

**RIVER PLACE NORTH HOUSING CORPORATION
PROPRIETARY LEASE**

PROPRIETARY LEASE

TABLE OF CONTENTS

1.	a.....	Payment of Rent
	b.....	Shares Issued to Lessee
	c.....	Cash Requirements
	d.....	Power/Privilege Given to Board
	e.....	Shares Issued after Execution of Lease
	f.....	Determination of Rent Paid in Surplus
	h.....	Proprietary Lease Vs. Bylaws
2.....		Lessor's Responsibility of Upkeep and Repair
3.....		Manner of Maintenance and Operation of Building
4.	a.....	Repair of Damages by "Multiperil Causes"
	b.....	Abatement of Rent Due to Untenantable Conditions
	c.....	Release of Responsibility from Casualties Contained in Insurance Policy Clause
5.....		Upkeep of Correct Books of Accounts
6.....		Form of Proprietary Lease
7.....		Proper Usage of Patio, Terrace, or Balcony
8.....		Possession of Apartment by Third Party
9.....		When Statutory Tenancy is Superseded
10.....		Rights of Enjoyment of Apartment by Lessee
11.....		Lessor's Release from Responsibility of Injury to Lessee
12.....		Lessee's Payment of Rent Regardless of Claim Against Lessor
13.....		Lessee's Adherence to Rules and Regulations

14.....	Use of Apartment as Private Dwelling
15.....	Subletting of Apartment
16 a (I-VI).....	Rules for Transfer of Shares by Lessee
b.....	Lessee's Release from Liability upon Reassignment of Lease
c.....	Restrictions on Lessee to Further Assign Lease or Sublet Apartment
d.....	Written Statement Pertaining to Newly Assigned Lease
17.....	Leasehold Mortgage Requirements
18 a.....	Maintenance, Repair, and Replacement
b.....	Unreasonable Odor and Noise
c.....	Equipment/Appliances Interfering with Other Parts of Building
d.....	Compliance with Insurance and Governmental Authorities
19.....	Failure of 39 Day Compliance for Repairs to be Made by Lessee
20.....	Insurance Increase
21 a.....	Consent for Alterations
b.....	Removal of Alterations
c.....	Expiration or Termination of Lease
22.....	Subordination to Ground Lease
23.....	Mechanics Lien- Right to Cure
24.....	Lessee's Observance of Cooperative Purposes

25.....	Entrance of Unit by Lessor
26.....	Lessor's Enforcement of Proprietary Lease
27.....	Serving of Notice
28.....	Lessee Default
29 a.....	Liability for HVAC, Utilities other Services
b.....	Storage Waiver of Bailment
c.....	Vehicle Liability
30.....	Window Cleaning
31.....	Lessor's Rights of Re-entry, Re-possession, and Removal
a.....	When Lessee is no Longer Owner of Shares
b.....	Exception for Bankruptcy, Foreclosure, Death, or other Action at Law
c.....	Subletting Without Full Compliance
d.....	When Lessee is in Default of Rent
e.....	When Lessee is in Default of a Covenant
f.....	Disregard of Rules and Regulations
g.....	Terminate All Leases
h.....	Condemnation Proceedings
32 a.....	Re-letting Apartment When Lessor has Resumed Possession
b.....	Lessor's Right to Demand and Receive Rent from Subtenant
c.....	Surrender of Share Certificate
33.....	Waiver of Right of Redemption
34.....	Liability Upon Termination of Lease

35	a (I-III).....	Cancellation of Lease Provisions
	b.....	Manner in Which Lessee Shall return Apartment to Lessor
	c.....	Showing of the Apartment to Prospective Lessees
	d.....	Lessee Right to Cancel
	e.....	Voiding of Cancellation
36	a.....	Lessor's Notice of Right to Cancel
	b.....	Lessee Return of Lease
37.....		Termination of All Proprietary Leases
38.....		Sponsor Defines
39	a.....	Secured Party - Right to Cure Default
	b.....	Notice to Secured Party
	c.....	Transfer of Shares to Secured Party
	d.....	Modification of Lease
	e.....	Designee of Secured Party
	f.....	Provide Recognition Agreement
	g.....	Provide Irrevocable Proxies
	h.....	Include All Provisions of #17
40.....		Foreclosure of any Mortgage or Deed of Trust on the Leasehold of the Land or Building
41.....		References Used for Lessor and Lessee
42.....		Waiving of Trial by Jury
43.....		Lessor's Remedies in the Event of Breach or Threatened Breach by Lessee

44.....	Signatures to by Required in the Event of More than One Person Being Named Lessee
45.....	When a Proceeding Against the Lessor can be Made
46.....	Lessee and Lease Subject to Assignment of Lease, Bylaws, Lease, Etc.
47.....	Shares Acquired and Owned by Lessee Subject to Following Conditions:
a.....	Shares Transferable only as Entirety
b.....	Shares Sold Only After Compliance with Provisions Set Forth in Section 16
48.....	If Certain Clauses in Lease Adjudged as Invalid, no other Clause's Validity Shall be Affected
49.....	Provisions of Proprietary Lease Cannot be Changed Orally

RIVER PLACE NORTH HOUSING CORPORATION

PROPRIETARY LEASE

THIS PROPRIETARY LEASE is a deed of lease made this ___ day of _____, 198___, by and between RIVER PLACE NORTH HOUSING CORPORATION, a Virginia corporation, having an office at 1121 Arlington Boulevard, in the County of Arlington, Virginia (hereinafter called the "Lessor"), and _____ (hereinafter called the "Lessee").

WHEREAS, the Lessor is the leasehold owner of the building in the County of Arlington, Virginia, known as the River Place North Building (hereinafter called the "Building") located at 1121 Arlington Boulevard; and

WHEREAS, the Lessee is the owner of _____ shares of the Lessor which have been allocated to Apartment _____ in the Building and to which this lease is appurtenant;

NOW, THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee leases from the Lessor, subject to the terms and conditions hereof, Apartment _____ (hereinafter referred to as "the apartment") in the Building for a term from _____, 19___, until December 20, 2052 (unless sooner terminated as hereinafter provided). As used herein, "the apartment" means the rooms in the Building as partitioned on the date of the execution of this lease designated by the above-stated apartment number, together with their appurtenances and fixtures and any patios, balconies or terraces designed to serve that apartment exclusively.

1. (a) The rent payable by the Lessee for each year, or portion of a year, during the term shall equal that portion of the Lessor's cash requirements for such year, or portion of a year, which the number of shares of the Lessor allocated to the apartment bears to the total number of shares of the Lessor issued and outstanding on the date of the determination of such cash requirements. Such rent shall be payable, without notice or demand, in equal monthly installments, in advance, on the first day of each month, unless the Board of Directors of the Lessor (hereinafter called the "Board") at the time of its determination of the cash requirements shall otherwise direct. The Lessee shall also pay when due such additional rent as may be provided for herein.

