

Apt. No.:  
Shares:

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336 TENANTS CORP.

Lessor,

TO

Lessee.

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**PROPRIETARY LEASE**

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336 TENANTS CORP.  
Cindy Michel, Seth Segel, Board Co-Presidents  
336 Central Park West  
New York, New York 10025

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*Amended and Restated as of February 28, 2017*

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ANNEX I ..... A-1

PROPRIETARY LEASE, made as of \_\_\_\_\_, 20\_\_\_\_, by and between 336 Tenants Corp., a New York corporation having an office at 336 Central Park West, New York, New York, hereinafter called the Lessor, and, \_\_\_\_\_

\_\_\_\_\_, residing at \_\_\_\_\_, hereinafter called the Lessee.

WHEREAS, the Lessor is the owner of the land and the building erected thereon in the Borough of Manhattan, City of New York, known as 336 Central Park West and by the street numbers 336 Central Park West (hereinafter called the “building”); and

WHEREAS, the Lessee is the owner of \_\_\_\_\_ shares of the Lessor to which this lease is appurtenant and which have been allocated to Apartment \_\_\_\_\_ in the building;

Demised Premises

Term

NOW, THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee hires from the Lessor, subject to the terms and conditions hereof, Apartment \_\_\_\_ in the building (hereinafter referred to as “the apartment”) for a term from \_\_\_\_\_, 20\_\_, until December 31, 2099 (unless sooner terminated as hereinafter provided). As used herein “the apartment” means the rooms in the building as partitioned on the date of the execution of this lease designated by the above-stated apartment number, together with their appurtenances and fixtures and any closets, terraces, balconies, roof, or portion thereof outside of such partitioned rooms, which are allocated exclusively to the occupant of the apartment.

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 such cash requirements. Such maintenance shall be payable in equal monthly installments, in advance, on the first day of each month, unless the Board of Directors of the Lessor (hereinafter called “Board of Directors”) at the time of its determination of the cash requirements shall otherwise direct. The Lessee shall also pay such additional rent as may be provided for herein when due.

Accompanying  
Shares to be  
Specified in  
Proprietary Lease

(b) In every proprietary lease heretofore executed by the Lessor there has been specified, and in every proprietary lease hereafter executed by it there will be specified, the number of shares of the Lessor issued to a Lessee simultaneously therewith, which number, in relation to the total number of shares of the Lessor issued and outstanding, shall constitute the basis for fixing, as hereinbefore provided, the proportionate share of the Lessor’s cash requirements which shall be payable as rent by the Lessee.

Cash  
Requirements  
Defined

(c) “Cash requirements” whenever used herein shall mean the estimated amount in cash which the Board of Directors shall from time to time in its judgment determine to be necessary or proper for (1) the ownership, preservation, operation, maintenance, care, alteration, repair and improvement of the corporate property, including taxes, mortgage payments, insurance, assessments, water charges, sewer rent, operating expenses and legal and accounting fees and expenses during the year or portion of the year for which such determination is made, and including

expenses and liabilities incurred by Lessor under or by reason of this or other leases in payment of any default remaining from a previous period; (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 Board of Directors in its discretion may (but need not) choose to apply. The Board of 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 Board of Directors, the same may be exercised only by the Board of Directors, and in no event may any such power or privilege be exercised by a creditor, receiver, trustee or other similar representative or successor or any Board of Directors elected by any such creditor, receiver, trustee or other similar representative or successor, except to the extent of actual cash requirements for operating the building, the payment of current real estate taxes and current interest and amortization on any mortgage that may be a lien on the premises.

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.

Paid-In Surplus

(f) The Board of 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." Amounts received as maintenance and applied to principal payments on any mortgage affecting the building shall be credited on the corporate accounts to "Paid-in-Surplus."

Failure to Fix  
Cash  
Requirements

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

Lessor's Repairs

2. The Lessor shall at its expense keep in good repair all of the building including all of the apartments, the sidewalks and courts surrounding the same, and its equipment and apparatus except those portions the maintenance and repair of which

are expressly stated to be the responsibility of the Lessee pursuant to Paragraph 18 hereof.

Services by Lessor

3. The Lessor shall maintain and manage the building as a first-class apartment building, and shall keep the elevators and the public halls, cellars and stairways clean and properly lighted and heated, and shall provide the number of attendants requisite, in the judgment of the Board of Directors, for the proper care and service of the building, and shall provide the apartment with a proper and sufficient supply of hot and cold water and of heat, and if there be central air-conditioning equipment supplied by the Lessor, air-conditioning when deemed appropriate by the Board of Directors. The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Board of Directors to determine from time to time (i) what services and what attendants shall be proper and the manner of maintaining and operating the building, and (ii) what existing services shall be maintained, increased, reduced, changed, modified or terminated.

Damage to  
Apartment or  
Building

4. (a) If the apartment 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 apartment 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 such damage, repair or replace or cause to be repaired or replaced, with materials of a kind and quality then customary in buildings of the type of the building, the building, the apartment and the means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits in the apartment. Anything in this Paragraph 4 or in 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 the Lessee's 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 such damage shall be caused by the act or negligence of the Lessee or the agents, employees, guests or members of the family of the Lessee or any occupant of the apartment, such rental shall abate only to the extent of the rental value insurance, if any, collected by the Lessor with respect to the apartment.

Expiration of  
Lease Due to  
Damage

(c) If the Board of Directors shall determine that (i) the building is totally destroyed by fire or other cause, or (ii) the building is so damaged that it cannot be repaired within nine months after the loss shall have been adjusted with the insurance carriers, or (iii) the destruction or damage was caused by hazards which are not covered under the Lessor's insurance policies then in effect, and if in any such case the record holders of at least two-thirds of the issued and outstanding shares, at a shareholders' meeting duly called for that purpose held within 120 days after the determination by the Board of Directors, shall vote not to repair, restore or rebuild, then upon the giving of notice pursuant to 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.

Required  
Insurance

(d) The Lessee shall, at the Lessee's sole cost and expense, obtain and maintain insurance covering loss to personal property and all the betterments and improvements located at or within the apartment, including, without limitation, all fixtures, furnishings, wall and floor coverings, for the replacement cost thereof, and liability insurance in such amounts as may be required by the Lessor, from time to time, in its sole judgment. Such insurance shall be provided by insurance companies licensed to do business in the State of New York and reasonably acceptable to the Lessor. Should the Lessee fail to obtain such insurance, the Lessee shall, upon demand, indemnify and hold Lessor harmless from and against any and all damage, cost and expense (including, but not limited to, attorneys' fees) incurred by the Lessor as a consequence thereof.

