

PROPRIETARY LEASE

INDENTURE OF LEASE, made this _____ day of _____
by and between **RIVER TERRACE COOPERATIVE, INC.**, a corporation organized under
the laws of the State of Delaware, hereinafter called the “Lessor” and
_____, hereinafter collectively called the “Lessee”.

Whereas, the Lessor is the owner of the land and the buildings erected thereon in
New Castle County, Delaware, known as River Terrace Apartments; and

Whereas, the Lessor has leased or proposes to lease the apartments in the
building to the several owners of its common shares by instruments known as proprietary
leases; and

Whereas, the Lessee is the owner of one of the common shares of the Lessor,
and is thereby entitled to enter into a proprietary lease.

Now, therefore, in consideration of the premises and of the rents, covenants, and
agreements hereinafter provided and contained, the Lessor hereby leases to the Lessee,
subject to the terms and conditions hereinafter expressed, and the Lessee hereby hires
and takes from the Lessor, all that certain space known as **Apartment No.** _____, to
which apartment is allocated _____% of the common expense of the cooperative.

To Have and To Hold the apartment, 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**
_____, until terminated as provided in this lease, 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. This lease is renewable upon such terms and conditions as may be prescribed by the Board of Directors of the Lessor.

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.

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 building, which sum may include among other things, taxes, assessments, water and sewer rates, insurance premiums, operating expenses, legal and accounting fees, management fees, commissions, employees' gratuity fund, alterations, replacements and repairs, expenses and liabilities incurred by the Lessor under or by reason of this or other leases, interest on mortgage or other indebtedness, mortgage amortization payments, the payment of any other liens or charges, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or 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 expense 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 hereinbefore provided) representing the same percentage of the aggregate amount of such cash requirements for such year or portion of year, determined as herein provided, as is the percentage of the common expense allocated to this apartment as stated in the recitals on page one of this proprietary lease, and such rent, together with any additional rent accruing under this lease, shall be payable monthly in advance or in such payments or 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 building, 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 lessees, and any expenditures made by the Lessor's 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 power 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 of 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:

1. **REPAIRS.** The Lessor shall keep in good repair the foundations, sidewalks, walls (except interior surfaces of all walls or apartments), supports, beams, roofs, gutters, fences, cellars, chimneys, entrances and street and court doorways, main halls, main stairways, windows, fire escapes, elevators, pumps and tanks, and all main and principal pipes for carrying water, gas, or steam through the building, and the main drain pipes and electrical conduits, together with all plumbing, heating, cooling, and other

apparatus intended for the general service of the building, except those portions of any of the foregoing which it is the duty of the Lessee to maintain and keep in good repair as provided in paragraph 7 of Article II hereof, it being agreed that the Lessee shall give the Lessor prompt notice in writing of any accident or defect known to the Lessee and requiring repairs to be made: and subject to the foregoing limitations all such repairs shall be at the expense of the Lessor, unless the same shall have been rendered necessary by the at or neglect or carelessness or improper use of equipment by the Lessee, or any of the family, guests, employees, or subtenants of the Lessee, in which case the expense is to be borne by the Lessee.

2. **MAINTENANCE**. The Lessor shall maintain and manage the building as a first-class apartment building, and shall keep the elevators (where existing) and the public halls, cellars, and stairways clean and properly lighted and heated, and shall provide unattended passenger elevator service (where elevators exist) and the number of employees requisite in the judgment of the Board of directors for the care and service of the building, and shall, without extra cost to the Lessee, provide the apartment with a proper and sufficient supply of water and heat (if a garden apartment).

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 building 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 shall be due to accident or to alteration 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 16 of Article II hereof.

3. **DAMAGE TO BUILDING.** If the building shall be partly damaged by fire or other cause, it shall be repaired as speedily as is reasonably possible, at the expense of the Lessor, so as to conform substantially to the condition of the building prior to damage, and, in case the damage shall be so extensive as to render the apartment untenable, the rent hereunder shall cease until the apartment shall again be rendered tenable; and in case of the total destruction of the building by fire or otherwise, the rent shall be paid up to the time of such destruction, and thereupon this lease and all rights and obligations of the parties hereunder, and the tenancy hereby created shall wholly cease and expire; provided, however, that if the Lessor or the insurer shall elect to rebuilding the building, this lease shall, at the option of the Lessee exercise within 30 days after notice of election to rebuild by the Lessor or the insurer, be reinstated at such time as the apartment may again be ready for occupancy.

4. **BOOKS.** The Lessor shall keep full and correct books of account at the office of the Lessor or at such other place as the Board of Directors may from time to time determine, and the same shall be open during all reasonable hours to inspection by the Lessee or a representative of the Lessee.

5. **ALLOCATION OF EXPENSES OR RENT.** In every proprietary lease heretofore executed by the Lessor there has been specified, and in every proprietary lease hereinafter executed by it there will be specified, the percentage of the common expense of the cooperative which percentage shall constitute the basis for fixing, as

hereinbefore provided, the proportionate share of the aggregate amount of the cash requirements of the Lessor, as hereinbefore defined, which shall be payable as rent by the Lessee.

Such percentage shall also be the basis for the payment of any sum which may be due to the Lessee as a result of the expiration of this lease under the provisions of subparagraph (f) or subparagraph (h) of Article III, paragraph 1 of this lease.

6. **CHANGES IN LEASES.** All proprietary leases of apartments in the building hereafter executed shall be in the form of this lease except with respect to statements as to the number of shares owned by the Lessee and the proposed use and occupancy by the Lessee. The Lessor will not make or consent to any change or 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 the affirmative vote taken at a meeting called for that purpose, or written consent signed, by Lessees owning at least two-thirds in amount of the Lessor's shares then owned by all Lessees under proprietary leases then in force, and being at least two-thirds in number of such Lessees.

7. **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 apartment without any let, suit, trouble, or hindrance from the Lessor.

ARTICLE II

The Lessee hereby covenants with the Lessor, as follows:

1. **PAYMENT OF RENT.** The Lessee will pay to the Lessor, 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 10% 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.

2. **DEFAULT BY LESSEE.** In the event of the Lessor's resuming possession of the apartment, either by summary proceedings, action of ejectment, or otherwise, because of default by the Lessee in the payment of any rent or in the payment of any part of the same, on or the expiration of the term pursuant to a notice given as provided in Article III hereof upon the happening of any event specified in subparagraphs (a), (b), (c), (d), (e), and (g) of paragraph 1 of Article III, the Lessor may, at its option, either (1) relet the apartment for the Lessor's own account or (2) from time to time relet the apartment as the agent of or for the account of the Lessee. If the Lessor relets the apartment as the agent of or for the account of the Lessee, it shall, after reimbursing itself for its reasonable expenses in connection therewith, including a reasonable amount for decoration, alterations, and repairs in and to the apartment, apply the remaining proceeds of such reletting to the payment of any and all sums then due from the Lessee to the Lessor and which would thereafter have become due from the Lessee under the provisions of this lease if the Lessor had not so resumed possession, accounting to the Lessee at the expiration of each of the several terms of such reletting for the surplus, if any. If at any time or from time to time before the expiration of the term originally demised

hereunder, there shall be a deficiency between the proceeds of such reletting and such sums as would have become due hereunder, the Lessee shall pay such deficiency upon demand. If the Lessee shall at any time sublet the apartment and shall default for a period of one month in the payment of any rent, the Lessor may, at its option, so long as such default shall continue, demand and receive from any subtenant of the Lessee occupying the apartment the rent due or becoming due from sub subtenant to the Lessee, up to an amount sufficient to pay all sums due from the Lessee to the Lessor, and any such payment of such rent to the Lessor shall be sufficient payment and discharge of such subtenant as between such subtenant and the Lessee, to the extent of the amount so paid; and any such demand or acceptance of rent from any subtenant, or from any assignee hereof, shall not be deemed a consent or approval of any sublease or assignment by the Lessee.

3. **FAILURE TO FIX RENT.** The omission of the Board of Directors of the Lessor, before the expiration of 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.

4. **HOUSE RULES.** The Lessor may from time to time establish such reasonable house rules as its Board of Directors may deem necessary for the management and control of the building, and may also from time to time alter, amend, and repeal such rules, and this lease shall be in all respects subject to such rules, which, when a copy thereof has been furnished to the Lessee, shall be taken to be part hereof,

and the Lessee shall obey all such rules and see that they are faithfully observed by the family, guests, employees, and subtenants of the Lessee. All such rules shall apply to and be binding upon all the tenants of the building, whether stockholders of the Lessor or not, but the Lessor shall not be responsible to the Lessee for the nonobservance or violation of such rules by any other Lessee or person other than by employees of the Lessor.

