

DOCUMENT II

76

Apt. No. _____

Shares: _____

PIANO FACTORY CORPORATION,

Lessor,

-t.o-

Lessee.

PROPRIETARY LEASE

PIANO FACTORY CORPORATION
454 West 46th Street
NEW YORK, NEW YORK

BERGER & KRAMER
225 Broadway
New York, New York 10007

PROPRIETARY LEASE, made as of _____, 198_ by and between PIANO FACTORY CORPORATION, with offices at 454 West 46th Street, New York, New York, hereinafter called the Lessor, and

residing at _____

hereinafter called the Lessee.

WHEREAS:

A. The Lessor is the owner of the land and buildings erected thereon in the Borough of Manhattan, City of New York, known by the street numbers 447 - 61 West 45th Street, 452-56 West 46th Street and 636-38 Tenth Avenue, New York, New York (the "Building").

B. The Lessee is the owner of _____ shares of the Lessor to which this lease is appurtenant and which have been allocated to apartment _____ in the Building.

C. The Lessor acquired the Building pursuant to an Offering Plan dated July 1, 1981 (the "Plan").

[Demised Premises Term]

NOW THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee hires from the Lessor, subject to the terms and conditions hereof the above mentioned unit in the building (hereinafter referred to as "the leased space") for a term from _____, until September 30, 2031, (unless sooner terminated as hereinafter provided). As used herein "the leased space" designated by the above stated number, means the area and rooms in the building as partitioned on the date of execution of this lease together with their appurtenances and fixtures and any closets, gardens, terrace, or portion thereof outside of said partitioned rooms which, subject to the provisions of Paragraph 7 hereof are or is allocated by the Board of Directors of the Lessor (hereinafter called the "Directors") to the exclusive use of the occupant of the leased space.

[Rent (maintenance) How Fixed]

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

[Accompanying Shares To Be Specified In Proprietary 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 Requirements Defined]

(c) "Cash requirements" whenever used herein shall mean the estimated amount in cash which the Directors shall from time to time in its judgment determine to be necessary or proper for (1) the operation, maintenance, care, alteration and improvement of the corporate property during the year or portion of the year for which such determination is made; (2) the creation of such reserve for contingencies as it may deem proper; (3) 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 (4) the payment of any obligations, liabilities or expenses incurred (even though incurred during a prior period) or to be incurred, after giving consideration to (i) income expected to be received during such period (other than rent from proprietary lessees), and (ii) cash on hand which the Directors in their 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 Lessor 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, trustee, or receiver.

[Issuance of Additional Shares]

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

[Additional Capital Contribution]

(f) The Directors may from time to time as may be proper determine how much, if any, of the maintenance and other receipts received (but not more than such amount as represents payments on account of principal of mortgages on the property and other capital expenditures), shall be credited on the corporate accounts to "Paid-in-Surplus".

[Failure to Fix Cash Requirements]

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

[Lessor's Repairs]

2. The Lessor shall at its expense keep in good repair all of the building, the sidewalks and courts surrounding the same, and its equipment and apparatus except those portions the maintenance and repair of which are expressly stated to be the responsibility of the Lessee pursuant to Paragraph 18 hereof. Any planting or other structures erected by the Lessee or his predecessor in interest may be removed and restored by the Lessor at the expense of the Lessee for the purpose of repairs, upkeep or maintenance of the building.

[Services By Lessor]

3. The Lessor shall maintain and manage the building as a first-class apartment building, shall keep the public halls, cellars and stairways clean and properly lighted and heated, shall provide the number of attendants requisite, in the judgment of the Directors, for the proper care and service of the building, and shall provide the leased space 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 building, and also what existing services shall be increased, reduced, changed, modified or terminated.

[Damage To Leased Space or Building]

4. (a) If the leased space or the means of access thereto or the building shall be damaged by fire or other cause covered by multiperil policies commonly carried by corporations owning "cooperative residential buildings" in New York City (any other damage to be repaired by the Lessor or the Lessee pursuant to Paragraphs 2 and 18, as the case may be), the Lessor shall at its own cost and expense, with reasonable dispatch after receipt of notice of said damage, repair or replace or cause to be repaired or replaced, the building, the leased space, and the means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits in the leased space, with materials of a kind and quality then customary in buildings of the type of the building. Anything in this Paragraph or Paragraph 2 to the contrary notwithstanding, the Lessor shall not be required to repair or replace, or cause to be repaired or replaced, improvements, equipment, fixtures, furniture, furnishings or decorations installed by the Lessee or any previous proprietary lessee of the leased space, nor shall the Lessor be obligated to repaint or replace wallpaper or other decorations 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 leased space partly or wholly untenable, or if the means of access thereto shall be destroyed, the rent hereunder shall proportionately abate until the leased space shall again be rendered wholly tenable or the means of access restored; but if said damages 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 leased space, such rental shall abate only to the extent of the rental value insurance, if any collected by the Lessor with respect to the leased space.

