

SHERMAN TERRACE COOPERATIVE, INC.

OCCUPANCY AGREEMENT

THIS AGREEMENT, made and entered into this day of by and between SHERMAN TERRACE COOPERATIVE, INC. (hereinafter referred to as the Corporation), a corporation having its principal office and place of business at 1010 Sherman Avenue, Bronx, New York 10456 and (hereinafter referred to as Member);

WHEREAS, the Corporation has been formed for the purpose of constructing, owning and operating a cooperative housing project to be located at 1010 Sherman Avenue, Bronx, New York 10456, with the intent that its stockholders shall have the right to occupy the dwelling units thereof under the terms and conditions hereinafter set forth; and

WHEREAS, the Member is the owner and holder of shares of common capital stock of the Corporation and has a bona fide intention to reside in the project;

NOW, THEREFORE, in consideration of One Dollar (\$1.00) to each of the parties paid by the other party, the receipt of which is hereby acknowledged, and in further consideration of the mutual promises contained herein, the Corporation hereby lets to the Member, and the Member hereby hires and takes from the Corporation, dwelling unit number located at 1010 Sherman Avenue, Bronx, New York.

TO HAVE AND TO HOLD said dwelling unit unto the Member, his executors, administrators and authorized assigns, on the terms and conditions set forth herein and in the corporate Charter and By-Laws of the Corporation and any rules and regulations of the Corporation now or hereafter adopted pursuant thereto, from the date of this agreement, for a term terminating on renewable thereafter for successive three year periods under the conditions provided for herein.

ARTICLE 1. MONTHLY CARRYING CHARGES.

Commencing at the time indicated in ARTICLE 2 hereof, the Member agrees to pay to the Corporation a monthly sum referred to herein as "Carrying Charges", equal to one-twelfth of the Member's proportionate share of the sum required by the Corporation, as estimated by its Board of Directors to meet its annual expenses, including but not limited to the following items:

- (a) The cost of all operating expenses of the project and services furnished;
- (b) The cost of necessary management and administration;
- (c) The amount of all taxes and assessments levied against the project of the Corporation or which it is required to pay, and ground rent, if any;
- (d) The cost of fire and extended coverage insurance on the project and such other insurance as the Corporation may effect or as may be required by any mortgage on the project;
- (e) The cost of furnishing water, electricity, heat, gas, garbage, and trash collection, and other utilities, if furnished by the Corporation;
- (f) All reserves set up by the Board of Directors, including the general operating reserve and the reserve for replacements;
- (g) The estimated cost of repairs, maintenance and replacements of the project property to be made by the Corporation;
- (h) The amount of principal, interest, mortgage insurance premiums, and other required payments on the hereinafter-mentioned insured mortgage; and
- (i) Any other expenses of the Corporation approved by the Board of Directors, including deficiencies, if any, for prior periods.

The Board of Directors shall determine the Carrying Charges from time to time. Said sums shall be estimated on an annual basis and divided by the number of months remaining in the then current fiscal year; but in no event shall the Member be charged with more than his proportionate share thereof as determined by the Board of Directors.

Until further notice from the Corporation, the monthly Carrying Charges for the above-mentioned dwelling unit shall be _____.

ARTICLE 2. WHEN PAYMENT OF CARRYING CHARGES TO COMMENCE.

After ten days' notice by the Corporation to the effect that the dwelling unit is available for occupancy, or upon acceptance of occupancy, whichever is earlier, the Member shall make a payment for Carrying Charges covering the unexpired balance of the month. Thereafter, the Member shall pay Carrying Charges in advance on the first day of each month.

ARTICLE 3. PATRONAGE REFUNDS.

The Corporation agrees on its part that it will refund or credit to the Member within ninety (90) days after the end of each fiscal year, such sums as have been collected in anticipation of expenses which are in excess of the amount needed for expenses of all kinds, including reserves, in the discretion of the Board of Directors.

ARTICLE 4. MEMBER'S OPTION TO RENEW.

