
Newport Apartments Shareholder Handbook

A Basic Guide to Building Services
and Shareholder Responsibilities

Courtesy of:

Newport Shareholders Association

42-65 Kissena Boulevard, Flushing, NY 11355

www.4265kissena.com

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NOTE

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NEWPORT SHAREHOLDERS ASSOCIATION

42 - 65 KISSENA BOULEVARD • FLUSHING, NY • 11355

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July 1, 2015

Dear Shareholder:

If you are a new shareholder and are reading this handbook for the first time, let us be some of the first people to welcome you to our building. To the remaining shareholders we ask that each of you extend similar greetings to our new shareholders as they take residence in our building. If you are approved to sublease your apartment, please pass on the relevant information in this handbook to your subtenants. And if you are going to be leaving the Newport, you should pass along this handbook to the new shareholder who will be occupying your former apartment.

The Newport Shareholders Association decided to publish this handbook in response to concerns that not all shareholders were familiar with all of the services provided by the corporation, nor all the responsibilities that we have as residents of a cooperative apartment building. The information contained in this handbook represents the accumulation of many years of experience that the association members have had in living at the Newport, and we desire to pass along this information to other shareholders and directors who not resided here for very long. While we have taken care to ensure accuracy, there are bound to be some errors and we would appreciate receiving specific corrections as well as general comments.

Please take a few minutes to review this handbook, and retain it as a ready reference for future use. Please note that this handbook has been the result of efforts by the association alone, and neither Newport Apartments, Inc. nor its board of directors has had involvement with the research or its production.

The association hopes that you will find this handbook useful. Should you have suggestions for future improvements, please forward them to us.

Respectfully yours,

NEWPORT SHAREHOLDERS ASSOCIATION

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Cooperatives

A Brief Explanation

Do you own your apartment?

In short . . . not really. Unlike houses and condominiums, where following closing purchasers own titles to real property as evidenced by a deed, purchasers in a cooperative do not own real property. Instead they are buying shares of stock in a corporation which itself owns a multi-family building. The purchase of shares is considered to be a purchase of personal property, and not real estate (in fact, much of the law concerning cooperatives is based contract law, not real property law). By virtue of owning certain shares of stock in the cooperative corporation the shareholder is entitled to a proprietary lease to the apartment associated with those shares of stock. Dividends have never been paid on Newport Apartments, Inc. stock, and it is expected that dividends will never be paid. On the other hand, the proprietary leases impose obligations on shareholders to pay monthly maintenance charges based on the number of shares held. Thus, unlike other types of corporations, where the more shares held typically results in more dividends received, in a cooperative housing corporation, the more shares held results in greater obligations for the shareholder.

When real estate is financed, the purchaser gives a mortgage to a bank for a loan of a portion of the purchase price of the property. The bank then typically records the mortgage in a county clerk's office and the perfected mortgage loan is secured by the property. However, since a purchase of shares in a cooperative involves personal property, not real estate, no mortgage can be given. Instead a personal property loan (typically known as a "share loan") is made to the purchaser. Instead of recording a mortgage, the lender files a UCC-1 financing statement to perfect the loan. The lender typically takes possession of the original share certificate and proprietary lease. When the loan is paid in full, the lender will file a UCC-3 termination statement and return the original share certificate and proprietary lease.

It is the cooperative housing corporation that is a real property owner. The corporation owns the building, though usually the building has been mortgaged to a bank. The cooperative corporation has many operating expenses including the maintenance of the building's infrastructure, the salaries of its employees (the doormen, porters, and superintendent), the managing agent's fee, real estate taxes, and the payments that the corporation makes to its bank for the mortgage it has given on the building. Those expenses are shared among the cooperative's shareholders based on the number of shares owned by each shareholder. Legally, each shareholder is called a "tenant," the cooperative corporation is called the "landlord," and the portion of the cooperative's expenses allocated to each shareholder is called "rent." However, to avoid confusion between typical rental buildings and cooperatives, "rent" is usually referred to as "maintenance."

Who runs the building?

Ultimately the responsibility of running the building vests with the corporation's board of directors. The board is elected annually at the annual shareholders' meeting, and meets monthly to make decisions and policy regarding the building. All seven directors serve on the board without compensation.

Each of the directors has the duty to act in the best interest of all the shareholders, and without favoring any individual or group of shareholders over any other individual or group of shareholders. Directors may not act to pursue their own interests or agendas, and in the event that any director possesses a personal interest in a matter before the board of directors (*e.g.*, litigation, disputes with neighbors) that director ought to recuse themselves from participating in that matter.

The corporation is a landlord, inclusive of its board of directors and employees, and has the duty to not discriminate against any tenant on the basis of actual or perceived race, color, national origin, gender (including gender identity), disability, sexual orientation, creed, marital status, partnership status, alienage or citizenship status, any lawful source of income, age, lawful occupation, or because children are or may be residing with the person.

The responsibilities for the day-to-day activities of running the building have been delegated by the board of the directors to a managing agent. Among the varied activities undertaken by the managing agent are bookkeeping and accounting for the corporation, processing new shareholder applications, and acting as transfer agent. The managing agent receives an annual fee for providing these services.

What is the Newport Shareholders Association?

The Newport Shareholders Association is operated by several individuals who have committed themselves to the betterment of Newport Apartments and its shareholders. The association publishes this handbook, operates a website for shareholders, supports other programs and informational exchanges, and acts an independent watchdog over the actions of the board of directors.

Can I deduct my maintenance charges on my income tax return?

