

PROPRIETARY LEASE

THIS PROPRIETARY LEASE is made as of \_\_\_\_\_ between THE CHESTERFIELD COOPERATIVE, INC., a Delaware corporation having an office at 3315 Wisconsin Avenue, N. W., Washington, D. C. (hereinafter called the "Lessor"), and \_\_\_\_\_ whose address is \_\_\_\_\_ (hereinafter called the "Lessee").

W I T N E S S E T H:

WHEREAS the Lessor is the owner of certain real property and the building thereon known as The Chesterfield, and by street address as 3315 Wisconsin Avenue, N. W., Washington, D. C. (hereinafter called the "Building"); and

WHEREAS the Lessor, in accordance with a plan to provide cooperative ownership of apartments and garage spaces in the Building, has leased or proposes to lease the apartments and garage spaces in the Building to the several owners of its capital stock by instruments known as proprietary leases; and

WHEREAS the Lessee is the owner of \_\_\_\_\_ shares of the capital stock of the Lessor and is the Lessee under a proprietary lease with Lessor for Apartment \_\_\_\_\_ in the Building; and

WHEREAS the Lessee is the owner of \_\_\_\_\_ shares of the capital stock of the Lessor which have been allocated to the garage space hereinafter designated:

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and agreements hereinafter set forth, the Lessor hereby leases to the Lessee, subject to the terms and conditions hereof, and the Lessee hires from the Lessor, the garage space in the Building known as Garage Space No. \_\_\_\_\_ (and herein referred to as the "Garage Space"),

TO HAVE AND TO HOLD the Garage Space with its appurtenances unto the Lessee, and his authorized assigns from \_\_\_\_\_, 19\_\_ until the 31st day of December, 2078 (unless the term shall sooner expire as herein provided) at a rent, for each year or portion of year, during said term, equal to that proportion of the Lessor's Cash Requirements (as determined by the Board of Directors of the Lessor and as hereinafter defined) for such year (or portion of year) which the aforesaid number of shares of capital stock bears to the total number of shares of capital stock of the Lessor issued and outstanding on the date of the determination of Lessor's Cash Requirements, together with the additional rent hereinafter provided. Rent shall be payable in monthly installments, in advance, at such place as shall be determined from time to time by the Board of Directors of the Lessor. Additional rent shall be payable at the same place, but shall not be allocated as hereinabove provided.

The failure of the Board of Directors of the Lessor to determine the Lessor's Cash Requirements for any year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof

Every determination by the Board of Directors of the Lessor's Cash Requirements shall be final and conclusive as to the Lessee, and any expenditures made by the Lessor's officers, or by Lessor's duly appointed managing agent under the direction or with the approval of the Lessor's Board of Directors, shall, as against the Lessee, be deemed necessarily and properly made.

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

2. In every proprietary lease heretofore executed by the Lessor there has been specified, and in every proprietary lease hereafter executed by it there shall be specified, the number of shares of capital stock of the Lessor allocated to the apartment or garage space covered thereby, which number, in relation to the total number of shares of capital stock of the Lessor then issued and outstanding, shall constitute the basis for fixing, as hereinbefore provided, the proportionate share of the Lessor's Cash Requirements which shall be payable as rent by the Lessee.

3. The Lessee shall pay the rent (including any additional rent) to the Lessor or, if so directed by the Lessor, to its duly appointed managing agent, without any deduction on account of any set-off or claim which the Lessee may have against the Lessor.

4. 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 or, subject to the provisions of Paragraph 5 hereof, by anyone other than the Lessee, Members of the Lessee's Family, and the Lessee's employees and servants. Notwithstanding the foregoing, if the Apartment is being used as a professional office space on the date of execution of this lease, such use may continue for the term of this lease so long as such use is not in violation of any laws or regulations of the District of Columbia.

5. The Lessee may from time to time sublet the Apartment; provided, however, that any such sublease (i) must be for a minimum term (not including renewals) of six (6) months (except that Lessee may sublease the Apartment one time annually without regard to the duration of the sublease) and (ii) must provide that the subtenant shall observe all applicable rules relating to occupancy and use of the Building; provided, however, that the restrictions of Paragraph 5(1) shall not apply to subleases in effect prior to October 31, 1979.

6. The Lessee shall not assign this lease or transfer the shares allocated to the Apartment or any interest therein, and no such assignment or transfer shall take effect as against the Lessor for any purpose, unless and until

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

(b) an agreement by the assignee assuming and agreeing to perform and comply with all the covenants and conditions of this lease to be performed or complied with by the Lessee from and after the effective date of the assignment shall have been executed by the assignee and delivered to the Lessor, but no such assumption agreement shall be required if the assignee surrenders the assigned lease and enters into a new proprietary lease for the remainder of the term as herein provided;

(c) all sums due from the Lessee under this lease shall have been paid;

(d) all shares of capital stock of the Lessor allocated to the Apartment shall have been duly transferred to the assignee, with any required transfer stamps affixed;

(e) the prior written consent of the Board of Directors (or its duly authorized representative) to the assignment has been obtained, which consent shall be denied only if the Board of Directors (or its representative) determines that the proposed assignee, if not a natural person, would jeopardize the Lessor's status as a cooperative housing corporation under Section 216 of the Internal Revenue Code of 1954, as now in effect and as amended from time to time; and

(f) If after such transfer Lessee will no longer own any shares of the Lessor associated with an apartment in the Building, Lessee has also transferred, assigned, or otherwise disposed of any shares of capital stock associated with any garage spaces and any garage space proprietary leases associated with such shares which Lessee may also own, either to the assignee of this lease or to an existing shareholder of Lessor.

Whenever, under the provisions of this lease, the Lessee shall be permitted to assign and shall so assign this lease, and the assignee shall assume all of the unfulfilled obligations of the assignor hereunder either by an instrument in writing delivered to the Lessor or by surrendering the assigned lease and entering into a new lease for the remainder of the term, the assignor shall have no further liability on any of the covenants of this lease thereafter to be performed. At the option and election of the Lessor any assigned lease shall be surrendered and cancelled and a new proprietary lease for the remainder of the term of this lease shall in such case be entered into between the Lessor and the assignee.

A pledge of capital stock of the Lessor and an assignment of this lease in connection therewith as collateral security shall not be deemed a violation of any covenant or condition of this lease relating to the transfer of such shares or the assignment of this lease, but neither the pledgee nor any transferee of the pledgee shall have the right to sublet or occupy the Apartment except upon compliance with all of the provisions of Paragraph 5 of this lease or of this Paragraph 6.

7. If the Lessee shall at any time sublet the Apartment, and shall default in the payment of any rent, the Lessor may, at its option, as long as such default shall continue, demand and receive the rent due or becoming due from such 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 subrent 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.

8. Subject to the provisions of Paragraph 15 hereof, the Lessor shall maintain and operate the Building as a first-class cooperative and (a) shall keep the lobbies, public halls, cellars and stairways clean and properly lighted and heated, and the elevators properly lighted, and (b) shall provide the number of attendants and the staff requisite, in the judgment of its Board of Directors, for the proper care and servicing of the Building as a first-class cooperative.

9. The Lessor shall keep in good repair the foundations, sidewalks, walls (except interior walls of apartments unless repairs thereto are necessitated by the act or negligence of the Lessor or the failure of the Lessor to make repairs for which it is otherwise responsible), supports, beams, roofs, gutters, cellars, chimneys, entrances and doorways, outdoor area, lobbies and

public halls, garage area, public stairways, windows, elevators, elevator corridors, pumps and tanks, and all pipes for carrying water, gas or steam through the Building, and the drain pipes and electrical conduits, together with all plumbing, heating 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 10 hereof, it being agreed that the Lessee shall give the Lessor prompt notice of any accident or defect known to the Lessee and requiring repairs to be made and that the Lessor's obligations are subject to the provisions of Paragraph 15 hereof. All such repairs required to be made by the Lessor shall be at the expense of the Lessor unless the same shall have been rendered necessary by the act or neglect or carelessness of the Lessee, or any of the family, guests, employees or subtenants of the Lessee in which case the expense is to be borne by the Lessee and shall be paid to the Lessor by Lessee upon demand, and shall be deemed to be additional rent hereunder.

10. The Lessee shall take the Apartment "as is" except as otherwise provided in the Lessee's Contract of Sale for the Lessee's capital stock and this lease. Subject to the provisions of Paragraph 15 hereof, the Lessee shall keep the interior of the Apartment in good repair, and shall decorate the Apartment, and the Lessor shall not be held answerable for any repairs or decoration in or to the interior of the Apartment. The Lessee shall not permit or suffer anything to be done or kept in the Apartment which will increase the rate of fire insurance on the Building or the contents thereof, and shall not interfere with the rights of other lessees or annoy other lessees by unreasonable noises or otherwise, or obstruct the public halls or stairways of the Building. The Lessee will comply with all the requirements of governmental authorities and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the Apartment; and if, by reason of the occupancy or use of the Apartment, the rate of fire insurance on the Building or its contents shall be increased, the Lessee shall become personally liable for the additional insurance premiums upon all policies covering the Building and the apartments therein, and the Lessor shall have the right to collect the same, as additional rent, for its own account and the account of other lessees. In addition to decorating the Apartment and keeping the interior of the Apartment in good repair, as aforesaid, the Lessee shall be responsible for the maintenance or replacement of any plumbing fixtures, lighting fixtures, refrigerators and other equipment that may at any time be located in the Apartment or intended for the sole use of the Apartment.

11. The Lessee shall not, without first obtaining the written consent of the Lessor, make in the Apartment, or on any terrace or balcony appurtenant thereto, any structural alteration or exterior alteration or any alteration of the water, gas or steam pipes, electrical conduits or plumbing, nor shall the Lessee install any electrical or other equipment which shall impose an excessive load on such pipes, conduits or plumbing or on existing water, gas, steam or electric supplies or, except as hereinafter authorized, remove any additions, improvements or fixtures from the Apartment. If the Lessee or any prior lessee shall have heretofore placed or shall hereafter place in the Apartment any special additions, improvements or fixtures, such as and without limiting the generality of the foregoing, mantels, lighting fixtures, refrigerators, air conditioning units and equipment, ranges, hot plates, woodwork, panelling, ceilings, doors or decorations, then the Lessee shall have the right, during the term of this lease, to remove the same at the Lessee's own expense, provided: (a) that the Lessee at the time of such removal shall not be in default in the payment of rent or additional rent or in the performance of any provision or condition of this lease; (b) that prior to any such removal, the Lessee

shall give written notice thereof to the Lessor; (c) that the Lessee shall pay the cost of any such removal and shall repair any damage to the Building and the Apartment resulting therefrom; and (d) that the Lessee shall replace and re-install at the Lessee's own expense any equipment that was in the Apartment at the beginning of the term or, at the Lessee's option, shall put the Apartment in tenable condition by installing standard equipment of a kind and quality customary in the Building 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. Any additions, improvements or fixtures not removed by the Lessee at or prior to the termination of this lease shall be deemed abandoned and shall become the property of the Lessor. Any other personal property not removed by the Lessee at or prior to the termination of this lease may be removed by the Lessor to any place of storage and stored for the account of the Lessee without the Lessor in any way being liable for trespass, conversion or negligence by reason of any acts of the Lessor or of the Lessor's agents, or of any carrier employed in transporting such property to the place of storage, or by reason of the negligence of any person in caring for such property while in storage.

12. In case there shall be filed a notice of mechanic's lien against the Building for, or purporting to be for, labor or material alleged to have been furnished or delivered at the Building or the Apartment to or for the Lessee, or anyone claiming under the Lessee, the Lessee shall forthwith cause such lien to be discharged by payment, bonding or otherwise; and if the Lessee shall fail to cause such lien to be discharged within five days after notice from the Lessor, then the Lessor may cause such lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or of any offsets or defenses thereto, and shall have the right to collect from the Lessee, as additional rent, all amounts so paid and all costs and expenses paid or incurred in connection therewith, including reasonable attorney's fees and disbursements, together with interest thereon from the time or times of payment. Any such sums shall be payable as and when bills therefor are rendered, and in case of failure on the part of the Lessee to pay same the Lessor, at its option, may add the amounts thereof to the next installments of rent due under this lease.

13. 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 managing agent, 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 Apartment to its former condition.

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

(b) The Lessee agrees to indemnify the Lessor against and to save the Lessor harmless from all liability, loss, damage and expense arising

from injury to person or property occasioned by the failure of the Lessee to comply with any provision hereof, or due wholly or in part to any act, default or omission of the Lessee or any person dwelling or visiting in the Apartment, or by the Lessor, its agents, servants and contractors when acting as agent for the Lessee as provided in this lease.

(c) In addition to other legal remedies hereinbefore or hereinafter provided for, in case of violation of any covenants hereof by the Lessee, the same shall be restrainable by injunction and neither the mention herein nor the election hereafter of one or more of the remedies provided shall preclude the Lessor from enforcing any other right, remedy, option, election, or priority allowed by law, whether or not specifically set forth herein.

(d) The giving of written notification by the Lessee to the Lessor in the manner provided in Paragraph 26 hereof, in the event of (i) any default by the Lessor, or (ii) any breach by the Lessor of any covenant of this lease, or (iii) any failure by the Lessor to comply with any law, ordinance, or governmental regulation, shall be a condition precedent to the bringing of any action by the Lessee against the Lessor or the assertion by the Lessee against the Lessor of any defense based thereon.

15. The Lessor shall not be liable for, nor shall there be any abatement of rent or other compensation or claim of eviction by reason of: (a) any interference with light, air, view or other such interests of the Lessee; or (b) space taken to comply with any law, ordinance or governmental regulation; or (c) unless due to the negligence of the Lessor: (i) any failure, curtailment or interruption of heat, water supply, electric current, gas, telephone or elevator service, or other service to be supplied by the Lessor hereunder; (ii) failure to make, delay in making, or inconvenience involved in making any repairs, alterations or decorations to the Building or to any fixtures or appurtenances therein; (iii) injury or damage to person or property caused by the elements or by another lessee or by another person in the Building; or (iv) steam, gas, electricity, water, rain or snow which may leak or overflow 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.

16. If the Building shall be partly damaged by fire or other casualty, it shall be repaired as speedily as is reasonably possible by and at the expense of the Lessor, so as to conform substantially to its condition immediately preceding such 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 tenantable. In case of the total destruction of the Building by fire or otherwise, or if the Building shall for any other reason become uninhabitable, the rent shall be paid up to the date of such destruction or uninhabitability, and thereupon this lease, and all rights and obligations of the parties hereunder, and the tenancy hereby created shall wholly cease and expire.

The Lessor hereby releases the Lessee from any and all liability or responsibility to the Lessor or anyone claiming through or under the Lessor by way of subrogation or otherwise for any loss or damage to property caused by fire or any of the extended coverage casualties, even if such fire or other casualty shall have been caused by the fault or negligence of the Lessee or anyone for whom the Lessee may be responsible, provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the Lessor's insurance policies shall contain a clause or endorsement to the effect that any such release shall not

adversely affect or impair such insurance policies or prejudice the right of the Lessor to recover thereunder. The Lessor agrees that it will request the Lessor's insurance carriers to include in each of the Lessor's policies a suitable clause or endorsement, as aforesaid, provided that no extra cost shall be charged therefor, and upon request, the Lessor or its managing agent shall advise the Lessee whether or not it has been able to obtain such a clause or endorsement in its policies.