Evidence of  
Insurance  
Coverage

(e) Within thirty (30) days of the Lessor's request, the Lessee shall provide the Lessor with certificates or such other evidence of such insurance as the Lessor may prescribe. Without limiting the foregoing or the rights of the Lessor under other provisions of this lease, such evidence may also be required as a condition of the subletting the apartment and the assignment of this lease (so that such insurance shall have been issued in the name of the assignee at the time of such assignment).

Waiver of  
Subrogation

(f) The Lessor and the Lessee shall each use reasonable efforts to obtain, and if obtained, to maintain as long as maintainable, a provision in all insurance policies carried by them to the effect that any such policy shall not be invalidated should the insured waive in writing, prior to a loss, any and all right to a recovery against any party for loss occurring to the insured property. So long as such provisions are in their respective insurance policies, then notwithstanding any other provision of this lease to the contrary, the Lessee and the Lessor each waives all rights of recovery against the other and releases the other for liability for any loss covered by the insurance policy containing such provision. Should any additional premium be imposed for the inclusion of any such provision such other party shall pay such additional premium upon demand accompanied by documentation thereof.

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 Board of Directors may from time to time determine, and the same shall be open during all reasonable hours to inspection by the Lessee or the Lessee's representatives. The Lessor shall deliver to the Lessee within a reasonable time after the end of each fiscal year an annual report of corporate financial affairs, including a balance sheet, a statement of income and expenses and a statement of cash flows, all reported upon in customary form and substance by an independent certified public accountant.

Changes in Terms  
and Conditions of  
Proprietary Leases

6. Each proprietary lease made by the Lessor shall be in the form of this lease, except with respect to the statement as to the number of shares owned by the Lessee, unless a variation of any individual 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, terms 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, and (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. Approval by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting duly called for such purpose.

Penthouses,  
Terraces and  
Balconies

7. If the apartment includes a terrace, balcony, or a portion of the roof adjoining a penthouse, the Lessee shall have and enjoy the exclusive use of the terrace or balcony or that portion of the roof appurtenant to the penthouse, subject to the applicable provisions of this lease and to the use of the terrace, balcony or roof 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 Board of Directors. The Lessor shall have the right to erect equipment on the roof, including radio, television, cable and internet aeriels and antennae, 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 maintenance and repair thereof. The Lessee shall keep the terrace, balcony, or portion of the roof appurtenant to the Lessee's apartment clean and free from snow, ice, leaves and other debris and shall maintain all screens and drain boxes in good and unimpeded condition. No planting, fences, structures or lattices shall be erected or installed on the terraces, balconies, or roof of the building without the prior written approval of the Lessor. No cooking shall be permitted on any terraces, balconies or the roof 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 any of Lessee's predecessors 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, roof, terrace, balcony, screens or drain boxes or any of them.

Assignment of  
Lessor's Rights  
Against Occupant

8. If at the date of the commencement of this lease, any third party shall be in possession or have the right to possession of the apartment, then the Lessor hereby assigns to the Lessee all of the Lessor's rights against such third party from and after the date of the commencement of the term hereof, and the Lessee by the execution hereof assumes all of the Lessor's obligations to such third party from such date. The Lessor agrees to cooperate with the Lessee, but at the Lessee's expense, in the enforcement of the Lessee's rights against such 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 apartment under any agreement or statutory tenancy, this lease shall supersede such agreement or statutory tenancy which shall be of no further effect after the date of commencement of this lease, except for claims theretofore arising thereunder.

Quiet Enjoyment

10. The Lessee, upon paying the rent and performing the covenants and complying with the conditions on the part of the Lessee to be performed as herein set forth, shall, at all times during the term hereby granted, quietly have, hold and enjoy the apartment without any let, suit, trouble or hindrance from the Lessor, subject, however, to the rights of present tenants or occupants of the apartment, and subject to any and all mortgages and underlying leases of the land and building, as provided in Paragraph 22 below.

Indemnity

11. The Lessee agrees to save the Lessor harmless from all liability, loss, damage and expense arising from injury to person or property occasioned by the failure of the Lessee to comply with any provision hereof, or due wholly or in part to any act, default or omission of the Lessee or of any person dwelling or visiting in the apartment,

or by the Lessor, its agents, servants or contractors when acting as agent for the Lessee as in this lease provided.

Payment of Rent

12. The Lessee shall pay the rent and additional 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 when due, the Lessee shall pay such late charges with respect to such installments as may be set by the Lessor from time to time (so long as such late charges are applicable to all proprietary lessees of Lessor and written notification of the terms of such late charges shall have been distributed with rent bills at least ninety (90) days prior to the effective date thereof). Such late charges shall be deemed additional rent hereunder.

House Rules

13. The Lessor has adopted House Rules which are appended hereto. The Board of Directors may supplement, alter, amend or repeal such House Rules and may adopt new House Rules. This lease shall be in all respects subject to such House Rules which, when a copy thereof has been furnished to the Lessee, shall be taken to be part hereof, and the Lessee hereby covenants to comply with all such House Rules and see that they are faithfully observed by the family, guests, employees and subtenants of the Lessee. Breach of a House Rule shall be a default under this lease. The Lessor shall not be responsible to the Lessee for the nonobservance or violation of House Rules by any other lessee or person. The House Rules shall be deemed to have been "furnished to the Lessee" by (i) their being appended hereto, (ii) their being posted on the website maintained by the corporation for shareholders and other occupants of the building, or (iii) their being delivered by electronic transmission, including but not limited to email or text.

Use of Premises

14. The Lessee shall not, without the written consent of the Lessor on such conditions as Lessor may prescribe, occupy or use the apartment or permit the same or any part thereof to be occupied or used for any purpose other than as a private dwelling for the Lessee, any member of Lessee's 'immediate family' (as defined in Paragraph 16(a)(vii)(C) hereof), domestic employees, and health care providers, except that a ground floor apartment may, subject to applicable zoning and other laws and such agreements as entered into between the lessee thereof and the Lessor, be used as a doctor's office by the lessee thereof. In no event shall more than one married couple or domestic partner couple occupy the apartment without the written consent of the Lessor. In addition to the foregoing, (a) 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 permitted adult residents are then in occupancy or unless consented to in writing by the Lessor), and (b) the apartment may be occupied by an additional adult (who is not a Lessee) and the dependent children of such additional adult, *provided* that (i) if there are two or more Lessees only one of such Lessees may occupy the apartment simultaneously with such additional adult, (ii) such additional adult may occupy the apartment only so long as the Lessee (or in the case of more than one Lessee, one of the Lessees) maintains the apartment as his or her legal residence, and such adult occupies the apartment simultaneously with such Lessee no fewer than ninety (90) days per year, and (iii) Lessee shall inform the Lessor of the name of any such person within thirty (30) days following the commencement of occupancy by such person or within thirty (30) days following a request therefor by the Lessor.

Subletting

15. 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 Board of Directors, or given in writing by a majority of the Board of Directors or, if the Board of Directors shall have failed or refused to give such consent, then by lessees owning 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. Any consent to subletting may be subject to such conditions as the Board of Directors or the lessees, as the case may be, may in their sole judgment impose, including, but not limited to, the payment of special fees to the Lessor, which fees shall be uniformly applicable to all lessees and shall constitute additional rent. There shall be no limitation on the right of the Board of Directors or lessees to grant or withhold consent, for any reason or for no reason, to a subletting. Upon the subletting of the apartment in accordance with the foregoing, the Lessee-sublessor and the sublessee, as well as any other sublessees in the event of a number of sublettings, shall remain liable for any and all obligations and indebtedness under such tenancy arising prior to or subsequent to any such subletting. The occupancy of the apartment by an individual authorized pursuant to an agreement between the Lessor and a trust or other similar legal entity which is not a natural person shall not be deemed to be a subletting of the apartment for the purposes of this paragraph.

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 such 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 such 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 Board of Directors to cover reasonable legal and other expenses of the Lessor and its managing agent in connection with such assignment and transfer of shares; and

(v) A search or certification from a title insurance or abstract company as the Board of Directors may require shall have been delivered to the Lessor; and

(vi) Except in the case of an assignment, transfer or bequest to the Lessee's spouse or domestic partner, of the shares and this lease, consent to such assignment shall have been authorized by resolution of the Board of Directors, or given in writing by a majority of the Board of Directors; or, if the Board of Directors shall have failed or refused to give such consent within 30 days after submission of references to them or the Lessor's managing agent, then by the lessees owning of record at least 66-2/3% of the then issued shares of the Lessor (consent by the 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); and

(vii) Except for those transactions specifically exempted in subparagraph (A) below, the Lessor shall collect in connection with each 'assignment or transfer' (as hereinafter defined) of the lease at the closing or at the time of effectiveness of such assignment or transfer (whichever shall occur sooner), from the one or the other of the assignor or transferor or the assignee or transferee, as the case may be, a transfer fee, by wire transfer or certified or bank check or other medium transmitting immediately available funds, equal to two percent (2%) of the 'sales price' (as hereinafter defined) paid in connection with such assignment or transfer; *provided, however*, in the event there is an assignment or transfer that is 'without consideration or not at arm's length' (as hereinafter defined) the transfer fee shall be two percent (2%) percent of the 'imputed sales price' (as hereinafter defined) in connection therewith; and *provided further, however*, in the event there is an apartment exchange transaction pursuant to which there is such an assignment or transfer in an 'apartment exchange transaction' (as hereinafter defined) the transfer fee shall be two (2%) percent of the 'boot consideration' (as hereinafter defined).

Any approval given by the Board of Directors to the assignment or transfer of this lease shall, if not so expressly stated, be deemed conditional upon receipt of the transfer fee provided for in this subparagraph (vii). No assignment or transfer of this lease shall take effect as against the Lessor for any purpose until the transfer fee provided for in this subparagraph (vii) has been received by the Lessor.

For purposes of this subparagraph (vii):

(A) The following assignments and transfers shall not be subject to a transfer fee:

(1) assignments or transfers from one spouse to another;

(2) assignments or transfers made within an 'immediate family';

(3) assignments or transfers to an executor or administrator on the death of the Lessee;

(4) assignments or transfers from an executor or administrator to a member of the 'immediate family' of a deceased Lessee;

(5) assignments or transfers made to a trust, including, but not limited to, a Qualified Personal Residence Trust (as defined in Treasury Regulation §25.2702-5(c) on the date of the enactment hereof) or a grantor trust, *provided* that the sole beneficiaries of the trust are members of the 'immediate family' of the trust grantor, and *provided* further that under the terms of the trust instrument the only permitted occupants of the apartment are the trust grantor or those members of the 'immediate family' of the trust grantor who are named as trust beneficiaries;

(6) assignments or transfers made by a trust described in (5) above, *provided* that such assignments or transfers are made only to the trust grantor or to those members of the 'immediate family' of the trust grantor who are named as trust beneficiaries.

(B) The term 'assignment or transfer' shall include:

(1) a record assignment or transfer on the books of the Lessor of this lease or the shares of the Lessor to which it is appurtenant;

(2) an assignment or transfer of beneficial ownership of this lease or the shares of the Lessor to which it is appurtenant, irrespective of any change in record ownership;

(3) a grant of the right to occupy the apartment leased hereunder to any person or persons (other than persons who shall occupy such apartment pursuant to a sublease consented to by the Board of Directors), which person or persons shall be deemed to be an assignee jointly and severally subject to the payment of the transfer fee provided for in this subparagraph (vii); and

(4) an assignment or transfer of this lease or the shares of the Lessor to which it is appurtenant by operation of law.

(C) The term 'immediate family' shall mean the spouse or domestic partner of the Lessee; the parents, siblings, grandchildren and grandparents of either the Lessee, the spouse of the Lessee or the domestic partner of the Lessee; and the children of the Lessee, the domestic partner of the Lessee, the spouse of the Lessee or the former spouse or former domestic partner of the Lessee.

(D) The term 'sales price paid' shall mean the actual consideration paid in connection with an assignment or transfer.

(E) The term 'imputed sales price' shall mean the higher of (x) the actual consideration paid in connection with the assignment or transfer and (y) an amount determined by multiplying the number of shares of the Lessor to which this lease is appurtenant by a price per share calculated by taking the nine most recent sales of the stock of the Lessor consented to by the Board of Directors, disregarding the two such sales with the lowest price per share and the two such sales with the highest price per share, and dividing the aggregate consideration paid or to be paid in the five remaining sales by the number of shares that are the subject of such sales.

