

Apt. No.:

Shares :

BIRCHWOOD GLEN OWNERS CORP.

Lessor,

TO

Lessee

PROPRIETARY LEASE

141
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PROPRIETARY LEASE, made as of
 19 , by and between BIRCHWOOD GLEN OWNERS CORP.
 a New York corporation having an office at c/o
 Wofsey, Certilman, Haft, Lebow & Balin, 71 South
 Central Avenue, Valley Stream, New York 11580
 hereinafter called the Lessor, and
 residing at
 , hereinafter called the Lessee.

Whereas, the Lessor is the owner of the land
 and buildings erected thereon known as "Birchwood
 Glen, 5, 7, 10, 11, 14, 18, 21, and 25 Glen Hollow
 Drive, Holtsville, New York, (the "Buildings");

Whereas, the Lessee is the owner of shares
 of the Lessor to which this lease is appurtenant
 and which have been allocated to Apartment No. in
 the Buildings;

Now, Therefore, in consideration of the pre-
 mises, the Lessor hereby leases to the Lessee, and
 the Lessee hires from the Lessor, subject to the
 terms and conditions hereof, Apartment No. in the
 Building (hereinafter referred to as the "apart-
 ment") for a term from , 19
 until July 1, 2060 (unless sooner terminated as
 hereinafter provided). As used herein "the apart-
 ment" means the rooms in the Building as partitioned
 on the date of the execution of this lease, designa-
 ted by the above-stated apartment number, together
 with their appurtenances and fixtures, closets,
 roof, or portion thereof outside of said partitioned
 rooms, which are allocated exclusively to the occu-
 pant of the apartment.

Demised
 Premises

Term

1.(a) The rent (sometimes called "mainten-
 ance") payable by the Lessee for each year, or por-
 tion 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 determi-
 nation of such cash requirements. Such maintenance
 shall be payable in equal monthly installments, in
 advance, on the first day of each month, unless
 the Board of Directors of the Lessor (hereinafter

Rent
 (Mainten-
 ance)
 How Fixed

called "Directors") at the time of its determination of the cash requirements shall otherwise direct. The Lessee shall also pay such additional rent as may be provided for herein where due.

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, [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 Require-
ments 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 it may deem proper; (iii) the payment of, or the establishment of a reserve for, any rentals and other sums payable under any ground leases covering the property owned by the Lessor; and (iv) 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 its discretion may choose to apply. The Directors may from time to time modify its prior determination and increase or diminish the amount previously determined as cash requirements of the corporation for a year or portion thereof. No determination of cash requirements shall have any retroactive effect on the amount of the rent payable by the Lessee for any period prior to the date of such determination. All determinations of cash requirements shall be conclusive as to all lessees.

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.

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

Issuance of Additional Shares

(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". Unless the Directors shall determine otherwise the amount of payments on account of principal of any mortgages shall be credited to Paid-in-Surplus.

Paid-In Surplus

(g) The failure of the Directors to determine the Lessor's cash requirements for any year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof, or a release of the Lessee from the obligation to pay the maintenance or any instalment thereof, but the maintenance computed on the basis of the cash requirements as last determined for any year or portion thereof shall thereafter continue to be the maintenance until a new determination of cash requirements shall be made.

Failure to Fix Cash Requirements

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

Lessor's Repairs

3. The Lessor shall maintain and manage the Buildings as first-class apartment buildings, and shall keep the public halls, cellars and stairways clean and properly lighted and heated, and shall provide the number of attendants requisite, in the judgment of the Directors, for the proper care and

Services by Lessor

service of the Buildings, and shall provide the apartment with a proper and sufficient supply of hot and cold water and of heat. The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Directors to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the Buildings, and also what existing services shall be increased, reduced, changed, modified or terminated.

Damage to
Apartment or
Buildings

4. (a) If the apartment or the means of access thereto or the Buildings shall be damaged by fire or other cause covered by multiperil policies commonly carried by corporations owning "cooperative apartment buildings" in New York State (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 apartment, and the means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits in the apartment.

Anything in this paragraph or paragraph 2 to the contrary 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 title 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 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.

(c) If the Directors shall determine that (i) the Building are totally destroyed by fire or other cause, or (ii) the Buildings are so damaged that they 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 (2/3) of the issued and outstanding shares of the capital stock 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 and in no event shall the Lessee have any option or right to terminate this Lease except as provided herein.

Expira-
tion of
Lease
Due to
Damage

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

Waiver
of Sub-
rogation

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

Inspection
of Books
of Account

sheet and a statement of income and expenses, certified by an independent certified public accountant.

Changes
in Terms
and Condi-
tions 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 of shares owned by the Lessee, 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 executed by the Lessor and the affected lessee. The form and provisions of all the proprietary leases then in effect and thereafter to be executed may be changed by the approval of lessees owning at least 66-2/3% of the Lessor's shares then issued and outstanding, and such changes shall be binding on all lessees even if they did not vote for such changes except that (i) the proportionate share of rent or cash requirements payable by any lessee may not be increased, (ii) the right of any lessee to cancel his lease under the conditions set forth in Paragraph 35 may not be eliminated or impaired, without, in each of the foregoing instances, the express consent of the lessee affected, and (iii) the provisions hereof are subject to the provisions of Paragraphs 37(c) and 38(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.

Assignment
of Lessor's
Rights
Against
Occupant

7. If at the date of the commencement of this lease, any third party shall be in possession or have the right to possession of the apartment, then the Lessor hereby assigns to the Lessee all of the Lessor's rights against said third party from and after the date of the commencement of the term hereof, and the Lessee by the execution hereof assumes all the Lessor's obligations to said third party from said date. The Lessor agrees to cooperate with the Lessee, but at the Lessee's expense, in the enforcement of the Lessee's rights, against said third party.

Cancellation
of Prior
Agreements

8. 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.