17. Pursuant to Lessor's By-Law No. 49, upon the occurrence of any event of default under this lease, the Lessor will give written notice thereof to the registered pledgee of Lessee's shares of capital stock. If upon, or at any time after, the happening of any of the events of default mentioned in subdivisions (a) to (g), inclusive of this Paragraph 17, the Lessor shall give to the Lessee (with a copy to said pledgee) written notice stating that the term hereof will expire on a date at least five days thereafter, then unless the default has been cured by either the Lessee or such Lessee's registered pledgee by the date set forth in such notice for termination, the term of this lease shall expire on such date as if it were the date originally fixed for its expiration, and all right, title and interest of the Lessee hereunder shall thereupon cease and expire, and the Lessee shall thereupon quit and surrender the Apartment to the Lessor, it being the intention of the parties hereto to create hereby a conditional limitation, and thereupon the Lessor shall have the right to re-enter the Apartment and to remove all persons and personal property therefrom, either by summary dispossession proceedings, by any suitable action or proceeding at law or in equity, or by any other method permitted by the laws of the District of Columbia, and to repossess the Apartment in its former estate as if this lease had not been made, and no liability whatsoever shall attach to the Lessor by reason of the exercise of the right of reentry, re-possession and removal herein granted and reserved.

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

(b) If at any time during the term of this lease (i) the Lessor shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all of the property of the Lessee, or of this lease, or of the shares of capital stock of the Lessor allocated to the Apartment, shall be appointed under any provisions of law and the order appointing such receiver shall not be vacated within thirty days; or (iii) the Lessee shall make a general assignment for the benefit of creditors; or (iv) except for a levy by a pledgee of Lessee's capital stock, any of the shares of capital stock of the Lessor owned by the Lessee and allocated to the Apartment shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within five days; or (v) this lease or the shares appurtenant thereto shall pass by operation of law or otherwise to anyone other than the Lessee herein named or a person to whom such Lessee has assigned this lease in the manner herein permitted (but this subsection (v) shall not be applicable if this lease or the appurtenant shares shall pass to the executors or administrators of the Lessee or to a pledgee of this lease or the appurtenant shares).

(c) If at any time there be an assignment or purported assignment of this lease without full compliance with the requirements of Paragraph 6 hereof, or if at any time there be any subletting hereunder without full compliance with the requirements of Paragraph 5 hereof, or if any unauthorized

person shall be permitted to use or occupy the Apartment, and, in the case of any such subletting or unauthorized use or occupancy, the Lessee shall fail to cure such condition within ten days after written notice from the Lessor.

(d) If the Lessee shall be in default for a period of thirty days in the payment of any rent or additional rent, or of any installment thereof herein provided for, and shall then fail to cure such default within ten days after written notice thereof shall have been given by the Lessor.

(e) If the Lessee shall default in the performance of any covenant or provision hereof, other than the covenant to pay rent or covenants otherwise provided for in this Paragraph 17, and shall fail to cure any such default within thirty days after written notice thereof shall have been given by the Lessor, provided, however, that if said default consists in failure to perform any act the performance of which requires any substantial period of time, then if within said period of thirty days such performance is commenced and thereafter diligently prosecuted to conclusion without delay and interruption, the Lessee shall be deemed to have cured said default.

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

(g) If the Lessee shall default in the performance of any obligation under Lessee's proprietary lease, if there be one, for a garage space in the Building, and such default is not cured in accordance with the terms thereof.

18. (a) 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 rent or additional rent, or any part thereof, or on the expiration of the term under the provisions of subsections (a), (b), (c), (d), (e) or (g) of Paragraph 17 hereof, the Lessee shall continue to remain liable for payment of the rent (including any additional rent) which would have become due hereunder from time to time. No suit brought to recover any installment of such rent shall prejudice the right of the Lessor to recover any subsequent installment. After resuming possession, the Lessor may, at its option, from time to time (i) relet the Apartment for its own account, or (ii) relet the Apartment as the agent of the Lessee, in the name of the Lessee or in its own name, for a term or terms which may be less than or greater than the period which would otherwise have constituted the balance of the term of this lease, and may grant concessions or free rent, in its discretion. Within ten days after reletting the Apartment, as aforesaid, the Lessor shall notify the Lessee as to whether the Apartment has been relet for the account of the Lessee or for the Lessor's own account. The fact that the Lessor may have relet as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet for its own account and will no longer relet the Apartment as agent for the Lessee. If the Lessor relets the Apartment as agent for the Lessee, it shall, after reimbursing itself for its 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 against the Lessee's continuing obligations hereunder. There shall be a final accounting between the Lessor and the Lessee upon the earliest to occur of the four following dates: (1) December 31, 2078; (2) the date as of which a new proprietary lease covering the Apartment shall have become effective; (3) the date the Lessor gives written notice to the Lessee that it has relet the Apartment for its own account or that it will no longer relet the Apartment as agent for the Lessee; (4) the date upon which all proprietary leases of the Lessor terminate. From and after the date upon which

