

**PROPRIETARY LEASE**

**APARTMENT**

**-3-**

**SHARES**

**-55-**

**622A PRESIDENT STREET OWNERS CORP.**

**Lessor,**

**TO**

**Kyle Taylor**

**Lessee.**

	<u>Page</u>	<u>Para.</u>
Death of Lessee -		
assignment of lease	PL16	16(b)
Decks- use and maintenance	PL12	7
Default of Lessee:		
Covenants - default in performance	PL31	30(e)
Lessor's rights after default	PL32	31(a)
Lessor's rights to remedy	PL22	19
Reimbursement of Lessor's expenses	PL28	28
Sale of Lessee's shares	PL34	31(c)
Subtenant - collection of rent	PL34	31(b)
Demised premises	PL6	
Directors -		
authority not exercisable by others	PL8	1(d)
determinations conclusive	PL7	1(c)
failure to fix cash requirements	PL8	1(g)
Entry - apartment and storage space	PL26	25
Equipment and appliances - remedying effects	PL21	18(c)
"Escape Clause" - cancellation of lease by Lessee	PL36	35
Expenses of Lessor on Lessee's default	PL28	28
Expiration of lease - fixed date	PL6	
Expiration of lease - conditions	PL30	30
Fire Insurance - rate increase, Lessee's use	PL22	19
Fire or other cause -		
damage to building	PL9	4(a)
abatement of rent	PL10	4(b)
expiration of lease	PL10	4(c)
Fixtures - removal by Lessee	PL24	21(b)
Foreclosure of mortgage - receiver	PL41	39
Gardens - use and maintenance	PL12	7
Guests - in apartment	PL14	14
House rules-		
existing	PL14	12
amendment - compliance covenant	PL14	12
Immunities of Lessor	PL28	29(a)
Indemnity - by Lessee	PL13	11
Injunction - by Lessor	PL42	41
Insurance -		
increase in rates	PL23	20
waiver of subrogation, effects	PL11	4(d)
Jury trial waiver	PL41	40
Key - Lessee to furnish	PL26	25
Laundry and washing machines - use	PL29	29(b)
Lease -		
cancellation by Lessee- "escape clause"	PL36	35(a)
cancellation by Lessee - extension	PL38	36(a)
cancellation by 80% of shares	PL39	36(b)
changes in provisions	PL11	6
existing lease superseded by	PL13	9
expiration - see "Termination of Lease"	PL30	30
form - all leases	PL11	6
partial invalidity, effect	PL42	43
pledge by Lessee	PL17	17(a)
Lessee more than one person	PL42	42
Maintenance (rent) - see "Rent"		

	<u>Page</u>	<u>Para.</u>
Maintenance of building by Lessor -		
Director's powers	PL9	3
Marginal headings not part of lease	PL42	44
Mechanic's liens	PL26	23
Mortgage -		
foreclosure and receiver	PL41	39
provisions as to alterations	PL22	18(d)
subordination clause	PL25	22
Mortgage payments as Paid-in Surplus	PL8	1(f)
Noises prohibited	PL21	18(b)
Notices	PL28	27
Objectionable conduct - see "Termination of Lease"		
Occupancy by unauthorized person	PL31	30(c)
Odors prohibited	PL21	18(b)
Paid-in Surplus	PL8	1(f)
Partial invalidity of Lease - effect	PL42	43
Pledge of shares and lease by Lessee	PL17	17(a)
Pledge to bank	PL18	17(b)
Quiet enjoyment	PL13	10
Remedies of Lessor -		
additional remedies	PL42	41
default by Lessee	PL32	31(a)
expenses recoverable	PL28	28
Lessor's right to remedy defaults	PL22	19
Rent (maintenance) -		
how calculated	PL6	1(a)
default - Lessor's rights	PL32	31(a)
failure of Directors to fix	PL8	1(g)
issuance of additional shares	PL8	1(e)
no abatement or defense	PL14	12
payment monthly	PL6	1(a)
subtenants, collection from	PL34	31(b)
Repairs -		
Lessee's obligations	PL20	18(a)
Lessor's obligations	PL9	2
Roofs - use and maintenance	PL12	7
Services - Lessor's obligations	PL9	3
Shares -		
accompanying lease, specified	PL7	1(b)
additional shares issued	PL8	1(e)
all shares transferred on assignment	PL15	16(a)
surrender on lease termination	PL34	31(c)
Storage space	PL29	29(b)
Subletting -		
consent required	PL15	15
further subletting, new consent	PL17	16(e)
rent collection from subtenant	PL34	31(b)
violation of restrictions	PL31	30(c)
Subordination to mortgages and ground leases	PL25	22
Subrogation waiver - Lessor's obligations	PL11	4(d)
Surrender of apartment -		
lease expiration	PL25	21(c)
lease termination	PL35	33
liability continues	PL35	33