5. **USE OF PREMISES.** The Lessee shall not 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 apartment for the Lessee, the family and servants of the Lessee, except such portions of the building as may be allocated by the Board of Directors of the Lessor as offices, and 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, or which will interfere with the rights of other tenants or annoy such tenants by unreasonable noises or otherwise, or which will obstruct the public halls or stairways off the building. The Lessee will comply with all requirements of the Board of Health and other governmental authorities and with all laws, ordinances, rules, and regulations with respect to the occupancy or use of the apartment and will not do anything or permit anything to be done which might increase the rate of fire insurance on the building, its contents or the individual apartments shall be increased. The Lessee shall become personally liable to the Lessor or other Lessees for the additional insurance premiums or payments caused by Lessee's improper use of the apartment.

6. **SUBLETTING AND ASSIGNMENT.** The Lessee may sublet the apartment for any term to any person or persons subject to the Lessor's written consent to the subleasee and the terms of the sublease, authorized by a resolution of the Board of Directors, or signed by a majority of the directors, or by lessees owning of record at least a majority of the capital stock of the Lessor accompanying proprietary leases then in force. 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. The Lessor reserves the right to adopt rules and regulations with respect to subletting.

Except as provided in Article IV of this lease, the Lessee shall not assign this lease, or any interest therein, and no such assignment shall take effect as against the Lessor for any purpose, unless and until all of the following requirements have been complied with and satisfied:

(a) An instrument of assignment containing a covenant the assignee 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 such assignment must be executed and acknowledge by the assignee and delivered to the Lessor.

(b) The share of the Lessor accompanying this lease must be transferred to the assignee.

(c) All sums due from the Lessee, together with a sum to be fixed by the Board of Directors of the Lessor to cover reasonable legal and other expenses of the Lessor in connection with such assignment and transfer of the share, must be paid to the Lessor.

(d) A written consent to such assignment, authorized by a resolution of the Board of Directors, or signed by a majority of the directors, or by Lessees owning of record at least a majority of the shares of the Lessor accompanying proprietary lease then in force, must be delivered to the Lessor. In the event the Lessee should die during the term of this lease, then the Board of Directors or the other Lessees owning shares of the Lessor shall not unreasonably withhold the consent provided for in this paragraph to any assignment or transfer of the shares and the lease which the Lessee may make in his or her last will and testament, or through the acts of his or her administrator or executor, to a financially responsible member of the Lessee's immediate family; provided, however, that the other conditions of this paragraph 6 are complied with.

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 apartment, or any part thereof, except upon compliance with the requirements of this paragraph six. The character of and restriction upon the occupancy

of the apartment, and upon assignment of this lease, as hereinbefore expressed, restricted, and limited, are a special 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 apartment by anyone other than the Lessee.

7. **INTERIOR REPAIRS.** The Lessee shall keep the interior of the apartment in good repair, and the Lessor shall not be held answerable for any repairs in or to the same except as hereinbefore specifically provided, and in case of the refusal or neglect of the Lessee, during ten days after notice in writing from the Lessor, to make such repairs or to restore the apartment to good condition such repairs or restoration may be made by the Lessor, which shall have the right, by its officers or authorized agents, to enter the apartment for that purpose, and to collect the cost of such repairs or restoration as additional rent for the apartment. In addition to decorating and keeping the interior of the apartment in good repair the Lessee shall be responsible for the maintenance or replacement of any plumbing fixtures, lighting fixtures, or appliance that may be in the apartment.

8. **ALTERATIONS.** The Lessee shall not, without first obtaining the written consent of the Lessor, make in the apartment any structural alteration or any alteration of the water, gas, or steam pipes, electrical conduits or plumbing, or, except as hereinafter authorized, remove any additions, improvement, or fixtures from the apartment. If the

Lessee shall have heretofore or shall hereafter place in the apartment as the Lessee's own expense any additions, improvements, or fixtures, such as mantels, lighting fixtures, refrigerators, ranges, woodwork, paneling, ceilings, doors, or decorations, which can be removed without structural alterations, then the Lessee shall have the right, prior to the termination 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 condition of this lease; (b) that upon any such removal, the Lessee shall be given written notice thereof in advance to the Lessor; (c) that the Lessee shall pay the cost of any such removal and shall repair any damage resulting therefrom; (d) that the Lessee shall replace and reinstall at the Lessee's own expense any equipment or appliance that was in the apartment at the beginning of the term or shall replace and reinstall substitutes of a kind and quality customary in buildings of this type and satisfactory to the Lessor.

