee. The Lessee shall not use such storage space for the storage of valuable or perishable,

combustible, hazardous, or illegal property, and any such storage space assigned to Lessee shall be kept clean and free of the foregoing by the Lessee at its sole cost and expense. If washing machines or other laundry equipment is made available to the Lessee, the Lessee shall use the same on the understanding that such machines or equipment may or may not be in good order and repair and that the Lessor is not responsible for such equipment, nor for any damage caused to the property of the Lessee resulting from the Lessee's use thereof, and that any use that Lessee may make of such equipment shall be at his own cost, risk and expense.

Automobiles and Other Property

(c) The Lessor shall not be responsible for any damage to any automobile or other vehicle left in the care of any employee of the Lessor by the Lessee, and the Lessee hereby agrees to hold the Lessor harmless from any liability arising from any injury to person or property caused by or with such automobile or other vehicle while. in the care of such employee. The Lessor shall not be responsible for any property left with or entrusted to any employee of the Lessor, or for the loss of or damage to any property within or without the apartment by theft or otherwise.

Window Cleaning

30. The Lessee will not require, permit, suffer or allow the cleaning of any window in the premises from the outside (within the meaning of Section 202 of the New York Labor Law) unless the-equipment and safety devices required by law; ordinance, rules and regulations, including, without limitation, Section 202 of the New York Labor Law, are provided and used, and unless the industrial code of the state of New York is fully complied with; and the Lessee hereby agrees to indemnity the Lessor and its employees, other lessees, and the managing agent, for all losses, damages or fines suffered by them as a result of the Lessee's requiring permitting, suffering or allowing any window in the premises to be cleaned from the outside in violation of the requirements of the aforesaid laws, ordinances, regulations and rules.

Termination of Lease by Lessor

31. If upon, or at any time after, the happening of any of the events mentioned in subdivisions (a) to (k) inclusive of this Paragraph 31, the Lessor shall give to the Lessee a notice stating that the term hereof will expire on a date at least five days thereafter, the term of this lease shall expire on the date do fixed in such notice as fully and completely as if it were the date herein definitely fixed for the expiration of the term, and all right, title and interest of the Lessee hereunder shall thereupon wholly cease and expire, and the Lessee shall thereupon quit and surrender the apartment to, the Lessor, it being the intention of the parties hereto to create hereby a conditional limitation, and thereupon the Lessor shall have the right to re-enter the apartment and to remove all persons and personal property therefrom, either by summary dispossess proceedings, or by any suitable action or proceeding at law or in equity, or by force or otherwise, and to repossess the apartment in its former estate as if this lease had not been made and no liability whatsoever shall attach to the Lessor by reason of the exercise of the right of re-entry, re-possession and removal herein granted and reserved.

Lessee Ceasing to Own Accompanying Shares

(a) If the Lessee shall cease to be the owner of the shares to which this lease is appurtenant, or if this lease shall pass or be assigned to anyone who is not then the owner of all of said shares.

Lessee Becoming Bankrupt

(b) If at any time during the terms of this lease (i) the then holder hereof shall be

adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all of the property of such holder or of this lease shall be appointed under any provision of the laws of the State of New York, or under any statute of the United States, and the order appointing such receiver shall not be vacated within 30 days; or (iii) such holder shall make a general assignment for the benefit of creditors; or (iv) any of the shares owned by such holder to which this lease is appurtenant shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within 30 days; or (v) this lease or any of the shares to which it is appurtenant shall pass by operation of law or otherwise to anyone other than the Lessee herein named or a person to whom such Lessee has assigned this lease in the manner herein permitted, but this subsection (v) shall not be applicable if this lease shall devolve upon the executors or administrators of the Lessee and provided that within 8 months (which period may be extended by the Directors) after the death said lease and shares shall have been transferred to any assignee in accordance with Paragraph 16 hereof.

