

## ***Beacon Hill Estates***

### ***Resale Policy***

As our Cooperative ages, daily use can diminish the resale value of our apartments. We all take pride in our homes, and for most of us that means maintaining and upgrading them as use and conditions warrant. However, on occasion we find that a departing Shareholder has failed to make appropriate renovations and allowed his apartment to degrade to a point that makes it un-saleable.

In recent years, bringing such units to marketable condition — including the installation of new kitchen counters and cabinets and bathrooms —has cost the Cooperative tens of thousands of dollars. As a consequence, our capital fund, which covers such critical projects as paving and boiler repair, receives a lower contribution from the sale of such units. Because of the neglect of our departing neighbors, we can do less for our remaining community.

The cost of renovations required to bring a unit to marketable condition is deducted from the selling price of the unit when calculating the net sales price.

If a Shareholder desires to move from the Cooperative, he or she must notify the Managing Agent by letter, with a copy to the President of the Board. Notice must be sent by certified or registered mail with return receipt and must be received by the Managing Agent not more than ninety (90) days (three calendar months) and not less than sixty (60) days (two calendar months) prior to the last day of the month in which the Shareholder intends to vacate. The notice must be effective the last day of the month.

In addition, the Shareholder must provide access to the Resale Committee for an inspection of their unit in order to inform the board of the current conditions that exist in the apartment. Such access must be provided so that an inspection may be conducted within ten (10) days of the postmark of the certified letter of intent to move.

Pursuant to Article 15 of the Bylaws, the Cooperative then has thirty (30) days from receipt of notice to notify the selling Shareholder that it intends to purchase the Shareholder's shares of stock effective with the vacate date.

When the apartment is offered for sale, the stock certificate, endorsed in blank covering the apartment, and the Occupancy Agreement must accompany the notification. Thereafter, the Seller must supply any forms which may be required by the Transfer Agent, Finger & Finger, A Professional Corporation, including a NY State Release of Tax Lien in the case of an estate and such other forms as are required by Finger & Finger. Please contact Finger & Finger at (914) 949-0308 upon the shares being offered. Finger & Finger will prepare the contract of sale and advise of the procedures and expenses to the outgoing shareholder if the Cooperative has exercised its option to purchase the shares of the outgoing shareholder.

If the outgoing shareholder has vacated the unit within the two (2) month time period of the notice, the outgoing shareholder will not be responsible for maintenance after the end of the second full month after the giving of the notice, if the Cooperative exercises its option to purchase the shares. If the Cooperative does not exercise its option to purchase the shares of the outgoing shareholder, the outgoing shareholder will be responsible for the payment of the maintenance until the shares are sold to an approved purchaser and the closing takes place.

### ***Resale Committee***

A Resale Committee has been created by the Cooperative to interview all prospective Cooperators. Everyone who will be living in the unit must be at the interview. Failure of all future parties who will be living in the unit to attend this interview will result in the postponement of the interview. This committee checks on all facets of the application, including matters of finance and references. The Resale Committee, in its sole discretion, will accept or reject any applicant, whether obtained by the Cooperative or by the outgoing Shareholder, regardless of whether or not the Cooperative has picked up the option to buy the stock. Although not required to do so, the Cooperative may give preference to children of Shareholders.

### ***Waiver of Option***

If the Cooperative waives its right to purchase the Shareholder's stock or fails to exercise its option within the aforementioned period, the Shareholder may sell his stock to any person. However, the sale may not be consummated and new occupancy may not take place unless

and until the prospective buyer has been interviewed and approved by the Cooperative Resale Committee.

### ***Sale Policy***

The Board of Directors employs a real estate broker in the sale of the stock at a commission negotiated by the Board which is shared by the Cooperative and the outgoing Shareholder. This is the exclusive broker who will be used by the Cooperative for the sale of any shares as to any apartment where the Cooperative has exercised the option to purchase the shares.

No open houses, group tours or exhibition of any apartment or its contents may be conducted, or any auction sale be held, without the consent of the Board of Directors.

When the Cooperative exercises its right to purchase a Shareholder's stock, every effort will be made to sell the stock at fair current market value. According to the Occupancy Agreement, the Cooperative is only obligated to pay the book value for the stock. If the selling price is greater than the outgoing shareholder's original cost as adjusted, then the outgoing shareholder will receive the original cost, plus the assessment of \$725.00 and a share of the profit. The profit share split is listed below.

Profit is determined as being the difference between the price paid for the stock (essentially the purchase price of the apartment) by the outgoing Shareholder and the current resale price after deduction of all applicable expenses. This calculation includes any renovation that may have been performed by the Shareholder. No additional payment will be made for any renovation or betterment completed in any apartment by the Shareholder. If during the inspection or move-out it is discovered that any renovation work needs to be removed, or that renovation work is required to bring the apartment into marketable condition, the cost of this work will be added (as a charge back) to the Shareholder.

The net profit will be divided as follows for a shareholder leaving the Cooperative 50% to the Cooperative and 50% to the Shareholder.