

PROPRIETARY LEASE

Apt. No.:
Shares:

10 PARK AVE. TENANTS' CORP.,
Lessor

TO

Lessee

PROPRIETARY LEASE

10 Park Ave. Tenants' Corp.
10 Park Avenue
New York, NY 10016

PROPRIETARY LEASE

PROPRIETARY LEASE, made as of _____, 20____, by and between 10 PARK AVE. TENANTS' CORP., a New York Corporation, having an office at 10 Park Avenue, New York, New York, hereinafter called the Lessor, and _____ residing at _____ hereinafter called the Lessee.

WHEREAS, the Lessor is the owner of the land and the building erected thereon in the Borough of Manhattan, City of New York, know as Hotel Ten Park Avenue and by the street number 10 Park Avenue (hereinafter called the "Building"); and

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

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 _____ in the Building (hereinafter referred to as "the apartment") for a term from _____, 20____, until September 30, 2100 (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 or is allocated by the Board of Directors of the Lessor hereinafter called "Directors") to the exclusive use of the occupant of the apartment.

1. (a) The rent (sometimes called "maintenance") payable by the Lessee for each year, or portion of a year, during the terms shall equal that proportion of the Lessor's cash requirements for such year, or portion of a year, which the number of shares of the 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 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.

(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, which number, in relation to the

Demised Premises

Term

Rent (Maintenance)
How Fixed

Accompanying
Shares to be
Specified in
Proprietary Leases

total number of shares of the Lessor issued and outstanding, shall constitute the basis for fixing, as herein before provided, the proportionate share of the Lessor's cash requirements which shall be payable as rent by the Lessee.

(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 (even though incurred during a prior period) 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 its 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.

(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.

(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.

(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 Surplus 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.

Cash Requirements
Defined

Authority Limited to
Board of Directors

Issuance of
Additional Shares

Paid-in Surplus

(g) The failure of 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.

Failure to Fix Cash Requirements

2. The Lessor shall at its expense keep in good repair all of the Building including all of the apartments, the sidewalks 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.

Lessor's Repairs

3. (a) The Lessor shall maintain and manage the Building as a first-class apartment Building, shall keep the elevators and the public halls, cellars arid stairways clear. and properly lighted and heated, shall provide the number of attendants requisite, in the judgment of the Directors, for the proper care and service of the Building, shall provide the apartment with a proper and sufficient supply of hot and cold water, heat and gas, and shall maintain mail and package room facilities.

Services by Lessor

(b) The covenants by the Lessor contained in this Paragraph 3 are subject 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.

4. (a) If the apartment or the means of access thereto or the Building shall be damaged by fire or other cause covered by multi peril policies commonly carried by corporations owning "cooperative apartment Buildings" in New York City (any other damage to be repaired by the Lessor or the Lessee pursuant to Paragraphs 2 and 18, 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 replaced, the Building, the apartment, and the means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits in the apartment, with materials of a kind and quality then customary in the Building. Anything in this Paragraph or Paragraph 2 to the contrary notwithstanding, the Lessor shall not be required to repair or replace, or cause to be repaired or replaced, equipment, fixtures, furniture, furnishings

Damage to
Apartment
Building or

or decorations installed by the Lessee or any previous proprietary lessee of the apartment, nor shall the Lessor be obligated to repaint or replace wallpaper or other decorations in the apartment or to refinish floors located therein.

(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, the rent hereunder shall proportionately abate unto 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 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 the Lessor with respect to the apartment.

Rent Abatement

(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 nine months after the less 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 and outstanding 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 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 Lessor 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 by reason of casualty damage.

Expiration of Lease
Due to Damage

(d) The 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 the Lessor would be liable, and the 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 the Lessee releases the Lessor from any liability with respect to such loss or damage.

Waiver of
Subrogation

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

Inspection of Books
of Account

determine, and the same shall be open during all reasonable hours to inspection by the Lessee or a representative of the Lessor. 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.

