

150, 152, 154 Overlook Avenue

Apt. No.:  
Shares:

**RIVER RIDGE OWNERS CORP.,**

Lessor

TO

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Lessee

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**PROPRIETARY LEASE**

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PROPRIETARY LEASE, made as of \_\_\_\_\_, by and between **RIVER RIDGE OWNERS CORP.**, a New York corporation having an office at 150 Overlook Avenue, Peekskill, New York 10566, hereinafter called Lessor, and **[SHAREHOLDER NAME]** hereinafter called the Lessee.

WHEREAS, the Lessor is the owner of the land and buildings erected thereon located at 150-152-154 Overlook Avenue, Peekskill, New York (hereinafter called the "buildings"); 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 \_\_\_\_\_, \_\_\_\_\_ Overlook Avenue;

### **Demised Premises/Term**

NOW, THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee hires from the Lessor, subject to the terms and conditions hereof, Apartment \_\_\_\_\_ in Building No. \_\_\_\_\_ Overlook Avenue (hereinafter referred to as the "apartment") for a term from \_\_\_\_\_ until June 30, 2090, (unless sooner terminated as hereinafter provided). As used herein the "apartment" means the rooms in the buildings as partitioned on that date of the execution of this lease designated by the above-stated apartment number, together with their appurtenances and fixtures and any closets, terraces, balconies, roof or portion thereof outside of said partitioned rooms which, subject to the provisions of Paragraph 7 hereof, are or is allocated by the Board of Directors of the Lessor (hereinafter called the "Directors") to the exclusive use of the occupant of the apartment.

### **Rent (Maintenance) How Calculated**

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 the Lessor allocated to the apartment bears to the total number of shares of the Lessor issued and outstanding on the date of the determination of such cash requirements. Such maintenance shall be payable in equal monthly installments, in advance, on the first day of each month, unless the Directors at the time of its determination of the cash requirements shall otherwise direct. The Lessee shall also pay such additional rent as may be provided for herein when due.

### **Accompanying Shares to Be Specified in Proprietary Lease**

(b) In every proprietary lease heretofore executed by the Lessor there has been specified, and in every proprietary lease hereafter executed by it there will be specified, the number of shares of the Lessor issued to a lessee simultaneously therewith, which number, in relation to the total number of shares of the Lessor issued and outstanding, shall constitute the basis for fixing, as hereinbefore provided, the

proportionate share of the Lessor's cash requirements which shall be payable as rent by the Lessee.

### **Cash Requirements Defined**

(c) "Cash requirements" whenever used herein shall mean the estimated amount in cash which the Directors shall from time to time in its judgment determine to be necessary or proper for (i) 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; (ii) the creation of such reserve for contingencies as they may deem proper; and (iii) the payment of any obligations, liabilities or expenses incurred (even though incurred during a prior period) or to be incurred, after giving consideration to (1) income expected to be received during such period (other than rent from proprietary lessees) and (2) cash on hand which the Directors in their discretion may choose to apply. The Directors may from time to time modify their prior determination and increase or diminish the amount previously determined as cash requirements of the corporation for a year or portion thereof. No determination of cash requirements shall have any retroactive effect on the amount of rent payable by the Lessee for any period prior to the date of such determination. All determinations of cash requirements shall be conclusive as to all lessees.

### **Authority Limited to Board of Directors**

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

### **Issuance of Additional Shares**

(e) If the Lessor shall hereafter issue shares (whether now or hereafter authorized) in addition to those issued on the date of the execution of this lease, the holders of the shares hereafter issued shall be obligated to pay rent at the same rate as the other proprietary lessees from and after the date of issuance. If any such shares be issued on a date other than the first or last day of the month, the rent for the month in which the shares are 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, if any, of the maintenance and other receipts 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".

## **Failure to Fix Cash Requirements**

(g) The failure of the Directors to determine the Lessor's cash requirements for any year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof, or a release of the Lessee from the obligation to pay the rent or any installment thereof, but the rent computed on the basis of the cash requirements as last determined for any year or portion thereof shall thereafter continue to be the rent 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 buildings, including all of the apartments, the sidewalks and courts surrounding the same, and its equipment and apparatus except those portions the maintenance and repair of which are expressly stated to be the responsibility of the Lessee pursuant to Paragraph 18 hereof.

## **Services by Lessor**

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

## **Damage to Apartment Buildings**

4.(a) If the apartment or the means of access thereto or a building shall be damaged by fire or other cause covered by multiperil policies commonly carried by corporations owning "cooperative apartment buildings" in Westchester (any other damage to be repaired by the Lessor or the Lessee pursuant to Paragraphs 2 and 18, as the case may be), the Lessor shall at its own cost and expense, with reasonable dispatch after receipt of notice of said damage, repair or replace or cause to be repaired or replaced, 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, with materials of a kind and quality then customary in buildings of the type of the building. Anything in this Paragraph or Paragraph 2 to the contrary notwithstanding, the Lessor shall not be required to repair or replace, or cause to be repaired or replaced, equipment, fixtures, furniture, furnishings 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 the apartment or to refinish floors located therein.

## **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 be restored; but if said damage shall be caused by the act or negligence of the Lessee or the agents, employees, guests or members of the family of the Lessee or any occupant of the apartment, such rental shall abate only to the extent of the rental value insurance, if any, collected by the Lessor with respect to the apartment.

## **Expiration of Lease Due to Damage**

(c) If the Directors shall determine that (i) a building is totally destroyed by fire or other cause, or (ii) a 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 66-2/3% of the then issued and outstanding shares of the Lessor, 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 of the State of New York and in no event shall the Lessee have any option or right to terminate this lease by reason of casualty damages, except as provided herein.

