
TURTLE BAY TOWERS CORP., Lessor

with

Lessee

Dated: _____, 198_

Affecting Apartment No. _____

Premises at 310 East 46th Street
New York, New York

PROPRIETARY LEASE

Prepared by:
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New York, New York 10007

PROPRIETARY LEASE

PROPRIETARY LEASE, made as of _____, 198__, by and between Turtle Bay Towers Corp., a New York corporation, having an office at 310 East 46th Street, New York, New York, hereinafter called the Lessor, and _____, hereinafter called the Lessee.

WHEREAS, the Lessor is the owner of the land and the building erected thereon in the Borough of Manhattan, City and State of New York, known as and by the street number 310 East 46th Street, New York, New York, hereinafter called the "building"; and

WHEREAS, the Lessee is the owner of _____ shares of the Lessor, to which this Lease is appurtenant and which have been allocated to Apartment No. _____ in the building, hereinafter called the "apartment";

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, the apartment for a term from _____ 198__, until December 31, 2086, (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, greenhouses, balconies, roof or portion thereof outside of said partitioned rooms, which are allocated exclusively to the occupant of the apartment.

Rent
(Maintenance)

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

* This Lease, by virtue of a Storage Closet Agreement attached hereto as Exhibit B includes the right of the Lessee to use and possess a specified storage closet in the building. (Delete if inapplicable.)

Accompanying
Shares

(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

(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 including for the repurchase of apartments pursuant to the Lessors Right of First Refusal contained in paragraph sixteen of this Lease; and (3) the payment of any obligations, liabilities or expenses incurred or to be incurred, after giving consideration to (i) income expected to be received during such period (other than rent from proprietary lessees), and (ii) cash on hand which the Directors in its discretion may choose to apply. The Directors may from time to time modify 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 determination of cash requirements shall be conclusive as to all lessees.

Authority
Limited

(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.

Additional
Shares

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

Paid-in
Surplus

(f) The Directors may from time to time as may be proper determine how much of the maintenance and other receipts, when received (but not more than such amount as represents payments on account of principal of mortgages on the property and other capital 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 mortgage shall be credited to Paid-in-Surplus and shall be added to the cost basis of the stock in the Lessor held by the Lessee.

Failure
To
Fix

(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 or modification in any respect of the covenants and provisions hereof, or a release of the Lessee from the obligation to pay the maintenance or any installment thereof, but the maintenance computed on the basis of the cash requirements as last determined for any year or portion thereof shall thereafter continue to be the maintenance until a new determination of cash requirements shall be made.

Lessor's
Repairs

2. The Lessor shall at its expense keep in good repair all of the building including all of the apartments, the sidewalks and courts surrounding the same, and its equipment and apparatus except those portions the maintenance and repair of which are expressly stated to be the responsibility of the Lessee pursuant to Paragraph 18 hereof.

Service
by
Lessor

3. The Lessor shall maintain and manage the building as a first class apartment building, and shall keep the elevators, if any, and the public halls, cellars and stairways clean and properly lighted and heated, and shall provide the number of attendants requisite, in the judgment of the Directors, for the proper care and service of the building, and shall provide the apartment with proper and sufficient supply of hot and cold water and of heat, air conditioning, if any, when deemed appropriate by the Directors. The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Directors to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the building, and also what existing services shall be increased, reduced, changed, modified or terminated, subject to the rights of existing tenants pursuant to Title YY (the Rent Stabilization Law) of Chapter 51 of the New York City Administrative Code.

Damage
to
Apartment

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 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 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, with materials of a kind and quality then customary in buildings of the type of the building, the building, the apartment, and the means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits in the apartment. Anything in this Paragraph or Paragraph 2 to the contrary, Lessor shall not be required to repair or replace, or cause to be replaced, equipment, fixtures, furnitures, furnishings or decorations installed by the Lessee or any of his predecessors in interest nor shall the Lessor be obligated to repaint or replace wallpaper or other decorations in apartments.

Rent
Abatement

(b) In case the damage resulting from fire or other cause shall be so extensive as to render the apartment partly or wholly 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 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 Lessor with respect to the apartment.

Expiration
of Lease

(c) If the Directors shall determine that (i) the building is totally destroyed by fire or other cause, or (ii) the building is so damaged that it cannot be repaired within a reasonable time after the loss shall have been adjusted with the insurance carriers, or (iii) the destruction or damage was caused by hazards which are not covered under the Lessor's insurance policies then in effect, and if in any such case the record holders of at least two-thirds of the issued shares, at a shareholders' meeting duly called for that purpose held within 120 days after the determination 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 Lessee hereby waives any and all rights under Section 227 of the Real Property Law and in no event shall the Lessee have any option or right to terminate this Lease.