Annual Report

6. Each proprietary lease made by the Lessor shall be in the form of this lease, except with respect to the statement as to the number of shares owned by the 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 the affected lessee. 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 66 2/3% of the Lessor's shares then issued and outstanding. and such changes shall be binding on all lessees even if the.: did not vote for such changes except that (i) the proportionate share of rent or cash requirements payable by any lessee may not be increased, (ii.) the right of any lessee to cancel his lease under the conditions set forth in Paragraph 35 may not be eliminated or impaired, without, in each of the foregoing instances, the express consent: of the lessee affected, and (iii) the provisions hereof are subject to the provisions of Paragraphs 38(c) and 39(d) of this lease. 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.

Changes in Terms
and Conditions of
Proprietary Leases

7. If the apartment is contiguous with a terrace or balcony, or, if the apartment is a penthouse which adjoins a portion of a roof of the Building, the Lessee shall have and enjoy the exclusive use of such terrace or balcony or the portion of the roof designated to the penthouse, by the Directors, subject to (i) the right of others to use any portion of the roof designated as a common area by the Directors, (ii) the applicable provisions of this lease, and (iii) the use of the terrace, balcony 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 radio and television aerials and antennae, 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, 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. No cooking shall be permitted or. any terraces, balconies or the roof of the Building, nor shall the walls thereof be painted by the Lessee without the prior written approval of the Lessor. Any\

Penthouses, Terraces
and Balconies

planting or other structures erected by the Lessee or any previous proprietary lessee of the apartment may be removed and restored by the Lessor at the expense of the Lessee if the Lessor deems it advisable to remove same for the purpose of repairs, upkeep or maintenance of the Building.

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.

Assignment of
Lessor's Rights
Against Occupant

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 or statutory tenancy which shall be of no further effect after the date of commencement of this lease, except for claims theretofore arising, thereunder.

Cancellation of Prior
Agreements

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, as provided in Paragraph 22, below.

Quiet Enjoyment

11. The Lessor 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 the Lessor is covered by insurance which provides for waiver of subrogation against the Lessee.

Indemnity

12. (a) 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 up to the highest rate permitted by law. In addition Lessor may from time to time impose an administrative fee of \$25.00 for each late payment, to offset the added expense of processing and collecting

Payment of Rent

late payments.

(b) The Lessee also shall pay the charges incurred by the Lessee or any occupant of the apartment for any Building services rendered by, or goods of any kind furnished by, the Lessor, any sublessee or concessionaire of the Lessor, or any merchant, supplier or other person (except those services which the Lessor is obligated to furnish to the Lessee without charge in accordance with the terms of this lease), and any sums advanced by the Lessor to or for the Lessee or any occupant of the apartment, and in case of the failure on the part of the Lessee to pay the same as and when bills therefor are rendered by the Lessor, the Lessor, at its option, may declare the same additional rent and add the amount thereof to the next instalment of rent due under the lease. Notwithstanding the foregoing, the Lessor shall not be obligated to furnish or provide any Building services or goods unless such obligation is expressly set forth elsewhere in this lease.

(c) The Lessee hereby agrees that the Lessor shall have a lien on, all property of the Lessee and any occupant of the apartment, and upon the non-payment of any sums due from the Lessee, the Lessor shall be entitled to all rights and remedies given to it at law as a secured party for the non-payment of such lien.

Secured Lien

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 a House Rule shall be a default under this lease. The Lessor shall not be responsible to the Lessee for the nonobservance or violation of House Rules by any other lessee or person.

House Rules

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 or Lessee's spouse or registered domestic partner, as defined by the City of New York, their children, grandchildren, parents, grandparents, brothers and sisters and domestic employees ("Permitted Occupants") provided further, however, that the Lessee shall notify the Lessor in writing prior to any Permitted Occupants taking possession of the Apartment for any period in excess of one (1) month in Lessee's absence. In no event shall the number of persons occupying the apartment exceed the amount permitted by law. In addition,

Guest Policy

the apartment may be occupied by guests of the Lessee in the absence of Lessee or a Permitted Occupant, as defined below, for a period of time not exceeding a total of thirty (30) days, cumulative, in any calendar year, upon notice to Lessor, and for no longer period unless a longer period is approved in writing by Lessor; Permitted Occupants may occupy the Apartments indefinitely, upon advance notice to Lessor.

