

**602 AVENUE T OWNERS CORP.**

**PROPRIETARY LEASE**

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PROPRIETARY LEASE, made as of \_\_\_\_\_ by

\_\_\_\_\_ and between 602 AVENUE T OWNERS CORP., a New York Corporation, having an office, hereinafter called the Cooperative, and residing at apt \_\_\_\_\_ hereinafter called the Shareholder.

WHEREAS, the Cooperative is the Owner of 602 Avenue T, Brooklyn, New York, the land and the building erected thereon in the County of Kings, City and State of New York, known as and by the Street number 602 Avenue T, Brooklyn, New York, hereinafter called the building; and

WHEREAS, the Shareholder is the owner of \_\_\_\_\_ shares of the Cooperative, to which this lease is appurtenant and which have been allocated to Apartment #Y-C- in the building;

## Demised Premises

NOW, THEREFORE, in consideration of the premises the Cooperative hereby leases to the Shareholder, and the Shareholder hires from the Cooperative, subject to the terms and conditions hereof, Apartment \_\_\_\_\_ in the building (hereinafter referred to as the apartment) for a term from \_\_\_\_\_ until September 30, unless sooner terminated as hereinafter provided).

## Term

As used herein "the apartment" means the rooms in the building as partitioned on the date of execution of this lease designated by the above stated apartment number, together with their appurtenances and fixtures and any closets or portion thereof outside of said partitioned rooms, which are appurtenant exclusively to the occupant of the apartment.

## Section 1

### Rent (Maintenance)

#### How Fixed

(A) The rent (sometimes called maintenance) payable by the Shareholder for each year, or portion of a year, during the term shall equal that pro- portion of the Cooperative's cash requirements for such a year, or portion of a year, which the number of shares of Cooperative allocated to the apartment bears to the total number of shares of the Cooperative 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 Cooperative at the time of its determination of the cash requirements shall otherwise direct

(B) Shareholder shall also pay Shareholder's pro rata share (determined in the same manner as maintenance) of any special assessment that may be levied by Cooperative from time to time to pay for any repair, alteration, or improvement to the corporate property, or any deficit operations a prior period, or other cash requirements. Such special assessment shall be

deemed additional rent and shall be payable in a lump sum or in periodic installments, as the Directors shall determine. The Shareholder 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 Cooperative there has been specified and in every proprietary lease hereafter executed by it there will be specified, the number of shares of the Cooperative issued to a Shareholder simultaneously therewith, which number, in relation to the total number of shares of the Cooperative issued and outstanding, shall constitute the basis for fixing, as hereinbefore provided, the proportionate share of the Cooperative's cash requirements which shall be payable as rent by the Shareholder.

### Cash Requirements Defined

(C) "Cash requirements" whenever used herein shall mean the estimated amount in cash which the Directors shall from time to time in its judgment determine to be necessary or proper for (1) the operation, maintenance, care, alteration and improvement of the corporate property during the year or portion of the year for which such determination is made; (2) the creation of such reserve for contingencies as it may deem proper; and (3) the payment of any obligations, liabilities or expenses incurred or to be incurred, after giving consideration to (i) income expected to be received during such period (other than rent from proprietary Shareholders), and (ii) cash on hand which the Directors in its discretion may choose to apply. The Directors may from time to time modify its prior determination and increase or diminish the amount previously determined as cash requirements of the corporation for a year or portion thereof. No determination of cash requirements shall have any retroactive effect on the amount of the rent payable by the Shareholder for any period prior to the date of such determination. All determinations of cash requirements shall be conclusive as to all Shareholders.

### Authority Limited to Board of Director

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

### Issuance of Additional Shares

(E) If the Cooperative 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 Shareholders 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 Directors may from time to time as may be proper determine how much of the maintenance and other receipts, when received (but not more than such amount as represents payments on account of principal of mortgages on the property and other capital expenditures), shall be credited on the corporate accounts to "Paid-In Surplus." Unless the Directors shall determine otherwise, the amount of payments on account of principal of any mortgages shall be credited to Paid -In Surplus.

## Failure to Fix Cash Requirements

(G) The omission of the Directors to determine the Cooperative'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 Shareholder 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.

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## Section 2

## Cooperative's Repairs

The Cooperative shall at its expense keep in good repair all of the building including 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 Shareholder pursuant to Paragraph 18 hereof.

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## Section 3

## Services by Cooperative

The Cooperative 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 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 when deemed appropriate by the Directors. The covenants by the Cooperative herein contained are subject, however, to the discretionary power of the Directors to determine from time to time what services and what attendants shall be proper and the manner of maintaining the operating of the building, and also what existing services shall be increased, reduced, changed, modified or terminated.