Waiver
of
Subrogation

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

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 an annual report of corporation financial affairs, including a balance sheet and a statement of income and expenses, certified by an independent certified public accountant.

Changes
in
Terms
of
Leases

6. Each proprietary lease shall be in the form of this lease, subject to the applicability of certain riders or exhibits thereto, unless a variation of any lease is authorized by lessees owning at least two-thirds 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 75% of the Lessor's shares then issued, and such changes shall be binding on all lessees even if they did not vote for such changes except that the proportionate share of rent or cash requirements

payable by any lessee may not be increased nor may his right to cancel the lease under the conditions set forth in Paragraph 35 hereof be eliminated or impaired without his express consent. In addition, the rights of Holders of Unsold Shares set forth in paragraph 38 hereof the rights of Lessees of commercial space set forth in paragraphs 14, 21 and 38 hereof and the rights of Original Subscribers set forth in paragraphs 15, and 16 hereof shall not be eliminated or impaired without the express consent of such lessee. 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.

Any lessee who is an Original Subscriber or a Holder of Unsold Shares may sell his or her shares and assign his or her lease, or sublet his or her apartment, as provided in paragraphs 16 and 15 hereof, without affording the Lessor the opportunity to purchase the shares or sublet the space and without being obligated to consummate either transaction within a specified period of time. Moreover, such Original Subscriber or Holder of Unsold Shares may at any time assign his or her lease without the payment of any transfer fee to the Lessor (commonly known as a "flip-tax"), provided that he or she has notified the Lessor of the proposed assignment and submitted all documents and fees required by the Board of Directors, at least thirty (30) days prior to its occurrence. These provisions, further discussed in paragraphs 15 and 16 hereof, shall not be modified, or eliminated unless and until such modification or elimination is approved by lessees owning 75% or more of the Lessor's shares then issued. Any such modification or elimination shall be prospective from the date thereof and shall in no manner affect prior assignments or sales.

Balconies,
Terraces,
Greenhouses
Roof Areas
and Outside
Storage
Closets

7. If the apartment includes a balcony, terrace, greenhouse roof area, or outside storage closet the Lessee shall have and enjoy exclusive use or substantially exclusive use of such area, subject to the applicable provisions of this lease and to the use of such area, by the Lessor to the extent hereinafter permitted. The Lessee's use thereof shall be subject to such regulations as may, from time to time, be prescribed by the Directors. If the apartment includes the right to occupy and possess a storage closet, then a rider to this Lease, marked Exhibit B is attached hereto. If the apartment includes a terrace, a diagram of such terrace is attached hereto immediately following pertinent exhibits.

Roofs

8. The Lessor shall have the right to erect equipment on the roof, including radio and television aerials and antennas, for its use and the use of the lessees in the building.

Regulations

9. The Lessee shall keep the balcony, terrace including the terrace drain and drain cover, greenhouse, windows and/or roof area appurtenant to his apartment clean and free from snow, ice, leaves and other debris. No planting, fences, structures or lattices shall be erected or installed on or in the terraces, balconies or roof of the building without the prior written approval of the Lessor. No cooking shall be permitted on any balconies, terraces or on the roof of the building, nor shall the walls thereof be painted by the Lessee without the prior written approval of the Lessor.

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, if any, and subject to any and all mortgages and underlying leases of the land and building.

Indemnity

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

Payment
of
Rent

12. The Lessee will pay the rent to the Lessor upon the terms and at the times herein provided, without any deduction on account of any set-off or claim which the Lessee may have against the Lessor, and if the Lessee shall fail to pay any installment of rent 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 the payment thereof, or any other late charge which may be imposed by the Lessor, and such interest or late charge 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 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.

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 Lessee's spouse, their children, grandchildren, parents, grandparents, brothers and sisters and domestic employees, and in no event shall more than one married couple or one unrelated couple occupy the apartment without the written consent of the Lessor. 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. Notwithstanding the foregoing, (a) Lessee may use the apartment for any home occupation use permitted under applicable zoning law, building code or other rules and regulations of governmental authorities having jurisdiction and (b) the Lessee who is a Holder of a block of Unsold Shares (defined in Paragraph 38 hereof) shall have the right to use the apartment for any legal purposes, including but not limited to, use as a model or an office (or both) in connection with the sale or rental of an apartment to which the Unsold Shares are allocated.