## **Waiver of Subrogation**

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

## **Inspection of Books of Account/Annual Report**

5. The Lessor shall keep full and correct books of account at its principal office or at such other place as the Directors may from time to time determine, and the same

shall be open during all reasonable hours to inspection by the Lessee or a representative of the Lessee. The Lessor shall deliver to the Lessee within a reasonable time after the end of each fiscal year an annual report of corporate financial affairs, including a balance sheet and a statement of income and expenses, certified by an independent certified public accountant.

### **Changes in Terms and Conditions of Proprietary Leases**

6. Each proprietary lease made by the Lessor shall be in the form of this lease, except with respect to the statement as to the number or shares owned by the Lessee and the apartment to which such shares are appurtenant, unless a variation of any lease is authorized by Lessees owning at least 66-2/3% of the Lessor's shares then issued and outstanding and such lease is then duly executed by the Lessor and the 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 66-2/3% of the Lessor's shares then issued and outstanding, and such changes shall be binding on all Lessees even if they do not vote for such changes except that (a) the proportionate share of rent or cash requirements payable by any Lessee may not be increased, (b) the right of any Lessee to cancel his lease under the conditions set forth in Paragraph 35 may not be eliminated or impaired without, in each of the foregoing instances, the express consent of the Lessee affected, and (c) the provisions hereof are subject to the provisions of Paragraphs 38(c) and 39(d) of this lease. Approval by Lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose.

### **Terrace; Balcony; Roof**

7. If the apartment includes a terrace, balcony or a portion of the roof adjoining the apartment, the use thereof by the Lessee shall be subject to the applicable provisions of this lease and to the use of the terrace, balcony or roof by the Lessor to the extent permitted. The Lessee's use thereof shall be subject to such regulations as, from time to time, may be prescribed by the Directors. 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 buildings and shall have the right of access thereto for the installation of such equipment and for the repair thereof. The Lessee shall keep the terrace, balcony or portion of the roof appurtenant to his apartment clean and free from snow, ice, leaves and other debris, shall not use such areas as storage space, and shall maintain all screens and drain boxes in good condition. No planting, fences, structures or lattices shall be erected or installed on the terraces, balconies or roof of a building without the prior written approval of the Lessor. No cooking shall be permitted on the terraces, balconies or roof of the buildings nor shall the walls thereof be painted without the prior written approval of the Lessor. Any planting or other structures erected by the Lessee or his predecessors in interest may be removed and restored by the Lessor at the expense of the Lessee for the purposes of repairs, upkeep or maintenance of the buildings.

### **Assignment of Lessor's Rights Against Occupant**

8. If at the date of the commencement of this Lease any third party shall be in possession or have the right to possession of the apartment, then the Lessor hereby assigns to the Lessee all of the Lessor's rights, if any, 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.

### **Prior Agreements Superseded**

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

### **Quiet Enjoyment/Parking**

10. The Lessee, upon paying the rent and performing the covenants and complying with the conditions on the part of the Lessee to be performed as herein set forth, shall, at all times during the term hereby granted, quietly have, hold and enjoy the apartment without any let, suit, trouble or hindrance from the Lessor, subject, however, to the rights of present tenants or occupants of the apartment, and subject to any and all mortgages and underlying leases of the land and buildings, as provided in Paragraph 22 of this Lease. In addition, the Lessee shall at no additional cost be entitled to use one parking space in the open lots, which space will be designated by the Board of Directors.

### **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, working or visiting in his 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 to the extent that the Lessor is covered by insurance which provides for or permits waiver of subrogation against the Lessee.

### **Payment of Rent**

12. The Lessee shall pay the rent to the Lessor upon the terms and at the times herein provided, without any abatement or 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 rate

permitted by law from the date when such installment shall have become due to the date of the payment thereof, and such interest shall be deemed additional rent hereunder.

### **House Rules**

13. 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 agents, employees, guests or members of the family of the Lessee or any occupant of the apartment. Breach of a House Rule shall be a default under this lease. The Lessor shall not be responsible to the Lessee for the non-observance or violation of House Rules by any other Lessee or person.

### **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 members of the Lessee's family, and their domestic employees, but in no event shall more than one family 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 the 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, the Sponsor or other holder of Unsold Shares may use any apartment owned by them as model apartments or for sales or rental offices.

### **Subletting**

15. Except as provided in Paragraphs 38 and 39 of this lease, the Lessee shall not sublet the whole or any part of the apartment for any term to any person or persons or renew or extend any previously authorized sublease unless consent thereto shall have been duly given by a resolution of the Directors or by a majority of the Directors in writing or, if the Directors shall have failed or refused to give such consent within thirty (30) days after submission of the application form, attachments thereto and references to them or the Lessor's managing agent, then by Lessees owning at least 66-2/3% of the then issued and outstanding shares of the Lessor. Consent of such lessees shall be evidenced by an instrument in writing signed by the requisite percentage of the lessees or by their affirmative vote taken at a meeting called for such purpose. Whenever the Lessee applies for consent to any subletting, the Lessee shall deliver to the Lessor a copy of the proposed sublease to which consent is requested. There shall be no limitation on the right of the Directors or the holders to grant or withhold consent for any reason, or for no reason, to a subletting, or to impose such conditions thereon as they may determine. No consent

to a subletting shall operate to release the Lessee from any obligation hereunder.

