

PROPRIETARY LEASE

INDENTURE OF LEASE, made the ____ day of _____, 20__, by and between MOGUL PARK, Inc. a corporation organized under the laws of the State of New York, hereinafter called the Lessor, and _____, hereinafter called the Lessee.

WHEREAS, the lessor is the owner of the land and building erected thereon located of Huron Trail in the unincorporated hamlet of lake Mohegan, in the Town of Yorktown, County of Westchester and State of New York; and

WHEREAS, the Lessor has leased or proposed to lease dwelling units located on said land to the several owners of its capital stock by instruments know as proprietary leases; and

WHEREAS, the Lessee is the owner of _____ shares of the capital stock of the Lessor, which have been allocated to the dwelling unit;

NOW THEREFORE, in consideration of the premises and of the rents, covenants and agreements herein, the Lessor hereby leases to the Lessee, subject tot he terms and conditions hereof and subject to the terms and conditions set forth in the Certificate of Incorporation and By-Laws of the Lessor, and any rules and regulations of the Lessor now or hereafter adopted pursuant thereto, the Lessee hires from the Lessor dwelling unit No. ____ located at Mogul Park.

TO HAVE AND TO HOLD the dwelling unit, with the appurtenances, unto the Lessee and the executors, administrators, legal representatives, and authorized assigns of the Lessee, upon the terms and conditions herein set forth, from the ____ day of _____, 20__, until the 31st day of December 2050 (unless the term shall sooner expire as hereinafter in this lease provided), at a rent for each year or portion of year during such term equal to the Lessee's proportionate share as hereinafter provided of the aggregate amount of the cash requirements of the Lessor, as hereinafter defined, for such year or portion of year, together with

additional rent as hereinafter provided.

If at the time the Lessee executes this lease the date of the commencement of the term has not been inserted herein, then the Lessee hereby authorizes the Lessor to insert such date, which shall be the same date that title to the premises is transferred to the Lessor.

The cash requirements above referred to for each year or portion of year are hereby defined and shall be deemed to be such aggregate sum as the board of Directors of the Lessor from time to time, by a resolution or resolutions adopted during such year or portion of year or the preceding year, shall determine \, in its judgment, is to be paid by all the lessees under proprietary leases then in force (after deducting any estimated rents or income to be received during such year other than rents under proprietary leases) on account of the estimated expenses and outlays of the Lessor to the close of such year, growing out of or connected with the ownership, maintenance, and operation of such land and buildings, which sum may included among other things taxes, assessments, water rates, insurance premiums, operating expenses, legal and accounting fees, management fees, commissions, employees' gratuity fund, if any, alterations, replacements and repairs, expenses and liabilities incurred by the Lessor under of by reason of this or other leases, interest on mortgage or other indebtedness, mortgage amortization payments, the payment of any other liens of charges, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve of surplus fund or capital contribution, and expenses for other corporate purposes. The Board of Directors of the Lessor may, from time to time, by resolution or resolutions duly adopted up to the close of the year for which such cash requirements have been so fixed or determined, increase or diminish the amount previously fixed or determined for such year. The Board of Directors may include in the Cash requirements for any year any liabilities or items of expenses which accrued or became payable in a previous year, or which might have been included in the cash requirements for a previous year but were not included therein, and also any sums which the Board of Directors may deem

it necessary or prudent to provide as a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

The rent payable by the Lessee in and for each year or portion of year of such term shall be a sum (within the limits and on the conditions hereinabove provided) bearing to the aggregate amount of such cash requirements for such year or portion of year, determined as herein provided, the same ratio as that which the number of shares of stock of the Lessor, owned by the Lessee at the time of the execution hereof as stated in the recitals of this proprietary lease, bears to the aggregate of the shares similarly specified in all the proprietary leases in effect at the time of the fixing and determination of such cash requirements, and such rent, together with any additional rent accruing under this lease, shall be payable quarterly in advance or in such payments of installments as shall be required by resolution of the Board of Directors of the Lessor, and at such times as shall be provided in such resolution.

The Board of Directors of the Lessor shall have discretionary power to prescribe the manner of maintaining and operating the buildings, and to determine the cash requirements of the Lessor to be paid as herein provided by the lessees under proprietary leases. Every such determination by the Board of Directors, within the bounds of this agreement of lease, shall be final and conclusive as to all leases, and any expenditures made by the Lessors' officers, or managing agent, under the direction or with the approval of the Lessor's Board of Directors, within the bounds of this agreement of lease, shall, as against the lessees, be deemed necessarily and properly made for such purposes.