### Damage to Apartment or Building

(A) Access thereto or the building shall be damaged by fire or other cause covered by multi peril policies commonly carried by cooperative corporations in New York City (any other damage to be repaired by Cooperative or Shareholder pursuant to Paragraphs 2 and 18, as the case may be), the Cooperative shall at its own cost and expense, with reasonable dispatch after receipt of notice of said damage, repair or replace or cause to be repaired or replaced, with materials of a kind and quality then customary in buildings. Anything in this Paragraph or Paragraph 2 to the contrary, Cooperative shall not be required to repair or replace, or cause to be repaired or replaced, equipment, fixtures, furniture, furnishings or decorations installed by the Shareholder or any of his predecessors in title nor shall the Cooperative be obligated to repaint or replace wallpaper or other decorations in apartments.

### 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 tenantable or the means of access restores; but if said damage shall be caused by the act or negligence of the Shareholder, employees, guests or members of the family of the Shareholder or any occupant of the apartment, such rental shall abate only to the extent of the rental value insurance, if any, collected by Cooperative with respect to the apartment.

### Inspection of Books of Account

(A) The Cooperative shall keep full and correct books of account at its principal office or at such other place as the Directors may from time to time determine.

### Annual Report

(B) The Cooperative shall deliver to the Shareholder within five months after the end of each fiscal year, an annual report of corporate financial affairs, and a statement of income and expenses, certified by an independent certified public accountant.

### Changes in Terms and Conditions of Proprietary Leases

Each proprietary lease shall be in the form of this lease, unless a variation of any lease is authorized by Shareholders owning at least two-thirds of the Cooperative's shares then issued and executed by the Cooperative and Shareholder affected. The form and provisions of all the proprietary leases then in effect and thereafter to be executed may be changed by the approval of Shareholders owning at least 75% of the Cooperative's shares then issued, and such changes shall be binding on all Shareholders even if they did not vote for such changes except that the proportionate share of rent or cash requirements payable by any Shareholder may not be increased nor may his right to cancel the lease under the conditions set forth in Paragraph 35 be eliminated or impaired without his express consent. Approval by Shareholders as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Paragraph 38 of this Lease may not be changed without the consent of 100% of the Shareholders.

### Penthouses, Terraces and Balconies

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

## Walkways

[insert information about the two walkways here]

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## Section 8

### Assignment of Cooperative's Rights Against Occupancy

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 Cooperative hereby assigns to the Shareholder all of the Cooperative's rights against said third party from and after the date of the commencement of the term hereof, and the Shareholder by the execution hereof assumes all of the Cooperative's obligations to said third party from said date. The Cooperative agrees to cooperate with the Shareholder, but at the Shareholder's expense, in the enforcement of the Shareholder's rights against said third party.

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## Section 9

### Cancellation of Prior Agreements

If at the date of the commencement of this lease, the Shareholder 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.

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## Section 10

### Quiet Enjoyment

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

## Section 11

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### Indemnity

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

## Section 12

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### Payment of Rent

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

## Section 13

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### House Rules

The Cooperative has adopted House Rules which are appended hereto, and the Directors may alter, amend or repeal such House Rules and adopt new House Rules. This lease shall be in all respects subject to such House Rules which, when a copy thereof has been furnished to the Shareholder, shall be taken to be part hereof, and the Shareholder 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 Shareholder. Breach of the House Rules shall be a default under this Lease. The Cooperative shall not be responsible to the Shareholder for the nonobservance or violation of House Rules by any other Shareholder or person.

### Use of Premises

The Shareholder shall not, without the written consent of the Cooperative on such conditions as Cooperative 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 Shareholder and Shareholder's spouse, their children, grandchildren, parents, grandparents, brothers and sisters and domestic employees, and in no event shall more than one married couple occupy the apartment without the written consent of the Cooperative. In addition to the foregoing, the apartment may be occupied from time to time by guests of the Shareholder for a period of time not exceeding one month, unless a longer period is approved in writing by the Cooperative, but no guests may occupy the apartment unless one or more of the permitted adult residents are then in occupancy or unless consented to in writing by the Cooperative.

### Occupational Use of Premises

(A) Anything hereinbefore to the contrary notwithstanding, any Shareholder who is the initial Shareholder of an apartment may use such apartment for the purpose of home employment or occupation provided that Shareholder submit a letter to Cooperative, simultaneously with signing this lease, which sets forth Shareholder's intended use of the apartment and the nature of Shareholder's employment or occupation. Such use shall be subject to the approval of the Board of Directors of the Cooperative at the first meeting after closing. However, Cooperative may terminate such use if such use creates an unacceptable tenancy.

### Use of Apartment by Unrelated Person

(B) Anything hereinbefore contained to the contrary notwithstanding, one person unrelated to the Shareholder shall be permitted to live in each apartment.

### Subletting

Except as provided in Paragraph 38 of this lease, the Shareholder shall not sublet the whole or any part of the apartment or renew or extend any previously authorized sublease, unless consent thereto shall have been duly authorized by a resolution of the Directors, or given in writing by a majority of the Directors or, if the Directors shall have failed or refused to give such consent, then by Shareholders owning at least 75% of the then issued shares of the Cooperative. Consent by Shareholders as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Any consent to subletting may be subject to such conditions as the Directors or Shareholders, as the case

may be, may impose. There shall be no limitation on the right of Directors or Shareholders to grant or withhold consent, for any reason or for no reason to a subletting.