### **Assignment**

16.(a) Except as provided in Paragraphs 38 and 39 or this lease, 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

### **Instrument**

(i) an instrument of assignment in form approved by the Lessor executed and acknowledged by the assignor shall be delivered to the Lessor; and

### **Assumption Agreement or Lease**

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

### **Transfer of Shares**

(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

### **Sums Due**

(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 or the Lessor and its managing agent in connection with such assignment and transfer of shares; and

### **Lien Search**

(v) a search or certification from a title insurance or abstract company, as the Directors may require, shall have been delivered to the Lessor, and the same shall indicate to the satisfaction of the Directors that there are no encumbrances against this lease, the shares to which it is

appurtenant, or the Lessee, except as counsel to the Lessor may approve;  
and

### **Consents**

(vi) except in the case of an assignment, transfer or bequest to the Lessee's spouse of the shares and this Lease, and except as provided in Paragraphs 38 and 39 of this Lease, consent to such assignment as shall have been authorized by resolution of the Directors, or given in writing by a majority of the Directors; or, if the Directors shall have failed or refused to give such consent within thirty (30) days after submission of references to them or the Lessor's managing agent, then by Lessees owning of record at least 66-2/3% of the then issued and outstanding shares of the Lessor, such consent by Lessees to be evidenced by a written consent signed by the requisite percentage of the Lessees or by their affirmative vote taken at a meeting called for such purpose. No demand or acceptance of rent from any assignee hereof shall constitute or be deemed to constitute a consent to or approval of any assignment.

(vii) a sum equal to two months' rent, calculated pursuant to Paragraph 1(a) hereof, is paid by the assignee to the Lessor for deposit into a capital improvement fund or reserve fund.

### **Death of Lessee**

(b) If the Lessee shall die, consent shall not be unreasonably withheld or delayed to an assignment of the Lease and shares to a financially responsible member of the Lessee's family (other than the Lessee's spouse as to whom no consent is required).

(c) There shall be no limitation, except as above specifically provided, on the right of the Directors or Lessees to grant or withhold for any reason or for no reason, to an assignment, or to impose such conditions thereon as they may determine.

(d) If the lease shall be assigned in compliance herewith, the Lessee-assignor shall have no further obligation hereunder.

(e) Regardless of any prior consent theretofore given, neither the Lessee nor his administrator, nor any trustee or receiver of the property of the Lessee, nor anyone to whom the interests or 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.

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

there is no default under the Lease.

17. The execution and delivery of a leasehold mortgage and/or the creation of a security interest in the Lease and the appurtenant shall not be a violation of this Lease; but, except as provided in Paragraph 39 of this Lease, neither the secured party nor the leasehold mortgagee, nor any transferee of the security shall be entitled to have the shares transferred of record on the books of the Lessor, nor to vote any such shares, nor to occupy or permit the occupancy by others of the apartment, nor to sell such shares or this Lease, without first complying with all of the applicable provisions of Paragraphs 14, 15 and 16 of this Lease. The acceptance by the Lessor of payments by the secured party or leasehold mortgagee or any transferee of the security on account of rent or additional rent, on behalf of the Lessee or otherwise, shall not constitute a waiver of the aforesaid provision.

18.(a) The Lessee shall take possession of the apartment and its appurtenances and fixtures, including carpeting, "as is" as of the commencement of the term hereof. Subject to the provisions of Paragraph 3 hereof, the Lessee shall keep the apartment (including interior walls, floors and ceilings, but excluding windows, window panes, window frames, sashes, sills, entrance doors, frames and saddles) in good repair, shall do all of the painting and decorating required for his apartment, including the interior of window frames, sashes and sills, and shall be solely responsible for the maintenance, repair and replacement of plumbing and heating fixtures and equipment and such refrigerators, dishwashers, removable air conditioning fixtures and equipment, washing machines, ranges and other appliances as may be in the apartment. Plumbing and heating fixtures as used herein shall include exposed water pipes attached to fixtures, appliances and equipment and any special pipes or equipment which the Lessee may install within the wall or ceiling, or under the floor, but shall not include water or other pipes or conduits within the walls, ceilings or floors or heating equipment which is part of the standard building equipment. The Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances and equipment, and all meters or circuit breakers and electrical wiring and conduits from the junction box at the riser into and through the Lessee's apartment and any and all equipment of all types and kinds installed by the Lessee or any predecessor in interest in the apartment. Any ventilator or air conditioning device which shall be visible from the outside of the building shall at all times be painted by the Lessee in a standard color which the Lessor may select for the buildings.

(b) The Lessee shall not permit unreasonable cooking or other odors to escape into the buildings. The Lessee shall not permit or suffer any unreasonable noise or anything which will interfere with the rights of other lessees or which will unreasonably annoy them or obstruct the public halls, stairways or fire escapes.

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

(d) The Lessee shall 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 or ground lease affecting the buildings or the land on which they stand 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 the requirements of such mortgage or mortgages or ground lease relating thereto. Upon the Lessee's written request, the Lessor will furnish the Lessee with copies of applicable provisions of each and every such mortgage and ground lease.

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

20. The Lessee shall not permit or suffer anything to be done or kept in the apartment which will increase the rate of fire insurance on the buildings 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 buildings 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 personally liable for the additional insurance premiums incurred by the Lessor or any Lessee or Lessees of 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 rent for the apartment due on the first day of the calendar month following written demand therefor by the Lessor.

21.(a) The Lessee, without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld or delayed, shall not make in the apartment or buildings, or on any roof, penthouse, terrace or balcony appurtenant thereto, any alteration or enclosure 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 buildings, or, except as hereinafter authorized, remove any additions, improvements or fixtures from the apartment. The performance by the 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 will not in any case install any appliances which will overload the existing wires or equipment in the buildings. Anything contained herein or in subparagraph (b) below to the contrary notwithstanding, the written consent of the Lessor shall not be required for any of the foregoing alterations, enclosures, additions made by the removal of any additions, improvements or fixtures from the apartment by a holder of "Unsold Shares," as defined in Paragraph 38 of this Lease.

