

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

THE PEOPLE OF THE STATE OF NEW YORK, by
ERIC T. SCHNEIDERMAN, Attorney General of the
State of New York,

Petitioner,

v.

Index No. 450545/2016

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Respondents.

CONSENT DECREE

The Parties to this Consent Decree hereby stipulate and agree as follows:

WHEREAS, Petitioner the People of the State of New York, by Eric T. Schneiderman, Attorney General of the State of New York, filed the Verified Petition beginning the Action on May 9, 2016 and the Corrected Verified Petition on June 7, 2016;

WHEREAS, Respondents Steven Croman, Anthony Falconite, Croman Real Estate Inc., 9300 Realty Management Inc., 9300 Realty Inc., Falconite LLC, et al., denied the Petitioner's allegations and filed Verified Answers to the Corrected Verified Complaint on March 7, 2017 and March 10, 2017;

WHEREAS, there has been no finding of liability by this Court or any other court; and

WHEREAS, the Parties desire to avoid costly and protracted litigation, have conferred on the matter, and have voluntarily agreed, as indicated by their signatures, to resolve the Action without adjudication of facts or law and according to the terms set forth herein.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED, and the Parties do hereby stipulate and agree, as follows.

DEFINITIONS

As used throughout this Consent Decree, the terms set forth below shall mean as follows:

- A. **Action** means *People of the State of New York v. Steven Croman et al.*, New York County Supreme Court, Index No. 450545/2016, filed on May 9, 2016.
- B. **Buyout Agreement** means an agreement entered into by a Tenant and the Croman Respondents in which the Tenant agrees to surrender possessory rights to the subject premises in exchange for the payment of money or other consideration by the Croman Respondents.
- C. **Consent Decree** means this agreement between the Parties in the Action to resolve the Action, which is entered and so ordered by this Court.
- D. **Croman Respondents or Croman** means Respondents Steven Croman, Croman Real Estate Inc., 9300 Realty Management Inc., 9300 Realty Inc., and the special-purpose limited liability real-estate entities that own the Subject Properties over which Steven Croman exercises control, as described in the Corrected Verified Petition.
- E. **DHCR** means the New York State Division of Housing and Community Renewal.
- F. **Effective Date** means the date the Court signs and enters the Consent Decree.
- G. **Employee** means any person on the payroll of the Respondents, and includes salaried and hourly employees, full-time or part-time employees, temporary, probationary, or permanent employees, superintendents or administrative personnel.
- H. **Essential Services** means heat, hot water, cold water, gas, electricity, or elevator service.
- I. **Government Housing Benefit** means any benefit received pursuant to any government funded housing assistance program or a landlord tax benefit that reduces the rent obligations of a Tenant of Record, including but not limited to: the Senior Citizen Rent

Increase Exemption (“SCRIE”) program; the Disability Rent Increase Exemption (“DRIE”) program; and the Section 8 Housing Choice Voucher program, administered pursuant to 42 U.S.C. § 1437 *et seq.*

- J. **Holdover Proceeding** means any summary eviction proceeding seeking a possessory judgment against a Tenant on the basis of allegations that the tenancy was lawfully terminated or that the individual in possession of the subject premises is not a Tenant.
- K. **Including** means including but not limited to.
- L. **Independent Contractor** means an individual, business, or corporation that provides goods or services to the Croman Respondents under terms specified either in an oral or written contract, who is not an Employee.
- M. **Investigator** means an Employee or Independent Contractor who is responsible for investigating the legality of a tenancy.
- N. **Major Construction** means any work requiring a permit in a common area of the subject building and/or when at least two or more apartments are undergoing substantial renovations at the same time in any of the Subject Properties.
- O. **Management Employee** means an Employee who is engaged predominantly in executive and management functions, or is charged with the responsibility of directing the effectuation of management policies and practices.
- P. **Nonpayment Proceeding** means any summary eviction proceeding seeking a possessory judgment against a Tenant on the basis of the nonpayment of rent.
- Q. **OAG** means Office of the Attorney General of the State of New York.
- R. **Parties** means the OAG and Respondents.

- S. **Petition** means the Petition filed by the Petitioner to commence the Action, including any amendments, corrections or supplements thereto.
- T. **Petition Date** means May 9, 2016.
- U. **Petitioner** means the People of the State of New York, by Eric T. Schneiderman, Attorney General of the State of New York.
- V. **Predicate Holdover Notice** means a Legal Notice that must be served upon a Tenant prior to the commencement of a Holdover Proceeding.
- W. **Property Management Company or PMC** shall mean a company not owned by the Croman Respondents that is qualified to manage the Subject Properties.
- X. **Rent Demand** means a Legal Notice that must be served upon a Tenant prior to the commencement of a Nonpayment Proceeding.
- Y. **Rent-Regulated** means subject to rent control or rent stabilization laws and regulations.
- Z. **Respondents** mean the Respondents Steven Croman, Anthony Falconite, Croman Real Estate Inc., 9300 Realty Management Inc., 9300 Realty Inc., Falconite LLC et al.
- AA. **Subject Properties** are the properties subject to this Consent Decree, which are residential buildings owned by the Croman Respondents and are listed on Exhibit A, which is annexed to this Consent Decree.
- BB. **Tenant or Rent-Regulated Tenant** means the Tenant of Record of a Rent-Regulated apartment in any of the Subject Properties.
- CC. **Tenant of Record** means any person(s) named on a lease for a unit in a Subject Property as a lessee(s) and/or any person(s) who is a party to a rental agreement and obligated to pay rent for the use or occupancy of a Rent-Regulated apartment in a Subject Property.

Tenant of Record shall also include any person who remains in possession of a rent-regulated apartment in a Subject Property after his or her rental agreement has expired.

DD. **Permitted Occupant** means an individual who is permitted to be in occupancy of an apartment by operation of law or by permission of the Tenant of Record.

EE. **Tenant Relocator** includes a person who for a fee supervises, organizes, arranges, coordinates, handles, or is otherwise in charge of or responsible for the relocation (removal) of Tenants from buildings. N.Y. Real Prop. Law § 440(4) other than an attorney duly licensed to practice law in the State of New York.

I. COMPLIANCE WITH THE LAW

1. Respondents shall not engage, or attempt to engage, in conduct in violation of any applicable laws, including any acts or omissions that abridge the legal rights of any Tenant of Record or Permitted Occupant. A non-exhaustive list of these laws is as follows: New York Executive Law § 63(12); New York General Business Law §§ 79; 349; the New York Rent Stabilization Code, 9 NYCRR §§ 2525.4, 2525.5; the New York Rent and Eviction Regulations, 9 NYCRR §§ 2200-2211; New York Real Property Law §§ 235-b; 441, 441-c; New York City Administrative Code §§ 27-2005, 27-2004(a)(45), 27-2010, 27-2018, 27-2026-2029, 27-2031, 27-2038, 27-2040, 27-2056.3, 27-2070, 27-2053-2054; the New York City Construction Codes § 28-101.1 *et seq.*; and the New York City Childhood Lead Poisoning Prevention Act § 27-2056.1 *et seq.* and Implementing Regulations; N.Y. Gen. Obl. Law § 7-103.

II. NEW POLICIES AND PROCEDURES

2. Policies and Procedures ("Policies") have been created to insure future compliance with this Consent Decree ("Decree") and applicable laws, including the Rent Regulation laws,

and have been submitted to and approved by the OAG. The Policies are annexed hereto as Exhibit D and are fully incorporated into this Decree.

3. Within 30 days of its hiring, the Property Management Company (PMC) shall adopt and implement the Policies, and distribute the Policies to all Management Employees and all other Employees and Independent Contractors whose responsibilities involve any aspect of the areas referenced in the Policies, including leasing office personnel, customer service staff, Investigators, legal staff, independent contractors who have any interactions with Tenants, and any other Employees responsible for the collection, processing, and tracking of rent payments or the processing of Government Housing Subsidy applications and re- certifications. The Policies shall be accompanied by a written notice indicating that the Policies have been adopted pursuant to a settlement agreement with the OAG.
4. The PMC shall mail each current Tenant, and any new Tenants during the period of this Decree, a copy of the document attached as Exhibit D to this Consent Decree, with a cover letter in English and Spanish (or in another language upon a Tenant's, or a representative of a Tenant's, request).
5. For the duration of the Consent Decree, the Croman Respondents shall prominently post a copy of the Policies in each Subject Property leasing office and in each Subject Property.
6. Immediately after purchasing any residential building, the Croman Respondents shall send a letter to all Tenants, in English and Spanish (or in another language upon a Tenant's or a Tenant representative's request), advising them of the names and contact information of the applicable management company.

