

The Master Apartments, Inc

Procedure for Payment of Maintenance

Pursuant to Sections 1, 12, 31(d), and 32 of the Proprietary Lease, Maintenance is due in equal monthly installments, set by the Board of Directors, before the 1st of each month, and failure to do so is a default under the Lease. No deductions are permitted for any set-off or any claim the Shareholder may have against the Co-op. The Board is also authorized to charge a late fee or interest at the prevailing rates for delinquent and/or partial payments. The Board has, from time to time, established more flexible procedures to accommodate the individual circumstances of Shareholders as well as administrative common sense.

1. Maintenance is due by the first of each month, with a grace period until the 10th of any month (the Final Due Date) to pay Maintenance. Payments received after the Final Due Date are subject to a 10% late fee based on unpaid arrears, which includes Maintenance, surcharges, assessments, sublet fees, and electricity charges (Late Fee) but excludes prior late fees, legal fees (other than Co-op legal fees occasioned by Shareholders' failure to pay Maintenance), professional fees, storage locker and bicycle room charges, and repairs for which shareholder is responsible.
2. For payments not received in full by the Final Due Date, Management charges the late fee described in #1 above and sends a written reminder to the Shareholder.
3. For payments not received in full by the next Final Due Date (roughly 30 days in arrears), Management will charge the Late Fee again and send a letter to the Shareholder demanding payment in full.
4. For payments not received in full by any subsequent Final Due Date, Management will charge the Late Fee for each month.
5. In addition, for payments not received in full by the third Final Due Date (roughly 90 days in arrears), Management will continue charging the Late Fee each month on the outstanding Maintenance balance and refer the matter to the Co-op's attorney for further action. Co-op legal fees in pursuit of collections will be charged to the Shareholder on the monthly bill as Maintenance (i.e., included in the calculation of Late Fee).
6. The Board will not consider Sublet Applications from Shareholders who are in arrears on Maintenance. If Maintenance arrears occur during a sublet, Shareholder will have 30 days to pay in full before the Co-op will require the subtenant to pay rent directly to the Co-op. Shareholders who have ever been in Maintenance arrears more than once will be required to pay six months of Maintenance in advance before any new sublet will be approved.