## Section 16

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### Assignment

(A) The Shareholder 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 Cooperative for any purpose, until

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

(ii) An agreement executed and acknowledged by the assignee in form approved by Cooperative assuming and agreeing to be bound by all the covenants and conditions of this lease to be performed or complied with by the Shareholder on and after the effective date of said assignment shall have been delivered to the Cooperative, or, at the request of the Cooperative, 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 Shareholder's lease shall be deemed cancelled as of the effective date of said assignment; and

(iii) All shares of the Cooperative 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 Shareholder shall have been paid to the Cooperative, together with a sum to be fixed by the Directors to cover reasonable legal and other expenses of the Cooperative and its managing agent in connection with such assignment and transfer of shares; and

(v) The Cooperative upon assignment or transfer of shares, has the right to approve or impose a transfer fee, not to exceed 1% of the sale price, on such approval of assignment or transfer, which shall not be applicable to holders of unsold shares; and

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

(vii) Except in the case of an assignment, transfer or bequest to the Shareholder's spouse, of the shares and this lease, and except as provided in Paragraph 38 of this lease, consent to such assignment shall have been authorized by resolution of the Directors, or given in writing by a majority of the Directors, or, if the Directors shall have failed or refused to give such consent within 30 days after submission of references to them or Cooperative's agent, then by Shareholders owning of record at least 75% of the then issued shares of the Cooperative. Consent by Shareholders as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose in the manner as provided in the by-laws.

## Consents: On Death of Shareholder

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

## Consents Generally: Stockholders

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

## Directors' Obligations to Consent

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

## Release of Shareholder Upon Assignment Further Assignment or Subletting

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

## Statement by Cooperative

(F) If this lease is then in force and effect, Cooperative will, upon request of Shareholder, 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.

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## Section 17

## Pledge of Shares and Lease

(A) A pledge of this lease and the shares to which it is appurtenant shall not be a violation of this lease, but neither the pledgee nor any transferee of the pledged security shall be entitled to have the shares transferred of record on the books of the Cooperative, 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 obtaining the consent of the Cooperative in accordance with and after complying with all of the provisions of Paragraphs 14, 15, 16, as the case may be. The acceptance by Cooperative of payments by the pledgee or any transferee of the pledged

security on account of rent or additional rent shall not constitute a waiver of the aforesaid provisions. The provisions of this subparagraph (a) shall be subject to subparagraph (B) of this Paragraph 17.

(B) The Shareholder may pledge and assign this lease and the shares of the Cooperative allocated to the apartment as security for a loan made to the Shareholder by a bank, trust company, insurance company or other recognized lending institution ("the Lender") provided, however, that the certificate representing the shares allocated to the apartment and this lease may be assigned to the Lender only as security for repayment of the loan. In the event of a default by the Shareholder in any of the terms, covenants, provisions or conditions of this lease, the Cooperative will give written notice thereof to the Lender if written notice of the name and address of the Lender has been given by registered or certified mail to the Cooperative prior to the date of any such default.

If the Shareholder shall fail to cure said default within the time and in the manner provided for in this lease, then the Lender shall have an additional period of time equal to the time originally given to the Shareholder to cure said default, and the Cooperative will not act upon said default until the time of the Lender to cure said default has elapsed and the Lender has not cured said default. In the event of a default by the Shareholder in any of the terms, covenants, provisions or conditions of this lease, or in the payment to the Lender of any installment or principal or interest or in the performance of any other obligation of the Shareholder to the Lender, the Cooperative after written notice thereof from the Lender will exercise the right of termination of this lease granted to the Cooperative pursuant to Paragraph 31 hereof (Right to Terminate Lease on Shareholder's Default) and if the Shareholder shall fail to vacate the apartment, will institute summary dispossession proceedings against the Shareholder and take all steps and do all acts thereafter required in order to obtain possession of the apartment, all at the expense of the Lender, provided, however, that the Lender shall meanwhile pay all maintenance charges and other charges becoming due hereunder until this lease and the shares allocated to the apartment are acquired for personal occupancy.

If Cooperative shall fail to exercise its right to terminate and/or to commence summary proceedings or to take all steps or do all acts required to be done pursuant hereto, then and in that event, Cooperative shall execute and deliver to the Lender a power of attorney coupled with an interest to act in the name of the Cooperative in any of the ways provided for herein at the Lender's sole expense, and if the Cooperative shall fail to execute and deliver such power of attorney within five days after demand, such power of attorney may be executed by the Lender on behalf of any as the agent for the Cooperative. The Shareholder agrees that until any such loan is repaid to the Lender in full with interest, the Shareholder shall not have any right to cancel this lease as provided in Paragraph 35 hereof and the Cooperative agrees that until it receives written notice from the Lender that the entire amount of the loan with interest has been paid in full or discharged, the Cooperative will not accept any surrender of this lease by the Shareholder under paragraph 35 hereof.