III. RESTITUTION

7. The Croman Respondents hereby confess judgment pursuant to New York Executive Law § 63(12), in favor of the Attorney General on behalf of the People of New York State, in the total amount of Eight Million Dollars (\$8,000,000.00). The parties hereto agree that this sum shall be utilized as a Tenant Restitution Fund (hereinafter "TRF") and that this sum shall constitute the exclusive amount due and owing to Petitioner by the Croman Respondents, its employees, and management employees, and also shall be remitted as full compensation for any conduct alleged generally and/or specifically in the Petition which was filed by the OAG to commence the Action.
8. 9300 Realty Management Inc. or a designated entity shall make payments by wire transfer payable to the State of New York pursuant to the schedule set forth below. Upon receipt of these payments, the Croman Respondents shall be deemed to have satisfied their payment obligations to the TRF, and shall also be released from any and all monetary liability, claims and damages arising by virtue of the claims in the Petition.
9. The Croman Respondents shall make payments on the following schedule:
 - a. \$2,000,000 within 4 months of the Effective Date;
 - b. \$2,000,000 within 16 months of the Effective Date;
 - c. \$2,000,000 within 24 months of the Effective Date; and
 - d. \$2,000,000 within 36 months of the Effective Date.
10. If the Croman Respondents fail to comply with the payment schedule for the amount set forth in paragraph 9 above, all of the sums then due and owing shall be deemed accelerated and the OAG shall immediately be entitled to file a motion by Order to Show Cause seeking immediate entry of a judgment for this amount less any payments previously made, and shall be entitled to an award of its reasonable attorney's fees for

any supplementary proceedings it must commence in order to collect upon this debt.

Notwithstanding the foregoing, the Croman Respondents shall have thirty (30) days to cure a default under this Consent Decree from the date of written notice of default to the Croman Respondents (the "Cure Period"). Notice under this paragraph shall be made in accordance with paragraph 56 and by email to jcohen@stroock.com and docketing@stroock.com.

11. The OAG will disburse a pro rata share of the TRF to potential claimants who qualify for such restitution based on the following criteria: individuals who are Tenants of Record or their Permitted Occupants who occupy or occupied a Rent-Regulated unit owned by any of the Croman Respondents or managed by any of the Croman Respondents between July 1, 2011 and the Effective Date, provided that no other Tenant or Permitted Occupant in that unit received restitution from the TRF, and/or no other Tenant or Permitted Occupant in that unit has entered into a Buyout Agreement of \$20,000 or more (excluding any amount in the Buyout Agreement that purports to cover rent or arrears).
12. Croman shall be notified of any contemplated disbursement from the fund within ten (10) days before such payment is made and shall have the right to submit documentation to the OAG that it believes relevant to the OAG's determination of whether TRF monies are to be paid to that Tenant, with the understanding that the OAG's determination shall prevail. No person shall receive any portion of the TRF if a person who occupied an apartment with him or her received a TRF payment.
13. Potential claimants will be notified by the OAG of their right to file a claim for compensation and the timeframe for the claims process.

14. The OAG will determine the eligibility of potential claimants in its discretion and may develop additional procedures to determine eligibility for restitution. Upon a request by the OAG, the Croman Respondents shall confirm to the OAG the dates of a potential claimant's tenancy and the Tenant's most recent monthly rent. The OAG may also interview potential claimants if it deems such interviews necessary to evaluate a claim for compensation.
15. Any claimant awarded monies from the TRF will, at the time of payment, execute a release in favor of the Croman Respondents in the form annexed as Exhibit C which shall be delivered to Croman.

IV. PROPERTY MANAGEMENT COMPANY

16. Within 45 days of the Effective Date, the Croman Respondents shall propose to the OAG a PMC that shall be primarily responsible for managing the Subject Properties. The PMC shall have extensive expertise in the residential housing market in New York City, including managing Rent-Regulated buildings and real-estate portfolios. The PMC shall not be affiliated with Respondents or any of their associates, relatives, business partners, or agents. The Croman Respondents shall cover all costs associated with the PMC. In order to be considered, candidates shall submit a Proposed Management Plan to the Croman Respondents and the OAG in compliance with each component of this Consent Decree.
17. The Croman Respondents shall inform each PMC candidate of the duties and responsibilities required of the PMC set forth in this Section. The selection of the PMC shall be subject to OAG review and approval.

18. The Croman Respondents shall retain the PMC (or, if necessary, a replacement PMC that is reasonably acceptable to the OAG) for a period of five years from the date of OAG approval.
19. The PMC shall, subject to input from the Monitor, handle all operations of managing the Subject Properties, including, but not limited to:
 - a. Providing Employee training;
 - b. Collecting rent and rent registration;
 - c. Lease renewals, new leases;
 - d. Determining who has tenancy rights to each unit, including but not limited to rights to succeed as Tenant of Record;
 - e. Managing Tenants' surrender of tenancy;
 - f. Performing ongoing maintenance duties;
 - g. Communications with Tenants, which shall include distributing forms to Tenants on a quarterly basis soliciting complaints, feedback or repair requests;
 - h. Tenant complaints;
 - i. Tenant investigations;
 - j. Managing Employees, including hiring, termination and compensation determinations;
 - k. Supervising Independent Contractors;
 - l. The Management Company has the sole authority to commence litigation, subject to review by Monitor, and it is understood that Croman shall be consulted in connection with any possible settlements that may arise and/or the continuation of such litigation(s);

- m. Correcting or challenging violations issued by NYC Housing Preservation and Development or New York City Department of Buildings expeditiously and in accordance with agency procedures;
 - n. In the discretion of the PMC, hiring an engineer to inspect all Subject Properties and communicating with DOB to evaluate which conditions need to be addressed, and propose a plan for correcting the conditions;
 - o. Ensuring compliance with the Policies and Procedures annexed hereto as Exhibit D;
 - p. Designating a Tenant Liaison for each of the Subject Properties that it manages. The Tenant Liaison, along with Employees that the Tenant Liaison specifically designates and supervises, shall have the responsibility of reviewing and responding to Tenant inquiries and complaints originating from Tenants in the Subject Properties for which he or she is responsible, whether those inquiries or complaints are verbal, by telephone, by email, in writing, or in any other medium. The Tenant Liaisons must be employees of the PMC and shall not be previous or current Employees of Respondents or affiliated with Respondents in any way; and
 - q. Any other managerial tasks to ensure compliance with this Consent Decree and federal, state and local law.
20. Respondent Anthony Falconite shall not have interaction with Tenants of the Subject Properties during the pendency of the PMC's term. Respondent Steven Croman may only have incidental interaction with Tenants of the Subject Properties during the pendency of the PMC's term. The OAG acknowledges that Croman shall have the right, as owner of the Subject Properties, to visit and inspect the Subject Properties.

21. If a Tenant files a complaint with the PMC, it shall conduct its own investigation and take all necessary steps to timely address the matter and shall forward the complaint, and the PMC's report of its actions to address the complaint, to the Monitor for review. A "complaint" shall not include routine requests by a Tenant for maintenance, repair, inspection or the like.
22. Nothing contained herein shall prevent Croman from selling any of the Subject Properties while the PMC is in place, and the PMC will cooperate with Croman in this regard. Further, and notwithstanding the third-party management of the Subject Properties, Croman shall be allowed to adequately defend itself against any claims of any nature brought by a Tenant or occupant in any of the Subject Properties whether or not rent-regulated.
23. The PMC shall determine whether to maintain the employment of any Croman Employees in connection with the Subject Properties, including Management Employees, based on performance and/or failure to comply with the terms of the Consent Decree and the governing law. Respondent Steven Croman shall be advised of, but shall not play any role in hiring, termination or retention of any Croman Employees, employees of the PMC or contractors for the Subject Properties.
24. Within thirty (30) days of the approval of the PMC, the Croman Respondents shall begin the process of turning over to said PMC all rent, security deposits and security deposit account information, tenant files, rent ledgers, rent registration information, rent lists (including monthly payment amounts and any delinquencies), vendor agreements, municipal notices, keys, orders, unexpired and expired leases, agreements, correspondence, notices and registration statements relating to rental space or facilities in

the Subject Property, and all other documents necessary for management of the Subject Properties. The Croman Respondents shall turn over any other related documents requested by the PMC. In addition, the Croman Respondents shall turn over a list of all pending litigations affecting Tenants, which shall be reviewed by the PMC, and the PMC shall, in consultation with the Monitor, make a prompt determination as to whether those litigations should continue or should be discontinued based upon its criteria, and so direct the counsel then representing Croman. The Croman Respondents shall turn over any other related documents requested by the PMC and representatives of PMC shall have the right to visit the Croman Respondents to inspect their files and records. Within five days of the PMC's determination as to whether those litigations should continue or should be discontinued based upon its own criteria, the PMC shall inform the OAG of its decision together with a brief explanation of the reasons therefore.

25. In the event the PMC has reason to believe that Croman is interfering with its operations in accordance with this Decree, it shall immediately notify both the Monitor and the OAG for purposes of their taking those actions that they deem appropriate in this event.
26. After the expiration of the PMC's term, should the Croman Respondents wish not to employ a management company to manage the Subject Properties, the Croman Respondents may resume management of the Subject Properties in accordance with governing laws.
27. Should the OAG make a reasonable determination that the PMC be removed, Croman has thirty (30) days to propose the name of a new PMC for approval by the OAG. The OAG, in its sole discretion, may require that the PMC to be removed continue to execute its

duties until the replacement PMC is approved and in place. The PMC may be replaced at the request of Croman, upon a showing of good cause and subject to the OAG's approval.

28. On the 1st through the 3rd anniversary dates of the Effective Date, the Monitor shall make a determination as to whether Croman, as opposed to the PMC, has substantially complied with this Decree and its Policies, and if so, the Monitor shall so notify the OAG. Croman may then make a request to the OAG after each of the three anniversary dates set forth above, that he be permitted to remove up to 20 buildings from management by the PMC, although these buildings will continue to be subject to monitoring pursuant to the terms hereof. The OAG will make such determination in good faith and may either grant or deny the request on a building by building basis within 45 days of receiving Croman's written request. If the OAG denies all or part of the request to remove buildings from management by the PMC, it shall set forth in writing the reasonable basis upon which such an adverse determination was made.