Notwithstanding the foregoing, a Lessee of commercial space may use (or convert to) such space for any legal purpose excepting an "Adult Physical Culture Establishment" as that term is defined under applicable law or any other massage establishment or steam bath establishment.

Subletting

15.(a) Except as provided in Paragraphs 17 and 38 hereof and except for any subletting by a Lessee who is a Holder of Unsold Shares or an "Original

Subscriber" of the shares of the Lessor to which this lease is appurtenant (which term includes a purchaser (individual or non-individual) from a Holder of Unsold Shares (as defined in paragraph 38 hereof), of the shares allocated to one or more apartments regardless as to when such purchaser acquires the shares and an (immediate family member of an Original Subscriber, immediate family member being defined as a spouse, parent, grandparent, parent-in-law, adult children, adult brother or adult sister), the Lessee shall not sublet the whole or any part of the apartment or renew or extend any previously authorized sublease, unless and until the Lessor has been given an opportunity to sublet the apartment pursuant to the provisions contained in subdivision (b) of this paragraph. No fees, other than a reasonable administrative processing charge* payable to the Managing Agent, may be charged to Holders of Unsold Shares or to Original Subscribers or to pledgees as provided in Paragraph 17 hereof. The minimum period for any subletting shall be six (6) months and the maximum period for any subletting shall be twenty-four (24) months. Original Subscribers and Holders of Unsold Shares shall notify the Lessor of any proposed subletting at least thirty (30) days prior to its occurrence and shall provide the Lessor with any information as it may reasonably require.

(b)(i) The Lessee shall not sublet his or her apartment without first giving written notice to the Lessor or its Board of Directors of his or her intention to sublet, which notice shall be accompanied by a fully executed copy of the sublease agreement containing all of the terms offered in good faith by the prospective sublessee and any such other documents as the Lessor may require. The Lessor shall have the exclusive right to sublease the apartment (or designate another to sublease the apartment) within thirty (30) days from the date of receipt of such notice and other documents as the Lessor may require, on the same terms as are contained in the sublease agreement attached to the notice. If the Lessor does not notify the Lessee during such exclusive period of its (or its' designee's) election to sublease the apartment from the Lessee, or if the Lessor waives its rights under this paragraph prior to the expiration of such exclusive period, then the Lessee shall have sixty (60) days thereafter to consummate the sublease, failing which, the Lessee will again be required to offer the Lessor an exclusive opportunity to sublease the apartment, as herein provided.

(ii) The Lessor may not exercise its option to sublease (or designate someone else to sublease)

*Administrative processing fees may not be charged to the Sponsor of the Cooperative Offering Plan (as defined therein) pursuant to which Lessor acquired title to the building.

any apartment unless a majority of the members of the Board of Directors vote in favor thereof in person or by proxy, at a meeting of the Board of Directors at which a quorum is present. If approval is given, the Board of Directors may assess each lessee (other than the Lessee who is subleasing), based on the proportion that the number of shares allocated to his apartment bears to the total number of shares issued and outstanding less the number of shares allocated to the apartment being subleased to effectuate such sublease.

(iii) Notwithstanding the foregoing, any lessee may, upon written notice and submission of any documents required by the Board to the Lessor, sublease his apartment to his spouse, adult child, parent, grandparent, parent-in-law, or adult sibling, without first offering the Lessor a right of first refusal, provided, however, that each succeeding lessee shall be bound by, and his apartment shall be subject to, such restriction.

(iv) The foregoing restrictions upon the subleasing of apartments shall not apply to apartments acquired by a Secured Party in foreclosure or by foreclosure, who shall be free to sublease their apartments without first offering to sublease the same to the Lessor.

(v) The foregoing restrictions and limitations on the right to sublease an apartment may be modified or added to in the future provided the provisions contained herein for amending the same are followed; (see Paragraph 6). In addition, a charge determined by the Board of Directors may be collected to cover reasonable legal fees and other expenses of the Lessor (including charges of the Managing Agent) in connection with such 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 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 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 (except that "transfer" fees, other than reasonable administrative processing fees* payable to the Managing Agent, may not be charged to holders of Unsold Shares, as that term is defined in Paragraph 38 hereof or to Original Subscribers, as that term is defined below); and

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

(vi) Except, (i) for an assignment, transfer or bequest to the Lessee's spouse, adult child, parent, grandparent, parent-in-law, or adult sibling, of the shares and this lease, or (ii) for an assignment by a Lessee who is either a Holder of Unsold Shares or an "Original Subscriber" of the shares of the Lessor to which this Lease is appurtenant (which term includes a purchaser (individual or non-individual) from a holder of Unsold Shares (as defined in Paragraph 38 hereof) of the shares allocated to one or more apartments regardless of when such purchaser acquires the shares and an immediate family member, as defined in paragraph 15(a) of an Original Subscriber) and (iii) as provided in Paragraphs 17 and 38 hereof, the Lessor shall be given an exclusive opportunity to acquire the Lessee's interest in the apartment, pursuant to the provisions contained in subdivision (b) of this Paragraph.

