

LAW OFFICES
FINGER & FINGER
A PROFESSIONAL CORPORATION

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Sellers & Purchasers
Attorneys
Brokers

Re: White Oak Cooperative Housing Corp. Closing Procedure

Dear Sellers, Purchasers, Attorneys, Brokers:

White Oak Cooperative was built as an FHA 213 Cooperative which means that the mortgage was federally insured in 1951. The relevant documents therefore include an occupancy agreement rather than a proprietary lease. The occupancy agreement provides the cooperative with the option of repurchasing the shares at “book value” (something around \$10,000.00). Originally this was to maintain the property as middle income and thus required by the federal government while the federally insured mortgage was in place. At a certain point that mortgage was paid off via refinance, but the documents and many of the procedures remain in place for various reasons. Since that time the Cooperative, for many years, permitted shareholders to retain 90% of the sales price and the Cooperative retained 10% of the purchase price, the so called “waiver of right of option fee.” Several years ago, they reduced the “waiver of option fee” to 5% but assigned the costs of the transaction to the Seller. These are now reflected in the rider to the Seller’s contract with the Cooperative (generally considerably less than the 5% of the purchase price, typically less than \$3,000.00).

For a variety of reasons, the process that the Cooperative engages in to make sure that the transaction occurs properly is to accept the option from the Seller and resell the property at the agreed upon price to the Purchaser. **In order to properly document this transaction we have prepared the attached Agreement and Uniform Rider that must be completed and signed by the parties and attached to the Contract of Sale between the parties that should otherwise be negotiated and executed by the parties directly. Once the Agreement is completed and signed, it should be emailed to us and we will submit to the Board for review and execution. Once (and if) the Board approves and executes, the Purchaser may proceed with its financing application and cooperative application**

(purchaser should email lit@fingerandfinger.com for the link to the online application) in the normal course. If the Purchaser is approved by the Cooperative, then we will provide transfer agent closing instructions.

Upon receipt of the transfer agent closing instructions (email from ca@fingerandfinger.com) we respectfully request that you carefully review and follow them. There are a number of procedures that will enable the attorneys to see what documents have been supplied by each of them and to properly gauge the status of the matter at any time. Additionally, once all documents have been uploaded and approved, the attorneys will be able to schedule the closing at the convenience of the parties via an online schedule option.

We look forward to working with you on this transaction and to bringing it to a successful conclusion.

Very truly yours,

Carl L. Finger, Esq.
Finger & Finger, A Professional Corporation

White Oak Cooperative Housing Corp.
Agreement and Uniform Contract Rider
And Offer to Purchase

Seller(s): _____

Purchaser(s): _____

Apartment/Unit: _____ (“Apartment”)

Street Address: _____ White Oak Street, New Rochelle, New York

Shares: _____

Date: _____

Proposed Purchase Price: _____

Proposed Financing (Mortgage, if any): _____

Proposed Additional Occupants (if any): _____

Seller’s Concession (if any): _____

Whereas, White Oak Cooperative Housing Corp. (“Cooperative” or “Corporation”) was constructed pursuant to and subject to Section 213 of the National Housing Act in or about 1952; and

Whereas, Cooperative operates as a housing cooperative and a corporation organized and existing under the laws of New York State; and

Whereas, the shareholders of Cooperative receive an Occupancy Agreement on the federally promulgated form pursuant to which they occupy their apartments in 50, 51, 60, and 61 White Oak Street, New Rochelle, New York (“Occupancy Agreement”); and

Whereas, the Occupancy Agreement between Cooperative and the Seller for the Apartment described above contains the following provision:

“If the Member [Seller] notifies the Corporation of his intention to leave the project, the Corporation shall have an option for a period of sixty days, but not the obligation, to purchase the Member's shares of common stock and occupancy

agreement, at an amount equal to the face value thereof plus accrued equity and less depreciation and any other amounts due by the Member to the Corporation. The purchase by the Corporation of the Member's stock and occupancy agreement will immediately terminate the Member's right hereunder and the Member shall forthwith vacate the premises.

“If the Corporation waives in writing its option to purchase the stock and occupancy agreement under the foregoing option, or if the Corporation fails to exercise such option within a period sixty days after receipt of notice in writing from the Member that he desires to sell his stock, the Member may sell his stock to any person, but such sale shall not entitle the purchaser to any right of occupancy unless he has been duly approved by the Corporation as an occupant. A holder of all the shares of common stock issued to the Member who has been duly approved by the Corporation as an occupant, upon due execution and delivery of a new occupancy agreement or assumption in writing of this Agreement, shall thereafter enjoy the privileges of and be subject to all the obligations of the Member under this Agreement, and the retiring Member shall thereupon be released by the Corporation in writing of all his obligations under this Agreement [Occupancy Agreement], provided he has paid all amounts due the Corporation to date.”

Now therefore, the parties hereby agree as follows:

- A. In the event of any inconsistency between this Agreement and Uniform Contract Rider (“Agreement”) and the printed form of the Contract of Sale including any riders thereto between Seller and Purchaser (“Contract of Sale”), the terms and provisions of this Agreement shall prevail and in the event of conflict, supersede said Contract of Sale.
- B. By execution of this Agreement the Seller notifies the Cooperative of Seller’s intention to vacate the Apartment on or before the Closing Date set forth in the Contract of Sale.
- C. By execution of this Agreement the Purchaser offers to purchase the shares and lease for the amount set forth in the Contract of Sale and subject to the terms of this Agreement.
- D. The Seller hereby waives the right in the Occupancy Agreement to the immediate receipt of an amount equal to the face value thereof plus accrued equity and less depreciation and any other amounts due to the Seller from the Corporation. The

purchase price to be paid to the Seller at the closing shall be inclusive of the face value plus accrued equity less depreciation. The Seller shall be paid directly by the Purchaser subject to the terms and conditions hereof and the contract of sale annexed hereto.