	<u>Page</u>	<u>Para.</u>
Term of Lease	PL6	
Termination of Lease -		
condition limitation	PL30	30
assignment unauthorized	PL31	30(c)
bankruptcy of Lessee	PL30	30(b)
condemnation	PL32	30(i)
covenants breached	PL31	30(e)
destruction of building	PL32	30(h)
occupancy unauthorized	PL31	30(c)
objectionable conduct	PL31	30(f)
rent default	PL31	30(d)
shares, Lessee ceases to own	PL30	30(a)
subletting unauthorized	PL31	30(c)
termination of all leases	PL31	30(g)
Terrace - use and maintenance	PL12	7
Third party occupant - Lessor's rights	PL13	8
Unsold shares - special provisions	PL39	38
Use of apartment -		
as dwelling	PL14	14
compliance with requirements	PL22	18(d)
insurance rate increase	PL23	20
Waiver -		
of subrogation, Lessor's obligation	PL11	4(d)
no waiver by Lessor	PL28	26
right of redemption, by Lessee	PL35	32
trial by jury	PL41	40

PROPRIETARY LEASE

PROPRIETARY LEASE, Made as of September 1, 2010 by and between 622A PRESIDENT STREET OWNERS CORP., a New York Corporation, having an office at 622A President Street, Brooklyn, New York, hereinafter called the Lessor, and Kyle Taylor, hereinafter called the Lessee.

WHEREAS, the Lessor is the Owner of the land and the buildings erected thereon in the County of Kings, City and State of New York, known as and by the street number 622A President Street, Brooklyn, New York, hereinafter called the building; and

WHEREAS, the Lessee is the owner of 55 shares of the Lessor, to which this lease is appurtenant and which have been allocated to Apartment No. 3 in the aforesaid buildings;

DEMISED PREMISES/TERM

NOW, THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee and the Lessee hires from the Lessor, subject to the terms and conditions hereof, Apartment 3 in the building (hereafter referred to as the Apartment) for a term from September 1, 2010 until Dec 31, 2080.

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 gardens, closets, terraces, balconies, roof, deck or portion thereof, or garden 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 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

1(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 of the Lessor issued to a Lessee simultaneously therewith.

CASH REQUIREMENTS DEFINED

1(c). "Cash Requirements" whenever used herein shall mean the estimated amount in cash which the directors shall, from time to time in their judgment, determine to be necessary or proper for (1) the operation, maintenance, care, alteration and improvement of the corporation 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 leases), and (ii) cash on hand which the Directors in their 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

1(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

1(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 such lease is 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

1(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 expenditures), 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

1(g). The omission of the Directors to determine the Lessor's cash requirements for any year or portion thereof shall not be deemed a waiver of modification in any respect of the covenants and provisions hereof, or of a release of the Lessee from the obligation to pay the maintenance of 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 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 the maintenance and repair of which are expressly stated to be the responsibility of the Lessee pursuant to Paragraph 18 hereof.