The powers and authority to determine and establish the amount of and to require payment of the rent above provided for shall be possessed only by the Board of Directors of the Lessor elected by its shareholders and shall not pass to or be exercised by:

(a) any creditor, receiver, or trustee of the Lessor or any representative of any such creditor, receiver, or trustee of the Lessor, except to the extent of actual cash requirements for operating the building and the payment of current real estate taxes and current interest and amortization on any mortgage that may then be

a lien on the premises; or

(b) any Board of Directors elected by any such creditor, receiver, or trustee or by the representative of any such creditor, receiver, or trustee, except to the extent of actual cash requirements for operating the building and the payment of current real estate taxes and current interest and amortization on any mortgage that may then be a lien on the premises.

ARTICLE I

THE LESSOR HEREBY COVENANTS WITH THE LESSEE, AS FOLLOWS:

FIRST: Repairs. The Lessor shall keep in good repair the sidewalks, grounds community buildings, swimming pool, tennis court and handball courts, and all pipes carrying water to the separate dwelling units; and all drain pipes and electrical conduits, together with all plumbing, heating and other apparatus intended for the community buildings and all other portions of community property except those portions thereof which it is the duty of the Lessee to maintain and keep in good repair as hereinafter provided. All such repairs required to be made by the Lessor shall be at the expense of the Lessor, unless the same shall have been rendered necessary by the act or neglect or carelessness of the Lessee, or any of the family, guest, employees or sub-tenants of the Lessee in which case the expenses is to be borne by the Lessee.

SECOND: Maintenance. The lessor shall maintain and manage and keep the public buildings and ground clean and cared for and shall provide the number of attendants requisite, in the judgment of the Board of directors for the proper care and service thereof. The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Board of Directors of the Lessor to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the community properties, and also what existing services shall be increases, reduced changed or modified.

The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Board of Directors of the Lessor to prescribe the manner of maintaining and operating the units and to

determine the cash requirements of the Lessor, as hereinabove stated, and subject to the further proviso that there shall be no diminution or abatement of rent or other compensation accruing to the Lessor for the failure by the Lessor to perform the same or for interruption or curtailment of service, when such failure, interruption, or curtailment shall be due to accident or to alterations or repairs desirable or necessary to be made, or to inability or difficulty in securing supplies or labor, or to some other cause not gross negligence on the part of the Lessor; and all of the covenants by the Lessor in this instrument contained are Also subject to the provisions of paragraph SIXTEEN of Article II hereof.

THIRD: Damage of fire or Other Casualty. In the vent of a casualty loss by fire, or otherwise, the Lessor shall arrange for the repair and restoration of the dwelling unit, including any bathroom and kitchen equipment, ranges and fixtures initially purchases, but not including wall, floor or ceiling decorations or coverings, or furniture, furnishings, fixtures or equipment installed by the Lessee. However, if three-fourths of the dwelling unit is destroyed or substantially damaged and if by a majority vote of the votes cast at a meeting of the Board of Directors or by a majority vote of the votes cast at a meeting of the shareholders a resolution is adopted not to proceed with repair and restoration, then and in that event the shares of stock owned by the Lessee shall be deemed to have been purchased by the Lessor as if in fact the same had been offered for sale to it as provided hereinafter and the sum to be paid to the tenant shareholder shall be determined according to Article V, Section 4 of the By-Laws.

FOURTH: Books of Account. 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 of his representatives.

FIFTH: Changes in Terms and Conditions of Proprietary Lease. All proprietary leases of dwelling units heretofore and hereafter executed shall be in the form of this leases except with respect to statements as to the number of share of stock owned by the Lessee. The Lessor will not make or consent to any change of alteration in the terms of conditions of any proprietary lease which shall have been executed

by the Lessor (as distinct from the house rules) unless such change or alteration shall be made pursuant to a resolution adopted by a majority vote of the votes cast at a meeting of the Board of Directors.

SIXTH: Roofs and grounds Immediately Surrounding the Dwelling Unit. The Lessee shall have the right to erect on the roof above his dwelling unit for his own use, radio or television aerials and antennas or other necessary or desirable improvements and the maintenance and repair thereof shall be the sole and exclusive responsibility of the Lessee. The Lessee shall have the right to plant shrubs and flowers in the immediate are surrounding his dwelling unit and the maintenance, care, cultivation and replacement of sais shrubs and flowers shall be the sole and exclusive responsibility of the Lessee.

SEVENTH: Electric Current. So long as electric current is furnished by a public service corporation directly to the Lessee, the Lessee shall pay for all electric current consumed in and for his own dwelling unit. If the Lessor shall contract for the furnishing of electric current to all of the dwelling units by a public service corporation the Lessee shall purchase from the Lessor all such electric current as the Lessee shall require and shall pay the Lessor for the amount consumed as indicated by the meter furnished therefor. The rates for said electric current payable by the Lessee shall be th4e same as those charged by said public service corporation for consumption similar to that of the Lessee and the Lessee shall comply with rules and regulations similar to those prescribed by said public service corporation. Payments for such electric current shall be due as and when bills therefore are rendered and if at any time such payments are in default, they shall be deemed to be additional rent and payable as hereinabove provided.