[Expiration Of Lease Due To Damage]

(c) If the Directors shall determine that (i) the building is totally destroyed by fire or other cause, or (ii) the building is so damaged that it cannot be repaired within nine months after the loss shall have been adjusted with the insurance carrier, or (iii) the destruction or damage was caused by hazards which are not covered under the Lessor's insurance policies then in effect, and if in any such case the record holders of at least two-thirds of the issued and outstanding shares, at a shareholders' meeting duly called for that purpose held within 120 days after the determination by the Directors, shall vote not to repair, restore or rebuild, then upon the giving of notice pursuant to Paragraph 31 hereof, this lease and all other proprietary leases and all right, title and interest of the parties thereunder and the tenancies thereby created, shall thereupon wholly cease and expire and rent shall be paid to the date of such destruction or damage. The Lessee hereby waives any and all rights under Section 227 of the Real Property Law of the State of New York and in

no event shall the Lessee have any option or right to terminate this lease by reason of casualty damages except as provided herein.

[Waiver of Subrogation]

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

[Inspection Of Books Of Account & Annual Report]

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

[Change In Terms And Conditions Of Proprietary Leases]

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

[Roof, Terraces & Gardens]

7. If the apartment includes a terrace, balcony, or a portion of the yard or garden adjoining an apartment, or portion of the roof area, the Lessee shall have and enjoy the exclusive use of the terrace or balcony or that portion of the yard or garden or roof area appurtenant to the apartment, subject to the applicable provisions of this lease and to the use of the terrace, balcony, yard or garden or roof area by the Lessor to the extent herein permitted. The Lessee's use thereof shall be subject to such regulations as may, from time to time, be prescribed by the Directors. The Lessor shall have the right to erect equipment on the roof, including radio and television aerials and antennas, for its use and the use of the lessees in the building and shall have the right of access thereto for such installations and for the repair thereof. The Lessee shall keep the terrace, balcony, or portion of the yard or garden or roof area appurtenant to his or her apartment clean and free from snow, ice, leaves, and other debris and shall maintain all screens and drain boxes in good condition. No planting, fences, structures or lattices shall be erected or installed on the terraces, balconies, gardens or yard or roof area of the building without the prior written approval of the Lessor. No cooking shall be permitted on any terraces, balconies, gardens or yard or roof area of the building, nor shall the walls thereof be painted by the Lessee without the prior written approval of the Lessor. Any planting or other structures erected by the Lessee or his predecessor in interest may be removed and restored by the Lessor at the expense of the Lessee for the purpose of repairs, upkeep or maintenance of the building.

[Assignment Of Lessor's Right Against Occupant]

8. If at the date of the commencement of this lease any third party shall be in possession or have the right to possession of the leased space, then the Lessor hereby assigns to the Lessee all of the Lessor's right as 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]

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

[Quiet Enjoyment]

10. The Lessee, upon paying the rent and performing the covenants and complying with the conditions on the part of the Lessee to be performed as herein set forth, shall, at all times during the term hereby granted, quietly have, hold and enjoy the leased space without any let, suit, trouble, or hindrance from the

Lessor, subject however, to the rights of present tenants or occupants of the leased space and subject to any and all mortgages and underlying leases of the land and building, as provided in Paragraph 22, of this lease.

[Indemnity]

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

[Payment Of Rent]

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

[House Rules]

13. The Lessor has adopted Building Rules which are appended hereto, and the Directors may alter, amend or repeal such Building Rules and adopt new Building Rules. This lease shall be in all respects subject to such Building 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 Building Rules and see that they are faithfully observed by the family, guests, employees, and subtenants of the Lessee. Breach of a Building Rule shall be a default under this lease. The Lessor shall not be responsible to the Lessee for the non-observance or violation of Building Rules by any other lessee or person.

[Use Of Premises]

14. The Lessees shall not, without the written consent of the Lessor on such conditions as Lessor may prescribe, occupy or use the Leased Space or permit the same or any part thereof to be occupied or used for any purpose other than as a private dwelling for the Lessee and Lessee's spouse, their children, stepchildren, grandchildren, parents, stepparents, grandparents, brothers and sisters and domestic employees and for such ancillary business purposes permitted by law and by the Directors in each instance, for which consent shall be first obtained from Lessor.

In addition to the foregoing, the Leased space 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 leased space unless one or more of the permitted adult residents are then in occupancy or unless consented to in writing by the Lessor.