On the expiration of the term hereby granted, or upon a sooner termination of this lease, the Lessee shall surrender to the Lessor possession of the apartment with all additions, improvements, and fixtures then included therein except as hereinabove provided.

9. **LEASE SUBORDINATE TO MORTGAGES.** This lease is and shall be subject and subordinate to any mortgages which may be a lien upon the land and building 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 nor mortgages which shall at any time be placed on the land and building. The Lessee shall at any time, and from time to time, on demand, execute any instruments that may be required by any

mortgagee, or by the Lessor, for the purpose of more formally subjecting this lease to the lien of any such mortgage or mortgages, and duly elected officers, for the time being, of the Lessor are and each of them is hereby irrevocably appointed the attorney-in-fact and agent of the Lessee to execute the same upon such demand, and the Lessee hereby ratifies any such instrument hereafter executed by virtue of the power of attorney hereby given.

10. **MECHANICS' LIENS**. In case there shall be filed a notice of mechanic's lien against the building for, or purported 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 20 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 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.

11, **COOPERATION**. The Lessee shall always in good faith endeavor to observe and promote the cooperative purposes for the accomplishment of which the Lessor was incorporated.

12. **RIGHT OF ENTRY**. The Lessor and its agents shall be permitted to visit and examine the apartment at any reasonable hour of the day, and workmen may enter at any time, when authorized by the Lessor or the Lessor's agent's to make or

facilitate repairs in any part of the building and to remove such portions of the walls, floors, and ceilings of the apartment as may be required for the purpose of making such repairs, but the Lessor shall at its own cost and expense thereafter restore the premises to their proper and usual condition. If the Lessee shall not be personally present to open and permit an entry into the apartment, at any time when for any reason an entry therein shall be necessary or permissible hereunder, the Lessor or the Lessor's agents may forcibly enter the apartment 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 apartment, or any of the pipes, fixtures, appliances, or appurtenances therein contained or therewith in any manner connected, except as may be herein specifically provided.

13. **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 serve³ any notice, or 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 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.

14. **NOTICES**. Any notice by the Lessor to the Lessee shall be deemed to be duly given, and any demand by the Lessor upon the Lessee shall be deemed to have been duly made, if enclosed in a postpaid envelope addressed to the Lessee at River Park Apartments, Wilmington, Delaware, or such other address as may be designated in writing by the Lessee, and mailed by registered or certified mail in any general or branch post office; any notice by the Lessee to the Lessor shall be deemed to be duly given, and any demand by the Lessee upon the Lessor shall be deemed to have been duly made, if enclosed in a post-paid envelope, addressed to the Lessor at River Park apartments, Wilmington, Delaware, or such other address as may be designated in writing by the Lessor.

15. **ATTORNEYS' 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 expense of attorneys' 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.

16. **LESSOR'S IMMUNITIES**. The Lessor shall not be liable for any failure of heat, water supply, electric current, telephone, or elevator service, or other service to

be supplied by the Lessor hereunder, or for injury or damage to person or property caused by the elements or by another tenant or person in the building or resulting from steam, gas, electricity, water, rain, or snow which may leak or flow from outside or from any part of the building, 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 the 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 damage to any automobile or other vehicle left in the care of any employee of the Lessor by the Lessee, and the Lessee shall hold the Lessor or its agent harmless from any liability arising from any injury to person or property caused by or with such automobile or other vehicle while in the care of such employee. The Lessor 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 apartment 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 of the apartment, the same shall be furnished gratuitously by the Lessor, and if any person shall sue the same, such sue shall be entirely at the risk of such person, 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 building or to its appliances.

ARTICLE III

IT IS HEREBY MUTUALLY AGREED, AS FOLLOWS:

1. **EXPIRATION OF LEASE.** If, upon, or at any time after, the happening of any of the events mentioned in subparagraphs (a) to (h) inclusive of this paragraph 1, the Lessor shall give to the Lessee a notice stating that the terms hereof will expire on a date at least ten 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 hereby a conditional limitation, and thereupon the Lessor shall have the right to reenter the apartment and to remove all personal and personal property therefrom, either by summary dispossess proceedings, or by any suitable action or proceeding at law or in equity, or by force or otherwise, and to repossess the apartment in its former estate as if this lease had not been made, and no liability whatsoever shall attach to the Lessor by reason of the exercise of the right to 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 the share 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 such share.

(b) If (1) of 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) the Lessor's share owned by the Lessee shall be duly levied upon under Court process; or (5) this lease or the Lessor's share owned by the Lessee shall be pledged, other than to the seller

thereof, to a bank, or other lending institution, except with the consent of the Board of Directors of the Lessor.

(c) If at any time there be an assignment of this lease, or any subletting hereunder, without full compliance with the requirements of paragraph 6 of Article II hereof.

(d) If the Lessee shall be in default for a period of one month in the payment of any rent or additional rent or of any installment thereof, hereinbefore provided for.

(e) If the Lessee shall default in the performance of any covenant or provision hereof, other than the covenant to pay rent, for 30 days after written notice of such default shall have been given by the Lessor.

(f) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its fully Board of Directors and the affirmative vote of the record holders of at least two-thirds in amount of its shares then outstanding and owned by Lessees under proprietary leases then in force, at a stockholders' meeting duly called for that purpose, to terminate all proprietary leases or to sell the land and building above described.

(g) If at any time the Lessor shall determine, upon the affirmative vote of the holders of record of two-thirds or more of its Board of Directors, that because of objectionable conduct on the part of the Lessee, a subleasee or of a person dwelling in or visiting the apartment, the tenancy of the Lessee is undesirable. Repeatedly to violate or disregard the house rules and regulations hereunto attached or hereafter established in accordance with the provisions of this lease, or to permit or tolerate a person of dissolute, loose, or immoral character to enter or remain in the building or the apartment, shall be deemed to be objectionable conduct.

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

2 **WAIVER OF RIGHT OF REDEMPTION.** The Lessee hereby expressly waives any and all right of redemption in case the Lessee shall be dispossessed by judgment or warrant of any Court or Judge; the words “enter,” “reenter,” and “reentry” as used in the lease 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 reentry, summary proceedings, and other remedies were not herein provided for.

3 **SURRENDER OF POSSESSION.** Upon the termination of this lease under the provisions of subparagraphs (a), (b), (c), (d), (e), or (g) of paragraph 1 of this Article, the Lessee shall remain liable as provided in paragraph 2 of Article II of this lease. Upon the termination of this lease under the provisions of subparagraphs (f) or (h) of paragraph 1 of this Article, or upon the expiration of this lease, the Lessee shall be and remain liable to pay all rent, additional rent, and other charges due or accrued and to perform all covenants and agreements of the Lessee up to the date of such termination, and on or before such termination the Lessee shall vacate the apartment and remove therefrom all property of the Lessee which upon such termination does not become the property of the Lessor under the provisions of paragraph 8 of Article II hereof and surrender possession of the apartment to the Lessor or its assigns, and upon demand of the Lessor or its assigns shall execute, acknowledge, and deliver to the Lessor or its assigns any instrument which may reasonably be required for surrendering all estate and interest of

the Lessee in the apartment, or in the building of which it is a part; provided, however, that the Lessee shall be entitled to retain ownership of the share in the Lessor owned by the Lessee and shall continue to enjoy all rights of ownership of such share other than the right to occupy any part or all of the building of which the apartment forms a part.

4. **SALE OF SHARE.** Upon the termination of this lease under subparagraphs (a), (b), (c), (d), (e), or (g) of paragraph 1 of this Article, the Lessee shall surrender to the Lessor his certificate for the share of the Lessor owned by the Lessee and allocated to the apartment. Whether or not such certificate is surrendered, the Lessor may issue a new proprietary lease for the apartment and issue a new certificate for the share of the Lessor owned by the Lessee and allocated thereto, and in that event the certificate owned or held by the Lessee shall be automatically canceled and rendered null and void. The Lessor may apply the proceeds received for the issuance of such share towards the payment of the Lessee's indebtedness hereunder, including interest, attorneys' fees, and other expenses incurred by the Lessor, and if the proceeds are sufficient to pay the same the lessor shall pay over any surplus to the Lessee, but if insufficient the Lessee shall remain liable for the balance of the indebtedness. Upon the issuance of any such new proprietary lease and share certificates, the Lessee's continuing liability hereunder shall cease and the Lessee shall only be liable for rent and expenses accrued to that date.