Assignment, Subletting or Unauthorized Occupancy

(c) If there be an assignment of this lease, or any subletting hereunder, without full compliance with the requirements of Paragraphs 15 or 16 hereof; or if any person not authorized in Paragraph 14 shall be permitted to use or occupy the apartment, and the Lessee shall fail to cause such unauthorized person to vacate the apartment within ten days after written notice from the Lessor;

Default in Rent

(d) If the Lessee shall be in default for a period of one month in the payment of any rent or additional rent or of any installment thereof and shall fail to cure such default within ten days after written notice from the Lessor;

Default in Other Covenants

(e) If the Lessee shall be in default in the performances of any covenant or provision hereof (other than the covenant to pay rent, and such default shall continue for thirty days after written notice from the Lessor;

Lessee's Objectionable Conduct

(f) If at any time the Lessor shall determine upon the affirmative vote of two-thirds of its then Board of Directors, at a meeting duly called for that purpose, that because of objectionable conduct on the part of the Lessee, or of a person dwelling or visiting in the apartment, repeated after written notice from Lessor, the tenancy of the Lessee is undesirable. Objectionable conduct shall include but not be limited to (i) conduct on the part of the Lessee or any person residing in or visiting the building with the consent of the Lessee which, (a) repeatedly violates or disregards the terms of this Lease or the House Rules established in accordance with the provisions hereof, or (b) permits or tolerates a dangerous condition or dangerous or disruptive person to enter or remain in the building or apartment, or (ii) conduct on the part of the Lessee or any person residing in the apartment or regularly visiting the building with the consent of the Lessee which constitutes a felony or any crime of violence, or threatened violence affecting the building or any personal lawfully in the building;

Lessee's Event of Default

(g) If the purchase by the Lessee of the shares accompanying this proprietary lease was financed and an Event of Default shall occur pursuant to the terms of the Agreement entered into between the Lessee and the Lender and notice of said Event of Default shall be given to the Lessor;
(h)

Termination of All Proprietary Leases

(i) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its then Board of Directors, at a meeting of such directors duly called for that purpose, and the affirmative vote of the record holders of at least two-thirds in amount of its then issued shares, at a shareholder's meeting fully called for that purpose, to terminate all proprietary leases;

Destruction of Building

(j) If the building shall be destroyed or damaged and the shareholders shall decide not to repair or rebuild as provided in Paragraph 4;

Condemnation

(k) If at any time the building or a substantial portion thereof shall be taken by condemnation proceedings;

Pledge of Shares

(l) If any pledge is made of the shares accompanying this Proprietary Lease and an Event of Default shall occur pursuant to the term of the agreement entered into between the Lessee and the Lender and notice of said Event of Default shall have been given to the Lessor.

Lessor's Rights After Lessee's Default

32. (a) In the event the Lessor resumes possession of the apartment, either by summary proceedings, action of ejectment or otherwise, because of default by the Lessee, in the payment of any rent or additional rent due hereunder, or on the expiration of the term pursuant to a notice given as provided in Paragraph 31 hereof upon the happening of any event specified in subsections (a) to (f) inclusive of Paragraph 31, Lessee shall continue to remain liable for payment of a sum equal to the rent which would have become due hereunder. No suit brought to recover any installment of such rent or additional rent shall prejudice the right of the Lessor to recover any subsequent installment. After resuming possession, the Lessor may, at its option, from time to time (i) relets the apartment for its own account, or (ii) relet the apartment as the agent of the Lessee, in the names of the Lessee or in its own name, for a term or terms which may be less than or greater than the period which would otherwise have constituted the balance of the term of this lease, and may grant concessions or free rent, in its discretion. Any reletting of the apartment shall be deemed for the account of the Lessee, unless within ten (10) days after such reletting the Lessor shall notify the Lessee that the premises have been relet for the Lessor's own account. The fact that the Lessor may have relet the apartment as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet the apartment for its own account. If the Lessor relets the apartment as agent for the Lessee, it shall, after reimbursing itself for expenses in connection therewith, including leasing commissions and a reasonable amount for attorneys' fees and expenses, and decorations, alterations and repairs in and to the apartment, apply the remaining avails of such reletting against the Lessee's continuing obligations hereunder. There shall be a final accounting between the Lessor and the Lessee upon the earliest of the four following dates: (A) the date of expiration of the term of this lease as stated on page 1 hereof; (B) the date as of which a new proprietary lease covering the apartment shall have become effective; (C) the date the Lessor gives written notice to the Lessee that it has relet the apartment for its own account; (D) the date upon which all proprietary leases of the Lessor terminate. From and after the date upon which the Lessor becomes obligated to account to the Lessee, as above provided, the Lessor shall have no further duty to account to the Lessee for any avails of reletting and the Lessee

shall have no further liability for sums thereafter accruing hereunder, but such termination of the Lessee's liability shall not affect any liabilities theretofore accrued.