8a. If the occupant is an Eligible Senior Citizen or Eligible Disabled Person as those terms are defined in Section 352-e(2-a) of the General Business Law and in the Plan, Lessor and Lessee hereby agree that their rights under this lease are subject to the rights of said occupants and that the Lessee's successors and assignees under the Lease shall continue to be bound by such rights so long as such occupancy continues. Said occupants may not be evicted by the Lessee for purposes of owner occupancy, such right being intended for the benefit of the occupant, and not being intended to abrogate any rights of the Lessee as against the Lessor. No eviction proceeding may be commenced at any time against the Eligible Senior Citizen or Eligible Disabled Person other than for nonpayment of rent, illegal use or occupancy, refusal of access or similar breach of obligation.

Assignment
of Lessor's
Obligations
to Eligible
Senior Citi-
zens or Eli-
gible Dis-
abled Persons

Lessor and Lessee hereby agree that any occupant subject to government regulation or to rentals and continued occupancy shall continue to be subject thereto. Lessor and Lessee further agree that the rentals of any such occupants who reside in Apartments not subject to government regulation as to rentals and continued occupancy, and any such occupants who reside in Apartments with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Offering Plan has become effective, shall not be subject to unconscionable increases beyond ordinary rentals for comparable Apartments during the period of their occupancy. Lessor and Lessee further agree that any occupant's renewal lease or renewal sublease may provide that eviction proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of access to the Lessor or Lessee or a similar breach by the occupant of his obligations to the Lessor and Lessee. The Lessor and Lessee further agree that this Section of the Proprietary Lease concerning said Eligible Senior Citizen and Eligible Disabled Person may not be subsequently amended or deleted.

9. 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 lawsuit, trouble or hin-

Quiet
Enjoyment

drance 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.

10. 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 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 to the extent the Lessor is covered by insurance which provides for waiver of subrogation against the Lessee.

Indemnity

11. The Lessee will pay the rent to the order of Lessor upon the terms and at the times herein provided, without any deduction on account of any set-off or claim which the Lessee may have against the Lessor, and if the Lessee shall fail to pay any installment of rent promptly, the Lessee shall pay interest thereon at the maximum legal rate from the date when such installment shall have become due to the date of the payment thereof, and such interest shall be deemed additional rent hereunder.

Payment
of Rent

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

House
Rules

Use of
Premises

13. 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, but no apartment may be occupied by more than one family at a time without the written consent of Lessor. As used herein, members of the family shall include spouse, parents, children, parents in law, brothers, sisters, grandchildren or no more than three persons unrelated by blood or marriage. The term "spouse" as used herein shall also include a member of the same or opposite sex with whom the Lessee actually resides. In addition to the foregoing, the apartment may be occupied from time to time by guests of the Lessee for a period of time not exceeding one month, unless a longer period is approved in writing by the Lessor, but no guests may occupy the apartment unless one or more of the permitted adult residents are then in occupancy or unless consented to in writing by the Lessor.

Subletting

14. Except as provided in Paragraphs 37 and 38 of this lease, the Lessee shall not sublet the whole or any part of the apartment or renew or extend any previously authorized sublease, unless consent thereto shall have been duly authorized by a resolution of the Directors, (which consent shall not be unreasonably withheld) or given in writing by a majority of the Directors or, if the Directors shall have failed or refused to give such consent, then by lessees owning at least $66\frac{2}{3}\%$ of the then issued and outstanding shares of the Lessor. Consent by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Any consent to subletting may be subject to such conditions as the Directors or lessees, as the case may be, may impose, except that the Directors (acting as a Board) may not impose unreasonable conditions.

Assignment

15. (a) Except as provided otherwise in 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:

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

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

(iii) All shares of the Lessor to which this lease is appurtenant shall have been transferred to the assignee, with proper transfer taxes paid and stamps affixed; and

(iv) All sums due from the Lessee shall have been paid to the Lessor, together with any transfer fee or "tax" imposed by the Directors, and a sum to be fixed by the Directors to cover reasonable legal and other expenses of the Lessor and its Managing agent, in connection with such assignment and transfer of shares; and

(v) A "Tax Status Determination" (as defined in Paragraph 49) is obtained.

(vi) A search or certification is obtained from a title insurance or abstract company as the Directors may require; and

(vii) Except in the case of an assignment, transfer or bequest to the Lessee's spouse (as that term is defined in Paragraph 13), of the shares and this lease, and except as provided in Paragraphs 16, 37 or 38 of this lease, consent to such assignment shall have been authorized by resolution of the Directors, or given in writing by a majority of the Directors; or, if the Directors shall have failed or refused to give such consent within 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. Consent by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose in the manner as provided in the By-Laws.

Consents:
On Death of
Lessee

(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 that term is defined in Paragraph 13 as to whom no consent is required).

Consents
Generally:
Lessees' and
Directors
Obligations
to Consent

(c) There shall be no limitation, except as above specifically provided, on the right of the Directors or lessees to grant or withhold consent, for any reason or for no reason, to an assignment, where such consent is required, except that the Directors (acting as Board) shall not unreasonably withhold their consent to an assignment.

Release of
Lessee Upon
Assignment

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

Further
Assignment
or Sub-
letting

(e) Regardless of any prior consent theretofore given, neither the Lessee nor his executor, nor administrator, nor any trustee or receiver of the property of the Lessee, nor anyone to whom the interests of the Lessee shall pass by law, shall be entitled further to assign this lease, or to sublet the apartment, or any part thereof, except upon compliance with the requirements of this lease. The restrictions on the assignment 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 rent from any assignee hereof shall constitute or be deemed to constitute a consent to or approval of any assignment.

Statement
by Lessor

(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.

Pledge of
Shares and
Lease

16. (a) The execution and delivery of a leasehold mortgage and/or the creation of a security interest in the lease by pledge or otherwise and the shares to which this lease is appurtenant shall not be a violation of this lease; but, [except as provided in Paragraph 37 and 38 of this lease] neither the secured party nor the leasehold mortgagee, nor any transferee of the security shall

be entitled to have the shares transferred of record on the books of the Lessor, nor to vote such shares, nor to occupy or permit the occupancy by others of the apartment, nor to sell such shares or this lease, without first complying with all of the provisions of Paragraphs 13, 14 and 15 of this lease. The acceptance by the Lessor of payments by the secured party or leasehold mortgagee or any transferee of the security on account of rent or additional rent shall not constitute a waiver of the aforesaid provision.