(b)(i) 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 without first giving written notice to the Lessor or its Board of Directors of his or her intention to assign his or her interest, which notice shall be accompanied by a fully executed copy of the agreement to assign, containing all of the terms offered in good faith by

*Administrative processing fees may not be charged to the Sponsor of the Cooperative Offering Plan (as defined therein) pursuant to which Lessor acquired title to the building.

the prospective assignee and other documents as the Board may require. The Lessor shall have the exclusive right to acquire the Lessee's interest in the apartment (or to designate another to acquire the Lessee's interest in the apartment) within thirty (30) days from the date of receipt of such notice on the same terms as are contained in the assignment agreement attached to such notice. If the Lessor does not notify the Lessee during such exclusive period of its' (or its' designees) election to acquire the Lessee's interest in the apartment, or if the Lessor waives its rights under this Paragraph to acquire such interest prior to the expiration of such exclusive period, then the Lessee shall have ninety (90) days thereafter to consummate the assignment, failing which, the Lessee will again be required to offer the Lessor an opportunity to acquire Lessee's interest in the apartment, as herein provided, should the Lessee seek to convey or transfer such interest in the future.

(ii) The Lessor may not exercise its option to purchase (or designate someone else to purchase) any apartment unless lessee's owning more than fifty (50%) percent of the issued and outstanding shares vote in favor thereof, in person or by proxy, at a meeting of lessees at which a quorum is present. If approval is given, the Board of Directors may assess each lessee (other than the Lessee who is selling), based on the proportion that the number of shares allocated to his apartment bears to the total number of shares issued and outstanding less the number of shares allocated to the apartment being sold to effectuate such purchase.

(iii) The foregoing restrictions upon the sale of apartments shall not apply to apartments acquired by Secured Parties (including Holders of Unsold Shares) in foreclosure or by foreclosure, who shall be free to sell their apartments without first offering to sell the same to the Lessor.

(iv) The foregoing restrictions and limitations on the right to sell an apartment may be modified or added to in the future provided the provisions contained herein for amending the same are followed; (see Paragraph six (6)). In addition, a charge determined by the Board of Directors may be collected to cover reasonable legal fees and other expenses of the Lessor (including charges of the Managing Agent) in connection with such assignment.

Consents
On
Death
of Lessee

(c) If the Lessee shall die, the right of first refusal herein contained shall not be afforded the Lessor in connection with an assignment of the lease and shares to a financially responsible member of the Lessee's family.

Release
of
Lessee Upon
Assignment

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

Further
Assignment
or
Subletting

(e) Regardless of any prior assignment, 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 sublet the apartment except upon compliance with the requirements of this lease.

Statement
by
Lessor

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

Pledge
of
Shares

17. (a) A pledge of this lease and the shares to which it is appurtenant shall not be a violation of this lease; but, except as otherwise provided elsewhere herein, 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 the Lessor having an opportunity to exercise the Right of First Refusal in accordance with and after complying with all of the provisions of Paragraphs 14, 15 or 16 hereof, 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 sub-paragraph (b) of this Paragraph 17.

(b) Notwithstanding the provisions of subparagraph (a) 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 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. 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 requested by the Lessee, the Lessor will enter into an agreement with the Lender, commonly

referred to as a "Recognition Agreement" in a form acceptable to the Lessor, provided that the provisions of such Agreement do not materially vary from the provisions of this paragraph 17.

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 31 hereof (Right to Terminate Lease on Lessee's Defaults) 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.

In the event the Lender was also the Sponsor under the Plan, or a designee of the Sponsor or one which acquired the loan from the Sponsor, then such Lender shall, upon the default of the Lessee and the reacquisition of the Shares and Lease by the Lender, be deemed to be a Holder of Unsold Shares, and shall enjoy all of rights and privileges of Holders of Unsold Shares, as herein contained.