[Subletting]

15. Except as provided in Paragraphs 38 and 39 of this lease, the Lessee shall not sublet the leased space for any term to any person or persons or renew or extend any previously authorized sublease unless consent thereto shall have been duly given by resolution of the Directors or by a majority of the Directors in writing or, if the Directors shall have failed or refused to give such consent, by holders of two-thirds of the capital shares of the Lessor, which consent shall be evidenced by an instrument, in writing, signed by an officer of the Lessor, the Lessor's attorneys or managing agent, pursuant to due authorization (i) of a resolution of the Directors, or (ii) of a majority of the Directors evidenced by their written consent, or (iii) of the holders of 65% of the then issued and outstanding shares of the Lessor, as the case may be, and the Directors or shareholders, as the case may be, may condition any consent given to a proposed subletting upon compliance by the Lessee with any requirements made with respect to such subletting. Anything contained in this paragraph 15 to the contrary notwithstanding:

a) A Lessee may sublet the leased space for a term not to exceed one year without consent, but may not renew such sublet or extend the same, or again sublet without the consent of the Directors, unless an interval of one year between the previous subletting has occurred during which the Lessee shall be in possession of and shall actually occupy the leased space. Following the Lessee remaining in possession for at least a one year period, the leased space may again be sublet for not more than one year without consent as set forth in the previous sentence.

b) No consent, approval or payment of any kind shall be required with respect to any subletting by the Lessee to any member of the Lessee's family described Paragraph 14 of this Lease. Whenever the Lessee applies for consent to any subletting, the Lessee shall deliver to the Lessor a copy of the proposed sublease to which consent is requested.

The Lessor shall not unreasonably withhold its consent to a subletting of the leased space whenever such consent is required. With respect to subletting, the Directors or Shareholders may impose such conditions on subletting either with or without consent as they may deem desirable. In addition, a charge determined by the Directors may be collected to cover reasonable legal fees and other expenses of the Lessor (including charges of the managing agent) in connection with such subletting. The foregoing provisions are not applicable to the holders of Unsold Shares who may freely sublet the leased space without payment of any charges or obtaining any consent from any person whatsoever.

[Assignment]

16. (a) The Lessee shall not assign this lease or transfer the shares to which it is appurtenant or any interest therein, and no such assignment or transfer shall take effect as against the Lessor for any purpose, until

(i) An instrument of assignment in form approved by 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 a sum to be fixed by the Shareholders to cover reasonable legal and other expenses of the Lessor and its managing agent, if any, in connection with such assignment and transfer of shares; and

(v) A search or certification from a title insurance or abstract company as the Directors may require, shall have been delivered to the Lessor, and the same shall indicate to the satisfaction of the Directors that there are no encumbrances on the shares of the Lessor allocated to the leased space of this lease; and

(vi) Except in the case of an assignment, transfer or bequest to the Lessee's spouse of the shares and this lease, and except as provided in Paragraphs 38 and 39 of this lease, consent to such assignment 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 of the Lessor's managing agent, then by lessees owning of record at least 65% of the then issued 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.

(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 Lessee's family who would be permitted to occupy the apartment as provided in paragraph 14 of this lease (other than the Lessee's spouse as to whom no consent is required.)

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

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

(e) Regardless of any prior consent theretofore given, neither the Lessee nor the executor nor administrator of Lessee's estate, 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 leased space, 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 an especial consideration and inducement for the granting of this lease by the Lessor to the Lessee. No demand or acceptance of rent from any assignee hereof shall constitute or be deemed to constitute a consent to or approval of any assignment.

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

[Pledge of Shares & Lease]

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

[Repairs By The Lessee]

18. (a) The Lessee shall take possession of the leased space 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 leased space (including interior walls, window panes, floors and ceilings, but excluding windows, window frames, sashes, sills, entrance and terrace doors, frames and saddles) in good repair, shall do all of the painting and decorating required for the leased space including the interior window frames, sashes and sills, and shall be solely responsible for the maintenance, repair, and replacement of plumbing, gas and heating fixtures and equipment and such refrigerators, dishwashers, removable and through-the-wall air conditioners, washing machines, ranges and other appliances, as may be in the apartment. Plumbing, gas and heating fixtures as used herein shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Lessee may install within the wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes or conduits within the walls, ceilings or floors or heating equipment which is part of the 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 leased space and any and all equipment of all types and kinds installed by the Lessee or any previous proprietary lessee in the leased space. Any ventilator or air conditioning device which shall be visible from the outside of the building shall at all times be painted by the Lessee in a standard color which the Lessor may select for the building.

[Odors & Noises]

(b) The Lessee shall not permit unreasonable cooking or other odors to escape into the building. The Lessee shall not permit or suffer any unreasonable noises or anything which will interfere with the rights of other lessees or their subtenants or guests or which will unreasonably annoy them or obstruct the public halls, stairways or fire escapes or roof, or anything which will interfere with the peace, quiet, repose, or comfort of other lessees of the Building or their use of its facilities, fixtures and equipment.