If this lease is terminated at the Lender's request by reason of a default by the Shareholder in any of the terms, covenants, provisions or in the payment to the Lender of any installment of principal or interest or in the performance of any other obligation of the Shareholder to the Lender, the Lender may sell and assign the shares of the Cooperative allocated to the apartment and this lease, or sublet the apartment, for the account of the Lender to a reputable person subject only to the approval of then managing agent of the Cooperative (which approval shall not be unreasonably withheld or delayed). If written notice of any such loan has been given to the Cooperative by the Lender as aforesaid, the Lender may assign all

of its rights thereto and to the shares of Cooperative allocated to the apartment and this lease by giving written notice to the Cooperative by certified or registered mail setting forth the name and address of the assignee, and such assignee and any subsequent assignee or assignees shall thereupon have all the rights of the Lender under this Paragraph 17(B).

## Section 18

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### Repairs by the Shareholder

(A) The Shareholder shall keep the interior of the apartment, including interior walls, floors and ceilings, but excluding entrance and terrace doors, in good repair, shall do all of the painting and decorating required for his apartment, including the interior of window frames, sashes and sills and shall be solely responsible for the maintenance, repair and replacement of plumbing, gas and heating fixtures and equipment and such refrigerators, dishwashers, removable and through-the-wall air conditioners, washing machines, ranges and other appliances, as may be in the apartment. Plumbing, gas and heating fixtures as used herein shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Shareholder 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 inaccessible or invisible to the shareholder. The Shareholder 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 Shareholder's apartment. Any ventilator or air conditioning device which shall be visible from the outside of the building shall at all times be painted by the Shareholder in a standard color which the Cooperative may select for the building.

### Odors and Noises

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

### Equipment and Appliances

(C) If, in the Cooperative's sole judgment, any of the Shareholder'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 Cooperative for the supplying of water, gas, electricity or air conditioning to the building, or if any such appliances visible from the outside of the building shall become rusty or discolored, the Shareholder shall promptly, on notice from the Cooperative, 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 Shareholder will comply with all the requirements of the Board of Fire Underwriters, insurance authorities and all governmental authorities and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the apartment. If any mortgage affecting the land or the building shall contain any provisions pertaining to the right of the Shareholder to make changes or alterations in the apartment, or to remove any of the fixtures, appliances, equipment or installations, the Shareholder herein shall comply with the requirements of such mortgage or mortgages relating thereto. Upon the Shareholder's written request, Cooperative will furnish Shareholder with copies of applicable provisions of each and every such mortgage.

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## Section 19

### Cooperative's Right to Remedy Shareholder's Defaults

If the Shareholder 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 Cooperative for reasons above set forth, or if the Shareholder or any person dwelling in the apartment shall request the Cooperative, its agents or servants to perform any act not hereby required to be performed by the Cooperative, the Cooperative 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 Cooperative; provided that, if the condition requires prompt action notice of less than 30 days, or, in case of emergency, no notice need be given.

In all such cases the Cooperative, its agents, servants and contractors shall, as between the Lessor and Shareholder, be conclusively deemed to be acting as agents of the Shareholder and all contracts therefor made by the Cooperative shall be so construed whether or not made in the name of the Shareholder. If Shareholder 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 Cooperative (not less than 5 days), then Cooperative may, but shall not be obligated, to comply therewith, and for such purpose may enter upon the apartment of Shareholder. The Cooperative shall be entitled to recover from the Shareholder all expenses incurred or for which it has contracted hereunder, such expenses to be payable by the Shareholder on demand as additional rent.

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## Section 20

### Increase in Rate of Fire Insurance

The Shareholder 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 Shareholder, the rate of fire insurance on the building or an apartment or the contents of either shall be increased, the Shareholder shall (if such occupancy or use continues for more than 30 days after written notice from the Cooperative specifying the objectionable occupancy or use) become liable

for the additional insurance premiums incurred by Cooperative or any Shareholder or Shareholders of apartments in the building on all policies so affected, and the Cooperative shall have the right to collect the same for its benefit or the benefit of any such Shareholders as additional rent for the apartment due on the first day of the calendar month following written demand therefor by the Cooperative.

## Section 21

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### Alterations

(A) The Shareholder shall not, without first obtaining the written consent of the Cooperative, which consent shall not be unreasonably withheld, make in the apartment or building, or on any roof, penthouse, terrace or balcony appurtenant thereto, any alteration, enclosure or addition or any alteration of or addition to the water, gas, or steam risers or pipes, heating or air conditioning system or units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, or any other installation or facility in the apartment or building.

The performance by Shareholder of any work in the apartment shall be in accordance with any applicable rules and regulations of the Cooperative and governmental agencies having jurisdiction thereof. The Shareholder shall not in any case install any appliances which will overload the existing wires or equipment in the building.