(F) Assignments or transfers 'without consideration or not at arm's length' shall be deemed to include, but not be limited to:

(1) assignments and transfers by bequest or intestate succession to a person who is not a member of the immediate family of the deceased Lessee;

(2) assignments and transfers by operation of law to a person who is not a member of the immediate family of the Lessee;

(3) all other assignments and transfers that are not by the terms of this subparagraph (vii) exempted from the transfer fee provided for herein and occur (a) by operation of law, (b) without a change in record ownership of this lease and the shares of the Lessor to which it is appurtenant, or (c) without a change in beneficial ownership of this lease and the shares of the Lessor to which it is appurtenant.

(G) An 'apartment exchange transaction' shall be any transaction involving an assignment or transfer in which such assignment or transfer is being made in consideration of the assignment or transfer of another proprietary lease and appurtenant shares issued hereunder and may or may not also include the payment or receipt of boot consideration which may include but not be limited to cash, indebtedness owing to or from the Lessee or another lessee and/or the assumption of a mortgage or other third-party indebtedness by the Lessee or the other lessee.

(H) The 'boot consideration' (if any) in an apartment exchange transaction shall be the sum of (a) all cash received by or for the benefit of the assignor or the transferor, plus (b) the principal amount of all indebtedness issued to or received by or for the benefit of the assignor or the transferor, plus (c) the principal amount of all mortgages assumed in consideration for the assignment or transfer being made in the transaction.

The provisions of this subparagraph (vii) are solely for the purpose of providing for the transfer fee described herein and shall not constitute a limitation on the rights of the Board of Directors under the other provisions of this Paragraph 16 and this lease to grant or withhold consent to assignments or transfers, or the occupancy of the apartment by, persons other than the Lessor, including, but not limited to, the right of the Board of Directors to grant or withhold consent to an assignment or transfer to, or occupancy of the apartment by, a trust beneficiary, or to require such trust instrument provisions, agreements and guaranties as the Board of Directors, in their sole discretion, may consider appropriate in connection with an assignment or transfer to a trust.

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 Lessee's immediate family (other than the Lessee's spouse or domestic partner as to whom no consent is required).

Consents  
Generally:  
Stockholders' and  
Board of  
Directors'  
Obligations to  
Consent

(c) There shall be no limitation, except as above specifically provided, on the right of the Board of Directors or lessees to grant or withhold consent, for any reason or for no reason, to an assignment. Consent by the Board of Directors or the lessees may, further, be subject to such terms and conditions as they, in their sole judgment, may impose, including, but not limited to, (i) removal of fixtures, equipment or other installations in the apartment, at the sole cost and expense of the Lessee or the assignee, which are not building-standard and which the Board of Directors or the lessees find objectionable, (ii) in those cases where windows in the apartment have not previously been replaced in accordance with specifications provided or approved by the Lessor, special agreements with the assignee regarding replacement of windows in the apartment, at the sole cost and expense of the assignee, within such time period after the effectiveness of the assignment as shall be determined by the Board of Directors, (iii) establishment of security deposits, (iv) provision of guaranties or other

credit support arrangements, (v) special agreements with assignee regarding use or occupancy of the apartment, or, (vi) in the case of a trust or other transferee which is not a natural person, special agreements regarding the future amendment of the trust or other constituent instrument of the assignee and the future assignment of this lease and the shares of the Lessor to which it is appurtenant. All of the foregoing terms, conditions and agreements shall be binding upon the assignee without an amendment to this lease.

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. Notwithstanding anything contained herein to the contrary, upon an assignment of this lease in accordance herewith, the Lessee-assignor shall continue to remain jointly and severally liable with the new lessee-assignee for any and all obligations and indebtedness arising prior to the assignment.

Further  
Assignment or  
Subletting (e) Regardless of any prior consent theretofore given, neither the Lessee nor his, her or its 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 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 of 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 written 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 17. The execution and delivery of a leasehold mortgage and/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 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 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 shall not constitute a waiver of the aforesaid provision.

Repairs by the  
Lessee 18. (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 and terrace doors, frames and saddles) in good repair, shall do all of the painting and decorating required for the 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, apartment-specific central air conditioning equipment (including all air handlers, compressors and condensers), 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 air conditioning or heating equipment which is part of the standard building equipment. The Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances, and equipment, and all meters, fuse boxes or circuit breakers and electrical wiring and conduits from the junction box at the riser into and through the Lessee's apartment. The Lessee shall, in addition, be solely responsible for maintenance, repair and replacement of such additional items in the apartment as are described in subparagraphs (e) and (f) of Paragraph 21 of this lease. 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 and Noises

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

Equipment and Appliances

(c) If, in the Lessor's sole judgment, any of the Lessee's equipment or appliances shall result in damage to the building or poor quality or interruption of service to other portions of the building, or overloading of, or damage to facilities maintained by the Lessor for the supplying of water, gas, electricity or air conditioning to the building, or shall result in generation of unreasonable and disturbing noise or vibrations affecting other apartments or common areas, 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.

Rules and Regulations and Requirements of Mortgage

(d) The Lessee will comply with all the requirements of the Board of Fire Underwriters, relevant 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 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 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.

Additional Repairs by Lessor

(e) If the Lessor shall by building-wide practice or by rules or standards that it may publish from time to time conduct certain maintenance or repairs or make certain replacements in the apartment which are identified in this lease as being the responsibility of the Lessee, such actions by the Lessor shall not be deemed to have modified the respective obligations of the Lessor or the Lessee under this lease, or to have estopped the Lessor from ceasing such maintenance, repairs or replacements at any time, in its sole discretion.

Lessor's Right to  
Remedy Lessee's  
Defaults

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

Increase in Rate of  
Fire Insurance

20. The Lessee shall not permit or suffer anything to be done or kept in the apartment which will increase the rate of fire insurance on the building or the contents thereof. If, by reason of the occupancy or use of the apartment by the Lessee, the rate of fire insurance on the building or an apartment or the contents of either shall be increased, the Lessee shall (if such occupancy or use continues for more than 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.