If Lessor shall fail to exercise its right to terminate and/or to commence summary proceedings or to take all steps or do all acts required to be done pursuant thereto, then and in that event, Lessor shall execute and deliver to the Lender a power of attorney coupled with an interest to act in the name of the Lessor in any of the ways provided for herein at the Lender's sole expense, and if the Lessor shall fail to execute and deliver such power of attorney within five days after demand, such power of attorney

may be executed by the Lender on behalf of any Lessor as the agent for the Lessor. The Lessee agrees that until any such loan is repaid to the Lender in full with interest, the Lessee shall not have any right to cancel this lease as provided in Paragraph 35 hereof (Voluntary Surrender of Shares and Lease to Lessor Without Compensation) 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 Lender's request by reason of a default in any of the terms, covenants, provisions or in the payment to the Lender of any installment of principal or interest or in the performance of any other obligation of the Lessee to the Lender, the Lender may sell and assign the shares of the Lessor allocated to the apartment and this lease, or sublet the apartment, for the account of the Lender to a reputable person of good financial standing subject to the prior approval given in writing by a majority of the Directors, or by resolution of the Directors. However, if the Lender is the Sponsor of the Cooperative Offering Plan for the building or the Holder of Unsold Shares as defined in Paragraph 38 hereof, then the Lender may sell and assign the shares of the Lessor allocated to the apartment and this lease, or sublet the apartment for its account without granting the Apartment Corporation a "right of first refusal" as discussed herein and without the payment of any sublet, assignment or other fee. These rights and privileges shall not be abridged by any modification or change of this Lease as permitted by Paragraph 6 hereof. If written notice of any such loan has been given to the Lessor by the Lender as aforesaid, the Lender may assign all of its right 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, ceilings, windows, window panes, window frames, sashes, sills, entrance and terrace doors, frames and saddles, greenhouses, and greenhouse glass,) 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, heat pumps, if any, 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 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 air conditioning 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. The Lessee shall be responsible for maintaining and repairing and replacing, as may be required any roof area, terrace (specifically including drains and drain covers servicing the Lessee's terrace or any adjoining terrace(s)), greenhouse (specifically greenhouse glass), balcony, yard or window which is appurtenant to Lessee's apartment and for Lessee's exclusive or substantially exclusive use and shall be responsible for any damage caused to such areas, the building or any other apartment by such improvements or the negligent or intentional acts of the Lessee, or its family, guests or servants. The replacement of the foregoing items shall be in conformity with building standards. All other repairs to such areas shall be the responsibility of the Lessor.

Odors
and
Noises

(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

(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.

Regulations
and
Requirements

(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 or any cooperative loan note or security agreement made in connection with Lessee's apartment 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, mortgages or loan notes or security agreements relating thereto. Upon the Lessee's written request, Lessor will furnish Lessee with copies of applicable provisions of each and every such mortgage.

Right
to
Remedy
Defaults

19. If the Lessee shall fail for thirty (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 Lessors, 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 thirty (30) days 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 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 five (5) days), then

Lessor may, but shall not be obligated to, comply therewith, and for such purpose 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.

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 thirty (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 the same for its benefit or the benefit of any such lessees as additional rent for the apartment due on the first day of the calendar month following written demand therefor by the Lessor.

Alterations

21. (a) Except as otherwise provided in this lease, the Lessee shall not, without first obtaining the written consent of the Lessor, make in the apartment or building, or on any roof area, terrace or balcony appurtenant thereto, any alteration, enclosure or addition (including terrace/roof decking and fencing) or any alteration of or addition to the water, gas, or steam risers or pipes, heating or air conditioning system or units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, or any other installation or facility in the apartment or building. The performance by Lessees of any work in the apartment or on any roof, greenhouse, terrace or balcony appurtenant thereto, shall be in accordance with any applicable rules and regulations of any governmental agencies having jurisdiction thereof and at their sole cost. Lessee shall be required to execute an alteration agreement in the form attached to this Lease as Exhibit "A" if requested and to submit to the Lessor proof of such agency approval prior to the commencement of any work. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the building.

Removal
of
Fixtures

(b) Without Lessor's written consent, the Lessee shall not remove any fixtures, appliances, additions or improvements from the apartment except

as hereinafter provided. If the Lessee, or a prior lessee, shall have heretofore placed, or the Lessee shall hereafter place in the apartment, at the Lessee's own expense, any additions, improvements, appliances or fixtures, including but not limited to, fireplace mantels, lighting fixtures, refrigerators, air conditioners, dishwashers, washing machines, ranges, woodwork, wall panelling, 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; (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; (iii) that if the Lessee shall have removed from the apartment any articles or materials owned by the Lessor or its predecessor in title, or any fixtures or equipment necessary for the use of the apartment, the Lessee shall either restore such articles and materials and fixtures and equipment and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality customary in comparable buildings and satisfactory to the Lessor; and (iv) that if any mortgagee had acquired a lien on any such property prior to the execution of this lease, Lessor shall first procure from such mortgagee its written consent to such removal.

