

Riverdale Arms Apartments, Incorporated 701 S. Riverside Drive, Pompano Beach, Florida 33062

January 20, 2022

Dear Association or prospective new Member,

Subject: Transfer of Apartment through a Proprietary Lease & Certificate of Membership

Each year, we have one or more apartments transferred. The Board of Directors recommends the following steps when a current member plans to transfer an apartment at RAA through a cash exchange to a prospective new member who plans to become a long-term occupant/tenant at the corporation subject to the terms, conditions, limitation, and provisions of the governing documents including the RAA By-Laws, House Rules, and Proprietary Lease through a vetting process and recording of a Proprietary Lease & Certificate of Membership.

1. When a current member is thinking of transferring the RA apartment the first step is to contact the Secretary as RAA By-Laws require a transfer offer to be first offered internally to current members and/or their relatives and friends at a fair market price with no realtor or commission fees.
 - a. After the two-week internal listing is over the current member should mail his/her original proprietary lease and Certificate of Membership to the Secretary and then they are free to contact a Real Estate agent or advertise individually. The Board of Director's allow realtors to use lock boxes and stake an average sized sale sign, in the center area just beyond the parking lot bushes on S Riverside Drive with the statement "viewing by appointment only."
 - b. Make all transfer propositions subject to Riverdale Arms Documents and Board approval. The transfer of apartments is a total cash payment. RAA has no reserve accounts, loans, liens, or mortgages. Apartments are not individually owned; they are occupied through a Proprietary Lease. The RAA Cooperative is a private legal entity/corporation, who owns the land, management of the building is run in an orderly and fiscally sound basis and the decision-making process is based on a democratic foundation. The Association does not allow pets, renting or subletting apartments, members post a guest form when they have overnight guests and guest(s) staying in an apartment when a member is not in residence is limited to a two month visit in a 12-month period. Guest staying with members are limited to a six month visit in a 12-month period. Thus, members as Stockholders must always ask the Board of Directors for approval of major apartment renovations and they have a responsibility to ensure and preserve a uniform and homogenous exterior appearance in all common areas. Individual members may not make or undertake personal alterations, changes, additions, or other modifications to any common area outside of their apartment or on the external area of their apartment, without first obtaining approval by a vote of $\frac{3}{4}$ of the members, including the doors & windows of an apartment. All areas outside of an apartment are common areas. Registered members have one equal vote on decisions and equal use and rights to all common area. All common areas and grounds are protected by federal statutes and are preserved for the original purpose and cannot be individually used for a different purpose of one's own personal projects or individual use. All members must adhere to these regulations as a proprietary lease can be withdrawn if a member does not.
 - c. Once there is a viable potential new member intending to occupy an apartment through a Proprietary Lease or intent to transfer membership of the apartment to a family member contact the Association Secretary (Leslie Tyman, (508)879-4360), in season (954)941-0253 or email (lesliera701@rcn.com) and provide the formal name(s), address, telephone/cell number, and email address of prospective member(s) or if working with a Real Estate Agency have them forward a copy of the signed Sale/Purchase or As Is Contract, prospective occupant's contact information, copy of their Driver License(s) and a completed 2022 New Member Application.
 - d. If the current member has saved their RAA documents and financial reports, they should be given to the new member along with the recorded Opt Out letter. There should also be a discussion regarding apartment expenses, i.e., Quarterly Maintenance fee, FPL monthly/yearly expense, property tax along with cable & insurance resources/contacts and any announced assessments. If the transferring member does not have a copy of the RA documents, please inform the Secretary who will email the documents to the prospective new member.
2. When there is a prospective occupant for an apartment at RAA the Secretary will send the exiting member an Assignment Form to be signed, witnessed, and notarized and guide prospective new occupants through the vetting and recording process. The President will meet with prospective new members to answer any questions, review important sections of RAA documents and discuss the responsibilities/expectations of leasing in a Cooperative as a stockholder to ensure a smooth transition.

Sincerely, The RAA Board of Directors

Procedure for leasing and transferring a residential apartment at Riverdale Arms Apartments, Inc., 701 S. Riverside Drive, Pompano Beach, Florida 33062.

We are delighted you are thinking of leasing an apartment at Riverdale Arms and hope the following information will assist you in understanding you are entering into a long-term occupancy as a tenant lessee through a proprietary lease and stockholder of the association once you have completed the vetting process and been approved by the Board of Directors. The Association owns the land, mortgages are not allowed, there are no liens on apartments, RAA is a private business corporation, with a no pets policy, no renting or subletting of apartments and guests have restrictions when visiting.