(b) In the event that the Lessee shall have pledged this lease and the shares to which it is appurtenant, and provided that the pledgee (hereinafter called "the Lender") shall have given the Lessor's managing agent by ordinary mail notice of the existence of 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 Lender, 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 Lender, in form and substance satisfactory to the Lessor, to indemnify the Lessor, its directors, officers, agents and employees for loss, liability or expense (including reasonable counsel fees) arising out of any claims by the Lessee or others because of any action or failure to take action pursuant to the terms of this paragraph (but such undertaking may be conditioned upon the Lender having been given prompt notice by registered mail of such claim and the opportunity to contest such claim at the Lender'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 (notwithstanding any other provision of this lease):

(i) Not take any action to terminate this lease in the event of a default unless:

(A) requested by the Lender to do so; or

(B) the Lender shall have failed for 20 days after notice to it of the existence of any default on the part of the Lessee to pay to the Lessor all sums owing to the Lessor and to cure all other defaults specified in said notice; or

(C) the Lender shall after such 20 day period fail to make any payment coming due after the date of such notice or promptly cure any violation of which it shall thereafter receive notice.

(ii) reject a surrender or cancellation of this lease by the Lessee unless consented to by the Lender.

(iii) withhold its consent to any assignment by the Lessee of such stock and this lease unless consented to by the Lender (if such consent is required under the terms of the pledge).

(iv) accept from the Lender payment of the rent and other amounts due under the terms of this lease.

(v) upon the termination of this lease and the sale of the apartment by the Lessor, pay to the Lender any sums realized in excess of the amounts owing to the Lessor (including reasonable expenses incurred in connection with the sale).

(vi) not unreasonably withhold its consent to any assignment of such stock and this lease or a subletting of the apartment at the request of the Lender.

(c) Anything to the contrary notwithstanding, the Lessor shall not be liable to the Lender 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 Lender under subparagraph (a) or (b) of this paragraph, provided that (i) the Lessor shall promptly notify the Lender upon discovery of such failure and (ii) the Lessor shall thereafter insofar as possible comply with such obligations.

Repairs
by the
Lessee

17. (a) The Lessee shall take possession of the apartment and its appurtenances and fixtures "as is" as of the commencement of the term hereof. Subject to the provisions of Paragraph 4 hereof, the Lessee shall keep the interior of the apartment (including interior walls, floors and ceilings, but excluding windows, window panes, window frames, sashes, sills, entrance doors and frames and saddles) in good repair, shall do all

of the painting and decorating required for his apartment, including the interior of window frames, sashes and sills, and shall be solely responsible for the maintenance, repair and replacement of plumbing, gas and heating fixtures and equipment and such refrigerators, dishwashers, removable and through-the-wall air conditioners, washing machines, ranges and other appliances, as may be in the apartment. Plumbing, gas and heating fixtures as used herein shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Lessee may install within the wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes or conduits within the walls, ceilings or floors or heating equipment which is part of the standard building equipment. The Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances, and equipment, and all meters, fuse boxes or circuit breakers and electrical wiring and conduits from the junction box at the riser into and through the Lessee's apartment. Any ventilator or air conditioning device which shall be visible from the outside of the buildings 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 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.

Odors and
Noises

(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 services 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, or electricity to the Building, or if any such appliances visible from the outside of the buildings shall become rusty or discolored, the Lessee shall promptly, on notice from the Lessor, remedy the condition and, pending such remedy, shall cease using any appliance or equipment which may be creating the objectionable condition.

Equipment
and
Appliances

Rules and
Regulations
and Require-
ments 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 Buildings or the land on which it stands shall contain any provisions pertaining to the right of the Lessee to make changes or alterations in the apartment, or to remove any of the fixtures, appliances, equipment or installations, the Lessee herein shall comply with the requirements of such mortgage or mortgages relating thereto. Upon the Lessee's written request, the Lessor will furnish the Lessee with copies of applicable provisions of each and every such mortgage.

Lessee's
Right to
Remedy
Lessee's
Defaults

18. If the Lessee shall fail for thirty (30) days after notice to make repairs to any part of the apartment, its fixtures or equipment as herein required, or shall fail to remedy a condition which has become objectionable to the Lessor for reasons above set forth, or if the Lessee or any person dwelling in the apartment shall request the Lessor, its agents or servants to perform any act not hereby required to be performed by the Lessor, the Lessor may make such repairs, or arrange for others to do the same, or remove such objectionable condition or equipment, or perform such act, without liability on the Lessor; provided that, if the condition requires prompt action, notice of less than 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 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.

19. 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 Building on all policies so affected, and the Lessor shall have the right to collect the same for its benefit or the benefit of any such lessees as additional rent for the apartment due on the first day of the calendar month following written demand therefor by the Lessor.

Increase
in Rate
of Fire
Insurance

20. (a) The Lessee shall not, without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld or delayed, make, in the apartment or the Buildings, any alteration, enclosure or addition or any alterations or pipes, heating or air-conditioning units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, or any other installation or facility, as may be owned by the Lessor in the apartment or Buildings, or, except as hereinafter authorized, remove any additions, improvements or fixtures from the apartment. The performance by Lessee of any work in the apartment shall be in accordance with any applicable rules and regulations of the Lessor and governmental agencies having jurisdiction thereof. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the buildings. Anything contained herein or in subparagraph (b) hereinbelow to the contrary notwithstanding, the written consent of the Lessor shall not be required for any of the foregoing alterations, enclosures, additions made by, or the removal of any additions, improvements of fixtures from the apartment by a holder of "Unsold Shares" provided the holder does not permanently encroach upon any public area and complies with any applicable provisions of local law.