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 three years each from the expiration of the term herein granted, upon the same covenants and agreements as herein contained unless: (1) notice of the Member's election not to renew shall have been given to the Corporation in writing, at least four months prior to the expiration of the then current term, and (2) the Member shall have on or before the expiration of said term (a) endorsed all his stock for transfer in blank and deposited same with the Corporation, and (b) met all his obligations and paid all amounts due under this agreement up to the time of said expiration, and (c) vacated the premises, leaving same in good state of repair. Upon compliance with provisions (1) and (2) of this Article, the Member shall have no further liability under this agreement and shall be entitled to no payment from the Corporation.

ARTICLE 5. PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY.

The Member shall occupy the dwelling unit covered by this agreement as a private dwelling for himself and his immediate family, and for no other purpose, and may enjoy the use, in common with the other members of the Corporation, of all community property and facilities of the project, so long as he continues to own common stock of the Corporation, occupies his dwelling unit, and abides by the terms of this agreement.

The Member shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance on the building, or on the contents thereof, or which will obstruct

or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the premises or commit or suffer any immoral or illegal act to be committed thereon. The Member shall comply with all of the requirements of the Board of Health and of all other governmental authorities with respect to the said premises. If by reason of the occupancy or use of said premises by the Member the rate of insurance on the building shall be increased, the Member shall become personally liable for the additional insurance premiums.

The Member shall, during the term of this occupancy, cause to be covered not less than (80) eighty percent of the floor area of each and every room (with the exception of the kitchen and bathroom(s)) of the premises with rugs and/or carpeting. (This paragraph was added to the Occupancy Agreement pursuant to a corporate resolution of the Board of Directors on April 11, 1973 - Dorothy F. Horne, President)

ARTICLE 6. 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 sole use and benefit the property herein above described, after obtaining occupancy, and may enjoy in common with all the members of the Corporation the use of all community property and facilities of the project.

ARTICLE 7. NO SUBLETTING WITHOUT CONSENT OF CORPORATION.

The Member hereby agrees not to assign this agreement or sublet his dwelling unit without the written consent of the Corporation. Violation of this provision shall, at the option of the Corporation, result in termination and forfeiture of the Member's rights under this agreement. Rents under any sublease shall be assigned to the Corporation and the sublease shall be delivered to the Corporation, and the Corporation irrevocably empowered to collect rents and apply the rents in reduction of sums due from time to time under this agreement. The sublease shall be in form acceptable to the Corporation, shall require the subtenant to abide by the terms of the Occupancy Agreement during this subtenancy, and shall give to the Corporation an irrevocable power to dispossess or otherwise act for the sublessor in case of default under the sublease.

The liability of the Member under this agreement shall continue notwithstanding the fact that he may have sublet the dwelling unit with the approval of the Corporation. The Member shall continue

liable for all obligations hereunder and shall be responsible to the Corporation for the conduct of his sublessee.

ARTICLE 8. TRANSFERS.

Neither this agreement nor the Member's right of occupancy shall be transferrable or assignable except as provided in clauses (a), (b) and (c) of this Article.

(A) Death of Member. If, upon death of the Member, his right of occupancy under this agreement, together with his stock in the Corporation, pass by will or intestate distribution to a member of his immediate family, such legatee or distributee may, by assuming in writing the terms of this agreement within sixty (60) days after Member's death and paying all amounts due hereunder, become the Member hereunder. If Member dies and this agreement is not assumed in accordance with the foregoing, then the Corporation shall have an option to purchase the equity from the deceased Member's estate in the manner provided in paragraph (b) of this Article, written notice of the death being equivalent to notice of intention to withdraw. If the Corporation does not exercise such option, the provisions of paragraph (c) of this Article shall be applicable, the reference to "Member" therein to be construed as references to the legal representative of the deceased Member.

(b) Option of Corporation to Purchase. If the Member desires to leave the project, he shall notify the Corporation in writing of such intention and the Corporation shall have an option for a period of thirty (30) days thereafter, but not the obligation, to purchase the Member's shares of common stock and occupancy agreement, at an amount to be determined by the Corporation as representing the book value thereof, less any amounts due by the Member to the Corporation. The purchase by the Corporation of the Member's stock and occupancy agreement will immediately terminate the Member's rights hereunder and the Member shall forthwith vacate the premises.

(c) Procedure Where Corporation Does Not Exercise Option. If the Corporation waives in writing its right to purchase the Member's stock and occupancy agreement under the foregoing option, or if the Corporation fails to exercise such option within the thirty day period, the Member may sell his stock to any person, but such sale shall not entitle the purchaser to any right of occupancy unless he has been duly approved by the Corporation as an occupant. A holder of a share of common stock who has been duly approved by the Corporation as an occupant, upon due execution and delivery of a new occupancy agreement or assumption in writing of this agreement, shall thereafter enjoy the privileges of and be subject to all the

obligations of the Member under this agreement, and the retiring Member shall thereupon be released by the Corporation in writing of all his obligations under this agreement, provided he has paid all amounts due the Corporation to date.

(d) Corporation to Cooperate in Locating Purchaser. If the Member notifies the Corporation of his intention to remove from his dwelling unit and to sell his stock and occupancy agreement, and the Corporation waives or fails to exercise its option to purchase same, the Member may deliver his occupancy agreement to the Corporation for cancellation and endorse his stock for transfer in blank and deposit same with the Corporation. The Corporation will thereupon (without any obligation, however) reasonably assist the Member to find a purchaser at a price designated in writing by the Member. The Corporation shall be entitled to charge the Member a fee it deems reasonable for this service. It is understood, however, that the Member shall not be released from his liability under this agreement until such time as a sale has been effected to a purchaser acceptable to the Corporation and such purchaser has assumed this agreement or executed a new occupancy agreement.

ARTICLE 9. MANAGEMENT, TAXES AND INSURANCE.

The Corporation shall provide necessary management, operation and administration of the project; pay or provide for the payment of all taxes or assessments levied against the project; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on property in the project, and such other insurance as the Corporation may deem advisable on the property in the project. The Corporation will not, however provide insurance on the Member's interest in the dwelling unit or on his personal property. As to the effect of a fire loss on the interests of the Member, see Article 15 below.

ARTICLE 10. UTILITIES.

The Corporation shall provide water, electricity, heat and gas in amounts which it deems reasonable. (Strike out any of the foregoing items in this Article which are not applicable.) The Member shall pay for all other utilities.

ARTICLE 11. REPAIRS. (As amended)

(a) By Member. The member agrees to repair and maintain his/her dwelling unit at his/her own expense as follows:

- (1) The interior apartment including interior walls,

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floors, and ceilings, window glass, locks, latches and interior frame, sash and sills, excluding exterior sash, frame and sills.

(2) Shall do all of the painting and decorating required for his apartment every three years, including the finished wood and tile flooring.

(3) Shall be solely responsible for maintenance, repair, and replacement of plumbing, gas and heating fixtures and equipment and such refrigerators, air conditioners, 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, but shall not include gas, steam, water or other pipes or conduits within the walls, ceilings, or floors.

(4) 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 Member's apartment, excluding standard electrical riser service.

(b) By Corporation. The Corporation shall provide and pay for all necessary repairs, maintenance and replacements of project property, including the Member's dwelling unit, except as specified in clause (a) of this Article.

(c) Right of Corporation to Make Repairs at Member's Expense. In case the Member shall fail to effect the repairs and maintenance specified in clause (a) of this Article in a manner satisfactory to the Corporation and pay for same, the latter may do so and add the cost thereof to the Member's next month's Carrying Charge payment.

ARTICLE 12. ALTERATIONS AND ADDITIONS.

The Member shall not, without the written consent of the Corporation, make any structural alterations in the premises or in the water, gas or steam pipes, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the premises.

If the Member for any reason shall cease to be an occupant of the premises he shall surrender to the Corporation possession thereof, including any alterations, additions, fixtures and improvements.

The Member shall not, without the prior written consent of the Corporation install or use in his dwelling unit any air conditioning equipment, washing machine, clothes dryer, electric heater, or power driven equipment, all of which are expressly excluded even from occasional use by the Member unless the required written consent of the Corporation has been obtained. The Corporation may require the payment of a monthly fee for the use of any such equipment which fee shall be considered as an additional carrying charge for the purposes of this agreement.

ARTICLE 13. DEFINITION OF DEFAULT BY MEMBER AND EFFECT THEREOF.

It is hereby mutually agreed as follows: If at any time after the happening of any of the events specified in clauses (a) to (j) of this Article, the Corporation shall give to the Member a notice that this agreement will expire at a date not less than thirty (30) days thereafter, this agreement and all of the Member's rights under this agreement will expire on the date so fixed in such notice, unless in the meantime the default has been cured in a manner deemed satisfactory by the Corporation, it being the intention of the parties hereto to create hereby conditional limitations, and it shall thereupon be lawful for the Corporation to re-enter the dwelling unit and to remove all persons and personal property therefrom, either by summary dispossession proceedings or by suitable action or proceeding at law or in equity or by force or otherwise, and to repossess the dwelling unit in its former state as if this agreement had not been made:

- (a) In case at any time during the term of this agreement the Member shall cease to be the owner and legal holder of a share of the stock of the Corporation.
- (b) In case the Member attempts to transfer or assign this agreement in a manner inconsistent with the provisions of Article 8 hereof.
- (c) In case at any time during the continuance of this agreement the Member shall be declared a bankrupt under the laws of the United States.
- (d) In case at any time during the continuance of this agreement a receiver of the Member's property shall be appointed under any of the laws of the United States or of any State.
- (e) In case at any time during the continuance of this agreement the Member shall make a general assignment for

the benefit of creditors.

- (f) In case at any time during the continuance of this agreement any of the stock of the Corporation owned by the Member shall be duly levied upon and sold under the process of any Court.
- (g) In case the Member fails to effect and/or pay for repairs and maintenance as provided for in Article 11 hereof.
- (h) In case the Member shall fail to pay any sum due pursuant to the provisions of Article 1 hereof.
- (i) In case the Member shall default in the performance of any of his obligations under this agreement.
- (j) In case the Member shall violate any of the rules and regulations of the Corporation.

The Member hereby expressly waives any and all right of redemption in case he shall be dispossessed by judgment or warrant of any Court or judge; the words "enter", "re-enter", and "re-entry", as used in this agreement are not restricted to their technical legal meaning, and in the event of a breach or threatened breach by the Member of any of the covenants or provisions hereof, the Corporation shall have all right of injunction and the right to invoke any remedy allowed at law or in equity, as if re-entry, summary proceedings, and other remedies were not herein provided for.

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.

ARTICLE 14. MEMBER TO COMPLY WITH ALL CORPORATE REGULATIONS.

The Member covenants that he will preserve and promote the cooperative ownership principles on which the Corporation has been founded, abide by the Charter, By-Laws, rules and regulations of the Corporation and any amendments thereto, and by his acts of cooperation with its other members bring about for himself and his co-members a high standard in home and community conditions.

ARTICLE 15. EFFECT OF FIRE LOSS ON INTERESTS OF MEMBER.

In the event of loss or damage by fire or other casualty to the

abovementioned dwelling unit without the fault or negligence of the Member, the Corporation shall determine whether to restore the damaged premises and shall further determine, in the event such premises shall not be restored, the amount which shall be paid to the Member to redeem the common stock of the Member and to reimburse him for such loss as he may have sustained.

If, under such circumstances, the Corporation determines to restore the premises, Carrying Charges shall abate wholly or partially as determined by the Corporation until the premises have been restored. If on the other hand the Corporation determines not to restore the premises, the Carrying Charges shall cease from the date of such loss or damage.

ARTICLE 16. INSPECTION OF DWELLING UNIT.

The Member agrees that the representatives of any mortgagee holding a mortgage on the property of the Corporation, and the officers and employees of the Corporation, shall have a right to enter the dwelling unit of the Member and make inspections thereof at any reasonable hour of the day.

ARTICLE 17. SUBORDINATION CLAUSE.

The cooperative housing project, of which the abovementioned dwelling unit is a part, was or is to be constructed by the Corporation with the assistance of a mortgage loan advanced to the Corporation by a private lending institution with the understanding between the Corporation and the lender that the latter would apply for mortgage insurance under Section 213 of the National Housing Act. Therefore, it is specifically understood and agreed by the parties hereto that this agreement and all rights, privileges and benefits hereunder are and shall be at all times subject to and subordinate to the lien of a first mortgage and the accompanying documents executed by the Corporation under date of _____, payable to _____, in the principal sum of _____ with interest at _____ per centum, and insured or to be insured under Section 213 of the National Housing Act, and to any and all modifications, extensions and renewals thereof and to any mortgage or deed of trust made in replacement thereof and to any mortgage or deed of trust which may at any time hereafter be placed on the property of the Corporation or any part thereof. The Member hereby agrees to execute, at the Corporation's request and expense, any instrument which the Corporation or any lender may deem necessary or desirable to effect the subordination of this agreement to any mortgage, or deed of trust, and the Member hereby appoints the Corporation and each and every officer thereof, and any future

officer, his irrevocable attorney-in-fact during the term hereof to execute any such instrument on behalf of the Member. The Member does hereby expressly waive any and all default and notices of foreclosure of said mortgage which may be required by law. In the event a waiver of such notices is not legally valid, the Member does hereby constitute the Corporation his agent to receive and accept such notices on the Member's behalf.

ARTICLE 18. NOTICES.

Whenever the provisions of law or the By-Laws of the Corporation or this agreement require notice to be given to either party hereto, such notice may be given in writing by depositing the same in a post office or letter box, in a postpaid, sealed wrapper addressed to the person to whom the notice is to be given, at his or her address as the same appears in the books of the Corporation and the time when the same shall be mailed shall be deemed to be the time of the giving of such notice.

ARTICLE 19. FISCAL REPORTS.

At each annual meeting, the Corporation shall furnish to the Member a statement of the income and disbursements of the Corporation.

ARTICLE 20. ORAL REPRESENTATION NOT BINDING.

No representations other than those contained in this agreement, the Charter and the By-Laws of the Corporation shall be binding upon the Corporation.

ARTICLE 21. REIMBURSEMENT OF LEGAL FEES AND COURT COSTS.

Any Member of the cooperative who is delinquent by more than one month in his/her monthly carrying charge or is indebted to the Corporation for any other legal, reasonably assessed charges equivalent to or more than one month carrying charge, shall be responsible to pay to the Corporation a monthly charge equal to 1½% of the unpaid balance of all fees due and all court costs and attorney fees incurred by the cooperative as a result of said cooperative commencing either a holdover or non-payment proceeding in Civil Court (Landlord/Tenant, Small Claims or General Civil Parts), or Supreme Court, in order to legally recover monies owed.

The above RESOLUTION amends the Sherman Terrace Cooperative, Inc. Occupancy Agreement by adding this paragraph to a position following paragraph 20 of that document, and is affective as of the

date of passage by the Tenant/Shareholders on 12/11/89.

THIS ADDENDUM IS A PART OF AND SHALL BE ATTACHED TO YOUR OCCUPANCY AGREEMENT IN COMPLIANCE WITH THE LAWS AND BYLAWS OF THE CORPORATION AND PARAGRAPH 14 OF SAID OCCUPANCY AGREEMENT.

CORPORATE RESOLUTION

TO ALL MEMBERS OF SHERMAN TERRACE COOPERATIVE, INC.
PLEASE TAKE NOTICE - EFFECTIVE IMMEDIATELY - JANUARY 20, 1971

Upon the sale or transfer of a Member's shares of Common Stock and Occupancy Agreement of Sherman Terrace Cooperative, Inc., the Member selling must pay to the Cooperative one third (1/3) of the par value of the Common Stock of their apartment.

TO WIT-EXAMPLE

An apartment that has 225 shares of stock at a par value of
\$ per share:

Dollar Value \$

Due Co-op 1/3 of above \$

This by-law was put into effect because of the increased costs of operating expenses, necessary repairs, maintenance, and replacements that must be made in accordance with the law.

BOARD OF DIRECTORS
SHERMAN TERRACE COOPERATIVE, INC.

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

~~SHERMAN TERRACE~~ SHERMAN TERRACE COOPERATIVE, INC.

Member and Stockholder

TO BE DULY ACKNOWLEDGED

STATE OF NEW YORK)
COUNTY OF WESTCHESTER) SS:

On the _____ in the year _____ before me, the undersigned, personally appeared Barbara Singleton, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

STATE OF NEW YORK)
COUNTY OF _____) SS:

On the _____ day of _____ in the year _____ before me, the undersigned, personally appeared Hannah S. Gross, Assistant Secretary, personally known to me or proved to me on the basis of satisfactory evidence to the individuals whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument and that he/she is the president of Sherman Terrace Cooperative, Inc., the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of

said corporation and that he/she signed his/her name thereto by like order.