Alterations

21. (a) The Lessee shall not make any alterations in the apartment without first obtaining the written consent of the Lessor, which consent may be granted or withheld by the Lessor in its sole judgment, or be granted subject to such conditions and agreements as the Lessor may, in its sole judgment, determine. For the purposes of this lease, the term "alterations" shall mean any work in an apartment or space appurtenant to an apartment that involves or affects (i) structural elements of the building, (ii) windows, (iii) the layout of the apartment, (iv) the combination of the apartment with another apartment or apartments, (v) the installation or modification of air conditioning, heating or ventilation systems or equipment, (vi) building systems (including, but not limited to, water, gas and steam pipes; electrical conduits; ventilation ducts; communication, alarm and security systems; and fireplace flues), or (vii) any portion of the building which, under this lease, is not the obligation of the Lessee to maintain.

Alteration  
Agreement

(b) Without limiting the foregoing subparagraph (a) of this Paragraph 21, the Lessor may, in its sole judgment, require that Lessee, before the Lessee commences an alteration, enter into an agreement with the Lessor, containing such terms and conditions related thereto as the Lessor may, in its sole judgment, require, including, but not limited to, terms and conditions requiring (i) payment by the Lessee of the expenses of the Lessor, (ii) performance of the alterations at such times and in such manner as the Lessor deems appropriate, (iii) indemnities, (iv)

security deposits, (v) insurance, (vi) completion of the alterations within a specified time period, (vii) payment of liquidated damages, (viii) replacement by the Lessee of portions of building systems or components within the apartment that would not under other circumstances be the responsibility of the Lessee to replace, including, but not limited to, plumbing or electrical lines or equipment, or, in the case of substantial alterations, windows, or (ix) suspension of work in connection with the Lessee's breach of the agreement or on account of work being undertaken in the building by the Lessor. Defaults under such agreements shall constitute defaults hereunder. All continuing obligations under such agreements shall be binding upon the Lessee's successors and assigns, and every lessee of the apartment shall be deemed to have assumed all such obligations without the necessity of executing a separate instrument of assumption.

Limitations on Alterations

(c) The Lessor may, in its sole judgment, limit (i) the frequency with which alterations may be conducted in the apartment, and (ii) the number of alterations that may be conducted simultaneously in the building.

Contractors Contractors

(d) Without limiting the generality of the foregoing provisions of this Paragraph 21, the Lessor, in its sole judgment, may set, administer and enforce standards for contractors performing work of any type in the building and the insurance required to be maintained by such contractors.

Removal of Alterations or Other Work

(e) If the Lessor removes all or any portion of an alteration or other work, improvement or betterment performed or installed by the Lessee in order to perform, or investigate the need for, a repair or maintenance for which the Lessor is responsible under this lease, such removal shall be at the Lessee's cost and expense and the Lessor shall not be responsible for replacement, repair or restoration of the portion of the alteration or such work, improvement or betterment that may have been removed.

Continuing Responsibility for Work

(f) Insofar as the same does not involve building-standard gas, steam or water pipes or windows properly installed at the direction of the Lessor, the Lessee assumes all responsibility for and shall indemnify and hold the Lessor harmless from and against any and all liability, cost or expense (including, but not limited to, attorneys' fees) in connection with (i) maintenance, repair, restoration or replacement of any portion of any alteration or other work, improvement or betterment in the apartment, including, but not limited to, any equipment installed as part thereof, and of any portion of the apartment directly or indirectly affected by such alteration, work, betterment or improvement, or (ii) damage to the building or any element thereof, or to persons or property in the building, resulting from or attributable to the performance or existence of such alteration, work, betterment or improvement, or (iii) increased expense incurred in connection with the repair or maintenance of any portion of the building on account of any such alteration, work, betterment or improvement. If the operation of the building or any building system is adversely affected by any such alteration, work, betterment or improvement, or if equipment installed as part of such alteration, work, betterment or improvement creates unreasonable disturbances to other occupants of the building, the Lessee, when so notified by the Lessor, shall promptly remove or correct the cause of the problem as determined by the Lessor, and, if the Lessee does not do so, the Lessor may have the problem removed or corrected, at the Lessee's cost and expense. The provisions of this paragraph as well as the immediately foregoing subparagraph (e) of this Paragraph 21 shall apply to any alterations or other work, improvement or betterment conducted or installed by the

Lessee or any of the Lessee's predecessor lessees for the apartment or any portion thereof.

Payment of  
Expenses

(g) The Lessee shall, upon written request by the Lessor, pay (i) all amounts due to the Lessor pursuant to the foregoing subparagraphs of this Paragraph 21 or any agreement entered into between the Lessor and the Lessee pursuant to the provisions of this Paragraph 21, as well as (ii) all costs incurred by the Lessor in reviewing work proposals, entering into and enforcing alteration or other agreements, inspecting work in apartments and other matters related to such work, including, but not limited to, architectural and engineering fees, attorneys' fees and staff overtime. All such amounts shall constitute additional rent due and payable under this lease as of the date of such request.

Removal of  
Fixtures

(h) If the Lessee, or a prior lessee, shall have heretofore placed, or the Lessee shall hereafter place in the apartment, at the Lessee's own expense, any additions, improvements, appliances or fixtures, including but not limited to fireplace mantels, lighting fixtures, refrigerators, air conditioners, dishwashers, washing machines, ranges, woodwork, wall 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 payment of rent or in the performance or observance of any other covenants or conditions of this lease; (ii) that prior to any such removal, the Lessee shall give written notice thereof to the Lessor; (iii) that the Lessee shall, at the Lessee's own expense, prior to the termination of this lease, repair all damage to the apartment which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; (iv) that if the Lessee shall have removed from the apartment any articles or materials owned by the Lessor or its predecessor in title, or any fixtures 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 building 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

(i) 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.

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

Cooperation

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

Right of Entry;  
Key

25. The Lessor and its agents and their authorized workmen shall be permitted to visit, examine, or enter the apartment and any storage space assigned to 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 building or to cure any default by the Lessee and to remove such portions of the walls, floors and ceilings of the apartment and storage space as may be required for any such purpose, but the Lessor shall thereafter restore the apartment and storage space to its proper and usual condition at 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 Lessee or are caused by the act or omission of the Lessee or any of the Lessee's family, guests, agents, employees or subtenants. Entry into the apartment to take steps for the extermination or control of vermin or to tend to unattended pets apparently in distress in the apartment shall be deemed an entry in case of emergency. In order that the Lessor shall at all times have access to the apartment or storage rooms for the purposes provided for in this lease, the Lessee shall provide the Lessor with a key to each lock providing access to the apartment or the storage rooms, and if any lock shall be altered or new lock

installed, the Lessee shall provide the Lessor with a key thereto immediately upon installation. If the Lessee shall not be personally present to open and permit an entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to 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.

