

PROPRIETARY LEASE

Apt. No.:

Shares:

MONT CENIS APARTMENTS, INC.,

Lessor,

TO

Lessee.

PROPRIETARY LEASE

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PROPRIETARY LEASE, made as of _____, by and between MONT CENIS APARTMENTS, INC., a New York corporation, having an office at 54 Morningside Drive, New York, New York, hereinafter called the Lessor, and _____, hereinafter called the Lessee.

WHEREAS, the Lessor is the owner of the land and the buildings erected thereon at 54 Morningside Drive, City, County and State of New York, hereinafter called the building.

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 building number 54 Morningside Drive, New York, New York.

DEMISED PREMISES AND TERM

NOW, THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee hires from the Lessor, subject to the terms and conditions hereof, Apartment _____ (hereinafter referred to as the apartment) for a term from _____, _____, until December 31, 2099 (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, or portion thereof outside of said partitioned rooms, which are allocated exclusively to the occupant of the apartment.

MAINTENANCE (RENT) HOW FIXED

1. (a) Commencing on the date hereof, the Lessee agrees to pay to the Lessor a monthly sum referred to herein as Maintenance (Rent), equal to one-twelfth of the Lessee's proportionate share of the annual sum required by the Lessor, as estimated by its Board of Directors from time to time to meet expenses less income expected to be received during the period (other than maintenance from proprietary lessees) and cash on hand which the Board of Directors in its discretion may choose to apply (the aggregate amount required is Lessor's "cash requirements"). The expenses include but are not limited to the following items:

i. The cost of all operating expenses of the building and services furnished.

ii. The cost of necessary management and administration.

iii. The amount of all sewer rent, taxes and assessments levied against the building of the Corporation or which it is required to pay.

iv. The cost of fire and extended coverage insurance on the building and such other insurance as the Lessor may effect or as may be required by any mortgage on the building.

v. The cost of furnishing water, electricity, heat, gas, garbage and trash collection, and other utilities, if furnished by the Lessor.

vi. All reserves set up by the Board of Directors, including the general operating reserve.

vii. The estimated cost of repairs, maintenance and replacements of the building property to be made by the Lessor.

viii. The amount of principal, interest, and other required payments on the mortgage.

ix. Any other expenses of the Lessor approved by the Board of Directors, including deficiencies, if any, for prior periods.

Maintenance 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.

The Board of Directors shall determine the maintenance from time to time. Said sums shall be estimated on an annual basis and divided by the number of months remaining in the then current fiscal year; but in no event shall the Lessee be charged with more than his proportionate share thereof, as determined by the Board of Directors. That amount of the maintenance required for payment on the principal of the mortgage of the Corporation or any other capital expenditures shall be credited upon the books of the Lessor to the "Paid-in Surplus" account as capital contribution by the lessees.

This lease is a security agreement with respect to maintenance due, and shall be subject to the provisions of Article 9 of the Uniform Commercial Code.

Accompanying Shares to Be
Specified in Proprietary Leases

(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
Determined

(c) The Board of Directors may from time to time modify their prior determination of cash requirements and increase or diminish the amount previously determined as cash requirements for a year or portion thereof. No determination of cash requirements shall have any retroactive effect on the amount of the maintenance payable by the Lessee for any period prior to the date of such determination. All determinations of cash requirements shall be conclusive as to all lessees.

Authority Limited to
Board of Directors

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

Issuance of
Additional Shares

(e) If the Lessor hereafter issues 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 maintenance 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 maintenance 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 maintenance.

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 mortgages shall be credited to Paid-in Surplus.

Failure to Fix
Cash Requirements

(g) The omission of the Board of 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 the building including all of the apartments, 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 15 hereof.

SERVICES BY LESSOR

3. The Lessor shall provide necessary management, operation and administration of the building; pay or provide for payment of all taxes or assessments levied against the building; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage or property in the building, and such other insurance as the Lessor may deem advisable on the property in the building. The Lessor will not, however, provide insurance on the Lessee's interest in the apartment or his personal property. The Lessor shall provide water, electricity to the public areas and heat in amounts which it deems reasonable. The Lessee shall pay directly to the supplier for all other utilities. The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Board of Directors to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the building, and also what existing services shall be increased, reduced, changed, modified or terminated.

**DAMAGE TO APARTMENT
OR BUILDING**

4. (a) In the event of loss or damage by fire or other casualty to the apartment without the fault or negligence of the Lessee, the Lessor shall determine, in the manner provided in subsection (d) below, whether to restore the damaged premises and shall further determine, in the event such premises shall not be restored, the amount which shall be paid to the Lessee to redeem the common stock of the Lessee and to reimburse him for such loss as he may have sustained.

If, under such circumstance, the Lessor determines to restore the premises, maintenance shall abate wholly or partially as determined by the Lessor until the premises have been restored. If on the other hand the Lessor determines not to restore the premises, the maintenance shall cease from the date of such loss or damage.

(b) If the building or apartment thereof, not limited to Lessee's apartment, shall be damaged by fire or other cause covered by multi-peril policies commonly carried by cooperative housing corporations in New York State, the Lessor, unless a determination not to repair is made in accordance with subsection (d) below, 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 building, the apartment, and the means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits in the apartment. Any other damage shall be repaired by Lessor or Lessee pursuant to Paragraphs 2 and 15, as the case may be. Anything in this Paragraph or Paragraph 2 to the contrary, Lessor shall not be required to repair or replace, or cause to be repaired or replaced, equipment, fixtures, furniture, furnishings or decorations installed by the Lessee or any of his predecessors in title nor shall the Lessor be obligated to repaint or replace wallpaper or other decorations in apartments.