Expiration
of
Term

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

Right to
Convert

(d) The Lessee of commercial space, notwithstanding anything to the contrary stated in paragraph 21(a) hereof, may convert such commercial space to residential use without the consent of the Lessor and

without the payment of any fee provided (i) such conversion is done at such Lessee's sole cost and expense; (ii) such conversion is done in conformance with all rules, regulations, and law of any governmental authority having jurisdiction; and (iii) all necessary permits are obtained and delivered to the Board of Directors prior to the commencement of any work and all necessary approvals and certificates of inspections (including a revised or amended Certificate of Occupancy) are obtained upon completion and delivered to the Board of Directors prior to residential occupancy. In addition to the foregoing, the Lessee of commercial space may subdivide its unit and convert less than the entire unit to residential use, provided such subdivision complies in all respects with the provisions of the clauses (i), (ii) and (iii) set forth above.

Subordination

22. This lease is and shall be subject and subordinate to all present and future mortgages now or hereafter liens upon 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 mortgage. 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, 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.

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 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.

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 leased 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 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.

Keys

In order that the Lessor shall at all times have access to the apartment or storage rooms for the purposes provided for in this lease, the Lessee shall provide the Lessor with a key to each lock providing access to the apartment or the storage 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 an entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to Lessor, the Lessor or 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; if by the Lessee, addressed to the Lessor at the building with a copy sent 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.

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 Lessor's negligence, for any failure or insufficiency of heat, or of air conditioning, water supply, electric current, gas, telephone, or elevator service or other service 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 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
and
Laundry

(b) If the Lessor shall furnish to the Lessee any storage bins or space, (excluding outside storage closets, if any, which are leased with the apartment) 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. If washing machines or other 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 Lessee may make of such equipment shall be at his own cost, risk and expense.

Responsibility
for
Property

(c) The Lessor shall not be responsible for any property left with or entrusted to any employee of the Lessor or for the loss of or damage to any property within or without the apartment by theft or otherwise.

Window
Cleaning

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

Termination
of
Lease

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

Accompanying
Shares

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

Lessee's
Bankruptcy

(b) If at any time during the term of this lease (i) then holder thereof shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all of the property of such holder 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 (30) days; or (v) this lease or any of the shares to which it is appurtenant shall pass by operation of law or otherwise to anyone other than the Lessee herein named or a person to whom such Lessee has assigned this lease in the manner herein permitted, but this subsection (v) shall not be applicable if this lease shall dissolve 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;

Unauthorized
Occupancy

(c) 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

hereof 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 (10) days after written notice from the Lessor;

Default
in
Rent

(d) If the Lessee shall be in default for a period of one (1) month in the payment of any rent or additional rent or of any installment thereof and shall fail to cure such default within ten (10) days after written notice from the Lessor;

Default
in
Covenants

(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 (30) days after written notice from the Lessor;

Objectionable
Conduct

(f) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its then Board of Directors, at a meeting duly called for that purpose, that because of objectionable conduct on the part of the Lessee, or of a person dwelling or visiting in the apartment, repeated after written notice from Lessor, the tenancy of the Lessee is undesirable;

Termination
of
All
Leases

(g) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its then Board of Directors at a meeting of such directors duly called for that purpose, and the affirmative vote of the shareholders 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

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

Condemnation

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

Default
under
Pledge
Agreement

(j) If Lessee shall default in the payment or performance of any Lessee's obligation under any pledge or other security agreement given a Lender who has complied with the provision of Paragraph 17(b), and written notice of such default is given to Lessor by the Lender or its counsel.

Rights
After
Default

32. (a). In the event the Lessor resumes possession of the apartment, either by summary proceedings, action of ejectment or otherwise, because of default by the Lessee in the payment of any rent or additional rent due hereunder, or on the expiration of the term pursuant to a notice given as provided in Paragraph 31 hereof upon the happening of any event specified in subsections (a) to (f) inclusive or (j) of Paragraph 31, 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 (10) days after such reletting the Lessor shall notify the Lessee that the premises have been relet for the Lessor's own account. The fact that the Lessor may have relet the apartment as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet the apartment for its own account. If the Lessor relets the apartment as agent for the Lessee, it shall, after reimbursing itself for 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 (4) 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.