(b) If the Lessee, or a prior Lessee, shall have heretofore placed, or the Lessee shall hereafter place in the apartment, at the Lessee's own expense, any additions, improvements, appliances or fixtures, including but not limited to fireplace mantels, lighting fixtures, refrigerators, dishwashers, washing machines, ranges, woodwork, wall paneling, ceilings, special doors or decorations, special cabinet work, special stair railings or other built-in ornamental items, which can be removed without structural alterations or permanent damage to the apartment, then title thereto shall remain in the Lessee and the Lessee shall have the right, prior to the termination of this lease, to remove the same at the Lessee's own expense, provided that (i) 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) prior to any such removal, the Lessee shall give written notice thereof to the Lessor; (iii) 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 installation or removal of any of such additions, improvements, appliances or fixtures; (iv) 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 (v) if any mortgagee had acquired a lien on any such property prior to the execution of this lease, the Lessor shall have first procured from such mortgagee its written consent to such removal, and any cost and expense incurred by the Lessor in respect thereof shall have been paid by the Lessee.

(c) On the expiration or termination of this lease, the Lessee shall surrender to the Lessor possession of the apartment with all additions, improvements, appliances and fixtures then included therein, except as hereinabove provided. Any additions,

improvements, appliances or fixtures not removed by the Lessee on or before such expiration or termination of this lease, at the option of the Lessor, shall be deemed abandoned and shall become the property of the Lessor and may be disposed of by the Lessor without liability or accountability to the Lessee. Any other personal property not removed by the Lessee at or prior to the termination of this Lease maybe removed by the Lessor to any place of storage and stored for the account of the Lessee without the Lessor in any way being liable for trespass, conversion or negligence by reason of any acts of the Lessor or of the Lessor's agents, or of any carrier employed in transporting such property to the place of storage, or by reason of the negligence of any person in caring for such property while in storage.

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

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

23. In ease a notice of mechanic's lien against the buildings shall be filed purporting to be for labor or material furnished or delivered at the buildings 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 (10) 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.

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.

25. The Lessor and its agents shall be permitted to visit, examine or enter the apartment areas appurtenant thereto and any storage space assigned to the 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 buildings or to cure any default by the Lessee and to remove such portions of the walls, floors and ceilings of the apartment areas appurtenant thereto and any such storage space as may be required for any such purpose, but the Lessor shall thereafter restore the apartment, appurtenant areas and storage space to their proper and usual condition at the Lessor's expense if such repairs are the obligation of the Lessor, or at the Lessee's expense if such repairs are the obligation of the Lessee or are caused by the act or omission of the Lessee or the agents, employees, guests or members of the family of the Lessee or any occupant of the apartment. In order that the Lessor shall at all times have access to the apartment, appurtenant areas and storage space for the purposes provided for in this Lease, the Lessee shall provide the Lessor with a key to each lock providing access thereto, 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, appurtenant areas 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, appurtenant areas or storage space, or any of the pipes, fixtures, appliances or appurtenances therein contained, except as herein specifically provided.

26. The failure of the Lessor to insist, in any one or more instances, upon a strict performance of any of the provisions of this Lease, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding, shall not be construed as a waiver, or a relinquishment for the future, of any such provisions, options or rights, but such provisions, options or rights 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.

27. Any notice by or demand from either party to the other shall be duly given only if in writing and sent by certified or registered mail, return receipt requested: if by the Lessee, addressed to the Lessor at the buildings with a copy sent by regular mail to the Lessor's managing agent; if to the Lessee, addressed to the buildings. 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 except notices in respect of a change of address shall be deemed given when received.

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 any act or 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.

29.(a) The Lessor shall not be liable, except by reason of Lessor's negligence, for any failure or insufficiency of heat, or of air conditioning (where air conditioning is supplied or air conditioning equipment is maintained by the Lessor), water supply, electric current, gas, telephone, or elevator service or other service which may 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 buildings, or to 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 the Lessor's control, unless due to the Lessor's negligence.

(b) If the Lessor shall furnish to the Lessee any storage bins 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 Lessee shall not use such storage bins or space for the storage of valuable or perishable property and any such storage bins or space assigned to the Lessee shall be kept by the Lessee clean and free of toxic, inflammable and combustible materials. 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 the Lessee may make of such equipment shall be at his own cost, risk and expense.

(c) The Lessor shall not be responsible for any loss of, or damage to any automobile or other vehicle left in the care of any employee of the Lessor, 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.

30. The Lessee shall not require, permit, suffer or allow the cleaning of any window in the premises from the outside (within the meaning of Section 202 of the New York Labor Law) unless such cleaning is undertaken by or through the Lessor or the equipment and safety devices required by law, ordinance, rules and regulations, including, without limitation, Section 202 of the New York Labor Law, are provided and

used, and 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, rules and regulations.