1. Should a transfer be occurring as the result of the death of an owner/spouse, or he/she is entering an Assisted Living facility additional documentation is required. A request for the Death Certificate and a copy of the Will, Trust or Power of Attorney will be made prior to any transfer decisions. If the owner has a Will, Trust or Power of Attorney the intent of transfer will be outlined in the documents. If there are no written instructions regarding transfer the Association should ask if a Lawyer has been contacted to handle the family affairs or contact the next of kin to determine who has claim to the property. If there are multiple siblings or next of kin in line for transfer, all will be contacted to ensure a legal transfer and/or provide certified & notarized statements that they do not now nor will they make claim to the apartment in the future.
2. Negotiation for transferring an apartment at Riverdale Arms is conditional until a current member fulfills all association and financial responsibilities including the return of their original Proprietary Lease & Certificate of Membership while the prospective member; submits a Purchase & Sale contract if working with a Real Estate Company, completes a New Member Application, submits a driver's license, four (4) letters of reference (2 personal, 1 Business, 1 Financial), provides a complete personal credit report rather than a number score from one of the three credit Agencies; (www.Equifax.com (800) 685-1111, www.experian.com (888) 937-3742, www.Transunion.com (800) 888-4213, has an interview with a member of the Board of Directors, is approved by the 7-member Board of Directors and completes all requirements at the closing date transfer meeting.
3. Upon receipt of four letters of recommendation and the full Credit Report from a prospective member, he and/or she will be invited to meet with a member of the Board of Directors usually the President for a personal interview. The prospective member may travel to the nearest Board Member's residence or have the interview on site at 701 in Pompano Beach, Florida.
4. The Association will charge \$150.00 fee at the time the prospective new member submits the New Member application, the cost of a transfer to prepare a new proprietary lease/Certificate of Membership for recording and if there are any extra mailing, customs, affidavit processing fees there will be subsequent charge for preparing the documents. Current and prospective members usually hire a Law Firm or Title Company & Realtor when transferring apartments. These agencies usually require an Estoppel and notarized Affidavits. The Association charges the agency \$100.00 for each affidavit request. A request for an Estoppel will result in advance an agency fee of \$250.00 if the member transferring is without a delinquent RA financial account and \$400.00 for a member transferring with a delinquent RA financial account. There could be an additional Estoppel charge of \$100.00 if there is a request for expediting the processing of the Estoppel Form in less than the allowed 10-day processing requirement. For example, a request for a three-day turn around period. All Agency fees are paid at the time of request.
5. During the interview, a Director of the Board of Directors or the President will review several significant Documents and explain the Co-operative legal structure, answer questions, and ensure the prospective buyer received all the materials necessary to make an informed decision about membership in the Association. After the buyer completes the vetting process, submits all documents, takes part in an interview, understands the personal responsibilities outlined in the proprietary lease the Board of Director's at a duly called meeting will either vote approval for the transfer or indicate the current owner is not up to date with personal and financial payments to the association and request additional information from the prospective new member or disapprove the transfer.

6. The Secretary will in the minutes of the meeting note the action/decision/vote of the Directors regarding the transfer of apartments. The prospective members will be notified of the decision by a Board member usually the President directly after the board meeting. They will also receive a copy of the minutes and be added to the RAA data base.
7. Once the above process is completed, the member transferring the apartment can make a formal agreement with the prospective new member and jointly decide on a closing date. Payment should be held in escrow by a third party until the transfer process at the closing date has been completed.
8. **Upon receipt** of the original Residential Certificate of Membership, Proprietary Lease, and notarized Assignment Form from the former member the Secretary will begin to prepare a Proprietary Lease for the new member. Up until the point of the transfer or closing date of the sale is formally announced the original member is responsible for quarterly maintenance/insurance fees, scheduled assessments noted in the minutes, property taxes, etc. Prior to the closing date the parties should discuss and be clear as to individual financial responsibilities and whether there is a need to prorate any annual expenses.
9. **Document requests by lawyers, Title Co and Realtors for Estoppel and Affidavits are charged directly to the asking agency for immediate payment prior to processing.**
10. **The new member is charged a onetime fee of \$150.00 at the time they submit the New Owner Application for preparing the Certificate of Membership and Proprietary Lease along with any RA expenses for the mailings, customs fees to Canada and any charges required when seeking notary signature/seal.**
11. The new Proprietary Lease is to be duly recorded and stamped at Broward County Governmental Center, 115 South Andrews Avenue Room 114, Ft Lauderdale, FL 33301. Office hours are 8:30 a.m. to 4:30 p.m., except Wednesday where office hours are 8:30 a.m. to noon (954-357-7283). The recording department should be informed of the transfer price for the apartment to assess and affix document stamps as well as the new members permanent state residence. Documentary stamps currently cost .70 per \$100.00 dollars. Recording fee per page, 1st page \$10.50, \$8.50 for each additional page. Average cost for recording a new members Proprietary Lease of 8 pages is just under \$70.00. Please call the records division to verify the current cost of documentary stamps. Documents are usually processed the same day. Make sure the recording agent records and returns all 6-8 pages of the Proprietary Lease with Document stamp affixed and book page identified. Average law firms/Title Companies have been charging \$350-500.00.
12. **After the new member, Title Company or Lawyer records the original Proprietary Lease/Certificate of Membership and it is duly stamped and certified by the Broward County Records Division please give or send a copy whether e-recorded or recorded in person of the stamped proprietary lease with a clear view of the document stamps, date of recording, Book/Page number, etc. to the RAA Seretary** The received copy of the recorded Proprietary Lease/Certificate of Membership is placed in the RA Association Safe Deposit Box for safe keeping.
13. Once the required processing fees and a copy of the recorded Proprietary Lease is sent to the secretary the new member becomes a full voting member of the Association. At the annual meeting, the third Wednesday of January, which is a member meeting certificate holders may vote, one vote per apartment.
14. The 2022-23 quarterly maintenance fees are: 1/1 \$1089.00, 2/1 \$1291.00, 2/2 \$1492.00 payable 4 quarters during the year; 1st Quarter April 1, 2022, 2nd Quarter July 1, 2022, 3rd Quarter October 1, 2022, 4th Quarter January 1, 2023.
15. We hope you enjoy your time at RAA and the friendships you develop in the years ahead.