(b) In every proprietary lease heretofore executed by the Lessor there has been specified, and in every proprietary lease

hereafter executed by it there will be specified, the number of shares of the Lessor issued to a lessee simultaneously therewith, which number, in relation to the total number of shares of the Lessor 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.

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

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

(e) If the Lessor shall hereafter issue shares (whether now or hereafter authorized) in addition to those issued on the date of the execution of this lease, the holders of the shares hereafter issued shall be obligated to pay rent at the same rate per share as the other proprietary lessees from and after the date of issuance. If any such shares be issued on a date other than the first or last day of the month, the rent for the month in which issued shall be prorated to the date of issuance. The cash requirements as last determined shall, upon the issuance of such shares, be deemed increased by an amount equal to such rent.

(f) The Board may from time to time as may be proper determine how much of the rent and other receipts, when received (but not more than such amount as represents payments on amount of principal of mortgages on the property and other capital expenditures), shall be credited on the corporate accounts to "Paid-in-Surplus". Unless the Board shall determine otherwise, the amount of payments which the Lessor receives from the Lessee on account of principal of any indebtedness secured by mortgages or deeds of trust shall be credited to Paid-in-Surplus and shall not be deemed income to the Lessor.

(g) The failure of the Board 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, or a release of the Lessee from the obligation to pay the rent or any installment thereof, but the rent computed on the basis of the cash requirements as last determined for any year or portion thereof shall thereafter continue to be the rent until a new determination of cash requirements shall be made.

(h) To the extent any provision of this proprietary lease is or hereafter becomes inconsistent with any provision of the Bylaws of the Lessor or of any rule or regulation promulgated

thereunder, the provision of the said Bylaws or rule or regulation shall control.

2. The Lessor shall at its expense keep in good repair all of the Building including all of the apartments and the canopies, patios, balconies, terraces, conduits and other fixtures attached to or exclusively serving the Building, except for those items the maintenance and repair of which are stated to be the responsibility of the Lessee pursuant to Section 18 hereof.

3. The Lessor shall maintain and manage the Building as a first-class apartment building, and shall keep the elevators and the public halls, cellars and stairways clean and properly lighted and heated. All public portions of the Building which are painted shall be painted not less frequently than every five years and all such wallpapered public portions shall be re-wallpapered not less frequently than every ten years. The Lessor shall provide the number of attendants requisite, in the judgment of the Board, for the proper care and service of the Building, and shall provide the apartment with a proper and sufficient supply of hot and cold water and of heat, and if there be central air-conditioning equipment supplied by the Lessor, air-conditioning when deemed appropriate by the Board. The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Board to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the Building, and also what existing services shall be increased, reduced, modified or terminated.

4. (a) If the apartment or the means of access thereto or the Building shall be damaged by fire or other cause covered by multiperil policies commonly carried by corporations owning "cooperative apartment buildings" in the Washington, D.C. metropolitan area (any other damage to be repaired by the Lessor and/or the Lessee pursuant to Section 2 and/or 18, as the case may be), the Lessor shall at its own cost and expense, with reasonable dispatch after receipt of notice of said damage, repair or replace or cause to be repaired or replaced (with materials of a kind and quality then customary in buildings of the same type as the Building) the Building, the apartment, and the means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits in the apartment. Anything in this Section or Section 2 to the contrary notwithstanding, the Lessor shall not be required to repair or replace, or cause to be repaired or replaced, equipment, fixtures, furniture, furnishings or decorations installed by the Lessee or any of his predecessors in title nor shall the Lessor be obligated to repaint or replace wallpaper or other decorations in the apartment or to refinish floors located therein.

(b) In case the damage resulting from fire or other cause shall be so extensive as to render the apartment partly or wholly untenable, or if the means of access thereto shall be destroyed, the rent hereunder shall proportionately abate until the apartment shall again be rendered wholly tenantable or the means of access restored; but if said damage shall be caused by the act or negligence of the Lessee or the agents, employees, guests or members of the family of the Lessee or any occupant of the apartment, such rental shall abate only to the extent of the rental value insurance, if any, collected by the Lessor with respect to the apartment.

(c) The Lessor and the Lessee hereby release each other from any and all liability or responsibility to the other or to anyone claiming through or under the Lessor or the Lessee 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 Lessor or the Lessee or anyone for whom the Lessor or 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 or the Lessee'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 and the Lessee to recover thereunder and further provided that such waiver shall be limited to the proceeds of such insurance policies. Lessor and Lessee agree that they will request their insurance carriers to include in each of their policies a suitable clause or endorsement, as aforesaid, provided that no extra cost shall be charged therefor, and upon request, Lessor and Lessee shall each advise the other whether or not it has been able to obtain such a clause or endorsement in its policies.

5. The Lessor shall keep full and correct books of account at its principal office or at such other place as the Board may from time to time determine, and the same shall be open during all reasonable hours to inspection by the Lessee or a representative of the Lessee. The Lessor shall deliver to the Lessee within a reasonable time after the end of each fiscal year an annual report of corporate financial affairs, including a balance sheet and a statement of income and expenses, certified by an independent public accountant.

6. Each proprietary lease made by the Lessor shall be in the form of this lease, except with respect to the statement as to the number of shares owned by the Lessee, unless a variation of any lease is authorized, as hereinafter provided, by lessees owning at least two-thirds (2/3) of the Lessor's shares then issued and executed by the Lessor and Lessee affected. The form and provisions of all the proprietary leases then in effect and thereafter to be executed may be changed by the approval of lessees owning at least two-thirds (2/3) of the Lessor's shares then issued and outstanding, and such changes shall be binding on all lessees even if they did not vote for such changes except that (i) the proportionate share of rent or cash requirements payable by any lessee may not be increased without the written consent of such lessee and (ii) the right of any lessee to cancel his lease under the conditions set forth in Section 35 may not be eliminated or impaired without the written consent of such lessee. Approval by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose.