Yes, although only in part. The monthly maintenance paid by each shareholder includes payments made by the corporation to the bank which holds the mortgage on the building. Ordinarily when a real property owner has given a mortgage the property owner is entitled to deduct the amount of interest paid on that mortgage loan each year. Additionally real estate taxes may also be deducted by real property owners. Were these rules to be applied to cooperatives only the corporation itself would be entitled to deduct the mortgage interest and real estate taxes paid. However, section 216 of the Internal Revenue Code permits cooperative housing corporations to pass through to its shareholders the deductibility of mortgage interest and real estate taxes paid. Each year the corporation will notify all shareholders the extent to which they are entitled to those deductions. In the years since 1990 the following amounts per share were deductible.

Year	Real estate taxes	Mortgage interest paid
1990	\$2.9648	\$3.7185
1991	\$3.3062	\$3.7185
1992	\$3.5035	\$3.7185
1993	\$3.1554	\$3.1979
1994	\$2.8488	\$3.1979
1995	\$2.8886	\$3.1979
1996	\$2.9248	\$3.1980
1997	\$2.8114	\$3.4708
1998	\$2.5365	\$3.0224
1999	\$2.5604	\$2.6889

2000	\$2.1924.....	\$2.3100
2001	\$2.6150.....	\$2.9713
2002	\$2.8364.....	\$2.9307
2003	\$3.4092.....	\$2.9137
2004	\$3.7659.....	\$3.3338
2005	\$3.9797.....	\$2.9523
2006	\$4.4043.....	\$2.5999
2007	\$4.6937.....	\$2.8021
2008	\$4.8054.....	\$2.8280
2009	\$5.5773.....	\$2.8169
2010	\$5.1485.....	\$2.9152
2011	\$4.8105.....	\$2.8934
2012	\$6.5531.....	\$2.8501
2013	\$6.5053.....	\$3.6689
2014	\$4.8180.....	\$2.2860

In addition to the proportionate share of mortgage interest and real estate taxes paid which are deductible, shareholders may also deduct the amount of interest paid on their individual share loans.

What is the STAR program?

The New York State school tax relief program, known as “STAR,” is authorized by section 415 of the Real Property Tax Law, and provides shareholders with partial exemptions from school property taxes. There are two parts to this exemption, each of which provides benefits for eligible shareholders. The first part is known as “Basic STAR,” and is available to shareholders who use their apartments as the primary residence for at least one shareholder, and whose total combined household income is \$500,000 or less. The second part is known as “Enhanced STAR,” and is available to shareholders who use their apartment as the primary residence for at least one shareholder, and where all shareholders are age 65 or older (unless the shareholders are married, registered domestic partners, or siblings), and total combined household income is \$79,050 or less.

Receipt of STAR is not automatic and shareholders must apply to the New York City Department of Finance to receive this benefit. The necessary form can be obtained by calling 3-1-1 or downloading from www.nyc.gov/finance. The deadline for applying is March 15 of each year. The application need be submitted only once, provided your shareholder status and primary residence does not change.

The STAR program benefits are distributed by the City of New York to Newport Apartments, Inc. The cooperative, in turn, distributes the benefits as a credit against maintenance charges.

Who makes repairs to my apartment?

It depends. The cooperative owns the building and is responsible for the ordinary repair and maintenance of the common areas and those facilities located within the walls of the individual apartments. The shareholder is responsible for the repair and maintenance of the space inside his or her apartment, as well as for any damage caused to the building or other apartments due to the shareholder’s negligence.

If repairs are required and it is believed to be a responsibility of the corporation, then contact the superintendent or the managing agent’s office for an assessment of the situation.

Repairs to an apartment that are not the responsibility of the corporation may be completed by any person who is adequately licensed and insured to complete the type of repair required. The corporation's superintendent may not himself make such repairs during his normal workday, but you may negotiate with him to complete such repairs outside his normal workday. If you choose to have the superintendent repair your apartment under these circumstances, the agreement will be entirely between you and the superintendent individually, and the corporation will not be party to that agreement. The corporation does not publish any "price list" for repairs completed by the superintendent; the price for any repair will be what you and the superintendent negotiate. Shareholders are not obligated to have the superintendent complete any repairs, and always free to use any properly licensed and insured person.

Decoration of a shareholder's apartment is the responsibility of the shareholder. If the corporation makes repairs to an apartment, only a basic finish (e.g., plastering of repaired walls) will be provided. Any other decoration, such as painting, tiling, or otherwise, is the responsibility of the shareholder. If the repairs were the result of a neighbor's negligence (e.g., flooding from a bathtub overflow on the floor above), then the shareholder may want to consider negotiating with that shareholder for additional compensation to cover the consequential damages to his or her apartment, or in the absence of an amicable arrangement, to file suit against the negligent neighbor. However, such actions are between these individuals, and do not involve the corporation. In these situations you may want to consider retaining an attorney.

What are the various documents related to co-ops?

There are several documents which guide life in a cooperative. Among them are the stock certificate, proprietary lease, and recognition agreement. Each document is described here in turn.

The stock certificate. This is the document which evidences the shareholder's ownership of a portion of Newport Apartments, Inc. This document should be kept in a secure place since it will be necessary to endorse the document in order to transfer or sell ownership of shares of the corporation. When shares are financed this document is typically taken by the lender as security for the loan. If the document is lost or stolen an affidavit and indemnification form will be required, along with fees for their preparation and execution.

The proprietary lease. This is the document which is appurtenant to the stock certificate and provides the right to the shareholder of possession of an apartment for a specified term. Proprietary leases given by Newport Apartments, Inc. expire on December 31, 2099, unless a specified event occurs sooner which terminates them. When the leases expire in 2099, the shareholders will have the opportunity to issue new leases to themselves if they so desire. As with the stock certificate, secured lenders will typically take possession of the proprietary lease as security for the loan.