### SERVICES BY LESSOR

3. The Lessor shall maintain and manage the building as a first-class apartment building, and shall keep 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. 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 the operating of 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 or other cause covered by multiperil policies commonly carried by cooperative corporations in New York City (any other damage to be repaired by Lessor or Lessee, pursuant to Paragraphs 2 and 18, as the case may be), the dispatch after receipt of notice of said damage, repair or replace or cause to be replaced or repaired, with materials of a kind and quality then customary in buildings of the type of the building, the apartment, and the means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits, fixtures and permanent equipment in the apartment. Anything in this Paragraph of Paragraph 2 to the contrary, Lessor shall not be required to repair or replace, or cause to repair or replace, or cause to be repaired or



replaced, movable equipment, furniture, furnishings or decorations installed by the Lessee or any of his or her predecessors in title nor shall the Lessor be obligated to repaint or replace wallpaper or other decorations in the apartments.

#### RENT ABATEMENT

4(b). In case the damage resulting from fire or other cause shall be so extensive as to render the apartment partly or wholly untenable, or if the means of access thereto shall be destroyed, the rent hereunder shall proportionately abate until the apartment shall again be rendered wholly tenable of the means of access restored; but if said damage shall be caused by the act or negligence of the Lessee, or the 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

4(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 75% of the issued shares, at a shareholders' meeting duly called for that purpose, held within 120 days after the determination by the Directors, shall vote not to repair, restore or rebuild, then upon the giving of notice pursuant to Paragraph 30 hereof, this lease and all the 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

4(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 OF ACCOUNT

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.

ANNUAL REPORT

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 an independent certified public accountant.

CHANGES IN TERMS AND CONDITIONS  
OF PROPRIETARY LEASES

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 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 2/3 of the Lessor's shares then issued 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 or her right to cancel the lease under the conditions set forth in Paragraph 35 be eliminated or impaired without his or her 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.

TERRACES, BALCONIES, ROOFS,  
PENTHOUSES, DECKS AND GARDENS

7. If the apartment includes a terrace, balcony, roof, penthouse, deck or garden, the Lessee shall have and enjoy the exclusive use of the terrace, balcony, roof, deck or garden, subject to the applicable provisions of this lease and to the use of the terrace, balcony, roof, deck or garden 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 radio and television aeriels and antennas, 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 such terrace, balcony, roof, deck or garden 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, roofs, decks or gardens without the prior written approval of the Lessor. No cooking shall be permitted on any terraces, balconies, roofs, decks or gardens, nor shall the walls thereof be painted by the Lessee without the prior written approval of the Lessor. Any planting or other structures erected by the Lessee or his

SECTION SEVEN A TO THE PROPRIETARY LEASE

The cellar and the yard at the rear of the building, shall not be deemed part of the common area. Such space shall be exclusively used, maintained and repaired by the Lessee of Apartment 1 except that anything to the contrary notwithstanding, the use of said cellar and yard by the Lessee of Apartment 1 shall be subject to the conditions and limitations set forth in the Proprietary Lease, including but not limited to the following:

The lessor, its agents and the other Lessees of the building shall have the use of this space for the following:

- a. Access to the common areas for inspection, repair and maintenance purposes;
- b. For ingress and egress from the building in case of fire or other emergency;
- c. For any purpose as required by law, appropriate governmental rule or regulation of the building's Certificate of Occupancy.

The roof of the building shall not be deemed a common area. It shall be exclusively used, maintained and repaired by the Lessees of Apartment 4, subject to the conditions and limitations set forth below. The Unit Owners of Apartment 4 shall have exclusive use of so much of the roof as shall be directly above their respective apartments.