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 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 reenter the apartment and to remove all persons and personal property therefrom, either by summary dispossess proceedings, or by any suitable action or proceeding at law or in equity, or by force or otherwise, and to repossess the apartment in its former 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 reentry, repossession and removal herein granted and reserved:

(a) if the Lessee shall cease to be the owner of the shares to which this lease is appurtenant (except as otherwise provided in subparagraph (b) of Paragraph 16 of this lease), or if this lease shall pass or be assigned to anyone who is not the owner of all of said shares;

(b) if at any time during the term of this lease (i) the then holder hereof shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all of the property of such holder or of this lease shall be appointed under any provision of the laws of the State of New York, or under any statute of the United States or any other 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 (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 or a person to whom the Lessee has assigned this lease in the manner herein permitted, but this subsection (v) shall not be applicable if this lease shall devolve upon the executors or administrators of the Lessee and provided that within eight (8) months (which period may be extended by the Directors) after the death of the Lessee said lease and shares shall have been transferred to any assignee in accordance with Paragraph 16 hereof; or (vi) this lease or any of the shares to which it is appurtenant shall pass to anyone other than the Lessee herein named by reason of a default by the Lessee under a pledge or security agreement or a leasehold mortgage made by the Lessee;

(c) subject to the provisions of Paragraphs 38 and 39 hereof, if there be an assignment of this lease, or any subletting hereunder, without full compliance with the requirements of Paragraphs 15 or 16 hereof, or if any person not authorized by Paragraph 14 shall be permitted to use or occupy the apartment, and the Lessee shall fail to cause such unauthorized person to vacate the apartment within ten (10) days after written notice from the Lessor;

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

(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, provided, however, that if said default consists of the failure to perform any act the performance of which requires any substantial period of time, then, if within said period of thirty (30) 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;

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

(g) if at any time the Lessor shall determine, upon the affirmative vote of 66-2/3% of its then Directors at a meeting of such Directors duly called for that purpose, and the affirmative vote of the record holders of at least 66-2/3% in amount of its then issued and outstanding shares, at a shareholders' meeting duly called for that purpose, to terminate all proprietary leases;

(h) if a building or substantial portions thereof shall be destroyed or damaged and the shareholders shall decide not to repair or rebuild as provided in Paragraph 4;

(i) if at any time the buildings or substantial portions thereof shall be taken by condemnation proceedings; and

(j) if the Lessee shall default in the payment or performance of any of the Lessee's obligations under any pledge or other security agreement given a Secured Party (who has complied with the provisions of Paragraph 39) and written notice of such default is given to the Lessor by the Lender or its counsel.

32.(a) In the event the Lessor resumes possession of the apartment, either by summary proceedings, actions of ejectment or otherwise, because of default by the Lessee in 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 subsection (j) of Paragraph 31, the Lessee shall continue to remain liable for payment of a sum equal to the rent which would have become due hereunder and shall pay the same in installments at the time such rent would be due hereunder. No suit brought to recover any installment of such rent or additional rent shall prejudice the right of the Lessor to recover any subsequent installment(s). 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 name, for a term or terms that 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 apartment has been relet for the Lessor's own account. The fact that the Lessor may have relet the apartment as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet the apartment for its own account. If the Lessor relets the apartment as agent for the Lessee, it shall, after reimbursing itself for its expenses in connection therewith, including leasing commissions and a reasonable amount for attorneys' fees and expenses, and decorations, alterations and repairs in and to the apartment, apply the remaining avails of such reletting against the Lessee's continuing obligations hereunder. There shall be a final accounting between the Lessor and the Lessee upon the earliest of the four following dates: (A) the date of expiration of the term of this lease as stated on page 1 hereof; (B) the date as of which a new proprietary lease covering the apartment shall have become effective; (C) the date the Lessor gives written notice to the Lessee that it has relet the apartment for its own account; (D) the date upon which all proprietary leases of the Lessor terminate. From and after the date upon which the Lessor becomes obligated to account to the Lessee, as above provided, the Lessor shall have no further duty to account to the Lessee for any avails or 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.

(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, at its option and as long as such default shall continue, may 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 on the part of the Lessor of any subletting or assignment by the Lessee, or a release or discharge of any of the obligations of the Lessee hereunder.

(c) Upon the termination of this lease under the provisions of subsections (a) to (f) inclusive or subsection (j) of Paragraph 31, the Lessee shall surrender to the Lessor the certificate for the shares of the Lessor 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 appurtenant to proprietary leases then in force. Upon such issuance the certificate owned or held by the Lessee shall be automatically cancelled and rendered null and void. The Lessor shall apply the proceeds received for the issuance of such shares towards the payment of the Lessee's indebtedness hereunder, including interest, attorneys' fees and other expenses incurred by the Lessor, and, if the proceeds are sufficient to pay the same, the Lessor shall pay over any surplus, first, if the termination has resulted from a default specified in subsection (j) of Paragraph 31, to any Lender, and second (or first if such default be other than a default so specified in said subsection (j)), to the Lessee; but, if the proceeds are insufficient, the Lessee shall remain liable for the balance of the indebtedness due hereunder (or, if applicable, to any Lender). Upon the issuance of any 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.

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 meanings.

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

35.(a) This lease may be cancelled by the Lessee on September 30, 1985, or on any September 30 thereafter, upon complying with all the provisions hereinafter set forth. Irrevocable written notice of intention to cancel must be given by the Lessee to the Lessor on or before April 1 in the calendar year in which such cancellation is to occur. At the time of the giving of such notice of intentions to cancel there must be deposited with the Lessor

by the Lessee:

(i) the Lessee's counterpart of this lease with a written assignment in form required by the Lessor, in blank, effective as of August 31 of the year of cancellation, free from all subleases, tenancies, liens, encumbrances and other charges whatsoever (except rights of occupancy of third parties existing on the date the Lessor acquires title to the buildings);

(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: and

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

(b) All additions, improvements, fixtures, appliances and equipment which are removable under the terms of this lease and which we enumerated in the statement made as provided in subsection (iii) above shall be removed by the Lessee prior to August 31 of the year of cancellation, and on or before said August 31 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 and other charges which shall be payable under this lease up to and including the September 30 following the notice to cancel.

(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 31 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.

(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 30 fixed in said notice, and the shares of the Lessor previously owned by the Lessee shall become the absolute property of the Lessor, provided, however, that the Lessee shall not be released from any indebtedness owing to the Lessor on said last mentioned date.