EIGHTH: Quiet enjoyment. 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 dwelling unit without any let, suit, trouble, or hindrance from the Lessor.

NINTH: Management, Taxes and Insurance. The Lessor shall provide necessary management, operation and administration of the Property and shall collect the interest and amortization on the mortgage

and pay same over to the mortgagee when due; pay or provide for the payment of all taxes or assessments levied against the Lessor's property; procure, pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on the property of the Lessor, and such other insurance as the Lessor may deem advisable on its property. The Lessor will not provide public liability insurance for the benefit of any Lessee, nor will the Lessor provide insurance on a Lessee's interest in his dwelling unit or on his personal property.

TENTH: Utilities. The Lessor shall provide water to the dwelling unit of each lessee from Town - owned mains located at the entrance of the property. Each Lessee shall pay for all other utilities to the particular dwelling unit.

ARTICLE II

THE LESSEE HEREBY COVENANTS WITH THE LESSOR, AS FOLLOWS:

FIRST: Payment of Rent. The Lessee will pay to the Lessor, or to its managing agent, if any, the rent upon the terms, at the times, and in the manner 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 within one month from the time when the same becomes due, the Lessee shall pay interest thereon at the rate of six percent per annum from the date when such installment shall have become due to the date of the payment thereof, and such interest shall be deemed additional rent hereunder.

SECOND: Rights Upon default. In the event of the Lessor's resuming possession of the dwelling either by summary proceeding, action of ejectment or otherwise because of default by the Lessee in the payment of rent or additional rent or any part thereof or on the expiration of the term under the provisions of subsections (a) through (g) of paragraph EIGHTEENTH hereof, the Lessee shall continue to remain liable for payment of the rent which would have become due hereunder from time to time. No suit brought to recover any installment of such 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 (a) relet the

dwelling unit for its own account, or (b) relet the dwelling unit 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 for fee, rent, in its discretion,. If the Lessor relets the dwelling unit as the agent for the Lessee, it shall, after reimbursing itself for its expenses in connection therewith, including a reasonable amount for decorations, alterations and repairs in and to the said dwelling unit, apply the remaining avails of such reletting against the Lessee's continuing obligations hereunder. There shall be a final accounting between the lessor and the Lessee upon the earliest of the four following dates: (a) the date of termination of this lease as originally set forth herein; (b) the date as of which a new proprietary lease covering the dwelling unit shall have become effective; © the date the Lessor gives written notice to the Lessee and has relet the dwelling unit for its own account or that it will no longer relet the dwelling unit as agent t for the Lessee; or (d) the date upon which all proprietary leases of the Lessor terminate.

THIRD: Failure to Fix Rent. The omission of the Board of Directors of the Lessor, before the expiration o f any year of such term, to fix the rent hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the covenants or provisions of this lease, or a release of the Lessee from the obligation to pay the rent or any installment thereof for that or any subsequent year, provided such rent shall ultimately be fixed.

FOURTH: House Rules and Cooperation. The Lessee covenants that he will p reserve and promote the cooperative ownership principles on which the Lessor has been founded, abide by the charter, by-laws, rules and regulations of the Lessor and any amendments thereto and by his acts of cooperation with its other shareholders bring about for himself and his co-shareholders a high standard in home and community conditions. That the acts of the Lessee's family, guests, invitees, employees and servants shall be deemed the acts of the Lessee. The Lessor hereby established the house rules appended to this lease for the management and control of the community property and may also from time to time alter, amend and

repeal such rules, and this lease shall be in all respects subject to the appended rules and to all changes and modifications therein of which notice has been given to the Lessee, and the Lessee shall obey all such rules and see that they are faithfully observed by his family, guests, employees and sub-tenants, but the Lessor shall not be responsible to the Lessee for the non-observance or violation of such rules by any other Lessee or person other than employees of the Lessor.

FIFTH: Occupancy and Use of Premises. The Lessee shall occupy the dwelling unit covered by this agreement as a private dwelling for himself and his immediate family and for no other purpose, in common with other Lessees who own Proprietary Leases issued by the Lessor, of all community property and facilities of the lands and buildings of the Lessor, so long as the Lessee continues to own common stock of the Lessor, occupies his dwelling unit, and abides by the terms of this agreement.

The Lessee shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance on his particular dwelling unit, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the premises or commit or suffer any immoral or illegal act to be committed thereon. The Lessee shall comply with all of the requirements of the Board of Health and of all other governmental authorities with respect to the said premises. If by reason of the occupancy or use of said premises by the Lessee the rate of insurance on the dwelling unit shall be increase, the Lessee shall become personally liable for the additional insurance premium. And same shall be charged to said Lessee as additional rent herein.