Anything to the contrary notwithstanding, the use of the roof by said Lessees shall be subject to the conditions and limitations set forth in the Proprietary Lease, including but not limited to the following:

- a. Such use shall be in accordance with all applicable requirements of law and applicable rules and regulations of governmental agencies having jurisdiction thereof. All required means of egress from and to said roof shall remain clear and unobstructed.
- b. The lessor, its agents and the other Lessees of the building shall have the use of this space for the following:

1. For the purpose of inspecting and maintaining the chimney and any equipment or building system located on or near the roof;
2. For ingress and egress to and from the building in case of fire or other emergency;
3. For any purpose as required by law, appropriate governmental rule or regulation or the building's Certificate of Occupancy.

The provision of this footnote shall be included in the Proprietary Leases for all apartments in the building.

or her predecessor in interest may be removed and restored by the Lessor at the expense of the Lessee for the purpose of repairs, upkeep or maintenance of the building.

ASSIGNMENT OF LESSOR'S RIGHTS

AGAINST OCCUPANT

8. 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 all 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 Lessee's rights against said third party.

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 such agreement of statutory tenancy which shall 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, or in the case of unsold shares, the possessor, agrees to save the Lessor harmless from all liability, loss, damage and expenses arising from injury or property damage

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 promptly, the Lessee shall pay interest thereon at the maximum legal rate from the date when such installment shall have become due to the date of payment thereof, and such interest shall be deemed additional rent hereunder.

#### 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 respects 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 the House Rules 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.

#### USE OF PREMISES

14. The Lessee shall not, without the written consent of the Lessor on such conditions as Lessor may prescribe, 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 parents, grandparents, brothers and sisters, domestic employees, and one friend. In addition to the foregoing, the apartment may be occupied from

time to time by 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 in Paragraph 38 of this lease, the 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 of the Directors, or, if the Directors shall have failed or refused to give such consent, then by Lessees owning at least 75% of the then issued shares of the Lessor. Consent by the Lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Any Director or Lessees, as the case may be, may impose. There shall be no limitation on the right of Directors or Lessees to grant or withhold consent, for any reason or for no reason, to subletting.

#### ASSIGNMENT

16(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) 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 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, 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) Except in the case of an assignment, transfer or bequest to the Lessee's spouse or to a Lessee by his co-Lessee of the same apartment, 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 Directors shall have failed or refused to give such consent within 30 days after submission of references to them or Lessor's agent, then by Lessee's owning of record at least 75% 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 By-Laws.

CONSENTS: ON DEATH OF LESSEE

16(b). If the Lessee should 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 Lessee's



spouse as to whom no consent is required).

CONSENTS GENERALLY: STOCKHOLDERS'  
AND DIRECTORS' OBLIGATIONS TO CONSENT

16(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, to an assignment.

RELEASE OF LEASE UPON ASSIGNMENT

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

FURTHER ASSIGNMENT OR SUBLETTING

16(e). Regardless of any prior consent theretofore given, neither the Lessee nor his or her 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

16(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(a). A pledge of this lease and the shares to which it is appurtenant shall not be a violation of this lease, but neither the pledgee nor any transferee of the pledged security shall be entitled to have the shares transferred of record on the books of the Lessor, nor to vote such shares, nor to occupy or permit the occupancy by others of the apartment, nor to sell such shares or this lease without first obtaining the consent of the Lessor in accordance with and after complying with all of the provisions of Paragraphs 14, 15, and 16, as the case may be. The acceptance by Lessor of payments by the pledgee or any transferee of the pledged

security on account of rent or additional rent shall not constitute a waiver of the aforesaid provisions. The provisions of this subparagraph (a) shall be subject to subparagraph (b) of this Paragraph 17.

17(b). 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 any other lender, (the "Lender") 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.

If at any time a mortgage is placed on the premises or if a mortgage shall exist on the premises at the time of the execution of this lease and the mortgage requires that the lessee not be permitted to finance more than 75% of the actual purchase price of the lessee's apartment, then commencing with the date that any such mortgage is placed on said premises, until such mortgage shall have been satisfied, or such condition waived by the mortgagee, the lessee will not thereafter be permitted to finance more than 75% of the actual purchase price of the lessee's apartment.

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 or 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 30 hereof (Termination of Lease by Lessor) 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 in 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 until this lease and the shares allocated to the apartment are acquired for personal occupancy.

If the Lessor shall fail to exercise its right to terminate and/or to commence summary proceedings or to take all steps or to do all acts required to be done pursuant thereto, then and in that event, Lessor shall execute and deliver to the Lender 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 any as 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 the Lessee under Paragraph 35 hereof.

If this lease is terminated at the request of the Lender 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 subject only to the approval of then managing agent of the Lessor (which approval shall not be unreasonably withheld or delayed). 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(b).

REPAIRS BY THE LESSEE

18(a). The Lessee shall keep the interior of the apartment (including interior walls, floors 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 his or her apartment, including the interior of window frames, sashes and sills, and shall be solely responsible for the maintenance, repair and replacement of plumbing, gas and heating fixtures and equipment and such refrigerators, dishwashers, air-conditioners, washing machines, ranges and other appliances, as may be in the apartment. Plumbing, gas and heating fixtures as used herein shall include gas, steam and water pipes between the branch fitting on the building riser and the fixtures, appliances and equipment to which they are attached, and any other pipes or

equipment which the Lessee installed within the wall or ceiling, or under the floor of the apartment, but shall not include gas, steam, water riser or other pipes and conduits within the walls, ceilings or floors or heating equipment which is part of the standard building equipment. The Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances and equipment, and all meters, fuse boxes or circuit breakers and electrical wiring and conduits from the junction box at the riser into and through the Lessee's 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. Lessee shall make no holes in building wall or roof or sleeves for air-conditioning or any other purpose unless agreed to in writing by the Lessor.

#### ODORS AND NOISES

18(b). The Lessee shall not permit unreasonable cooking 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.

#### EQUIPMENT AND APPLIANCES

18(c). If, in the Lessor's sole judgment, any of the Lessee's equipment or appliances shall result in damage to the building or be of poor quality or interrupt service to other portions of the building or overload or damage facilities maintained by the Lessor or the supplying of water, gas, electricity or air-conditioning to the building, or if any such 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.

RULES AND REGULATIONS AND  
REQUIREMENTS OF MORTGAGE

18(d). The Lessee will comply with all the requirements of the Board of Fire Underwriters, insurance authorities and all 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 or equipment as herein required, or shall fail to remedy a condition which has become objectionable to the Lessor for reasons above set forth, or if the Lessee or any person dwelling in the apartment shall request the Lessor, its agents or servants to perform any act not hereby required to be performed by the Lessor, the Lessor may make such repairs, or arrange for others to do the same, or remove such objectionable condition or equipment, or perform such act, without liability on the Lessor, provided that, if the condition requires prompt action, notice of less than 30 days, or, in case of emergency, no notice need be given. In all such cases, the Lessor, its agents, or servants and contractors shall, as between the Lessor and Lessee, be conclusively deemed to be acting as agents of the Lessee and all contracts therefor 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 shall not be obligated to, comply with therewith, and for such purposes, may enter upon the apartment of Lessee. The Lessor shall be entitled to recover from the Lessee all expenses incurred or 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 the contents thereof. If, by reason of the occupancy or use of the apartment 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 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 same for its 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 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 in addition to the water, gas or steam risers or pipes, heating or air-conditioning systems or units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, or any other installation of 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 and governmental agencies having jurisdiction thereof. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the building.

REMOVAL OF FIXTURES

21(b). Without Lessor's written consent, the Lessee shall not remove any fixtures, appliances 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, appliances or fixtures, including but not limited to fireplace mantels, lighting fixtures, refrigerators, air-conditioners, dishwashers, washing machines, ranges, woodwork, wall 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, 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, 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 of such additions, improvements, appliances or fixtures; and

(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 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, Lessor shall first procure from such mortgagee its written consent to such removal.

SURRENDER ON EXPIRATION OF TERM

21(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, at the option of the Lessor, shall 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 MORTGAGES

AND GROUND LEASES

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 building, or 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 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 for 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 of any offsets or additional rent, all amounts so paid and all costs and expenses paid or incurred in connection therewith, including reasonable attorney's fees and disbursements, together with interest thereon from the 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

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 to remove such portions of the walls, floors and ceilings of the apartment and storage space as may be required for any such purpose, but the Lessor shall thereafter restore the apartment and storage space to its proper and usual condition at Lessor's expense if such repairs are the obligation of Lessor, or at Lessee's expenses 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 storage rooms, 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 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 the Lessor's agents (but, except in an emergency, only when specifically authorized by an officer of the 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. 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, or 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 to the other shall be duly given only if in writing and sent by registered or certified mail, return receipt requested; if by the Lessee, addressed to the Lessor at the building with a copy sent by regular mail to the business address of the Lessor; 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. Notices or demands shall be deemed given on the date when mailed.

## REIMBURSEMENT OF LESSOR'S EXPENSES

28. If the Lessee shall at any time be in default hereunder and the Lessor shall incur any expense (whether paid or not) in performing acts which the Lessee is required to perform, or in instituting any action or proceeding based on such default, or defending, or asserting a counterclaim in, any action or proceeding brought by the Lessee, the expense thereof to the Lessor, including reasonable attorneys' fees and disbursements, 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, water supply, electric current and gas, as well as for interference with light,

air, view 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

29(b). If the Lessor shall furnish to the Lessee any storage bins or space, or any facility outside the apartment, including but not limited to a television antenna, the same shall be deemed to have been furnished gratuitously by the Lessor under a revocable license. The Lessee shall not use such storage space for the storage of valuable or perishable property, and any such storage space assigned to Lessee shall be kept by Lessee clean and free of combustibles. Lessee is responsible for any damage occurred from washing machines or dishwashers installed in Lessee's apartment by Lessee.

#### TERMINATION OF LEASE BY LESSOR

30. If upon, or at any time after, the happening of any of the events mentioned in subdivisions (a) to (i) inclusive, of this Paragraph 30, the Lessor shall give to the Lessee a notice stating that the term hereof will expire on a date at least five (5) days thereafter, the term of this lease shall expire on the date so fixed in such notice as fully and completely as if it were the date herein definitively 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 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 dispossession 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 state as if the 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, repossession and removal herein granted and reserved.

LESSEE CEASING TO OWN ACCOMPANYING

SHARES

30(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 A BANKRUPT

30(b). If at any time during the term of this lease

(i) the then holder thereof shall be adjudicated a bankrupt under the laws of the United States; or

(ii) a receiver of all the property of such holder or of this lease shall be appointed under any provisions of the laws of the State of New York, or under any statute of the United States or any statute of any state of the United States and the order appointing such receiver shall not be vacated within thirty 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 the lease is appurtenant shall be duly levied upon under the process of any court whatever, unless such levy shall be discharged within thirty 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 eight (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

30(c). If there be an assignment of this lease or any subletting hereunder, without full compliance with the requirements of Paragraph 15, 16 or 38 hereof; or if any person not authorized by 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

30(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

30(e). If the Lessee shall be in default in the performance 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

30(f). If at any time the Lessor shall determine, upon the affirmative vote of 65% 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 the Lessor, the tenancy of the Lessee is undesirable;

TERMINATION OF ALL PROPRIETARY  
LEASES

30(g). If at any time the Lessor shall determine, upon the affirmative vote of 75% 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 75% in amount of its then issued shares, at a shareholders' meeting duly called for that purpose, to terminate all proprietary leases;

DESTRUCTION OF BUILDING

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

CONDEMNATION

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

LESSOR'S RIGHTS AFTER LESSEE'S

DEFAULT

31(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 30 hereof upon the happening of any event specified in subsections (a) to (f), inclusive, of Paragraph 30, Lessee shall continue to remain liable for payment of a sum equal to the rent which would have become due hereunder and shall pay the same in installments at the time such rent would be 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) relet the apartment for its own account, or

