

RESOLVED, by the Board of Directors of Hillman Housing Corporation (the "Corporation") at a meeting duly called and held on _____, 2019 at which a quorum was present throughout, that Article XIII of the Corporation's by-Laws is amended to read in its entirety as follows, said amendments to become effective on January 1, 2020 for sublets and sublet renewals whose terms commence on or after January 1, 2020:

ARTICLE XIII

SUBLETTING RULES AND PROCEDURES

SECTION 1. Pursuant to the authority conferred by Article 3, Section 9 of the Proprietary Lease, the Corporation has adopted the following subletting policies:

(a) All sublet arrangements are subject to and require the prior written approval of the Board of Directors, including review and approval by the Board of the proposed sublessee and all other proposed occupants of the apartment. Except as may be otherwise approved by the Board of Directors, all sublets shall be made on forms and shall be in substance as prescribed from time to time by the Corporation, including without limitation a form of sublease and a sublet agreement with the Corporation as to the subletting. Applications for approval by the Board of any sublet shall be made on the Corporation's form of application. The Board may from time to time adopt rules regarding the sublet of apartments.

(b) A Tenant-Stockholder may not sublet the Tenant- Stockholder's apartment during the first two years after the date on which the Tenant-Stockholder acquires title to the shares of the apartment or during the first two years after the date on which another person is added as a Stockholder for the apartment.

(c) (i) Sublets and renewals for less than six months or for more than one year or, if applicable, renewals of more than two years, are not permitted.

(ii) Sublets may be permitted, with Board of Directors approval for each sublet, for terms of one year each and, subject to subparagraph (iii) of this Paragraph (c), for terms of six months each, and may be renewed, with Board of Directors approval for each renewal, applied for on the Corporation's form of renewal application, for subsequent terms of one year each or, subject to subparagraph (iii) of this Paragraph (c), of six months each, or, subject to subparagraph (iv) of this Paragraph (c) of two years each, provided that there have been no violations of the Lease by the Tenant-Stockholder or by the subtenant.

(iii) Sublets of six months or renewals of such sublets are permitted only if, upon the expiration of each such six month sublet, the Tenant-Stockholder, in compliance with the provisions hereof, either (A) sublets the apartment, by renewal or new sublet, for a term of at least one year, or (B) does not sublet the apartment for a period of at least six months. Upon the expiration of the one-year term or six-month period as applicable, the Tenant- stockholder may again sublet the apartment for no less than six months or more than one year or, subject to subparagraph (iv) of this Paragraph (c) for two years, in compliance with the provisions hereof.

(iv) Sublets may be renewed for a term of two years provided that in each such instance (A) the two-year renewal term immediately follows a Sublet Term (as defined in Paragraph (d) hereof) and a successive renewal Sublet Term with the same sublessee in compliance with all the provisions hereof, (B) if the monthly maintenance charge for the sublet

apartment increases prior to the commencement of the second year of the two-year term, which second year constitutes a new Sublet Term, the Sublet Fee (as defined in Paragraph (d) hereof) for the second year shall be computed on the basis of the increased maintenance charge.

(d) A sublet fee ("Sublet Fee") will be charged to the Tenant- Stockholder for a sublet or a sublet renewal whose term commences on or after January 1, 2020 (the "Effective Date") as follows. As used herein, the term "Sublet Term(s)" shall mean, for each Tenant- Stockholder, each six-month sublet or renewal, each one-year sublet or renewal, and each year of a two-year renewal, that the Tenant-Stockholder has entered into with respect to the Tenant- Stockholder's apartment, at any time and whether consecutive or non-consecutive, computed from the first date the Tenant-Stockholder was or is shown as such on the Corporation's books and records whether before or after the Effective Date (for example, a Tenant-Stockholder whose record shows a six-month sublet constituting one Sublet Term, a one-year sublet constituting one Sublet Term and a two-year sublet renewal constituting two Sublet Terms, will be deemed to have four Sublet Terms in the computation of the applicable Sublet Fee for each such Sublet Term and for each subsequent Sublet Term).

(i) For a Tenant-Stockholder's first Sublet Term, the monthly Sublet Fee will be equal to 50% of the monthly maintenance charge payable for the sublet apartment by the Tenant-Stockholder to the Corporation.

(ii) For a Tenant-Stockholder's second Sublet Term, the monthly Sublet Fee will be equal to 75% of the monthly maintenance charge payable for the sublet apartment by the Tenant-Stockholder to the Corporation.