### Removal of Fixtures

(B) Without Cooperative's written consent, the Shareholder shall not remove any fixtures, appliances, additions or improvements from the apartment except as hereinafter provided. If the Shareholder, or a prior Shareholder, shall have heretofore placed, or the Shareholder shall hereafter place in the apartment, at the Shareholder'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 Shareholder and the Shareholder shall have the right, prior to the termination of this lease, to remove the same at the Shareholder's own expense, provided:

(i) that the Shareholder at the time of such removal shall not be in default in the payment of rent or in the performance or observance of any other covenants or conditions of this lease; and

(ii) that the Shareholder shall, at the Shareholder's own expense, prior to the termination of this lease, repair all damage to the apartment which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures;

(iii) that if the Shareholder shall have removed from the apartment any articles or materials owned by the Cooperative or its predecessor in title, or any fixtures or equipment necessary for the use of the apartment, the Shareholder shall either restore

such articles and materials and fixtures and equipment and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality customary in comparable buildings and satisfactory to the Cooperative; and  
(iv) that if any mortgagee had acquired a lien on on any such property prior to the execution of this lease, Cooperative shall first procure from such mortgagee its written consent to such removal.

## Surrender on Expiration of Term

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

## Section 22

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## Lease Subordinate to Mortgages and Ground Leases

This lease is and shall be subject and subordinate to all present and future ground or underlying leases and to any mortgages now or hereafter liens upon such leases or on the land and building, or buildings, 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 Shareholder. In confirmation of such subordination the Shareholder shall at any time, and from time to time, on demand, execute any instruments that may be required by any mortgagee, or by the Cooperative, 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 Cooperative are and each of them is hereby irrevocably appointed the attorney-in-fact and agent of the Shareholder to execute the same upon such demand, and the Shareholder 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 Shareholder 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.

## Section 23

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### Mechanic's Lien

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 Shareholder, or anyone claiming under the Shareholder, the Shareholder shall forthwith cause such lien to be discharged by payment, bonding or otherwise; and if the Shareholder shall fail to do so within ten days after notice from the Cooperative, then the Cooperative 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.

## Section 24

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### Cooperation

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

## Section 25

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### Right of Entry

The Cooperative and its agents and their authorized workmen shall be permitted to visit, examine, or enter the apartment and any storage space assigned to Shareholder 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 Shareholder 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 Cooperative shall thereafter restore the apartment and storage space to its proper and usual condition at Cooperative's expense if such repairs are the obligation of Cooperative, or at Shareholder's expense if such repairs are the obligation of Shareholder or are caused by the act or omission of the Shareholder or any of the Shareholder's family, guests, agents, key employees or subtenants. In order that the Cooperative shall at all times have access to the apartment or storage rooms for the purposes provided for in this lease, the Shareholder shall provide the Cooperative 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 Shareholder shall provide the Cooperative with a key thereto immediately upon installation. If the Shareholder 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 Cooperative, the Cooperative or the Cooperative's agents (but, except in an emergency only when specifically authorized by an officer of the Cooperative 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 Cooperative shall accord reasonable care to the Shareholder's property), and without in any manner affecting the obligations and covenants of this lease.

The right and authority hereby reserved do not impose, nor does the Cooperative 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.

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## Section 26

### Waivers

The failure of the Cooperative 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 Cooperative 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 Cooperative of any provision hereof shall be deemed to have been made unless in a writing expressly approved by the Directors.

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## Section 27

### Notices

Any notice by or demand from either party to the other shall be duly given only if in writing and sent by registered mail; if by the Shareholder, addressed to the Cooperative at the building with a copy sent by regular mail to the Cooperative's Managing Agent; if to the Shareholder, 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 Cooperative's Expenses

If the Shareholder shall at any time be in default hereunder and the Cooperative shall incur any expense (whether paid or not) in performing acts which the Shareholder 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 Shareholder, the expense thereof to the Cooperative, including reasonable attorneys' fees and disbursements, shall be paid by the Shareholder to the Cooperative, on demand, as additional rent.

### Cooperative's Immunities

(a) The Cooperative shall not be liable, except by reason of Cooperative's negligence, for any failure of insufficiency of heat, or of air conditioning (where air conditioning is supplied or air conditioning equipment is maintained by the Cooperative), water supply, electric current, gas, telephone, or elevator service or other service to be supplied by the Cooperative hereunder, or for interference with light, air, view or other interests of the Shareholder. 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 Cooperative, due to accidents, alterations or repairs, or to difficulty or delay in securing supplies or labor or other cause beyond Cooperative's control, unless due to Cooperative's negligence.

### Storage Space and Laundry

(b) If the Cooperative 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 Cooperative under a revocable license. The Shareholder shall not use such storage space for the storage of valuable or perishable property and any such storage space assigned to Shareholder shall be kept by Shareholder clean and free of combustibles. If washing machines or other equipment are made available to the Shareholder, the Shareholder 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 Cooperative is not responsible for such equipment, nor for any damage caused to the property of the Shareholder resulting from the Shareholder's use thereof, and that any use that Shareholder may make of such equipment shall be at his own cost, risk and expense.