(ii) relet the apartment as the agent of the Lessee, in the name 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, at its discretion. Any reletting of the apartment shall be deemed for the account of the Lessee, unless within ten 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 its 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

31(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 from such subtenant to the Lessee, and apply the amount to pay sums due and to become due from the Lessee to the Lessor. Any payment by a subtenant to the Lessor shall constitute a discharge of the obligation 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

31(c). Upon the termination of this lease under the provisions of subdivisions (a) to (f), inclusive, of Paragraph 30, 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 Lessee owning, of record, at least a majority of 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 new proprietary lease and certificate, the Lessee's liability hereunder shall cease and the Lessee shall only be liable for rent and expenses accrued to 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

32. 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

33. Upon the termination of this lease under the provision of subdivisions (a) to (f), inclusive, of Paragraph 30, the Lessee shall remain liable as provided in Paragraph 31 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 any 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.

CONTINUANCE OF COOPERATIVE MANAGEMENT  
OF BUILDING AFTER ALL LEASES TERMINATED

34. 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 enure to shareholders of corporations having title to real estate.

LESSEE'S OPTION TO CANCEL

35(a). This lease may be cancelled by the Lessee on any September 30th after the third anniversary of the consummation of the Offering Statement-Plan of Cooperative Organization pursuant to which proprietary leases were originally issued, upon complying with all the provisions hereinafter set forth. Irrevocable written notice of intention to cancel must be given by the Lessee to the Lessor on or before April 1 in the calendar year in 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:

(i) the Lessee's counterpart of this lease with a written assignment in the form required by the Lessor, in blank, effective as of August 31 of the year of cancellation, free from all subleases, tenancies, liens, encumbrances and other charges whatsoever;

(ii) the Lessee's certificate for his or her shares of the Lessor, endorsed in blank for 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 this lease, the right to and intends to remove.

REMOVAL OF FIXTURES/POSSESSION

35(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 August 31st of the year of cancellation, and on or before said August 31st, 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

35(c). The Lessor and its agents may show the apartment to prospective lessee, contractors and architects at reasonable times after notice of the Lessee's intention to cancel. After August 31st or the earlier vacating of the apartment, 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

35(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 September 30th fixed in said notice,

and the shares of Lessor 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

35(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 September 30th

(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 September 30th named in the notice of intention to cancel as of the date for the cancellation of such lease, and bringing such proceedings and actions as it may deem best to 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.

EXTENSION OF OPTION TO CANCEL

36(a). If on April 1st 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 September 30th of said year, shall aggregate ten percent (10%) or more of the Lessor's outstanding shares, exclusive of treasury shares, then the Lessor shall, prior to April 30th in such year, 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 July 1st instead of April 1st.

RIGHT OF LESSEES TO CANCEL

36(b). If Lessees owning at least 80% of the then issued and outstanding shares of the Lessor shall exercise the option to cancel their lease in one year, then this and all other proprietary leases shall thereupon terminate on the September 30th of the year in which such options shall have been exercised, as though every lessee had exercised such option. In such event none of the lessees shall be required to surrender his or her shares to the Lessor and all certificates for shares delivered 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.

TO WHOM COVENANTS APPLY

37. 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, legatees, distributees and assigns of the Lessee or of such shareholder, and the covenants herein contained shall apply to, bind and enure 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.

UNSOLD SHARES

38(a). The term "Unsold Shares" means and has exclusive reference to the shares of the Lessor which were issued to the Sponsor or individuals produced by the Sponsor pursuant to the Offering Statement-Plan of Cooperative Organization or Contract of Sale under which the Lessor acquired the Leasehold to the building; and all shares which are Unsold Shares retain their character as such (regardless of transfer) until (a) such shares become

the property of a purchaser for bona fide occupancy (by himself or herself or a member of his or her family) of the apartment to which such shares are allocated, or (b) the holder of such shares (or a member of his or her family) becomes a bona fide occupant of the apartment. This Paragraph 38 shall become inoperative as to this lease upon the occurrence of either of said events with respect to the Unsold Shares held by the Lessee named herein or his or her assignee.

