

PROCEDURE FOR SUBLETTING

1) Shareholders wishing to sublet their apartment should write a letter to the Board. The letter should state why they need to sublet; how long the sublet will be; how they can be reached when they are gone; and when they will return to live in the apartment again. The shareholder will receive a Sublet Application or other instructions from the Board.

When they have a candidate, the shareholder will have the prospective subtenant fill out the application. Return the original application with 8 copies to the Board president or coordinator along with a check, made out to the corporation, for the processing fee (currently \$200 per applicant).

2) The application includes: the terms and conditions for subletting; an application form; a sublease agreement; an escrow agreement letter for the security deposit; authorization form for banks, etc.; copy of the House Rules; and a waiver of the Co-op's responsibility.

3) The prospective subtenant must supply letters from three personal and, if self-employed, three business references for each applicant. The references must include their phone numbers and addresses.

4) The applicant's three most recent pay stubs and the latest three months' bank and brokerage statements along with the most recent Federal Income Tax return must be supplied. Self-employed applicants must supply two most recent years' tax returns along with the bank and brokerage statements.

5) Should there be any special circumstances or conditions about the sublet, these should be fully explained in a letter to the Board.

6) Shareholder should submit to the Board president or application coordinator the original application with all-attending information and documents for a review for completeness. If all is in order 8 complete copies of all requested information should be made and given to the Board president or coordinator along with a check, made out to the Tenants Corp., for processing, credit and reference checks (currently \$200). When credit and reference checks are completed the Board will decide whether or not to interview the person. If there is an interview and approval, the apartment may be sublet according to the subletting terms and conditions of the Corp.

7) There may be other charges for processing the application if the Board approves the sublet. The shareholder is responsible for any and all costs, including attorney's fees, incurred as a result of the application and/or the sublet.

THE FOLLOWING ARE THE TERMS AND CONDITIONS UNDER WHICH SUBLETTING WILL
BE PERMITTED

THESE TERMS AND CONDITIONS APPLY TO ALL NEW SUBLETS, AND TO EXISTING
SUBLETS THAT COME DUE FOR RENEWAL.

1. The shareholder must present to the Board a completed Sublet Application.
2. The proposed sublet must give permission to the Board and/or its agent to check personal references and credit histories. The cost of these investigations will be paid for by the shareholder. The shareholder must pay all agent or attorney fees charged to the Board for reviewing the sublet both at the time of application and/or lease renewal.
- 3) After reviewing the application, the Board will interview the proposed sublet if it feels that the applicant qualifies. If there is an interview the shareholder will be notified by the Board of its decision.
4. The shareholder must use the attached sublease agreement. Any Alterations must be reviewed by the Board. A signed original copy must be submitted at the time of application. The shareholder and the subtenant must have this written agreement *even if no money is paid to the shareholder as rent.*

Subleases between shareholders and their sublets must contain stipulations that the sublettor has read and agrees to abide by the Proprietary Lease and the House Rules and any future changes in them; and, acknowledge that the sublet is for six months with a possible six-month renewal of the sublet subject to Board approval. The maximum cumulative sublet allowed a shareholder is two years.

SUBLETTING BY A SHAREHOLDER' S SUBTENANT IS NOT PERMITTED.

ALTERATION TO THE APARTMENT BY THE SHAREHOLDER'S SUBTENANT IS NOT PERMITTED. The apartment may have alterations made by the regular alteration procedures of the building submitted by the shareholder.

5. After a sublet is approved, two months of the apartment's maintenance currently charged at the time of application, must be submitted to the board as a security deposit before the sublettor will have permission to move into the apartment. These funds shall be deposited in an interest-bearing account and used, if necessary, to cover delinquent monthly rent on the subleased apartment, or for other problems arising out of the subletting. The money plus interest minus cost will be returned to the shareholder upon the completion of the sublet.

6. The Shareholder will be charged a monthly surcharge fee of 20% of the monthly maintenance. The monthly surcharge fee applies to any

future increases or decreases.

7. Shareholder and sublettor will be required to sign a waiver of release prior to obtaining approval for subletting. THE SHAREHOLDER IS RESPONSIBLE FOR THE ACTIONS OF THE SUBLETTOR.

8. The Corporation's policy is to discourage subletting. Consent to a sublet by a Shareholder shall be granted only in exceptional circumstances as determined on a case-by-case basis by the Board of Directors, but generally limited to so-called "hardship cases" where special circumstances are determined to exist which would justify an exception to the rule; such as, for example, the case of a shareholder-tenant temporarily relocated on business with a definite intention to return and to re-occupy the apartment at the expiration of the proposed sublet; any approved sublet shall only be for six months with a possible six-month renewals of the sublet subject to Board approval. The maximum cumulative sublet allowed a Shareholder is two years.