Collection of Rent from Subtenants

(b) If the Lessee shall at any time sublet the apartment and shall default in the payment of any rent or additional rent, the Lessor may at its option, so long as such default shall continue, demand and receive from the subtenant the rent due or becoming due from such subtenant to the Lessee, and apply the amount to pay sums due and to become due from the Lessee the Lessor. Any payment by a subtenant to the Lessor shall constitute a discharge of the obligations of such subtenant to the Lessee to the extent of the amount so paid. The acceptance of rent from any subtenant shall not be deemed a consent to or approval of any subletting or assignment by the Lessee, or a release or discharge of any of the obligations of the Lessee hereunder.

Sale of Shares

(c) Upon the termination of this lease under the provisions of subdivisions (a) to (g) inclusive of Paragraph 31, the Lessee shall surrender to the corporation the certificate for the shares of the corporation owned by the Lessee to which this lease is appurtenant. Whether or not said certificate is surrendered, the Lessor may issue a new proprietary lease for the apartment and issue a new certificate for the shares of the Lessor owned by the Lessee and allocated to the apartment when a purchaser therefor is obtained, provided that the issuance of such shares and such lease to such purchaser is authorized by a resolution of the Directors, or by a writing signed by a majority of the Directors or by Lessees owning, of record, at least a majority of the shares of the Lessor accompanying proprietary leases then in force. Upon such issuance the certificate owned or held by the Lessee shall be automatically cancelled and rendered null and void. The Lessor shall apply the proceeds received for the issuance of such shares towards the payment of the Lessee's indebtedness hereunder, including interest, attorneys' fees and other expenses incurred by the Lessor, and, if the proceeds are sufficient to pay the same, the Lessor shall pay over any surplus to the Lessee, but, if insufficient, the Lessee shall remain liable for the balance of the indebtedness. Upon the issuance of any such proprietary lease and certificate, the Lessee's liability hereunder shall cease, and the Lessee shall only be liable for rent and expenses accrued at that time. The Lessor shall not, however, be obligated to sell such shares and appurtenant lease or otherwise make any attempt to mitigate damages.

Waiver of Right of Redemption

33. The Lessee hereby expressly waives any and all right of redemption in case the Lessee shall be dispossessed by judgment or warrant of any court or judge. The words "enter," "re-enter," and "re-entry" as used in this lease are not restricted to their technical legal meaning.

Surrender of Possession

34. Upon the termination of this lease under the provisions of subdivisions (a) to (g) inclusive of Paragraph 31. the Lessee shall remain liable as provided in Paragraph 32 of this lease. Upon the termination of this lease under any other of its provisions, the Lessee shall be and remain liable to pay all rent, additional rent, and other charges due or accrued, and to perform all covenants and agreements of the Lessee up to the date of such termination. On or before any such termination, the Lessee shall vacate the apartment and surrender possession thereof to the Lessor or its assigns and, upon demand of the Lessor or its assigns, shall execute, acknowledge, and deliver to the Lessor or its assigns and instrument which may reasonably be required to evidence the surrendering of all estate and interest of

the Lessee in the Apartment, or in the building of which it is a part.

Lessee's Option to Cancel

35. (a) This lease may be cancelled by the Lessee on any date after the third anniversary of the consummation of the Cooperative Offering Plan pursuant to which proprietary leases were originally issued, upon complying with all the provisions hereinafter set forth. I rrevocable written notice of intention to cancel must be given by the Lessee to the Lessor one hundred and fifty days prior to the date upon which such cancellation is to occur. At the time of the giving of such notice of intention to cancel there must be deposited with the Lessor by the Lessee:

Deposits Required

(i) the Lessee's counterpart of this lease with a written assignment in form required by the Lessor in blank, effective as of the day proceeding the date of cancellation free from all subleases, tenancies, liens. encumbrances and other charges whatsoever;

(ii) the Lessee's certificate for his shares of the Lessor. endorsed in blank for the transfer and with all necessary transfer tax stamps affixed and with payment of any transfer taxes due thereon;

(iii) a written statement setting forth in detail those additions, improvements, fixtures or equipment which the Lessee has, under the terms of the lease, the right to and intends to remove.

If the purchase of the shares accompanying this lease was financed, and the Lessee elects to avail himself of the right to terminate and cancel the lease, as more particularly provided for herein, then the Lessor shall give notice thereof to the Lender and, if requested by the Lender, shall issue a new certificate of stock and proprietary lease in the name of a reputable financially responsible individual or individuals resident(s) in the State of New York designated by the Lender and approved by the Lessor, and such individual or individuals shill have all of the rights provided for in this lease. Further, Lessor agrees to reject a surrender of this lease unless it is accompanied by the written consent of the Lender.