[Equipment & Appliances]

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

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

[Requirements of Mortgagees & Ground Lessors]

(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 leased space. If any mortgage or ground lease affecting the building or the land on which it stands shall contain any provisions pertaining to the right of the Lessee to make changes or alterations in the leased space, or to remove any of the fixtures, appliances, equipment or installations, the Lessee herein shall comply with the requirements of such mortgage or mortgages or ground lease relating thereto. Upon the Lessee's written request, the Lessor will furnish the Lessee with copies of or make available for inspection and copying applicable provisions of each and every such mortgage and ground lease.

[Lessor's Right to Remedy Lessee's Defaults]

19. If the Lessee shall fail for thirty (30) days after notice to make repairs or alterations to any part of the leased space, its fixtures or equipment as herein required, or shall fail to remedy a condition which in the opinion of the Lessor, is required to be remedied to comply with the requirements of law, or to satisfy requirements of law to obtain and maintain the certificate of occupancy of the building, or which has become objectionable to the Lessor for reasons above set forth, or if the Lessee or any person occupying the leased space 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 alterations 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 days), then the Lessor may, but shall not be obligated to, comply therewith, and for such purpose may enter upon the leased space 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.

[Increase in Rates of Fire Insurance]

20. The Lessee shall not permit or suffer anything to be done or kept in the leased space, or space appurtenant thereto which will increase the rate of fire insurance on the building or the contents thereof. If, by reason of the occupancy or use of the leased space by the Lessee, the rate of fire insurance on the building or leased space 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 leased space 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 leased space due on the first day of the calendar month following written demand therefor by the Lessor.

[Alterations]

21. (a) The Lessee shall not, without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld, make in the leased space or the building, or on any roof, any alteration, enclosure or addition or any alteration of or addition to the water, gas, or steam risers or pipes, heating or air conditioning units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, or any other installation or facility in the apartment or building, or, except as hereinafter authorized, remove any additions, improvements or fixtures from the apartment. The performance by Lessee of any work in the apartment shall be in accordance with 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 would overload the existing wires or equipment in the building. Anything contained herein or in subparagraph (b) 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 or fixtures from the apartment by a holder of "Unsold Shares", provided however that such holder may not in any event alter the apartment to which Unsold Shares are allocated in any way which would encroach or impinge on the Lessor's common or public areas.

[Removal of Fixtures]

(b) If the Lessee, or a prior lessee, shall have heretofore placed, or the Lessee shall hereafter place in the leased space at the Lessee's own expense, any additions, improvements, appliances or fixtures, including but not limited to fireplace mantels, lighting fixtures, refrigerators, air conditioners, dishwashers, washing machines, ranges, woodwork, wall 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 leased space, then title thereto shall remain in the Lessee and the Lessee shall have the right, prior to the termination of this lease, to remove the same at the Lessee's own expense, provided: (i) that the Lessee at the time of such removal shall not be in default in the payment of rent or in the performance or observance of any other covenants or conditions of this lease; and (ii) that prior to any such removal, the Lessee shall have given written notice thereof to the Lessor; and (iii) that the Lessee shall, at the Lessee's own expense, prior to the termination of this lease, repair all damage to the leased space which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; (iv) that if the Lessee shall have removed from the apartment any articles or materials owned by the Lessor or its predecessor in title, or any fixtures or equipment necessary for the use of the leased space, the Lessee shall either restore such articles and materials and fixtures and equipment and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality customary in comparable buildings and satisfactory to the Lessor; and (v) 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 Term]

(c) On the expiration or termination of this lease, the Lessee shall surrender to the Lessor possession of the leased space 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.

[Lease Subordinate to Mortgages and Ground Leases]

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

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

[Mechanic's Lien]

23. In case a notice of mechanic's lien against the building shall be filed purporting to be for labor or material furnished or delivered at the building or the leased space to or for the Lessee or anyone claiming under the Lessee, the Lessee shall

forthwith cause such lien to be discharged by payment, bonding or otherwise; and if the Lessee shall fail to do so within ten (10) days after notice from the Lessor, then the Lessor may cause such lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or of any offsets or defenses thereto, and shall have the right to collect, as additional rent, all amounts so paid and all costs and expenses paid or incurred in connection therewith, including reasonable attorneys' fees and disbursements, together with interest thereon from the time or times of payment.

[Cooperation]

24. The Lessee shall always in good faith endeavor to observe and promote the cooperative purposes for the accomplishment of which the Lessor is incorporated.

