

# EAST RIVER HOUSING CORPORATION



530 GRAND STREET  
NEW YORK, N.Y. 10002

TEL (212) 677-5858  
FAX (212) 979-6808  
EMAIL: CONTACT@COOPVILLAGE.COOP

---

September 25, 2015

To: East River Shareholders  
From: Board of Directors  
Re: New Subletting Policy

At its last meeting, the Board of Directors changed the subletting By-Laws effective immediately. While shareholders must still own their apartment for two years before being permitted to sublet, the By-Laws have been changed as follows:

1. Subletting may be for an indefinite period of time except that the lease must be written for only one year at a time. The lease may be renewed for additional one-year periods. However, no lease may be written for more than one year. Leases and renewals must be with the Board approval.
2. The sublet fee is **100%** of the maintenance charge every month for the first two (2) years of subletting. The sublet fee increases to **112.5%** of the maintenance every month starting on the third (3<sup>rd</sup>) year, and **125%** of the maintenance every month starting on the fifth (5<sup>th</sup>) year and for each subsequent sublet year. The sublet fee will be billed on the monthly maintenance bill. All current sublets will immediately be charged the applicable year fee upon the renewal of a sublease.

People subletting will still be required to fill out a sublet package and be interviewed by the Board's Screening Committee, and be Board approved.

These changes will bring East River in line with Seward Park in terms of fee structure and length of possible sublets. Hillman and Amalgamated also have an unlimited sublet policy once the 2-year waiting period expires. Currently East River, once the first 2 years pass, allows cooperators to sublet for 10 out of 12 years. In addition while the average sublessee is now paying at least twice as much a month as in years past, the fee that our co-op receives from the sublessors has only nominally increased. By increasing the fee structure we will bring in many hundreds of thousands of dollars a year in increased revenue to benefit all cooperators.

Penalties for illegally subletting or using companies like AirBnB for illegal short-term rentals which are prohibited by New York City law are also being sharply increased by this By-Laws change. This will hopefully enhance the safety of all cooperators by decreasing the likelihood of non-abiding cooperators having non-vetted and non-criminally record checked people illegally staying in our buildings. If caught, the penalties for illegally renting out an apartment for short-term use will likely be greater than the fee received by the violating cooperator. If the penalty or additional charges are not paid then late fees will also accrue and no sale of the apartment will ever be allowed without full payment of all charges and penalties.