Maintenance Abatement

(c) Subject to the provisions of subsection (a) above, 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 maintenance shall not abate.

Expiration of Lease Due to Damage

(d) If the Board of 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 Board of Directors, shall vote not to repair, restore or rebuild, then upon the giving of notice pursuant to Paragraphs 31 and 32 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 maintenance 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

(e) 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 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. In the event that the insurance policy carried by the Lessee permits or authorizes the Lessee to waive any rights with respect to the Lessor, the Lessee hereby waives any right of subrogation to the extent permitted under such insurance policy.

INSPECTION OF BOOKS OF ACCOUNT

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

CHANGES IN TERMS AND CONDITIONS OF PROPRIETARY LEASES

6. Each proprietary lease shall be in the form of this lease, unless a variation of any lease is authorized by at least two-thirds of all lessees and executed by the Lessor and Lessee affected. The form and provision of all the proprietary leases then in effect and thereafter to be executed may be changed by the approval at least 75% of all lessees, and such changes shall be binding on all lessees even if they did not vote for such changes, except that the proportionate share of maintenance 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 31 or 32 be eliminated or

impaired without his express consent. Approval by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose.

QUIET ENJOYMENT

7. In return for the Lessee's continued fulfillment of the terms and conditions of this agreement, the Lessor covenants that the Lessee may at all times while this agreement remains in effect, have and enjoy for his sole use and benefit the property hereinabove described, after obtaining occupancy, and may enjoy in common with all other lessees the use of all community property and facilities of the building.

INDEMNITY

8. 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 inhabiting 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 MAINTENANCE

9. The Lessee will pay the maintenance 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. In addition to the other sums that have become or will become due, pursuant to the terms of this Agreement, the Lessee shall pay the Lessor a late charge in an amount to be determined from time to time by the Board of Directors for each payment of maintenance, or part thereof, more than 15 days in arrears. Legal fees and other costs of collection shall be the responsibility of the Lessee as set forth in Paragraph 25 hereof.

HOUSE RULES

10. The Lessor has adopted House Rules and the Directors may alter, amend or repeal such House Rules and adopt new House Rules. This lease shall be in all respects subject to such House Rules which, when a copy thereof has been furnished to the Lessee, shall be taken to be part hereof, and the Lessee hereby covenants to comply with all such House Rules and see that they are faithfully observed by the family, guests, employees and subtenants of the Lessee. Breach of the House Rules shall be a default under this Lease. The Lessor shall not be responsible to the Lessee for the nonobservance or violation of House Rules by any other lessee or person.

USE OF PREMISES

11. (a) All lessees shall be individuals unless the prior written consent to a corporate, partnership, trust, limited liability company or other non-individual lessee is obtained from Lessor's Board of Directors. 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: (i) as a private dwelling for the Lessee, Lessee's Immediate Family (as defined in subparagraph (c) hereof), Permitted Occupants (as defined in subparagraph (c) hereof) and domestic employees; and (ii) for such home occupations as are defined in and permitted under the applicable zoning laws; provided, however, if a home occupation may result in business visitors to the building or noise which may be heard outside the apartment, such home occupations shall not be permitted without the written consent of the Lessor on such conditions as Lessor may prescribe. The Lessee shall inform Lessor in writing of the names(s) of any Permitted occupants(s) within thirty (30) days prior to the commencement of occupancy by such occupants(s) or within thirty (30) days following a request by the Lessor, whichever is earlier. Any use or occupancy of the Apartment, including, without limitation, the number of occupants residing in the Apartment shall conform to the terms and conditions of the existing certificate of occupancy for the Building and all applicable government and municipal laws, regulations, ordinances and codes.

(b) Nothing in this Paragraph 11 shall be construed to require the Board of Directors of Lessor to accept a non-individual Lessee. If the Board of Directors permits a non-individual Lessee, such non-individual Lessee shall not, without the written consent of the Lessor, on such conditions as the Lessor may prescribe, use the Apartment or permit the same to be used for any purpose other than as a private dwelling or for such home occupations as are defined in and permitted under the applicable zoning laws, provided, however, if a home occupation may result in business visitors to the building or noise which may be heard outside the apartment, such home occupations shall not be permitted without the written consent of the Lessor on such conditions as Lessor may prescribe.

Any use or occupancy of the Apartment, including without limitation, the number of occupants residing in the Apartment, shall conform to the terms and conditions of the existing certificate of occupancy for the building and all applicable governmental and municipal laws, regulations, ordinances and codes. Such Lessee shall not, without the prior written consent of the Lessor, on such conditions as Lessor may prescribe, including, but not limited to, those conditions provided in Paragraph 12 of this lease, permit the Apartments or any part thereof to be occupied by other than:

i. a designated individual who is associated with such Lessee as a officer, principal beneficiary, or employee; and

ii. members of such individual's Immediate Family (as defined in subparagraph (c) hereof), Permitted Occupants (as defined in subparagraph (c) hereof) and

iii. domestic employees.