Waivers

26. The failure of the Lessor to insist, in any one or more instances, upon a strict performance of any of the provisions of this lease, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding, shall not be construed as a waiver, or a relinquishment for the future, of any such provisions, options or rights, but such provision, option or right shall continue and remain in full force and effect. The receipt by the Lessor of rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Lessor of any provision hereof shall be deemed to have been made unless in a writing expressly approved by the Board of 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 to the Lessee, addressed to the building. Either party may by notice served in accordance herewith designate a different address for service of such notice or demand. Notices or demands shall be deemed given on the date when mailed.

Reimbursement of Lessor's Expenses

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

Lessor's Immunities

29. (a) The Lessor shall not be liable, except by reason of the Lessor's negligence, for any failure or insufficiency of heat, or of air conditioning (where air conditioning is supplied or air conditioning equipment is maintained by the Lessor), water supply, electric current, gas, telephone, or elevator service or other service to be supplied by the Lessor hereunder, or for interference with light, air, view or other interests of the Lessee. No abatement of rent or other compensation or claim of eviction shall be made or allowed because of the making or failure to make or delay in making any repairs, alterations or decorations to the building, or any fixtures or appurtenances therein, or for space taken to comply with any law, ordinance or governmental regulation, or for interruption or curtailment of any service agreed to be furnished by the Lessor, due to accidents, alterations or repairs, or to difficulty or delay in securing supplies or labor or other cause beyond Lessor's control, unless due to 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 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 or her 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 by theft or otherwise.

Window Cleaning

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

Termination of  
Lease 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 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:

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 such shares;

<p>Lessee Becoming a Bankrupt; Appointment of Receiver; Assignment for Creditors; Levy on Shares; Transfer by Operation of Law; Transfer Pursuant to Pledge, Mortgage or Security Agreement</p>	<p>(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 <i>provided</i> that within eight (8) months (which period may be extended by the Board of Directors) after the Lessee's death such 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;</p>
<p>Assignment, Subletting or Unauthorized Occupancy</p>	<p>(c) 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;</p>
<p>Default in Rent</p>	<p>(d) If the Lessee shall be in default for a period of thirty (30) days or more 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;</p>
<p>Default in Other Covenants</p>	<p>(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; <i>provided, however,</i> that if such default consists of the failure to perform any act the performance of which requires any substantial period of time, then if within such 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 such default;</p>
<p>Objectionable Conduct</p>	<p>(f) If at any time the Lessor shall determine, upon the recommendation expressed in a duly adopted resolution of the Board of Directors, followed by the affirmative vote of the record holders of at least 66 2/3% in number 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 dissolute, loose or immoral character to enter or remain in the building or the apartment, shall be deemed to be objectionable conduct);</p>



Termination of All Proprietary Leases (g) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its then entire Board of Directors at a meeting of such Board of Directors duly called for that purpose, and the affirmative vote of the record holders of at least 66 2/3% in number 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 Board of Directors and 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.

32. (a) In the event the Lessor resumes possession of the apartment, either by summary proceedings, action of ejectment or otherwise, because of default by the Lessee in the payment of any rent or additional rent due hereunder, or on the expiration of the term pursuant to a notice given as provided in Paragraph 31 hereof upon the happening of any event specified in subsections (a) through (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 apartment for its own account, or (ii) relet the apartment as the agent of the Lessee, in the name of the Lessee or in its own name, for a term or terms which may be less than or greater than the period which would otherwise have constituted the balance of the term of this lease, and may grant concessions or free rent, in its discretion. Any reletting of the apartment shall be deemed for the account of the Lessee, unless within ten (10) days after such reletting the Lessor shall notify the Lessee that the premises have been relet for the Lessor's own account. The fact that the Lessor may have relet the apartment as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet the apartment for its own account. If the Lessor relets the apartment as agent for the Lessee, it shall, after reimbursing itself for its expenses in connection therewith, including leasing commissions and a reasonable amount for attorneys' fees and expenses, and decorations, alterations and repairs in and to the apartment, apply the remaining net proceeds 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 net proceeds of reletting and the Lessee shall have no further liability for sums thereafter accruing hereunder, but such termination of the Lessee's liability shall not affect any liabilities theretofore accrued.

Collection of Rent from Subtenants (b) If the Lessee shall at any time sublet the apartment and shall default in the payment of any 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.

Sale of Shares

(c) Upon the termination of this lease under the provisions of subdivisions (a) through (f) inclusive of Paragraph 31, 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 such 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 Board of Directors, or by a writing signed by a majority of the Board of Directors or by lessees owning, of record, at least 66-2/3% of the then issued and outstanding 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 accrued to that time. The Lessor shall not, however, be obligated to sell such shares and appurtenant lease or otherwise make any attempt to mitigate damages.

Waiver of Right of Redemption

33. The Lessee hereby expressly waives any and all right of redemption in case the Lessee shall be dispossessed by judgment or warrant of any court or judge. The words "enter", and "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) through (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 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; Deposits Required

35. (a) This lease may be cancelled by the Lessee on December 31, 2017, or on any December 31<sup>st</sup> 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 June 30 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 November 30 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, her or its shares of the Lessor, endorsed in blank for transfer and with all necessary transfer tax stamps affixed and with payment of any transfer taxes due thereon;

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

Removal of  
Fixtures;  
Possession

(b) All additions, improvements, appliances and fixtures which are removable under the terms of this lease and which are enumerated in the statement made as provided in subdivision (iii) above shall be removed by the Lessee prior to November 30<sup>th</sup> of the year of cancellation, and on or before such November 30<sup>th</sup> 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 December 31<sup>st</sup>.

Permission to  
Show and Occupy  
Premises

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

Effective Date of  
Cancellation

(d) If the Lessee is not otherwise in default hereunder and if the Lessee shall have timely complied with all of the provisions of subdivisions (a) and (b) hereof, then this lease shall be cancelled and all rights, duties and obligations of the parties hereunder shall cease as of the December 31<sup>st</sup> fixed in such 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 such last mentioned date.