(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 30 (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 or intention to cancel this lease, or (ii) of treating this lease as cancelled as of the

September 30 fixed in said notice, 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.

36.(a) If on April 1 in any year the total number of shares owned by lessees holding proprietary leases for apartment in the buildings who have given notice pursuant to Paragraph 35 of intention to cancel such proprietary leases on September 30 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 30 in such year, give a written notice to the holders of all issued and outstanding shares of the Lessor stating the total number of shares then outstanding and in its treasury and the total number of shares owned by lessees holding proprietary leases who have given notice of intention to cancel. In such case the proprietary lessees to whom such notice shall have been given shall have the right to cancel their leases in compliance with the provisions of Paragraph 35 hereof, provided only that written notice or the intention to cancel such leases shall be given on or before July 1 instead of April 1.

(b) If lessees owning at least 66-2/3% of the then issued and outstanding shares of the Lessor shall exercise the option to cancel their leases in one year, then this and all other proprietary leases shall thereupon terminate on the September 30 of the year in which such options shall have been exercised, as though every lessee had exercised such option. In such event none of the lessees shall be required to surrender his shares to the Lessor and all certificates for shares delivered to the Lessor by those who had, during that year, served notice of intention to cancel their leases under the provisions hereof shall be returned to such Lessees.

37. No later than thirty (30) days after the termination of all proprietary leases for space in the buildings, 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 buildings as residential apartment buildings, (b) to alter, demolish or rebuild the buildings or any part thereof, or (c) to sell the buildings and liquidate the assets of the Lessor, and the Directors shall carry out the determination made by the holders of 66-2/3% of the shares of the Lessor then issued and outstanding at said meeting of shareholders of the Lessor, and all of the holders of the then issued and outstanding shares of the Lessor shall have such rights as enure to shareholders of corporations having title to real estate.

38.(a) The term "Unsold Shares" means and refers to shares of the Lessor which have been issued or transferred to the Sponsor, or to an individual or individuals produced by the Sponsor, or to a nominee or designee of such individual or individuals, as provided in the Cooperative Offering Plan relating to premises 150-152-154 Overlook Avenue, Peekskill, New York, dated February 24, 1983; and all shares which are Unsold Shares shall retain their character as such (regardless of transfer) until an individual purchases the same for use and occupancy of the apartment to which this lease is allocated by himself or a member of his family.

(b) The assignment of this lease by a holder of Unsold Shares or the subleasing of the apartment shall not require the consents of the Directors or shareholders as provided in Paragraphs 15 and 16 of this lease; and a holder of Unsold Shares shall not be required to pay any sums for expenses of the Lessor and its managing agent set forth in subparagraph (a)(iv) of said Paragraph 16.

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

39.(a) Anything contained in Paragraph 17 or in any other provision of this lease to the contrary, in the event the Lessee shall have pledged this lease and the shares to which it is appurtenant and/or shall have entered into a mortgage or other security agreement of this lease and the shares to which it is appurtenant, and provided that the pledgee, mortgagee or secured party (hereinafter called the "Secured Party") shall have given the Lessor's managing agent written notice of the existence or such pledge, which notice shall be accompanied by (i) a copy of the note, security agreement and any other relevant documents, (ii) an undertaking by the Secured Party, in form and substance satisfactory to the Lessor, to notify the Lessor by registered mail (with a copy to the Lessor's managing agent by ordinary mail) as soon as the loan has been repaid, and (iii) an undertaking by the Secured Party, in form and substance satisfactory to the Lessor, to indemnify the Lessor, its directors, officers, agents and employees for loss, liability or expels (including reasonable counsel fees) arising out of any claims by the Lessee or others because or any action or failure to take action pursuant to the terms of this paragraph (but such undertaking may be conditioned upon the Secured Party having been given prompt notice by registered mail of such claim and the opportunity to contest such claim at the Secured Party's sole cost and expense with the cooperation of the person or persons against whom the claim is asserted), then, during the existence of such pledge, the Lessor shall, if requested to do so by the Secured Party, give to the Secured Party a copy of any notice or default which the Lessor gives to the Lessee pursuant to the terms of this lease, and, if the Lessee shall fail to cure the default specified in such notice within the time and in the manner provided for in this lease, then the Secured Party shall have an additional period of time, equal to the time originally give to the Lessee, to cure said default for the account of the Lessee or to cause same to be cured, and the Lessor shall not act upon said default unless and until the time in which the Secured Party may cure said default or cause same to be cured aforesaid shall have elapsed, and the default shall not have been cured.

(b) If the Lease is terminated by the Lessor as provided in Paragraph 31 or 35 of this lease. or by agreement with the Lessee, (i) the Lessor promptly shall give notice of such termination to the Secured Party and (ii) upon request of the Secured Party made within thirty (30) days of the giving of such notice the Lessor (A) shall commence and prosecute a summary dispossession proceeding at the Secured Party's sole cost and

expense to obtain possession of the apartment, and (B) shall, within sixty (60) days of its receipt of the aforesaid request by the Secured Party, reissue the aforementioned shares to, and shall enter into a new proprietary lease for the apartment with, any individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, all without the consent of the Directors or the shareholders to which reference is made in Paragraphs 16(a)(vi) and 32(c) but the consent only of the Lessor's then managing agent which shall not be unreasonably withheld or delayed, provided, however that the Lessor shall have received payment, on behalf of the Lessee, of all rent, additional rent and other sums owed by the Lessee to the Lessor under this lease for the period ending on the date of reissuance of the aforementioned shares of the Lessor including, without limitation, sums owed under Paragraphs 32(a) and (c) of this Lease; the individual designated by the Secured Party (if and as long as such individual or a member of his family does not actually occupy the apartment) shall have all of the rights provided for in Paragraphs 15, 16, 21 and 38 of this lease as if he were a holder of Unsold Shares; and, accordingly, no surplus shall be payable by the Lessor to the Lessee as otherwise provided in Paragraph 32(c).