SUBLETTING APARTMENT AND SALE  
OF SHARES

38(b). Neither the subletting of the apartment nor the assignment of this lease by the Lessee who is the holder of the block of Unsold Shares allocated thereto, shall require the consents of the Directors or shareholders, as provided in Paragraph 15 and 16, but the consent only of the Sponsor or Managing Agent.

CHANGE IN FORM OF LEASE

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

NO VOLUNTARY CANCELLATION

38(d). The provisions of Paragraph 35 are not applicable to a Lessee who is the holder of a block of the Unsold Shares accompanying the lease, unless (1) Lessees owning a majority of the Lessor's outstanding shares (other than unsold shares) shall have given notice of intent to cancel or (11) all unsold shares constitute fifteen (15) percent or less of the Lessor's outstanding shares, at least five (5) years have elapsed since the Lessor acquired title to the building and on the effective date of cancellation holders of unsold shares shall pay to the Lessor a sum equal to the product of the then current monthly rent (maintenance charges)



payable under the proprietary lease multiplied by twenty-four (24).

38(e). A Lessee who is the holder of a block of Unsold Shares shall not have the following paragraphs of this lease applicable to him: Paragraph 11, unless the action is due to the negligent conduct of the holder of proprietary shares himself or herself; Paragraph 14; Paragraph 21(a), insofar as said alteration comports with the filed building plans. Such holder of unsold shares shall not encroach or impinge upon the common areas and all work performed within his or her unit shall be in accordance with Paragraph 21(a).

FORECLOSURE RECEIVER OF RENTS

39. Notwithstanding anything contained in this lease, if any action shall be instituted to foreclose any 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 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 may 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.

WAIVER OF TRIAL BY JURY

40. To the 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 parties hereto against the other on any matters whatsoever arising out of or in any way

connected with this lease or the apartment.

LESSOR'S ADDITIONAL REMEDIES

41. 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 provided for, and the election of one or more remedies shall not preclude the Lessor from any other remedy.

LESSEE MORE THAN ONE PERSON

42. 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.

EFFECT OF PARTIAL INVALIDITY

43. 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.

HEADINGS

44. The centered headings of the several paragraphs of this lease shall not be deemed a part of this lease.

CHANGES TO BE IN WRITING


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

46. No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable



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

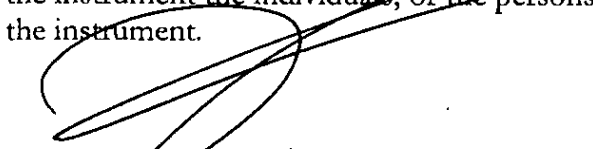
On the 1st day of September, 2010 before me, the undersigned personally appeared Brett Cornkopf, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose name is subscribed to the within instrument and acknowledged to me that they executed same in their capacity and that by their signature on the instrument the individuals, or the persons upon behalf of which individuals acted, executed the instrument.

  
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NOTARY PUBLIC

KURT L. ROTH  
Notary Public, State Of New York  
No. 02RO4880047  
Qualified In Kings County  
Commission Expires November 24, 2011

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

On the 1st day of September, 2010 before me, the undersigned personally appeared Kyle Taylor, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose name is subscribed to the within instrument and acknowledged to me that they executed same in their capacity and that by their signature on the instrument the individuals, or the persons upon behalf of which individuals acted, executed the instrument.

  
\_\_\_\_\_  
NOTARY PUBLIC

KURT L. ROTH  
Notary Public, State Of New York  
No. 02RO4880047  
Qualified In Kings County  
Commission Expires November 24, 2011