[Right of Entry]

25. The Lessor and its agents and their authorized workmen shall be permitted to visit, examine, or enter the leased space and any storage space assigned to Lessee at any reasonable hour of the day upon notice, or at any time and without notice in case of emergency, to make or facilitate repairs in any part of the building or to cure any default by the Lessee and to remove such portions of the walls, floors and ceilings of the leased space and storage space as may be required for any such purpose, but the Lessor shall thereafter restore the leased space 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, agents, employees or subtenants. In order that the Lessor shall at all times have access to the leased space or storage rooms for the purposes provided for in this lease, the Lessee shall provide the Lessor with a key to each lock providing access to the leased space or the storage rooms, and if any lock shall be altered or new lock installed, the Lessee shall provide the Lessor with a key thereto immediately upon installation. If the Lessee shall not be personally present to open and permit an entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to Lessor, the Lessor or the Lessor's agents (but, except in an emergency, only when specifically authorized by an officer of the Lessor or an officer of the managing agent) may forcibly enter the leased space or storage space without liability for damages by reason thereof (if during such entry the Lessor shall accord reasonable care to the Lessee's property), and without in any manner affecting the obligations and covenants of this lease. The right and authority hereby reserved do not impose, nor does the Lessor assume by reason thereof, any responsibility or liability for the care or supervision of the leased space or any of the pipes, fixtures, appliances or appurtenances therein contained, except as herein specifically provided.

[Waivers]

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

[Notices]

27. Any notice by or demand from either party to the other shall be duly given only if in writing and sent by 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 any; if to the Lessee, addressed to the building. Either party may by notice served in accordance herewith designate a different address for service of such notice or demand. Notices or demands shall be deemed given on the date when mailed except notices in respect of a change of address shall be deemed given when received.

[Reimbursement of Lessor's Expenses]

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

[Lessor's Immunities]

29. (a) The Lessor shall not be liable, except by reason of Lessor's negligence, for any failure or insufficiency of heat, water supply, electric current, gas, telephone, or elevator service or other service which may be supplied by the Lessor hereunder, or for interference with light, air, view or other interests of the Lessee. No abatement of rent or other compensation or claim of eviction shall be made or allowed because of the making or failure to make or delay in making any repairs, alterations or decorations to the building, or to any fixtures or appurtenances therein, or for space taken to comply with any law, ordinance or governmental regulation, or for interruption or curtailment of any service agreed to be furnished by the Lessor, due to accidents, alterations or repairs, or for difficulty or delay in securing supplies or labor or other cause beyond the 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 leased space, including but not limited to a television antenna, the same shall be deemed to have been furnished gratuitously by the Lessor under a revocable license. The Lessee shall not use such storage space for the storage of valuable or perishable property and any such storage space assigned to the Lessee shall be kept by the Lessee clean and free of combustibles. If washing machines or other equipment are made available to the Lessee, the Lessee shall use the same on the understanding that such machines or equipment may or may not be in good order and repair and that the Lessor is not responsible for such equipment, nor for any damage caused to the property of the Lessee resulting from the Lessee's use thereof, and that any use that the Lessee may make of such equipment shall be at his own cost, risk and expense.

[Window Cleaning]

30. The Lessee will not require, permit, suffer or allow the cleaning of any window in the premises from the outside (within the meaning of Section 202 of the New York Labor Law) unless such cleaning is undertaken by or through the Lessor or the equipment and safety devices required by law, ordinance, rules and regulations, including, without limitation, Section 202 of the New York Labor Law, are provided and used, and unless the Industrial Code of the State of New York is fully complied with; and the Lessee hereby agrees to indemnify the Lessor and its employees, other lessees, and the managing agent, if any, 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 requirements of the aforesaid laws, ordinances, regulations and rules.

[Termination of Lease by Lessor]

31. If upon or at any time after, the happening of any of the events mentioned in subdivisions (a) to (i) inclusive of this Paragraph 31, the Lessor shall give to the Lessee a notice stating that the term hereof will expire on a date at least five days thereafter, the term of this lease shall expire on the date so fixed in such notice as fully and completely as if it were the date herein definitely fixed for the expiration of the term, and all right, title and interest of the Lessee hereunder shall thereupon wholly cease and expire, and the Lessee shall thereupon quit and surrender the leased space 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 leased space 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 leased space in its former state as if this lease had not been made, and no liability whatsoever

shall attach to the Lessor by reason of the exercise of the right of re-entry, re-possession and removal herein granted and reserved:

[Lessee Ceasing to Own Accompanying Shares]

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

[Bankruptcy - Unauthorized Transfer of Shares]