Alterations

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

Removal of
Fixtures

except as hereinafter provided. If the Lessee, or a prior lessee, shall have heretofore placed, or the Lessee shall hereafter place in the apartment, at the Lessee's own expense, any additions, improvements, appliances or fixtures, including but not limited to fireplace mantels, lighting fixtures, refrigerators, air conditioners, dishwashers, ranges, woodwork, wall paneling, ceilings, special doors or decorations, special cabinet work, special stair railings or other built-in ornamental items, which can be removed without structural alterations or permanent damage to the apartment, then title thereto shall remain in the Lessee and the Lessee shall have the right, prior to the termination of this lease, to remove the same at the Lessee's own expense, provided: (i) that the Lessee at the time of such removal shall not be in default in the payment of rent or in the performance or observance of any other covenants or conditions of this lease; and (ii) that the Lessee shall, at the Lessee's own expense, prior to the termination of this lease, repair all damage to the apartment which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; (iii) that if the Lessee shall have removed from the apartment any articles or materials owned by the Lessor or its predecessor in title, or any fixtures or equipment necessary for the use of the apartment, the Lessee shall either restore such articles and materials and fixtures and equipment and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality customary in comparable buildings and satisfactory to the Lessor; and (iv) that if any mortgagee had acquired a lien on any such property prior to the execution of this lease, 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.

Surrender
on
Expiration
of Terms

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

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

21. This lease is and shall be subject and subordinate to all present and future ground or underlying leases and to any mortgages now or hereafter liens upon such leases and/or on the Buildings and the land on which it stands, and to any and all extensions, modifications, consolidations, renewals and replacements thereof. This clause shall be selfoperative 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.

Lease
Subordinate
to Mortgages
and Ground
Leases

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 hereunder will attorn to such mortgagee or the nominee or designee of such mortgagee or to any corporation formed by or for the benefit of such mortgagee.

22. In case a notice of mechanic's lien against a 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

Mechanic's
Lien

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.

Cooperation

23. 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

24. The Lessor and its agents and their authorized workmen 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 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 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 any of the Lessee's family, guests, licensees, agents, employees or subtenants. In order that the Lessor shall at all times have access to the apartment, appurtenant area and storage rooms for the purposes provided for in this lease, the Lessee shall provide the Lessor with a key to each lock providing access to the apartment, appurtenant area or the storage rooms, and if any lock shall be altered or new lock installed, the Lessee shall provide the Lessor with a key thereto immediately upon installation. If the Lessee shall not be personally present to open and permit an entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to the Lessor, the Lessor or the Lessor's agents (but, except in an emergency, only when specifically authorized by an officer of the Lessor or an officer of the managing agent) may forcibly enter the apartment 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 obligation 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.

25. 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.

Waivers

26. Any notice by or demand from either party to the other shall be duly given only if in writing and sent by certified or registered mail, return receipt requested: if by the Lessee, addressed to the Lessor at the building with a copy sent by regular mail to the Lessor's managing agent; if to the Lessee, addressed to the Lessee 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.

Notices

27. If the Lessee shall at any time be in default hereunder and the Lessor shall incur any expense (whether paid or not) in performing acts which the Lessee is required to perform, or in instituting any action or proceeding based on such default, or defending, or asserting a counterclaim in, any action or proceeding brought by the Lessee, the expense thereof to the Lessor, including reasonable attorneys' fees and disbursements, shall be paid by the Lessee to the Lessor, on demand, as additional rent.

Reimbursement of Lessor's Expenses

Lessor's
Immunities

28. (a) The Lessor shall not be liable, except by reason of the Lessor's negligence, for any failure or insufficiency of heat, water supply, electric current, gas, telephone, or other service to be supplied by the Lessor hereunder, or for interference with light, air, view or other interests of the Lessee. No abatement of rent or other compensation or claim of eviction shall be made or allowed because of the making or failure to make or delay in making any repairs, alterations or decorations to the buildings, 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 the Lessor's negligence.

Storage
Space and
Laundry

(b) If the Lessor shall furnish to the Lessee any storage bins or space, the use of the laundry, or any facility outside the apartment, including but not limited to television antenna, the same shall be deemed to have been furnished gratuitously by the Lessor under a revocable license. The Lessee shall not use such storage space for the storage of valuable or perishable property and any such storage space assigned to 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.

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, 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, including storage areas, by theft or otherwise.

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

Window
Cleaning

30. If upon, or at any time after the happening of any of the events mentioned in subdivisions (a) to (j) inclusive of this Paragraph 30, the Lessor shall give to the Lessee a notice stating that the term hereof will expire on a date at least five days thereafter, the term of this lease shall expire on the date so fixed in such notice as fully and completely as if it were the date herein definitely fixed for the expiration of the term, and all right, title and interest of the Lessee hereunder shall thereupon wholly cease and expire, and the Lessee shall thereupon quit and surrender the apartment to the Lessor, it being the intention of the parties hereto to create hereby a conditional limitation, and thereupon the Lessor shall have the right to re-enter the apartment and to remove all persons and personal property therefrom, either by summary dispossession proceedings, or by any suitable action or proceeding at law or in equity, or by force or otherwise, and to repossess the apartment in its former estate as if this lease had not been made, and no liability whatsoever shall attach to the Lessor by reason of the exercise of the right of re-entry, re-possession and removal herein granted and reserved:

Termination
of Lease by
Lessor

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

Lessee Ceas-
ing to Own
Accompany-
ing Shares

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

(b) If at any time during the term of this lease (i) the then holder hereof shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all of the property of such holder or of this lease shall be appointed under any provision of the laws of the State of New York, or under any statute of the United States, or any statute of any state of the United States and the order appointing such receiver shall not be vacated within thirty days; or (iii) such holder shall make a general assignment for the benefit of creditors; or (iv) any of the shares owned by such holder to which this lease is appurtenant shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within thirty days; or (v) this lease or any of the shares to which it is appurtenant shall pass by operation of law or otherwise to anyone other than the Lessee herein named or a person to whom such Lessee has assigned this lease in the manner herein permitted, but this subsection (v) shall not be applicable if this lease shall devolve upon the executors or administrators of the Lessee and provided that within eight (8) months (which period may be extended by the Directors) after the death said lease and shares shall have been transferred to any assignee in accordance with Paragraph 15 hereof; or (vi) this lease or any of the shares to which it is appurtenant shall pass to anyone other than the Lessee under a pledge or security agreement or a leasehold mortgage made by the Lessee;

Assignment,
Subletting
or Un-
authorized
Occupancy

(c) Subject to the provisions of Paragraphs 37 and 38 hereof, if there be an assignment of this lease, or any subletting hereunder, without full compliance with the requirements of Paragraphs 14 or 15 hereof; or if any person not authorized by Paragraph 13 shall be permitted to use or occupy the apartment, and the Lessee shall fail to cause such unauthorized person to vacate the apartment within ten days after written notice from the Lessor;

