

RESOLUTION OF THE BOARD OF DIRECTORS

OF

2261 PALMER AVENUE CORP.

MODIFICATION OF SUBLEASE POLICY

WHEREAS, the Board of Directors (the "Board") of 2261 Palmer Avenue Corp. desires to modify the current sublease policy so as to balance the overall desirability of maintaining a higher percentage of owner-occupied apartments and the potential hardship to shareholders who need to relocate from the buildings.



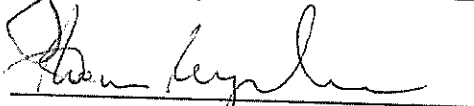

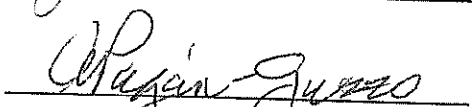
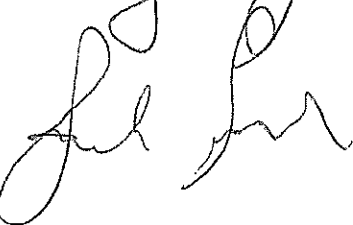
NOW, THEREFORE, IT IS HEREBY RESOLVED, that the sublease policy in effect for 2261 PALMER AVENUE CORP. is modified as per the policy attached hereto as Exhibit A.

The foregoing policy is effective as of February 5, 2025.

IN WITNESS WHEREOF, I have signed and sealed this Resolution on the 5th day of February, 2025.

2261 PALMER AVENUE CORP.

By:

2261 PALMER AVENUE CORP.
c/o GARTHCHESTER REALTY
440 MAMARONECK AVENUE
HARRISON, NEW YORK 10528
(914) 725-3600

TO ALL SHAREHOLDERS

RE: SUBLEASE PROCEDURES
EFFECTIVE **FEBRUARY 5, 2025**

Dear Shareholder(s):

Pursuant to the terms of your proprietary lease, apartments may not be subleased without the consent of the Board of Directors (the "Board") of 2261 Palmer Avenue Corp. (the "Corporation"). The procedures for requesting consent to sublease your apartment are outlined below. They must be followed in every instance to avoid unnecessary delay and inconvenience. However, mere compliance with these procedures does not guarantee approval by the Board.

A personal interview with the Board or its representative(s) is required for proposed subtenants and all individuals who will reside in the subject apartment. No interview will be held until all the required information has been submitted. Interviews should be scheduled through Garthchester Realty (the "Managing Agent").

SUBLEASING RULES:

1. All subleases shall be limited to a one (1) year term.
2. A sublease application form has been prepared and may be obtained from the Managing Agent. Only applications designating a specific individual(s) as proposed subtenant(s) will be considered.
3. Sublease approval applications must be completed and submitted by the applicant(s) to the Managing Agent at least thirty (30) days prior to the intended inception date of the sublease and must be accompanied by a certified/bank check or money order made payable to **Garthchester Realty** in the amount of \$450 representing the application processing fee and \$150.00 per applicant representing the credit and background check fee (representing a non-refundable application and credit analysis fee). Any delay in timely providing all requested information may prolong the review process. The Board reserves the right to request additional information or to establish conditions for the approval of an application.

4. The Board's approval of a subtenant is conditioned upon the shareholder providing the following documents, items and checks to the Managing Agent prior to the proposed subtenant's occupancy of the subject apartment:

- (a) A fully executed copy of the proposed sublease agreement.
- (b) A certified or bank check or money order made payable to **2261 Palmer Avenue Corp.** in an amount equal to fifteen percent (15%) of the annual maintenance charges for the subject apartment.
- (c) A personal check made payable to **2261 Palmer Avenue Corp.** in the amount of \$550.00, to be issued by the subtenant and shareholder (only in the event the shareholder is still in occupancy) representing the deposit to secure any claim by the Corporation for damage caused to the common areas during the moving in or out of the subject apartment. The deposit will be refunded if, after inspection by the superintendent, it is determined that no damage was caused to the common areas in moving, and a key is provided to the apartment door.
- (d) A written acknowledgement from the proposed subtenant(s) that they have received and reviewed the Corporation's House Rules.
- (e) A certificate evidencing a standard renter's or cooperative owner's insurance policy covering the subject apartment naming **2261 Palmer Avenue Corp. and Garthchester Realty** as additional insured in form and with coverage reasonably satisfactory to the Corporation.

5. At least sixty (60) days prior to the expiration of the sublease term, the shareholder must notify the Corporation if he/she desires to extend the sublease for an additional year. If the Board grants approval to an extension, the shareholder will be required to pay an additional sublet fee in an amount equal to fifteen percent (15%) of the annual maintenance charges for the subject apartment. There will be no additional application fee with respect to an extension of a sublease to the same subtenant. Qualified shareholders will be allowed to sublet their apartments to the same or multiple subtenants for no more than five (5) years (whether consecutively or not) during their ownership of the subject apartment. As of the effective date, any qualified shareholder that has subleased their apartment for more than five (5) years will only be allowed to sublease their apartment two (2) additional years from the expiration of their current sublease. Furthermore, once a shareholder has used their allotted period to sublease their apartment, they will not be considered for additional subletting until a one (1) year waiting period has elapsed since the last date of the previous sublease.

6. Applications for sublease approval will only be considered if:

- (a) the shareholder has owned the subject apartment for at least five (5) years prior to the proposed sublease or the shareholder presents a "hardship"

reason to sublease which if granted will be for a maximum non-renewal period of one (1) year.

- (b) the shareholder is not in default of any obligations owed to the Corporation.
- (c) no more than ten percent (10%) of all residentially owned apartments are subleased at one time. In the event of this occurrence, any shareholder interested in subleasing their apartment will be placed on a waiting list which will be maintained by the Managing Agent.

7. Waiting list procedures:

As a sublease opportunity arises, the first name on the waiting list will be notified. If the shareholder states that he/she is ready to sublet, he/she will be allowed three (3) months to submit an application and receive Board approval to the proposed sublease. The shareholder will be afforded an opportunity to submit up to two (2) different applications during this period. If the shareholder fails to submit a timely application or the Board denies the shareholder's applicant(s), then that shareholder will be moved to the bottom of the waiting list and each subsequent name on the waiting list will be contacted similarly until a proposed subtenant is approved. If a shareholder is not ready to sublet, each subsequent name on the list will be contacted similarly until the sublet is accepted. This procedure will be repeated each time a sublet becomes available. If, on the third notification, a shareholder is still not prepared to sublet, his/her name will be moved to the bottom of the current waiting list.

8. The Corporation will provide approved subtenant(s) with one parking space.

9. Subtenants are not allowed to harbor dogs in the subject apartment, other than service or emotional support dogs.

These guidelines are not intended to limit the right of the Board to consider all information and factors deemed relevant by the Board.

Any shareholder who subleases his/her apartment to a third party without written approval from the Board shall be in default of their proprietary lease. In such an event, the Corporation will commence legal proceedings to terminate the proprietary lease.

Any further questions or inquiries should be directed to the Managing Agent at the address and telephone number listed above.

Very truly yours,

BOARD OF DIRECTORS
2261 PALMER AVENUE CORP.