Rent
from
Subtenants

(b) If the Lessee shall at any time sublet the apartment and shall default in the payment of any rent or additional rent, the Lessor may, at its option, so long as such default shall continue, demand and receive from the subtenant the rent due or becoming due from such subtenant to the Lessee, and apply the amount to pay sums due and to become due from the Lessee 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

(c) Upon the termination of this lease under the provisions of subdivisions (a) to (f) inclusive or (j) of Paragraph 31 hereof, the Lessee shall surrender to the corporation the certificate for the shares of the corporation owned by the Lessee to which this lease is appurtenant. Whether or not said certificate is surrendered, the Lessor may issue a new proprietary lease for the apartment and issue a new certificate for the shares of the Lessor owned by the Lessee and allocated to the apartment when a purchaser therefor is obtained, provided that the issuance of such shares and such lease to such purchaser is authorized by a resolution of the Directors, or by a writing signed by a majority of the Directors or by Lessees owning, of record at least a majority of the shares of the Lessor accompanying proprietary leases then in force. Upon such issuance the certificate owned or held by the Lessee shall be automatically cancelled and rendered null and void. The Lessor shall apply the proceeds received for the issuance of such shares first, towards the payment of the Lessee's indebtedness hereunder, (including interest, attorneys' fees and other expenses incurred by the Lessor), second, if said termination shall result pursuant to subdivision (j) of Paragraph 31 hereof by reason of a default under the Security Agreement (including all expenses and charges payable by Lessee thereunder), and, third 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

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

Surrender
of
Possession

34. Upon the termination of this lease under the provisions of subdivisions (a) to (f) inclusive and subdivision (j) of Paragraph 31, the Lessee shall remain liable as provided in Paragraph 31 hereof. 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 and all other occupants, tenants and/or sublessees 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.

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 Cooperative Offering Plan 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:

Deposits
Required

(i) the Lessee's counterpart of this lease with a written assignment in form required by the Lessor, in blank, effective as of 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 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

(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
Premises

(c) The Lessor and its agents may show the apartment to prospective lessees, contractors and architects at reasonable times after notice of the Lessee's intention to cancel. After 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.

Date of
Cancellation

(d) If the Lessee is not otherwise in default hereunder and if the Lessee shall have timely complied with all of the provisions of subdivisions (a) and (b) hereof, then this lease shall be cancelled and all rights, duties and obligations of the parties hereunder shall cease as of the 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

(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 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 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.

Right of
Lessees
to
Cancel

(b) If lessees owning at least 80% of the then issued and outstanding shares of the Lessor shall exercise the option to cancel their leases in one year, then this and all other proprietary leases shall thereupon terminate on the 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.

Continuance
of
Management

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

Unsold
Shares

38. (a) The term "Unsold Shares" means and has exclusive reference to the shares of the Lessor which were issued to the Lessor's grantor(s) or individuals produced by the Lessor's grantor(s) pursuant to the Cooperative Offering Plan or Contract of Exchange under which the Lessor acquired title to the building; and all shares which are Unsold Shares retain their character as such (regardless of transfer) until (1) such shares become the property of a bona fide purchaser for value, or (2) the holder of such shares (or a member of his 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 assignee.

The term "Unsold Shares" as used in this lease, shall also include the shares of the Lessor appurtenant to a lease(s) allocated to a commercial space, which was issued together with and appurtenant to shares of the Lessor in connection with the surrender of one or more prior commercial leases and the Lessee(s) thereof shall have all of the rights set forth in this paragraph until such shares become the property of a bona fide purchaser for value whether or not such purchaser becomes a bona fide occupant of the commercial space. Any such bona fide purchaser will have the rights of an "Original Subscriber" as set forth in this lease.

Subletting
and
Sale of
Shares

(b) The subletting of the apartment or the assignment of this lease, by the Lessee who is the Holder of the Unsold Shares allocated thereto, shall not be subject to a "right of first refusal" on the part of the Lessor, as provided in Paragraphs 15 and 16 hereof, for the taking effect of such subletting or

assignment and of the transfer of such shares in the case of an assignment, regardless of the number of times for same, and without the payment of any transfer fee to the Lessor in connection therewith or other fees if Lessee is the Sponsor.

Change in
Lease

(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.

