

**214 RIVER OWNERS CORP.
SUBLET POLICY**

Updated August 24, 2017

SUBLET POLICY

1. GENERAL

Under the By-Laws of 214 River Owners Corp. (alternative referred to as the Cooperative or the Corporation), and its form of proprietary lease, subletting your apartment is not a right; rather it is a privilege that is subject to the prior approval of the Corporation. Such approval may be withheld by the Cooperative for any reason not prohibited by law, and/or subject to such conditions as the Cooperative may deem necessary. Please keep in mind that the Corporation believes that limiting subletting and encouraging owner occupancy is in the best interests of the Cooperative. The Corporation's Board of Directors is charged with the responsibility to administer applications for sublet in a manner that is in the best interests of the Corporation. Accordingly, the Board is vested with discretion to approve or deny any shareholder's application to sublet and/or any proposed subtenant. To provide guidance to shareholders intending to sublet the following rules have been adopted. The Board may, in its sole discretion, modify or adopt new sublet rules and policies and/or make exceptions as it deems appropriate.

2. TERM

Absent exceptional circumstances, an apartment may be sublet for no more than three consecutive one-year terms. The owner must occupy or leave the apartment vacant for at least one year after the last approved consecutive term before being eligible to apply to sublet again. When the Board approves an application to sublet, such approval shall be effective for one year only and shall be applicable only for approved subtenant(s) who have satisfactorily completed the subtenant application. At the end of the first term, a shareholder who wishes to sublet beyond the first year must either apply in writing to the Board for an extension for the original subtenant, or re-apply (with a new sublet application) for a new subtenant. For avoidance of doubt, a renewal of an existing sublease where one or more of the subtenants is replaced by one or more new subtenants, constitutes a new sublease even if one or more of the original subtenants remains in occupancy.

When a shareholder applies to sublet his or her apartment beyond the initial one year term, the Board of Director's decision to permit or deny such request shall be informed by consideration of the following six non-exclusive questions:

1. Has the shareholder made any efforts to sell, and have such efforts been serious?
2. Does the proposed subtenant have a history of subletting in the building, and if

- so, is the impression favorable?
3. Has the shareholder been the beneficiary of previous extensions of or exceptions to the sublet policy?
 4. What is the percentage of total sublets in the building at the time the request is made?
 5. What is the liquidity of the apartment in light of the conditions existing in the Market at the time the request to sublet or extend a sublet is made?
 6. What is the relative hardship that would be imposed on the shareholder if the request were to be denied?

These questions will be considered each time a sublet renewal is requested. Any extension requested beyond a third consecutive year requires an explicit exception to the sublet policy. Shareholders seeking sublet extensions beyond the third consecutive year will have the burden of establishing a compelling case of hardship and good faith attempts to comply with the building policy.

3. SUBLET FEE

If the sublease is approved, the sublet fee of 25% of the annual base maintenance charges for the apartment (i.e 3 months' maintenance) will be charged and payable prior to commencement of the sublease, or the renewal term as the case may be. The fee for the initial sublet must be paid in full no less than twenty (20) days prior to occupation of the apartment of the approved subtenant. Any renewal of a sublease will require payment in full of 25% of the annual maintenance within 5 business days of the Board's approval of the renewal request. The foregoing sublet fee is non-refundable regardless of whether the subtenant vacates the apartment prior to expiration of the sublease term or fails to make payments of rent when due. Sublet fees are deemed to be additional maintenance pursuant to the proprietary lease. The foregoing sublet fee is in addition to any application, processing or move-out/in fees. Please contact the Corporation's managing agent for a complete listing of the fees and a copy of the sublet application.

4. DAMAGE TO COMMON AREAS/SECURITY.DEPOSIT

The shareholder is responsible for any and all damage to the common areas of the building and/or to those components of the apartment for which the Corporation is responsible pursuant to the proprietary lease, caused by his/her subtenant. The shareholder must deposit \$500.00 as security for move in/out damage, to be held by the Corporation until the end of the sublet. If no damage is incurred, the deposit will be refunded. If damage occurs as a result of the subtenant's conduct, the deposit will be used to pay for repairs and the remaining balance (if any) will be refunded. If the cost of repairing damage caused by a subtenant exceeds the amount of the deposit, the shareholder will be liable to the Corporation for the balance.

5. INSURANCE

Before an approved subtenant may move into the building, the shareholder and the subtenant must obtain premises liability insurance and present evidence of same in accordance with this paragraph. Such policy shall insure against property damage as well as bodily injury, caused by negligence or willful misconduct of the insured, its subtenant(s) and/or guests and shall cover rental to others (as to the shareholder's policy). The policy shall provide for coverage of not less than \$300,000 for property damage and bodily injury combined single limit. If permitted by the shareholder's carrier, the Corporation and its managing agent shall be named as additional insureds on the liability policies. In addition, as the Corporation's responsibility for loss or damage to the shareholder's or the subtenant's personal property or damage to the interior of the apartment is limited pursuant to the proprietary lease, it is strongly recommended that both the shareholder and the subtenant obtain coop apartment insurance for these items.

6. RESIDENCY REOUIREMENT

Since the inception of the shareholder's ownership of the apartment, the shareholder must have lived in his or her apartment as a primary residence for a minimum of twelve consecutive months before the Board will consider any application to sublet that apartment.

7. ARREARS

The lease between the shareholder and subtenant shall provide that in the event that the shareholder of a sublet apartment is in arrears in any payment due under the proprietary lease, the subtenant shall, upon demand by the Corporation, pay its rent directly to the Corporation until such time as the Corporation notifies the subtenant that the shareholder is no longer in arrears. All maintenance and other charges applicable to the apartment must be current before the Board of Directors will consider a sublet request.

If at any time during the sublease, the shareholder is in arrears in an amount equal to or exceeding three months' maintenance charges, even if the arrears are subsequently paid, the Corporation shall have no obligation to consider subsequent sublease requests.

8. OBLIGATIONS

The approval of a sublease does not relieve the shareholder of any obligations under the Proprietary Lease or House Rules. The lease between the shareholder and subtenant shall provide that the subtenant will agree to be bound by all policies contained in the house rules and by-laws of the Corporation. The shareholder shall be responsible for any damage, nuisance or disturbance created by the subtenant. The shareholder shall reimburse the Corporation for any expenses it incurs in connection with the removal of a subtenant for a violation of provisions of the Proprietary Lease or House rules or provisions hereof and any such charge may be billed to the shareholder as additional maintenance.

9. OCCUPANTS

Under no circumstances can the named subtenant sublet the apartment to another person(s). Short term rentals, whether by the shareholder or the subtenant, via Airbnb, VRBO or similar programs, or apartment exchanges, are strictly prohibited.

10. SERVICE OF PROCESS AND NOTICES

Service of process and notices on, or to the shareholder pursuant to the Corporation's governing documents, shall be made either (i) at the apartment or (ii) another address (other than a post office box) within the County of New York furnished to the Corporation in writing and sent by certified mail, rrr, receipted hand delivery or overnight mail. Service made at the apartment by serving the subtenant shall be deemed service upon a person of suitable age and discretion.