V. MONITORING

29. At its own cost, Croman agrees to engage a Monitor to review Croman's compliance with the Policies and the provisions of this Decree. Croman shall engage the Monitor for seven (7) years, unless sooner terminated in accordance with the terms of this Decree. If, after five years, the Monitor finds that Croman, as opposed to the PMC, has substantially complied with the Decree and the Policies, then in this event the Monitor may make application to the OAG to be relieved from his responsibilities. The OAG will reasonably consider the Monitor's request and will grant it absent good cause to refrain from doing so.

30. Croman shall submit to the OAG the name(s) of individual(s) it proposes to be the Monitor within thirty (30) days of the Effective Date. The Monitor must be reviewed and approved by the OAG prior to his or her engagement. The date on which the Monitor enters into a contract with Croman shall be referred to as the "Engagement Date."
31. The Monitor's duties as described herein shall be limited to the Subject Properties. On the 3rd anniversary of the Effective Date, the Monitor, based primarily on the recommendation of the PMC, shall make a determination as to whether Croman as opposed to the PMC, has substantially complied with this Decree and its policies, and if so, the Monitor shall so notify the OAG. Thereafter, Croman may apply to the OAG to remove one or more properties on Exhibit A (except for the properties that appear on Exhibit B) from the Monitor's oversight. The OAG will make such determination in good faith and may either grant or deny the request on a building by building basis within 45 days of receiving Croman's written request in writing, and shall state the reasons for any denial in writing. If the OAG denies all or part of the request to remove buildings from the Monitor's oversight, it shall set forth in writing the reasonable basis upon which such an adverse determination was made.
32. Purposely omitted.
33. Within fourteen (14) days of selling any of the Subject Properties to a third-party, Croman shall notify the OAG of such sale by forwarding a copy of the Deed together with an affidavit attesting to the fact that the purchase was an arm's length transaction and that the purchaser was not affiliated with Croman, including its managing members. Notwithstanding the foregoing, any unaffiliated third-party purchaser of any of the Subject Properties shall have no obligations pursuant to, and by virtue of this Decree.

Notwithstanding the foregoing, nothing in this Decree shall relieve Croman of any obligations under this Decree, or under any applicable law, for any noncompliance, which occurred during Croman's ownership of any of the Subject Properties

34. Within thirty (30) days of the Engagement Date, the Monitor shall prepare and provide the OAG and Croman a written plan ("Administration Plan") reflecting the methodology, processes, and procedures that the Monitor will utilize to evaluate Croman compliance with each component of the Policies and this Decree. The Monitor shall implement the processes and procedures set forth in the Administration Plan for the duration of the Decree.
35. The Monitor may designate employees and/or agents of the Monitor to carry out the duties provided for herein and shall notify the OAG of the names and duties of such designees.
36. The OAG, at its sole discretion, shall have a right to independently confer with the Monitor and require that Croman replace the Monitor, or any of its designees or agents, upon the OAG's reasonable determination that the Monitor has not effectively monitored Croman compliance with the Policies or this Decree.
37. Should the OAG make a reasonable determination that the Monitor be removed, Croman has thirty (30) days to propose the name of a new Monitor for approval by the OAG. The OAG, in its sole discretion, may require that the Monitor to be removed continue to execute his or her duties until the replacement Monitor is approved and in place. If the OAG makes a reasonable determination that the Monitor must replace any of its designees or agents, the Monitor has thirty (30) days to propose a new individual to the OAG.

38. The Monitor may be replaced at the request of Croman, upon a showing of good cause and subject to the OAG's approval.
39. The Monitor shall review the following on at least a quarterly basis in connection with the Subject Properties:
- a. All the training certifications referred to in the Policies;
 - b. The repair and maintenance records for each of the Rent-Regulated Units;
 - c. All holdover notices and petitions issued to Rent-Regulated Tenants;
 - d. All rent demands and petitions issued to Rent-Regulated Tenants;
 - e. All refusals or failures to accept a rent payment from a Rent-Regulated Tenant;
 - f. All executed Surrender Agreement(s) with Rent-Regulated Tenants;
 - g. All written notices to Tenants regarding an interruption of an essential service, such as heat, hot water, gas, and/or elevator service;
 - h. All Tenant Protection Plans covering the Subject Properties and filed with the DOB; and
 - i. A list of all DOB permits issued in connection with the Subject Properties.
40. On a quarterly basis, the Monitor shall prepare and provide written reports to both Croman and the OAG ("Quarterly Reports") within ninety (90) days from close of each Quarter as to the Monitor's conclusion as to whether Croman, as opposed to its PMC, complied with the Decree and each component of the incorporated Policies during the Reporting Period, including all items listed in paragraph 41(a) – (i), as well as:
- a. A brief summary of any complaints received during the Reporting Period, the results of the Monitor's investigation of the complaint, and any actions taken as a result of the investigation;

- b. A brief summary of any complaints forwarded by the Management Company, the results of the Property Management Company's investigation, and any actions taken as a result of the investigation;
- c. The total number of Rent-Regulated apartments that became deregulated during the Reporting Period, the reason for deregulation, documents reviewed to support the deregulation and the apartment number for each of these units; and
- d. The Monitor's conclusion as to whether the Croman Respondents complied with each component of the Policies during the Reporting Period.

This list may be modified at the request of the OAG to the Monitor.

- 41. If the Monitor concludes that Croman failed to substantially comply with a provision of the Decree, the Monitor shall submit a description of the defect in compliance, the steps Croman took to remedy the defect, and, if submitted by Croman, Croman's stated reasons for failing to comply with the provision of the Decree and/or its Policies.
- 42. If the Monitor receives a complaint from the OAG or a Rent-Regulated Tenant that Croman, as opposed to its PMC, has allegedly violated the Decree including any components of Croman's incorporated Policies, the Monitor shall conduct a thorough investigation of such complaints, including providing an opportunity for Croman to respond to such complaint and speaking to the Rent-Regulated Tenants or Permitted Occupants involved and provide the OAG and Croman its written findings within thirty (30) days of receiving such complaint. If the Monitor finds that Croman substantially violated this Decree or makes a finding of harassment, as defined in RSC § 2525.5, the Monitor shall provide written notice of said findings to Croman and Croman shall have ten (10) days after receipt of such notice to cure the violation.

43. The Monitor shall have access to all information within Croman's and/or the PMC's possession, custody or control that the Monitor finds necessary to fulfill the responsibilities set forth in this Decree and the Administrative Plan, including all documents required to be maintained under the terms of this Decree or by law or that relate to obligations under this Decree, which are not subject to attorney-client or other privilege as defined by the New York Civil Practice Law and Rules ("CPLR"). The Monitor may also interview Tenants, occupants, Croman's and/or its PMC's employees and/or agents as is necessary to fulfill the responsibilities set forth in this Section. The first Quarterly Report shall be submitted within sixty (60) days of the close of the first full quarter after the Engagement Date.
44. The Monitor shall have the power to communicate to OAG confidentially, and the Croman Respondents do not have a right to review any of the Monitor's confidential communications with OAG. The Monitor may contact the OAG at any time regarding any concerns about the Croman Respondents' compliance with the Consent Decree.
45. Without any limitations on the preceding paragraph, the PMC or Croman, as the case may be, agrees to submit to the Monitor on a monthly basis the following with respect to the Subject Properties:
- a. All the training certifications referred to in the Policies;
 - b. Repair and maintenance records for each of the Rent-Regulated Units
 - c. All holdover notices and petitions issued to Rent-Regulated Tenants and upon the Monitor's request, documents showing the basis for the notice and/or petition;
 - d. All rent demands and petitions issued to Rent-Regulated Tenants, and upon the Monitor's request, documents forming the basis of the demand and/or notice;

- e. All refusals or failures to accept a rent payment from a Rent-Regulated Tenant;
- f. All executed Surrender Agreement(s) with Rent-Regulated Tenants;
- g. All written notices provided to Tenants regarding an interruption of an essential service, such as heat, hot water, gas, and/or elevator service;
- h. All complaints from Tenants (other than complaints about routine maintenance, inspections, and repairs), government agencies, and elected officials;
- i. All Tenant Protection Plans filed with the DOB; and
- j. A list of all DOB permits issued to the Croman Respondents with the respect to the Subject Properties, and upon the Monitor's request, a copy of such permit application(s) filed with DOB.

VI. LICENSURE AND FUTURE EMPLOYMENT

46. Respondents shall immediately cease and desist from engaging in or following the business or occupation of, or holding themselves out or acting temporarily or otherwise, as Tenant Relocators. ("Tenant Relocator Conduct"). Respondents shall not resume any Tenant Relocator Conduct during the duration of this Consent Decree. Respondents shall not engage in any Tenant Relocator Conduct after the term of this Consent Decree unless it is permissible by law.

VII. RECORD-KEEPING AND REPORTING

47. The Management Company, Monitor, and the Croman Respondents shall maintain the following records until one year after the expiration of the Consent Decree, or longer if required by applicable law:
- a. All documents concerning summary eviction proceedings or any other proceeding initiated against a Tenant or occupant of the Subject Properties;

- b. All documents concerning Tenants, including but not limited to apartment files; rent rolls; leases and renewal notices; determinations and documents supporting the tenancy rights of each Tenant, including but not limited to rights to succeed as Tenant of record; documents concerning Government Housing Benefit applications and re-certifications;
- c. All documents concerning repairs and the correction of violations issued by HPD or DOB;
- d. Annual rent registrations submitted to the DHCR;
- e. Documents concerning Tenant complaints submitted to DHCR, HPD, or any other City, state or federal agency;
- f. All logs, correspondence, and other documents required to be generated pursuant to the Policies;
- g. All documents concerning any complaints alleging that Respondents have engaged in unlawful harassment or failed to comply with the Policies;
- h. All executed training acknowledgment forms; and
- i. All curricula and other materials used to train Employees on the Policies.

VIII. TERM OF CONSENT DECREE

48. This Consent Decree is effective immediately upon the signature of the Court and shall terminate upon the discharge of the Monitor pursuant to the terms hereof.

IX. IMPLEMENTATION

49. To the extent necessary and not otherwise explicitly required by this Consent Decree, the Respondents shall take all actions under their authority to ensure that the terms of the

Consent Decree are implemented, and that all Employees and Contractors comply with the Consent Decree.

50. Notwithstanding any provisions of this Consent Decree to the contrary, the OAG shall consider requests, when necessary, for reasonable extensions of time for the Respondents to perform any obligations required herein.

X. JURISDICTION

51. The Parties consent to the jurisdiction of this Court over the Parties and subject matter of this civil action and stipulate that venue lies in the New York Supreme Court of New York County. The Court will retain jurisdiction to enforce any proceeding seeking to enforce the terms of this Consent Decree, whether an action for specific performance, contempt, or any other relief.

XI. DISMISSAL OF ACTIONS AND RESERVATION OF JURISDICTION

52. Within 14 days of approval of the Consent Decree by the Court, the Parties shall execute, deliver, and file a customary stipulation of dismissal of this Action with prejudice and without an award of costs or attorneys' fees other than as set forth herein.

XII. PARTIES SUBJECT TO JUDGMENT

53. This Consent Decree shall extend to each of the Respondents and their legal successors and assigns. Other than as set forth herein, each Respondent shall be liable and accountable under this Consent Decree for any Employee, Independent Contractor or agent who violates this Consent Decree. Any violation by a Croman Respondent's Employee(s), Independent Contractor or agent will be considered a violation only by the Croman Respondents and a breach of this Consent Decree. Any violation by an employee

or agent of Anthony Falconite or Falconite LLC will be considered a violation only by Anthony Falconite and Falconite LLC and a breach of this Consent Decree.

XIII. GENERAL PROVISIONS

54. A violation of this Consent Decree by the Croman Respondents shall only constitute a "Default" if, after the OAG serves the Croman Respondents with a notice of default in accordance with paragraph 56 hereof, together with a copy to the Monitor, the violation is not Cured within thirty (30) days. The OAG's notice shall provide as much specific information about the alleged violation as possible. "Curing" the violation shall mean, for these purposes: (a) curing the alleged default to the reasonable satisfaction of the Monitor; (b) commencing a cure in good faith, to the reasonable satisfaction of the Monitor, if the cure cannot be completed within thirty days; or (c) challenging that the alleged default took place or exists. If the Croman Respondents challenge the alleged default as set forth in (c), above, it must, within the thirty day period, provide to the Monitor the basis for its challenge together with any support therefor. The Monitor shall make a determination as soon as practicable and if he determines that a violation occurred, the Croman Respondents shall have ten (10) days to Cure same (or commence a good faith Cure of same). The OAG acknowledges that a *de minimis* or non-material violation by the Croman Respondents cannot be a "Default," hereunder unless it is repeated and continuous.
55. The OAG acknowledges that a violation by the Monitor or PMC (provided the violation is by a person who is not or was not previously an employee of the Croman Respondents) shall not be considered a Default by the Croman Respondents.

56. Notices on the Croman Respondents shall be served by guaranteed overnight delivery to Steven Croman at 740 Broadway, 2nd Floor, New York, New York, 10003, with a copy to Joel Cohen, Esq., Stroock & Stroock & Lavan, LLP, 180 Maiden Lane, New York, New York 10038. Notices on Anthony Falconite or Falconite LLC shall be served by guaranteed overnight delivery to Anthony Falconite at P.O. Box 70022, Staten Island, New York, 10307, with a copy to Edward M. Spiro, Esq., Morvillo Abramowitz Grand Iason & Anello P.C., 565 Fifth Avenue, New York, New York, 10017. Notice to the OAG shall be served by guaranteed overnight delivery to Jessica Attie, Esq., Office of the Attorney General, 120 Broadway, New York, New York 10271. A Notice shall be deemed to be delivered, and all time periods shall run from, the next business day after service.
57. This Consent Decree may not be modified without the written consent of the Parties and the approval of the Court.
58. The failure to enforce any alleged violation of any term of this Consent Decree by the OAG shall not constitute or be deemed or construed to constitute any waiver of such violation or any other violation. No amendment to, change of or suspension or waiver of this Consent Decree shall be binding or of any force or effect unless and until signed by all parties or their authorized counsel and "So Ordered" by the Court.
59. Respondents and the OAG further agree to execute and deliver all authorizations, documents and instruments that are necessary to carry out the terms and conditions of this Consent Decree.
60. Nothing contained in this Consent Decree shall be construed as to deprive any individual or entity of any private right of action under the law.

61. This Consent Decree sets forth all of the promises, covenants, agreements, conditions and understandings between the parties, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied, between the parties. There are no representations, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Consent Decree that are not fully expressed herein.
62. Nothing in this Consent Decree shall be construed as relieving Respondents of their obligations to comply with all New York State and federal laws, regulations, and rules, or as granting permission to engage in any acts or practices prohibited by such law, regulation, or rule.
63. Respondents expressly agree and acknowledge that in the event of a Default beyond any applicable cure period, this Consent Decree shall in no way bar or otherwise preclude the Attorney General from commencing, conducting, or prosecuting any investigation, action, or proceeding, however denominated, related to the Consent Decree against Respondents, or from using in any way statements, documents, or other materials produced or provided by Respondents prior to or after the date of this Consent Decree.
64. This Decree is not intended, and should not be construed, as an admission of liability by Respondents.
65. Nothing in this Consent Decree shall be construed as precluding the Attorney General from investigating or prosecuting Respondents for criminal conduct of any kind unrelated to the Action addressed by this Consent Decree.

66. Nothing in this Consent Decree shall be construed as precluding the Attorney General from investigating, taking action against, or prosecuting Respondents for any violations of civil law unrelated to the Action addressed by this Consent Decree.
67. The OAG hereby represents that there are no other proceedings, either criminal or civil, which it is presently contemplating or pursuing against either the Croman Respondents, Croman employees, Croman management employees, Anthony Falconite, Falconite LLC, and/or employees of Falconite LLC.
68. Respondents shall not state or imply or cause to be stated or implied that the OAG has approved, sanctioned, or authorized any practice, act, or conduct of Respondents.
69. The Croman Respondents waive any further notice of submission of this Consent Decree to and filing thereof with this Court and agree to accept service of a conformed copy by email at jcohen@stroock.com and docketing@stroock.com and by first-class mail to Joel Cohen, Esq., at Stroock & Stroock & Lavan, LLP, 180 Maiden Lane, New York, New York 10038. Anthony Falconite and Falconite LLC waive any further notice of submission of this Consent Decree to and filing thereof with this Court and agree to accept service of a conformed copy by email to Edward M. Spiro, Esq. at espiro@maglaw.com and by first-class mail to Edward M. Spiro, Esq., Morvillo Abramowitz Grand Iason & Anello P.C., 565 Fifth Avenue, New York, New York, 10017
70. This Consent Decree may be executed in counterparts, and the separate execution of the attached signature pages shall not affect their validity. Copies of signatures, including copies transmitted electronically, shall be treated as originals. The Parties warrant that the

signatories to this Consent Decree are fully authorized to bind the Party or Parties they represent.

71. This Consent Decree shall be administered, construed, and enforced according to the laws of the State of New York.

ORDERED, ADJUDGED AND DECREED that the Clerk is hereby directed to enter this Consent Decree forthwith.

JUSTICE HAGLER

DATE:

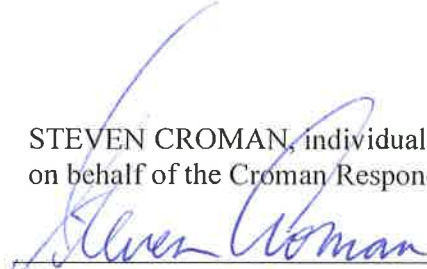
ERIC T. SCHNEIDERMAN
Attorney General of the State of New York

By: _____

Jessica Attie
Civil Rights Bureau
Office of the New York State Attorney
General
120 Broadway
New York, New York 10271
Tel. (212) 416-8149
Fax (212) 416-8074

Dated: December __, 2017

STEVEN CROMAN, individually and
on behalf of the Croman Respondents



Steven Croman

Dated: December 20 2017

ANTHONY FALCONITE, individually
and on behalf of Falconite LLC

Anthony Falconite

Dated: December __, 2017

ORDERED, ADJUDGED AND DECREED that the Clerk is hereby directed to enter this Consent Decree forthwith.

JUSTICE HAGLER

DATE:

ERIC T. SCHNEIDERMAN
Attorney General of the State of New York

STEVEN CROMAN, individually and
on behalf of the Croman Respondents

By: _____


Jessica Attie
Civil Rights Bureau
Office of the New York State Attorney
General
120 Broadway
New York, New York 10271
Tel. (212) 416-8149
Fax (212) 416-8074

Steven Croman

Dated: December __, 2017

Dated: December __, 2017

ANTHONY FALCONITE, individually
and on behalf of Falconite LLC



Anthony Falconite

Dated: December 20, 2017

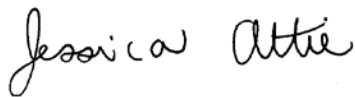
ORDERED, ADJUDGED AND DECREED that the Clerk is hereby directed to enter this Consent Decree forthwith.

JUSTICE HAGLER

DATE:

ERIC T. SCHNEIDERMAN
Attorney General of the State of New York

STEVEN CROMAN, individually and
on behalf of the Croman Respondents



By: _____

Jessica Attie
Civil Rights Bureau
Office of the New York State Attorney
General
120 Broadway
New York, New York 10271
Tel. (212) 416-8149
Fax (212) 416-8074

Steven Croman

Dated: December 20, 2017

Dated: December __, 2017

ANTHONY FALCONITE, individually
and on behalf of Falconite LLC

Anthony Falconite

Dated: December __, 2017

EXHIBIT A

	Building	Entity
1.	102 East 7th Street	102 EAST 7TH ST LLC
2.	115 Mulberry Street	115 MULBERRY LLC
3.	118 East 7th Street	118 EAST 7 LLC
4.	120.5 First Avenue	120- 120 1/2 FIRST LLC
5.	120 First Avenue	120- 120 1/2 FIRST LLC
6.	124 Ridge Street	124 RIDGE LLC
7.	127 East 7th Street	127 EAST 7TH STREET LLC
8.	134 Orchard Street	134 ORCHARD LLC
9.	1373 1st Avenue	1373 FIRST AVENUE ASSOCIATES LLC
10.	138 East 16th Street	138 East 16th St. LLC
11.	145 East 26th Street	145 E. 26 LLC
12.	15 West 103rd Street	15 West 103rd LLC
13.	1590 Lexington Avenue	1590 Lexington LLC
14.	17 West 103rd Street	17 West 103rd LLC
15.	171 East 102nd Street	171 EAST 102ND LLC
16.	179-181 Essex Street	179-181 ESSEX LLC
17.	199 East 3rd Street	199 E 3RD STREET LLC
18.	200 Stanton Street	200 Stanton LLC
19.	206 East 83rd Street	206 EAST 83rd LLC
20.	213 East 26th Street	213 E. 26 LLC
21.	219 East 28th Street	219 East 28th St. LLC
22.	227 East 82nd Street	227 E 82 LLC
23.	228-230 East 32nd Street	228-230 32nd LLC
24.	232 Elizabeth Street	232 ELIZABETH LLC
25.	234 West 14th Street	234-236 W. 14TH LLC
26.	277 East 10th Street	277 E 10th LLC

	Building	Entity
27.	279 East 10th Street	
28.	290 West 12th Street	290 West 12th LLC
29.	314 East 106th Street	314 E106 LLC
30.	321 East 10th Street	321 E. 10TH STREET LLC
31.	325 East 5th Street	325 E 5TH LLC
32.	326 East 35th Street	326 East 35th LLC
33.	330 East 35th Street	
34.	334 East 6th Street	334 E 6TH LLC
35.	343 East 5th Street	343-345 East 5th St. LLC
36.	345 East 5th Street	343-345 East 5th St. LLC
37.	345 West 53rd Street	345 W 53RD LLC
38.	3-5 West 103rd Street	3-5 WEST 103RD LLC
39.	358 West 51st Street	358 W 51 LLC
40.	380 East 10th Street	380-382 E 10TH LLC
41.	382 East 10th Street	380-382 E 10TH LLC
42.	420 East 9th Street	420 E. 9th LLC
43.	420 West 51st Street	
44.	422 West 51st Street	420 W 51st LLC
45.	422 East 9th Street	422 E. 9th LLC
46.	424 East 9th Street	424 E. 9th St.
47.	434 West 52nd Street	434 West 52 LLC
48.	436 West 52nd Street	436 West 52 LLC
49.	438 West 52nd Street	436 West 52 LLC
50.	44 Avenue B	44 Avenue B LLC
51.	44 East 1st Street	44 EAST 1ST LLC
52.	459 West 50th Street	459 W 50 ST LLC
53.	529 East 6th Street	529 E. 6th LLC
54.	560 Hudson Street	

	Building	Entity
55.	562 Hudson Street	560-566 Hudson LLC
56.	564 Hudson Street	560-566 Hudson LLC
57.	566 Hudson Street	560-566 Hudson LLC
58.	697 10th Avenue	697 TENTH LLC
59.	7 East 75th Street	7 EAST 75 LLC
60.	72 West 108th Street	72 West 108th Associates LLC
61.	722 10th Avenue	722-724 Tenth Avenue Holding LLC
62.	724 10th Avenue	722-724 Tenth Avenue Holding LLC
63.	9 West 103rd Street	9 WEST 103RD LLC
64.	336-338 East 18th Street	M & E 336-348 E 18TH ST LLC
65.	340 East 18th Street	M & E 336-348 E 18TH ST LLC
66.	344-348 East 18th Street	M & E 336-348 E 18TH ST LLC
67.	416 East 13th Street	M & E 416 EAST 13TH STREET
68.	110 Bedford Street	M & E CHRISTOPER LLC
69.	118 Christopher Street	M & E CHRISTOPER LLC
70.	120 Christopher Street	M & E CHRISTOPER LLC
71.	234 Mott Street	M&E 234 LLC
72.	410 East 13th Street	M&E 410 E 13th St LLC
73.	432 East 13th Street	M&E 432 E. 13TH CORP
74.	246 Mott Street	M&E MOTT LLC
75.	248 Mott Street	M&E MOTT LLC
76.	250 Mott Street	M&E MOTT LLC
77.	252 Mott Street	M&E MOTT LLC
78.	51 Leroy Street	Major Leroy Street Corp
79.	53 Leroy Street	Major Leroy Street Corp
80.	221 Mott Street	Major Mott Street Corp
81.	309 East 8th Street	Prince Holdings 2012 LLC
82.	941 2nd Avenue	SECOND AVENUE @ 50TH STREET REALTY LLC

	Building	Entity
83.	250 East 50th Street	SECOND AVENUE @ 50TH STREET REALTY LLC
84.	159 Stanton Street	159-161 Stanton, LLC
85.	161 Stanton Street	159-161 Stanton, LLC
86.	195 Stanton Street	193-195 Stanton LLC
87.	212 East 105th Street	212-214 East 105, LLC
88.	326 East 100th Street	326-338 E 100th, LLC
89.	330 East 100th Street	326-338 E 100th, LLC
90.	334 East 100th Street	326-338 E 100th, LLC
91.	338 East 100th Street	326-338 E 100th, LLC
92.	343 East 8th Street	343 East 8th LLC
93.	351 West 45th Street	351-357 West 45, LLC
94.	353 West 45th Street	351-357 West 45, LLC
95.	355 West 45th Street	351-357 West 45, LLC
96.	357 West 45th Street	351-357 West 45, LLC
97.	60 Avenue B	60 Avenue B LLC
98.	635 East 6th Street	635 E 6 LLC
99.	424 West 51st Street	
100.	20-22 Prince Street	20-22 Prince LLC
101.	301 East 108th Street	
102.	350 W. 21st Street	
103.	493 Second Ave	
104.	219 E. 23rd Street	
105.	221 E. 23rd Street	
106.	521 East 5th Street	

EXHIBIT B

1. 3 West 103rd Street
2. 5 West 103rd Street
3. 9 West 103rd Street
4. 15 West 103rd Street
5. 17 West 103rd Street
6. 60 Avenue B
7. 115 Mulberry Street
8. 118 Christopher Street
9. 120 Christopher Street
10. 127 East 7th Street
11. 138 East 16th Street
12. 145 East 26th Street
13. 171 East 102nd Street
14. 179-181 Essex Street
15. 200 Stanton Street
16. 219 East 28th Street
17. 234 West 14th Street
18. 326-338 East 100th Street
19. 309 East 8th Street
20. 314 East 106th Street
21. 321 East 10th Street
22. 325 East 5th Street
23. 326 East 35th Street
24. 334 East 6th Street
25. 336 East 18th Street
26. 340 East 18th Street
27. 346 E. 18th Street
28. 343 East 8th Street
29. 343-345 East 5th Street
30. 380 East 10th Street
31. 382 East 10th Street
32. 410 East 13th Street
33. 422 East 9th Street
34. 420 West 51st Street
35. 422 West 51st Street
36. 424 West 51st Street
37. 436 West 52nd Street

38. 459 West 50th Street
39. 560 Hudson Street
40. 562 Hudson Street
41. 564 Hudson Street
42. 566 Hudson Street
43. 697 10th Avenue
44. 234 Mott Street
45. 351-357 W. 45 Street
46. 336-338 E. 18th Street
47. 358 W. 51st Street
48. 234-236 E. 13th Street
49. 20-22 Prince Street
50. 206 East 83rd Street
51. 529 E. 6th Street
52. 51 Leroy Street
53. 199 E. 3rd Street
54. 493 Second Avenue
55. 230 E. 32nd Street
56. 1590 Lexington Ave.
57. 159 Stanton Street
58. 277 E. 82nd Street
59. 301 E. 108th Street

EXHIBIT C

In consideration for my receipt of payment totaling \$_____ from the New York State Office of the Attorney General, paid to me pursuant to a consent decree dated _____ between the Attorney General, Steven Croman, Croman Real Estate Inc., 9300 Realty Management Inc., 9300 Realty Inc., and the special-purpose limited liability real-estate entities that own the properties which Steven Croman exercises control over as described in the Corrected Verified Petition, Anthony Falconite, and Falconite LLC ("Respondents"), I release any right I may have to recover monetary damages against Respondents for claims occurring on or before May 9, 2016, solely based upon claims in the Corrected Verified Petition, including but not limited to (1) tenant harassment in violation of the New York Rent Stabilization Code, 9 N.Y.C.R.R. § 2525.5; (2) tenant harassment in violation of the New York City Administrative Code § 27-2005; (3) failure to obtain work permits, violation of stop-work orders, and concealment of illegal construction, in violation of the New York City Construction Codes § 28-101.1 et seq.; (4) failure to use lead-safe work practices, remediate lead-paint based hazards, provide lead-based paint notices and disclosures to tenants, conduct dust clearance tests, and conduct annual inspections for lead-based paint hazards, in violation of New York City Childhood Lead Poisoning Prevention Act § 27-2056.1 et seq.; (5) acting as an unlicensed tenant relocater or failing to supervise persons who act as tenant relocators in violation of New York Real Property Law § 441 & 441-c; (6) engaging in deceptive practices in the conduct of business by filing baseless lawsuits, serving tenants with deceptive rent demands, charging unauthorized legal fees, and using false pretenses and deception to gain access to tenants' apartments in violation of New York General Business Law § 349; and (7) commingling tenants' security deposits, failing to provide tenants with the name and address of the financial institution in which their security deposits are held, and failing to place security deposits in interest-bearing accounts when required, in violation of New York General Obligations Law § 7-103 and N.Y.C.R.R. § 2525.4 .

This release shall only apply to the above-listed violations of law and warranty of habitability claims for the specified period above. The release shall not include any defenses that I or any occupant of my apartment, whether current or former, may assert in an eviction proceeding other than warranty of habitability. The release shall also not apply to any other personal injury claims, including but not limited to, exposure to lead-based paint or lead-contaminated dust.

I also agree that by participating in the claims process, I have consented to sharing my personally identifying information, including my name, and address, with the Office of the Attorney General.

I also agree that I have carefully read and fully understand all of the provisions of this Release, I knowingly and voluntarily agree to and intend to be legally bound to all of its terms, and I have been advised in writing to consult with an attorney of my choosing regarding the terms of this Release.

EXHIBIT D

POLICIES AND PROCEDURES

In order to better serve our Rent-Regulated tenants and their Permitted Occupants, we want to notify you of certain of your basic rights, and let you know that we have adopted various policies and procedures in this regard, which are set forth below.

I. TENANT RIGHTS

1. You have a right to contact Management to discuss any questions you may have concerning legal notices/proceedings, rent payments/bills, succession rights, or lease renewals. A representative will assist you. Any voice mail messages will be promptly returned.
2. You have the right to only be contacted by Management for legitimate reasons and to not have someone investigate your living situation without cause.
3. You have the right to receive written notice at least 24 hours in advance of Management arriving at your apartment to inspect a condition as reasonably required, unless Management informs you that the condition at issue constitutes an emergency or a governmental agency is present to inspect.
4. You have the right to refuse to allow Management to enter your apartment except for a bona fide reason which may include, but is not limited to, access to cure violations of record, access for ordinary repairs, access for emergency inspections, access for building-wide construction and/or repairs, and access for prospective leasing of your unit after you have indicated your intent not to renew your lease.
5. You have the right to receive rent receipts upon request.
6. You have the right to receive a rent bill that itemizes any amounts due, including fees or surcharges.
7. You have the right to consult with an attorney regarding your tenancy rights and any other issue related to your residence.
8. You have the right to a written explanation if Management declines to accept your rent payment for any reason.
9. If you are a government housing benefit recipient (e.g., Section 8, SCRIE, public assistance, etc.), you have the right not to be subject to a legal proceeding based solely on a government agency's failure to submit its portion of your rent in a timely manner. Government housing benefit recipients also have the right to have their recertifications processed promptly.
10. You have the right not to be subject to legal notices or legal proceedings without Management first conducting a thorough and diligent investigation.

11. You have the right to seek to establish succession rights to your apartment if you are a family member or domestic partner of a tenant who has passed away or permanently moved out of the unit and you have lived in the unit with the tenant for a specified period of time. Upon request, Management will provide you with a Succession Rights Notice, which you can complete in order to notify Management of the identities of certain individuals living with you who may qualify for succession rights after you leave.
12. Unless you have been served with a termination notice, you have the right to receive a renewal lease no later than 90 days prior to the expiration of your current lease. Management will execute the renewal lease and provide it to you promptly after its execution.
13. You have the right to submit a written complaint in the event you believe any of the policies and procedures set forth above and/or hereinafter have been violated, which shall be addressed to the following person and address:

You may submit a complaint to Management at:

[MANAGEMENT CONTACT INFORMATION – to be inserted immediately upon selection of PMC as set forth in the Consent Decree]

Contact Person: _____

Address: _____

Email: _____

A Management representative will follow up and take all necessary steps to address the matter.

You also may submit written complaints to a Monitor who is responsible for overseeing Management's compliance with its policies and procedures.

[You may confidentially submit a complaint to the Monitor at:

[MONITOR CONTACT INFORMATION - – to be inserted immediately upon selection of the Monitor as set forth in the Consent Decree]]

Contact Person: _____

Address: _____

Email: _____

The Monitor will follow up and ensure that your complaint is addressed.

II. LEGAL PROCEEDINGS AND THE NONPAYMENT OF RENT

RENT PAYMENTS/RENT ARREARS PROTOCOLS:

1. **Late fees:** Management will impose lawful late fees only as provided for under the original lease and will not impose late fees based on the nonpayment of the portion of the rent due from a government agency pursuant to a Government Housing Benefit program. Late fees

will not be collectible as rent, and nonpayment of such fees cannot form the sole basis for the commencement of a summary eviction proceeding.

2. **Legal fees:** Management will not charge the Tenant of Record with legal fees unless they have been awarded by a court of law or by an administrative tribunal. Legal fees will not be collectible as rent, and nonpayment of such fees cannot form the sole basis for the commencement of a summary eviction proceeding.
3. **Rent Invoices:** Management shall credit any rent payments, made in accordance with the payment instructions set forth on the rent bill or lease, if received by the 15th day of each month, so that the following month's bill reflects that payment. Management shall credit any rent payments from a government agency for the designated month.
4. **Rent paid by someone other than Tenant of Record:** All payments for rent must be made by the tenant of record named in the lease or documented spouse or domestic partner, or the guardian ad litem of the tenant/spouse/partner. Any rent tendered by a third-party will be promptly returned to the tenant with a letter explaining the reason for the refusal/rejection. The letter will advise the tenant that appropriate arrangements can be made to accept third-party checks provided the tenant of record and the third party provide a signed statement acknowledging and agreeing that the Landlord may accept the payments without prejudice to and/or without waiving any of the Landlord's rights and/or without creating any rights and/or tenancy rights in the third-party. The foregoing does not apply to payments made by a government agency on the tenant's behalf. If a portion of the rent is paid directly by a government agency pursuant to a building owner tax benefit (e.g. SCRIE or DRIE) or a contractual agreement between the agency and Management (including but not limited to Section 8), the rent bill shall separate the Tenant's share of the rent from the portion due from the government agency.
5. **Rejecting Rent when notices have been served/proceeding has been commenced/lease has expired:** No rent will be accepted after a cure or termination notice has been served, unless a court proceeding has been commenced. Any rent payment made in any of the above instances will promptly be returned to the tenant by Management, with a letter of explanation as to why it is being returned and not deposited. The letter will be prepared and sent either by Management or by its attorney.
6. **Resolving rent bill complaints:** All building managers will attempt, in good faith, to resolve all rent bill complaints with tenants.
7. **Late Rent Payment Letters:** When Management has not received rent by the date it is due, after the expiration of such grace period as is provided in the Tenant's lease, Management shall make a good-faith effort to contact the tenant, by telephone and/or email in order to attempt to resolve the nonpayment, and, if such efforts are unsuccessful, Management will prepare and mail a letter advising the Tenant that the rent payment is late and that, if payment is not made by a particular date, late penalties (if permitted by the tenant's lease) may become due and a proceeding for nonpayment of rent may be started against them. Such letter may be mailed and/or emailed to the tenant after any grace period in their lease

expires (i.e., if rent is due by the 1st of the month and the lease states that payment is late if not paid within 10 days, the letter can only be sent after the 11th day of the month) and after Management confirms it has not received the payment due and attempts in good-faith to contact the tenant by telephone and/or email. Such notices will contain the contact information for someone who can address tenant issues with the demand.