## Automobiles and Other Property

(c) The Cooperative shall not be responsible for any damage to any automobile or other vehicle left in the care of any employee of the Cooperative by the Shareholder, and the Shareholder hereby agrees to hold the Cooperative 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 Cooperative shall not be responsible for any property left with or entrusted to any employee of the Cooperative, or for the loss of or damage to any property within or without the apartment by theft or otherwise

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## Section 30

## Window Cleaning

The Shareholder 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 Shareholder hereby agrees to indemnify the Cooperative and its employees, other Shareholders, and the managing agent, for all losses, damages or fines suffered by them as a result of the Shareholder's acquiring, 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. Section 31

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## Section 31

## Termination of Lease by Cooperative

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 Cooperative shall give to the Shareholder 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 Shareholder hereunder shall thereupon wholly cease and expire, and the Shareholder shall thereupon quit and surrender the apartment to the Cooperative, it being the intention of the parties hereto to create hereby a conditional limitation, and thereupon the Cooperative 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 Cooperative by reason of the exercise of the right of re-entry, repossession and removal herein granted and reserved:

### Shareholder Ceasing to Own Accompanying Shares

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

### Shareholder Becoming Bankrupt

(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 proceeds of any court whatever unless such levy shall be discharged within thirty days; or (v) this lease or any of the shares to which it is appurtenant shall pass by operation of law or otherwise to anyone other than the Shareholder herein named or a person to whom such Shareholder 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 Shareholder and provided that within eight (8) months (which period may be extended by the Directors) after the death said lease and shares shall have been transferred to any assignee in accordance with Paragraph 16 hereof;

### Assignment, Subletting or Unauthorized Occupancy

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

### Default in Rent

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

### Default in Other Covenants

(e) If the Shareholder 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 days after written notice from the Cooperative; Shareholder's Objectionable Conduct

## Shareholder's Objectionable Conduct

(f) If at any time the Cooperative shall determine, upon the affirmative vote of two-thirds of its then Board of Directors, at a meeting duly called for that purpose, that because of objectionable conduct on the part of the Shareholder, or of a person dwelling or visiting in the apartment, repeated after written notice from Cooperative, the tenancy of the Shareholder is undesirable;

## Termination of all Proprietary Leases

(g) If at any time the Cooperative shall determine, upon the affirmative vote of two-thirds of its then Board of Directors at a meeting of such directors duly called for that purpose, and the affirmative vote of the record holders of at least 75% in amount of its then issued shares, at a Shareholders' meeting duly called for that purpose, to terminate all proprietary leases;

## Destruction of Building

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

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

## Section 32

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## Cooperative's Rights After Shareholder's Default

(a) In the event the Cooperative resumes possession of the apartment, either by summary proceedings, action of ejectment or otherwise, because of default by the Shareholder in the payment of any rent or additional rent due hereunder, or on the expiration of the term pursuant to a notice given as provided in Paragraph 31 hereof upon the happening of any event specified in subsections (a) to (f) inclusive of Paragraph 31, Shareholder 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 Cooperative to recover any subsequent installment. After resuming possession, the Cooperative 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 Shareholder, in the name of the Shareholder 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 Shareholder, unless within ten days after such reletting the Cooperative shall notify the Shareholder that the premises have been relet for the Cooperative's own account. The fact that the Cooperative may have relet the apartment as agent for the Shareholder shall not prevent the Cooperative from thereafter notifying the Shareholder that it proposes to relet the apartment for its own account. If the Cooperative relets the apartment as agent for the Shareholder, it shall, after reimbursing

itself for its expenses in connection therewith, including leasing commissions, and a reasonable amount for attorneys' fees and expenses, and decorations, alterations and repairs in and to the apartment, apply the remaining avails of such reletting against the Shareholder's continuing obligations hereunder. There shall be a final accounting between the Cooperative and the Shareholder 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 Cooperative gives written notice to the Shareholder that it has relet the apartment for its own account; (D) the date upon which all proprietary leases of the Cooperative terminate. From and after the date upon which the Cooperative becomes obligated to account to the Shareholder, as above provided, the Cooperative shall have no further duty to account to the Shareholder for any avails of reletting and the Shareholder shall have no further liability for sums thereafter accruing hereunder, but such termination of the Shareholder's liability shall not affect any liabilities theretofore accrued.

### Collection of Rent from Subtenants

## Collection of Rent from Subtenants

(b) If the Shareholder shall at any time sublet the apartment and shall default in the payment of any rent or additional rent, the Cooperative may, at its option, so long as such default shall continue, demand and receive from the subtenant the rent due or becoming due from such subtenant to the Shareholder, and apply the amount to pay sums due and to become due from the Shareholder to the Cooperative. Any payment by a subtenant to the Cooperative shall constitute a discharge of the obligation of such subtenant to the Shareholder, 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 Shareholder, or a release or discharge of any of the obligations of the Shareholder hereunder.