The recognition agreement. This document is commonly known as an "Aztech" form, named after the printing company which produces a standardized form. This agreement between a lender and the cooperative corporation requires that in the event of any default of the shareholder with respect to his or her obligations to the cooperative corporation, that the corporation permit the lender cure the default, and to otherwise require the corporation to recognize the interest that the lender has in the corporation's stock and proprietary lease.

Corrections and additions to this handbook

We welcome both corrections and suggestions for additions to this handbook Please pass along relevant details to any association member.

The Newport

A History of the Building

The building, the cooperative housing corporation, and the sponsor

The building now owned by Newport Apartments, Inc. was built in 1963, and was first owned by Newport Apartments Co., a general partnership formed on April 30, 1962. Newport Apartments, Inc. was formed on March 24, 1982, as a domestic corporation in the State of New York, and has the authority to issue up to 100,000 shares of stock.

The building and land was conveyed from Newport Apartments Co. to Newport Apartments, Inc. on June 6, 1983. The sales price was \$8,766,806.13, a portion of which was paid in cash and the remainder by a mortgage given to Newport Apartments Co. On October 27, 1997, the remaining unsold shares were acquired by Queens/Brooklyn Units LLC. Some of those unsold shares were later acquired by Second Queens/Brooklyn Units LLC on November 30, 1999. The present holder of unsold shares is BQ Units LLC, c/o Meyer Jeger, 135-20 78th Road, P.O. Box, 670637, Kew Gardens Hills, NY 11367-0637.

At the time of its conversion to a cooperative, there were 210 residential apartments to which 90,290 shares of stock were allocated. No shares were allocated to the superintendent's apartment or to the four professional offices. In 1986 the four professional offices were converted to cooperative ownership and an additional 2,490 shares of stock were authorized and allocated to these offices (total of 92,780 shares).

Mortgages

The mortgage given to Newport Apartments Co. was a so-called "wraparound" mortgage in the amount of \$2.85 million at an initial interest rate of 10 percent for a term of 10 years.

On October 8, 1987, a new mortgage was given to Jamaica Savings Bank, FSB in the amount of \$3.45 million. The interest rate was 10 percent and the term of the loan was 5 years (with an option to extend for an additional 5 years at an interest rate to be determined). The payments were for interest only. Of the loan proceeds, \$2,749,164.12 was used to pay off the wraparound mortgage. The option to extend the mortgage loan for an additional 5 years was exercised on December 16, 1992. The interest rate on the extended term non-amortizing loan was 8.6 percent (beginning retroactively on December 1, 1992).

A new mortgage was given on August 26, 1997, to National Cooperative Bank in the amount of \$3.8 million. The interest rate was 7.56 percent for a term of 10 years, and payments based on a 30-year amortization schedule. Of the loan proceeds, \$3.45 million was used to pay off the mortgage given to Jamaica Savings Bank, FSB. This mortgage was then refinanced on September 29, 2004, also to National Cooperative Bank, in the amount of \$4.7 million. The interest rate was 5.88 percent for a term of 10 years, and payments continuing to be based on a 30-year amortization schedule. Proceeds from the loan were used to pay off the prior mortgage given to National Cooperative Bank.

Most recently, a new mortgage was given on November 15, 2013, to Valley National Bank in the amount of \$5.5 million. The interest rate was 3.875 percent for a term of slightly over 10 years (the note maturing on December 31, 2023), but with payments based on an extended 40-year amortization schedule. Proceeds from the loan were used to pay off the prior mortgage given to National Cooperative Bank

There was no mortgage amortization until 1997. Since then, mortgage amortization totaled the following amounts per share for each respective year.

1997	\$0.0393
1998	\$0.3826
1999	\$0.4100
2000	\$0.4421
2001	\$0.4767
2002	\$0.5140
2003	\$0.5542
2004	\$0.5474
2005	\$0.6423
2006	\$0.6812
2007	\$0.7223
2008	\$0.7659
2009	\$0.8123
2010	\$0.8613
2011	\$0.9134
2012	\$0.9944
2013	\$1.0503
2014	\$0.6320*

* The accountant for Newport Apartments, Inc. has not yet provided a figure for the year 2014, and this amount is an estimated based on available information.

Maintenance

Throughout the years the necessary increases to monthly maintenance charges imposed on shareholders have been modest. Most of the expenses of the corporation are fixed, such as taxes, mortgage payments, and salaries. Absent decisions that the corporation should embark on a program to substantially reduce building services to shareholders, to utilize non-reputable service providers, or to otherwise abandon responsible financial management, very little of the corporation's budget is discretionary. In fact, were services to be reduced, the corporation might be required by law to make monthly payments to the non-shareholding tenants to compensate them for the inconvenience and reduction in services.

The following schedule shows the history of monthly maintenance charges per share at Newport Apartments, Inc. since 1997.

January 1, 1997.....	\$1.0513
July 1, 1999	\$1.1728
January 1, 2001.....	\$1.2109
January 1, 2003.....	\$1.2714
January 1, 2004.....	\$1.2969

January 1, 2005.....	\$1.4136
February 1, 2006	\$1.4701
March 1, 2007.....	\$1.5789
March 1, 2008.....	\$1.6815
January 1, 2009.....	\$1.8245
January 1, 2010.....	\$1.8838

Special assessments

Special assessments were collected from shareholders in 1993 and 1994. The total amount collected in 1993 was \$1.65 per share, and in 1994, \$0.145 per share. The assessments increased each shareholder’s basis in their stock.

Another special assessment was collected from shareholders in 2001 to cover extraordinary fuel costs. The total amount collected was \$0.70 per share.

Beginning in 2005, special assessments were collected, primarily to cover the building’s energy charges. These assessments were collected in the months during which STAR benefits were returned to shareholders, and generally were of a magnitude which offset the amount of the STAR benefits. By collecting the assessments in the same months as the distribution of STAR benefits, the burden on resident shareholders was minimized since the net amount payable each month by shareholders remained relatively constant. In the absence of these special assessments, maintenance would have had to be increased, and the net amount payable each month would have varied throughout the year based on the timing of the distribution of STAR benefits. These special assessment charges were as follows (each amount reflects the total annual assessment, not the assessment amount collected during each month of the assessment period).