15. (a) Lessee may from time to time-for a minimum of six (6) months, maximum of one (1) year, provided that prior to such sublease being deemed effective: (1) the Subtenant is approved by Lessor; (2) the Subtenant registers with building staff prior to moving in; (3) the Lessee and the Subtenant execute a sublease in form and substance approved by Lessor; (4) the Lessee pays to Lessor a sublet fee as set forth in Paragraph 15(b); (5) the Lessee has first occupied the apartment for at least one full year; and (6) the Lessee does not sublease the apartment to more than three different subtenants in any five year period.

(b) Upon the approval of any subtenant, Lessee shall become obligated to pay Lessor a sublet fee as determined by Lessor from time to time, but in no event less than \$1.20 per share per month nor more than \$1.75 per share per month, for the term of the approved sublease. Said sublet fee shall initially be set at \$1.20 per share per month, and any further increases shall require the approval of the majority of the shareholders voting at the annual meeting or any other duly convened meeting of the shareholders

(c) Except as hereinbefore provided, the Lessee shall not sublet the apartment for any term to any person or persons or renew or extend any previously authorized sublease unless consent thereto shall have been, duly given by resolution of the Directors or by a majority of the Directors in writing or, if the Directors shall have failed or refused to give such consent, by the holders of two-thirds of the capital shares of the Lessor, which consent shall be evidenced by an instrument, in writing, signed by an officer of the Lessor, the Lessor's attorneys or managing agent, pursuant to due authorization (i) of a resolution of the Directors, or (ii) of a majority of the Directors evidenced by their written consent, or (iii) of the holders of 65% of the issued shares of the Lessor, as the case may be, and the Directors or shareholders, as the case may be, may condition any consent given to a proposed subletting upon compliance by the Lessee with any requirements made with respect to such subletting and upon the payment by the Lessee of any sum, fixed by the Directors pursuant to the provisions of subparagraph (b) of this Paragraph 15 or, if no such sum is fixed or payable, all expenses incurred by the Lessor and/or shareholders of the Lessor in connection therewith. Whenever the Lessee applies for consent to any subletting, the Lessee shall deliver to the Lessor a copy of the proposed

Subletting

sublease to which consent is requested and any other information Lessor deems appropriate in connection with its review of a sublet application.

(d) Anything contained in subparagraphs (a),(b) and (c) of this Paragraph 15 to the contrary notwithstanding, no consent, approval or payment of any kind shall be required with respect to (i) any subletting by the Lessee to any member of Permitted Occupants described in Paragraph 14 of this lease

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 the 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 canceled 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 insurance or abstract company, as the Directors may require, shall have been delivered to the Lessor, and the same shall indicate to the satisfaction of the Directors that there are no encumbrances on the shares of the Lessor allocated to the apartment or this lease; and

(vi) Except in the case of an assignment, transfer or bequest to the Lessee's spouse or registered domestic partner of the shares and this lease, and except as provided in Paragraphs 38 and 39 of this lease,

Assignment

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 the Lessor's managing agent, then by lessees owning of record at least 65% of the then issued shares of the Lessor. Consent by lessors 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.

(b) If the Lessee shall die, consent shall not be unreasonably withheld or delayed to an assignment of the lease and shares to a financially responsible member of the Lessee's family (other than the Lessee's spouse or registered domestic partner as to whom no consent is required. Any other individual claiming a right to the lease and shares by virtue of Lessee's death shall require Lessor's consent.

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

(e) Regardless of any prior consent theretofore 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. The restrictions on the assignment this lease, as herein be set forth, are an especial consideration and inducement for the granting of this lease by the Lessor to the Lessee. No demand or acceptance of rent from any assignee hereof shall constitute or be deemed to constitute a consent to or approval of any assignment. (f) If this lease is then in force and effect, the Lessor will, upon request of the 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.

(f) If this lease is then in force and effect, the Lessor will, upon request of the 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.