(c) If the purchase by the Lessee of the shares appurtenant to the apartment was financed by a loan made by the Sponsor, the individual(s) who acquired the Unsold Shares, or a bank, savings bank or savings and loan association, and a default or an event of default shall have occurred under the terms of the security agreement or leasehold mortgage or either of them entered into between the Lessee and the Secured Party, and if (i) notice of said default or event of default shall have been given to the Lessor, (ii) an individual designated by the Secured Party or the individual nominee of the individual so designated by the Secured Party shall be entitled to become the owner of the shares and the lessee under this lease pursuant to the terms of said security agreement or leasehold mortgage, or either of them, (iii) not less than five (5) days written notice of an intended transfer of the shares and this lease shall have been given to the Lessor and the Lessee, (iv) there has been paid, on behalf of the Lessee, all rent, additional rent and other sums owed by the Lessee to the Lessor under this lease for the period ending on the date of transfer of the aforementioned shares as hereinafter provided, and (v) the Lessor shall be furnished with such affidavits, certificates, and opinions of counsel, in form and substance reasonably satisfactory to the Lessor, indicating that the foregoing conditions (i) to (iv) inclusive have been met, then (A) a transfer of the shares and the proprietary lease shall be made to such individual, upon request, and without the consent of the Directors or the shareholders to which reference is made in Paragraph 16(a)(vi) but with the consent only of the Lessor's then managing agent which shall not be unreasonably withheld or delayed, and (B) the individual to whom such transfer is made (if and as long as such individual or a member of his family does not actually occupy the apartment) shall have all of the rights provided for in Paragraphs 15, 16, 21 and 38 of this lease as if he were a holder of Unsold Shares.

(d) Without the prior written consent of any Secured Party who has requested a copy of any notice of default as hereinbefore provided in subparagraph (a) of this Paragraph 39, (i) the Lessor and the Lessee will not enter into any agreement modifying or cancelling this lease, (ii) no change in the form, terms or conditions of this lease, as

permitted by Paragraph 6, shall eliminate or modify any rights, privileges or obligations of a Secured Party as set forth in this Paragraph 39, (iii) the Lessor shall not terminate or accept a surrender of this lease, except as provided in Paragraphs 31 or 35 of this lease and in subparagraph (b) of this Paragraph 39, (iv) the Lessee shall not assign this lease or sublet the apartment, (v) any modification, cancellation, surrender, termination or assignment of this lease or any sublease of the apartment not made in accordance with the provisions hereof shall be void and of no effect, (vi) the Lessor shall not consent to any further mortgage or create any further security interest in the shares or this lease, and (vii) any such further mortgage or security interest shall be void and of no effect.

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

(f) Anything contained in this Paragraph 39 to the contrary notwithstanding, the Lessor shall not be liable to any Secured Party if through oversight or negligence on its part or the part of its agents or employees it fails to comply with its obligations to the Secured Party, provided that (i) the Lessor shall promptly notify the Secured Party upon discovery of such failure and (ii) the Lessor shall thereafter insofar as possible comply with such obligations.

40. Anything contained in this lease to the contrary notwithstanding, 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 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 buildings and may not be modified or annulled without the prior written consent of any such mortgage holder.

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

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

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

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

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

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

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

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

(c) the shares represented by each certificate and the appurtenant lease are subject to a first lien of the Lessor, as described in the Lessor's By-Laws.

47. If at any time or times during the term of this lease the consumption of electricity in the apartment is measured by a meter which also measures consumption

outside the apartment, the Lessor may determine from time to time, by resolution of the Directors; the charges, if any, to be paid by the Lessee on account of such consumption of electricity and any such charges shall be payable monthly in advance or in such payments or installments as shall be required by the Directors, and at such times as shall be determined by them.

48. Neither the Lessor nor the Lessee shall discriminate against any person because of his race, creed, color, sex, national origin or ancestry when exercising any right reserved in this lease.

49. 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.

50. Neither the index nor the marginal headings of the several paragraphs of this lease shall be deemed a part of this lease, nor used as evidence of the intent of the parties.

51. The provisions of this lease shall be governed by and construed in accordance with the laws of the State of New York, and may not be changed, amended, discharged, waived or terminated orally.

IN WITNESS WHEREOF, the parties have executed this lease.

**RIVER RIDGE OWNERS CORP.,** Lessor

By: \_\_\_\_\_

\_\_\_\_\_  
, Lessee

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

On the \_\_\_ day of \_\_\_\_\_ in the year 20\_\_\_ before me, the undersigned, a Notary Public in and for said State, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the person upon behalf of which the individual acted, executed the instrument.

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

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

On the \_\_\_ day of \_\_\_\_\_ in the year 20\_\_\_ before me, the undersigned, a Notary Public in and for said State, personally appeared **[SHAREHOLDER NAME]**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity and that by her signature on the instrument, the person upon behalf of which the individual acted, executed the instrument.

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

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

On the \_\_\_th day of \_\_\_\_\_ in the year 20\_\_\_ before me, the undersigned, a Notary Public in and for said State, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity and that by her signature on the instrument, the person upon behalf of which the individual acted, executed the instrument.

