

Date: January 6, 2010

To: Shareholders of 100 Overlook Terrace

Re: Revised Sublet Policy

Dear Shareholder:

Our Cooperative encourages owners to occupy their apartments for many reasons, among them that a high rate of owner-occupancy lowers our mortgage costs. We recognize that situations arise which require living temporarily in another area, and that subletting can ease the financial burden in such situations.

This letter summarizes current sublet policy and clarifies procedures for obtaining approval for a sublet. The Board of Directors approved this sublet policy, which is part of your House Rules and Proprietary Lease, on May 15, 2009.

- A shareholder must occupy the apartment at least one year before being permitted to sublet, and must have no outstanding balance of maintenance or other charges.
- The shareholder must advise the Board of Directors in writing the reason for the sublet request. If the reason is acceptable, the shareholder will receive a Sublet Package with forms and instructions, and can propose a sub-tenant. Subtenants undergo a screening process similar to that of prospective purchasers. The shareholder must ensure that the complete sublet application package is received by the managing agent at least 45 days before the term of the sublet begins.
- Sublet agreements are for a period no longer than one year.
- The owner is responsible for paying the maintenance plus sublet premium each month; the sublet premium is 20% of the maintenance in the first year, and would increase by 5% of the maintenance with each renewal.
- Any request for renewal of a sublet must be made 90 days prior to the expiration of the sublease. (Note: a change of sub-tenant would require a new sublet request.)
- There is a non-refundable \$300 sublet application fee (\$150 for renewal).
- Any shareholder who without the prior consent of the Board of Directors sublets the whole or any part of their apartment or renews or extends any previously authorized sublease shall be fined \$1,000. In addition, any shareholder who fails to cure the aforementioned default will be subject to further legal action pursuant to paragraph 31 "Termination of Lease by Lessor", of your proprietary lease.

The Board of Directors  
100 Overlook Towers Corporation