7. If the apartment includes a patio, terrace or balcony, the Lessee shall have and enjoy the exclusive use of the patio, terrace or balcony, subject to the applicable provisions of this lease and to the use of the patio, terrace or balcony by the Lessor to the extent herein permitted. The Lessee's use thereof shall be subject to such rules and regulations as may, from time to time, be prescribed by the Board. The Lessor shall have the right to erect equipment on the roof, including radio and television antennae, for its use and the use of the lessees in the Building and shall have the right of access thereto for such installations and for the repair thereof. The Lessee shall keep any patio, terrace or balcony appurtenant to his apartment clean and free from snow, ice, leaves and other debris and shall maintain all screens and drain boxes in good condition. No planting, fences, structures or lattices shall be erected or installed on the patios, terraces or balconies of the Building without the prior written approval of the Lessor. No cooking shall be permitted on any patios, terraces or balconies, nor shall the walls thereof be painted by the Lessee, without the prior written approval of the Lessor. Any permitted planting or other structure erected by the Lessee or his predecessor in interest may be

removed and restored by the Lessor at the expense of the Lessee for the purpose of repairs, upkeep or maintenance of the Building.

8. If at the date of the commencement of this lease, any third party shall be in possession or have the right to possession of the apartment, then the Lessor hereby assigns to the Lessee all of the Lessor's rights against said third party from and after the date of the commencement of the term hereof, and the Lessee by the execution hereof assumes all of the Lessor's obligations to said third party from said date. The Lessor agrees to cooperate with the Lessee, but at the Lessee's expense, in the enforcement of the Lessee's rights against said third party.

9. If at the date of the commencement of this lease, the Lessee has the right to possession of the apartment under any agreement or statutory tenancy, this lease shall supersede such agreement or statutory tenancy which shall be of no further effect after the date of commencement of this lease, except for claims theretofore arising thereunder.

10. The Lessee, upon paying the rent and performing the covenants and complying with the conditions on the part of the Lessee to be performed as herein set forth, shall, at all times during the term hereby granted, quietly have, hold and enjoy the apartment without any let, suit, trouble or hindrance from the Lessor, subject, however, to the rights of present tenants or occupants of the apartment, and subject to any and all mortgages, deeds of trust, and underlying leases of or encumbering the land and Building, as provided in Section 22.

11. The Lessee agrees 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 of any person dwelling or visiting in the apartment, or by the Lessor, its agents, servants or contractors when acting as agent for the Lessee as in this lease provided. This section shall not apply to any loss or damage when the Lessor is covered by insurance which provides for waiver of subrogation against the Lessee.

12. The Lessee will pay the rent to the Lessor upon the terms and at the times herein provided, without any deduction on account of any set-off or claim which the Lessee may have against the Lessor, and if the Lessee shall fail to pay any installment of rent promptly, the Lessee shall pay interest thereon at the rate of eighteen percent (18%) per annum, or at such other lawful rate as may be fixed from time to time by resolutions of the Board, from the date when such installment shall have become due to the date of the payment thereof, and such interest shall be deemed additional rent hereunder.

13. The Lessor has adopted Rules and Regulations which are appended hereto, and the Board may alter, amend or repeal such Rules and Regulations and adopt new Rules and Regulations. This lease shall be in all respects subject to such Rules and Regulations which, when a copy thereof has been furnished to the Lessee, shall be taken to be part hereof, and the Lessee hereby covenants to comply with all such Rules and Regulations and see that they are faithfully observed by the family, guests, employees and subtenants of the Lessee. Breach of a Rule or Regulation shall be a default under this lease. The Lessor shall not be responsible to the Lessee for the non-observance or violation of Rules and Regulations by any other lessee or person.

14. Except as may be otherwise permitted by the Bylaws of the Lessor, the Lessee shall not, without the written consent of the Lessor on such conditions as Lessor may prescribe, occupy or use the apartment or permit the same or any part thereof to be occupied or used for any purpose other than as a private dwelling for the Lessee and Lessee's spouse, -their children, grandchildren, parents, grandparents, brothers and sisters and domestic employees, and in no event shall more than one married or unmarried couple occupy the apartment without the written consent of the Lessor. In addition to the foregoing, the apartment may be occupied from time to time by guests of the Lessee for a period of time not to exceed one month, unless a longer period is approved in writing by the Lessor, but no guests may occupy the apartment unless one or more of the permitted adult residents are then in occupancy or unless consented to in writing by the Lessor.

15. The Lessee shall not sublet the apartment, or renew or extend any previously authorized sublease, except in accordance with Section 7.12(f) (and any other applicable Sections) of the Bylaws of the Lessor, but such restriction shall not apply to the Sponsor as defined in Section 38.

16. Except as provided in Section 39 of this lease:

(a) The Lessee shall not assign this lease or transfer the shares to which it is appurtenant or any interest therein, and no such assignment or transfer shall take effect as against the Lessor for any purpose, until

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

(ii) an agreement executed and acknowledged by the assignee in form approved by Lessor assuming and agreeing to be bound by all the covenants and conditions of this lease to be performed or complied with by the Lessee on and after the effective date of said assignment shall have been delivered to the Lessor, or, at the request of the Lessor, the assignee shall have surrendered the assigned lease and entered into a new lease in the same form for the remainder of the term, in which case the Lessee's lease shall be deemed cancelled as of the effective date of said assignment; and

(iii) all shares of the Lessor to which this lease is appurtenant shall have been transferred to the assignee, with any applicable transfer taxes paid and all other legal requirements satisfied; and

(iv) all sums due from the Lessee shall have been paid to the Lessor, together with a sum to be fixed by the Board to cover reasonable legal and other expenses of the Lessor and its managing agent in connection with such assignment and transfer of shares; and

(v) a search or certification from an attorney or a title insurance company, as the Board may require, shall have been completed to the satisfaction of the Board; and

(vi) except (i) in the case of an assignment, transfer or bequest to the Lessee's spouse of the shares and this lease, (ii) in the case of an assignment or transfer by the Sponsor as defined in Section 38, and (iii) except as provided in Section 39 of this lease, prior written consent to such assignment shall have been given as contemplated by Section 11.3 (and any other applicable Sections) of the Bylaws of the Lessor.

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

(c) Regardless of any prior consent theretofore given, neither the Lessee nor his executor, administrator, any trustee or receiver of the property of the Lessee, or anyone to whom the interests of the Lessee shall pass by law, shall be entitled further to assign this lease, or to sublet the apartment, except upon compliance with the requirements of this lease. The restrictions on the assignment of this lease, as hereinbefore set forth, constitute special consideration and inducement for the granting of this lease by the Lessor to the Lessee. No demand or acceptance of rent from any assignee hereof shall constitute or be deemed to constitute a consent to or approval of any assignment.

(d) If this lease is then in force and effect, the Lessor will, upon request of the Lessee, deliver to the assignee a written statement that this lease remains on the date thereof in force and effect; but no such statement shall be deemed an admission that there is no default under this lease.