(iii) For each of a Tenant-Stockholder's third and fourth Sublet Terms, the monthly Sublet Fee will be equal to 100% of the monthly maintenance charge payable for the sublet apartment by the Tenant-Stockholder to the Corporation.

(iv) For each of Tenant-Stockholder's fifth and sixth Sublet Terms, the monthly Sublet Fee will be equal to 125% of the monthly maintenance charge payable for the sublet apartment by the Tenant-Stockholder to the Corporation.

(v) For each of a Tenant-Stockholder's seventh, eighth and ninth Sublet Terms, the monthly Sublet Fee will be equal to 125% of the monthly maintenance charge payable for the sublet apartment by the Tenant-Stockholder to the Corporation for any sublet or renewal which commences during the period January 1, 2020 through December 31, 2020, and 150% of the monthly maintenance charge payable for the sublet apartment by the Tenant- Stockholder to the Corporation for any sublet or renewal which commences from and after January 1, 2021.

(vi) For each of a Tenant-Stockholder's tenth Sublet Term and each Sublet Term thereafter, the monthly Sublet Fee will be equal to 125% of the monthly maintenance charge payable for the sublet apartment by the Tenant-Stockholder to the Corporation for any sublet or renewal which commences during the period January 1, 2020 through December 31, 2020; 150% of the monthly maintenance charge payable for the sublet apartment by the Tenant-Stockholder to the Corporation for any sublet or renewal which commences during the period January 1, 2021 through December 31, 2021; and 175% of the monthly maintenance charge payable for the sublet apartment by the Tenant-Stockholder to the Corporation for any sublet or renewal which commences from and after January 1, 2022.

(vii) Notwithstanding the foregoing, in the event a Tenant-Stockholder has not sublet the apartment by means of renewal or new sublet for a period of ten (10) consecutive calendar years, then the Sublet Fee payable by the Tenant-Stockholder for the first Sublet Term by such Tenant-Stockholder from and after the expiration of said ten year period, will be equal to 50% of the monthly maintenance charge payable for the sublet apartment by the Tenant-Stockholder to the Corporation and the said first Sublet Term shall not count as a Sublet Term in computing succeeding Sublet Terms. Thereafter, upon the expiration of said first Sublet Term, the Sublet Fee for such Tenant-Stockholder shall be computed in accordance with the provisions hereof taking into account all the Sublet Terms attributable to the Tenant- Stockholder prior to the said first Sublet Term and after the expiration the said first Sublet Term.

(e) The Corporation will bill, and the Tenant-Stockholder shall pay, the Sublet Fee at the applicable rate as provided herein, as additional maintenance, and the Sublet Fee shall be collectable as maintenance.

(f) Notwithstanding the existence of any sublet, the Tenant- Stockholder will remain responsible to the Corporation for all payments due to the Corporation and for any and all violations of the Proprietary Lease, House Rules, Bylaws, rules regarding the sublet of apartments and/or sublet agreement, and any and all violations of law, by the Tenant-Stockholder or by any subtenant or occupant of or visitor to the apartment.

(g) No sublet that has been commenced or renewed without first obtaining the prior written approval of the Board of Directors will be approved after the fact. If any Tenant-Stockholder has entered into or has renewed a sublet without first obtaining the prior written approval of the Board of Directors, then:

(i) Each such Tenant-Stockholder who has entered into a sublet that was not approved by the Board of Directors shall pay monthly, as additional maintenance, an amount equal to one hundred fifty (150%) percent of the monthly maintenance charge for each month of the unauthorized sublet.

(ii) Each such Tenant-Stockholder who has failed to obtain approval of the Board of Directors for a renewal of a previously approved sublet to a previously approved subtenant, shall pay monthly, as additional maintenance, two hundred fifty (\$250.00) dollars for each month of the unauthorized sublet renewal.

(iii) Subject to the waiting periods set forth in Paragraph (b) above, such Tenant-Stockholder shall not be permitted to sublet again until the expiration of one year after the unauthorized sublet has terminated.

(iv) The Corporation may bill, and the Tenant-Stockholder shall pay any past-due additional maintenance charges under this Paragraph (g) in one lump sum.

(h) Permission to sublet an apartment will not constitute permission to sublet any parking space leased by the Tenant-Stockholder.