Prior to the execution of this lease or an assumption thereof, or on not less than thirty (30) days before such individual takes occupancy, whichever is later, such Lessee shall provide by notice to Lessor pursuant to the provisions of Paragraph 24 of this lease, the name and relationship to Lessee of the individual whom Lessee designates to occupy the Apartment. The designation by Lessee of such initial individual and thereafter any additional or substitute individuals whom Lessee designates to occupy the Apartment shall be subject to the approval of Lessor in the same manner as a request to sublet the apartment pursuant to the provisions of Paragraph 12 of this lease, except that approval of individual designees shall not be unreasonably withheld or delayed. All initial additional or substitute designees must be in occupancy of the apartment for a period of not less than twelve (12) months and substitute designees shall not be designated less than eleven (11) months after any prior designation. The designee shall inform Lessor in writing of the name(s) of any Permitted Occupant(s) within thirty (30) days prior to the commencement of occupancy by such occupant(s) or within thirty (30) days following a request by the Lessor, whichever is earlier.

(c) Definitions. For purposes of this Paragraph, the following definitions shall apply:

i. An "individual" shall mean a natural person over 18 years of age and otherwise legally competent;

ii. "Immediate Family" shall mean the Lessee's [or designee's pursuant to subparagraph (b)] spouse, domestic partner, their children, grandchildren, parents, grandparents, brothers, sisters, stepchildren and stepparents;

iii. "Permitted Occupants" shall mean one additional individual occupant for each person named as "Lessee" on the lease and dependent children of such permitted occupant, provided that Lessee or Lessee's spouse actually occupies the apartment as Lessee's or Lessee's spouse's primary residence while such Permitted Occupant occupies the Apartment.

(d) Guests of Lessee. in addition to the foregoing, the Apartment may be occupied from time to time by guests of the Lessee (or designee(s) pursuant to subparagraph (b)) for a period of time not exceeding one (1) month, unless a longer period is approved in writing by the Directors. No guests

may occupy the Apartment unless one or more of the permitted adult residents are then in actual occupancy, except as otherwise consented to in writing by the Directors.

(e) Co-Ownership:

i. If this lease is held by two or more Lessees, the Co-Lessees may hold this lease and the appurtenant shares of Lessor as tenants-in-common or as joint-tenants-with-right-of-survivorship. Unless the certificate representing the shares clearly indicates the intention to be joint tenants, or unless the Co-Tenants were married at the time of acquisition of their ownership interest as described below, the presumption shall be that Co-Tenants are holding the shares appurtenant to the Apartment and the lease as tenants-in-common, with no survivorship rights.

ii. Married Co-Tenants may also hold this lease and the appurtenant shares of Lessor as tenants-by-the-entirety. However such tenancy-by-the-entirety shall not be implied or presumed by the fact of the Co-Tenants' marital status unless such Co-Tenants acquired their ownership interests on or after January 1, 1996 when they were married to each other, in which event, unless the certificate specifically recites that the shares are held as tenants-in-common or joint-tenants, the ownership shall be presumed to be a tenancy by the entirety. Upon a final decree of divorce of the Co-Tenants holding the Lease and shares as tenants-by-the-entirety, the ownership shall automatically convert to a tenancy-in-common.

SUBLETTING

12. (a) The Lessee hereby agrees not to assign this lease or sublet the apartment without the written consent of the Lessor, which consent may be denied for any reason or no reason. Lessee hereby agrees that the consent may be granted by Lessor upon any such conditions, including, but not limited to, the payment of fees, which Lessor may determine at its sole discretion. Violation of this provision shall, at the option of the Lessor, result in the termination and forfeiture of the Lessee's rights under this agreement as hereinafter provided in Paragraph 27. Rents under any sublease shall be assigned to the Lessor and the sublease shall be delivered to the Lessor, and the Lessor irrevocably empowered to collect the rents and apply the rents in reduction of sums due from time to time under this lease. The sublease shall be in form acceptable to the Lessor, shall require the subtenant to abide by the terms of the lease during his subtenancy, and shall give the Lessor an irrevocable power of attorney to dispossess or otherwise act for the sublessor in case of default under the sublease.

The liability of the Lessee under this agreement shall continue notwithstanding the fact that he may have sublet the apartment with the approval of the Lessor. The Lessee shall

continue liable for all obligations hereunder and shall be responsible to the Lessor for the conduct of his sublessee.

(b) The restrictions on the subletting under this lease, as hereinbefore set forth, are a special consideration and inducement for the granting of this lease by the Lessor to the Lessee. No demand or acceptance of rent from any sublessee hereof shall constitute or be deemed to constitute a consent to or approval of any unauthorized sublet.

(c) Lessee shall have the right to impose a fee in any amount which the Board of Directors determines to be appropriate in its sole discretion in exchange for granting the right to sublet. Such fee shall be payable prior to the commencement of the sublet or periodically or at any other time during the sublet term as the Board of Directors may require.

ASSIGNMENT

13. (a) The Lessee shall not assign this lease or transfer the shares to which it is appurtenant, or assign or transfer 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 and after the effective date of said assignment shall have been delivered to the Lessor, or, at the request of the Lessor, the assignee shall have surrendered the assigned lease and entered into a new lease in the same form for the remainder of the term, in which case the Lessee's lease shall be deemed cancelled as of the effective date of said assignment; and

iii. All shares of the Lessor to which this lease is appurtenant shall have been paid to the Lessor, together with a sum to be fixed by the Board of 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

iv. All sums due from the Lessee shall have been paid to the Lessor, together with a sum to be fixed by the Board of 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. The Lessor upon assignment or transfer of shares, has the right to approve or impose a transfer fee

("flip tax") which shall be paid by the Lessee's purchaser in the first instance, unless changed by contract, and which shall be in an amount and based upon a calculation to be established by the Board of Directors on the approval of assignment or transfer, and may also assess such fees for costs of its agents and attorneys in connection with such transfer; and

vi. The Lessee shall deliver to Lessor such search or certification from title or abstract company as the Board of Directors may require; and

vii. Except in the case of an assignment, transfer or bequest to the Lessee's spouse, of the shares and this lease, resolution of the Board of Directors, or given in writing by a majority of the Board of Directors, or, if the Board of Directors shall have failed or refused to give such consent within 30 days after submission of references to them or Lessor's agent, then by lessees owning of record of at least 75% of the then issued shares of the Lessor. Consent by lessees as provided for herein shall be evidenced by written consent, or the affirmative vote taken at a meeting called for such purpose in the manner as provided in the by-laws.