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

## HOUSE RULES

- (1) The public halls and stairways of the Buildings shall not be obstructed or used for any purpose other than the ingress to and egress from the apartments in the Buildings.
- (2) Children shall not play in the public halls, courts, stairways, fire towers or elevators, and shall not be permitted on the roof unless accompanied by a responsible adult.
- (3) No public hall of the Buildings shall be decorated or furnished by any Lessee in any manner without the prior consent of all of the Lessees to whose apartments such hall serves as a means of ingress and egress, in the event of disagreement among such Lessees, the decision of the Lessor's Board of Directors shall be determinative.
- (4) No Lessee shall make or permit any disturbing noises in the Buildings or do or permit anything to be done therein which will interfere with the rights, comfort or convenience of other Lessees. No Lessee shall play upon or permit to be played upon any musical instrument or permit to be operated a phonograph or a radio or television loud speaker in such Lessee's apartment between the hours of 11:00 p.m. and the following 8:00 a.m. if the same shall disturb or annoy other occupants of the Buildings. No construction or repair work or other installation involving noise shall be conducted in any apartment except on weekdays (not including legal holidays) and only between the hours of 8:30 a.m. and 5:00 p.m. of the Buildings without similar approval.
- (5) No article shall be placed in the halls or on the staircase landings, nor shall anything be hung or shaken from the doors, windows, terraces or balconies or placed upon the window sills of the Buildings.
- (6) No awnings, window air-conditioning units or ventilators shall be used in or about the Buildings except such as shall have been expressly approved by the Lessor or the managing agent, nor shall anything be projected out of any window of the Buildings without similar approval.
- (7) No sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the Building, except such as shall have been approved in writing by the Lessor or the managing agent.
- (8) No velocipedes, bicycles, scooters, baby carriages or similar vehicles shall be allowed to and in the public halls, passageways, areas or courts of the Buildings.
- (9) Any items not accommodated by compacter or incinerator will be disposed of under rules established by the Board of Directors.
- (10) Water closets and other water apparatus in the Buildings shall not be used

for any purposes other than those for which they were constructed, nor shall any sweepings, rubbish, rags or any other article be thrown into the water closets. The cost of repairing any damage resulting from misuse of any water closets or other apparatus shall be paid for by the Lessee in whose apartment it shall have been caused.

(11) No Lessee shall send any employee of the Lessor out of the Buildings on any private business of a Lessee.

(12) No bird or animal shall be kept or harbored in the Buildings unless the same is kept or harbored on the date of presentation of the Offering Plan or without the consent of the Lessor, which shall not be unreasonably withheld. In no event shall dogs be permitted on elevators or in any or the public portions of the Buildings or common areas unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, balconies or in the yard, court spaces or other public portions of the Buildings, or on the sidewalks or streets adjacent to the Buildings. Lessees shall not cause or permit any unsanitary or objectionable condition to develop as a result of harboring a bird or animal on the premises and each Lessee shall be responsible for cleaning and removing any unsanitary or objectionable condition caused by his bird or animal in the Buildings or common areas.

(13) No radio or television aerial shall be attached to or hung from the exterior of the Buildings without the prior written approval of the Lessor or the managing agent.

(14) No vehicle belonging to a Lessee or to a member of the family or guest, subtenant or employee of a Lessee shall be parked in such manner as to impede or prevent ready access to any entrance of the Buildings by another vehicle. Commercial vehicles shall not be permitted to park, even in assigned spaces, on a regular basis.

(15) The Lessee shall use the available laundry facilities only upon such days and during such hours as may be designated by the Lessor or the managing agent.

(16) The Lessor shall have the right from time to time to curtail or relocate any space devoted to storage or Laundry purposes.

(17) Unless expressly authorized by the Lessor's Board of Directors in each case, the floors of each apartment must be covered with rugs or carpeting or equally effective noise-reducing material to the extent of at least 80% of the floor area of each room, excepting only kitchens, pantries, bathrooms, closets and foyer.

(18) No group tour or exhibition of any apartment or its contents shall be conducted, nor shall any auction sale held in any apartment, without the consent of the Lessor or its managing agent.

(19) The Lessee shall keep the windows of the apartment clean and shall cover the same with shades or venetian blinds or draperies. In case of refusal or neglect of the Lessee during 10 days after notice in writing from the Lessor or the managing agent to

clean the windows, such cleaning may be done by the Lessor which shall have the right, by its officers or authorized agents, to enter the apartment for the purpose and to charge the cost of such cleaning to the Lessee.

(20) The passenger elevators are of automatic type and intended for operation by a passenger.

(21) Complaints regarding the service of the Buildings shall be made in writing to the managing agent of the Lessor.

(22) Any consent or approval given under these House Rules by the Lessor shall be revocable at any time.

(23) No Lessee shall install any plantings on any terrace, balcony or roof without the prior written approval of the Lessor, nor shall such areas be used as storage space. Plantings shall be contained in boxes of wood lined with metal or other material impervious to dampness and standing on supports at least two inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. It shall be the responsibility of the Lessee to maintain the containers in good condition and the drainage tiles and weep holes in operating condition.

(24) If any storage space outside of the apartment is furnished by the Lessor, the Lessor shall have no liability in connection therewith and such space may be used only for storage of empty trunks and bags and for such other items as the Lessor may consent to.

(25) The agents of the Lessor, and any contractor or workman authorized by the Lessor, may enter any apartment at any reasonable hour of the day for the purpose of inspecting such apartment to ascertain whether measures are necessary or desirable to control or exterminate any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests. If the Lessor takes measures to control or exterminate carpet beetles, the cost thereof shall be payable by the Lessee as additional rent.

(26) The House Rules may be added to, amended or repealed at any time by resolution of the Lessor's Board of Directors.

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