Removal of Fixtures; Possession

(b) All additions, improvements, appliances and fixtures which are removable under the terms of this lease and which are enumerated in the statement made as provided in subdivision (iii) above shall be removed by the Lessee prior to the day preceding the date of cancellation, and on or before the day proceeding the date of cancellation, the Lessee shall deliver possession of the apartment to the Lessor in good condition with all required equipment, fixtures, and appliances, installed and in proper operating condition and free from all subleases and tenancies, liens, encumbrances, and other charges and pay to the Lessor all rent, additional rent, and other charges which shall be payable under this lease up to and including the following September 30th.

Permission to Show and Occupy Premises

(c) The Lessor and its agents may show the apartment to prospective lessees, contractors, and architects at reasonable times after notice of the Lessee's intention to cancel. After the date on which the apartment has been vacated, the Lessor and its agents, employees and lessees may enter the apartment, occupy the same and make such alterations and additions therein as the Lessor may deem necessary or desirable without diminution or abatement of the rent due hereunder.

Effective Date of Cancellation

(d) If the Lessee is not otherwise in default hereunder and if the Lessee shall have timely complied with all of the provisions of subdivisions (a) and (b) hereof, then this lease shall be cancelled, and all rights, duties and obligations of the parties hereunder shall cease as of the date fixed in said notice, and the shares of Lessee shall become the absolute property of the Lessor, provided, however, that the Lessee shall not be released from any indebtedness owing to the Lessor on said last mentioned date.

Rights on Lessee's Default

(e) If the Lessee shall give the notice, but fail to comply with any of the other provisions of this Paragraph, the Lessor shall have the option at any time prior to the date of cancellation: (i) of returning to the Lessee this lease, the certificate for shares and other documents deposited, and thereupon the Lessee shall be deemed to have withdrawn the notice of intention to cancel this lease; or (ii) of treating this lease as cancelled as of the date of cancellation named in the notice of intention to cancel as the date for the cancellation of such lease, and bringing such proceedings and action as it may deem best enforce the covenants of the lessee hereinabove contained and to collect from the Lessee the payments which the Lessee is required to make hereunder, together with reasonable attorneys' fees and expenses.

Cancellation by Sponsor

(f) If the Lessee named herein is the Sponsor or an individual secured by Sponsor to acquire this lease and the shares of the apartment allocated thereto[1], then Lessee may not exercise the option to cancel this lease unless either: (i) lessees owning a majority of the Lessor's outstanding shares (other than Unsold Shares) shall have given notice of intention to cancel pursuant to Paragraph 35 or Paragraph 36 or (ii) shares of Lessor allocated to not less than 85% of the apartments in the building have been acquired by purchasers for occupancy at least five (5) years have elapsed since Lessor acquired title to the building, and Lessee deposits with Lessor a sum equal to the product of the then current monthly rent (maintenance charges) multiplied by 24.

Extension of Option to Cancel

36. (a) If in any year the total number of shares owned by lessees holding proprietary leases, who have given notice pursuant to Paragraph 35 of intention to cancel such proprietary leases on the cancellation date shall aggregate ten percent (10%) or more of the Lessor's outstanding shares, exclusive of treasury shares, then the Lessor shall, at least 3 business days prior to the date of cancellation, give a written notice to the holders of all issued shares of the Lessor, stating the total number of shares then outstanding and in its treasury and the total number of shares owned by lessees holding proprietary leases who have given notice of intention to cancel. In such case, the proprietary lessee to whom such notice shall have been given shall have the right to cancel their leases in compliance with the provisions of Paragraph 35 hereof, provided only that written notice of the intention to cancel such leases shall be given on or before 60 days prior to the date of cancellation, instead of 30 days.

Rights of Lessees to Cancel

(b) If lessees owning at least 80% of the then issued and outstanding shares of the Lessor shall exercise the option to cancel their leases in one year, then this and all other proprietary leases shall thereupon_ terminate on the cancellation date in which such options have been exercised as though every lessee had exercised such option. In such event none of the lessees shall be required to surrender his shares to the Lessor and all certificates for shares delivered

[1] (Successor Offerors or Designees as defined herein).

to the Lessor by those who had, during that year, served notice of intention to cancel their leases under the provisions hereof, shall be returned to such lessees.