Default
in Rent

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

Default
in other
Covenants

(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 action 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;

(f) If at any time the Lessor shall determine, upon the affirmative vote of the record holders of at least 66 2/3% in amount of its then issued and outstanding shares, at a shareholder's meeting duly called for that purpose, that because of objectionable conduct on the part of the Lessee, or of a person dwelling or visiting in the apartment, repeated after written notice from Lessor, the tenancy of the Lessee is undesirable [it being understood, without limiting the generality of the foregoing, that repeatedly to violate or disregard the House Rules hereto attached or hereafter established in accordance with the provisions of this lease, or to permit or tolerate a person of loose or immoral character to enter or remain in the buildings or the apartment, shall be deemed to be objectionable conduct];

Objection-
able Conduct

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

Termination
of all
Proprietary
Leases

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

Destruction
of Building

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

Condemnation

(j) If the Lessee shall be in default in the payment of any note or the terms, covenants and conditions of any loan security agreement secured by a pledge of this lease and the shares allocated to the apartment.

Default
Under Loan
Agreement

Lessor's
Rights
After
Lessee's
Default

31. (a) In the event the Lessor resumes possession of the apartment, either by summary proceedings, action of ejectment or otherwise, because of default by the Lessee in the payment of any rent or additional rent due hereunder, or on the expiration of the term pursuant to a notice given as provided in Paragraph 30 hereof upon the happening of any event specified in subsections (a) to (f) inclusive of Paragraph 30, 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 instalment of such rent or additional rent shall prejudice the right of the Lessor to recover any subsequent installment. After resuming possession, the Lessor may, at its option, from time to time (i) relet the apartment for its own account or (ii) relet the apartment as the agent of the Lessee, in the name of the Lessee or in its own name, for a term or terms which may be less than or greater than the period which would otherwise have constituted the balance of the term of this lease, and may grant concessions or free rent, in its discretion. Any reletting of the apartment shall be deemed for the account of the Lessee, unless within ten days after such reletting the Lessor shall notify the Lessee that the premises have been relet for the Lessor's own account. The fact that the Lessor may have relet the apartment as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet the apartment for its own account. If the Lessor relets the apartment as agent for the Lessee, it shall, after reimbursing itself for its expenses in connection therewith, including leasing commissions and a reasonable amount for attorneys' fees and expenses, and decorations, alterations and repairs in and to the apartment, apply the remaining avails of such reletting against the Lessee's continuing obligations hereunder. There shall be a final accounting between the Lessor and the Lessee upon the earliest of the four following dates: (A) the date of expiration of the term of this lease as stated on page 1 hereof; (B) the date as of which a new proprietary lease covering the apartment shall have become effective; (C) the date the Lessor gives written notice to the Lessee that it has relet the apartment for its own account; (D) the date upon which all proprietary leases of the Lessor terminate. From and after the date upon which the Lessor becomes obligated to account to the Lessee, as above provided, the Lessor shall have no further duty to

account to the Lessee for any avails of reletting and the Lessee shall have no further liability for sums thereafter accruing hereunder, but such termination of the Lessee's liability shall not affect any liabilities theretofore accrued.

(b) If the Lessee shall at any time sublet the apartment and shall default in the payment of any rent or additional rent, the Lessor may, at its option, as long as such default shall continue, demand and receive from the subtenant the rent due or becoming due from such subtenant to the Lessee, and apply the amount to pay sums due and to become due from the Lessee to the Lessor. Any payment by a subtenant to the Lessor shall constitute a discharge of the obligation of such subtenant to the Lessee to the extent of the amount so paid. The acceptance of rent from any subtenant shall not be deemed a consent to or approval of any subletting or assignment by the Lessee, or a release or discharge of any of the obligations of the Lessee hereunder.

Collection
of Rent
from
Subtenants

(c) Upon the termination of this lease under the provisions of subdivisions (a) to (j) inclusive of Paragraph 30, the Lessee shall surrender to the corporation the certificate for the shares of the corporation owned by the Lessee to which this lease is appurtenant. Whether or not said certificate is surrendered, the Lessor may issue a new proprietary lease for the apartment and issue a new certificate for the shares of the Lessor owned by the Lessee and allocated to the apartment when a purchaser therefor is obtained, provided that the issuance of such shares and such lease to such purchaser is authorized by a resolution of the Directors, or by writing signed by a majority of the Directors or by lessees owning, of record, at least a majority of the shares of the Lessor accompanying proprietary leases then in force. Upon such issuance the certificate owned or held by the Lessee shall be automatically cancelled and rendered null and void. The Lessor shall apply the proceeds received for the issuance of such shares towards the payment of the Lessee's indebtedness hereunder, including interest, attorneys' fees and other expenses incurred by the Lessor, and, if the proceeds are sufficient to pay the same, the Lessor shall pay over any surplus to the Lessee, but, if insufficient, the Lessee shall remain liable for the balance of the indebtedness. Upon the issuance of any such new proprietary lease and certificate, the Lessee's liability hereunder shall cease and the Lessee shall only be liable for rent and expenses

Sale of
Shares

accrued to that time. The Lessor shall not, however, be obligated to sell such share and appurtenant lease or otherwise make any attempt to mitigate damages.

Waiver of
Right of
Redemption

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

Surrender
of
Possession

33. Upon the termination of this lease under the provisions of subdivisions (a) to (f), inclusive, of Paragraph 30, the Lessee shall remain liable as provided in Paragraph 31 of this lease. Upon the termination of this lease under any other of its provisions, the Lessee shall be and remain liable to pay all rent, additional rent and other charges due or accrued and to perform all covenants and agreements of the Lessee up to the date of such termination. On or before any such termination the Lessee shall vacate the apartment and surrender possession thereof to the Lessor or its assigns, and upon demand of the Lessor or its assigns, shall execute, acknowledge and deliver to the Lessor or its assigns any instrument which may reasonably be required to evidence the surrendering of all estate and interest of the Lessee in the apartment, or in the building of which it is a part.

Lessee's
Option to
Cancel

34. (a) This lease may be cancelled by the Lessee on any September 30th after the second anniversary after the date on which the share of the Lessor were first issued, upon complying with all the provisions hereinafter set forth. Irrevocable written notice of intention to cancel must be given by the Lessee to the Lessor on or before April 1, in the calendar year in which such cancellation is to occur. At the time of the giving of such notice of intention to cancel there must be deposited with the Lessor by the Lessee:

Deposits
Required

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

(ii) The Lessee's certificate for his shares of the Lessor, endorsed in blank for transfer and with all necessary transfer tax stamps affixed and with payment of any transfer taxes due thereon;

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

(b) All additions, improvements, appliances and fixtures which are removable under the terms of this lease and which are enumerated in the statement made as provided in subdivision (iii) above shall be removed by the Lessee prior to August 31st of the year of cancellation, and on or before said August 31st the Lessee shall deliver possession of the apartment to the Lessor in good condition with all required equipment, fixtures and appliances installed and in proper operating condition and free from all subleases and tenancies, liens, encumbrances and other charges (except as aforesaid) and pay to the Lessor all rent and other charges which shall be payable under this lease up to and including the following September 30th.

Removal of
Fixtures

Possession

(c) The Lessor and its agents may show the apartment to prospective lessees, contractors and architects at reasonable times after notice of the Lessee's intention to cancel. After August 31st or the earlier vacating of the apartment, the Lessor and its agents, employees and lessees may enter the apartment, occupy the same and make such alterations and additions therein as the Lessor may deem necessary or desirable without diminution or abatement of the rent due hereunder.

Permission
to Show
and Occupy
Premises

(d) If the Lessee is not otherwise in default hereunder and if the Lessee shall have timely complied with all of the provisions of subdivisions (a) and (b) hereof, then this lease shall be cancelled and all rights, duties and obligations of the parties hereunder shall cease as of the September 30th fixed in said notice, and the shares of Lessor shall become the absolute property of the Lessor, provided, however, that the Lessee shall not be released from any indebtedness owing to the Lessor on said last mentioned date.

Effective
Date of
Cancellation

Rights on
Lessee's
Default

(e) If the Lessee shall give the notice but fail to comply with any of the other provisions of this paragraph, the Lessor shall have the option at any time prior to September 30th (i) of returning to the Lessee this lease, the certificate for shares and other documents deposited, and thereupon the Lessee shall be deemed to have withdrawn the notice of intention to cancel this lease, or (ii) of treating this lease as cancelled as of the September 30th named in the notice of intention to cancel as the date for the cancellation of such lease, and bringing such proceedings and actions as it may deem best to enforce the covenants of the Lessee hereinabove contained and to collect from the Lessee the payments which the Lessee is required to make hereunder, together with reasonable attorneys' fees and expenses.

Extension
of Option
to Cancel

35. (a) If on April 1st in any year the total number of shares owned by lessees holding proprietary leases for apartments in the building, who have given notice pursuant to Paragraph 34 of intention to cancel such proprietary leases on September 30th of said year, shall aggregate ten percent (10%) or more of the Lessor's outstanding shares, exclusive of treasury shares, then the Lessor shall, prior to April 30th in such year, give a written notice to the holders of all issued and outstanding shares of the Lessor, stating the total number of shares then outstanding and in its treasury and the total number of shares owned by lessees holding proprietary leases who have given notice of intention to cancel. In such case the proprietary lessees to whom such notice shall have been given shall have the right to cancel their leases in compliance with the provisions of Paragraph 35 hereof, provided only that written notice of the intention to cancel such leases shall be given on or before July 1st instead of April 1st.

Right of
Lessees
to Cancel

(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 30th of the year in which such options shall have been exercised, as though every Lessee had exercised such option. In such event none of the Lessees shall be required to surrender his shares to the Lessor and all certificates for shares delivered to the Lessor by those who had, during that year, served notice of intention to cancel their leases under the provisions hereof, shall be returned to such lessees.

36. 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 portions 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 a majority of the shares of the Lessor then issued and outstanding at said meeting of shareholders of the Lessor, and all of the holders of the then issued and outstanding shares of the Lessor shall have such rights as enure to shareholders of corporations having title to real estate.

Continuance
of Coopera-
tive Manage-
ment of
Building
After all
Leases
Terminated

37. (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 as provided in Section R of the Offering Plan - A Plan to Convert to Cooperative Ownership - Premises: Birchwood Glen Drive, Holtsville, New York (the "Plan"), to acquire Unsold Shares or to a nominee or designee of such Sponsor or Individual(s); and all shares which are Unsold Shares retain their character as such (regardless of transfer) until an Individual purchases same for use and occupancy by himself or a member of his family. In the event the Sponsor is not an individual, it shall be required to transfer its shares to an Individual(s) not later than three years from the date it acquired the shares.

Unsold
Shares

(b) Neither the subletting of the apartment from time to time nor the assignment of this lease by the holder of Unsold Shares allocated to the apartment nor the posting of signs in connection with such subletting, assignment or sale shall require the consent of the Directors or shareholders to which reference is made in Paragraphs 14 and 15(a) (vi) of this lease; and a holder of Unsold Shares shall not be required to pay any sums for expenses of the Lessor or of its Managing Agent set forth in subparagraph (a) (iv) of said Paragraph 15.

Subletting
Apartment
and Sale
of Shares

Change in
Form of
Lessee

(c) Without the consent of a holder of Unsold Shares, no change in the form, terms or conditions of this proprietary lease, as permitted by Paragraph 6, shall (i) affect the rights of the holder of Unsold Shares allocated to the apartment to sublet the apartment or to assign this lease, as hereinbefore provided in this Paragraph 37, or (ii) eliminate or modify any other rights, privileges or obligations of such holder of Unsold Shares.

(d) The provisions of Paragraph 34 of this Lease shall not be applicable to a holder of Unsold Shares.

(e) In the event the Offering Plan grants any additional rights or privileges to a Holder of Unsold Shares those provisions shall be incorporated in this lease and the Holders of Unsold Shares shall be entitled to those respective rights and privileges as if those provisions were expressly set forth in this lease.

