**Owner Education Sessions** – Individual educational reports prepared for each shareholder
- Group Meetings held near the property or on-premises
- Individual One-On-One meetings are scheduled for each shareholder to address their individual issues.

**Financing, Arranged for Conversion Obligations** – Since all Hutton Group conversions are structured to require “NO CASH” from shareholders:
- Each shareholder can be pre-qualified for financing their conversion obligations through primary lender associated with Hutton.
- The shareholder accepts the pro-anta loan of the underlying mortgage or the co-op.
- If the shareholder already has a share loan, it can be wrapped into the new condo mortgage.

**Shareholder Vote to Proceed** – The shareholders vote to approve the dissolution of the corporation through a liquidation plan.
- If approved, we will proceed with the conversion plan at no cost to the co-op, our fee is paid by each shareholder at time of title transfer closing.
- If not approved, Hutton will repeat the process up to three times to get approval.

**Preparing Governing Documents for the New Condo** – A new Condominium Association is organized to manage the common elements with a new Board of Directors. Legal documents are recorded with state and local authorities.
- Fannie Mae, Freddie Mac & FHA Approvals can be obtained if all standards can be met.
- Individual Owner Financing – Shareholders will have a choice to use a primary lender introduced by The Hutton Group, who agrees in advance to provide market rates & terms in financing to all shareholders who will qualify.
- Initial Closing – We are conducted at the new location at the early stages of the conversion.
- Final Group Closing – The co-op community requests a Feasibility Study which is performed by Hutton at NO CHARGE to determine if the co-op is a viable candidate for a conversion to a condominium.
- If approved, we will proceed with the conversion plan at no cost to the co-op; our fee is paid by each shareholder at time of title transfer closing.
- If not approved, Hutton will repeat the process up to three times to get approval.

**Community That Includes:**
- Fannie Mae, Freddie Mac lenders and generally designs and executes all aspects of the conversion process at NO charge to the co-op.
- 100% shareholder participation is NOT required to effectuate the conversion. Some shareholders may defer their conversion, typically for up to 2 years.
- The Hutton Group earns a fixed conversion fee paid by each shareholder ONLY upon a successful conversion when a deed is delivered to the owner. This contingent fee covers all services and costs including all legal costs, fees and administrative and consulting fees. The shareholder has no other expense in the conversion other than the normal closing costs.
- All the costs and roles of conversion are borne by The Hutton Group, including the possibility of not receiving shareholder approval or failure to complete the conversion due to any financial or logistical barriers.

**SHAREHOLDERS**

**TAKE THE FIRST STEPS……**

**Important Questions for Co-op Shareholders & Board Members**

- Are you looking to get equity out of your co-op?
- Do you want to be part of an owner-advantaged community?
- Do you want to be part of an owner-advantaged community?
- Is the condominium down the block getting higher selling prices than your co-op?
- Is your co-op planning any major renovations and do you think it will need to raise the co-op’s dues?
- Are you looking for equity out of your co-op?
- Is the condominium down the block getting higher selling prices than a comparable apartment in your co-op?
WHY CONVERT YOUR COOPERATIVE TO A CONDOMINIUM?

Why should my Cooperative explore converting to a Condominium?

The conversion of your cooperative corporation is the Board’s responsibility. The Board is obligated to present to its members an opportunity to investigate, as a community, if a co-op to condominium conversion is the best solution to stagnating unit values in the current marketplace. Your Board may choose to ask the conversion consultant to provide specific details as to the financial consequences in the manner of your units, if you would like to learn more about your options.

What is the advantage of converting our co-op to a condominium?

A condominium is a unique ownership structure with special characteristics that make it a popular alternative in the marketplace. Most condominiums are more stable in value with greater acceptance by a larger segment of the real estate marketplace.

How will the conversion benefit our owners?

Immediate upon conversion, shareholders will experience equity appreciation without having to sell their units. They will be able to obtain loan-cost financing for up to 97.75% of their unit’s value as a condominium. Even your fixed-income owners on a fixed monthly housing costs and greater financial independence.

How will the conversion benefit our community?

The Board can regulate tenants, move-in and move-out procedures and require new standards and the goals of the new community.

The conversion to condominium will have no immediate impact on the Board and management structure. The members of the Board will remain the same, as well as the management agent and employees in the complex, if this is the desire of the community. In fact, your Board will be empowered to make appropriate modifications to your governing documents in order to bring them up to current standards and the goals of the new community.

Will the new condominiums utilize the same rules and as those in place now? In most cases, you can retain the same rules, regulations or restrictions that you already have in place, or you can use this opportunity to adopt new rules during the conversion process. In many of our cases, the new condominium will be better positioned to enforce the rules and regulations. The Board can regulate tenants, move-in and move-out procedures and require new owners and occupants to follow all rules.

Can some of our shareholders be on a fixed income?

In most cases, monthly housing costs decline or remain stable after conversion, so as to not be an impediment to convert from a co-op to a condominium. While the conversion of units is not a loan or mortgage, our primary lenders have been providing mortgages to similarly situated borrowers for their conversions for many years. If you can demonstrate that you have been paying on time for your housing costs and other obligations and that your income is sufficient to cover such monthly costs, you should qualify for a mortgage. Seniors 62 years of age and older may consider the option of a reverse mortgage which is a loan with no monthly payment obligations to the lender. For those who are retired or otherwise on a fixed income and may need a loan, our primary lenders have been providing mortgages to similarly situated borrowers for their conversions for many years. You can be as confident as your lenders that our “slipped” conversion process has minimized or eliminated any tax liabilities.

FREQUENTLY ASKED QUESTIONS

What are the common elements after the conversion? The individual owners of condominiums will each own a piece of the common elements typically defined as an “undivided interest” in the aggregate common elements in the community. The condominium association owns the property. All real property belongs to the individual condominium owners including their own units plus their undivided interest in the common elements.

How would the conversion affect the management and Board oversight in the community? The key to successfully completing an important impact on the Board and management structure. The members of the Board will remain the same, as well as the management agent and employees in the complex, if this is the desire of the community. In fact, your Board will be empowered to make appropriate modifications to your governing documents in order to bring them up to current standards and the goals of the new community.

Why can our Co-op shareholders provide specific details as to the financial consequences in the manner of your units? In the event that the Co-op needs funding for major needs. In other words, the Board is obligated to present to its members an opportunity to investigate, as a community, if a co-op to condominium conversion is the best solution to stagnating unit values in the current marketplace. Your Board may choose to ask the conversion consultant to provide specific details as to the financial consequences in the manner of your units, if you would like to learn more about your options.

What is the conversion process? The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or eliminated any tax liabilities. The conversion process has minimized or elimi...