Continuance of Cooperative Management of Building After All Leases Termination

37. No later than thirty days after the termination of all proprietary leases, whether by expiration of their terms or otherwise, a special meeting of shareholders of the Lessor shall take place to determine whether: (a) to continue to operate the building as a residential apartment building; (b) to alter, demolish, or rebuild the building or any part thereof; or (c) to sell the building and liquidate the assets of the Lessor, and the Directors shall carry out the determination made at said meeting of shareholders of the Lessor, and all of the holders of the then issued and outstanding shares of the Lessor shall have such rights as to inure to shareholders of corporations having title to real estate.

Unsold Shares

38. (a) The term "Unsold Shares" means and refers to shares of the Lessor which have been issued or transferred either to individuals protected by the Sponsor of the Cooperative Offering Plan in connection with the premises owned by Lessor ("Plan") and referred to in the Plan as successor Offerors of Designees (including without limitation, individual partners of the Sponsor or individual shareholders of any such partner), to acquire Unsold Shares as provided in the Plan, or by a nominee(s} or designee(s) of individuals; and all shares which are Unsold Shares retain their character as such (regardless of transfer) until an individual purchases same and actually occupies (by himself or a member of his family) the apartment to which such shares are allocated.

Subletting Apartment and Sale of Shares

(b) Neither the subletting of the apartment from time to time nor the assignment of this lease by the holder of Unsold Shares allocated to the Apartment shall require the consent of the Directors or shareholders to which reference is made in Paragraphs 15 and 16 of this lease, and a holder of Unsold Shares shall not be required to pay any sums for expenses of the Lessor and its managing agents as set forth in Paragraph 15 and, subparagraphs (a)(iv) of said Paragraph 16 or to furnish a search or certificate as set forth in subparagraph (a)(v) of said Paragraph 16 or pay any other transfer charge or additional fee on resale or "flip tax" in connection with any such subletting or assignment of this lease.

Change in Form of Lease

(c) Without the Lessee's consent, no change in the form, terms or conditions of this lease, as permitted by Paragraph 6, shall (1) affect the rights of the holder of Unsold Shares allocated to the apartment to sublet the apartment or to assign this lease, as hereinbefore provided in this Paragraph 38, or (2) eliminate or modify any other rights, privileges or obligations of such holder of Unsold Shares.

Non-Interference with Unsold Shareholders

(d) Notwithstanding anything contained in this lease and the House Rules, Lessor shall not prevent nor unreasonably impede or interfere with the sale of any block of Unsold Shares or the subletting of an apartment to which a block of Unsold Shares is allocated, nor shall any discriminatory charge or fee be imposed on a holder of Unsold Shares. In addition, notwithstanding the provisions of Paragraph 14, a Lessee who is a holder of Unsold Shares may use the apartment to which such block of Unsold Shares is allocated as a model or office (or both) in connection with the sale or rental of apartments to which Unsold Shares are allocated.

Purchasers for Investment or Resale

(e) A purchaser who purchases (or otherwise acquires) shares of the Lessor allocated to one or more apartments for investment or resale (Purchaser for Investment or Resale) is a purchaser who does not purchase said shares for the purpose of occupying the apartment by himself or by persons related by blood, marriage or adopt on to such purchaser, and may include: (i) initial purchasers of shares at the Closing, and their transferees, and (ii) acquirers of Unsold Shares subsequent to the Closing (other than holders of Unsold Shares), and their transferees.

Lease by Purchasers

(f) Anything contained in this lease to the contrary notwithstanding the Lessor may not impose any limit on a loan which may be obtained by a holder of Unsold Shares or a Purchaser for Investment or Resale or a purchaser from either.

Upon request, without charge to a Lessee who is a holder of Unsold Shares, Lessor will promptly execute and deliver to a bank or other lender the Aztech form of Recognition Agreement, or in the discretion of the Directors, a substantial similar form then being used by banks in New York City, with such other terms which the lender and the Lessor, in their discretion, may agree to for the protection of their respective interest.

Fees

(g) No sum for legal or other expenses referred to in Paragraphs 15 and 16(a)(iv) this lease shall be due from a Lessee who is a holder of Unsold Shares or a Purchaser for Investment or Resale, in connection with an assignment and transfer of such shares (and of this lease) or sublet of the Apartment so long as the shares retain their character as Unsold Shares.