Alterations

(d) The Lessee who is the Holder of the Unsold Shares allocated to the apartment may change the size (without permanently impinging on any public areas) and layout or alter the apartment without the consent of the Directors or Shareholders for same and without the execution of an alteration agreement, so long as such changes are performed in conformity with any governmental rules or regulations applicable thereto. The Directors will join with and assist any such Holder of Unsold Shares in obtaining the required permits and/or approvals.

Voluntary
Cancellation

(e) The provisions of Paragraph 35 hereof may not be availed of by a Lessee who is a holder of a block of Unsold Shares accompanying this lease unless (i) lessees owning a majority of Lessor's outstanding shares (other than Unsold Shares) shall have given notice of intention to cancel pursuant to Paragraphs 35 or 36 hereof, or (ii) all Unsold Shares constitute 15% or less of Lessor's outstanding shares, at least five (5) years have elapsed since the building was acquired by the Lessor and on the effective date of cancellation Lessee shall pay to Lessor a sum equal to the product of the then current annual rent (maintenance charges) payable under this lease multiplied by two.

Marketing of
Shares

(f) Notwithstanding any other provision contained or not hereafter contained in this Lease or in the House Rules, a Lessee who is a holder of Unsold Shares shall have the right to:

- (i) maintain sales and leasing offices in apartments to which Unsold Shares are allocated;
- (ii) maintain sales personnel and agents in the building;

- (iii) grant to such sales personnel and agents and to prospective purchasers of Unsold Shares are allocated, unimpeded access to the public areas of the building, including (without limitation) the lobbies, elevators and hallways for the purpose of ingress and egress, without any prior notice to the Lessor and without being subject to any charge or fee therefor;
- (iv) post signs advertising the names of the Sponsor of the Plan, the Selling Agent and/or the availability of apartments to which Unsold Shares are allocated for sale or for lease on the exterior of the building, in the lobbies, and/or in the windows of apartments to which Unsold Shares are allocated, without being subject to any charge or fee therefor and without being required to first obtain the approval of the Lessor; and
- (v) conduct all other activities necessary and/or consistent with the assignment of Unsold Shares and the leases appurtenant thereto or the leasing of apartments to which Unsold Shares are allocated, without unreasonable interference or hinderance on the part of the Lessor.

Foreclosure

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.

To Whom
Covenants
Apply

40. The reference herein to the Lessors 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 provided for, and the election of one or more remedies shall not preclude the Lessor from any other remedy.

Lessor's
Additional
Remedies

42. In the event of a breach or threatened breach by Lessor 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.

More Than
One Person

43. If more than one person is named as Lessee hereunder, the Lessor may require the signatures of all such persons in connection with any notice to be given or action to be taken by the Lessee hereunder, including, without limiting the generality of the foregoing, the surrender or assignment of this lease. 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.

Assignment
of Lessor's
Rights
Against
Occupant

44. 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 unit, 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

45. If at the date of the commencement of this lease, the Lessee has the right to possession of the unit 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.

Rights
of Existing
Tenants

46. If at the date of the commencement of this lease, the Lessee does not have the right to possession because of the right of an existing tenant to continued occupancy pursuant to Title YY (the Rent Stabilization Law) of Chapter 51 of the New York City Administrative Code then the Lessee will not commence proceedings for the eviction of such tenant, notwithstanding any expiration of, or amendment to, Section 352-eeee of the General Business Law, except if said tenant fails to pay rent or defaults in his obligations as a tenant which may permit a termination of the tenancy and eviction in accordance with applicable law.

If the foregoing provision is applicable, the Lessee designates the Managing Agent of the Premises as its agent from and of the commencement of this lease in order to provide to said tenant all services and facilities required by law, on a non-discriminatory basis. The Lessee shall reimburse the Managing Agent for all reasonable costs incurred in the provision of such services, within thirty days of the receipt of a written statement of the services and facilities rendered and of their cost. Any such reimbursement which is not made within said thirty day period may be paid by the Lessor and assessed to the Lessee as additional Maintenance Charges. The Lessee shall deposit with the Managing Agent a fund equal to not less than two (2) months Maintenance Charges to be used as working capital to furnish the required services. This fund shall be replenished within sixty days of the Lessee's receipt of a notice from the Managing Agent that the fund has been diminished.

Partial
Invalidity

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

Marginal
Headings

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

Changes

49. The provisions of this lease can only be changed by an instrument in writing, signed by the parties hereto.

IN WITNESS WHEREOF, the parties have executed this lease.

TURTLE BAY TOWERS CORP. (Lessor)

By: _____

_____ L.S.
(Lessee)

_____ L.S.
(Lessee)