(b) If at any time during the term of this lease (i) the then holder hereof shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all of the property of such holder, or of this lease, shall be appointed under any provision of the laws of the State of New York, or under any statute of the United States or any statute of any state of the United States and the order appointing such receiver shall not be vacated within thirty (30) days; or (iii) such holder shall make a general assignment for the benefit of creditors; or (iv) any of the shares owned by such holder to which this lease is appurtenant shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within thirty (30) days; or (v) this lease or any of the shares to which it is appurtenant shall pass by operation of law or otherwise to anyone other than the Lessee 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 months (which period may be extended by the Shareholders) after the death of the Lessee said lease and shares shall have been transferred to any assignee in accordance with Paragraph 16 hereof; or (vi) this lease or any of the shares to which it is appurtenant shall pass to anyone other than the Lessee herein named by reason of a default by the Lessee under a pledge or security agreement or a leasehold mortgage made by the Lessee;

[Assignment, Subletting or Unauthorized Occupancy]

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

[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 (10) 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 act the performance of which requires any substantial period of time, then if within said period of thirty (30) days such performance is commenced and thereafter diligently prosecuted to conclusion without delay and interruption, the Lessee shall be deemed to have cured said default;

[Objectionable Conduct]

(f) If at any time the Lessor shall determine, upon the affirmative vote of the record holders of at least 66-2/3% in the amount of its then issued and outstanding shares, at a shareholders' meeting duly called for that purpose, that because of objectionable conduct on the part of the Lessee, or of a person dwelling or visiting the leased space 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 Building Rules hereto attached or hereafter established in accordance with the provisions of this lease, or to permit or tolerate a person of dissolute, loose or immoral character to enter or remain in the building or the apartment, shall be deemed to be objectionable conduct);

[Termination of All Proprietary Leases]

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

[Destruction of Building]

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

[Condemnation]

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

[Lessor's Rights After Lessee's Default]

32. (a) In the event the Lessor resumes possession of the leased space, either by summary proceeding, action of ejectment or otherwise, because of default by the Lessee in the payment of any rent or additional rent due hereunder, or on the expiration of the term pursuant to a notice given as provided in Paragraph 31 hereof upon the happening of any event specified in subsections (a) to

(f) inclusive of Paragraph 31, the Lessee shall continue to remain liable for payment of a sum equal to the rent which would have become due hereunder and shall pay the same in installments at the time such rent would be due hereunder. No suit brought to recover any installment of such rent or additional rent shall prejudice the right of the Lessor to recover any subsequent installment. After resuming possession, the Lessor may, at its option, from time to time (i) relet the leased space for its own account, or (ii) relet the leased space 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 leased space shall be deemed for the account of the Lessee, unless within ten (10) days after such reletting the Lessor shall notify the Lessee that the premises have been relet for the Lessor's own account. The fact that the Lessor may have relet the leased space as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet the leased space for its own account. If the Lessor relets the leased space 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 leased space apply the remaining avails of such reletting against the Lessee's continuing obligations hereunder.

[Collection of Rent from Subtenants]

(b) If the Lessee shall at any time sublet the leased space 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 on the part of the Lessor of any subletting or assignment by the Lessee, or a release or discharge of any of the obligations of the Lessee hereunder.

[Sale of Shares]

(c) Upon the termination of this lease under the provisions of subdivisions (a) to (f) inclusive of Paragraph 31, the Lessee shall surrender to the Lessor the certificate for the shares of the Lessor owned by the Lessee to which this lease is appurtenant. Whether or not said certificate is surrendered, the Lessor may issue a new proprietary lease for the leased space and issue a new certificate for the shares of the Lessor owned by the Lessee and allocated to the leased space when a purchaser therefor is obtained. 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.

[Waiver of Right of Redemption]

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

[Surrender of Possession]

34. Upon the termination of this lease under the provisions of subdivisions (a) to (f), inclusive, of Paragraph 31, the Lessee shall remain liable as provided in Paragraph 32 of this lease. Upon the termination of this lease under any other of its provisions, the Lessee shall be and remain liable to pay all rent, additional rent and other charges due or accrued and to perform all covenants and agreements of the Lessee up to the date of such termination. On or before any such termination the Lessee shall vacate the leased space 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 leased space or in the building of which it is a part.

[Lessee's Option to Cancel]

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

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

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

(b) All additions, improvements, appliances and fixtures which are removable under the terms of this lease and which are enumerated in the statement made as provided in subdivision (iii) above shall be removed by the Lessee prior to August 31st of the year of cancellation, and on or before said August 31st the Lessee shall deliver possession of the leased space 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 September 30th following the notice to cancel.

(c) The Lessor and its agents may show the leased space 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 leased space, the Lessor and its agents, employees and lessees may enter the leased space, occupy the same and make such alteration and additions therein as the Lessor may deem necessary or desirable without diminution or abatement of the rent due hereunder.