2005	\$1.23
2006	\$1.62
2007	\$1.60
2008	\$2.91
2009	\$1.12
2010	\$1.02
2011	\$1.09
2012	\$1.22
2013	\$1.63
2014	\$1.55

Managing agent

At the time of the building’s conversion its managing agent was S & G Management Corporation, an affiliate of the selling agent for the building. On January 1, 1985, Wedgewood Management, Ltd., an affiliate of the sponsor, began managing the building. After control of the board of directors passed from the sponsor to the remaining shareholders, the board of directors retained an independent managing agent, Akam Associates, Inc. On June 1, 1996, Richter Properties, Inc. replaced Akam as managing agent. That managing agent later changed its name to Charter Management Realty Corp. Later, the building became managed by Lawrence Properties, Inc., which subsequently changed its name to Halstead Lawrence Properties, LLC. Following a disputed and yet-unresolved election, one of two competing boards of directors (each of which claims to have been elected) purportedly terminated Lawrence Properties, and substituted John B. Lovett &

Associates, Ltd. as managing agent. The Newport Shareholders Association does not take a position as to which managing agent is legitimate.

Building manager

During the time in which Akam Associates, Inc. was the managing agent for Newport Apartments, Inc., Joan Saberito was assigned as the building manager for the Newport. When the decision was made to change managing agents, the board of directors determined that Ms. Saberito's performance was excellent, as was her dedication to her responsibilities. The directors adopted Ms. Saberito as one of its own, with the understanding that her position at the Newport was independent of the choice of the managing agent. She then worked exclusively for the Newport, a rarity in an industry where building managers typically split their time amongst several buildings. Her salary was fixed by the board of the directors, and paid through the subsequent managing agents. Thus, even if the corporation of directors were to, once again, change managing agents, the shareholders could benefit substantially by having her continue to be the building manager exclusively for the Newport. Following a disputed and yet-unresolved election, one of two competing boards of directors (each of which claims to have been elected) purportedly terminated Joan Saberito, and substituted Fred Balic as building manager. The Newport Shareholders Association does not take a position as to which building manager is legitimate.

People at the Newport

A Directory

Newport Shareholders Association

The Newport Shareholders Association consists of individuals who have long participated in the management of the Newport, and have significant experience in setting overall policy and strategy for the success of the building's operations. For further information on the association visit its website at www.4265kissena.com.

Board of directors

The board of directors of Newport Apartments, Inc. sets overall policy and strategy for the corporation. As a result of a disputed and yet-unresolved election, there are two competing boards of directors. The Newport Shareholders Association does not take a position as to which board of directors is legitimate.

First board of directors:

Marianne Dimino..... President
John MongiatVice president
O. Mario MongiatSecretary
Lawrence Hughes Treasurer
Eve Szembek.....
Christina Yang.....
Jean Chang

Second board of directors:

Carrie Feng..... President
Powers ChangVice president
Beatrice Hofman.....Secretary
Kaity Chang..... Treasurer
Frank Wang.....
Hang Fan (Fanny) Tam.....
Ling Yun (Linda) Mao.....

Building staff

The building staff performs the cleaning, maintenance, and oversight activities.

Frank WeldonSuperintendent
Randolph BarrowDoorman
Jack RafulowitzDoorman
Marcos SampenDoorman
José Danilo (Danny) Tavaréz.....Doorman

José Alberto Tavarez Porter
José Elias Tavarez Porter
Perfecto (Tommy) Tavarez* Porter

* The second board of directors claims to have terminated the employment of Perfect (Tommy) Tavarez. The Newport Shareholders Association does not take a position as to whether or not he remains an employee of Newport Apartments, Inc.

Managing agent

The managing agent provides back office support for the corporation. During an emergency shareholders may call the managing agent, leave a message, and the shareholder will be called back immediately. The second board of directors claims to have terminated the engagement of Lawrence Properties, Inc., now known as Halstead Lawrence Properties, LLC, and to have engaged John B. Lovett & Associates, Ltd. in its place. The Newport Shareholders Association does not take a position as to which managing agent is legitimate.

First managing agent:

Asher Bernstein President
Anton C. Cirulli Managing Director
Howard Kitain Chief Financial Officer
Peggy Garcia Transfer Agent
Lyda Meyer Secretary

Halstead Lawrence Properties, LLC
150 West 30th Street
New York, NY 10001-4146
Tel. (212) 868-8320
Fax (212) 279-2119
www.lawrenceprop.com

Second managing agent:

Kenneth M. Lovett President
Dale Van Winkle Operations Director
Edward Rodriguez Accountant
Donna Achara Sales and other applications
Janet Hart Garage licenses

John B. Lovett & Associates, Ltd.
109-15 14th Avenue
College Point, NY 11356-1400
Tel. (718) 445-9500
Fax (718) 445-97042119
www.lovettrealty.com

Building manager

The building manager takes care of day-to-day operations of the building. The second board of directors claims to have terminated the engagement of Joan Saberito, and to have engaged Fred Balic in her place. The Newport Shareholders Association does not take a position as to which building manager is legitimate.

First building manager:

Joan Saberito Building Manager

Tel. (212) 868-8320

Cell (646) 627-1025

Second building manager:

Fred Balic Building Manager

Tel. (718) 445-9500 extension 146

E-mail fbalic@lovettrealty.com

Attorney

Since the firm's founding in 1992, the corporate attorney for Newport Apartments, Inc. has been Marcie Waterman Murray of the firm Tane Waterman & Wurtzel, P.C. Ordinarily, shareholders will not have need to interact with the attorney. The second board of directors claims to have terminated the engagement of Tane Waterman & Wurtzel, P.C., and to have engaged Goldstein & Greenlaw LLP in its place. The Newport Shareholders Association does not take a position as to which attorney is legitimate.

First attorney:

Marcie Waterman Murray Partner

Stewart E. Wurtzel Partner

David A. Tane Partner

Tane Waterman & Wurtzel, P.C.

120 Broadway, Suite 948

New York, NY 10271-0996

Tel. (212) 766-4000

Fax (212) 766-4022

www.twwlawny.com

Second attorney:

Abbey F. Goldstein Partner

Goldstein & Greenlaw LLP

118-35 Queens Boulevard, Suite 1515

Forest Hills, NY 11375-7252

Tel. (718) 544-7701

Fax (718) 520-1213

Certified Public Accountant

Since 1989, the certified public accountant for Newport Apartments, Inc. has been Lois Clinco of the firm MayerMeinberg LLP. Ms. Clinco is available to discuss with shareholders questions regarding the corporation's financial statements. The second board of directors claims to have terminated the engagement of MayerMeinberg LLP, and to have engaged James Pai, CPA, PLLC in its place. The Newport Shareholders Association does not take a position as to which certified public accountant is legitimate.

First certified public accountant:

Lois Clinco.....Partner

MayerMeinberg LLP
6900 Jericho Turnpike, Suite 312
Syosset, NY 11791-4407
Tel. (516) 921-8900
Fax (516) 921-4070
www.mayermeinberg.com

Second certified public accountant:

James Pai.....Partner

James Pai, CPA, PLLC
139 Centre Street, Suite 304
New York, NY 10013-4554
Tel. (212) 925-0022
Fax (212) 925-0033
www.jamespaicpa.com

People at the Newport

Whom to Contact

Alterations and renovations

Apartment alterations, remodeling, and/or construction must be arranged with the managing agent. An application will be required.

Bathroom maintenance

Maintenance of bathroom items behind the walls, including clogged drains, may be arranged with the doorman or superintendent. Maintenance of bathroom items within the apartment, including all exposed items, is the shareholder's responsibility, and the hiring of a plumber may be required.

Complaints against neighbors and employees

Contact the building manager. For non-emergency disturbances that require police assistance, contact the 109th precinct at (718) 321-2250.

Complaints against the building manager

Contact the board of directors.

Emergencies

For life threatening emergencies, such as fire, crime, and medical, call 9-1-1. For other time-sensitive emergencies, contact the doorman or superintendent.

Gas odors

Contact the doorman or superintendent.

Heat and hot water

If there appears to be a lack of heat or hot water, contact the doorman or superintendent.

Lights

For replacement of non-functioning lights in common areas, contact the doorman or superintendent. Replacement of non-functioning lights in individual apartments is the shareholder's responsibility, and the hiring of an electrician may be required.

Refinancing

Refinancing must be arranged with the managing agent. An application will be required.

Refuse

For disposal of large refuse items contact the doorman or superintendent.

Repairs and maintenance

Repairs and maintenance to common areas may be arranged with the doorman or superintendent. Repairs and maintenance within individual apartment is the shareholder's responsibility, and the hiring of a contractor may be required.

Subletting

Subletting must be arranged with the managing agent. An application will be required.

Shareholder Obligations

A Summary

Air Conditioners

Wall sleeves are provided in every apartment and may be used for air conditioners. If a sleeve is deteriorated, a replacement will be installed without charge by the superintendent. Window air conditioners are not permitted.

Alterations and renovations

Anyone who alters, remodels, or otherwise engages in construction activity in an apartment must possess appropriate licenses and be covered by adequate insurance. An application is required before such work may be undertaken.

Annual shareholders meeting

Typically in May of each year the shareholders are invited to a meeting in accordance with Business Corporation Law § 602(b). At that meeting the board of directors provides an update to the shareholders on the state of the corporation and otherwise provides a forum for dialog between the shareholders and the board.

The shareholders are also given an opportunity to elect a board of directors at the annual meeting. The board of directors consists of seven members, all of whom are elected by the shareholders (there are no longer any board members selected by the sponsor).

In order for the meeting to occur it is necessary for there to be a quorum of shares present at the meeting, either in person or by proxy. The quorum is one-half of the number of outstanding shares of stock issued. Shareholders are encouraged to attend the annual meeting, both to ensure that a quorum exists (and avoid the unnecessary delay and expense in postponing an annual meeting for lack of a quorum) as well as to remain informed of the state of the building.

Carpeting

Rugs or carpeting must cover no less than 80 percent of the floor area of each room in an apartment, except for kitchens, bathrooms, and closets.

Fire escapes

Fire escapes exist for the purpose of safe and rapid evacuation in the case of fire. To serve their purpose, fire escapes must not be blocked, and tenants are prohibited from storing anything, including plants, on the fire escapes.

Guests

Guests of shareholders may stay in the shareholder's apartment for a maximum of 30 days. After 30 days guests may be considered to be subletting tenants (even if no rent money is paid to the shareholder), in which case subletting fees apply.

Insurance

While the corporation maintains insurance on the building itself, no insurance is maintained by the corporation for the contents of individual shareholder apartments. To protect personal possessions and to insure against liability exposure, shareholders may want to consider obtaining co-op owners insurance.

Maintenance

Shareholders are responsible for the prompt payment of monthly maintenance charges. Payments are due on the first of each month. If payment is not received by the fifteenth of the month a \$50 late charge may be assessed. Continued failure to remit monthly maintenance charges may result in the assessment of legal fees required for the collection of these charges; ultimately the corporation may terminate the shareholder's lease and foreclose on his or her shares in the corporation.

Monthly maintenance is due regardless of the receipt of a bill. If no bill has been received, or if the original bill has been mislaid, remit a check for the proper monthly maintenance amount to the following address.

Newport Apartments, Inc.
P.O. Box 3072
Hicksville, NY 11802-3072

Moving

Tenants may move-in or move-out of the Newport any day, except Sunday, between the hours of 9:00 A.M. and 5:00 P.M. Advance arrangements must be made with the doorman or superintendant in order to coordinate with other building activities and to ensure that proper padding is placed in the elevators. A fee applies to move-ins and move-outs.

Painting

Shareholders may paint their apartments themselves without need for an application.

Pets and service animals

Except as otherwise provided by law, pets are not permitted in the building. Note that service animals used by people with disabilities are not pets, and are always permitted in the building.

Real estate agents and open house exhibitions

Prospective purchaser of shares may visit the apartment appurtenant to the shares only when accompanied by the shareholder or the shareholder's agent. "Open house" exhibitions of apartments are not permitted.

Refuse and recycling

On each floor there is a service closet that contains a refuse chute leading to a compactor, as well as recycling bins.

Refuse that is recyclable must be placed in one of the two bins, or piled neatly on the remaining floor space of the service closet. So as to avoid vermin infestations, please wash or rinse any recyclables before placing them in the service closet. Refuse that is recyclable includes paper, cardboard, beverage cartons, bottles, cans, metal, and foil. A complete list is available at www.nyc.gov/recycle. Failure to separate out recyclables will result in fines imposed on the corporation, all of which will be paid by the shareholders collectively.

As to ordinary non-recyclable household refuse, please place such refuse in the chute, making sure that the refuse goes completely into the chute and the chute door closes. For larger refuse items, contact the doorman or superintendent for assistance.

Respect

Please give your neighbors and the building staff the respect that they have earned and deserve. Any assault or other physical abuse by a shareholder toward the building staff will be treated as a criminal matter, the police will be called, legal action will be initiated, and/or the corporation may seek the shareholder's eviction.

Roof

Because the roof was not designed to be walked upon, tenants are not permitted on the roof. The doors leading to the roof are alarmed, both to prevent access to the roof as well as to prevent access to the building by intruders. Should you hear the alarm sound please inform the doorman or superintendent.

Security

A single key provides entry to the front door, the service entrance door, and the door leading to the swimming pool and parking garage. Should you lose the key contact the doorman or superintendent for a replacement key.

If you use a key for entry, do not let anyone follow you into the building unless you personally know the person seeking entry, or if that person seeking possesses a key to the building. It is not rude to shut the door to someone you do not know, and the security of all residents at the Newport depends on your vigilance in denying entry to unknown persons. You may direct such persons to the main entry for assistance by the doorman. If the doorman is temporarily absent, then the person seeking entry should await the doorman's return.

Selling shares and transfer fees

If a shareholder desires to sell his or her shares, the transfer of those shares and the appurtenant lease requires a joint application to be submitted to the managing agent. A fee is required for the application. The prospective shareholder(s) and other tenant(s) will be required to attend an interview with a committee of the board of directors as a condition for the transfer. If the transfer application is approved, a transfer fee may be required.

A transfer fee is payable by any shareholder who transfers his or her interest in shares. The transfer fee is equal to \$8.00 per share transferred. No transfer fee is paid when a deceased shareholder's name is replaced by the name of a spouse, sibling, parent, or child; when a shareholder's name is replaced by the name of the shareholder's trust; and the addition or deletion of the name of a spouse, sibling, parent, or child.

Note that there is no exception to the fee for transfers pursuant to a divorce. If a shareholder intends to divorce his or her spouse, that shareholder may want to consider adding or deleting a spouse name while still lawfully married, as once the divorce is finalized the two parties are no longer married and any name changes or other transfers between them will incur a transfer fee.

Service entrance

A service entrance to the building is provided immediately south of the main entrance. Please use this entrance when entering or exiting the building with bicycles, roller skates, strollers, permitted pets, etc. (of course, people with disabilities may bring their service animals with them through the main entrance). The delivery of large items should be made through the service entrance. Also please be prepared to use the service entrance when the lobby area is being cleaned.

Signs

Shareholders with professional apartments on the lobby floor may be permitted to post signs which identify their business. These shareholders should contact the building manager before fabricating such signs to ensure compliance with the building's standards and to receive written approval of the installation of the signage. Sandwich boards and other temporary exterior signs, including those used by many realtors, are not permitted.

Smoke and carbon monoxide detectors

All apartments must have working smoke and carbon monoxide detectors as required by New York City Administrative Code § 27-2045 *et seq.* For more information, refer to the website of the New York City Department of Housing Preservation and Development, www.nyc.gov/hpd.

Smoking

Smoking is not permitted anywhere in the building except within an individual's private apartment. No smoking is permitted in any common areas, including the hallways, elevators, laundry rooms, lobby, or foyer. Please consider the comfort and health of neighbors by respecting this rule.

Subletting and occupancy

Shareholders may sublet their apartments. However, an application from the proposed subtenant is required, as is approval from the board of directors. Contact the managing agent. Regardless of whether a sublet has been approved, a fee will be applied to all sublets.

If the sublet is approved, then a fee is payable for each year or portion thereof, and is equal to the greater of (1) twice the monthly maintenance fee payable for the apartment being sublet, or (2) twice the monthly rent being paid by the subtenant to the shareholder.

If the sublet is not approved, then a fee is payable for each month or portion thereof, and is equal to the monthly maintenance fee payable for the apartment being sublet.

Terraces

Cooking is not permitted on any terrace.

Visitors

No unannounced visitors are permitted in the building. An intercom system is available for the convenience of shareholder guests. All visitors to the building must be must either use the intercom system and be “buzzed” in the building or be escorted by a shareholder.