## Sale of Shares

(c) Upon the termination of this lease under the provisions of subdivisions (a) to (f) inclusive of Paragraph 31, the Shareholder shall surrender to the corporation the certificate for the shares of the corporation owned by the Shareholder to which his lease is appurtenant. Whether or not said certificate is surrendered, the Cooperative may issue a new proprietary lease for the apartment and issue a new certificate for the shares of the Cooperative owned by the Shareholder and allocated to the apartment when a purchaser therefor is obtained, provided that the issuance of such shares and such lease to such purchaser is authorized by a resolution of the Directors, or by a writing signed by a majority of the Directors or by Shareholders owning, of record at least a majority of the shares of the Cooperative accompanying proprietary leases then in force. Upon such issuance the certificate owned or held by the Shareholder shall be automatically canceled and rendered null and void. The Cooperative shall apply the proceeds received for the issuance of such shares towards the payment of the Shareholder's indebtedness hereunder, including interest, attorneys' fees and other expenses incurred by the Cooperative, and, if the proceeds are sufficient to pay the same, the Cooperative shall pay over any surplus to the Shareholder, but, if insufficient, the Shareholder shall remain liable for the balance of the indebtedness. Upon the issuance of any such new proprietary lease and certificate, the Shareholder's liability hereunder shall cease and the Shareholder shall only be

liable for rent and expenses accrued to that time. The Cooperative shall not, however, be obligated to sell such shares and appurtenant lease or otherwise make any attempt to mitigate damages.

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## Section 33

### Waiver of Right of Redemption

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

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## Section 34

### Surrender of Possession

Upon the termination of this lease under the provisions of subdivisions (a) to (f) of Paragraph 31, the Shareholder shall remain liable as provided in Paragraph 32 of this lease. Upon the termination of this lease under any other of its provisions, the Shareholder 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 Shareholder up to the date of such termination. On or before any such termination the Shareholder shall vacate the apartment and surrender possession thereof to the Cooperative or its assigns, and upon demand of the Cooperative or its assigns, shall execute, acknowledge and deliver to the Cooperative or its assigns any instrument which may reasonably be required to evidence the surrendering of all estate and interest of the Shareholder in the apartment, or in the building of which it is a part.

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## Section 35

### Shareholder's Option to Cancel

(a) This lease may be canceled by the Shareholder on any September 30th after the third anniversary of the consummation of the Offering Statement-Plan of Cooperative Organization pursuant to which proprietary leases were originally issued, upon complying with all the provisions hereinafter set forth. Irrevocable written notice of intention to cancel must be given by the Shareholder to the Cooperative on or before April 1 in the calendar year in which such cancellation is to occur. At the time of the giving of such notice of intention to cancel there must be deposited with the Cooperative by the Shareholder:

## Deposits Required

(i) the Shareholder's counterpart of this lease with a written assignment in form required by the Cooperative, in blank, effective as of August 31 of the year of cancellation, free from all subleases, tenancies, liens, encumbrances and other charges whatsoever.

(ii) the Shareholder's certificate for his shares of the Cooperative, 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 Shareholder has, under the terms of this lease, the right to and intends to remove.

## Removal of Fixtures

(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 Shareholder prior to August 31st of the year of cancellation, and Possession on or before said August 31st the Shareholder shall deliver possession of the apartment to the Cooperative in good condition with all required equipment, fixtures and appliances installed and in proper operating condition and free from all subleases and tenancies, liens, encumbrances and other charges and pay to the Cooperative all rent, additional rent and other charges which shall be payable under this lease up to and including the following September 30th.

## Permission to Show and Occupy Premises

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

## Effective Date of Cancellation

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

## Rights on Shareholder's Default

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

## Section 36

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### Extension of Option to Cancel

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

### Right of Shareholders to Cancel

(b) If Shareholders owning at least 80% of the then issued and outstanding shares of the Cooperative shall exercise the option to cancel their leases in one year, then this and all other proprietary leases shall thereupon terminate on the September 30th of the year in which such options shall have been exercised, as though every Shareholder had exercised such option. In such event none of the Shareholders shall be required to surrender his shares to the Cooperative and all certificates for shares delivered to the Cooperative by those who had, during that year, served notice of intention to cancel their leases under the provisions hereof, shall be returned to such Shareholders. [no title, just section]

## Section 37

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No later than thirty days after the termination of all proprietary leases, whether by expiration of their terms or otherwise, a special meeting of Shareholders of the Cooperative 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 Cooperative, and the Directors shall carry out the determination made at said meeting of Shareholders of the Cooperative, and all of the holders of the then issued and outstanding shares of the Cooperative shall have such rights as inure to Shareholders of corporations having title to real estate.

## Section 38

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### Unsold Shares

(a) The term "Unsold Shares" means and has exclusive reference to the shares of the Cooperative which were issued to the Sponsor or individuals produced by the Sponsor pursuant to the Offering Statement-Plan of Cooperative Organization or Contract of Sale under which the Cooperative acquired the Leasehold to the building, and, all shares which are Unsold Shares retain their character as such (regardless of transfer) until (a) such shares become the property of a purchaser for bona fide occupancy (by himself or a member of his family) of the apartment to which such shares are allocated, or (2) the holder of such shares (or a member of his family) becomes a bona fide occupancy of the apartment. This Paragraph 38 shall become inoperative as to this lease upon the occurrence of either of said events with respect to the Unsold Shares held by the Shareholder named herein or his assignee.