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

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

[Extension of Option to Cancel]

36.(a) If on April 1st in any year the total number of shares owned by lessees holding proprietary leases for leased spaces in the building, who have given notice pursuant to Paragraph 35 of intention to cancel such proprietary leases on September 30th of said year, shall aggregate 25% 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 compliances 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 56-2/3% 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.

[Continuance of Cooperative Management of Building After All Leases Terminated]

37. No later than thirty (30) days after the termination of all proprietary leases for space in the building, whether by expiration of their terms or otherwise, a special meeting of shareholders of the Lessor shall take place to determine whether (a) to continue to operate the building for the purposes it was therefore used; (b) to alter, demolish or rebuild the building or any part thereof, or (c) to sell the building and liquidate the assets of the Lessor, and the Shareholders shall carry out the the determination made at said meeting of Shareholders of the Lessor, and all of the holders of the then issued and outstanding shares of the Lessor shall have such rights as enure to Shareholders of corporations having title to real estate.

[Unsold Shares]

38.(a) The term "Unsold Shares" means and refers to shares of the Lessor which have been issued or transferred to the Sponsor or to an individual or individuals produced by the Sponsor under the Offering Plan (dated as set forth on page 1, hereof) to

acquire Unsold Shares, or to a nominee or designee of such individual(s); and all shares which are Unsold Shares retain their character as such (regardless of transfer) until an individual purchases same and actually occupies (by such individual or by a member of his or her family) the leased space to which such shares are allocated.

[Subletting Apartment and Sale of Shares]

(b) The assignment of this lease by a holder of Unsold Shares allocated to the leased space, or the subleasing of the leased space shall not require the consent of the Directors to which reference is made in Paragraph 15 or Paragraph 16(a)(vi) of this lease; and a holder of Unsold Shares shall not be required to pay any sums for expenses of the Lessor and its managing agent (if any) set forth in subparagraph (a) (iv) of said Paragraph 16.

[Change in Form of Lease]

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

(d) The option to cancel contained in Paragraph 35 (a) -
(e) hereof shall not be available to holders of Unsold Shares.

[Rights of a Secured Party]

39. (a) The Lessor agrees that it shall give to any holder of a security interest in the shares of the Lessor specified in the recitals of this lease or 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 times 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 Paragraph 31 or 35 of this lease, or by agreement with the Lessee, (1) the Lessor promptly shall give notice of such termination to the Secured Party and (2) upon request of the Secured Party made within thirty (30) days of the giving of such notice the Lessor (i) shall commence and prosecute a summary dispossess proceeding to obtain possession of the apartment, and (ii) shall,

within sixty (60) days of its receipt of the aforesaid request by the Secured Party, reissue the aforementioned shares to, and shall enter into a new proprietary lease for the leased space with, any individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, provided that the consent to which reference is made in Paragraphs 16(a)(vi) and 32(c) is first obtained but said consent shall not be unreasonably withheld or delayed provided further, 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 leased space) shall have all of the rights provided for in Paragraphs 15, 16, 21 and 38 of this lease as if he were a holder of Unsold Shares; and, accordingly, no surplus shall be payable by the Lessor to the Lessee as otherwise provided in Paragraph 32(c).

(c) If the purchase by the Lessee of the shares allocated to the apartment was financed by a loan made by the Sponsor, the individual(s) who acquired the Unsold Shares, a bank, savings bank or savings and loan association, and a default or an event of default shall have occurred under the terms of the security agreement-leasehold mortgage or either of them entered into between the Lessee and the Secured Party, and if (1) notice of said default or event of default shall have been given to the Lessor, (2) an individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, shall be entitled to become the owner of the shares and the lessee under this lease pursuant to the terms of said security agreement-leasehold mortgage, or either of them, (3) not less than five days' 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 with the consent of the Directors or the shareholders to which reference is made in Paragraph 16(a)(vi) which shall not be unreasonably withheld or delayed, and (b) the individual to whom such transfer is made (if and as long as such individual (by himself or a member of his family) does not actually occupy the apartment) shall have all of the rights provided for in Paragraphs 15, 16, 21 and 38 of this lease as if he were a holder of Unsold Shares.

(d) Without the prior written consent of any Secured Party who has requested a copy of any notice of default as hereinbefore provided in subparagraph (a) of this Paragraph 39, (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 39, (c) the Lessor will not terminate or accept a surrender of this lease, except as provided in Paragraphs 31 or 35 of this lease and in subparagraph (a) of this Paragraph 39, (d) the Lessee will not assign this lease or sublet the leased space, (e) any modification, cancellation, surrender, termination or assignment of this lease or any sublease of the leased space 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 35 hereof; except that such designee (a) may cancel this lease at any time after the designee acquires this lease and the shares appurtenant hereto due to foreclosure of the security agreement-leasehold mortgage; (b) need give only thirty (30) days' notice of its intention to cancel; and (c) may give such notice at any time during the calendar year.