the Lessor becomes obligated to account to the Lessee as above provided, the Lessor shall have no further duty to account to the Lessee for any proceeds of reletting and the Lessee shall have no further liability for sums thereafter accruing hereunder, but such termination of the Lessee's liability shall not affect any liabilities theretofore accrued.

(b) On the termination of this lease under this Paragraph 18, or otherwise because of default by the Lessee, the Lessee (or any pledgee of the Lessee's shares then holding the same) shall surrender to the Lessor the certificate for the shares of capital stock of the Lessor owned by the Lessee and allocated to the Apartment. Whether or not said certificate is surrendered, the Lessor may issue a new proprietary lease for the shares of capital stock of the Lessor owned by the Lessee and allocated thereto, when a purchaser therefor is found, provided that the issuance of such shares and such lease to such purchaser is authorized in the manner provided in Paragraph 6(e) hereof. Upon such issuance the share certificate owned or held by the Lessee shall be automatically cancelled and rendered null and void. Upon the issuance of any such new proprietary lease and certificate, the Lessee's continuing liability hereunder, if not theretofore terminated, shall cease and the Lessee shall only be liable for rent and expenses accrued to that time. The Lessor shall apply the proceeds received from the issuance of such shares towards the payment of the Lessee's indebtedness hereunder, including interest, attorneys' fees and other expenses incurred by the Lessor, and if the proceeds are sufficient to pay the same, the Lessor shall, subject to the rights of registered pledgees, pay over any surplus to the Lessee, but if insufficient the Lessee shall remain liable for the balance of the indebtedness.

(c) If any event of default occurs under Paragraph 17 at a time when the Lessee's shares are being held by a registered pledgee, and any such default is not susceptible of being cured by the registered pledgee (e.g., the bankruptcy of Lessee, an unauthorized subletting, and the like), then Lessor shall have no right to terminate this lease for so long as any such registered pledgee continues to pay the rent required hereunder and continues to perform the obligations of Lessee which are capable of being performed by it.

19. Subject to all the applicable provisions of this lease and to the use of any terrace or balcony by the Lessor to enable it to fulfill its obligations hereunder, if the Apartment embraces a terrace or balcony or a portion thereof, the Lessee shall have and enjoy the exclusive use of such terrace or balcony. The Lessee shall not install any walls, enclosures or awnings on any such terrace or balcony, or otherwise alter the terrace or balcony, except with the prior written approval of the Lessor or its managing agent. It shall be the Lessee's duty to keep such terrace or balcony clean and free from ice, snow and debris and to provide proper drainage therefor and the Lessor shall have no duties or obligations with respect to any of such matters. The Lessor shall have the right to erect and/or maintain on the roof of the Building, for its use, for the use of lessees or the use of others, radio or television aeriials, antennae and transmission facilities, or other necessary or desirable improvements.

20. The Lessor has established House Rules for the management and control of the Building, and may also from time to time alter, amend and repeal such rules and make additions thereto as its Board of Directors may reasonably deem necessary or desirable, and this lease shall be in all respects subject to such rules, to all reasonable changes and modifications therein, and to all new rules of which notice has been given to the Lessee, and the Lessee shall obey all such rules and see that they are faithfully observed by his family, guests,

employees and subtenants, but the Lessor shall not be responsible to the Lessee for the non-observance or violation of such rules by any other lessee or person other than employees of the Lessor.

21. This lease is and shall remain subject and subordinate to all present and future mortgages now or hereafter liens on the Building, and to any and all present and future extensions, modifications, consolidations, replacements, and renewals thereof. 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 the duly elected officers 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.

22. In the event that, as of the date of the commencement of this lease, any third party should be in possession or have a right to possession of the Apartment pursuant to any lease, rental or occupancy agreement or as a statutory tenant or otherwise, then the Lessor does hereby assign to the Lessee any and all of the Lessor's rights therein or against said third party, including the right to collect rent falling due and becoming payable after the date of the commencement of this lease and under such lease, rental or occupancy agreement, statutory tenancy or other arrangement, and the Lessor shall deliver to the Lessee any and all leases and other documents in its possession relating thereto.

23. All proprietary leases of apartments in the Building heretofore executed are, and all such leases hereafter executed shall be, in the form of this lease, except with respect to the statement as to the number of shares of capital stock owned by the Lessee, until the form is amended for subsequent use and is approved by lessees owning at least two-thirds in amount of the shares of Lessor's capital stock then issued and outstanding. The Lessor will not make or consent to any change or alteration in the terms or conditions of any proprietary lease which shall have been executed by the Lessor unless such change or alteration shall be similarly approved.

24. (a) The failure of the Lessor to insist, in any one or more instances, upon a strict performance of any of the covenants or conditions hereof, 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 of such default or a relinquishment for the future of the right to enforce such covenant or condition and such option or right shall continue and remain in full force and effect. The receipt by the Lessor of rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Lessor of any provision hereof shall be deemed to have been made unless in writing and signed by an officer of the Lessor pursuant to authority contained in a resolution of its Board of Directors.

(b) The Lessee hereby expressly waives any and all right of redemption in case the Lessee shall be dispossessed. The words "enter," "re-enter," and "re-entry" as used in this lease are not restricted to their technical legal meaning.

(c) To the extent, if any, permitted by law, the respective parties shall and they hereby do waive trial by jury in any action, proceeding or counter-claim 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 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.

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

26. Any notice by the Lessor to the Lessee or by the Lessee to the Lessor shall be deemed to have been duly given, and any demand by the Lessor on the Lessee or by the Lessee on the Lessor shall be deemed to have been duly made, only if in writing and delivered personally or sent by certified or registered mail addressed to the Lessor, or to the Lessee at 3315 Wisconsin Avenue N. W., Washington, D. C., or such other address as may be designated by the Lessor or the Lessee, as the case may be, in the manner herein set forth for the giving of notices.

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

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

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

(b) The shares shall not be sold except to the Lessor or to an assignee of this lease after compliance with all of the provisions of Paragraph 6 of this lease relating to assignments.

29. Except as otherwise in this lease provided, the references herein to the Lessor shall be deemed to include its successors and assigns, and the references herein to the Lessee or to a shareholder of the Lessor shall be deemed to include the executors, administrators, legal representatives, legatees, distributees and assigns of the Lessee or of such shareholder; 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, administrators, legal representatives, legatees, distributees and (subject to the provisions of paragraph 6 hereof) assigns of the Lessee.

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

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

obligations hereunder. Any notice by the Lessor to any person named as Lessee shall be sufficient, and shall have the same force and effect as though given to all persons named as Lessee.

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

33. A. "Lessor's Cash Requirements" whenever used herein shall mean the amount in cash which the Board of Directors of the Lessor shall establish in accordance with By-Law No. 25 of the Lessor's By-Laws.

B. "Member of the Lessee's Family" as used herein, shall be deemed to mean the Lessee's spouse, parents, parents-in-law, brothers and sisters, children, grandchildren, children-in-law and stepchildren, nieces, nephews, or if the Lessee be more than one person, of any of the Lessees.

C. "Issued and outstanding" wherever used herein as relating to the capital stock of the Lessor shall be deemed to include only the shares of capital stock of the Lessor issued to and outstanding in the names of persons holding proprietary leases for apartments and garage spaces in the Building, and shall not include any shares authorized but unissued, nor any shares previously issued, but returned to the treasury on cancellation of proprietary leases.

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

THE CHESTERFIELD COOPERATIVE, INC.

By: \_\_\_\_\_  
President

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

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