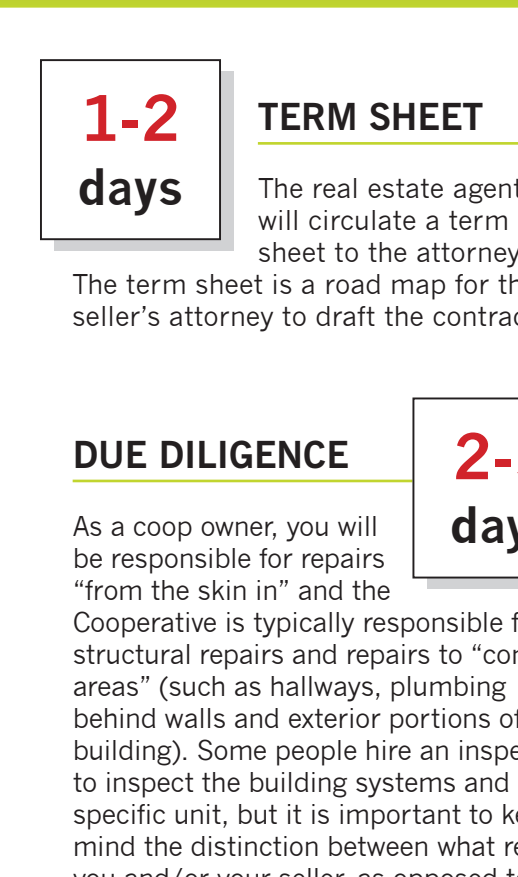


# TIMELINE GUIDE

## COOP PURCHASER

### CONGRATULATIONS!

You found the home of your dreams and your offer has been accepted. So now what happens? Buying a home is always an exciting and nerve wracking and when you're buying a coop, there are some important distinctions from other types of real estate to be aware of, namely you're buying shares in a corporation (the "Cooperative") and you will live in your home subject to a proprietary lease with the Cooperative. While time frames and procedures may vary from case to case, below is a typical timeline to help you understand what to expect as we move forward from accepted offer to the closing table.



**1-2 days**

### TERM SHEET

The real estate agents will circulate a term sheet to the attorneys.

The term sheet is a road map for the seller's attorney to draft the contract.

### DUE DILIGENCE

**2-5 days**

As a coop owner, you will be responsible for repairs "from the skin in" and the Cooperative is typically responsible for structural repairs and repairs to "common areas" (such as hallways, plumbing behind walls and exterior portions of the building). Some people hire an inspector to inspect the building systems and the specific unit, but it is important to keep in mind the distinction between what repairs you and/or your seller, as opposed to the Cooperative, are responsible for.

Equally important is due diligence on the Cooperative itself. Your attorney will review the proprietary lease, bylaws, financials and Board minutes of the Cooperative to get information about how the building operates, including building policies such as permitted pets, alterations and subletting.



**2-5 days**

### PROPOSED CONTRACT

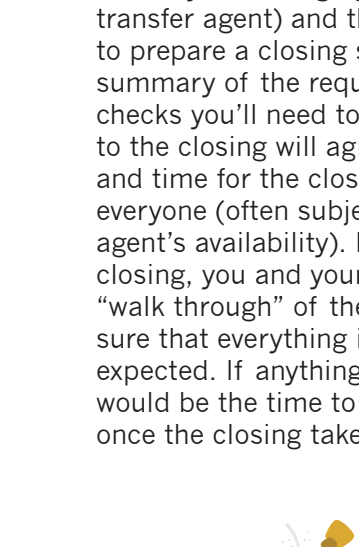
The seller's attorney will draft a contract (hopefully) reflecting the agreed upon terms. Your attorney will review that contract with you and provide comments to the seller's attorney. You should discuss with your attorney whose names will be on the stock certificate, who will reside in the unit, any personal items (furniture, chandeliers), storage units and/or parking spaces that you expect to be included in the sale.

### SIGNING AND DEPOSIT

**1 week**

The contract should be finalized within a week.

Your attorney will meet with you in person or e-mail you the contract to sign. Be prepared to write a check for the down payment (typically 10% of the purchase price) at this time. Once you have a fully executed contract you should send a copy to your bank and start working with your loan officer or mortgage broker to deliver the documentation your lender will need to issue a loan commitment.



**3-4 weeks**

### BOARD PACKAGE

Typically with a Cooperative, the Board has the right to accept or deny the sale and each cooperative has its own application procedure. Your real estate agent will provide you with the required package and may be able to help you gather the required documentation (often financial information as well as personal references). If you're getting a loan you will need to include a copy of your commitment with the application so this timeline may be shortened or extended based on how quickly your bank issues a loan commitment (See next step).

### COMMITMENT

**30-45 days**

Most banks will issue a loan commitment within 30-45 days of receiving an executed contract. The commitment may have contingencies you need to resolve (by providing more information and documentation to the bank). Once the commitment is issued you will need to work with your loan officer or mortgage broker to satisfy these additional requirements and secure a "clear to close" direction from the lender.

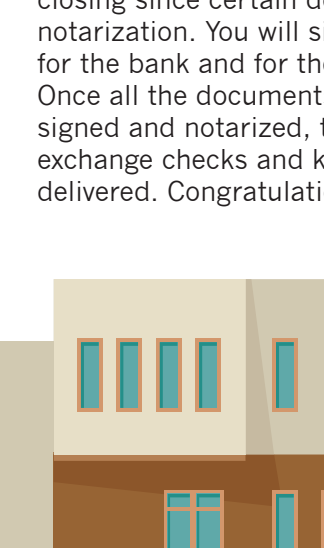
**45-60 days**

### BOARD APPROVAL AND CLEAR TO CLOSE

Once the Board has had an opportunity to review your application package they will schedule an interview to meet with you. This is the final step in the Board's due diligence and following this interview your attorney will be notified that you have been approved to purchase (hopefully!) or not. If the sale is not approved, the contract is terminated and your downpayment will be returned.

Once you're clear to close the bank will notify your attorney (and if they don't, you should inquire with your loan officer or mortgage broker).

Once your attorney has heard from both the Board and the bank, your attorney will work with the bank, the coop's attorney or managing agent (called the transfer agent) and the seller's attorney to prepare a closing statement – a summary of the required funds and the checks you'll need to bring. The parties to the closing will agree upon a date and time for the closing that works for everyone (often subject to the transfer agent's availability). Prior to the actual closing, you and your agent will do a "walk through" of the property to make sure that everything is in the condition expected. If anything is wrong, this would be the time to mention it because once the closing takes place the seller is not obligated to make any repairs or resolve any issues (absent a post-closing agreement).



### CLOSING

**45-75 days**

A day to two prior to closing your attorney will advise you exactly how you should have checks prepared. It is common for banks not to have final closing numbers until a day or two prior to closing. This may seem like last minute but getting the checks you need should only take 15-30 minutes and can often be done the morning of the closing.

Closings generally take 1-2 hours. You will need to bring valid, government issued photo identification to the closing since certain documents require notarization. You will sign documents for the bank and for the title company. Once all the documents are properly signed and notarized, the parties will exchange checks and keys will be delivered. Congratulations will follow.



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