(f) If there are any inconsistencies between this lease and the Offering Plan with respect to the rights, privileges or obligations of holders of Unsold Shares, the provisions of the Offering Plan shall control.

Rights of
a Secured
Party

38. Where the provisions of Paragraph 16(b) are deemed inapplicable, the following provisions shall apply with respect to rights of secured parties:

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

(b) If this lease is terminated by the Lessor as provided in Paragraphs 30 or 34 of this lease, or by agreement with the Lessee, (1) the Lessor promptly shall give notice of such termination to the Secured Party and (2) upon request of the Secured Party made within thirty (30) days of the giving of such notice the Lessor (i) shall commence and prosecute a summary dispossession proceeding at the Secured Party's sole expense to obtain possession of the apartment, and (ii) shall, within sixty (60) days of its receipt of the aforesaid request by the Secured Party, reissue the aforementioned shares to, and shall enter into a new proprietary lease for the apartment with, any individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, all without the consent of the Directors or the shareholders to which reference is made in Paragraphs 15(a) (vi) and 31(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 by himself or a member of his family does not actually occupy the apartment) shall have all of the rights provided for in Paragraphs 14, 15, 20 and 37 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 31(c).

(c) If the purchase by the Lessee of the shares allocated to the apartment was financed by a loan made by a bank, savings bank or savings and loan association and a default or an event of default shall have occurred under the terms of the security agreement-leasehold mortgage or either of them entered into between the Lessee and the Secured Party, and if (1) notice of said default or event of default shall have been given to the Lessor, (2) an individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, shall be entitled to become the owner of the shares and the lessee under this lease pursuant to the terms of said security agreement-leasehold mortgage, or either of them, (3) not less than five days' written notice of an

intended transfer of the shares and this lease shall have been given to the Lessor and the Lessee, (4) there has been paid, on behalf of the Lessee, all rent, additional rent and other sums owed by the Lessee to the Lessor under this lease for the period ending on the date of transfer of the aforementioned shares as hereinafter provided, and (5) the Lessor shall be furnished with such affidavits, certificates, and opinions of counsel, in form and substance reasonably satisfactory to the Lessor, indicating that the foregoing conditions (1) - (4) have been met, then (a) a transfer of the shares and the proprietary lease shall be made to such individual, upon request and without the consent of the Directors or the shareholders to which reference is made in Paragraph 15(a) (vii) and (b) the individual to whom such transfer is made (if and as long as such individual, by himself or a member of his family, does not actually occupy the apartment) shall have all of the rights provided for in Paragraphs 14, 15, 20 and 37 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 38, (a) the Lessor and the Lessee will not enter into any agreement modifying or cancelling this lease, (b) no change in the form, terms or conditions of this lease, as permitted by Paragraph 6, shall eliminate or modify any rights, privileges or obligations of a Secured Party as set forth in this Paragraph 38, (c) the Lessor will not terminate or accept a surrender of this lease, except as provided in Paragraphs 30 or 34 of this lease and in subparagraph (a) of this Paragraph 38, (d) the Lessee will not assign this lease or sublet the apartment, (e) any modification, cancellation, surrender, termination or assignment of this lease or any sublease of the apartment not made in accordance with the provisions hereof shall be void and of no effect, (f) the Lessor will not consent to any further mortgage on this lease or security interest created in the shares, (g) the Lessee will not make any further mortgage or create any further security interest in the shares or this lease, and (h) any such further mortgage or security interest shall be void and of no effect.

(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 34 hereof; except that such designee (a) may cancel this lease at any time after the designee acquires this lease and the shares appurtenant hereto due to foreclosure of the security agreement-leasehold mortgage; (b) need give only thirty (30) days' notice of its intention to cancel; and (c) may give such notice at any time during the calendar year.

Foreclosure
Receiver
of Rents

39. Notwithstanding anything to the contrary contained in this lease, if any action shall be instituted to foreclose any mortgage on the land or the Buildings or the leasehold of the land or 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 or the leasehold of the land or Buildings and may not be modified or annulled without the prior written consent of any such mortgage holder.

To Whom
Covenants
Apply

40. 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 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

41. 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, appurtenant area or storage area assigned to the Lessee.

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

Lessor's
Additional
Remedies

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

Lessee
More
Than
One
Person

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

Actions

45. 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.

Holding
of
Shares

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

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

(c) the shares represented by each certificate and the accompanying proprietary lease are subject to a first lien of the corporation, as described in the By-Laws.

Charges
for Gas
and
Electricity

46. If at any time or times during the term of this lease the consumption of gas or electricity, or both, 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 Board of Directors thereof, the charges, if any, to be paid by the Lessee on account of such consumption of gas or electricity, or both, 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 provided in such resolution.

No
Discrimi-
nation

47. The Lessor will not discriminate against any person because of his or her race, creed, color, national origin or ancestry when exercising any right reserved to it in this lease.

Effect of
Partial
Invalidity

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

Tax Status
Determina-
tion

49. The term "Tax Status Determination," when used in this lease with respect to an assignment of shares or the sale of such shares to a purchaser pursuant to the terms of the Proprietary Lease, means a written determination, made in accordance with the following sentences of this paragraph, that either (a) the assignee or purchaser is an "individual" (as that term is used in Section 216 of the Internal Revenue Code of 1954) or (b) the ownership of the shares by the assignee or purchaser will not jeopardize Lessor's qualification as a cooperative housing corporation under said Section 216 or any similar qualification under any future law of similar import. A Tax Status Determination may be made by Lessor and shall not be unreasonably withheld by it. If the shares are Unsold Shares and a Tax Status Determination is required, such determination may, at the election of the Holder of the Unsold Shares, be made by the Holder of the Unsold Shares instead of Lessor.

Marginal
Headings

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

Changes to
be in writ-
ting.

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

Certain
References

52. A reference in this lease to any one gender, masculine, feminine or neuter, includes the other two and the singular includes the plural, and vice versa, unless the context otherwise requires.