SIXTH: Assignment. The Lessee shall not assign this lease or transfer the stock appurtenant thereto or any interest therein and no such assignment or transfer shall take effect as against the Lessor for any purpose, until

(a) The Lessor has failed to exercise its option to purchase as set forth in the By-Laws of the Lessor, and

(b) an instrument of assignment executed by the assignor shall have been delivered to the Lessor,
and

© an agreement by the assignee assuming and agreeing to perform and comply with all the covenants and conditions of this lease to be performed or complied with by the Lessee on and after the effective date of said assignment shall have been executed and acknowledged by the assignee and delivered to the Lessor, but no assumption agreement shall be required of the assignee surrenders the assigned lease and enters into a new proprietary lease for the remainder of the term, as hereinafter provided, and

(d) all shares of stock of the Lessor appurtenant to this lease shall have been transferred to the assignee, with proper transfer stamps affixed, and

(e) all sum due from the Lessee, together with a sum to be fixed by the Board of Directors or the President or a Vice-President of the Lessor to cover reasonable legal and other expenses of the Lessor in connection with such assignment and transfer of shares, shall have been paid to the Lessor; and

(f) consent to such assignment shall have been duly given by an instrument in writing which is to be signed either (1) by a majority of the then authorized total number of directors of the Lessor or (2) by Managing Agent, or any officer of the Lessor when duly authorized either by a majority vote of the votes cast at a meeting of the Board of Directors or by a majority of the vote of the votes cast at a meeting of the shareholders. No such consent shall be required in the case of an assignment, transfer or bequest of this lease to the Lessee's spouse, administrator, executors, distributees, or devisees, or if the Lessee be more than one person, in the case of an assignment, or transfer by one such Lessee to another.

Whenever the Lessee shall, under the provisions of this lease, be permitted to assign and shall so assign the same, and the assignee shall deliver to the Lessor an instrument in writing assuming all of the unfulfilled obligations of the assignor hereunder, the assignor shall have no further liability on any of the covenants of this lease to be thereafter performed and, upon the making of any assignment of this lease, as herein provided and permitted, the same shall, at the option and election of the Lessor, be surrendered, and a

new lease for the remainder of the term of this lease, in the same form, shall in such case be entered into between the Lessor and the assignee.

No executor, administrator, personal representative, or successor of the Lessee, or trustee, or receiver of the property of the Lessee, or anyone to whom the interest of the Lessee hereunder shall pass by law, shall be entitled to assign this lease, or to sublet the dwelling unit, or any part thereof, except upon compliance with the requirements of this Lease. The character of and restriction upon the occupancy of the dwelling unit, and upon assignment of this lease, as hereinbefore expressed, restricted and limited, are an especial consideration and inducement for the granting of this lease by the Lessor to the lessee; and in the event of a violation by the Lessee of the restrictions and covenants herein contained in respect to either subletting or assignment, this lease may be terminated and shall expire at the option of the Lessor as hereinafter provided, and the Lessor may cease performance of its covenants contained in Article I of this Lease, and may restrain and prevent the occupancy of the dwelling unit by any one other than the Lessee.

Anything to the contrary contained herein notwithstanding, if an individual supplied by the Sponsor to purchase unsold stock pursuant to the Lessor's plan or organization is the Lessee under this lease then the dwelling unit may be sublet or this lease and the accompanying stock assigned without requiring a written consent of the Lessor, as provided herein, except that the sublessee or assignee shall be approved as hereinbefore set forth. The foregoing exception shall apply only to an assignment by individuals supplied by the Sponsor and shall not apply to any subsequent assignment.

SEVENTH: Subletting. The Lessee shall not sublet the whole or any part of his dwelling unit for any term to a person or persons nor, except as provided in the foregoing paragraph hereof, permit the same to be occupied by any persons other than members of the Lessee's family, his employees and servants, unless consent thereto shall have been duly given by an instrument in writing which is to be signed either by a majority of the then authorized total number of directors of the Lessor, or by the Managing Agent of the Lessor, or an officer of the Lessor when duly authorized with by a majority of the votes cast at a meeting of

the Board of Directors, or by a majority vote of the votes cast at a meeting of the shareholders.

Whenever the Lessee applies to the Lessor for a consent to a subletting, the Lessor may require that the Lessee shall deliver to the Lessor a copy of the sublease to which consent is requested. No such consent shall be required to any subletting (a) by a Lessee to a sub-tenant in possession at the date hereof, or to members of the Lessee's family or (b) by the Sponsor referred to in the offering plan or its designees, nominees or representatives. The liability of the Lessee under this agreement shall continue notwithstanding the fact that he may have sublet the dwelling unit with the consent and approval of the Lessor. The Lessee shall continue liable for all obligations hereunder and shall be responsible to the Lessor for the conduct of the sub-tenant.

EIGHTH: Repairs by Lessee. The Lessee shall keep the exterior and interior of his dwelling unit in good order and repair and the Lessor shall not be held answerable for any repairs in or to the same, unless such repairs shall be made necessary by the act or negligence of the Lessor. In addition to decorating and keeping the exterior and interior of the dwelling unit in good repair, the Lessee shall be responsible for the maintenance or replacement of any furnishings, plumbing fixtures, lighting fixtures, refrigerators, ranges or other equipment that may at any time be in the dwelling unit, and shall be responsible for maintenance of the roof an foundation and septic tank system.

If the Lessee shall fail to make repairs as herein required, or shall fail to comply with any other covenant or condition of this lease on his part to be performed, the Lessor may, after ten days written notice to the Lessee make such repairs, comply with such covenant or condition, or perform such act or arrange for other to do the same without liability on the part of the Lessor; and , in such event, the Lessor, its agents, servants and contractors shall, as between the Lessor and Lessee, be conclusively deemed to be acting as agents of the Lessee and all contracts therefor made by the Lessor shall be so construed whether or not made in the name of the Lessee.

NINTH: Alterations and Additions. The Lessee shall not, without the written consent of the

Lessor, make any structural alterations in the premises or in the water, gas, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the premises. If the Lessee or any prior Lessee shall heretofore have placed or shall hereafter place in the dwelling unit any special additions, improvement or fixtures, then the Lessee shall have the right, during the term of this lease to remove the same at the Lessee's own expense, provided: (a) that the Lessee at the time of such removal shall not be in default in the payment of rent or in the performance of any other provision or conditions of this lease; (b) that prior to any such removal the Lessee shall have given written notice thereof to the Lessor; (c) that the Lessee shall pay the cost of any such removal and shall repair any damages resulting therefrom; and (d) that the Lessee shall replace and reinstall at the Lessee's own expenses any equipment that was in the dwelling unit at the beginning of the term, or at the lessee's option, shall put the dwelling unit in tenantable condition by installing standard equipment of the kind and quality customary in buildings of this type and satisfactory to the Lessor.

TENTH: Lease Subordinate to Mortgage. This lease is and shall be subject and subordinate to any mortgages now a lien upon the property and to any and all extensions, modifications, renewals and replacements thereof and this lease shall be subject and subordinate to the lien of any other mortgage or mortgages which shall at any time be placed on the property. 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 such mortgage or mortgagee, 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 as 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. The Lessee agrees that the representative of any mortgagee holding a mortgage on the property of the Lessor, and other officers and employees of the Lessor, shall have a right to enter the dwelling unit if the Lessee and make inspections thereof at any reasonable hour of the day.

ELEVENTH: Notices. Any notices by the Lessor to the Lessee or by the Lessee to the Lessor shall be deemed to have been duly given, and any demand by the Lessor on the Lessee or by the Lessee on the Lessor shall be deemed to have been duly made, only if in writing and delivered personally or sent by registered mail addressed to the Lessor, at Room 212, 1019 Park Street, Peekskill, New York, or to the Lessee at Lake Mohegan, New York or such other address as may be designated by the Lessor or the Lessee as the case may be in the manner herein set forth for the giving of notices.

TWELFTH: Mechanics' Liens. In case there shall be filed a notice of mechanic's lien against the dwelling unit, for, or purporting to be for, labor or material alleged to have been 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 cause such lien to be discharged within twenty days after the filing of such notice, 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 right to collect, as additional rent, all amounts so paid and all costs and expenses paid or incurred in connection therewith, including reasonable attorney's fees and disbursements, together with interest thereon from the time or times of payment.

THIRTEENTH: Right entry. The Lessor and its agents shall be permitted to visit and examine the dwelling unit at any reasonable hour of the day, and workmen may enter at any time, when authorized by the Lessor or the Lessor's agents, to make or facilitate repairs. If the Lessee shall not be personally present to open and permit an entry into the dwelling unit. At any time when for any reason an entry therein shall be necessary or permissible hereunder, the Lessor or the Lessor's agent may forcibly enter the dwelling unit without rendering the Lessor or such agents liable to any claim or cause of action for damages by reason thereof (if during such entry the Lessor shall accord reasonable care to the Lessee's property), and without in any manner affecting the obligations and covenants of this lease; and the right and authority hereby reserved do not impose, nor does the Lessor assume by reason thereof, any responsibility or liability whatsoever for

the care or supervision of the dwelling unit, or any of the pipes, fixtures, appliances, or appurtenances therein contained or therewith in any manner connected, except as may be herein specifically provided.