Consents: On Death
of Lessee

Consents Generally:
Stockholder's and
Directors'
Obligations to
Consent

Release of Lessee
Upon Assignment

Further Assignment
or Subletting

Statement by Lessor

17. The execution and delivery of a leasehold mortgage and/or the creation of a security interest in this lease and shares to which this lease is appurtenant shall not be a violation of this lease as long as the prior written consent of Lessor to the pledge of the shares and Lease as collateral for a loan is obtained; but except as provided in Paragraph 39 of this lease, neither the secured party nor the leasehold mortgagee, nor any transferee of the 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 complying with all of the provisions of Paragraphs 15 and 16 of this lease. The acceptance by the Lessor of payments by the secured party or leasehold mortgagee or any transferee of the security on account of rent or additional rent shall not constitute a waiver of the aforesaid provision.

Pledge of Shares and Lease

18. (a) The Lessee shall take possession of the apartment and its appurtenances and fixtures "as is" as of the commencement of the term hereof. Subject to the provisions of Paragraph 4 hereof, 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 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, removable and through-the-wall air conditioners, washing machines, ranges, and other appliances, as may be in the apartment. Plumbing, gas and heating fixtures as used herein shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Lessee may install within the wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes or conduits within the walls, ceilings or floors or heating equipment which is part of the 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 and any and all equipment of all types and kinds installed by the Lessee or any previous proprietary lessee in 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.

Repairs by the Lessee

(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

Odors and Noises

other lessees or their subtenants or guests or which will unreasonably annoy them or obstruct the public halls or stairways.

(c) If, in the Lessor's sole judgment, any of the Lessee's equipment or appliances shall result in damage to the Building or poor quality or interruption of service to other portions of the Building, or overloading of, or damage to facilities maintained by the Lessor for 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.

Equipment and
Appliances

(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 Building or the land on which it stands 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, the Lessor will furnish the Lessee with copies of applicable provisions of each and every such mortgage.

Rules and
Regulations and
Requirements of
Mortgages

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 may be given or, in case of emergency, no notice need be given. In all such cases the Lessor, its agents, servants and contractors shall, as between the Lessor and the 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 the Lessor (not less than 5 days), then the Lessor may, but shall not be obligated, to comply therewith, and for such purposes may enter upon the apartment of the Lessee. The Lessor shall be entitled to recover from the Lessee all expenses incurred or for which it has contracted hereunder, such expenses to

Lessor's Right to
Remedy Lessee's
Defaults

be payable by the Lessee on demand as additional rent.

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 personally liable for the additional insurance premiums incurred by the 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.

Increase in Rate of
Fire Insurance

21. (a) The Lessee shall not, without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld or delayed, make in the apartment or the 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, or, except as hereinafter authorized, remove any additions, improvements or fixtures from the apartment. The performance by Lessee of any work in the apartment shall be in accordance with the 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. Lessee, as a condition to Lessor granting its approval to any alteration, shall enter into an alteration agreement in form and content required by the Lessor, from time to time, which shall include, among other things, a provision that the Lessee shall indemnify Lessor and all other Lessees for any violations imposed upon and/or damages to the Building or to other apartments caused or relating to the work performed by Lessee. Said agreement shall also require Lessee to, among other things, agree to maintain the alterations and improvements and assume the obligation for any alterations and improvements to the apartment performed by any predecessor in interest.

Alterations

(b) 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 conditions, dishwashers, washing machines, ranges, woodwork, wall

Removal of Fixtures

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 damages 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 prior to any such removal, the Lessee shall give written notice thereof to the Lessor; and (iii) 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; (iv) 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 a comparable Building and satisfactory to the Lessor; and (v) that if any mortgagee had acquired a lien on any such property prior to the execution of this lease, the Lessor shall have first procured from such mortgagee its written consent to such removal, and any cost and expense incurred by the Lessor in respect thereof shall have been paid by the Lessee.