17. The execution and delivery of a leasehold mortgage or deed of trust and/or the creation of a security interest in the lease and the shares to which this lease is appurtenant shall not be a violation of this lease; but, except as provided in Section 39 of this lease, neither the secured party nor the leasehold mortgagee, nor any transferee of the security shall be entitled to have the shares transferred of record on the books of the Lessor, or to vote such shares, or to occupy or permit the occupancy by others of the apartment, or to sell such shares or this lease, without first complying with all of the provisions of Sections 15 and 16 except subsections (a)(iv) and (vi) of Section 16. The acceptance by the Lessor of payments by the secured party or leasehold mortgagee or any transferee of the security on account of rent or additional rent shall not constitute a waiver of the aforesaid provision. The provisions of this Section are subject to the provisions of Section 39.

18. (a) The Lessee shall take possession of the apartment and its appurtenances and fixtures "as is" as of the commencement of the term hereof. Subject to the provisions of Section 4 hereof, the Lessee shall keep the interior of the apartment (including interior walls, floors and ceilings, but excluding windows, window panes, window frames, sashes, sills, entrance and terrace doors, frames and saddles) in good repair, shall do all of the painting and decorating required for his apartment, including the interior window frames, sashes and sills, and shall be solely responsible for the maintenance, repair, and replacement of plumbing, gas and heating fixtures and equipment and such refrigerators, dishwashers, removable and through-the-wall air-conditioners, washing machines, ranges and other appliances, as may be in the apartment. Plumbing, gas and heating fixtures as used herein shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment, as well as the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Lessee may install within any wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes or conduits within the walls, ceilings or floors or air-conditioning or heating equipment which is part of the standard Building equipment. The Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances, and equipment, and all meters, fuse boxes or circuit breakers and electrical wiring and conduits from the junction box at the riser into and through the Lessee's apartment. Any ventilator or air-conditioning device which shall be visible from the outside of the building shall at all times be

painted by the Lessee in a standard color which the Lessor may select for the Building.

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

(c) If, in the Lessor's sole judgment, any of the Lessee's equipment or appliances shall result in damage to the Building or poor quality or interruption of service to other portions of the Building, or overloading of, or damage to, facilities maintained by the Lessor for the supplying of water, gas, electricity or air conditioning to the Building, or if any such appliances visible from the outside of the Building shall become rusty or discolored, the Lessee shall promptly, on notice from the Lessor, remedy the condition and, pending such remedy, shall cease using any appliance or equipment which may be creating the objectionable condition.

(d) The Lessee will comply with all the requirements of the Board of Fire Underwriters, insurance authorities and all governmental authorities and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the apartment. If any mortgage or deed of trust affecting the Building or the land on which it stands shall contain any provisions pertaining to the right of the Lessee to make changes or alterations in the apartment, or to remove any of the fixtures, appliances, equipment or installations, the Lessee shall comply with all such provisions. Upon the Lessee's written request, the Lessor will furnish the Lessee with copies of applicable provisions of all such mortgages and deeds of trust.

19. If the Lessee shall fail for thirty (30) days after notice to make repairs to any of the apartment, its fixtures or equipment as herein required, or shall fail to remedy a condition which has become objectionable to the Lessor for reasons above set forth, or if the Lessee or any person dwelling in the apartment shall request the Lessor, its agents or servants to perform any act not hereby required to be performed by the Lessor, the Lessor may make such repairs, or arrange for others to do the same, or remove such objectionable condition or equipment, or perform such act, without liability on the Lessor; provided that, if in the opinion of the Board the condition requires prompt action, notice of less than thirty (30) days may be given or, in case of emergency, no notice need be given. In all such cases the Lessor, its agents, servants and contractors shall, as between the Lessor and the Lessee, be conclusively deemed to be acting as agents of the Lessee and all contracts therefor made by the Lessor shall be so construed whether or not made in the name of the Lessee. If Lessee shall fail to perform or comply with any of the other covenants or provisions of this lease within the time required by a notice from the Lessor, then the Lessor may, but shall not be obligated to, comply therewith, and for such purpose may enter the apartment. The Lessor shall be entitled to recover from the Lessee all expenses incurred or for which it has contracted hereunder, such expenses to be payable by the Lessee on demand as additional rent.

20. 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. If, by reasons of the occupancy or use of the apartment by the Lessee, the rate of fire insurance on the Building or an apartment or the contents of either shall be increased, the Lessee shall (if such occupancy or use continues for more than thirty (30) days after

written notice from the Lessor specifying the objectionable occupancy or use) become personally liable for the additional insurance premiums incurred by the Lessor or any lessee or lessees of apartments in the Building on all policies so affected, and the Lessor shall have the right to collect the same for its benefit or the benefit of any such lessees as additional rent for the apartment due on the first day of the calendar month following written demand therefor by the Lessor.

21. (a) The Lessee shall not, without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld or delayed, make in the apartment, or on any patio, terrace or balcony appurtenant thereto, any alteration, enclosure or addition or any alteration of or addition to the water, gas, or steam risers or pipes, heating or air-conditioning system or units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, or any other installation or facility in the apartment or Building, or, except as hereinafter authorized, remove any additions, improvements or fixtures from the apartment. The performance by Lessee of any work in the apartment shall be in accordance with any applicable rules and regulations of the Lessor and governmental agencies having jurisdiction thereof. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the Building. Anything contained herein or in subsection (b) hereinbelow to the contrary notwithstanding, the written consent of the Lessor shall not be required for any of the foregoing alterations, enclosures, additions made by, or the removal of any additions, improvements or fixtures from the apartment by the "Sponsor" as defined in Section 38 of this lease.

(b) Without the Lessor's prior written consent, the Lessee shall not remove any fixtures, appliances, additions or improvements from the apartment except as hereinafter provided. If the Lessee, or a prior lessee, shall have heretofore placed, or the Lessee shall hereafter place in the apartment, any additions, improvements, appliances or fixtures, including but not limited to fireplace mantels, lighting fixtures, refrigerators, air-conditioners, dishwashers, washing machines, ranges, woodwork, wall paneling, ceilings, special doors or decorations, special cabinet work, special stair railings or other built-in ornamental items, which can be removed without structural alterations or permanent damage to the apartment, then title thereto shall remain in the Lessee and the Lessee shall have the right prior to termination of this lease to remove the same at the Lessee's own expense, provided: (i) that the Lessee at the time of such removal shall not be in default in the payment of rent or in the performance or observance of any other covenants or conditions of this lease; (ii) that prior to any such removal, the Lessee shall give written notice thereof to the Lessor; (iii) that the Lessee shall, at the Lessee's own expense, prior to the termination of this lease, repair all damage to the apartment which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; (iv) that if the Lessee shall have removed from the apartment any articles or materials owned by the Lessor or its predecessor in title, or any fixtures or equipment necessary for the use of the apartment, the Lessee shall either restore such articles, and materials, fixtures and equipment and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality customary in comparable buildings and satisfactory to the Lessor; and (v) that if any mortgagee had acquired a lien on any such property prior to the execution of this lease, the Lessor shall have first procured from such mortgagee its written consent to such removal, and any cost and expense incurred by the Lessor in respect thereof shall have been paid by the Lessee.