### Subletting Apartment and Sale of Shares

(b) Neither the subletting of the apartment nor the assignment of this lease, by the Shareholder who is the holder of the block of Unsold Shares allocated thereto, shall require the consents of the Directors or Shareholders, as provided in Paragraphs 15 and 16, but the consent only of the Sponsor, nor shall any fees for assignment be applicable to holders of unsold shares.

### Change in Form of Lease

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

(d) The provisions of Paragraph 35 are not applicable to a Shareholder who is the holder of a block of the Unsold Shares accompanying this lease.

(e) A Shareholder who is the holder of a block of unsold shares shall not have the following paragraphs of this lease applicable to them: Paragraph 11, unless the action is due to the negligent conduct of the holder of proprietary shares himself; Paragraph 14; the first six lines of Paragraph 18(a) through the words "sashes and sills;" Paragraph 21(a), insofar as said alteration comports with the filed building plans.

(f) Holders of Unsold Shares may not cancel their proprietary leases unless

(i) Shareholders owning a majority of the Apartment Corporation's outstanding shares (other than Unsold Shares) shall have given notice of intent to cancel or

(ii) all Unsold Shares constitute fifteen (15%) percent or less of the Apartment Corporation's outstanding shares, at least five (5) years have elapsed since the Apartment Corporation acquired title to the building and on the effective date of cancellation holders of Unsold Shares shall pay to the Apartment Corporation a sum equal to the product of the then current monthly rent (maintenance charges) payable under the proprietary lease multiplied by twenty-four (24).

## Section 39

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### Foreclosure Receiver of Rents

Notwithstanding anything 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 Shareholder shall, on demand, pay to the receiver of the rents appointed in such action, rent, if any, owing hereunder on the date of such appointment and shall pay thereafter to such receiver in advance, on the first day of each month during the pendency of such action, as rent hereunder, the rent for the apartment as last determined and established by the Directors prior to the commencement of said action, and such rent shall be paid during the period of such receivership, whether or not the Directors shall have determined and established the rent payable hereunder for any part of the period during which such receivership may continue. The provisions of this Paragraph are intended for the benefit of present and future mortgages 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.

## Section 40

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### To Whom Covenants Apply

The references herein to the Cooperative shall be deemed to include its successors and assigns, and the references herein to the Shareholder or to a Shareholder of the Cooperative shall be deemed to include the executors, administrators, legal representatives, legatees, distributees and assigns of the Shareholder, except as herein above stated.

## Section 41

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### Waiver of Trial by Jury

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 Shareholder'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.

## Section 42

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### Shareholder's Additional Remedies

In the event of a breach or threatened breach by Shareholder of any provision hereof, the Shareholder 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 Cooperative from any other remedy.

## Section 43

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### Shareholder More Than One Person

If more than one person is named as Shareholder hereunder, the Cooperative may require the signatures of all such persons in connection with any notice to be given or action to be taken by the Shareholder 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 Shareholder shall be jointly and severally liable for all of the Shareholder's obligations hereunder. Any notice by the Cooperative to any person named as Shareholder shall be sufficient, and shall have the same force and effect, as though given to all persons named as Shareholder.

## Section 44

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### Effect of Partial Invalidity

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

## Section 45

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### Marginal Headings

The marginal headings of the several paragraphs of this lease shall not be deemed a part of this lease.

## Section 46

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### Changes to be in Writing

The provisions of this lease cannot be changed orally.

## Section 47

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### Non-Purchasing Tenants in Non-Eviction Plan

(a) Non-purchasing tenants who reside in dwelling units subject to government regulations as to rentals and continued occupancy shall continue to be subject thereto. Any non-purchasing tenants who reside in dwelling units with respect to which government regulations as to rentals and continued occupancy is eliminated or becomes inapplicable after the Plan was declared effective, shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. This section may not be amended or deleted.

(b) Eviction proceedings may be commenced against non-purchasing tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of access to the owner or a similar breach by the non-purchasing tenant of his obligations to the landlord.

**Obligations of Holders of Shares of Units Occupied by Purchasing**

(a) Shareholders of dwelling units occupied by non-purchasing tenants shall irrevocably appoint the managing agent of the Apartment Dwelling Corporation and its successors (or the Apartment Corporation) as his or her agent to provide to Non- the non-purchasing tenants all services and Tenants facilities required by law.

(b) Except for the Sponsor and holders unsold shares, Shareholders of dwelling units, occupied by non-purchasing tenants shall deposit with the managing agent (or Apartment Corporation is no managing agent is to be employed) at the closing of title to his or her unit an amount not less that two-months' maintenance charges to be used as working capital to furnish services required under the non-purchasing tenant's lease and under all applicable City and State laws and regulations. Upon notice by the managing agent (or Apartment Corporation) that the deposit has been diminished, the fund shall be replenished by the Shareholder within sixty days. The failure of the Shareholder to replenish the fund in a timely fashion shall result in the Apartment Corporation having a lien against the shares appurtenant to the dwelling unit. Interest, if any, earned on the fund shall be the property of the Shareholder.

IN WITNESS WHEREOF, the parties have executed this lease.

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