(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 herein above 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. Any other personal property not removed by the Lessee at or prior to the termination of this lease may be removed by the Lessor to any place of storage and stored for the account of the Lessee without the Lessor in any way being liable for trespass, conversion or negligence by reason of any acts of the Lessor or of the Lessor's agents, or of any carrier employed in transporting such property to the place of storage, or by reason of the negligence of any person in caring for such property while in storage.

22. This lease is and shall be subject and subordinate to all mortgages now or hereafter liens upon the Building and the land on which it stands, and to any and all extensions, modifications, consolidations and replacements thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any such mortgagee but, in

Surrender on
Expiration of Term

Lease Subordinate to
Mortgages and
Ground Leases

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, 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.

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 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 the time or times of payment.

Mechanic's Lien

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.

Cooperation

25. The Lessor and its agents and their authorized workmen shall be permitted to visit, examine, or enter the apartment 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 as may be required for any such purpose, but the Lessor shall thereafter restore the apartment to its proper and usual condition at the Lessor's expense if such repairs are the obligations of the Lessor, or at the Lessee's expense if such repairs are the obligation of the Lessee or are caused by the act or omission of the Lessee or any of the Lessee's family, guests, agents, employees or subtenants; provided, however, that Lessor shall not be responsible for restoring any improvements or alterations performed by the Lessee or Lessee's predecessors in interest, including, among other things, special finishes, tiling or decorations. In order that the Lessor shall at all times have access to the apartment 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, and if any lock shall be altered or new lock installed, the Lessee

Right of Entry

Key

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 the 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 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 obligation and covenants of this lease. The right and authority hereby reserved do not impose, not 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 herein contained, except as herein specifically provided.

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.

Waivers

27. Any notice by or demand from either party to the other shall be duly given only if in writing and sent by certified or registered mail, return receipt requested: if by the Lessee, addressed to the Lessor at the Building with a copy by regular mail 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. Notices or demands shall be deemed given on the date when mailed.

Notices

28. If the Lessee shall at any time be in default hereunder, and the Lessor shall incur any expense or is 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 whether pursuant to this lease or not, 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.

Reimbursement of
Lessor's Expenses

29. (a) The Lessor shall not be liable, except by reason of the Lessor's negligence, for any failure or insufficiency of heat, or of air

Lessor's Immunities

conditioning (in any area of the Building outside the apartment in which air conditioning is supplied or air conditioning equipment is maintained by the Lessor), water supply, electric current, gas, telephone, or elevator service or other services to be supplied by the Lessor hereunder, or 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 decoration s 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 accident, alterations or repairs, or to difficulty or delay in securing supplies or labor or other cause beyond Lessor's control, unless due to the Lessor's negligence.

(b) If the Lessor shall furnish to the Lessee any storage space, the use of the laundry, 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, perishable property and any such storage space assigned to the Lessee shall be kept by the Lessee clean and free of combustibles. If washing machines or ether equipment are 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 the Lessee may make of such equipment shall be at his own cost, risk and expense.

Storage Space and Laundry

(c) The Lessor shall not be responsible for any loss of, or 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 to apartment by theft or otherwise.

Automobiles and Other Property

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 such cleaning is undertaken by or through the Lessor or 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 the industrial code of the State of New York is fully complied with; and the Lessee hereby agrees to indemnify the Lessor and its employees, other

Window Cleaning

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.

31. If, upon, or at any time after, the happening of any of the events mentioned in subdivisions (a) to (i) 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 so 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:

(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 said shares;

(b) If at any time during the term 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, 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 this 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; or (vi)

Termination of
Lease by Lessor

Lessee Ceasing to
Own Accompanying
Shares

Lessee Becoming a
Bankrupt;
Appointment of
Receiver;
Assignment for
Creditors; Levy on
Shares; Transfer by
Operation of Law;
Transfer Pursuant to
Pledge, Mortgage or
Security Agreement

this lease or any of the shares to which it is appurtenant shall pass to anyone other than the Lessee herein named by reason of a default by the Lessee under a pledge or security agreement or a leasehold mortgage made by the Lessee;

(c) Subject to the provisions of Paragraphs 38 and 39 hereof, if there be an assignment of this lease, or any subletting hereunder, without full compliance with the requirements of Paragraph 15 or 16 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;

Assignment,
Subletting
or
Unauthorized
Occupancy

(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 Rent

(e) Except as provided in Paragraph 19 hereof, 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; provided, however, that if said default consists of the failure to perform any act the performance of which requires any substantial period of time, then if within said period of thirty days such performance is commenced and thereafter diligently prosecuted to conclusion without delay and interruption, the Lessee shall be deemed to have cured said default;

Default in Other
Covenants

(f) If at any time the Lessor shall determine, upon the affirmative vote of the record holders of at least 66 2/3% in amount of its then issued and outstanding shares, at a shareholder's 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 (it being understood, without limiting the generality of the foregoing, that repeatedly to violate or disregard the House Rules hereto attached or hereafter established in accordance with the provisions of this lease, or to permit or tolerate a person of dissolute, loose or immoral character to enter or remain in the Building or the apartment, shall be deemed to be objectionable conduct);

Objectionable
Conduct

(g) If at any time the Lessor 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 66 2/3% in amount of its then issued and

Termination of All
Proprietary Leases

outstanding shares, at a shareholders' meeting duly called for that purpose, to terminate all proprietary leases;

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

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

32. (a) In the event the Lessor resumes possession of the apartment, either by summary proceedings, actions 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, the 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, in 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 shall have no further duty to account to the Lessee for any avails of reletting

Destruction of Building

Condemnation

Lessor's Rights After Lessee's Default

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.

(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, as 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 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.

Collection of Rent
from Subtenants

(c) Upon the termination of this lease under the provisions of subdivisions (a) to (f) inclusive of Paragraph 31, or a summary proceeding due to the non-payment by the Lessee of the rent or other obligations due to the Lessor under the Lease, the Lessee shall surrender the shares to the Lessor. 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 canceled and rendered null and void. The Lessor shall apply the proceeds received for this 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 ease 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 snake any attempt to mitigate damages. Lessor shall have a lien on the shares of the Corporation owned by Lessee and this Lease and Lessee grants a security interest in said shares and this Lease. Lessor shall have all rights of a secured party upon the default of Lessee under this paragraph and under the Uniform Commercial Code of the State of New York, or such other applicable laws of the jurisdiction in which the apartment is located.

Sales of Shares

This lease shall be deemed a security agreement as defined under the Uniform Commercial Code.

33. The Lessee hereby expressly waives any and all right of redemption in case the Lessee shall be dispossessed by judgement 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.

**Waiver of Right of
Redemption**

34. Upon the termination of this lease under the provisions of subdivisions (a) to (f), inclusive, of Paragraph 31, or by virtue of summary 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 rend 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 that surrendering of all estate and interest of the Lessee in the apartment, or in the Building of which it is part.

**Surrender of
Possession**

35. (a) This lease may be canceled by the Lessee as of September 30, 1976 or as of any September 30th thereafter, 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:

**Lessee's Option to
Cancel**

(i) the Lessee's counterpart of this lease with a written assignment in 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 (except rights of occupancy of third parties existing on the date the Lessor acquired title to the Building);

(ii) the Lessee's certificate for his 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;

Deposits Required

(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.

(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 (except as aforesaid) and pay to the Lessor all rent and other charges which shall be payable under this lease up to and including the following September 30th.

Removal of Fixtures

(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 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.

Permission to Show
and Occupy
Premises

(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 canceled 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.

Effective Date of
Cancellation

(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 canceled as of the September 30th named in the notice of intention to cancel as 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 herein above contained and to collect from the Lessee the payments which the Lessee is required to make hereunder, together with reasonable attorneys' fees and expenses.

Rights on Lessee's
Default

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 for apartments in the Building, who have given notice pursuant to Paragraph 35 of intention to cancel such

Right of Lessees to
Cancel

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 and outstanding 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 lessees 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.

Continuance of
Cooperative
Management of
Building After All
Leases Terminated

(b) If lessees owning at least 66 2/3% of the then issued and outstanding shares of the Lessor shall exercise the option to cancel their leases in on 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 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.

37. No later than thirty days after the termination of all proprietary leases for space in the Building, 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 an 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 by the holders of a majority of the shares of the Lessor then issued and outstanding 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 ensue to shareholders of corporations having title to real estate.

38. (a) The term "Unsold Shares" means and refers to shares of the Lessor which have been issued or transferred to an individual or individuals produced by the Sponsor as provided in Section O of the Offering Statement - A Plan to Convert to Cooperative Ownership premises Building Ten Park Avenue, dated October 25, 1972 ("Plan"), to acquire Unsold Shares or to a nominee or designee of such individual(s); 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.

Unsold Shares

(b) The assignment of this lease by the holder of Unsold Shares allocated to the apartment shall not require the consent of the Directors or shareholders to which reference is made in Paragraph 16(a)(vi) of this lease, but the consent only of the Lessor's then managing agent, which shall not be unreasonably withheld or delayed; and a holder of Unsold Shares shall not be required to pay any sums for expenses of the Lessor and its managing agent as set forth in subparagraph (a)(iv) of said Paragraph 16.

Subletting
Apartment and Sale
of Shares

(c) Without the consent of a holder of Unsold Shares, 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 herein above provided in this Paragraph 38, or (2) eliminate or modify any other rights, privileges or obligations of such holder of Unsold Shares.

Change in Form of
Lease

39. (a) The Lessor agrees that it shall give to any holder of a security interest in the shares of the Lessor specified in the recitals of this lease or approved mortgagee of this lease who so requests (any such holder being hereinafter referred to as a "Secured Party"), a copy of any notice of default which the Lessor gives to the Lessee pursuant to the terms of this lease, and if the Lessee shall fail to cure the default specified in such notice within the time and in the manner provided for in this lease, then the Secured Party shall have an additional period of time, equal to the time originally given to the Lessee, to cure said default for the account of the Lessee or to cause same to be cured, and the Lessor will not act upon said default unless and until the time in which the Secured Party may cure said default or cause same to be cured as aforesaid, shall have elapsed, and the default shall not have been cured.

Rights of a Secured
Party

(b) If this lease is terminated by the Lessor as provided in Paragraph 31 or 35 of this lease, or by agreement with the Lessee, (1) the Lessor promptly shall give notice of such termination to the Secured Party, and (2) upon request of the Secured Party made within thirty (30) days of the giving of such notice the Lessor (i) shall commence and prosecute a summary dispossess proceeding to obtain possession of the apartment, and (ii) shall, within sixty (60) days of its receipt of the aforesaid request by the Secured Party, reissue the aforementioned shares to, and shall enter into a new proprietary lease for the apartment with, any individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, all without the consent of the Directors or the shareholders to which reference is made in Paragraphs 16 (a) (vi) and 32 (c) but the consent only of the Lessor's then managing agent which shall not be unreasonably withheld or delayed, provided however, that the Lessor shall have received payment, on behalf of the Lessee, of all rent, additional rent

and other sums owed by the Lessee to the Lessor under this lease for the period ending on the date of reissuance of the aforementioned shares of the Lessor including, without limitation, sums owed under Paragraph 32 (a) and (c) of this lease; the individual designated by the Secured Party (if and as long as such individual (by himself or a member of his family) does not actually occupy the apartment) shall have all of the rights provided for in Paragraphs 15, 16, 21 and 38 of this lease as if he were a holder of Unsold Shares; and, accordingly, no surplus shall be payable by the Lessor to the Lessee as otherwise provided in Paragraph 32 (c).

(c) If the purchase by the Lessee of the shares allocated to the apartment was financed by a loan made by the Sponsor, the individual(s) who acquired the Unsold Shares, a bank, savings bank or savings and loan association and a default or an event of default shall have occurred under the terms of the security agreement-leasehold mortgage or either of them entered into between the Lessee and the Secured Party, and if (1) notice of said default or event of default shall have been given to the Lessor, (2) an individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, shall be entitled to become the owner of the shares and the lessee under this lease pursuant to the terms of said security agreement-leasehold mortgage, or either of them, (3) not less than thirty (30) days¹⁷ written notice of an intended transfer of the shares and this lease shall have been given to the Lessor and the Lessee, (4) there has been paid, on behalf of the Lessee, all rent, additional rent and other sums owed by the Lessee to the Lessor under this lease for the period ending on the date of transfer of the aforementioned shares as hereinafter provided, and (5) the Lessor shall be furnished with such affidavits, certificates, and opinions of counsel, in form and substance reasonably satisfactory to the Lessor, indicating that the foregoing conditions (1)-(4) have been met; then (a) a transfer of the shares and the proprietary lease shall be made to such individual, upon request, and without the consent of the Directors or the shareholders to which reference is made in Paragraph 16(a)(vi)

(d) Without the prior written consent of any Secured Party who has requested a copy of any notice of default as herein above provided in subparagraph (a) of this Paragraph 39, (a) the Lessor and the Lessee will not enter into any agreement modifying or canceling this lease, (b) no change in the form, terms or conditions of this lease, as permitted by Paragraph 6, shall eliminate or modify any rights, privileges or obligations of a Secured Party as set forth in this Paragraph 39, (c) the Lessor will not terminate or accept a surrender of this lease, except as provided in Paragraph 39, (d) the Lessee will not assign this lease or sublet the apartment, (e) any modification, cancellation, surrender, termination or assignment of this lease or any sublease of the apartment not made in accordance with the provisions hereof shall be void and of no effect, (f) the Lessor will not consent to any

further security interest in the shares or this lease, and (h) any such further mortgage or security interest shall be void and of no effect. Notwithstanding the foregoing that the rights of the secured party hereunder are subject to the terms of any recognition agreement entered into with Lessor and said secured party which shall control.

(e) Any designee of the Secured Party to whom a transfer of a lease shall have been made pursuant to the terms of subparagraphs (b) and (c) hereof may cancel this lease under the terms of Paragraph 35 hereof; except that such designee (a) may cancel this lease at any time after the designee acquires this lease and the shares appurtenant hereto due to foreclosure of the security agreement-leasehold mortgage; (b) need give only thirty (30) days' notice of its intention to cancel; and (c) may give such notice at any time during the calendar year.

40. Notwithstanding anything to the contrary 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 provision 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.

41. 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 successor and assigns, and the Lessee and the executors and administrators, legal representatives, legatees, distributees and assigns of the Lessee, except as herein above stated.

42. 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,

Foreclosure
Receiver of Rents

To Whom Covenants
Apply

Waiver of Trial by
Jury

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.

43. 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.

Lessor's Additional Remedies

44. 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.

Lessee More than One Person

45. The Lessee may not institute an action or proceeding against the Lessor or defend, or make a counterclaim in any action by the Lessor related to the Lessee's failure to pay rent, if such action, defense or counterclaim is based upon the Lessor's failure to comply with its obligations under this lease or any law, ordinance or governmental regulation unless such failure shall have continued for thirty days after the giving of written notice thereof by the Lessee to the Lessor, or if it is impossible to cure the default within thirty (30) days, Lessor shall be allowed to commence a cure within thirty (30) days and diligently proceed with said cure.

46. The shares of the Lessor held by the Lessee and allocated to the apartment have been acquired and are owned subject to the following conditions agreed upon with the Lessor and with each of the other proprietary lessees for their mutual benefit:

(a) the shares represented by each certificate are transferable only as an entirety; and

(b) the shares shall not be sold except to the Lessor or to an assignee of this lease after compliance with all of the provisions of Paragraph 16 of this lease relating to assignments.

47. Neither the Lessor nor the Lessee shall discriminate against any person because of his race, creed, color, national origin or ancestry

No Discrimination

when exercising any right reserved to it in this lease.

48. 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.

49. The marginal headings of the several paragraphs of this lease shall not be deemed a part of this lease, nor used as evidence of the intent of the parties.

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

Effect of Partial
Invalidity

Marginal Headings

Changes to be in
Writing

IN WITNESS WHEREOF, the parties have executed this lease.

10 PARK AVE. TENANTS' CORP.

By: _____