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

22. This lease is and shall be subject and subordinate to all present and future ground or underlying leases relating to the building and the land on which it stands, and to any and all extensions, modifications, and amendments thereof. This clause shall be self-operative and no further instrument of subordination shall be required by the holder of any such ground or underlying lease. In confirmation of such subordination the lessee shall at any time, and from time to time on demand execute any instruments that may be required by the lessor, for the purpose of more formally subjecting his lease to the lien of any such ground or underlying leases, and the duly elected officers, for the time being, of the lessor are and each of them is hereby irrevocably appointed the attorney-in-fact 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.

23. In case a notice of mechanic's lien against the Building shall be filed purporting to be for labor or material furnished or delivered at the Building or the apartment to or for the 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 do so within ten (10) 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, 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.

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

25. The Lessor and its agents and their authorized workmen shall be permitted to visit, examine, or enter the apartment and

any storage space assigned to the Lessee at any reasonable hour of the day upon notice, or at any time and without notice in case of emergency, to make or facilitate repairs in any part of the Building or to cure any default by the Lessee and to remove such portions of the walls, floors and ceilings of the apartment and storage space as may be required for any such purpose, but the Lessor shall thereafter restore the apartment and storage space to its proper and usual condition at the Lessor's expense if such repairs are the obligation of the Lessor, or at the Lessee's expense if such repairs are the obligation of the Lessee or are caused by the act or omission of the Lessee or any of the Lessee's family, guests, agents, employees or subtenants. In order that the Lessor shall at all times have access to the apartment or storage rooms for the purposes provided for in this lease, the Lessee shall provide the Lessor with a key to each lock providing access to the apartment or the storage space, and if any lock shall be altered or new lock installed, the Lessee shall provide the Lessor with a key thereto immediately upon installation. If the Lessee shall not be personally present to open and permit an entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to the Lessor, the Lessor or the Lessor's agent (but, except in an emergency, only when specifically authorized by an officer of the Lessor or an officer of the managing agent) may forcibly enter the apartment or storage space without liability for damages by reason thereof (if during such entry the Lessor shall accord reasonable care to the Lessee's property), and without in any manner affecting the obligations and covenants of this lease. The right and authority hereby reserved do not impose, nor does the Lessor assume by reason thereof, any responsibility or liability for the care or supervision of the apartment, or any of the pipes, fixtures, appliances or appurtenances therein contained, except as herein specifically provided.

26. The failure of the Lessor to insist, in any one or more instances, upon a strict performance of any of the provisions of this lease, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding, shall not be construed as a waiver, or a relinquishment for the future, of any such provisions, options or rights, but such provision, option or right shall continue and remain in full force and effect. The receipt by the Lessor of rent, with knowledge of the breach of any covenants 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 a writing expressly approved by the Directors.

27. Any notice by or demand from either party to the other shall be duly given only if in writing and sent by certified or registered mail, return receipt requested: if by the Lessee, addressed to the Lessor at the Building with a copy sent by regular mail to the Lessor's managing agent; if to the Lessee, addressed to the Lessee at the Building. Either party may by notice served in accordance herewith designate a different address for service of such notice or demand. Notices or demands shall be deemed given on the date when mailed.

28. 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, or defending, or asserting a counterclaim in any action or proceeding brought by the Lessee, the expense thereof to the Lessor, including but not limited to reasonable attorneys' fees and disbursements, shall be paid by the Lessee to the Lessor, on demand, as additional rent.

29. (a) The Lessor shall not be liable, except by reason of the Lessor's negligence, for any failure or insufficiency of heat, or of air-conditioning (where air-conditioning is supplied or air-conditioning equipment is maintained by the Lessor), water supply, electric current, gas, telephone, or elevator service or other service to be supplied by the Lessor hereunder, or for interference with light, air, view or other interests of the Lessee. No abatement of rent or other compensation or claim of eviction shall be made or allowed because of the making or failure to make or delay in making any repairs, alterations, or decorations to the Building, or any fixtures or appurtenances therein, or for space taken to comply with any law, ordinance or governmental regulation, or for interruption or curtailment of any service agreed to be furnished by the Lessor due to accidents, alterations or repairs, or to difficulty or delay in securing supplies or labor or other cause beyond Lessor's control, unless due to the Lessor's negligence.

(b) If the Lessor shall furnish to the Lessee any storage bins or other storage space, the use of the laundry, or any facility outside the apartment, including but not limited to a television antenna, the same shall be deemed to have been furnished gratuitously by the Lessor under a revocable license. The Lessee shall not use such storage space for the storage of valuable or perishable property and any such storage space assigned to the Lessee shall be kept by the Lessee clean and free of combustibles. If washing machines or other equipment are made available to the Lessee, the Lessee shall use the same on the understanding that such machines or equipment may or may not be in good order and repair and that the Lessor is not responsible for such equipment, nor for any damage caused to the property of the Lessee resulting from the Lessee's use thereof and that any use that the Lessee may make of such equipment shall be at his own cost, risk and expense.

(c) The Lessor shall not be responsible for any damage to any automobile or other vehicle left in the care of any employee of the Lessor by the Lessee, and the Lessee hereby agrees to hold the Lessor harmless from any liability arising from any injury to person or property caused by or with such automobile or other vehicle while in the care of such employee. The Lessor shall not be responsible for any property left with or entrusted to any employee of the Lessor, or for the loss of or damage to any property within or without the apartment by theft or otherwise.

30. The Lessee will not require, permit, suffer or allow the cleaning of any window in the premises from the outside unless the equipment and safety devices required by any law, ordinance, rules and regulations, are provided and used in compliance with such law, ordinance, rules and regulations; and the Lessee hereby agrees to indemnify the Lessor and its employees, other lessees, and the managing agent, for all losses, damages or fines suffered by them as a result of the Lessee's requiring, permitting, suffering or allowing any window in the premises to be cleaned from the outside in violation of the requirements of the aforesaid laws, ordinances, regulations and rules.