(b) Upon the death of Lessee, or if the Lessee is a trust, upon the death of the life beneficiary of the trust, no distributee, legatee or beneficiary under the trust instrument may become a shareholder, lessee or occupant unless he has been duly approved by the Lessor. However, consent shall not be unreasonably withheld to an assignment of the lease and shares to a financially responsible member of the Lessee's immediate family (limited to Lessee's children, stepchildren parents or parents-in-law or a domestic partner residing in the apartment) other than the Lessee's spouse as to whom no consent is required.

(c) During the lifetime of the Lessee, Lessor's consent to occupy shall not be unreasonably withheld to an assignment of the lease and shares to a financially responsible member of the Lessee's immediate family (limited to Lessee's children, stepchildren, parents or parents-in-law or a domestic partner residing in the apartment) other than the Lessee's spouse (or Lessee together with Lessee's spouse), as to whom no consent is required.

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

(e) If the lease shall be assigned in compliance herewith, and in compliance with the applicable provisions of the By-Laws, the assignor shall have no further liability under any of the covenants of this lease to be thereafter performed.

(f) Regardless of any prior consent theretofore given, neither the Lessee nor 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 and the applicable provisions of the By-Laws.

(g) The restrictions on the assignment of this lease, as hereinbefore set forth, are a special consideration and inducement for the granting of this lease by the Lessor to the Lessee. No demand or acceptance of maintenance from any assignee hereof shall constitute or be deemed to constitute a consent to or approval of any assignment.

PLEDGE OF SHARES AND LEASE

14. (a) A pledge of this lease and the shares appurtenant thereto shall not be a violation of this lease; but neither the pledgee nor any transferee of the pledged security shall be entitled to have the shares transferred of record on the books of the Lessor, nor to vote such shares, nor to occupy or permit the occupancy by others of the apartment, nor to sell such shares or this lease, without first obtaining the consent of the Lessor in accordance with and after complying with all of the provisions of Paragraph 11, 12 and 13 as the case may be. The acceptance by Lessor of payments by the pledgee or any transferee of the pledged security on account of maintenance or additional maintenance shall not constitute a waiver of the aforesaid provisions. The provisions of this subparagraph (a) shall be subject to subparagraph (b) of this Paragraph 14.

(b) The Lessee may pledge and assign this lease and the shares of the Lessor allocated to the apartment as security for a loan made to the Lessee, 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. Any pledge shall be subject and subordinate to Lessor's lien against the shares and lease. In the event of a default by the Lessee in any of the terms, covenants, provisions or conditions of the lease, Lessor shall endeavor to give notice to the pledgee of such default, but in no event shall Lessor be liable for its failure to do so.

(c) If the Lessee shall advise the Lessor that the Lessee desires to pledge the shares to which this lease is appurtenant and to create a security interest lien in such shares or this lease to secure a loan to be made to the Lessee, the Board of Directors, on behalf of the Lessor, shall enter into a so-called Recognition Agreement between Lessor and the Lender (to which the Lessee may also be a party), whereby certain rights are conferred upon such Lender in order to protect the security for the loan. Such Recognition Agreement shall be in the form

commonly known as the "Aztech" form, copyright 1973, approved by The Cooperative Housing Lawyers Group, or the form prepared by a Special Joint Committee of the Real Property Law Section of the New York State Bar Association and the Special Committee on Cooperative and Condominium Law of the Association of the Bar of the City of New York, or such other form acceptable to Lessor's counsel. To the extent inconsistent with the provisions of the proprietary lease, the terms of the Recognition Agreement will control.

REPAIRS BY THE LESSEE

15. (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, the Lessee shall keep the interior of the apartment in good repair, including painting and decorating, and specifically including interior walls, floors, ceilings; interior of window frames, sashes and sills; screens, blinds and shades; air conditioners including interior caulking and installation; apartment entrance door chimes, locks and peepholes; interior doors; bathroom fixtures and appliances, kitchen fixtures and appliances, electrical light fixtures, wiring, switches, circuit breakers and fuses; all gas, steam and water pipes leading to risers and stack pipes, including fixtures, appliances and connecting valves; mail box keys and locks; repair of damage resulting from normal settling of building; and repair of damage resulting from leaking appliances and overflows.

The Lessee shall not be responsible for windows; exterior window panes, frames and saddles; exterior caulking and puttying, mail boxes; and pipes or conduits within the walls, ceilings or floors which are part of the standard building equipment.

Apartment radiators and valves shall be the responsibility of Lessor, except that for radiators and valves originally installed after October 15, 2002, Lessor shall be responsible only for those radiators and valves which have been either installed by Lessor or approved in writing by Lessor and Lessee shall be responsible for any radiators and valves which were neither installed by Lessor nor approved by Lessor.