Rights on Lessee's  
Default

(e) If the Lessee shall give the notice but fail to comply with any of the other provisions of this paragraph, the Lessor shall have the option at any time prior to December 31<sup>st</sup> (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 December 31<sup>st</sup> 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 June 30<sup>th</sup> 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 35 of intention to cancel such proprietary leases on December 31<sup>st</sup> of such year shall aggregate ten percent (10%) or more of the Lessor's outstanding shares, exclusive of treasury shares, then the Lessor shall, prior to July 31<sup>st</sup> 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 September 30<sup>th</sup> instead of June 30<sup>th</sup>.

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 30<sup>th</sup> 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, her or its 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.

Continuation of  
Cooperative  
Management of  
Building After All  
Leases  
Terminated

37. No later than thirty 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 as a residential apartment building, (b) to alter, demolish or rebuild the building or any part thereof, or (c) to sell the building and liquidate the assets of the Lessor, and the Board of Directors shall carry out the determination made by the holders of a majority of the shares of the Lessor then issued and outstanding at such 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 inure to shareholders of corporations having title to real estate.

Foreclosure —  
Receiver of Rents

38. 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 apartment as last determined and established by the Board of Directors prior to the commencement of such action, and such rent shall be paid during the period of such receivership, whether or not the Board of 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

39. 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.

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. None of the covenants on the part of the Lessee herein shall be deemed to have been made for the benefit of nor shall they be enforceable by anyone other than the Lessor and its agents, successors and assigns.

Waiver of Trial by Jury

40. 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.

Lessor's Additional Remedies

41. 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

42. 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 of Default

43. 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.

Unity of Shares and Lease

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

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

User Charges

45. In addition to other charges provided for hereunder, the Lessor may charge the Lessee user charges for services, special facilities, or utilities, consumption or use of which is discretionary on the part of the shareholder or which, in the sole judgment of the Lessor, are appropriately charged on a usage basis, including, but not limited to, charges for electricity, gas, and communications facilities and the use of

storage areas, recreation rooms or fitness facilities. All such charges shall be established, amended and rescinded in the sole judgment of the Lessor, and shall be payable as additional rent at such times as the Lessor may determine.

No Discrimination            46.     The Lessor will not discriminate against any person because of his or her race, creed, religion, color, national origin or ancestry, ethnic origin, sex, age, sexual orientation, gender expression, marital status, handicapped status, veteran status or military obligations when exercising any right reserved to it in this lease.

Effect of Partial            47.     If any clause or provision herein contained shall be adjudged invalid, Invalidity                      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.

Headings                      48.     The 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            49.     The provisions of this lease cannot be changed orally. Writing

IN WITNESS WHEREOF, the parties have executed this lease.

336 TENANTS CORP.,

Lessor.

By: \_\_\_\_\_  
          (Vice) President  
                  Treasurer  
                  Secretary

\_\_\_\_\_(L.S.)

\_\_\_\_\_(L.S.)  
Lessee.

State of \_\_\_\_\_ )  
 ) ss.:  
County of \_\_\_\_\_ )

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

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Notary Public

State of \_\_\_\_\_ )  
 ) ss.:  
County of \_\_\_\_\_ )

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

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Notary Public

State of \_\_\_\_\_ )  
 ) ss.:  
County of \_\_\_\_\_ )

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

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Notary Public

**ANNEX I**  
**TO**  
**FORM OF PROPRIETARY LEASE**  
**FOR**  
**336 TENANTS CORP.**  
**EFFECTIVE AS OF FEBRUARY 28, 2017**

**WINDOW REPAIR AND REPLACEMENT TRANSITION PLAN**

**Article I. Plan Formation, Structure and Implementation**

Section 1.01 This Plan (the “Plan”) shall be effective on the day following its approval by shareholders of 336 Tenants Corp. (the “Effective Date”).

Section 1.02 This Plan is being submitted to shareholders simultaneously with a proposal to amend and restate the form of proprietary lease currently in effect for shareholders and lessees of 336 Tenants Corp. (the “Current Proprietary Lease”). If shareholders approve that amendment and restatement proposal, this Plan shall be appended to the approved amended and restated form of proprietary lease (the “Restated Proprietary Lease”) and shall be deemed to amend, control and override those portions of the sections of the Restated Proprietary Lease listed in Appendix 1 hereto, to the extent applicable. If shareholders do not approve that amendment and restatement proposal, this Plan shall be appended to the Current Proprietary Lease and shall be deemed to amend, control and override those portions of the sections of the Current Proprietary Lease listed in Appendix 2 hereto, to the extent applicable.

Section 1.03 The purpose of this Plan is to provide for the reallocation of each shareholder’s financial and contractual responsibility for repair and replacement of all windows, window panes, window frames, sashes and sills (collectively, the “windows”) in all apartments in the building. In effect, shareholders will be accepting responsibility for repair and replacement of all windows in their own individual respective apartments in exchange for being relieved of their pro rata share of that responsibility for all other windows in the building, except Tenant Windows (as defined below).

Section 1.04 Immediately prior to the Effective Date, each shareholder, through his or her ownership of shares, had pro rata financial responsibility for the operating and capital costs of repairing and replacing the windows in all apartments, except Tenant Windows. The pro rata proportion of such responsibility is determined according to the number of shares owned in relation to total shares outstanding. If a shareholder had repaired or replaced one or more windows in his or her apartment or if the shareholder’s predecessor had done so,



then there is a rebuttable presumption that shareholder has full financial responsibility for repair and replacement of the windows in his or her own apartment (any such windows determined to be the responsibility of the shareholder are herein referred to as "Tenant Windows").

Section 1.05 When the reallocation provided for in this Plan is complete and fully effective, each shareholder will be financially and contractually responsible exclusively for the windows in such shareholder's apartment and for no other apartment in the building.

Section 1.06 As soon as reasonably practicable following the Effective Date, the Board shall make a determination with respect to each apartment in the building whether one or more of the windows in the apartment have been repaired or replaced by the Lessee or the Lessee's predecessor in interest. The Board shall presume the windows in the apartment are the responsibility of the Corporation unless there is clear documentary or other convincing evidence to the contrary or there is an admission to the contrary. Based upon such determination, the Board shall place each apartment either in the category of 100% Lessor's responsibility for window repairs and replacements or the category of 100% Lessee's responsibility for window repairs and replacements, as of the Effective Date.

Section 1.07 Promptly after the Board has completed the determination required by Section 1.06 for every apartment in the building, the Board shall cause a notice to be delivered to every shareholder advising the results of the determination for each shareholder's apartment, specifically whether the shareholder's apartment is in the category of 100% Lessor's responsibility for window repairs and replacements or 100% Lessee's responsibility for window repairs and replacements.

Section 1.08 As used herein, the term "Commencement Date" shall mean the later of (i) the last day of the calendar month immediately following the month in which the Effective Date occurs, or (ii) the last day of the calendar month in which every shareholder has received the notice required by Section 1.07.

Section 1.09 As soon as reasonably practicable following the Effective Date, the Board shall appoint a person or an organization having appropriate skills, experience and qualifications (the "Window Registrar") for maintaining a registry of all pertinent information and data reasonably necessary, appropriate or convenient to the administration of this Plan (the "Window Registry").

## **Article II. Window Responsibility Transfer By Periodic Accrual**

Section 2.01 Commencing with the month following the Commencement Date, for every apartment in the building that is not in the category of 100% Lessee's responsibility for window repairs and replacements, on the last day of every calendar month there shall be recorded an accrual transferring 1.5% of the total window repair and replacement responsibility from the Lessor to the Lessee and the Lessee's successors.

Section 2.02 The monthly accruals prescribed by Section 2.01 shall continue until the apartment has moved to the category of 100% Lessee's responsibility for window repairs and replacements.

Section 2.03 Each and every such transfer and the resulting percentage allocation of responsibilities for window repairs and replacements in effect from time to time shall be recorded in the Window Registry. At any given point in time, the applicable percentage allocation of such responsibilities between the Lessor and the Lessee shall be known as the "Applicable Window Ratio."

Section 2.04 Each shareholder shall receive notice with each monthly maintenance statement (i) of the month's applicable ownership transfer by accrual, and (ii) of the Applicable Window Ratio for the apartment as of the end of the month.

### **Article III. Special Adjustments of Applicable Window Ratio in Case of Sale or Renovations**

Section 3.01 Upon the closing of the assignment or transfer of an apartment in accordance with the proprietary lease then in effect, the apartment shall simultaneously be moved into the category of 100% Lessee's responsibility for window repairs and replacements if it is not already in that category.

Section 3.02 Upon the commencement of renovation work authorized pursuant to the proprietary lease then in effect which work is classified in the alteration agreement as a Class III renovation, the apartment shall simultaneously be moved into the category of 100% Lessee's responsibility for window repairs and replacements, *provided* it is not already in that category.

### **Article IV. Bulk Window Replacement Programs For General Availability**

Section 4.01 The Lessor shall offer to all Lessees one or more bulk window replacement programs having basic terms and conditions substantially as described in this Article IV. The first such program shall be presented no later than the first anniversary of the Commencement Date. Subsequent programs may, in the discretion of the Board, be presented to all lessees at any time and from time to time so long as any apartments have not yet been transferred to the category of 100% Lessee's responsibility for window repairs and replacements.

Section 4.02 A bulk window replacement program shall consist of an offer to Lessee and all other lessees, subject to conditions hereinafter described, to make available engineering, architectural design, product supply and installation arrangements through one or more outside contractors on a pricing basis that includes a discount for all participants based upon the number of windows being replaced and supplied.

Section 4.03 The Lessor shall be obligated to pay 50% of the total cost of the first mandatory program, *provided* that the aggregate cost to the Lessor does not exceed \$250,000. If the Lessee is a participant in the program then he or she and all other lessee participants shall be obligated to pay the remaining 50% of their allocable share of the cost of the program, subject to the same proviso. If the aggregate cost of the first such program will exceed \$250,000, the Board shall determine how to fund the shortfall. Among the possible sources of financing for the shortfall, the Board may choose any one or more of the following alternatives: (i) fund the shortfall out of available cash reserves of the Lessor; (ii) borrow the shortfall; (iii) adopt a special assessment against shareholders in an amount

sufficient to cover such shortfall; and (iv) allocate the shortfall among the program participants by allocating the \$250,000 of Lessor's funds to the program participants in partial absorption of the program cost on a fair, reasonable and proportionate basis. As used herein, the term "cost of the program" includes the cost of all products included therein, together with the cost of repairs and preparation for installation and installation of such products, but does not include fees, charges and expenses associated with permitting, engineering and architectural design work, which fees, charges and expenses shall for the account of the Lessor.

Section 4.04 Any bulk window replacement program offered subsequent to the first mandatory program shall be on such terms and conditions as the Board determines to be fair and reasonable.

Section 4.05 If Lessee participates in the first mandatory bulk window replacement program or any other subsequent program, upon the completion thereof, Lessee's apartment shall be moved into the category of 100% Lessee's responsibility for window repairs and/or replacements.

Section 4.06 If Lessee's apartment is in the category of 100% Lessee's responsibility for window repairs and/or replacements, he or she may participate in bulk window replacement program offered generally to all shareholders on the same terms and conditions as other shareholders, except the Lessee shall be obligated to pay 100% of his or her allocable share of the cost of the program applicable to the apartment and shall not be entitled to the benefit of the Lessor's obligation to pay 50% of the cost of the program in the case of the mandatory first program.

#### **Article V. Board Control, Discretion, Finality**

Section 5.01 Every aspect of this Plan shall be completely within the Board's absolute discretion, business judgment and control. The Board may, but need not, retain outside experts or other persons with appropriate qualifications to assist it with making judgments, determinations or assessments necessary, appropriate or convenient to administering this Plan or otherwise specifically called for by this Plan.

Section 5.02 Every action, judgment, determination and assessment undertaken by the Board shall be final, conclusive and binding on all parties and not subject to appeal or reconsideration (except in the discretion of the Board).

## APPENDIX 1

### Sections of the Amended and Restated Proprietary Lease Deemed Amended, Controlled and Overridden by This Annex I to the extent they conflict or are inconsistent

<b>Title</b>	<b>Paragraph</b>	<b>Page</b>
<b>Consents Generally: Stockholders' and Board of Directors' Obligations to Consent</b>	<b>16(c)</b>	<b>11</b>
<b>Repairs By The Lessee</b>	<b>18(a)</b>	<b>12-13</b>
<b>Alterations</b>	<b>21(a)</b>	<b>14</b>
<b>Alteration Agreement</b>	<b>21(b)</b>	<b>14-15</b>
<b>Continuing Responsibility for Work</b>	<b>21(f)</b>	<b>15</b>
<b>Window Cleaning</b>	<b>30</b>	<b>19</b>