31. If upon, or at any time after, the happening of any of the events mentioned in subsections (a) through (h) inclusive of this Section 31, the Lessor shall give to the Lessee a notice stating that the term hereof will expire on a specified date not less than five (5) days thereafter, the term of this lease shall expire on the date so fixed in such notice as fully and completely as if it were the date herein fixed for the expiration of the term, and all right, title and interest of the Lessee hereunder shall thereupon wholly 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 reenter the apartment and to remove all persons and personal property therefrom, either by summary disposes proceedings, or by any suitable action or proceeding at law or in equity, or by force or otherwise, and to repossess the apartment in its former state 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 re-entry, re-possession and removal herein granted and reserved:

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

(b) If at any time during the term of this lease (i) the then holder hereof shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all of the property of such holder or of this lease shall be appointed under any provision of the laws of the State of Virginia, or under any statute of the United States, or any statute of any state of the United States and the order appointing such receiver shall not be vacated within thirty (30) days; or (iii) such holder shall make a general assignment for the benefit of creditors; or (iv) any of the shares owned by such holder to which this lease is appurtenant shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within thirty (30) days; or (v) this lease or any of the shares to which it is appurtenant shall pass by operation of law or otherwise to anyone other than the Lessee herein named or a person to whom such Lessee has assigned this lease in the manner herein permitted, but this item (v) shall not be applicable if this lease shall devolve upon the executors or administrators of the Lessee and provided that within eight (8) months (which period may be extended by the Board) after the death said lease and shares shall have been transferred to any assignee in accordance with Section 16 hereof; or (vi) this lease or any of the shares to which it is appurtenant shall pass to anyone other than the Lessee herein named by reasons of a default by the Lessee under a pledge or security agreement or a leasehold mortgage made by the Lessee;

(c) Subject to the provisions of Section 39, if there be an assignment of this lease, or any subletting hereunder, without full compliance with the requirements of Section 15 or 16; or if any person not authorized by Section 14 shall be permitted to use or occupy the apartment, and the Lessee shall fail to cause such unauthorized person to vacate the apartment within ten (10) days after written notice from the Lessor;

(d) If the Lessee shall be in default for a period of thirty (30) days in the payment of any rent or additional rent or of any installment thereof and shall fail to cure such default within ten days after written notice from the Lessor;

(e) If the Lessee shall be in default in the performance of any covenant or provision hereof, other than the covenant to pay rent, and such default shall continue for thirty (30) days after written notice from the Lessor; provided, however, that if said default consists of the 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 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 Lessor shall determine, upon the affirmative vote of (i) eighty percent (80%) of the members of the then Board and (ii) the record holders of at least two-thirds (2/3) of its then issued and outstanding shares, at a shareholders' meeting duly called for that purpose, that because of objectionable conduct on the part of the Lessee, or of a person dwelling or visiting in the apartment, repeated after written notice from the Lessor, the tenancy of the Lessee is undesirable (it being understood, without limiting the generality of the foregoing, that repeatedly to violate or disregard the Rules and Regulations hereto attached or hereafter established in accordance with the provisions of this lease shall be deemed to be objectionable conduct);

(g) If at any time the Lessor shall determine, upon the affirmative vote of at least two-thirds (2/3) of its then Board at a meeting of such directors duly called for that purpose, and the affirmative vote of the record holders of at least two-thirds (2/3) of its then issued and outstanding shares, at a shareholders' meeting duly called for that purpose, to terminate all proprietary leases;

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

32. (a) In the event the Lessor resumes possession of the apartment, either by summary proceedings, action of ejectment or otherwise, because of default by the Lessee in the payment of any rent or additional rent due hereunder, or on the expiration of the term pursuant to a notice given as provided in Section 31 upon the happening of any event specified in subsections (a) to (f), inclusive, of Section 31, the Lessee shall continue to remain liable for payment of a sum equal to the rent which would have become due hereunder and shall pay the same in installments at the time such rent would be due hereunder. No suit brought to recover any installment of such rent or additional rent shall prejudice the right of the 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. Any reletting of the apartment shall be deemed for the account of the Lessee, unless within ten (10) days after such reletting the Lessor shall notify the Lessee that the premises have been relet for the Lessor's own account. The fact that the Lessor may have relet the apartment as agent for the Lessee shall not prevent the Lessor from thereafter notifying the Lessee that it proposes to relet the apartment for its own account. If the Lessor relets the apartment as agent for the Lessee, it shall, after reimbursing itself for its expenses in connection therewith, including leasing commissions and a reasonable amount for attorneys' fees and expenses, and decorations, alterations and repairs in and to the apartment, apply the remaining avails of such reletting against the Lessee's continuing obligations hereunder. There shall be a final accounting between the Lessor and the Lessee upon the earliest of the four following dates: (A) the date of expiration of the term of this lease as stated on page 1 hereof; (B) the date as of which a new proprietary lease covering the apartment shall have become effective; (C) the date the Lessor gives written notice to the Lessee that it has relet the apartment for its own account; and (D) 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 avails 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 liability theretofore accrued.

(b) If the Lessee shall at any time sublet the apartment and shall default in the payment of any rent or additional rent, the Lessor may, at its option, so long as such default shall continue, demand and receive from the subtenant the rent due or becoming due from such subtenant to the Lessee, and apply the amount to pay sums due and to become due from the Lessee to the Lessor. Any payment by a subtenant to the Lessor shall constitute a discharge of the obligation of such subtenant to the Lessee, to the extent of the amount so paid. The acceptance of rent from any subtenant shall not be deemed a consent to or approval of any subletting or assignment by the Lessee, or a release or discharge of any of the obligations of the Lessee hereunder.

(c) Upon the termination of this lease under the provisions of subsections (a) to (f), inclusive, of Section 31, the Lessee shall surrender to the Lessor the certificate for the shares of the Lessor owned by the Lessee to which this lease is appurtenant. Whether or not said certificate is surrendered, the Lessor may issue a new proprietary lease for the apartment and issue a new certificate for the shares of the Lessor owned by the Lessee and allocated to the apartment when a purchaser therefor is obtained, provided that the issuance of such shares and such lease to such purchaser is authorized by a resolution of the Board, or by a writing signed by a majority of the Board or by Lessees owning, of record, at least a majority of the shares of the Lessor accompanying proprietary leases then in force. Upon such issuance the certificate owned or held by the Lessee shall be automatically cancelled and rendered null and void. The Lessor shall apply the proceeds received for 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 pay over any surplus to the Lessee, but, if insufficient, the Lessee shall remain liable for the balance of the indebtedness. Upon the issuance of any such new proprietary lease and certificate, the Lessee's liability hereunder shall cease and the Lessee shall only be liable for rent and expenses accrued to that time. The Lessor shall not, however, be obligated to sell such shares and appurtenant lease or otherwise make any attempt to mitigate damages.

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

34. Upon termination of this lease under the provisions of subsections (a) to (f), inclusive, of Section 31, the Lessee shall remain liable as provided in Section 32 of this lease. Upon the termination of this lease under any other of its provisions, the Lessee shall be and remain liable to pay all rent, additional rent and other charges due or accrued and to perform all covenants and agreements of the Lessee up to the date of such termination. On or before any such termination the Lessee shall vacate the apartment and surrender possession thereof to the Lessor or its assigns, and upon demand of the Lessor or its assigns, shall execute, acknowledge and deliver to the Lessor or its assigns any instrument which may reasonably be required to evidence the surrendering of all estate and interest of the Lessee in the apartment, or in the Building of which it is a part.

35. (a) This lease may be cancelled by the Lessee on September 30, 1985, or on any September 30th thereafter, upon complying with all the provisions hereinafter set forth. Irrevocable written notice of intention to cancel must be given by the Lessee to the Lessor on or before April 1 in the calendar year in which such cancellation is to occur. At the time of the giving of such notice of intention to cancel there must be deposited with the Lessor by the Lessee:

(i) the Lessee's counterpart of this lease with a written assignment in the form required by the Lessor, in blank, effective as of August 31 of the year of cancellation, free from all subleases, tenancies, liens, encumbrances and other charges whatsoever (except rights of occupancy of third parties existing on the date the Lessor acquired title to the building);

(ii) the Lessee's certificate for his shares of the Lessor, endorsed in blank for transfer and with any necessary transfer tax stamps affixed and with payment of any transfer taxes due thereon;

(iii) a written statement setting forth in detail those additions, improvements, fixtures or equipment which the Lessee has, under the terms of this lease, the right to and intends to remove.

(b) All additions, improvements, appliances and fixtures which are removable under the terms of this lease and which are enumerated in the statement made as provided in subdivision (iii) above shall be removed by the Lessee prior to August 31st of the year of cancellation, and on or before said August 31st the Lessee shall deliver possession of the apartment to the Lessor in good condition with all required equipment, fixtures and appliances installed and in proper operating condition and free from all subleases, tenancies, liens, encumbrances and other charges (except as aforesaid) and pay to the Lessor all rent and other charges which shall be payable under this lease up to and including the following September 30th.

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

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

(e) If the Lessee shall give the notice but fail to comply with any of the other provisions of this section, the Lessor shall have the option at any time prior to September 30th (i) of returning to the Lessee this lease, the certificate for shares and other documents deposited, and thereupon the Lessee shall be deemed to have withdrawn the notice of intention to cancel this lease, or (ii) of treating this lease as cancelled as of the September 30th named in the notice of intention to cancel as the date for the cancellation of such lease, and bringing such

proceedings and actions as it may deem best to enforce the covenants of the Lessee hereinabove contained and to collect from the Lessee the payments which the Lessee is required to make hereunder, together with reasonable attorneys' fees and expenses.

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

(b) If lessees owning at least two-thirds (2/3) of the then issued and outstanding shares of the Lessor shall exercise the option to cancel their leases in one year, then this and all other proprietary leases shall thereupon terminate on the September 30th of the year in which such options shall have been exercised, as though every lessee had exercised such option. In such event, none of the lessees shall be required to surrender his shares to the Lessor and all certificates for shares delivered to the Lessor by those who had, during that year, served notice of intention to cancel their leases under the provisions hereof, shall be returned to such lessees.

37. No later than thirty (30) days after the termination of all proprietary leases for apartments in the Building, whether by expiration of their terms or otherwise, a special meeting of shareholders of the Lessor shall take place to determine, subject to the provisions of any ground or underlying lease, whether (a) to continue to operate the Building as a residential apartment building, (b) to alter, demolish or rebuild the Building or any part thereof, or (c) to sell the real estate and liquidate the assets of the Lessor, and the Board shall carry out the determination made by the holders of a majority of the shares of the Lessor then issued and outstanding at said meeting of shareholders of the Lessor, and all of the holders of the then issued and outstanding shares of the Lessor shall have such rights as enure to shareholders of corporations having title to real estate.

38. The term "Sponsor" means Monument Associates, a Virginia general partnership. From and after the date of recordation of document assigning to another person or entity all of the rights reserved to the Sponsor under the Declaration referenced in Section 46, the term "Sponsor" shall mean that assignee.

39. (a) The Lessor agrees that it shall give to any holder of a security interest in the shares of the Lessor specified in the recitals of this lease or holder of an indebtedness secured by a mortgage or deed of trust on this lease ("Secured Party"), who so requests in writing, a copy of any notice of default which the Lessor gives to the Lessee pursuant to the terms of this lease, and if the Lessee shall fail to cure the default specified in such notice within the time and in the manner provided for in this lease, then the Secured Party shall have an additional period of time, equal to the time originally given to the Lessee, to cure said default for the account of the Lessee or to cause

same to be cured, and the Lessor will not act upon said default unless and until the time in which the Secured Party may cure said default or cause same to be cured as aforesaid, shall have elapsed, and the default shall not have been cured.

(b) If this lease is terminated by the Lessor as provided in Section 31 or 35 or by the Lessee as provided in Section 35 or 36 of this lease, or by agreement with the Lessee, (1) the Lessor promptly shall give notice of such termination to the Secured Party and (2) upon request of the Secured Party made within thirty (30) days of the giving of such notice the Lessor (i) shall to the extent permitted by law commence and prosecute a summary dispossess proceeding or other appropriate proceeding to obtain possession of the apartment, and (ii) shall, within sixty (60) days of its receipt of the aforesaid request by the Secured Party, reissue the aforementioned shares to, and shall enter into a new proprietary lease for the apartment with, any individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, all without the consent of the Board to which reference is made in Sections 16(a)(vi) and 32(c), provided, however, that the Lessor shall have received payment, on behalf of the Lessee, of all rent, additional rent and other sums owed by the Lessee to the Lessor under this lease for the period ending on the date of reissuance of the aforementioned shares of the Lessor including, without limitation, sums owed under Sections 32(a) and (c) of this lease; the individual designated by the Secured Party (if and as long as such individual, by himself or a member of his family, does not actually occupy the apartment) shall have all of the rights provided for in Sections 15, 16 and 21 of this lease as if he were "Sponsor" as defined in Section 38 of this lease; and, accordingly, no surplus shall be payable by the Lessor to the Lessee notwithstanding the provisions of Section 32(c) to the contrary.

(c) If the purchase by the Lessee of the shares allocated to the apartment was financed by a loan made by any lender, whether an individual, corporation, partnership, or other entity, privately or publicly controlled, including, without limitation, the Sponsor or any partner therein, or if the shares allocated to the apartment are security for a loan at any time made or held by or for any other indebtedness or obligation to a lender, and a default or an event of default shall have occurred under the terms of the security agreement, leasehold mortgage, leasehold deed of trust, or any of them entered into between the Lessee and the Secured Party, and if all of the following conditions are complied with: (1) notice of said default or event of default shall have been given to the Lessor, (2) an individual designated by the Secured Party, or the individual nominee of the individual so designated by the Secured Party, shall be entitled to become the owner of the shares and the Lessee under this lease pursuant to the terms of said security agreement, leasehold mortgage, or either of them, (3) not less than five days' written notice of an intended transfer of the shares of this lease shall have been given to the Lessor and the Lessee, (4) there has been paid, on behalf of the Lessee, all rent, additional rent and other sums owed by the Lessee to the Lessor under this lease for the period ending on the date of transfer of the aforementioned shares as hereinafter provided, and (5) the Lessor shall be furnished with such affidavits, certificates and opinions of counsel, in form and in substance reasonably satisfactory to the Lessor, indicating that the foregoing conditions (1)-(4) have been met, then (a) a transfer of the shares and the proprietary lease shall be made to such individual, upon request, and without the consent of the Board to which reference is made in Section 16, provided such transfer is approved by the Lessor's then managing agent (such approval not to be unreasonably withheld or delayed) and (b) the individual to whom such transfer is made (if and as long as such

individual, by himself or a member of his family, does not actually occupy the apartment) shall have all of the rights provided for in Sections 15, 16 and 21 of this lease as if he were a "Sponsor" as defined in Section 38 of this lease.

(d) Without the prior written consent of any Secured Party who has requested a copy of any notice of default as hereinbefore provided in subsection (a) of this Section 39, (a) the Lessor and the Lessee will not enter into any agreement modifying or cancelling this lease, (b) no change in the form, terms or conditions of this lease, as permitted by Section 6, shall eliminate or modify any rights, privileges or obligations of a Secured Party as set forth in this Section 39, (c) the Lessor will not terminate or accept a surrender of this lease, except as provided in Section 31 or 35 of this lease and in subsections (a) and (b) of this Section 39, (d) the Lessee will not assign this lease or sublet the apartment, (e) any modification, cancellation, surrender, termination or assignment of this lease or any sublease of the apartment not made in accordance with the provisions hereof shall be void and of no effect, (f) the Lessor will not consent to any further encumbrance on this lease or secured interest created in the shares, (g) the Lessee will not make any further encumbrance on or create any further security interest in the shares or this lease, and (h) any such further encumbrance or security interest shall be void and of no effect.

(e) Any designee of a Secured Party to whom a transfer of a lease shall have been made pursuant to the terms of subsections (b) and (c) hereof may cancel this lease under the terms of Section 35 hereof; except that such designee (a) may cancel this lease at any time after the designee acquires this lease and the shares appurtenant hereto due to foreclosure of the security agreement-leasehold mortgage; (b) need give only thirty (30) days' notice of its intention to cancel; and (c) may give such notice at any time during the calendar year.

(f) Without limiting the generality of the foregoing, the Lessor agrees to execute and deliver to any lender which holds a security interest in shares of the Lessor owned by the Sponsor, as defined in Section 38 of this lease, a recognition agreement in form and substance acceptable to such lender.

(g) A Secured Party shall be entitled to require of the Lessee an irrevocable proxy to vote Lessee's shares in Lessor (in accordance with Section 37 of this Lease) upon the happening of the events described in Section 36(b) of this Lease.

(h) The provisions of Section 17 are subject to the provisions of this Section.

40. Notwithstanding anything to the contrary contained in this lease, if any action shall be instituted to foreclose any mortgage or deed of trust on the leasehold of the land or the Building, the Lessee shall, on demand, pay to the receiver of the rents appointed in such action, rent, if any, owing hereunder on the date of such appointment and shall pay thereafter to such receiver in advance, on the first day of each month during the pendency of such action, as rent hereunder, the rent for the apartment as last determined and established by the Board prior to the commencement of said action, and such rent shall be paid during the period of such receivership, whether or not the Board shall have determined and established the rent payable hereunder for any part of the period during which such receivership may continue. The provisions of this Section are intended for the benefit of present and future holders of indebtedness secured by mortgages and deeds of trust on the leasehold of the land or the Building and may not be modified or annulled without the prior written consent of any such holder.

41. 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 executors and administrators, legal representatives, legatees, distributees and assigns of the Lessee, except as hereinabove stated.

42. To the extent permitted by law, the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this lease, the Lessee's use or occupancy of the apartment, or any claim of damage resulting from any act or omission of the parties in any way connected with this lease or the apartment.

43. In the event of a breach or threatened breach by the Lessee of any provision hereof, the Lessor shall have the right of injunction and the right to invoke any remedy at law or in equity, as if re-entry, summary proceedings and other remedies were not herein provided for, and the election of one or more remedies shall not preclude the Lessor from any other remedy.

44. 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.

45. The Lessee may not institute an action or proceeding against the Lessor or defend, or make a counterclaim in any action by the Lessor related to the Lessee's failure to pay rent, if such action, defense or counterclaim is based upon the Lessor's failure to comply with its obligations under this 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 Lessee to the Lessor.

46. The Lessee and this lease are subject to the Assignment of Lease from the Sponsor, as defined in Section 38, to the Lessor and to the Lease thereby assigned, to the Declaration of Covenants, Easements and Liens for River Place made by the Sponsor and the Lessor, to the Articles of Incorporation and Bylaws of (i) River Place Owners' Association, a Virginia corporation, and (ii) the Lessor, and to the Rules and Regulations promulgated under the Bylaws of either, all as any of the same have been or shall hereafter be duly amended.

47. The shares 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; and

(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 Section 16 of this lease relating to assignments.

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

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

IN WITNESS WHEREOF, the parties have executed this lease as of the date and year first above written.

RIVER PLACE NORTH HOUSING CORPORATION

Lessor

By _____ [SEAL]

_____, Lessee [SEAL]

WITNESS: _____ [SEAL]
_____, Lessee

STATE OF VIRGINIA)
) To wit:
COUNTY OF ARLINGTON)

The foregoing instrument was acknowledged before me this _____ day of _____, 198____, by _____, who executed the foregoing instrument pursuant to a resolution of the Board of Directors of River Place North Housing Corporation, a Virginia stock corporation, dated _____, 1982.

Given under my hand and seal this _____ day of _____, 198____.

_____, Notary Public [SEAL]

My commission expires _____.

STATE OF VIRGINIA)
)
COUNTY OF ARLINGTON)

To wit:

The foregoing instrument was acknowledged before me this
_____ day of _____, 198____, by _____.

Given under my hand and seal this _____ day of _____,
198____.

[SEAL]
, Notary Public

My commission expires _____.