FOURTEENTH: Waivers. The failure of the Lessor to insist, in any one or more instances, upon a strict performance of any of the terms, covenants, conditions, or agreements of this lease, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or summary proceeding, or otherwise to act as though this lease had expired pursuant to the provisions of Article III hereof, shall not be construed as a waiver, or a relinquishment for the future, of such covenant or option or right thereafter to serve notice and to have this lease expire under the provisions of Article III, but such covenant or 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 expressed in writing and signed by an officer of the Lessor pursuant to authority contained in a resolution of its Board of Directors; and even though a consent to an assignment hereof, or to any subletting, be given, no further assignment or subletting shall be made without express consent in writing given as hereinbefore provided.

FIFTEENTH: Attorney's fees. If the Lessee shall at any time be in default hereunder, or if the Lessor shall institute an action or summary proceeding against the Lessee based upon such default, the Lessee will reimburse the Lessor for the purpose of attorney's fees and disbursements thereby incurred by the Lessor, so far as the same are reasonable in amount, and the Lessor shall have the right to collect the same as additional rent.

SIXTEENTH: Lessor's immunities. The Lessor shall not be liable for any failure of heat, water supply, air conditioning, electric current, or other service to be supplied by lessor hereunder, or for injury or damage to person or property caused by the elements or by another tenant or person on the Property, or resulting from gas, electricity, water, rain, or snow which may leak or flow from outside or from any part of the property, or from any of its pipes, drains, conduits, radiators, boilers, tanks, appliances, or equipment, or

from any other place, unless caused or due to the negligence of Lessor. The Lessor shall not be liable for interference with light or other incorporeal hereditaments by anybody other than the Lessor. The Lessor or its agent shall not be responsible for any damages to any automobile or other vehicle left in the care of an employee of the Lessor by lessee, and the Lessee shall hold the Lessor or its agent harmless from any liability arising from an injury to person or property caused by or with such automobile or other vehicle while in the care of such employee. The Lessor or its agent shall not be responsible for any package or article left with or entrusted to any employee of the Lessor, or for the loss of any property within or without the Property by theft or otherwise. If the Lessor shall, before, during, or after the term of this lease, furnish to the Lessee any storage space, use of laundry, or any other facility outside the dwelling unit, such use shall be entirely at the risk of the Lessee, and the Lessor or its agent shall not be liable for any loss of property therein, for any damage or injury whatever to person or property therein or in connection therewith. No diminution or abatement of rent, or other compensation, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the dwelling unit or to its appliances.

ARTICLE III

IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

FIRST: Expiration of Lease. If upon, or at any time after, the happening of any of the events mentioned in subdivisions (a) to (h) inclusive of this paragraph FIRST, the Lessee shall give to the Lessee a notice stating that the term hereof will expire on a date at least thirty days thereafter, this lease shall expire on the date so fixed in such notice, and all right, title, and interest of the Lessee hereunder shall wholly cease and expire, it being the intention of the parties hereto to create a conditional limitation, and thereupon the Lessor shall have the right to reenter the dwelling unit 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 dwelling unit 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

reentry, repossession, and removal herein granted and reserved.

(a) If at any time during the term of this lease, the lessee shall cease to be the owner of all of the shares of stock which are hereinbefore stated to be owned by the Lessee and allocated to this lease, or if this lease shall pass or be assigned to anyone who is not then the owner of all such shares.

(b) If (1) the Lessee shall be declared a bankrupt under the laws of the United States or adjudicated insolvent or take the benefit of any insolvency act; or (2) a receiver or trustee of the property of the Lessee shall be appointed by any Court; or (3) the Lessee shall make a general assignment for the benefit of creditors; or (4) any of the shares of such stock owned by the Lessee shall be duly levied upon under Court process; or (5) this lease or any shares of such stock owned by the Lessee shall be pledged other than to the seller thereof, a bank, or other lending institution, except with the consent of the Board of Directors of the Lessor; or this lease or the stock appurtenant thereto shall pass by operation of law or otherwise to anyone other than to the Lessee herein names or a person to whom such Lessee has assigned this lease in the manner provider in Paragraph SIXTH of Article II.

© If at any time there be an assignment of this lease, or any subletting hereunder, without full compliance with the requirements of paragraph SIXTH of Article II hereof.

(d) In case the Lessee shall be in default in the performance of any of his obligations under this agreement or shall fail to pay any sum due as rent hereunder pursuant to the provisions of this lease.