Rent Applications

(h) If a Lessee who is a holder of Unsold Shares or a Purchaser for Investment or Resale is required, or desires, to file an application or other document with any agency administering any type of rent control (including the present Rent Stabilization Law and Code, the Multiple Dwelling Law (“MDL”), the General Business Law ("GBL”) or any amendments to such laws or similar legislation), the Lessor shall cooperate in all respects, including the furnishing of information an access to and/or copies of all books, records and documents reasonably required in connection therewith, and the filing by, and in the name of, the Lessor of documents required to be filed by it in connection therewith the holder of Unsold Shares or the Purchaser for Investment or Resale will pay to the Lessor any expenses it incurs in complying with the foregoing. Any regrouping of space as discussed herein which is done.at. the request of a holder of Unsold Shares shall be entirely at the expense of such holder of Unsold Shares.

Rent Abatements

(i) If shares allocated to an apartment which is the subject of a rent exemption order issued pursuant to Section YY-51-4.1 of the Rent Stabilization Law (“RSL”) or any similar provision of law are owned by a holder of Unsold Shares or a Purchaser for Investment or Resale the Lessor shall file all documents necessary to obtain a tax abatement pursuant to Section YY 51-4.1(2)(6)(iv) of the RSL or any similar provision of law, and the maintenance payable by the owner of such shares will be reduced to the extent of any tax abatement received.

Cooperation of Lessor

(j) Lessor will cooperate with Lessees who are holders of Unsold Shares or Purchaser for Investment or Resale in connection with the sale of their shares or the subleasing of the apartments to. which the shares are allocated .and in connection with the filing of requisite

amendments to the Offering Plan. Such cooperation shall include the furnishing of all relevant information concerning the Building and its operation and the furnishing of all required documents If such documents are not in existence, the holders of Unsold Shares or the Purchaser for Investment or Resale requesting them shall pay the cost of their preparation. Further, Lessor agrees that a holder of Unsold Shares shall have the right to display "For Sale" and "For Rent" signs and similar promotional signs and material on or about the exterior of the building: the lobby, and the apartments leased by a holder of Unsold Shares. In addition, prospective purchasers of Unsold Shares, accompanied by sales personnel, shall be given access to the public areas, including (without limitation) the parking areas, lobbies, elevators and hallways, for purposes of ingress and egress without being subject to any charge or fee therefor.

Furnishing of Services Required by Law

(k) The Lessor shall furnish to tenants of apartments owned by holders of Unsold Shares or the Purchaser for Investment or Resale all services to which they are entitled under the RSL and Code, the MDL, and GBL, or amendments thereto, or similar legislation, except services which the holder of Unsold Shares or the Purchaser for Investment or Resale is required to furnish by his proprietary lease.

Continuation of Existing Services

(l) Until all Unsold Shares and shares held by Purchasers for Investment or Resale have been sold to purchasers for occupancy, the Lessor shall not eliminate or diminish-any existing services unless the Directors elected by the holders of Unsold Shares and Purchasers for Investment or Resale consent thereto, or, if there are no such Directors the holders of Unsold Shares and Purchasers for Investment or Resale consent thereto.

Right to Change Apartments

(m) If the Lessee is a holder of Unso1d Shares or the Purchaser for Investment or Resale or a Purchaser from either, the Lessee shall have the right to subdivide or combine apartments without obtaining the Lessor's consent, provided: (1) such work is performed in full compliance with all legal requirements and the resulting changes do not overload existing, wires or equipment in the building and do not encroach or impinge upon the public areas of the building; and (2) the Real Estate Consultant (as defined in the Plan) or licensed real estate broker issues a written opinion that any resulting reallocation of shares satisfies the reasonable relationship test set forth in Section 216 of the Internal Revenue Code. In no event will the work referred to above overburden the steam or electrical lines of the apartment. In any event Lessee shall obtain the consent for such work from any cooperative apartment lender of the apartment to the extent such consent is required under the terms of a cooperative apartment loan secured by the apartment.

Right to Make Alterations

(n) Notwithstanding the provisions of Paragraph 2l(a) of this lease, if the Lessee is a holder of Unsold Shares or a Purchaser for Investment or Resale or a purchaser from either the Lessee shall have the right to make alterations or additions in or to his apartment (and to its fixtures and equipment) without obtaining the Lessor's consent, provided: (1) the consent only of the them managing agent is first obtained, which consent may not be unreasonable withheld or delayed; and (2) such work is performed in full compliance with all legal requirements and the resulting changes do not overload existing wires or legal requirements and the resulting changes do not overload existing wires or equipment in the building or encroach or impinge upon the public areas of the building. In no event will the work referred to above overburden the steam or electrical lines of the apartment. In any event Lessee shall obtain the consent for such work from any cooperative apartment lender of the apartment to the extent such consent is required under the terms of a cooperative apartment loan secured by the apartment.