Limitation
of Lessor's
Rights

53. Anything herein contained to the contrary notwithstanding, so long as the Unsold Shares constitute 25% or more of the outstanding shares of the Lessor, the Lessor shall not take any of the following actions without the written consent of the Sponsor until the fifth anniversary of the Closing Date unless the lessees owning at least 75% of all issued and outstanding shares of the Lessor approve same in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

(a) increase the number or change the type of employees from that described in the footnotes of Schedule B;

(b) increase mortgage indebtedness or provide for new or additional services, from those indicated in Schedule B, unless the annual cost of such new or additional services or mortgage indebtedness when added to the annual cost of all other services being provided, is no greater than those provided in said Schedule B; or

(c) undertake any capital or major improvement or addition, unless required by law (this restriction shall expressly not be applicable to ordinary and necessary repairs), use the Reserve Fund described in Section T of the Plan, or increase the budgeted contingency reserve fund as indicated in Schedule B of the Plan. However, any unused portion of the budgeted contingency reserve fund for any year may be added to the contingency reserve fund for the following years.

This provision may not be exercised over expenses required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation, or (c) to remedy any work order by a mortgagee or an insurer, or (d) to remedy a notice of default from a mortgagee.

Purchaser
for Invest-
ment or
Resale

54. (a) The term "Purchaser for Investment or Resale" means a purchaser, other than a Holder of Unsold Shares (as described in Section R of the Plan) who purchases shares for apartments, which apartments

are not for occupancy by such purchaser or persons related by blood, marriage or adoption to such Purchaser, as described in Section S of the Plan.

(b) When a Purchaser for Investment or Resale who owns shares allocated to three (3) or more Apartments wishes to sell the shares allocated to an apartment, then such Purchaser for Investment or Resale must provide the following documents to a prospective purchaser at least three (3) business days before entering into a Purchase Agreement:

Obligation of
a Purchaser for
Investment or
Resale who
owns shares
allocated to
3 or more
Apartments

(i) Copy of the most recent financial statement of the Apartment Corporation, if any.

(ii) Copy of the most recent notice from the Apartment Corporation of the interest and taxes deductible for income tax purposes, if any.

(iii) Copies of notices from the Apartment Corporation concerning changes in maintenance charges, potential assessments, planned major capital improvements and proposed refinancing of the building's mortgage(s), if any.

(iv) Copies of pleadings in pending lawsuits or proceedings the outcome of which may affect the offering of the Apartment, the seller's capacity to perform all of its obligations under the purchase agreement or the rights of an existing tenant of the apartment, if any.

(v) If the apartment is occupied, a copy of the tenant's lease and a representation of the tenant's status under any applicable rent law and if applicable, the tenant's status as an Eligible Senior Citizen or Eligible Disabled Person.

(vi) Copies of the By-Laws and Proprietary Lease of the Apartment Corporation as amended.

(vii) Copies of notices, if any, of uncured violations of record in the apartment that are the responsibility of the proprietary lessee to cure, if any.

(c) A Purchaser for Investment or Resale shall be subject to all the other provisions of this lease as if said purchaser was the owner of shares allocated to an apartment which he, or a person related by blood marriage or adoption to him, is occupying.

Obligations
of Non-
Occupant
Lessee

55. If Lessee is the Tenant-Shareholder of an apartment subject to the lease of a non-purchasing tenant in occupancy on the date that title to the Buildings was transferred to Lessor, the following shall apply:

(a) Lessee will be required to pay to the Apartment Corporation the maintenance charges for that Apartment whether those charges are greater or less than the rent payable or received by the Lessee from the tenant in occupancy. By reason of the terms of the Lease, Lessee also will be responsible for the due performance of all of the obligations of the landlord under the lease, statutory tenancy or other tenancy of the tenant which are not the obligations of the Lessor, including obligations to maintain, repair and replace plumbing fixtures, the refrigerator, range, lighting fixtures and other equipment in the Apartment, and to paint the Apartment as provided in the lease with the tenant, or required by any applicable law, as the case may be. Unless Lessee designates to Lessor in writing another person as Lessee's agent, Lessee hereby designates the Managing Agent of the Property as Lessee's agent to perform such services at Lessee's expense. Lessor shall have the right to bill Lessee for the cost of performing the services (including parts at Lessor's cost; labor at the basic hourly wage rate of the person performing the service, if appropriate, or the charge of an independent contractor performing the service; plus a reasonable administrative fee for the Managing Agent).

(b) Lessor shall have the right to bill Lessee for its allocable share any dues associated with any Rent Laws, if required.

(c) Deposit with the Managing Agent at closing a sum not less than an amount equal to 2 months maintenance charges to be used as working capital to furnish services required under the non-purchasing tenant's lease and the laws and regulations specified above. Upon notice by the Managing Agent that said deposit has been diminished, said fund shall be replenished by the shareholder within a specified period of time.

56. Anything contained in this lease and the House Rules annexed hereto the contrary notwithstanding, Lessor shall not prevent nor unreasonably impede or interfere with the sale of any block of Unsold Shares or the subletting of an apartment to which a

block of Unsold Shares is allocated and agrees that a holder of Unsold Shares shall have the right to display "For Sale" and "For Rent" signs and similar promotional signs and material on or about the exterior of the Building, the lobby and apartments leased by a holder of Unsold Shares. In addition, prospective purchasers of Unsold Shares shall be given access to the public areas of the Property, including (without limitation) the lobbies and hallways, for purposes of ingress and egress, without being subject to any charge or fee therefor.

IN WITNESS WHEREOF, the parties have executed this lease.

BIRCHWOOD GLEN OWNERS CORP.

Lessor

By _____
(Vice) President
Secretary

_____ (L.S.)

_____ (L.S.)

Lessee

State of New York)
County of) ss.:

On the _____ day of _____, in the year 19____, before
me personally appeared _____, to me known, who being
by me duly sworn, did depose and say that he resides at _____
; that he is the President/
Secretary of Birchwood Glen Owners Corp., the corporation described
in and which executed the foregoing instrument; that he knows the
seal of said corporation; that the seal affixed to said instrument
is such corporate seal; that it was so affixed by order of the
Board of Directors of said corporation; and that he signed his
name thereto by like order.

State of New York)
County of) ss.:

On the _____ day of _____, in the year 19____, before me
personally appeared _____, to me personally known and known to me to
be the individual described in and who executed the foregoing in-
strument, and duly acknowledged to me that he executed the same.