Lessor reserves the right to impose regulations and standards on any ventilator or air conditioning device which shall be visible from the outside of the building, provided such applies to all apartments.

Notwithstanding the foregoing, Lessee shall be responsible at Lessee's sole cost and expense for repairs or maintenance necessitated by Lessee's or other occupant's negligence and misuse.

Lessor shall provide and pay for all necessary repairs, maintenance and replacement of building property, except as set forth above. The officers and employees of Lessor shall have the right to enter Lessee's apartment in order to effect necessary repairs, maintenance and replacements, and to authorize entrance for such purposes by employees of any contractor, utility company, municipal agency, or others, at any reasonable hour of the day, and in the event of emergency, at any time.

In case Lessee shall fail to effect the repairs, maintenance or replacements which are Lessee's responsibility as specified above in a manner satisfactory to Lessor, the provisions of Paragraph 16 hereof shall apply.

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. Reasonableness shall be determined at the sole discretion of the Lessor.

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, if any, 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 or displaying any appliance or equipment which may be creating the objectionable condition. Further, if the moving or delivery of furniture, appliances or equipment shall result in overloading the elevator or other damage to the building or interruption of service to other portions of the building, the Lessee shall promptly, on notice from the Lessor, cease moving the furniture, appliances or equipment in the manner the Lessor finds objectionable.

Rules and Regulations and Requirements of Mortgage

(d) The Lessee will comply with all the requirements of the Board of Fire Underwriters, insurance authorities and all governmental authorities and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the apartment. If any mortgage affecting the land or the building shall contain any provisions pertaining to the right of the Lessee to make changes or alterations in the apartment, or

to remove any of the fixtures, appliances, equipment or installations, the Lessee shall comply with such requirements. Upon the Lessee's written request, Lessor will furnish Lessee with copies of applicable provisions of each and every such mortgage.

LESSOR'S RIGHT TO REMEDY LESSEE'S DEFAULTS

16. 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 additionally that, if the condition requires prompt action, notice of less than 30 days or, in case of emergency, no notice need be given. In all such cases the Lessor, its agents, servants and contractors shall, as between the Lessor and Lessee, be conclusively deemed to be acting as agents of the Lessee and all contracts therefor made by the Lessor shall be so construed whether or not made in the name of the Lessee. If Lessee shall fail to perform or comply with any of the other covenants or provisions of this lease within the time required by a notice from Lessor (not less than 5 days), then Lessor may, but shall not be obligated, to comply therewith, and for such purposes may enter upon the apartment of Lessee. The Lessor shall be entitled to recover from the Lessee all expenses incurred or for which it has contracted hereunder, such expenses to be payable by the Lessee on demand as additional maintenance.

INCREASE IN RATE OF FIRE INSURANCE

17. The Lessee shall not permit or suffer anything to be done or kept in the apartment or storage area or the building which will increase the rate of fire insurance on the building or the contents thereof. If by reason of the occupancy or use of the apartment by the Lessee, the rate of fire insurance on the building or an apartment or the contents of either shall be increased, the Lessee shall (if such occupancy or use continues for more than 30 days after written notice from the Lessor specifying the objectionable occupancy or use) become liable for the additional insurance premiums incurred by Lessor or any lessee or lessees of the apartments in the buildings 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 maintenance for the apartment due on the first day of the month following written demand therefor by the Lessor.

ALTERATIONS

18. (a) Lessee shall not, without first obtaining the written consent of the Lessor, make in the apartment or building, or on any 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, if any, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, if any, or any other installation or facility in the apartment or building. For these purposes, alterations requiring the written consent of the Lessor shall include, but not be limited to, all alterations requiring any drilling through windows, frames and walls. Notwithstanding the foregoing, limited non-structural alterations within the apartment may be made without obtaining the consent of the Lessor, including building up terrace floors, installing built-in bookshelves, kitchen cabinets, interior non-load bearing walls or partitions (if consistent with legal requirements) and decorations. The performance by Lessee of any work in the apartment shall be in accordance with any applicable rules and regulations of the Lessor and governmental agencies having jurisdiction thereof. The Lessee shall not in any case install any appliances which will overload the existing wires, plumbing, or equipment in the building. The Lessee shall be responsible for waste disposal in connection with the work. The Lessee shall require his contractor to obtain insurance to the extent required by the Lessor. Unless Lessor otherwise determines, Lessee shall notify the house manager or other individual designated by Lessor of an outside contractor to be involved in structural or non-structural alterations, and the date and time when such contractor shall be present in the building.

Removal of Fixtures

(b) Without Lessor's prior 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, lighting fixtures, refrigerators, air conditioners, dishwashers, 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 maintenance or in the performance or observance of any other covenants or conditions of this lease; (ii) that prior to any such removal, the Lessee shall give written notice thereof to the Lessor; (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 and equipment, Lessee shall repair any damage resulting from their removal and restoration, and replace them with others of a kind and quality customary in comparable buildings 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, Lessee shall first procure from such mortgagee its written consent to such removal.

Surrender on
Expiration of Term

(c) On the expiration or termination of this lease, the Lessee shall surrender to the Lessor possession of the apartment with all additions, improvements, appliances and fixtures then included therein, except as is provided in subparagraph 18(b). 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. Lessor shall have the option to require Lessee to remove any such additions, improvements, fixtures or appliances and repair and restore to original any damage resulting from their removal. 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 by 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.