To maintain tenant privacy, an arbitrary code number appears on the intercom system directory; no apartment numbers are displayed on this directory. Visitors may enter the code number and will then be connected directly to the tenant’s telephone. If the visitor is accepted by the tenant, then the tenant should press 3-6 on their telephone keypad and a signal (a “buzz”) will be sent to the door that allows the visitor entry.

Calls on the intercom system are directed to any telephone number of the shareholders. Contact the doorman to establish or change your telephone number.

Washers and dryers

Neither washers nor dryers are permitted in any apartment. Please use one the laundry rooms on the lobby floor, or any outside laundry service.

Window guards

All apartments in which a child of age 10 or under resides must have window guards installed on all windows as required by New York City Administrative Code § 27-2043.1. Any shareholder may have window guards installed in their apartment, even if there is no child age 10 or under residing there. The superintendant will install the window guards without charge. Contact the doorman or superintendant to make such arrangements. For more information, refer to the website of the New York City Department of Health and Mental Hygiene, www.nyc.gov/doh.

At the time a person moves into an apartment, and in January of each year thereafter, the corporation is required to ask if any child age 10 or under lives in that apartment. Kindly complete and return the form to the doorman when it is distributed.

Services

A Guide to Living at the Newport

Bulletin boards

Bulletin boards have been installed in each of the two mailrooms on the lobby floor. These bulletin boards have been installed to facilitate non-commercial communications of a general nature to other shareholders. Most communications consist of important announcements from management, such as the posting of swimming pool hours. Shareholders may have other communications posted, such as general meeting announcements or statements regarding building management. Shareholders who desire to have their communications posted should deliver three copies of such communications to the doorman or building manager, one for each of the two bulletin boards and one for the files of the building manager; the communications are then posted promptly.

Cable television, internet, and telephone service

The building is served by three cable television, internet, and telephone service companies, and shareholders have a choice of any company for service. Arrangements for service and billing must be handled directly by the shareholder with the utility company. The three companies are as follows.

RCN
33-16 Woodside Avenue
Long Island City, NY 11101-1036
(800) 746-4726
www.rcn.com

Time Warner Cable
Queens Center Mall
90-15 Queens Boulevard, Suite 63
Elmhurst, NY 11373-4914
(718) 358-0900
www.timewarnercable.com

Verizon
86-55 Broadway
Elmhurst, NY 11373-5868
(718) 358-0900
www.verizon.com

Community room

A community room is located on the south side of the lobby level, in the service corridor leading to the service entrance. This room is utilized for certain corporate events, including the annual shareholders meeting,

and for other activities that benefit all shareholders. However, at other times the room is available for rental by shareholders for private use, such as parties and meetings. The room is equipped with a kitchen (including stove and refrigerator) and a bathroom; tables and chairs may be provided on request. The rental fee is \$50 on weekdays, and \$100 on weekends. Contact the building manager to reserve the room.

Electrical service

The building has meters for each apartment and shareholders are responsible for the use of electricity within their apartments. Electricity used in common areas is included within each shareholder's maintenance charges.

Several companies provide electrical service. Many shareholders use Consolidated Edison to arrange for the supply of electrical service, but shareholders may utilize any company of their choice. For all electrical suppliers Consolidated Edison delivers the electrical service ordered. All shareholders with electrical service will receive periodic delivery bills from Consolidated Edison, and may or may not receive separate bills for the use of electrical service from their supplier.

Consolidated Edison
89-67 162nd Street
Jamaica, NY 11432-5071
(800) 752-6633
www.coned.com

Extermination service

An exterminator makes regular visits to the Newport, usually on Fridays and Saturdays. Should you require this service contact the doorman.

Laundry

Neither washers nor dryers are permitted within apartments in the building.

Laundry services, including both washers and dryers, are provided in two laundry rooms on opposite ends of the lobby floor. Use of these machines requires a prepaid smart card loaded with sufficient funds. These cards may be purchased in the one large laundry room on the north side of the building, or through the vendor's website. The fee for each card is \$10.00, and cards purchased are dispensed pre-loaded with \$5.00 credit. The cards may be refilled in machines located in both laundry rooms.

Double load washers require \$1.50 per use, while triple load washers require \$2.50 per use. Washing time varies depending on the particular wash cycle selected. Dryers cost \$1.50 for the first 30 minutes of use; each additional 5 minutes is 25 cents if paid before the drying cycle is completed.

When washers or dryers are not functioning properly, contact the doorman so that service may be called. For refunds on non-function washers and dryers, contact the vendor.

Coinmach Corporation
55 Madison Circle Drive
East Rutherford, NJ 07073-2230
(888) 967-5429
www.coinmach.com

Lobby

The building has an attractively-decorated lobby at the front entrance, furnished with some chairs and sofas which shareholders may utilize while awaiting guests or deliveries. Please respect your neighbors by not treating the lobby as an extension of your own living room and limit your stay on the furniture to reasonable amount of time.

Mail and package delivery

The U.S. Postal Service delivers mail daily except Sundays. Mailboxes are located on the lobby floor. Please keep your mailbox locked in order to ensure delivery. Lost mailbox keys may be replaced by contacting the superintendant. Packages delivered by the U.S. Postal Service, United Parcel Service, FedEx, and other carriers are accepted by the doorman. A notification slip is placed in your mailbox should a package have been delivered. To retrieve packages, bring the notification slip to the doorman and sign the delivery book.

Should the U.S. Postal Service be unable to complete delivery because of its need for your signature, or for any other reason, a notification card will be placed in your mailbox. Bring that card to the post office located at 41-65 Main Street, and retrieve your mail there.

Prepaid outgoing packages may be left with the doorman. Most delivery services come to the Newport daily and pick up outgoing packages, but you may wish to contact your carrier to ensure that a timely pick-up will be made.

Newspaper delivery

Each morning newspaper carriers are permitted into the building so that subscribers may have their newspapers delivered to their apartment doors.

All shareholders should consider subscribing to *The Cooperator*. This newspaper is targeted to New York cooperative housing shareholders, and is published and mailed to subscribers monthly. Free subscriptions may be ordered from the newspaper's website, www.cooperator.com.

Parking garage

The building has a garage with a capacity of 59 automobiles. One of the parking spaces is reserved for the superintendent, while the remaining spaces are available for use by shareholders residing in the building. Shareholders who desire a parking space should contact the doorman or building manager and request that their name be added to the parking garage waiting. An additional list is maintained for those shareholders who desire a second parking space. However, this list will not be used until the no more shareholders remain on the list for a first parking space (in fact, no shareholder to date has received a second parking space).

The use of a parking space is not part of a shareholder's tenancy, is not covered by the proprietary lease, is not alienable, and no property interest is conveyed by the licensing of a parking space. Instead shareholders who use the garage are required to sign a separate license agreement with the corporation. The fee for using a parking space in the garage is \$150 per month plus an additional \$2 monthly for use of the garage door opener.

Storage Units

The building provides space to a storage unit company which has installed such units in the service area on the south end of the lobby floor. The units are available for rental by shareholders at a rate of \$55 per month. For further information on availability and rates shareholders should contact Bargold Storage Systems.

Bargold Storage Systems
41-41 38th Street
Long Island City, NY 11101-1708
(718) 227-4653
www.bargoldstorage.com

Swimming Pool

An outdoor swimming pool is provided for shareholder use and enjoyment during the summer. The swimming pool normally opens for use on Memorial Day weekend, and remains open throughout the summer until Labor Day weekend. It has generally been available daily between 11 A.M. and 7 P.M. For 2015, swimming pool hours have been reduced by approximately 50 percent. The swimming pool is open weekends and Labor Day from June 6, 2015, through September 7, 2015, between 11 A.M. and 8 P.M.; the swimming pool is also open on Wednesday, Thursday, and Friday afternoons, from July 1, 2015, through September 4, 2015, between 3 P.M. and 8 P.M. It is not known if or when normal swimming pool will resume.

There is no additional charge for shareholder use of the swimming pool. Shareholders must possess a Newport Apartments photo identification card to use the swimming pool. Periodic announcements are posted on the bulletin boards specifying the time and place where Newport Apartments photo identification cards are issued; other arrangements may be made through the building manager.

Guests of shareholders are also welcome to use the swimming pool, though there is a nominal daily charge for guest use: adults are \$6, children under 3 years are \$3. Shareholders must accompany their guests at poolside.

The following swimming pool rules will be strictly enforced:

- Children under the age of 10 must be accompanied by an adult who remains at the pool with them.
- No running is permitted on the pool deck.
- Ball playing is prohibited in the pool.
- Only bathing suits are permitted in the pool; no cut-off jeans or T-shirts are permitted.

Transportation

Flushing is not a community designed for automobile travel, and both traffic and parking congestion are issues. Additional parking spaces at the Newport would exacerbate the issues and make Flushing less attractive. We encourage shareholders to use public transportation. Bus routes Q17, Q25, Q27, and Q34 stop in front of the building, bus route Q20 stops one block away on Main Street at Maple Avenue, and bus routes Q65, N20, and N21 stop one block away on Sanford Avenue at Kissena Blvd. Other bus routes, including Q12, Q13, Q15, Q16, Q19, Q26, Q28, Q44, Q48, Q50, Q58, Q66, and QM3; the number 7 subway train; and the Long Island Rail Road services stop within a few block of the Newport. For local public transportation information call 5-1-1.

Privately-operated buses and vans provide express transportation to and from Division Street, off of Chatham Square, in Manhattan's Chinatown. These buses and vans depart from 41st Avenue, just west of Main Street, next to the Long Island Rail Road tracks.

The closest Amtrak station to Flushing is Pennsylvania Station in midtown Manhattan. The Long Island Rail Road goes direct from the Flushing Main Street station, on 40th Road just west of Main Street, to Pennsylvania Station.

Most intercity buses depart from Port Authority Bus Terminal in midtown Manhattan. The number 7 subway train goes direct from the Main Street station, at the intersection of Roosevelt Avenue and Main Street, to Times Square station, from which an underground passage leads directly to the bus terminal. Additional intercity buses operate from the 7-Eleven store at 219-17 Hillside Avenue in Queens Village; these buses bypass Port Authority Bus Terminal. Bus route Q27 goes direct from Kissena Blvd., just south of Franklin Avenue, to the 7-Eleven store. From Queens Village, Adirondack Trailways goes to White Plains, New Paltz, Kingston, Albany, and other points in upstate New York; and Coach USA goes to White Plains, Woodbury Common, Middletown, Monticello and other points in upstate New York. For further information call (718) 479-3332.

For commercial aviation, LaGuardia Airport is the most convenient airport to Flushing. Bus route Q48 goes direct from Flushing (board on Roosevelt Avenue, just west of Main Street) to all passenger terminals at LaGuardia Airport. John F. Kennedy International Airport is more distant less convenient. Bus routes Q25 and Q34 go direct from Flushing (board on Kissena Blvd, just south of Franklin Avenue) to the Jamaica AirTrain station (last stop), and AirTrain service then continues onward to all passenger terminals at Kennedy Airport. For further bus information call 5-1-1; for further AirTrain information call (877) 535-2478.

Website

A website for residents of the Newport continues to be developed, and may be visited at www.4265kissena.com. Documents, including this handbook, are available for download. There is a forum available for discussions relating to living at the Newport.