(e) If the Lessee shall default in the performance of any covenant or provision hereof, other than the covenant to pay rent or covenants otherwise provided for in this paragraph, and fail to cure any such default within thirty days after written notice thereof shall have been given by the Lessee, provided, however, that if said default consists of failure to perform any act the performance of which requires any substantial period of time, and if within said period of thirty (30) days such performance is commenced, and thereafter diligently prosecuted without delay and interruption, the Lessee shall be deemed to have cured said default.

(f) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its full Board

of Directors and the affirmative vote of the record holders of at least two-thirds in amount of its capital stock then outstanding and owned by Lessees under proprietary leases then in force, at a shareholders' meeting duly called for that purpose, to terminate all proprietary leases or to sell the land and buildings above described.

(g) If at any time the lands and buildings of the Lessee or a substantial portion thereof shall be taken by condemnation proceedings.

SECOND: Waiver of Redemption. The Lessee hereby expressly waives any and all right of redemption in case he shall be dispossessed by judgment or warrant of any court or judge; the words "enter", "re-enter", and "re-entry", as used in this agreement are not restricted to their technical legal meaning, and in the event of a breach or threatened breach by the Lessee of any of the covenants or provisions hereof, the Lessor shall have the right of injunction and the right to invoke any remedy allowed at law or in equity, as if re-entry, summary proceedings, and other remedies were not herein provided for. The failure on the part of the Lessee to avail itself of any of the remedies given under this agreement, shall not waive nor destroy the right of the Lessee to avail itself of such remedies for similar or other breaches on the part of the Lessee.

THIRD: Surrender of Possession. On the expiration of the term hereby granted, or upon the sooner termination of this lease, the Lessee shall surrender to the Lessor possession of the dwelling unit with all additions, improvements and fixtures then included therein, except as herinabove provided. Any additions, improvement or fixtures not removed by the Lessee at or prior to the termination of this lease shall be deemed abandoned and shall become the property of the Lessor. 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.

FOURTH: Surrender of Stock and Resale Thereof by Lessor. On the termination of this lease under subdivisions (a) through (g) of paragraph FIRST, ARTICLE III, or otherwise because of default by the Lessee, the Lessee shall surrender to the Lessor the certificate for the shares of stock of the Lessor owned by the Lessee and appurtenant to this lease. Whether or not said certificate is surrendered, the Lessor may issue a new proprietary lease for the dwelling unit and issue a new stock certificate for the shares of stock of the Lessor owned by the Lessee and allocated thereto, when a purchaser therefor is found, provided that the issuance of such stock and such lease to such purchaser is authorized in the manner provided in paragraph SIXTH, Article II hereof. Upon such issuance the stock certificate owned or held by the Lessee shall be automatically cancelled and rendered null and void. Upon the issuance of any such new proprietary lease and stock certificate, the Lessee's continuing liability hereunder, if not theretofore terminate, shall cease and the Lessee shall only be liable for rent and expenses accrued to that time. The Lessor shall apply the proceeds received from the issuance of such stock towards the payment of the Lessee's indebtedness hereunder, including interest, attorney 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.

ARTICLE VI

IT IS FURTHER MUTUALLY AGREED AS FOLLOWS:

FIRST: Lessee's Option to Cancel. This lease may be cancelled by the Lessee on September 30, 1978, or on any September 30 thereafter, upon complying with all the provisions of this Article IV. Irrevocable written notice of intention to cancel must be served by the Less upon the Lessor on or before April 1 in the calendar year in which such cancellation is to occur. At the time of the service of such notice of intention to cancel there must be deposited with the Lessor by the Lessee:

(a) a proper assignment of the Lessee's counterpart of this lease whereby the full and absolute right, title and interest in and to this lease is assigned as the Lessee may direct, as of August 31 of the year of

cancellation, free from all subleases, liens, encumbrances, and charges whatsoever;

(b) the Lessee's certificate for the shares of stock of the Lessor which accompany this lease, duly stamped and endorsed in blank for transfer;

© A written statement setting forth in detail those additions, improvements, and fixtures, such as mantels, lighting fixtures, refrigerators, cooking ranges, woodwork, paneling, ceilings, doors, and decorations, placed in the dwelling unit at the Lessee's expense which the Lessee has, under the terms of this lease, the right to remove, and which the Lessee desires to remove.

SECOND: Additional payments by Lessee. In the event of giving such notice of intention to cancel, the Lessee shall:

(1) Subject to the limitations and conditions embodied in paragraph NINTH of Article II hereof, replace all mantels, lighting fixtures, refrigerators, cooking ranges, woodwork (other than paneling, ceilings, doors, or other fixtures removed by Lessee, with others of a kind and quality customary in buildings of this type, and pay the cost of such replacement; and

(2) Pay the cost of repairing any damage resulting from the removal by the lessee of any paneling or other additions, improvements, or fixtures, the cost of replacing which is not required to be paid by Lessee.