[Foreclosure - Receiver of Rents]

40. Notwithstanding anything to the contrary contained in this lease, if any action shall be instituted to foreclose any mortgage on the land or the building or the leasehold of the land or building, the Lessee shall, on demand, pay to the receiver of the rents appointed in such action rent, if any, owing hereunder on the date of such appointment and shall pay thereafter to such receiver in advance, on the first day of each month during the pendency of such action, as rent hereunder, the rent for the leased space as last determined and established by the Directors prior to the commencement of said action, and such rent shall be paid during the period of such receivership, whether or not the Directors shall have determined and established the rent payable hereunder for any part of the period during which such receivership may continue. The provisions of this Paragraph are intended for the benefit of present and future mortgagees of the land or the building or the leasehold of the land or building and may not be modified or annulled without the prior written consent of any such mortgage holder.

[To Whom Covenants Apply]

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

[Waiver of Trial by Jury]

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

[Lessor's Additional Remedies]

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

[Lessee More Than One Person]

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

[Notice to Lessor Before Action or Counterclaim]

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

[Covenants re Shares]

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

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

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

[Charges for Gas and Electricity]

47. If at any time or times during the term of this lease the consumption of gas or electricity, or both, in the leased space is measured by a meter which also measures consumption outside the leased space, the Lessor may determine from time to time by resolution of the Directors, the charges, if any, to be paid by the Lessee on account of such consumption of 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 Discrimination]

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

[Effect of Partial Invalidity]

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

[Marginal Headings]

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

[Changes to be in Writing]

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

[Consent for Additional Expenses]

52. Supplementing and modifying paragraph 1(c) , so long as holders of unsold shares hold in the aggregate at least 25% of the issued and outstanding shares of Lessor, the Lessor shall not, during the first two years after closing of title as defined in the Offering Plan described on page 1 of this lease, without the consent of holders of 75% of the capital stock of the Apartment Corporation (i) engage additional employees beyond those provided in Schedule B of such Offering Plan; (ii) provide equipment or services in excess of those set forth in said Schedule B; (iii) modify or refinance the mortgage or mortgages affecting the Lessor's land and building; (iv) increase the amount of the reserve for contingencies set forth in Schedule B; or (v) levy any assessment for capital improvements, except for such improvement which may be required by law.

IN WITNESS WHEREOF, the parties have executed this lease.

PIANO FACTORY CORPORATION,
LESSOR.

By _____
(Vice) (President)
(Secretary)

Lessee

Lessee

RESOLUTION OF SHAREHOLDERS OF
THE PIANO FACTORY CORPORATION

WHEREAS, Piano Factory Corporation (the "Lessor" or "Corporation") is the owner and lessor of the land and buildings in the Borough of Manhattan, City of New York, known by the street numbers 447-61 West 45th Street, 452-56 West 46th Street and 636-38 Tenth Avenue, New York, New York (the "Property"), and

WHEREAS, the Lessor has leased the several apartments within the Property to the several shareholders of the Corporation (the "Lessees" or "Shareholders") pursuant to a common form of lease (the "Proprietary Lease") and each Shareholder is a party to a lease substantially in the form of the Proprietary Lease (collectively, the "Shareholders Leases"), each with respect to the apartment within the Property that is occupied by such Shareholder, and

WHEREAS, paragraph 6 of the Proprietary Lease provides that the Proprietary Lease may be amended from time to time by the affirmative vote of Lessees owning at least 66 2/3% of the Lessor's shares then issued and outstanding and that approval by Lessees of such amendment shall be evidenced by written consent or by affirmative vote taken at a meeting called for that purpose, and

WHEREAS, by Written Consent, Shareholders holding 4330 shares, or 70.76% of the 6119 shares of the Corporation's stock that are now issued and outstanding, voted in favor of extending the term of the Proprietary Lease, as set forth in the first paragraph thereof, to March 31, 2080,

NOW THEREFORE, in consideration of the premises, it is hereby

RESOLVED, that the term of the Proprietary Lease, as set forth in the first paragraph thereof, shall be and hereby is, extended to March 31, 2080, and the first sentence of that paragraph be, and hereby is, amended to read as follows (where "[date]" in each Shareholder's Lease represents the same date as is now written in the comparable space in such Shareholder's Lease):

NOW THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee hires from the Lessor, subject to the terms and conditions hereof the above mentioned unit in the building (hereinafter referred to as "the leased space") for a term from [date] until March 31, 2080 (unless sooner terminated as hereinafter provided).

Dated: February 25, 2014