- E. The Cooperative hereby agrees, for this contract only, to waive the option to purchase the shares from the Seller and to permit the sale of the shares and occupancy agreement to the Purchaser subject to the closing being consummated for this contract and for the price set forth in the contract attached and payment of 5% [note: reduced from 10%] of the purchase price of the shares to the cooperative and payment of the Cooperative's legal fees, transfer agent fees, and the transfer taxes associated sale, all to be paid by Seller.
- F. Purchaser represents that it has reviewed the financial criteria for admission by the Cooperative. The Purchaser represents that it meets the financial criteria aforementioned. The Purchaser represents that it will meet the financial criteria upon the submission of an application for admission. The Purchaser represents and agrees that if Purchaser does not meet the financial criteria upon submission of the application that Purchase shall be declined admission to the cooperative. The financial criteria are attached to this rider. In the event that the Purchaser does not meet the financial criteria, Purchaser shall not receive back any application fee or other fees paid or expended and holds Cooperative harmless and indemnifies Cooperative for any claims associated with application and failure to meet the financial criteria.
- G. Nothing contained in the contract of the parties shall obligate the Cooperative to incur any liability, expense, or obligation. By execution hereof Cooperative only accepts the obligations set forth herein. Seller and Purchaser hereby hold harmless and indemnify Cooperative from any claims, causes of action, damages, liabilities, expense, or obligation set forth in any contract of sale between Seller and Purchaser.
- H. Seller shall pay all outstanding maintenance, assessments, mortgage charges, refuse charges, and other charges due pursuant to the policy of the Cooperative, if any, through the last day of the month in which the closing occurs. Purchaser and Seller may adjust for the maintenance and other charges between them.

- I. The Cooperative shall not be liable or bound for any verbal or written statements, representations, real estate brokers' set ups or information pertaining to the above Apartment furnished by any real estate broker, agent, employee, servant, or other person, or the Seller, unless the same is specifically set forth herein. Cooperative is not obligated to install any equipment or appliances in the Apartment or otherwise to make any repairs, improvements or decoration to the Apartment or its equipment, appliances and fixtures. Seller represents that Seller has not made any alterations to the Apartment or to any area affecting the common elements without the consent of the Board of Directors.
- J. The Purchaser must apply to the Cooperative and is subject to the approval of the Cooperative. The transmittal and execution of this Agreement shall not be considered the approval of the Purchaser by the Cooperative.
- K. Seller and Purchaser shall execute all of the Cooperative's standard documents at closing and make all required payments to effectuate the transaction contemplated by this Agreement. Such documents include the TP-584 and other documents evidencing the two transfers contemplated hereby.
- L. The delivery of the stock certificate and Occupancy Agreement to the purchaser at the closing shall be deemed to constitute full compliance by the Cooperative with the terms, covenants and conditions of this contract on the Cooperative's part to be performed and none of the terms of this contract except those specifically stated to survive delivery of the stock certificate and Occupancy Agreement shall survive closing.
- M. Effective on the date of the closing herein, the parking space, if any, used by the Seller shall be surrendered to the Cooperative.
- N. Any notice given by any party to the other parties by their counsel or otherwise, shall be in writing and shall be deemed duly given only if delivered personally or mailed by registered or certified mail, return receipt requested, in a postage-paid envelope addressed, if to the purchaser, to his attorney as set forth in the printed form of this contract; if the Seller to his attorney as set forth in the printed form of contract; and in all events to Cooperative, to Finger & Finger, A Professional Corporation, 158 Grand Street, White Plains, NY 10601, or at such other address as the purchaser's or seller's attorneys respectively may designate in writing. Notice shall be deemed to have been

given, if delivered personally, upon delivery thereof; and if mailed, upon the mailing thereof.

In Witness Whereof, the Parties hereto have duly executed this Contract as of the date first above written.

Cooperative:

Seller:

Purchaser:

Minimum Application Requirements

The following are the minimum requirements for an applicant / application to purchase shares and an apartment at the Cooperative:

- A. Minimum Credit Score: 700 (*750 if required per section “L”)
- B. Maximum Housing Expense (Mortgage/Maintenance/Assessments) to Income Coverage: 28%
- C. Maximum Total Debt (Mortgage/Maintenance/All Other Debt Service) to Income Coverage: 33%
- D. Minimum Cash on Hand: two (2) years maintenance in accounts that can be accessed without penalty.
- E. Maximum Loan to Value Ratio: 80%
- F. Minimum Down Payment at Contract Signing: 10%
- G. No Bankruptcies
- H. No Judgments
- I. No Convictions
- J. No Sex Offender Status
- K. Primary Occupancy by Applicant
- L. No more than One (1) Late Payment or Derogatory Credit Report/Note: An applicant may have one (1) late payment or derogatory credit note in their credit history. If, however, the late payment or derogatory credit note is within the previous 3 years, the applicant must also show a credit score of 750 or higher.

I (we) hereby represent to the Board, its agents, and attorneys, that we meet the above referenced criteria. I (we) understand and agree that the Board, its agents, and attorneys will rely on this representation in accepting for consideration and in considering the

application. In the event that the representation herein is false or incorrect and the Board, its agents, and attorneys, suffer any damages, including legal fees, we will be responsible and pay for any/all such damages incurred.

The Board will only accept an application for consideration if the above minimum criteria are met. Acceptance of an application does not constitute approval.

I (we) hereby acknowledge that I (we) have read and understood the aforementioned requirements in its entirety and wish to proceed with the application process.

Date: _____

Applicant 1-Name

Applicant 1-Signature

Applicant 2-Name

Applicant 2-Signature

Applicant 3-Name

Applicant 3-Signature