ARTICLE IV

IT IS FURTHER MUTUALLY AGREED, AS FOLLOWS:

1. **LESSEE'S CANCELLATION OF LEASE.** In the event the Lessee desires to cancel this lease, he shall give irrevocable written notice of intention to cancel

to the lessor thirty days before the date upon 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 Lessor may direct, free from all subleases, liens, encumbrances, and charges whatsoever;

(b) the Lessee's certificate for the share of the Lessor which accompanies this lease, and endorsed in blank for transfer;

(c) a written statement setting forth in detail those additions, improvements, and fixtures, such as mantels, lighting fixtures, appliances, woodwork, paneling, ceilings, doors, and decorations, placed in the apartment 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.

2. **ADDITIONAL PAYMENTS BY LESSEE.** In the event of giving such notice of intention to cancel, the Lessee shall:

(a) subject to the limitation and conditions embodied in paragraph 8 of Article II hereof, replace all mantels, lighting fixtures, appliances, woodwork (other than paneling), ceilings, doors, or other fixtures removed by the Lessee, with others of a kind and quality customary in buildings of this type, and pay the cost of such replacement; and

(b). 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 the Lessee.

3. **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 subparagraph (c) of paragraph 1 of this Article IV shall be removed by the Lessee prior to the date of cancellation of this lease, and on or before the date of cancellation the Lessee shall deliver possession of the apartment 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 8 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 date of cancellation, and (b) the amounts due under subparagraph (b) of paragraph 2 of this Article IV. The requirements for delivery of possession to the Lessor shall be waived if, pursuant to the provisions of paragraph 6 of Article II of this Lease, the Lessor shall have on or before the date of cancellation entered into an agreement with any subleasee whereby such subleasee is permitted by the Lessor to remain in possession of the apartment.

4. **LESSOR'S ENTRY**. The Lessor and its agents may show the apartment to prospective or succeeding tenants at any 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 date on which such notice of intention to cancel is given, the Lessor and its agents, employees, and tenants may enter the apartment, 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.

5. **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 date of cancellation named in the notice of intention to cancel as the date for the cancellation of this lease, this lease shall be canceled and all rights, duties, and obligations of the parties hereunder shall cease, terminate, and expire, and such share of the cooperative corporation 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 (a) of returning to the Lessee this lease, the share certificate, and other documents deposited, and the sums paid by the Lessee under this Article IV other than any sums 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 (b) of treating this lease as canceled as of the date of cancellation named in the notice of intention to cancel, and bringing such proceedings and actions as it deems best to enforce the covenants of the Lessee 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:

1. **TRANSFER OF SHARES.** The share of the Lessor held by the Lessee and allocated to the apartment has been acquired and is owned subject to the following conditions agreed upon with the Lessor and with each of the other proprietary Lessees for their mutual benefit.

(a) The share represented by each certificate is transferable only as an entirety;

(b) Neither the Lessee nor the Lessee's personal representative shall sell or transfer the share except to the Lessor, or to an assignee of this lease after compliance with all of the provisions of paragraph 6 of Article II of this lease relating to assignment.

2. **BINDING EFFECT:** The reference herein to the Lessor shall be deemed to include its successors and assigns, and the references herein to the Lessee or to a stockholder 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 inure to the benefit of the 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.

3. **PARAGRAPH HEADINGS.** The paragraph headings of the several paragraphs of this lease shall not be deemed a part of this lease.

4. **ORAL CHANGES.** The provisions of this lease cannot be changed orally.

5. **NO RECORDING.** This lease shall not be recorded by either party.

IN WITNESS WHEREOF, the Lessor has caused 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.

Attest:

RIVER TERRACE COOPERTIVE, INC.

By: _____
President

Witness:

Lessee (SEAL)

Lessee (SEAL)

ASSIGNMENT OF STOCK CERTIFICATE

FOR VALUE RECEIVED _____, hereby sells, assigns and transfers unto _____, as tenants by the entirety, (one) share of the Capital Stock of River Terrace Cooperative, Inc., standing in my (our) names(s) on the books of said Corporation represented by **Certificate Number** _____ herewith, and do hereby irrevocably constitute and appoint **Daniel R. Losco, Esq.**, Attorney-at-law to transfer the said stock on the books of said Corporation with full power of substitution in the premises.

DATE: _____

WITNESS

Lessee (Seal)

Lessee (Seal)