THIRD: Removal of fixtures. All additions, improvements, and fixtures which are removable under the terms of this lease and which are enumerated in the statement made as provided in subdivision ©) of paragraph FIRST of Article IV, shall be removed by the Lessee prior to the 31st day of August next preceding the 30th day of September named in the notice of election to cancel as the date for the cancellation of this lease, and on or before such 31st day of August the Lessee shall deliver possession of the dwelling unit to the Lessor free from all subleases, liens, encumbrances, or other charges and remove therefrom all property of the Lessee which upon such cancellation does not become the property of the Lessor under the provisions of paragraph EIGHTH of Article II hereof and pay to the Lessor (a) all rent, additional rent, and other charges which shall be payable under this lease up to and including the 30th day of September

succeeding such 31st day of August, and (b) the amounts due under subdivision (2) of paragraph SECOND of this Article IV. The requirements for delivery of possession to the Lessor shall be waived if, pursuant to the provisions of paragraph SIXTH of Article II of this lease, the Lessor shall have on or before August 31st entered into an agreement with any sublessee whereby such sublessee is permitted by the Lessor to remain in possession of the dwelling unit.

FOURTH: Lessor's Entry. The Lessor and its agents may show the dwelling unit to prospective or succeeding tenants at an time and from time to time after the giving of notice of the Lessee's intention to cancel this lease as in this Article IV provided, and after the 31st day of August next succeeding the date on which such notice of intention to cancel is given, the Lessor and its agents, employees, and tenants may enter the dwelling unit, occupy the same, and make such alterations, additions, and repairs therein as the Lessor may deem necessary or desirable without diminution or abatement of the rent due hereunder.

FIFTH: Cancellation of Lease. If the Lessee is not otherwise in default hereunder and if the Lessee shall have done the things and made the payments at the times, in the amounts, and in the manner required by this Article IV, then upon the 30th day of September named in the notice of intention to cancel as the date for cancellation of this lease, this lease shall be cancelled and all rights, duties, and obligations of the parties hereunder shall cease, terminate, and expire as of such 30th day of September, and such shares of stock of the Lessor shall become the absolute property of the Lessor, provided, however, that the Lessee shall not be released or discharged from any indebtedness owing from the Lessee to the Lessor on such last mentioned date, and provided further, that if the Lessee shall fail to do any of the things or make any of the payments at the time, in the amounts, and in the manner required by this article IV, the Lessor shall have the option t(1) of returning to the Lessee this lease, the certificate of stock, and other documents deposited, and the sums paid by the Lessee under this Article IV, other than any sum paid as rent under this lease or as the cost of repairing any damage, resulting from the removal by the Lessee of additions, improvements, or fixtures, and thereupon the Lessee shall be deemed to have withdrawn the notice of intention to cancel this

lease, or (2) of treating this lease as cancelled as of the 30th day of September 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 deems best to enforce the covenants of the Lease in this Article IV contained, and to collect from the Lessee the payments which the Lessee is required to make under this Article IV, together with reasonable counsel fees and costs.

ARTICLE V

IT IS FURTHER MUTUALLY AGREED AS FOLLOWS:

FIRST: Transfer of Stock. The shares of stock of the Lessor held by the Lessee and appurtenant to this lease 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:

(1) The shares represented by each certificate are transferrable only as an entirety;

(2) Neither the Lessee nor the Lessee's personal representatives shall sell or transfer such shares except to the Lessor, or to an assignee of this lease after compliance with all of the provisions of paragraph SIXTH of Article II of this lease relating to assignments.

SECOND: Binding effect. 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 stockholder; and the covenants herein contained shall apply to, bind, and enure to the benefit of Lessor and its successors and assigns, and the Lessee and the executors and administrators, legal representatives, legatees and assigns of the Lessee, except as hereinbefore stated.

THIRD: Waiver of Jury Trial. The Lessor and the Lessee 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 dwelling unit, or any claim of damage resulting from any act or omission of the parties in any way

connected with this lease or the dwelling unit.

FOURTH: Paragraph Headings. The paragraph headings of the several paragraphs of this lease shall not be deemed a part of this lease.

FIFTH: Oral Changes. The provisions of this lease cannot be changed orally.

SIXTH: Lessee More Than One Person. 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 fully 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.

SEVENTH: Effect of Partial Invalidity. If any clause or provision herein contained shall be adjudged invalid, such fact shall not affect the validity of any other clause or provision of this lease, or give rise to any cause of action in favor of either party as against the other.

IN WITNESS WHEREOF, the Lessor has cause its corporate seal to be hereto affixed and this instrument to be signed by its President, and the Lessee has executed this instrument under seal, the day, and year first above written.

MOGUL PARK, INC, Lessor

By:

Seymour R. Levine (President)

Lessee

Witness: