

2014

**GREENE STREET ARTISTS CORPORATION
PROPRIETARY LEASE AGREEMENT**

THIS PROPRIETARY LEASE AGREEMENT, (“Agreement” or “Proprietary Lease”), made and entered into this ____ day of _____ and between **GREENE STREET ARTISTS CORPORATION** ("Corporation"), a Pennsylvania not for profit Corporation, and _____ ("_____ (collectively "Member").

BACKGROUND

1. The Corporation has been formed for the purpose of acquiring, rehabilitating, owning, and operating an artists' housing and working cooperative (the "Building") located in Germantown, Philadelphia, Pennsylvania (the "Land") (the Building and the Land may sometimes hereinafter be referred to as the "Property"), with the intent that its members shall have the right to occupy the units thereof under the terms and conditions hereinafter set forth;

2. The Member is the owner and shareholder of the Corporation which affords the Member the right to occupy the unit hereinafter designated; and

3. The Member has certified to the accuracy of the statements made in his or her membership application and credit approval data.

NOW THEREFORE, INTENDING TO BE LEGALLY BOUND and in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby leases to the Member, and the Member hereby hires and takes from the Corporation, the unit known as Unit _____ (the "Unit") located at 5225 Greene Street, Philadelphia, PA.

TO HAVE AND TO HOLD, said Unit unto the Member, his or her personal representative and authorized assigns, on the terms and conditions set forth herein and in the Articles of Incorporation, Bylaws of the Corporation, and the Rules and Regulations Handbook as amended from time to time from the date of this Agreement for successive one-year periods, provided Member is not in default under any of the conditions provided for herein.

TERMS AND CONDITIONS

ARTICLE 1. MONTHLY CASH REQUIREMENT

1.1 Commencing at the time indicated in ARTICLE 2 hereof, the Member agrees to pay to the Corporation a monthly sum which the Board of Directors by resolution duly adopted shall in its judgment estimate to be necessary or proper (i) for the operation, maintenance, care and improvement of the Property during the year or portion of the year for which such estimate

is made; (ii) the creation of a reserve for contingencies as may seem proper; and (iii) the payment of debt service on any mortgage on the Building (the "Monthly Cash Requirement") equal to one-twelfth of the Member's Proportionate Share (as hereinafter defined). The term "Proportionate Share" shall mean that percentage determined by dividing the total square footage of the Unit, as the numerator, by the total square footage of the Building, less the common areas, as the denominator. The Member's Proportionate Share of the Monthly Cash Requirement is _____.

The Monthly Cash Requirement shall be paid in advance on the first day of each month and shall include but is not limited to the following charges:

- (i) The amount of principal, interest, mortgage insurance premium or other required payments on the Corporation's mortgage.
- (ii) The cost of all operating expenses of the Property and services furnished.
- (iii) The cost of necessary management and administration.
- (iv) The amount of all taxes and assessments levied against the Property or which it is required to pay.
- (v) The cost of fire and extended coverage insurance on the property and such other insurance as the Corporation may effect or as may be required by any mortgage on the Property.
- (vi) The cost of any utilities furnished by the Corporation.
- (vii) All reserves set up by the Board of Directors, including the general operating reserve and the reserve for replacements and improvements.
- (viii) The estimated cost of repairs, maintenance and replacements of the Property to be made by the Corporation.
- (ix) Special Assessments, if any.
- (x) Late fees, if any.
- (xi) Any and all additional rent as defined herein ("Additional Rent").
- (xii) Any other expenses of the Corporation, including operating deficiencies, if any, for prior periods.

1.2 The Board of Directors shall determine the amount of the Monthly Cash Requirement annually, but may do so at more frequent intervals, should circumstances so

require. The failure of the Board of Directors to determine the Monthly Cash Requirement shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or release of the Member from the obligation to pay the Monthly Cash Requirement or any installment thereof, but the Monthly Cash Requirement last determined for any year or portion thereof shall thereafter continue to be the Monthly Cash Requirement until such requirements shall be re-determined. No Member shall be charged with more than his or her Proportionate Share thereof as determined by the Board of Directors.

1.3 Until further notice from the, Corporation, the Monthly Cash Requirement for the above-mentioned Unit shall be _____(\$_____).

ARTICLE 2. COMMENCEMENT AND PAYMENT OF MONTHLY HOUSING CHARGES

2.1 After thirty (30) days notice by the Corporation to the effect that the Unit is or will be available for occupancy, or upon acceptance of occupancy, whichever is earlier, the Member shall make a payment of the Monthly Cash Requirement covering the unexpired balance of the month. Thereafter, the Member shall pay the Monthly Cash Requirement in advance on the first day of each month.

2.2 The Member shall pay the Monthly Cash Requirement and any additional sums to the Corporation, or its duly appointed managing agent (the "Managing Agent"), upon the terms and at the times herein provided, without any deduction on account of any setoff or claim which the Member may have against the Corporation, and if the Member shall fail to pay any installment of the Monthly Cash Requirement ten (10) days from the date when such installment shall have become due, **the Member shall pay a \$25 late fee and such fee shall be deemed Additional Rent hereunder. If installment is late three (3) or more times during any twelve-month period, the late fee shall increase to \$100.**

2.3 Each and every person who takes title to the Membership shall be jointly and severally liable for all amounts due hereunder. Liability for amounts accumulating pursuant to this Agreement shall not be limited to the value of the Unit, but rather, shall be a personal liability of the Member hereunder.

ARTICLE 3. MEMBER'S TRANSFER RIGHTS

3.1 Subject to the terms of this Proprietary Lease and provided the Member is not in default of its obligations hereunder, it is covenanted and agreed that the term herein granted shall be extended and renewed from time to time by and against the parties hereto for further periods of one (1) year each from the expiration of the term herein granted, upon the same covenants and agreements as herein contained unless:

- (i) notice of the Member's election not to renew as a result of such Member's intention to sell his or her share (which offer to sell shall first be given to the

Corporation as provided for herein) shall have been given to the Corporation in writing at least sixty (60) days prior to the intended date of sale or the expiration of the then current term; and

- (ii) the Member shall have on or before such date:
 - (a) obtained a qualified buyer of the Member's share and such buyer shall have received approval by the Corporation's membership and finance committees; and
 - (b) met all his or her obligations and paid all amounts due under this Agreement up to the time of said expiration; provided, however, that if such sale does not take place until after the sixty (60) day intended sale date or the expiration of the term, the Member shall remain liable for all obligations under this Proprietary Lease, including the continued payment of such Member's Monthly Cash Requirement, until closing of the sale.

3.2 Upon compliance with provisions (i) and (ii) of paragraph 3.1, the Member shall have no further liability under this Agreement. Notwithstanding the foregoing, the Member shall receive the fair market value of his or her membership interest subject to the Bylaws upon repurchase by the Corporation or sale to a third party.

3.3 Any Member wishing to sell his or her share in the Corporation must first offer such share to the Corporation, as provided for in the Bylaws.

3.4 Notwithstanding any other provisions of the Agreement, any term of this Agreement shall automatically be extended to be coterminous with the maturity date of any loans approved by the Corporation and secured by this Proprietary Lease or the corresponding Membership Share.

ARTICLE 4. USE

4.1 The Member shall occupy the Unit as a living/working studio unit for himself or herself and his or her immediate family (which may include a spouse, significant other, children, siblings or parents) and for no other purpose, and may enjoy the use in common with other Members of the Corporation of all common areas and facilities of the Property so long as s/he continues to own a Membership Share of the Corporation, participates in Membership activities and abides by the terms of this Agreement. Any approved subMember of the Member, as provided for in the Bylaws, may enjoy the rights and responsibilities to which the Member is entitled under this Article 4.

4.2 The Member shall not permit or suffer anything to be done or kept in said Unit which will increase the rate of insurance on the Property or on the contents thereof, or which will

increase the likelihood of any danger or damage to the Building, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit nor permit any nuisance in the Unit or commit or suffer any illegal act to be committed thereon or obstruct the public halls or stairways of the Building. The Member shall comply with all of the rules and regulations of the Board of Health, the National Board of Fire Underwriters, and of all other governmental authorities having jurisdiction over the Property with respect to the said Unit. If by reason of the occupancy or use of said Unit by the Member, the rate of insurance on the Property shall be increased, the Member shall become personally liable for the additional insurance premiums.

ARTICLE 5. MEMBER'S RIGHT TO PEACEABLE POSSESSION

In return for the Member's continued fulfillment of the terms and conditions of this Agreement, the Corporation covenants that the Member may at all times while this Agreement remains in effect, have and enjoy for his or her sole use and benefit, the Unit hereinabove described, after obtaining occupancy, and may enjoy with all other Members of the Corporation the use of all of the common areas and facilities of the entire Property.

ARTICLE 6. SUBLETTING

6.1 Neither this Agreement nor the Member's right of occupancy shall be transferable or assignable except in the same manner as may now or hereafter be provided for the transfer of memberships in the Bylaws of the Corporation.

6.2 The Member hereby agrees not to assign this Agreement nor to sublet his or her Unit without the prior written consent of the Corporation. The liability of the Member under this Agreement shall continue notwithstanding the fact that he may have sublet the Unit with the approval of the Corporation and the Member shall be responsible to the Corporation for the duties of and the conduct of his or her sublessee. Any unauthorized subleasing shall, at the option of the Corporation, result in the termination and forfeiture of the Member's membership rights. Nonpaying guests of the Member may occupy the Member's Unit under such conditions as may be prescribed by the Board of Directors in the rules and regulations.

6.4 The Corporation shall not discriminate or withhold its consent for any reason related to the sex, race, class, age, handicap, marital status, sexual **orientation**, religion or national origin of any sublessee or proposed occupants, but it shall have the right to withhold membership if any proposed sublessee or occupant is not an Artist (as such term is defined in the Bylaws) and does not meet the criteria established by the finance committee and the membership committee.

ARTICLE 7. MANAGEMENT, TAXES AND INSURANCE

The Corporation shall provide necessary management, operation and administration of the Property, pay or provide for the payment of all taxes or assessments levied against the Property, procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as the Corporation may deem advisable. The Corporation will not, however, have the duty to provide insurance on the Member's interest in the Unit or on the Member's personal property, **or in common areas, which includes the Member's art and artworks.**

ARTICLE 8. UTILITIES AND OTHER CHARGES

8.1 The Corporation shall provide necessary heat, electricity, gas, and refuse removal for the commonly used portions of the Property, or for mastermetersed utilities where applicable. The Member shall pay the Corporation for utilities that are sub-metered in accordance with bills prepared by the Corporation.

ARTICLE 9. REPAIRS

9.1 Obligations of the Corporation and Member.

(i) **Common Elements.** The Corporation shall keep in good repair the **Common Elements, including without limitation the grounds, foundations, sidewalks, roads and drives in and through the premises, outdoor parking areas, walls (except interior walls of Units), supports, beams, roofs, gutters, chimneys, exterior stairways, windows, window frames and sashes, all pipes for carrying water or gas through the Buildings, gas supply lines, plumbing serving the Unit,(but not the plumbing within the Unit) including all supply, waste and feeder lines and the drain pipes and electrical conduits, together with other installations, facilities and apparatuses intended for the general service of the Buildings, except those portions of any of the foregoing which it is the duty of the Member to maintain and keep in good repair as provided below. The Corporation shall also be responsible for all main electrical systems from the main supply to the electric boxes in each Unit, excluding electric wiring from each such electric box to the outlets in each Unit and electric wiring of fixtures.**

All repairs required to be made under this subparagraph shall be undertaken by the Corporation at the expense of the Corporation.

(ii) **Limited Common Elements.** A Limited Common Element is any portion of a Common Element allocated for the exclusive use of one or more, but fewer than all, of the Units. A Limited Common Element is not part of a Unit or Unit and the right to occupy or to control such Limited Common Element cannot be transferred or assigned by the Member under this Proprietary Lease. The Corporation shall be responsible for the repair of Limited Common Elements, including any shutters, doorsteps,

stoops and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries.

All repairs required to be made under this subparagraph shall be undertaken by the Corporation at the expense of the Corporation, provided, however, that the Member may be allowed to undertake such repairs at Member's expense after prior written consent from the Corporation.

(iii) Within the Unit. The Corporation shall undertake the following repairs, replacements, alterations and construction, but only in the event that the damage is caused by a fire or other casualty which is covered by the Corporation's fire and casualty insurance: stoves, ranges and refrigerators, cabinets, countertops, appliances and electric fixtures, including electric wiring for the electric box for the Unit to the outlets in each Unit and electric wiring of fixtures; all interior plumbing fixtures (including without limitation all faucets, sinks, toilets and bathtubs); all locks, keys and doorbells; all ceramic and vinyl floor tiling and flooring covering of any other kind; smoke detectors; air conditioning units; doors, partitions, improvements or fixtures in the interior of the Unit; wall-plates; water heaters and furnances for individual Units, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint and any materials constituting any part of the finished surfaces that are part of the Unit.

9.2 Member's Obligations for Repairs. Except for fire and casualty loss covered by the Corporation's insurance, the Corporation shall not be responsible for repair of the following, which are the sole responsibility of the Member: (1) any repair or maintenance of any Common Elements, Limited Common Elements or any Unit necessitated by the negligence, misuse or willful misconduct of the Member; (2) any redecoration of the Unit; and (3) any repairs, maintenance or replacements within the Unit, including without limitation the following: stoves, ranges and refrigerators, cabinets, counter-tops, appliances and electric fixtures, including electric wiring from the electric box for the Unit to the outlets in each Unit and electric wiring of fixtures; all interior plumbing fixtures (including without limitation all faucets, sinks, toilets and bathtubs); all locks, keys and doorbells; all ceramic and vinyl floor tiling and floor covering of any other kind; smoke detectors; air conditioning units; doors, partitions, improvements or fixtures in the interior of the Unit; wall-plates; water heaters and furnaces for individual Units; all lath, furring, wallboard, plasterboard, plaster, panelling, tiles, wallpaper, paint and any materials constituting any part of the finished surfaces that are a part of the Unit. The Member shall keep clean the windows, exterior and interior of the Unit.

9.3 All plumbing repairs must be done by a licensed and insured plumber registered in Philadelphia, Pennsylvania. All electric and gas repairs, and all installations (including without limitation, the installation of washers and dryers, water heaters, ranges, stoves, ovens, air conditioning units and dishwashers shall be done by licensed and insured workers and electricians who must be registered in Philadelphia, Pennsylvania.

9.4 Any ventilator or air conditioning device which shall be visible from the outside of the Building shall at all times be painted by the Member in a standard color which the Corporation may select for the Building. The Member shall be solely responsible for the repairs to and maintenance of all appliances, including but not limited to any refrigerator, air conditioner, stove or oven.

9.5 Right of the Corporation to Make Repairs at Member's Expense. In case the Member shall fail to effect repairs, maintenance or replacements specified in paragraph 9.2 of this Article after fourteen (14) days written notice in a manner satisfactory to the Corporation and pay for same, the Corporation may do so and add the cost thereof to the Member's next month's Rent as Additional Rent. In the event a dispute may arise regarding other items not mentioned here, the Board of Directors, in its sole and exclusive discretion, shall determine whether such maintenance or repair shall be the responsibility of the Corporation or the Member

9.6 The Corporation and its agents or employees shall, with Reasonable Notice, be permitted to visit and examine the Unit, at any Reasonable Hour of the day or evening, and workmen may enter at any time, when authorized by the Member or the Member's agents, which authorization shall not be unreasonably withheld, to make or facilitate repairs or alterations in any part of the Unit or Buildings and to remove such portions of the roof, walls, floors and ceiling of the Unit or Building as may be required for the purpose of making such repairs or alterations. If the Member shall not be personally present to open and permit entry into the Unit at any time when for any reason an entry therein shall be necessary or permissible hereunder, then the Corporation or the Corporation's agents may forcibly enter the Unit without rendering the Corporation or such agent liable to any claim or cause of action for damages by reason thereof, and without in any manner affecting the obligations and covenants of this Agreement. The foregoing notwithstanding, the Corporation shall exercise reasonable care whenever it enters a Member's Unit to make a repair whenever the Member is not present, and there should be a reasonable expectation of supervision of outside contractors when resident member is unable to be present or arrange for another to be present. For the purposes of this Agreement, "Reasonable Notice" shall be defined as twenty-four (24) hours, and "Reasonable hour(s)" shall be defined as between the hours of 7:00 a.m. and 9:00 p.m.

9.7 No Abatement of Rent. There shall be no diminution or abatement of rent or other compensation accruing to the Corporation for the failure by the Corporation to perform any service or obligation or for interruption or curtailment of service, when such failure, interruption or curtailment shall be due to accident or to alterations or repairs desirable or necessary to be made, or to strikes or inability or difficulty in securing supplies or labor, or to some other cause not gross negligence on the part of the Corporation.

9.8 Inspection of Unit. The Corporation agrees that the representatives of any mortgagee holding a mortgage on the property of the Corporation, and the agents and employees of the Corporation, shall have a right to enter the Unit of the Member for any reasonable

purposes hereunder and make inspections thereof at any reasonable hour of the day or evening, upon at least 24 hours notice, unless otherwise provided.

9.9 The Member shall take possession of the Unit and its appurtenances and fixtures "as is" as of the commencement of the term hereof.

9.10 The Member shall give the Corporation prompt notice of any accident or defect known to the Member which requires repairs to be made by the Corporation.

ARTICLE 10. SURRENDER OF UNIT

10.1 On the expiration of the term hereby granted, or upon a sooner termination of this Proprietary Lease as a result of a default by Member, the Member shall surrender to the Corporation possession of the Unit with all Fixtures (as hereinafter defined) then included therein, except as provided herein.

10.2 The term "Fixtures" shall include those additions or improvements which the Board in its reasonable discretion shall determine are so annexed to the Unit that they cannot be removed without material damage, as determined by the Board in its reasonable discretion, to the real estate or to themselves. In the event Member does remove any of such Fixtures causing material damage, Member shall be liable for the reasonable cost of repair of such damage as Additional Rent. Subject to the terms of the Bylaws and except as set forth herein, and provided, a Member is not in default of the provisions hereunder, Member shall be entitled to sell his or her Membership Share which may include the Fixtures in such Unit. Any Fixtures which Member does not remove and/or sell with Member's Share in the case of a termination by sale, shall be deemed abandoned and shall become the property of the Corporation or shall be removed with the Unit restored at Member's expense payable as Additional Rent.

ARTICLE 11. MECHANICS' LIENS

11.1 In case there shall be filed a notice of mechanics' lien against the Building or Property for, or purporting to be for, labor or material alleged to have been furnished or delivered to the Property or the Unit to or for the Member or anyone claiming under the Member, the Member shall forthwith cause such lien to be discharged by payment, bonding or otherwise within thirty (30) days of the lien filing.

11.2 If the Member shall fail to cause such lien to be discharged within thirty (30) days after written notice from the Corporation, then the Corporation 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 Member, 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.

ARTICLE 12. CORPORATION'S RIGHT OF ENTRY

In accordance with Article 9 entitled "Repairs", the Corporation, the Managing Agent, and their respective agents and employees shall be permitted to visit, inspect and examine the Unit assigned to Member. Each Member shall provide the Corporation with a key to its Unit to allow the Corporation, its agents and employees entry under the circumstances set forth herein. In the event that the Member does not provide such a key and the Corporation or its agents enter the Unit in accordance with the terms of this Agreement, the Member shall pay the expenses associated with the hiring of a locksmith or the replacing of locks, doors and/or doorframes, as necessary. Reasonable Notice shall not be required in the case of any emergency. Units 10 and 4 contain access to water shutoff, which shall require reasonable notice. While emergency access is to be assumed, 24 hour notice is required for non-emergency access.

ARTICLE 13. INDEMNIFICATION OF CORPORATION

The Member agrees to indemnify the Corporation against, and to save the Corporation harmless from, all liability, loss, damage and expense (including but not limited to reasonable attorneys' fees, costs and expense of litigation whether or not suit is actually commenced) arising from injury to person or property occasioned by the failure of the Member to comply with any provision hereof or the Bylaws and Rules and Regulations, or do wholly or in part to any act, default or omission of the Member or any person dwelling or visiting in the Unit, or by the Corporation, its agents, employees, and contractors when acting as agent for the Member as may be provided in this Proprietary Lease, unless caused by the act or negligence of the Corporation, its agents, employees and contractors.

ARTICLE 14. CORPORATION'S LIMITED LIABILITY

14.1 The Corporation shall not be liable for damages to the Member, and Member's guests, invitees, licensees or agents, nor shall there be any abatement of the Monthly Cash Requirement or other compensation or claim or eviction by reason of:

- (i) any interference with light, air, view or such other interests of the Member: or
- (ii) space taken to comply with any law, ordinance or governmental regulations; or
- (iii) unless due to the intentional misconduct of the Corporation causing, (a) any failure, interruption or insufficiency of heat, air-conditioning (if the Building has a central air conditioning system), ventilation, water supply, electricity, gas, telephone or elevator or other service to be supplied by the Corporation hereunder, or (b) any failure of the Corporation to make, or delay by the Corporation in making or inconvenience involved in its making of, any repairs, alterations or decorations to or in the Building or the Unit or to any fixtures or

appurtenances therein for which it has responsibility, or (c) any injury or damage to person or property caused by the elements or by another Member or by another person in the Building, or (d) any 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.

14.2 If the Corporation shall furnish to the Member any storage space, laundry, exterior grounds or other facility outside the Unit, the same shall be deemed to have been furnished by the Corporation under a revocable license. The Member shall not use any such space for storage of valuable or perishable property and shall, at its own expense, adequately protect himself by insurance against damage or theft or loss.

ARTICLE 15. CASUALTY

15.1 If the Building, the Unit or the means of access thereto be damaged by fire or other casualty, the repair, replacement, alteration and construction shall be started and completed, with reasonable promptness after receipt of notice of such damage, with materials of a commercially reasonable kind and quality used in the construction and/or previous restoration of the Building, the Property and the Unit and the means of access thereto, all in accordance with the terms and conditions in Article 9 entitled "Repairs".

15.2 If the Building is totally destroyed by fire or other cause or if it be so damaged that, it cannot be repaired within nine (9) months after the loss shall have been adjusted with the insurance carrier, or if the destruction or damage shall be caused by hazards which cannot be covered under the insurance policy and if, in either of such events, eighty (80%) per cent of the shareholders of the Corporation shall decide not to repair, restore, or rebuild, then upon the giving of notice, this Proprietary Lease and all right, title and interest of the parties hereunder and the tenancy hereby created shall thereupon wholly cease and expire and the Monthly Cash Requirement shall be paid to the date of such destruction or damage.

25.10 Member Insurance for the Member and the Unit. The Member acknowledges that the Member has exposure to liability and an insurable interest in the Unit, Building and the personal property and fixtures therein, and Member hereby agrees to obtain insurance coverage to protect the Member.

The Member agrees to insure for contents, liability and for fire and casualty loss not covered by the Corporation's fire and casualty insurance. The Member further agrees to insure for personal property loss, loss of use of the premises, personal liability and medical payments. If the Member wishes, in the Member's discretion, the Member may insure the Member's artwork which is usually an additional premium. The Member agrees to obtain and maintain appropriate insurance for the following risks in the following minimum amounts:

- | | | |
|-------|------------------------|---|
| (i) | contents | \$15,000.00 (or greater at members discretion) |
| (ii) | liability (each event) | \$100,000.00 (or greater at members discretion) |
| (iii) | artwork and valuables | At Member's discretion |

The Member is advised to check with the Member's insurance agent for appropriate amounts and types of insurance available under any HO6 policy. These insurance duties may be further modified, revised or altered as to the types, amounts and terms of the Member's insurance by subsequent Rules and Regulations of the Corporation issued from time to time.

ARTICLE 16. DEFAULT AND REMEDIES

16.1 Any one or more of the following events set forth below shall constitute an Event of Default:

- (i) non-payment of the Monthly Cash Requirement or of any late fees or Additional Rent or of any sum due provided for herein within ten (10) days after receipt of a written notice of late payment (the "Notice of Late Payment") and the Member shall fail to cure within ten (10) days after written demand;
- (ii) if at any time during the term of this Proprietary Lease (a) the Member shall transfer the Share of the Corporation which is owned by the Member and allocated to the Unit and such transferee is not approved by the membership and finance committees, respectively, or (b) this Proprietary Lease shall be assigned to anyone who is not then the owner of said Share or who has not been approved by said Corporation, or (c) this Proprietary Lease has been subleased without the approval of said Corporation, as provided for in Section 3.7 of the Bylaws;
- (iii) if at any time during the term of this Proprietary Lease (a) the Member shall be adjudicated bankrupt under the laws of the United States; or (b) a receiver of all of the property of the Member or of this Proprietary Lease or of the shares of the Corporation allocated to the Unit shall be appointed, and the order appointing such receiver shall not be vacated within sixty (60) days or (c) the Member shall make a general assignment for the benefit of creditors; or (d) any of the shares owned by the Member shall be duly levied upon under the process of any court, unless such levy shall be discharged within sixty (60) days; or (e) this Proprietary Lease or the Membership Share shall pass by operation of law or otherwise to anyone other than those parties provided for in Section 3.6 of the Bylaws;
- (iv) default in the performance of any covenant or provision hereof, other than the covenant to pay rent or covenants otherwise provided for in this Article 16, and failure to cure any such default within thirty (30) days after written notice thereof

shall have been given by the Managing Agent, 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 (30) days such performance commences and is thereafter diligently prosecuted to conclusion without delay and interruption, the Member shall be deemed to have cured said default;

- (v) if the Corporation shall determine, upon the affirmative vote of two-thirds or more of the holders of the shares of the Corporation then issued and outstanding, at a meeting of such shareholders duly called to take action on the subject, that because of objectionable conduct on the part of the Member, or the person dwelling in or visiting the Unit, the tenancy of the Member is undesirable (it being understood, without limiting the generality of the foregoing, that repeatedly violating or disregarding the rules and regulations hereto attached or hereafter established in accordance with the provisions of this Proprietary Lease, shall be deemed to be objectionable conduct);
- (vi) the Corporation shall determine by action of the Board of Directors or the holders of two-thirds or more of the shares of the Corporation then issued and outstanding that the Member is no longer an Artist (as such term is defined in the Bylaws) and therefore entitled to remain a Member, (it being understood, without limiting the generality of the foregoing, that the Membership Committee has the right to request a meeting to terminate the Proprietary Lease of Member);
- (vii) the Property or a substantial portion thereof shall be taken by condemnation proceedings; or
- (viii) if at any time the Building shall be destroyed or damaged and the majority of shareholders shall decide not to repair or rebuild as provided in Article 15; or
- (ix) the Unit is left unoccupied or is occupied by persons other than the Member without approval by the Corporation for more than 30 days or, if such approval has been granted, for more than 30 days after approval for such vacancy or occupation has expired;
- (x) if, at any time during the continuance of this Agreement the shares owned by the Member shall be duly levied upon under the process of any Court.

16.2 In addition to the remedies available under the Bylaws of the Corporation, elsewhere under this Agreement or by statute or common law, in the Event of Default the Corporation may do any one or more of the following, all remedies being cumulative:

- (i) In the event that the Member fails to pay the Monthly Cash Requirement and or any Additional Rent due or any installment provided for herein within ten (10)

days following the receipt of the Notice of Late Payment, the Managing Agent shall send a Notice of Default to the Member and this Proprietary Lease shall terminate, and the Member shall surrender the Unit within thirty (30) days thereafter. Notwithstanding the foregoing and without regard to whether the Unit is vacated or this Proprietary Lease is terminated and the Corporation assumes possession, the Member shall continue to be liable for the Monthly Cash Requirement that accrues until the Unit is rented under a new Proprietary Lease.

- (ii) All right, title and interest of the Member hereunder shall cease and expire and the Member shall thereupon quit and surrender the Unit to the Corporation, it being the intention of the parties hereto to create hereby a conditional limitation, and thereupon the Corporation shall have the right to re-enter the Unit and to remove all persons and personal property therefrom, either by summary dispossess proceedings or by any suitable action or proceeding at law or in equity, and to repossess the Unit and no liability whatsoever shall attach to the Corporation by reason of the exercise of the right of re-entry, repossession and removal herein granted and reserved.
- (iii) The Corporation may take possession of the Unit, rent it and apply the proceeds of such rental to cure the default and pay all expenses incurred by reason of the Member's default, including reasonable attorneys' fees, costs and all expenses of litigation. On the termination of this Proprietary Lease as set forth herein or otherwise because of default by the Member, the Member shall surrender to the Corporation the Membership Share. Whether or not said Share certificate is surrendered, the Corporation may issue a new Proprietary Lease for the Unit and issue a new certificate for the shares of the Corporation owned by the Member and allocated thereto, when a purchaser is found, provided that the issuance of such shares and such Proprietary Lease to such purchaser is authorized in the manner provided in this Proprietary Lease and in the Bylaws. Upon such issuance the Membership Share owned or held by the Member shall be automatically cancelled and rendered null and void. Upon the issuance of any such new Proprietary Lease and certificate, the Member's continuing liability hereunder, if not theretofore terminated, shall cease and the Member shall only be liable for rent and expenses accrued to that time. The Corporation shall apply the proceeds received from the issuance of such shares towards the payment of the Member's indebtedness hereunder, including interest, attorneys' fees and other expenses incurred by the Corporation, and if the proceeds are sufficient to pay the same, the Corporation shall pay over any surplus to the Member but if insufficient the Member shall remain liable for the balance of the indebtedness.
- (iv) In order to secure payment of all obligations to the Corporation under this Agreement, Member hereby grants the Corporation a continuing security interest and lien in and upon all right, title and interest in and to his or her Membership Share effective immediately. This security interest entitles the Corporation to all

rights available under the Uniform Commercial Code subject to subparagraph 18.1 below.

- (v) In addition to the foregoing rights, the Corporation has the right, to evict or eject the Member in the same manner as provided by law in the case of an unlawful holdover by a Member; and the Member's cooperative interest may be terminated and money damages obtained for unpaid assessments, including Rent, Additional Rent, and other charges accumulating hereunder, may be provided by statute or law.
- (vi) The failure on the part of the Corporation to avail itself of any of the remedies given under this Agreement shall not waive nor destroy the right of the Corporation to avail itself of such remedies for similar or other breaches on the part of the Member. An action or judgment for either possession or termination of cooperative interest of the Member does not extinguish the right of the Corporation to simultaneously or thereafter pursue any and all additional remedies available for payment of amounts due hereunder.

ARTICLE 17. RULES AND REGULATIONS

The Corporation shall establish the rules and regulations for the management and control of the Property, a copy of which is available on the GSAC webpage, and may also from time to time alter, amend and repeal such rules and regulations and make such reasonable additions as its Board of Directors may deem necessary or desirable and the Member shall be in all respect subject to the appended rules and regulations, to all reasonable changes and modifications therein and to all reasonable new rules and regulations to which notice shall have been given to the Member. The Member shall obey all such rules and regulations and see that they are faithfully observed by all members of the Member's family and the Member's guests and employees but the Corporation shall not be responsible to the Member for the nonobservance or violation of such rules and regulations by any other Members or persons.

ARTICLE 18. SUBORDINATION

18.1 This Proprietary Lease is and shall remain subject and subordinate to all present and future mortgages constituting liens on the Property and to any and all extension, modifications, consolidations, replacements and renewals thereof. In the event of default by the Corporation under this Agreement which the Corporation fails to cure in a timely fashion, the Member will provide adequate notice of the default and opportunity and authorization to the mortgagee of any such mortgage to cure such default prior to termination of this Agreement.

18.2 The Member shall at any time, and from time to time, on demand execute any instruments that may be required by any mortgagee or by the Corporation formally subjecting this Proprietary Lease to the lien of such mortgage.

ARTICLE 19. RECORDS

The Corporation shall keep full and correct books of account at its principal office or at such other place as its Board of Directors may from time to time determine and the same shall be available for inspection by the Member or his or her representatives. The Corporation shall deliver to the Member within four (4) months after the end of each fiscal year an annual report of corporate affairs including a balance sheet and operating statement certified by an independent certified public accountant. This annual report may take the form of a Federal tax return.

ARTICLE 20. FORM OF PROPRIETARY LEASE

All Proprietary Leases for the units in the Building heretofore executed are, and all such Proprietary Leases hereafter executed shall be, in the form of this Proprietary Lease, except as amended for subsequent use with the approval of the holders of a majority of the shares of the Corporation then issued and outstanding. The Proprietary Lease revision(s) shall be effective for all Members upon approval by a majority.

ARTICLE 21. WAIVERS

21.1 The failure of the Corporation to insist upon 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 exercise such option or right thereafter but such covenant or option or right shall continue and remain in full force and effect. The receipt by the Corporation of the Monthly Cash Requirement, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach and no waiver by the Corporation of any provision hereof shall be deemed to have been made unless in writing and signed by an officer of the Corporation pursuant to authority contained in a resolution of its Board of Directors.

21.2 The Member may not institute an action or proceeding against the Corporation or defend, or make a counterclaim in any action by the Corporation related to the Member's failure to pay the Monthly Cash Requirement, if such action, defense or counterclaim is based upon the Corporation's failure to comply with its obligations under this Proprietary Lease or any law, ordinance or governmental regulation unless such failure shall have continued for thirty (30) days after the giving of written notice thereof by the Member to the Corporation.

ARTICLE 22. ATTORNEYS' FEES

In the event of the occurrence of a default by the Member, if the Corporation engages counsel, whether or not suit is brought, the Member shall be responsible for prompt payment of attorneys' fees, which shall include reasonable charges for attorneys, paralegals, legal assistants, and shall also include all actions in or outside of bankruptcy, including, but not limited to, efforts

for relief from any automatic stay or injunctions and all appeals, whether or not in bankruptcy. The Member shall also be responsible for costs and expenses of litigation incurred, including, but not limited to court costs, filing fees, transcript and deposition costs, exhibit costs, travel expenses, witness fees and all other costs and expenses associated with enforcement or attempted enforcement of any claim, and for disbursements associated with default hereunder.

ARTICLE 23. NOTICES

Any notices hereunder shall be in writing and deemed to be duly given, to the Member if enclosed in a postage prepaid envelope addressed to the Member at the Building or such other address as may be designated by the Member, sent by email, or if hand delivered to the Member, and if to the Corporation, if addressed to the Corporation to the GSAC mailbox of the Corporation at the Building or such other address or email designated by the Corporation, and mailed, postage prepaid, by registered or certified mail, return receipt requested.

If more than one person is a Member hereunder, then the Corporation may require the signatures of all such persons in connection with any notice to be given or actions to be taken by the Member hereunder, including without limiting the generality of the foregoing, the surrender or assignment of this Proprietary Lease, or any request for consent to assignment. Each person named as a Member shall be fully liable for all of the Member's obligations hereunder. Any notice by the Corporation to any person named as Member shall be sufficient as to all Members and shall have the same force and effect as though given to all persons named as Member.

ARTICLE 24. MEMBERSHIP SHARES

The Membership Share held by the Member has been acquired and is owned subject to the following conditions agreed upon with the Corporation and with each of the other members for their mutual benefit:

- (i) the share(s) represented by each certificate are transferable only as an entirety; and
- (ii) the share(s) shall not be sold except after compliance with all of the provisions of Articles 3 of this Proprietary Lease.

ARTICLE 25. MISCELLANEOUS CLAUSES

25.1 Successors and Assigns. Except as otherwise in this Proprietary Lease provided, the references herein to the Corporation shall be deemed to include its successors and assigns, and the references herein to the Member or to a shareholder of the Corporation shall be deemed to include the executors, administrators and assigns of the Member or of such shareholder; and the covenants herein contained shall apply to, bind and inure to the benefit of the Corporation and its successors and assigns, and, subject to the provisions of Article 6 hereof, the Member and the executors, administrators and assigns of the Member.

25.2 Modifications. No changes, termination or attempted waiver of any of the provisions of this Proprietary Lease shall be binding on the parties unless in accordance with this Proprietary Lease or in writing and signed by the parties hereto.

25.3 Joint and Several Liability. If more than one person is named as a Member, they shall be jointly and severally liable under this Agreement.gsav

25.4 Severability.

If any clause or provision herein contained shall be adjudged invalid, such invalidity shall not effect the validity of any other clause or provision of this Proprietary Lease, or give rise to any cause of action in favor of either party as against the other.

25.5 Construction. When the content so requires, the singular shall include the plural and conversely, and the use of any gender shall include all genders.

25.6 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 matter whatsoever arising out of or in any way connected with this Proprietary Lease, the Member's use or occupancy of the Unit, or any claim of damage resulting from any act or omission of the parties in any way connected with this Proprietary Lease or the Unit.

25.7 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 Proprietary Lease or constitute any cause of action in favor of either party against the other.

25.8 Headings. The headings of the several paragraphs of this Proprietary Lease shall not be deemed a part of this Agreement.

25.9 Cancellation of Prior Agreements. In the event that, as of the date of the commencement of this Proprietary Lease, the Member has the right to possession of the premises under any lease, rental agreement, or monthly or statutory tenancy, then this shall supersede the same and such prior lease, rental agreement, or monthly or statutory tenancy shall be deemed to expire and be of no further effect as of the date of the commencement of this Proprietary Lease, without prejudice, however, to the right of the Corporation's grantor to sue for and collect all arrears of rent and additional rent owing by the Member.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and sealed the day and year first above written.

SIGNED IN THE PRESENCE OF:

**GREENE STREET ARTISTS
CORPORATION**

Name:
Date:

_____(SEAL)
Name:
Title:
Date:

SIGNED IN THE PRESENCE OF:

MEMBER

Name:
Date:

_____(SEAL)
Name:
Date: