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**84-12 35<sup>TH</sup> AVENUE APARTMENT CORP.**

**SUBLET POLICY**

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The Resolution in reference to the Sublet Policy is as follows:

It is hereby **RESOLVED**, that the Sublet Policy for **84-12 35<sup>TH</sup> AVENUE APARTMENT CORP.** , (hereinafter referred to as the "Corporation") is as follows:

The Board of Directors hereby enacts a Sublet Policy in accordance with the provisions of the Proprietary Lease, which strictly prohibits subletting, except on the grounds of extreme emergency or undue hardship, which may include medical emergency, involuntary employment loss or reassignment, or involuntary military service requirement. Third party subletting is strictly prohibited. The Shareholder must have resided in the Premises for a minimum of five (5) years (three (3) year minimum requirement for Shareholders who are record owners as of January 2012). The criteria for or granting of a sublet application will be determined by the Board of Directors, in its sole discretion. This Sublet Policy shall be applicable to all Shareholders, including those who have previously been granted permission to sublet, as well as any and all future sublet applications or renewals. The total number of permitted sublets [apartments occupied by non-owners] allowed by the Board of Directors during any applicable time period shall not exceed twenty (20%) percent of all the apartments.

**1. TERM OF SUBLEASE:**

The period of any Sublease shall be for a minimum term of one (1) year, and limited to a maximum of two (2) years. A one year extension beyond the two year maximum may be granted with the same tenant. The Shareholder(s) will be required to submit a renewal application for subleasing ninety (90) days prior to the expiration of the initial one (1 ) or two (2) year sublease term. The granting of a renewal Sublease shall be solely within the discretion of the Board of Directors.

**2. SUBLEASING CONDITIONS:**

No Sublease shall be approved by the Board of Directors unless and until the following conditions are met.

- a) The Shareholder(s) and the prospective Subtenant(s) must submit an application to the managing agent. The Board of Directors shall have the right to conduct an interview of the prospective Subtenant(s), including all anticipated residents of the Apartment, subsequent to receipt of all the required documentation listed below.
- b) Shareholder(s) must be in good standing at the time of application with all maintenance charges current and not in violation of the Proprietary Lease or House Rules.
- c) The Shareholder(s) furnish a duplicate key to all Apartment door locks to the Managing Agent for retention by the building superintendent.
- d) The Shareholder shall establish with the Managing Agent a Maintenance Security Deposit to be held in an interest bearing account during the term of the sublease to provide sufficient funds for the payment of maintenance charges, repairs and replacements.
- e) Proof of residency by the Shareholder in the Premises for a minimum time period of five (5) years (or three (3) years for Shareholders who are record owners as of January 2012).
- f) Both the Shareholder(s) and/or Subtenant(s) obtain homeowners insurance satisfactory to the Board of Directors, and provide a Certificate evidencing such insurance to the Managing Agent prior to the commencement of the Sublease Term.
- g) The prospective subtenant(s) are not permitted to harbor more than one pet.

- h) The term of the sublease shall be a minimum period of one (1) year; therefore, shareholder(s) shall not be permitted to sublease for a lesser period of time.
- i) The Board of Directors of the Corporation shall be authorized to terminate the sublease at any time in the event of a breach, default or violation by the Subtenant(s) and designated to commence litigation or eviction proceedings in the name of the Shareholder to remove the Subtenant(s). The Board of Directors of the Corporation shall be authorized to collect the rent directly from the Subtenant(s) in the event of a breach, default or violation by the Shareholder in the payment of maintenance charges, late fees, assessments and/or other sums due to the Corporation.
- j) The Shareholder(s) shall designate the Managing Agent or an agent in the local area to be responsible for the, in the Shareholder(s)' absence, including but not limited to limited to performance of repairs and/or replacements of equipment and appliances. Such designated agent must be provided with any change of address and/or telephone number(s) of the Shareholders during the complete term of the Sublease.
- k) The Shareholder and prospective subtenant must both designate the Managing Agent as their agent for service of process provided the Corporation sends a copy of the document by Certified Mail/RRR to the address designated by the party.
- l) The Shareholder(s) and Subtenant(s) shall be jointly and severally responsible and liable for any and all claims, damages, costs, expenses and/or fees of the Corporation, including but not limited to legal fees and court costs incurred as a result of a breach or default of the Sublet Policy or House Rules, or otherwise arising from the objectionable conduct of the Subtenant(s), excessive noise, unreasonable disturbances and/or conduct or behavior causing or creating a nuisance or interference with other residents, as determined by the Board of Directors, in its sole discretion.

### 3. **REQUIRED DOCUMENTATION:**

The Shareholder(s) are required to provide a completed Shareholder(s) Application for Proposed Sublet at least forty five (45) days in advance of the proposed sublet along with the following documentation to the Board of Directors, by submission to the Corporation's Managing Agent:

- 1) A current statement or letter from the Shareholder(s)' lending institution or other lienholder consenting to the sublet, in accordance with the provisions of the Recognition Agreement.
- 2) A copy of the fully-executed Sublease Agreement.
- 3) A copy of the enclosed Rider to Sublease Agreement, executed by both the Shareholder(s) and their prospective Subtenant(s), which represents that the provisions of the Sublease are in compliance with both the Proprietary Lease and all rent guidelines and regulations.
- 4) A completed Subtenant Application for each subtenant with the following:
  - a) A reference letter from Subtenant(s)' current landlord.
  - b) Two (2) personal references and one (1) business reference for the Subtenant(s).
  - c) An employment and salary verification letter together with a copy of the Subtenant(s)' current pay stub together and a copy of previous year's Federal Income Tax-Return and W-2 forms.
  - d) If self-employed, a copy of the Subtenant(s)' last two (2) years' Federal Income Tax Returns.
  - e) Letter from Bank stating type of account, amount on deposit and age of account.
  - f) A copy of House Rules signed by Subtenant(s).
- 5) All checks required to be paid at time of Sublease Application as per the Schedule of Fees" section following

### 4. **BREACH OF SUBLET POLICY**

In the event of any default or violation of the Sublet Policy, whether by the Subtenant or the Shareholder, which requires communication from the Managing Agent and/or the Board of Directors, an Administrative Processing Fee in the amount of FIVE HUNDRED (\$500.00) DOLLARS shall be charged by and due to the Corporation, payable by the Shareholder, and said amount shall be added to the Shareholder(s)' maintenance account as "additional rent due" and shall be subject to collection

If a Shareholder(s) sublets the premises without the prior consent and approval of the Board of Directors, then a notice will be sent to the Shareholder(s) and Subtenant(s) to end the illegal sublet in thirty (30) days to provide time for the Shareholder to remove the illegal Subtenant voluntarily without a penalty fee or further legal action, except for the Administrative Processing Fee described above. If the illegal sublet is not corrected within the thirty (30) day notice period, then a TWO HUNDRED AND FIFTY DOLLAR (\$250.00) PER MONTH penalty will be imposed and added to the maintenance bill as long as such illegal sublet continues. Shareholder will forfeit any right to approval from the Board of Director to sublet in the future. Subletting without approval from the Board of Directors is deemed a breach of the terms of the Proprietary Lease and grounds for cancellation and revocation by the Corporation, in addition to any other remedy at law or equity the Corporation may have.

## 5. SCHEDULE OF FEES:

The Board of Directors has authorized the establishment of the following Schedule of Fees, which must be paid as a condition of the Sublet Policy. All fees must be paid by certified check or money order at the time of the Sublease Application, unless otherwise specified, made payable as indicated below.

### Sublet Fee and Sublet Renewal Fee:

A Sublet Fee of one dollar (\$1.00) DOLLAR per share will be imposed for the sublease, billed monthly to the Shareholder and added onto the maintenance statement.

A lease extension fee of TWO HUNDRED AND FIFTY DOLLARS (\$250.00) will be required for each lease extension due at the time of request, due no less than 90 days before Sublease expires.

The aforesaid Sublet Fees are non-refundable and shall be due upon the granting of permission to sublet or renewal and payable irrespective if the subtenant vacates prior to the expiration of the sublease. The first month of the term of the sublease shall be paid by certified check. Subsequent months will be added onto the maintenance statement.

Check made payable to: **84-12 35<sup>TH</sup> AVENUE APARTMENT CORP.**

### Move-In/Move-Out Deposit - Fee:

A Move-In/Move-Out Deposit Fee in the amount of FIVE HUNDRED (\$500.00) DOLLARS shall be collected from both, the Shareholder(s) and Subtenant(s) relative to their respective moves, and shall be used regarding any damage to the Premises caused as a result of the moving process. FOUR HUNDRED FIFTY (\$450.00) DOLLARS will be refundable, FIFTY (\$50.00) DOLLARS represents a non-refundable Move-in/Move-out Fee.

Check made payable to, **84-12 35<sup>TH</sup> AVENUE APARTMENT CORP.**

### Maintenance Escrow Deposit:

A Maintenance Escrow Deposit in the amount of two (2) months maintenance shall be collected from the Shareholder(s) and held by the Managing Agent to be designated for the payment of outstanding maintenance, repairs and/or replacements. The Shareholder authorizes the Managing Agent to use such funds that are necessary and reasonable for the performance of any required repair or replacement; or to apply same to the outstanding maintenance payments.

Check made payable to: **84-12 35<sup>TH</sup> AVENUE APARTMENT CORP.**

### Application Processing Fee:

A non-refundable Application Processing Fee in the amount of TWO HUNDRED FIFTY (\$250.00) DOLLARS will be collected relative to the review and processing of the Sublease Application. In addition, a fee of FORTY FIVE (\$45.00) DOLLARS per subtenant will be collected for a credit checks(s). Check made payable to: **ARGO REAL ESTATE, LLC**

All checks should be remitted to the Managing Agent, with the following documents:

- (a) The Sublease Application
- (b) Rider to Sublease Agreement
- (c) All other required documentation
- (d) All required checks

No partial or incomplete Sublease Application will be processed. It is the Shareholder(s)' responsibility to ensure the payment of all fees.

The Corporation reserves the right to amend or modify the Sublet Policy; Rules and Regulations; as well as the Schedule of Fees, including but not limited to the imposition of Security Deposit, Maintenance Escrow Deposit and Management Administrative Fee.