Control of the Directors

(o) Commencing with the annual meeting of shareholders which will be held after the fifth anniversary of the Closing Date, or a meeting called within 30 days after Unsold Shares constitute less than 50% of the shared of the Lessor, whichever first occurs, holders of Unsold Shares will, if necessary cast their votes so that shareholders other than holders of Unsold Shares shall constitute a majority of the Directors.

Appointment of Director

(p) So long as holders of Unsold Shares continue to own five percent or more of the shares of Lessor, but less than sufficient number of shares to elect at least one director, they will have the right for five years after the consummation of the Plan, jointly to designate one director.

(q) If, at the date of the commencement of this lease the person in possession or having the right to possession of the apartment is a Non-purchasing Tenant:

(i) the Lessee who is the holder of the Unsold Shares allocated to the apartment or the Purchaser for Investment or Resale of the shares allocated to the apartment, will not have the right to evict the tenant at any time, for any reason, including Lessee occupancy, other than nonpayment of rent, illegal use and occupancy of the apartment, refusal of reasonable access to the Lessee or similar breaches by the tenant of his obligations to the Lessee, refusal to execute a renewal lease at such rental and for such term as may be allowable by applicable law or regulation, or his failure to maintain the apartment at all times as his primary residence;

(ii) the apartment will continue to be subject to the RSL, as to rentals and continued occupancy;

(iii) if the RSL is eliminated or becomes inapplicable, the tenant may not be subjected to unconscionable increased beyond ordinary rentals for comparable apartments, considering in determining comparability such factors as building services, level of maintenance and operating expenses.

(r) The provisions of the above subparagraph (q) are intended for the benefit of the non-purchasing tenant and may not be amended to eliminate. diminish or otherwise change any of the rights or privileges of the tenant. They are not intended to abrogate any rights of the Lessee as against the Lessor.

Appointment of a Managing Agent

(s) A Lessee who is the holder of the Unsold Shares or a Purchaser or Investment or Resale shall irrevocably appoint the Lessor's Managing Agent, or the Lessor, if there is no Managing Agent to perform for his account and at his expense, all services required to be furnished or performed by him as landlord under a sublease of the apartment that are not to be provided by the Lessor under this lease. The Lessee will not be required to pay a fee for the services which the Managing Agent or the Lessor are required to perform.

Obligation to Amend the Offering Plan

(t) If the Lessee is a holder of Unsold Shares, he shall amend the Offering Plan to provide current and accurate information until all of the apartments for which he owns shares have been sold to bona fide purchasers and to provide prospective purchasers of the apartments with copies of the Offering Plan and all filed amendments.

Furnishing Documents and Information

(u) If the Lessee is a Purchaser for Investment or Resale, he shall provide prospective purchasers of all the apartments to which his shares are allocated prior to entering into purchase agreements for the purchase of such shares with all documents and information required by applicable laws and regulations.

Additional Rights

(v) If any provision of the Offering Plan grants any additional rights or privileges to holders of Unsold Shares or Purchasers for Investment or Resale, those provisions shall be deemed to be incorporated in this lease and holders of Unsold Shares and Purchasers for Investment or Resale shall be entitled to those respective rights and privileges as if those provisions were expressly set forth in this lease.

Inconsistencies

(w) If there are any inconsistences between this lease and the Offering Plan with respect to the rights, privileges, or obligations of holders of Unsold Shares or Purchasers for Investment or Resale, the provisions of the Offering Plan shall control.

Consent Required for Changes to the Lease

(x) Anything contained in this lease to the contrary notwithstanding, without the consent of a Lessee who is a holder of Unsold Shares or a Purchaser for Investment or Resale, no change in form, terms or conditions of the lease shall (1) affect his rights to sublet the apartment or to assign this lease; or (2) eliminate or modify any other of his rights or privileges.

Power of Attorney

(y) Lessor hereby irrevocably makes constitutes and appoints the Sponsor with full power of substitution, as the true and lawful attorney-in-fact of Lessor with full power, from time to time, in the name, place and stead of Lessor to: (i) execute and record or file on behalf of Lessor any document required to be executed by Lessor contemplated by this Paragraph 38; (ii) sign execute acknowledge, swear to verify, deliver, file, record and publish or perform any one or more of the foregoing acts in the event that Lessor fails to adequately or timely perform any one or more of its obligations pursuant to this Paragraph 38: and (iii) take any other action contemplated by this Paragraph 38. This power of attorney is hereby declared to be irrevocable, with full power of substitution, and coupled with an interest. This power of attorney shall survive bankruptcy of Lessor and shall extend to and be binding upon the successors and assigns of Lessor. This power of attorney may be exercised by any substitute designated by the Sponsor. A digital signature shall be effective if so affixed.

Damages

(z) Lessor expressly acknowledges and agrees that in the event that Lessor fails to timely perform its obligations to a holder· of- Unsold Shares or to a Purchaser for Investment or Resale as set forth in this Paragraph 38, Lessor shall be obligated to pay damages in an amount equal to the sum of: (i) any and all consequential damages, including, but not limited to, a reimbursement of lost profits, costs and expenses, reasonable attorney's fees and out-of-pocket expenses, plus interest at the rate of prime plus 3% to accrue from the later of the date of request or the date such obligation was first incurred; and (ii) an additional penalty in the amount of $2,500.00 for each such events.

Foreclosure Receiver of Rents

39. Notwithstanding anything contained in this lease if any action shall be instituted to foreclose a mortgage on the land or the building or the leasehold of the land or building the Lessee shall, on demand, pay to the receiver of the rents appointed in such action rent, if any, owing hereunder on the date of such appointment and shall pay thereafter to such receiver in advance on the first day of each month during the pendency of such action, as rent due hereunder, the rent for the apartment as last determined and established by the Directors prior to the commencement of said action, and such rent shall be paid during the period of such receivership, whether or not the Directors shall have determined and established the rent payable hereunder for any part of the period during which such receivership shall continue. The provisions of this Paragraph are intended for the benefit of present and future mortgagees of the land or the building or the leasehold of the land or building and may not be modified or annulled without the prior written consent of any such mortgage holder.

To Whom Covenants Apply

40. The references herein to the Lessor shall be deemed to include its successors and assigns, and the references herein to the Lessee or to a shareholder of the Lessor shall be deemed to include the executors administrators, legal representatives, distributes, and assigns of the Lessee or such shareholder, and the covenants herein contained shall apply to, bind and inure to the benefit of the Lessor and its successors and assigns and the Lessee and the executors and administrators legal representatives, legatees, distributees and assigns of the Lessee, except as hereinabove stated.

Waiver of Jury

41. To the greatest extent permitted by law, the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the patties hereto against the other on any matters whatsoever arising out of or in any way connected with this lease, the Lessee s use or occupancy of the apartment, or any claim of damage resulting from any act or omission of the parties in any way connected with this lease or the apartment.

Lessor's Optional Remedies

42. In the event of a breach or threatened breach by Lessee of any provision hereof, the Lessor shall have the right of injunction and the right to invoke any remedy at law or in equity, as if re-entry, summary proceedings and other remedies were not herein provided for, and the election of one or more remedies shall not preclude the Lessor from any other remedy.

Lessee is More Than One Person

43. If more than one person is named as Lessee hereunder, the Lessor may require the signatures of all such persons in connection with any notice to be given or action to be taken by the Lessee hereunder, including, without limiting the generality of the foregoing, the surrender or assignment of this lease, or any request for consent to assignment or subletting. Each person named as Lessee shall be jointly and severally liable for all of the Lessee's obligations hereunder. Any notice by the Lessor to any person named as Lessee shall be sufficient, and shall have the same force and effect, as though given to all persons named as Lessee.

Validity

44. If any clause or provision herein contained shall be adjudged invalid, the same shall not affect the validity of any other clause or provision of this lease or constitute any cause of action in favor of either party as against the other.

Marginal Headings

45. The marginal headings of the several paragraphs of this lease shall not be deemed a part of this lease.

Changes to be in Writing

46. The provisions of this lease cannot be changed orally.

IN WITNESS WHEREOF, the parties have executed this lease.

By: _____
President
(Secretary)

_____ (L.S.)
Lessee

_____ (L.S.)
Lessee

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ____ day of _____, in the year 20_____, before me, the undersigned, a Notary Public in and for the State of New York, personally appeared _____personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his capacity, and that by his/her/their signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ____ day of _____, in the year 20_____, before me, the undersigned, a Notary Public in and for the State of New York, personally appeared _____personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his capacity, and that by his/her/their signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public