8. **Rent Demands:** Management will not send any rent demand notices to any Rent-Regulated Tenant. Any such notices will be issued and served only by Management's outside counsel. Any rent-collection program that is being used which generates and/or transmits any such demand letter will have this feature disabled. Such notices will contain the name and contact information for the individual who can address tenant issues with the demand. Management will confirm that any charges that may be due, such as late fees or surcharges, have been properly imposed. Prior to sending any rent demand or notice, Management's counsel will use due diligence to confirm that the rent arrears are not solely based on late fees, surcharges, and/or additional fees that do not constitute rent, and whether there has been a failure to complete required repairs.

NONPAYMENT PROCEEDING PROTOCOLS:

1. No nonpayment proceeding will be commenced by Management unless and until the protocols set forth above have been complied with.
2. After service of a rent demand, and prior to the commencement of a nonpayment proceeding, Management will attempt to contact the tenant, by email or telephone, in order to resolve the nonpayment of rent issue prior to the initiation of any proceeding and note the same in the tenant file.
3. If Management determines, based upon either its own initiative or communications with the tenant, that the nonpayment of rent is due to an alleged breach of the warranty of habitability, Management will evaluate the claim prior to the commencement of a proceeding and determine whether or not a rent credit will be given.

HOLDOVER PROCEEDING PROTOCOLS:

1. **Outside Counsel Review prior to commencement:** Management will have an outside attorney review all aspects of a potential holdover proceeding prior to a proceeding being commenced against a tenant or any other named Respondents in the proceeding. The outside counsel shall investigate all aspects of the potential holdover case. Prior to serving any notices to the tenant or any other named Respondents in the proceeding, or filing a proceeding in court, outside counsel will send a written memorandum to Management approving the commencement of the litigation and the reasons therefore.
2. **Attempt to resolve claims:** Management shall ensure that its counsel contacts the tenant's counsel or any other Respondents' counsel (or the tenant or Respondents, if unrepresented)

during the time period between service of a termination notice and before the commencement of litigation in a good-faith effort to attempt to resolve any claim(s) being made in any notice(s) before commencing a proceeding.

If, prior to commencement of a holdover, the tenant or other occupant wishes to produce evidence or documentation disputing the claims by Management, Management's counsel will review their proffered evidence and engage in a good-faith effort to resolve the dispute with the tenant prior to filing a holdover proceeding in court. However, nothing herein shall obligate Management to refrain from proceeding if it has a good faith basis for doing so. Any notice served on a tenant will contain the name and contact information for the attorney representing Management in the matter to whom any communication should be forwarded.

III. PROTOCOLS REGARDING BUYOUTS, REQUESTS FOR SOCIAL SECURITY NUMBERS & NO-TOLERANCE FOR TENANT HARASSMENT

SURRENDER NEGOTIATIONS:

1. Buyout offers, where no action or proceeding is pending, if any, will be only initiated by outside counsel of Management's choosing, not by Management and/or its employees. Contemporaneously with such contact, Management's counsel, shall send a letter to the tenant which contains the following information:
 - a. tenants are under no legal obligation to accept any such offer and your right, if any, to continue in occupancy of the apartment is not dependent on accepting any such offer;
 - b. tenants may seek the guidance of an attorney regarding any such offer and may, for information on accessing legal services, refer to The ABCs of Housing guide on the website of the NYC Department of Housing Preservation and Development; and
 - c. tenants may, in writing, refuse any such contact and such refusal would bar such contact for 180 days, except that the landlord may contact the tenant regarding such an offer if given express permission by a court of competent jurisdiction or if notified in writing by the tenant of an interest in receiving such an offer.
2. A tenant may initiate a buyout offer by contacting Management. If a tenant makes such contact, Management will refer the tenant's offer and contact information to Management's counsel who will forward a letter to said tenant containing the same information set forth in Paragraph 1 above (a-c) prior to continuing with such negotiations.
3. If buyout offers are made, Management will make note of such offers and communications in the tenant's file. Management will detail whether the negotiations were initiated by the tenant, the date the offer was made, the name of the employee or Agent of Management who received the buyout offer, and the amount demanded by the tenant.

4. If a Rent-Regulated tenant in writing refuses a buyout offer, Management may not contact that tenant after such refusal for at least one hundred eighty (180) days.
5. All Surrender Agreements (i.e., an agreement by which the Tenant agrees to vacate an apartment and surrender all rights with respect to the same) must be memorialized in writing and signed by the Tenant and Management's Employee or counsel. The original copy of the executed Surrender Agreement shall be provided to the Tenant and a copy shall be maintained in Management's apartment file. The Surrender Agreement shall contain the following information:
 - a. The sum of money to be paid or credited to the Tenant, if any;
 - b. A statement advising the Tenant that the receipt of funds pursuant to the Settlement Agreement may have tax consequences and advising the Tenant that they should consult with a tax professional about these consequences;
 - c. A statement advising the Tenant that a receipt of funds pursuant to the Settlement Agreement may impact eligibility for various types of public assistance and advising the Tenant that they should consult with a professional about this issue;
 - d. A statement that states that by entering into the Surrender Agreement, the Tenant is voluntarily agreeing to permanently vacate his or her apartment and Management has not in any way coerced the Tenant into accepting the Surrender Agreement;
 - e. Management will extend the specified move-out date without penalty for a reasonable time, except Tenant's payment for continued use and occupancy, based on exigent force majeure circumstances, including, but not limited to, a documented serious illness or injury of the Tenant which prevents the Tenant from vacating;
 - f. In instances where the Tenant is not represented by counsel, a statement acknowledging that the Tenant has been offered the opportunity to retain counsel but has voluntarily and knowingly agreed to enter into the agreement without legal representation;
 - g. The Tenant shall be required to acknowledge that he or she has read and agrees to each provision of the Surrender Agreement; and
 - h. The Tenant shall be requested to provide their contact information (current cell phone number, new address or the address of a family member, or a current email address) when they sign the Surrender Agreement and this information shall be maintained in the apartment file.
6. In the event that a Surrender Agreement is executed during the pendency of a Housing Court proceeding involving the Tenant and the Tenant is not represented by counsel in the proceeding, Management's counsel shall request that the court attorney or Judge explain the terms of the Surrender Agreement to the Tenant.
7. If requested by the tenant executing the Surrender Agreement, a copy of the Surrender Agreement will be translated, in writing, at Management's expense, into a language represented by the tenant to be their primary language before the Surrender Agreement is

executed. This translated copy shall be provided to the Tenant and shall also be affixed to the Surrender Agreement as part of the document and maintained in the same manner as the Surrender Agreement.

TENANT HARASSMENT:

1. Management has a no-tolerance policy for harassment or intimidation, will not engage in any form of tenant harassment, and will follow all policies set forth herein when interacting with its tenants.
2. Management will not engage in any form of tenant harassment by performing construction, substantial repairs, and/or through interruptions of essential services in any of its properties and will follow all protocols set forth in the "Construction/Substantial Repairs Protocols and Repair Protocols" below.
3. No tenant will be subject to any retaliatory action, whatsoever (including harassment) for exercising any rights under Federal, state, and local law, or for requesting a repair, complaining about levels of service or construction impacts, contesting any rent demand or legal notice, or alleging harassment.
4. Management will ensure that its employees and/or agents know what constitutes harassment or intimidation.
5. Management will ensure that its employees and agents know that they can be subject to disciplinary action for harassing or intimidating tenants.
6. Management will provide tenants with the contact information of Management employees who tenants can contact if tenants believe that they are being harassed or intimidated by an Management employee or agent.

IV. CONSTRUCTION AND/OR SIGNIFICANT REPAIR PROTOCOLS

1. Management is committed not only to maintaining its properties, but also to improving its buildings for the benefit of all residents. Improvements may include construction and/or significant repairs in the building and its common areas, as well as within vacant apartments. We understand that construction and/or significant repairs may impact building residents. In an effort to minimize the impact, Management has developed the following construction/significant repair protocols. These protocols do not take the place of any existing City, State and/or Federal law(s) pertaining to and/or governing construction protocols, and Management will follow all such laws.
2. A building safety manager will be assigned to every property in which construction and/or significant repairs are made. The building safety manager is responsible for ensuring that any necessary permits are issued and posted in the building and that all construction protocols are being followed.

3. A tenant liaison will also be appointed in every building in which construction and/or significant repairs are being made. The tenant liaison may be the same person as the building safety manager or a separate tenant liaison. The tenant liaison will also be either an agent or an employee of Management.
4. A building safety manager and/or tenant liaison will be appointed to meet with tenants to review and discuss any proposed building construction and/or significant repairs plans, the work schedule, and any proposed substantial apartment improvement plans, before the construction, significant repairs, and/or substantial apartment improvements begin.
5. Management will use its best efforts to address tenant repair issues in a timely and convenient fashion at all times, including, but not limited to, during any construction/significant repair period. The building safety manager and/or tenant liaison will meet with tenants of occupied apartments to discuss any repairs that may be required in their apartments at the time of acquisition of a building, and/or prior to and/or during any construction/significant repair period, and ensure that any necessary repairs are addressed. Tenant will also be provided the contact information for the building safety manager and tenant liaison so that tenants may discuss any repair issues that arise during construction. Minor/ordinary repairs will be performed by building superintendents and/or, where warranted, by qualified contractors.
6. In addition, Management will offer to replace the stoves and refrigerators with new appliances at no cost or expense to all Rent-Regulated tenants currently residing in a building in which major construction is taking place. (If a tenant elects to have their stove and/or refrigerator replaced, Management will waive, in writing, any rights to individual apartment improvement increases regarding the new appliances).
7. The building safety manager and/or tenant liaison will oversee the construction/renovation process by frequently visiting the building to ensure that construction protocols are being observed. Liaison contact information will be made available to tenants prior to the commencement of any construction or renovation work.
8. The building safety manager and/or tenant liaison will post advance notices in the building to keep tenants informed of work schedules, the anticipated duration and/or any possible interruption of building services, and will be available to tenants throughout the construction/significant repair process to review and address any issues and/or concerns they may have. The notices will be updated as appropriate.
9. The building safety manager and/or tenant liaison will coordinate access with tenants to their apartments, if necessary, for construction and/or significant repairs. In the event that the involved contractor or employees cannot keep an appointment scheduled with a tenant, they must give the tenant as much advance notice as practicable and promptly schedule a new appointment in cooperation with the tenant, and note in the tenant file or job records why the original appointment could not be kept.

10. Management will hire qualified contractors and engage licensed and/or certified professionals to perform the construction/significant repairs as required by law.
11. Management will ensure that all necessary testing is performed, such as for lead and/or asbestos, and that any necessary removal or abatement of any condition is done in accordance with all applicable City, State and/or Federal laws, rules and/or regulations. Management will not retain Edward Weinstein, Lead Me Out, or any affiliated companies to perform such work.
12. Management will ensure that all required permits are obtained and that work is performed in a lawful manner. Management will also ensure that no work is commenced without first obtaining required work permits. All tenant protection plans will be provided to the building safety manager and tenant liaison.
13. Management will ensure that all work including, but not limited to, construction and/or substantial repair work, is performed, expeditiously and, whenever possible, with minimum inconvenience to the building's tenants.
14. Management will ensure that dust mitigation plans are in place and followed, and that all work sites are cleaned daily. Management, at its own cost, will protect tenant's apartments and their belongings from dust and debris.
15. During construction and/or significant repair periods, Management will maintain a secure front door locking system (if a new locking system is installed Management will provide tenants with written instructions regarding the operation of any such system); will implement protocols to minimize the time periods for which the front door will be kept open; and/or will supervise the moving of supplies and equipment into and out of the building.
16. Management will ensure that a safe means of ingress and egress are provided at all times in all common areas of the building during construction including, but not limited to, staircases, elevators, and hallways.
17. Management and/or its counsel will be available to tenants, tenant advocacy groups, and/or legal representatives of the tenants to address and/or obviate any possible concerns and/or inconveniences to the tenants regarding construction/significant repairs.
18. Management will offer to temporarily relocate tenants, if necessary, and at its expense, during certain periods of construction and/or significant repair work, and will ensure a smooth transition back into their apartments. Temporarily relocated tenants will receive a complete rent abatement for the period from when they are relocated until the apartment is ready for their return. Management will use its best efforts to ensure that the temporarily

relocation period is not exceeded. Management will advise tenants that they may seek legal representation to review any temporary relocation agreement offered. Tenants will be advised of the anticipated return date and will be promptly advised if the dates changes, and why. All relocation agreements must be in writing and signed by the Tenant and Management.

19. Management will waive all claims for Major Capital Improvement (MCI) increases from all tenants for any improvement(s) made to the building during the construction/significant repair process.
20. In the event there is construction and/or significant repairs being performed in the building, Management will, at a minimum, provide all Rent-Regulated tenants with an appropriate rent abatement during the entirety of the construction and/or significant repair period taking into account the extent and duration of the work and the interruption of essential services. If Management does provide a rent abatement, it will continue its practice of abating the rent in accordance with the pertinent provisions of the following schedule:
 - (a) by 25% for that period of time whenever there is a deprivation of an essential service for more than 48 hours;
 - (b) by 50% prospectively for that period of time whenever there is a deprivation of an essential service for more than three months; and
 - (c) by 25% for that period of time in any building in which there is Major Construction.

The above abatements shall be cumulative, i.e., a Rent-Regulated tenant in the building that does not have an essential service for a period of less than three months, and in which there is also Major Construction would be entitled to a 50% abatement.

The above abatements shall be employed to offset damages to which the Rent-Regulated tenant might otherwise be entitled based upon the conditions set forth in paragraphs 21(a)-(c) above. In addition, a Rent-Regulated tenant shall not be entitled to the continued benefits of these abatements if it is found that he/she has prolonged the abatement period by failing to provide reasonable access to his/her apartment in order to correct the condition giving rise to the abatement in the first instance. Management must provide advance written notice to the tenant before attempting to correct the condition when required by law. If Management claims that the tenant has failed to provide reasonable access, it must document its attempts to gain access.

V. PROTOCOLS REGARDING REPAIRS, ESSENTIAL SERVICES AND SERVICE INTERRUPTIONS

REPAIRS:

1. All properties will be maintained in good repair and Management shall provide Superintendent/Janitorial Services on a twenty-four (24) hour basis, and shall designate an individual to be on call to handle repair requests on a twenty-four (24) hour basis as well. There shall be a sign posted in a prominent area of the hallway or lobby of each of the Subject Properties setting forth the above information.
2. Tenants will be encouraged to make all repair requests in writing, by email to Management, and will be provided with contact information for submitting the same. Tenants can continue to make repair requests by phone to Management. Such requests will be recorded by Management and the tenant will receive confirmation of receipt, together with the contact information of the person responsible for follow up.
3. Management will not make repairs, or fail to make repairs, in a manner intended to harass, intimidate, or pressure tenants.
4. Management will continue to implement protocols and procedures so that repairs are performed safely, professionally, and in accordance with all applicable laws.
5. Management will timely address and cure HPD and DOB violations, unless (a) the violation is such that it cannot be cured because the tenant has failed to provide access in a timely fashion; or (b) the violation is a nature that cannot be cured within the statutory allotted period of time. If Management is claiming the latter excuse to the timely cure of such violations, it must have diligently commenced curing the violation within the allotted time and provide a written explanation for the delay.
6. Management will commence work to correct immediately hazardous apartment repairs within 24 hours of receipt of notice of the condition.
7. Management will commence work to correct regular repairs within 72 hours of receipt of notice of the repair.
8. In the event that an individual apartment repair cannot be commenced or completed without the tenant relocating, the tenant will be given an opportunity to enter into a relocation agreement which (a) abates the rent entirely for the relocation period, (b) provides an appropriate daily stipend to cover the cost of the new location and for food for the period of time the tenant is out of the unit, and (c) provides that the Tenant will maintain their Rent-Regulated status and all rights and privileges under the rent regulation laws. The agreement must be in writing and will comply with all of the additional requirements set forth above.
9. Repairs are to be performed safely, professionally, and in accordance with all applicable laws.
10. Management will provide advance written notice to tenants for any necessary repair work, including providing the date and times Management needs access and contact information in case the tenant needs to reschedule or proposes another access date.

11. The above protocols are subject to the tenant(s) providing access where necessary.
12. Management will engage in a verification process with respect to all DOB, HCR, and HPD apartment repairs that includes getting either a tenant sign-off acknowledging that repairs have been made/completed, and/or taking pictures of the repairs before and after the work is completed.

ESSENTIAL SERVICES/SERVICE INTERRUPTION:

1. Management will provide written notice to a tenant at least one (1) business day before interrupting any essential service (heat, hot water, cold water, gas, electricity, elevator service). Such written notice will include the type of work that is being done and the estimated duration of the interruption. Where the duration is expected to be at least two hours, a "Notice of Interruption of Essential Services" also must be posted in the common area of the building, in both English and Spanish, at least 24 hours before the interruption of service is expected to be begin, and shall remain posted until the service interruption ends. Management must post all other signage as required by the Housing Maintenance Code.
2. With regard to emergency circumstances, Management will provide notice to tenants regarding any interruption in services within 24 hours of the interruption.

If any tenant is without an essential service for more than forty-eight (48) hours, Management will provide a rent credit in accordance with the pertinent provisions of the schedule as set forth in paragraph IV(21) of these Policies, provided however that Tenants shall not receive rent credit if the Tenant is responsible for the disruption or prevents the attempt to correct the problem.

VI. SECURITY DEPOSITS

1. All security deposits shall be placed in interest bearing trust accounts as required by law and every Tenant shall be entitled to a yearly payment of the interest earned thereon less a 1% administration charge;
2. Tenants shall receive written notice of the name and address of the banking organization in which the deposit of security money is made, and the amount of such deposit.
3. All Tenant inquiries concerning their security deposits shall be responded to in a timely fashion;
4. A Tenant's security deposit less all applicable charges pursuant to their lease, if any, shall be returned to the Tenant within 60 days of their vacating their respective apartment. A written explanation to Tenant notifying him or her of the reason why any

portion of the security deposit was withheld shall accompany the return of the Tenant's security deposit.