LEASE SUBORDINATE TO MORTGAGES

19. This lease is and shall be subject and subordinate to all present and future ground or underlying leases and to any mortgages now or hereafter placed upon such leases or on the land and building, and to any and all extensions, modifications, consolidations, renewals and replacements thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any such mortgagee or ground or underlying lessee. In confirmation of such subordination the Lessee shall at any time, and from time to time, 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 mortgages or ground or underlying leases, and the duly elected officers 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

20. 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 maintenance, 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 of payment.

COOPERATION

21. 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; KEYS

22. The Lessor and its agents and their authorized workmen shall be permitted to visit, examine, or enter the apartment and any storage space assigned to Lessee at any reasonable hour of the day upon notice, or at any time and without notice in case of suspected 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 unless such repairs are the obligation of Lessee or are caused by the act or omission of the Lessee or any members of the Lessee's family, guests, agents, employees or subtenants. In order that the Lessor shall at all times have access to the apartment and storage space for the purposes provided in this lease, the Lessee shall provide the Lessor with a key to each lock providing access to the apartment and Lessor shall have the right to a key to the storage area. 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 (only when specifically authorized by an officer of the Lessor or an officer of the managing agent, except in an emergency when such authority is not required), may forcibly enter the apartment

or storage space without liability for damages by reason thereof and without responsibility to perform any repairs (unless such repairs are the responsibility of the Lessor), 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, and Lessee shall be responsible for any damage to Lessee's property caused by Lessor.

WAIVERS

23. The failure of the Lessor to insist, in any instance, 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 maintenance, 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 Board of Directors.

NOTICES

24. (a) Any notice by or demand from either party to the other shall be duly given in writing and sent by certified mail, return receipt requested: if by Lessee, addressed to the Lessor at Building manager, 54 Morningside Drive, New York, New York 10025 with a copy sent by certified mail, return receipt requested, to the Lessor's managing agent if any; if to the Lessee, addressed to Lessee's address at 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.

(b) Notwithstanding the foregoing, any notice or demand from either party to the other shall be deemed duly given if in writing and sent by:

i. Telefacsimile transmitted to the other party at such party's telefacsimile machine in his or her principal place of business or residence, with an additional copy sent by regular mail addressed to the address to which maintenance bills are sent; or

ii. Personally delivered to the principal place of business or residence and a receipt signed by an adult at such address is received or for which an affidavit is obtained from messenger attesting to the delivery; or

iii. Sent by overnight delivery courier/express service to the residence of such party or to that party's principal place of business and a receipt signed by an adult at such address is received.

FEES AND EXPENSES

25. (a) If a Lessee defaults in making a payment of maintenance or in the performance or observance of any provision of this Agreement, and the Lessor has obtained the services of any attorney with respect to the defaults involved, the Lessee covenants and agrees to pay to the Lessor, as additional rent, any costs or fees involved, including reasonable attorney's fees, notwithstanding the fact that a suit has not been instituted.

(b) If the Lessee shall at any time institute any action or proceeding against Lessor, whether or not arising under this Lease or if Lessor shall institute any action or proceeding against Lessee, whether or not arising under this Lease, if Lessor shall prevail in such action or proceeding, the Lessee will reimburse Lessor for the actual disbursements incurred by Lessor, actual court costs and the reasonable attorneys' fees incurred by Lessor, and Lessor shall have the right to collect the same as additional rent.

(c) If the Lessee shall at any time be in default hereunder and the Lessor shall incur any other expense (whether or not theretofore paid) in performing the acts which the Lessee is required to perform, the expense thereof to the Lessor shall be paid by the Lessee to the Lessor, on demand, as additional rent.

LESSOR'S IMMUNITIES

26. (a) The Lessor shall not be liable, except by reason of Lessor's gross negligence, for any failure or insufficiency of heat, water, supply, or any 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 maintenance 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 gross negligence.

Storage Space And Laundry

(b) If the Lessor shall furnish to the Lessee any storage areas or space, the use of a 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 right to use a storage area may not be revoked, except if Lessee fails to use it in accordance with the provisions of this lease, Lessor's rules or applicable law, or if the right to use a storage area is revoked by Lessor under the provisions of this lease or by the applicable governmental authority. The Lessee shall not use storage space for the storage of valuables 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 Lessee or Lessee's property 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. Such immunity shall apply whether any maintenance, fee or money is paid by Lessee for such service.

Automobiles And
Other Property

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

**TERMINATION OF
LEASE BY LESSOR**

27. It is hereby mutually agreed as follows: If at any time after the happening of any of the events specified in subdivision (a) to (i) inclusive of this Paragraph 27, the Lessor shall give to the Lessee a notice stating that the term hereof will expire on a date not less than sixty (60) days thereafter, the term of this lease and all of Lessee's rights under this lease shall expire on the date so fixed in such notice unless in the meantime the default has been cured in a manner deemed satisfactory by the Lessor. Upon the Lessee's failure to cure the default, the expiration of the term shall be 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. The Lessee shall thereupon quit and surrender the apartment to the Lessor, it being the intention of the parties hereto to create hereby conditional limitations, and it shall thereupon be lawful for the Lessor to reenter the apartment and remove all persons

and personal property therefrom, either by summary dispossession proceedings or by suitable action or proceeding at law or in equity, or by any other proceedings which may apply to the eviction of tenants or by force or otherwise, and to repossess the apartment in its former state as if this lease had not been made. No liability whatsoever shall attach to the Lessor by reason of the exercise of the right of reentry, repossession and removal herein granted and reserved:

Lessee Ceasing to Own
Accompanying Shares

(a) In case at any time during the term of this lease the Lessee shall cease to be the owner and legal holder of all of his shares of the Lessor, or if this lease shall pass or be assigned to anyone who is not then the owner of all of said shares;

Assignment, Subletting or
Unauthorized Occupancy

(b) In case the Lessee attempts to transfer or assign this Lease in a manner inconsistent with the provisions of this lease or the By-Laws, or if at any time there shall be any subletting hereunder without full compliance with any applicable requirements of this lease, or if any unauthorized person shall be permitted to use or occupy the apartment, and, in the case of any such subletting or unauthorized use or occupancy, the Lessee shall fail to cure such condition within ten days after written notice from the Lessor;

Lessee Becoming
a Bankrupt

(c) If at any time during the term of this lease (i) the then holder thereof shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all 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 (30) days; or (iii) such holder shall make a general assignment for the benefit of creditors; or (iv) any of the shares owned by such holder to which this lease is appurtenant shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within 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. 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 Board of Directors) after the death of said

Lessee said shares and lease shall have been transferred to any assignee in accordance with paragraph 13 hereof;

Default In
Maintenance

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

Default In
Other Covenants

(e) If the Lessee shall be in default in the performance of any covenant or provision hereof, other than the covenant to pay maintenance, and such default shall continue for thirty days after written notice from the Lessor, provided, however, that if said default consists in 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;

Lessee's Objectionable
Conduct

(f) If at any time the Lessor shall give the Lessee a notice that his lease will expire if at any time the Lessor shall determine, upon the majority vote of the entire Board of Directors, that the Lessee's conduct, or the conduct of a person in the Lessee's apartment, repeated after written notice to cease and desist, may bring physical harm either (1) to the Lessee, or the person dwelling in the Lessee's apartment, (2) to another lessee under lease with the Lessor or other occupant of an apartment, or (3) to the Lessor's property;

Termination of All
Proprietary 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 at least seventy-five percent of the lessees 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;

Condemnation

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

LESSOR'S RIGHTS AFTER LESSEE'S DEFAULT

28. (a) The Lessee expressly agrees that there exists under this lease a landlord-tenant relationship and that in the event of a breach or threatened breach by the Lessee of any covenant or provision of this lease, there shall be available to the Lessor such legal remedy or remedies as are available to a landlord for the breach or threatened breach under the law by a tenant of any provision of a lease or rental agreement. In the event the Lessor resumes possession of the apartment, either by summary proceedings, action or ejectment or otherwise, because of default by the Lessee in the payment of any maintenance or additional maintenance due hereunder, or on the expiration of the term pursuant to a notice given as provided in Paragraph 27 hereof upon the happening of any event specified in subsections (a) to (i) inclusive of Paragraph 27, Lessee shall continue to remain liable for payment of a sum equal to the maintenance which would have become due hereunder and shall pay the same in installments at the time such maintenance would be due hereunder. No suit brought to recover any installment of such maintenance or additional maintenance 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 of free maintenance, 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 balance against the Lessee's continuing obligations hereunder. There shall be a final accounting between the Lessor and the Lessee upon the earliest of the four following dates: (A) the date of expiration of the term of this lease as stated on page 1 hereof; (B) the date as of which a new proprietary lease covering the apartment shall have become effective; (C) the date the Lessor gives written notice to the Lessee that it has relet the apartment for its own account; (D) the date upon which all proprietary leases of the Lessor terminate. From and after the

date upon which the Lessor becomes obligated to account to the Lessee, as above provided, the Lessor shall have no further duty to account to the Lessee for any proceeds of reletting and the Lessee shall have no further liability for sums thereafter accruing hereunder, but such termination of the Lessee's liability shall not affect any liabilities theretofore accrued.

Collection of Rent from Subtenants

(b) If the Lessee shall at any time, sublet the apartment and shall default in the payment of any maintenance or additional maintenance, 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 neither 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 nor acceptance of any subtenant or assignee as a tenant.

Sale Of Lessee's Shares

(c) Upon the termination of this lease under any of the provisions of subdivisions (a) to (i) inclusive of Paragraph 27, 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 as provided in Paragraph 13 hereof. Upon such issuance the certificate owned or held by the Lessee shall be automatically cancelled and rendered null and void. The Lessor shall apply the proceeds received for the issuance of such shares towards the payment of the Lessee's indebtedness hereunder, including interest, attorneys' fees and other expenses incurred by the Lessor, and, if the proceeds are sufficient to pay the same, the Lessor shall pay over any surplus to the Lessee, but, if insufficient, the Lessee shall remain liable for the balance of the indebtedness. Upon the issuance of any such new proprietary lease and certificate, the Lessee's liability hereunder shall cease and the Lessee shall only be liable for maintenance 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

29. 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", "reenter" and "reentry" as used in this lease are not restricted to their technical legal meaning.

SURRENDER OF POSSESSION

30. Upon the termination of this lease under the provisions of subdivisions (a) to (i) inclusive of Paragraph 27, the Lessee shall remain liable as provided in Paragraph 28 of this lease. Upon the termination of this lease under any other of its provisions, the Lessee shall remain liable to pay all maintenance, additional maintenance and other charges due or accrued and to perform all covenants and agreements of the Lessee up to the date of such termination. On or before any such termination the Lessee shall vacate the apartment and surrender possession thereof to the Lessor or its assigns, and upon demand of the Lessor or its assigns, shall execute, acknowledge and deliver to the Lessor or its assigns any instrument which may reasonably be required to evidence the surrendering of all estate and interest of the Lessee in the shares of the Lessor, the apartment, or in the building of which it is a part.

LESSEE'S OPTION TO CANCEL

31. (a) This lease may be cancelled by the Lessee on any December 31st, 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 July 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 November 30th 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, including any New York Real property Gains Tax;

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 November 30th of the year of cancellation, and on or before said November 30th 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 charge (except as aforesaid) and pay to the Lessor all maintenance, additional maintenance and other charges which shall be payable under this lease up to and including the following December 31st.

Permission to Show
And Occupy Premises

(c) The Lessor and its agents may show the apartment to prospective lessees, contractors and architects at reasonable times after notice of the Lessee's intention to cancel. After November 30th 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 maintenance due hereunder.

Effective Date
Of Cancellation

(d) If the Lessee is not otherwise in default hereunder and if the Lessee shall have timely complied with all of the provisions of subdivisions (a) and (b) hereof, then this lease shall be cancelled and all rights, duties and obligations of the parties hereunder shall cease as of the December 31st 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 31, the Lessor shall have the option at any time prior to December 31st (i) of returning to the Lessee this lease, the certificate for shares and other documents deposited, and thereupon the Lessee shall be deemed to have withdrawn the notice of intention to cancel this lease, or (ii) of treating this lease as cancelled as of the date specified in the notice of intention to cancel 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

32. (a) If on July 1st in any year the total number of shares owned by lessees holding proprietary leases who have given notice pursuant to Paragraph 31 of intention to cancel such proprietary leases on December 31st of said year shall aggregate ten percent (10%) or more of the Lessor's shares then issued, exclusive of treasury shares, then the Lessor shall, prior to July 31st in such year, give a written notice to the holders of all issued shares of the Lessor, stating the total number of shares then issued 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 31 hereof, provided only that written notice of the intention to cancel such leases shall be given on or before October 1st instead of July 1st.

Right of Lessees To Cancel

(b) If Lessees owning at least 80% of the then issued 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 December 31st 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 COOPERATIVE MANAGEMENT OF BUILDING AFTER ALL LEASES TERMINATED

33. 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 residential apartment buildings, (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 Board of Directors shall carry out the determination made at said meeting of shareholders of the Lessor, and all of the holders of the then issued shares of the Lessor shall have such rights as

inure to shareholders of corporations having title to real estate.

FORECLOSURE - RECEIVER OF RENTS

34. Notwithstanding anything contained in this lease, if any action shall be instituted to foreclose any mortgage on the land or the buildings, the Lessee shall, on demand, pay to the receiver of the rents appointed in such action maintenance, 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 maintenance hereunder, the maintenance for the apartment as last determined and established by the Board of Directors prior to the commencement of said action, and such maintenance shall be paid during the period of such receivership, whether or not the Board of Directors shall have determined and established the maintenance 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 and may not be modified or annulled without the prior written consent of any such mortgage holder.

TO WHOM COVENANTS APPLY

35. The references herein to the Lessor shall be deemed to include its successors and assigns, and the references herein to the Lessee or to the shareholders 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 inure to the benefit of the Lessor and its successors and assigns, and the Lessee and the executors and administrators, legal representatives, legatees, distributees and assigns of the Lessee, except as hereinabove stated.

WAIVER OF TRIAL BY JURY

36. 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, 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 connection with this lease or the apartment.

LESSOR'S ADDITIONAL REMEDIES

37. 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 reentry, summary proceedings and other remedies

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

LESSEE MORE THAN ONE PERSON

38. 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 Lessees's obligations hereunder. Any notice by the Lessor to any person name as Lessee shall be sufficient, and shall have the same force and effect, as though given to all persons named as Lessee.

EFFECTIVE OF PARTIAL INVALIDITY

39. 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

40. Neither the headings of the several paragraphs of this lease nor the index appended hereto shall be deemed a part of this lease.

CHANGES TO BE IN WRITING

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

INSURANCE

42. Each Shareholder shall maintain public liability insurance in such amounts as may be set forth in the Rules and Regulations of the Lessor or as may be determined, from to time, by the Board of Directors. Certificates evidencing such insurance shall be delivered to the Board of Directors upon request or as the Board of Directors may determine.

WINDOW GUARDS

43. Lessee shall promptly notify Lessor in writing when a child or children under the age of eleven (11) lives or resides (even temporarily) in the Apartment. In such event (or in the event requested by Lessee), Lessor shall install, at Lessee's expense, the required window guards in all windows in the Apartment. The cost of such window guards shall be deemed additional maintenance (rent) under this Lease. Lessee shall maintain all window guards installed in the Apartment and shall not remove same until permitted by applicable law.

SMOKE DETECTOR

44. Lessee shall install and maintain in good working order during the term of this Lease such smoke detecting alarm devices as may be required by applicable law or the House Rules of Lessor.

IN WITNESS WHEREOF, the parties have executed this lease.

MONT CENIS APARTMENTS, INC.

By: _____
(President) (Vice President)
(Secretary)

(L.S.)
Lessee

(L.S.)
Lessee

State of New York, County of _____ ss.:
On _____ before me, the
undersigned, personally appeared _____

personally known to me or proved to me on the basis of satisfactory evidence to me the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

(signature and office of individual
taking acknowledgment)

State of New York, County of _____ ss.:
On _____ before me, the
undersigned, personally appeared _____

personally known to me or proved to me on the basis of satisfactory evidence to me the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

(signature and office of individual taking
acknowledgment)