

AMENDMENTS TO ARTICLE VI OF THE BY-LAWS
AND SECTION 16 OF THE PROPRIETARY LEASE

The following shall replace the text of Article VI, Section 9 of the Bylaws and shall also be added as subsection (vi) to Section 16 of the Proprietary Lease:

The Corporation will hereafter impose a transfer fee on the shareholder as a condition for the transfer of cooperative apartment shares and the assignment of the Proprietary Lease. The fee, which shall be allocated to the reserve fund, shall be calculated on profit, as specified in the By-Laws, Article VI, Section 10. If the transfer does not result in a selling price, the fee shall be determined by fair market value at the date of transfer as determined by an independent appraiser. The fee shall be as follows:

4.5% on transfers consented to by the Board of Directors on or after _____.

This transfer fee shall be in addition to the fee for the Corporation's attorney and Managing Agent to be charged on a transfer and shall be payable upon such terms at closing.

This transfer fee shall apply to the assignment of a contract of sale by a shareholder.

The following transfers shall be exempt from the fee:

- A) Transfers from one co-owner tenant to another co-owner.
- B) Transfers, by will or by intestacy, on account of the death of a shareholder.
- C) Any transfer for which there is no consideration, except as stated in section (D)(i).
- D) Transfers of a partial interest in an apartment from a shareholder to another person, where both the transferor and the transferee continue to live together in the apartment to the following extent only:
 - (i) If the transfer is the result of a bona fide gift (i.e., without consideration), then the donor shall not pay a transfer fee at the time of the gift transfer, but a transfer fee will be collectible on the eventual sale of the apartment, based on the donor's original purchase price.
 - (ii) If the transfer is for a cash consideration, a transfer fee shall be paid by the transferor, computed in the usual manner but in a fraction equal to the interest conveyed. A fair market value shall be set by an appraiser reasonably acceptable to the Corporation and the transferring shareholder, and the cost of the appraiser will be borne by the transferring shareholder.
- E) The transfer of shares which are "unsold shares" as defined in the Proprietary Lease. This fee shall at no time apply to any transfer of such "unsold shares."

AMENDMENTS TO ARTICLE VI, SECTION 10 OF THE BY-LAWS

The following replaces the current text of Article VI, Section 10:

Effective _____, "Profit" is to be computed under the following formula:

Sales Price

- Deduct - the purchase price paid by the seller, or, in A, B, C, or D(i) above, seller's transferor. For transfers occurring under (D)(ii) of Section 9 of this Article VI, (x) the (D)(ii) transferor shall subtract from his or her proportionate interest in the Sales Price an equal proportion of his or her purchase price and (y) the (D)(ii) transferee shall subtract from his or her proportionate interest in the Sales Price an equal proportion of the fair market value of the apartment as appraised at the time of the transfer to him or her.
- Deduct - brokerage fees on sale, up to 6%.
- Deduct - closing costs on sale, including legal expenses up to 1% of the sale price, legal fee of the Corporation and any other costs or expenses payable by the seller under the standard contract of sale.
- Deduct - special assessments approved by the Board of Directors relating to capital improvements in the building and paid for by the seller as such assessments are listed on the attached memorandum, plus any further special assessments as approved by the Board of Directors beyond the effective date of this section.

The result of this calculation will be the "Profit" on which the transfer fee will be imposed.