

ATKINSON TOWERS, INC. DISCLOSURE STATEMENT
(Provided/Prepared by Walt Flood Realty)

1. It is understood that the Purchase Contract is for purchasing a condominium unit #601 in Atkinson Towers, Inc., use of parking stall #29, use of the assigned space in the storage room and the co-use of the limited common elements.

2. **Buyer** understands that the project, Atkinson Towers is a mixed residential cooperative and condominium. This means if the purchase is to be financed, the Lender will write a Portfolio Loan, which may require a higher down payment, a higher interest rate on the Loan and more stringent borrower requirements. If the sale is by way of "Seller Financing" (Agreement of Sale, or Purchase Money Mortgage), the Buyer is to receive the property deed upon "pay-off" of the Loan.

3. **Buyer** understands that the ground lease rent, for the 10,500 sq.ft. parking lot owned by Mr. Lloyd Char was set for the period Jan. 1, 1997 to Dec. 31, 2006 at \$60,000.00/year.

4. **Buyer** understands that at the end of the previous ten-year period (Dec. 31, 2006), Atkinson Towers, Inc. re-negotiated the ground lease rent on the parking lot for the next ten-year period at \$66,000.00/year. The ground lease rent "pro ration" for Apartment #601 is: \$58/month – as of Jan. 1, 2007.

Note: The Atkinson Towers Maintenance fee is \$488.00/month, plus parking ground lease rent of \$58.00 equals \$546.00 as of 01/01/2010. The real property taxes are paid every six (6) months, and the total for year 2009/2010 is estimated to be \$1,020.00

5. **Buyer** understands that the [Master Ground Lease](#) on the 10,500 sq.ft. parcel (parking lot) expires on December 31, 2016 and that if the Corporation is not successful in purchasing the [leased fee interest](#) in the parcel owned by Mr. Lloyd Char or in obtaining an extension of the lease, that particular portion of Buyer's vested interest in Atkinson Towers will terminate with no residual value or recovery of investment.

This is known as the “[surrender clause](#)” in the master ground lease. To wit: The Lessee (Atkinson Towers, Inc.) will be required to turn over the parking lot, including the improvements (if any), to the Lessor (Lloyd Char) at the termination of the lease.

The Parking Stall #29 which is assigned to condo unit #601 is on the 30,919 sq.ft. lot and it is covered, or under the building’s structure. It is fair to assume that the stall #29 will still be assigned to unit #601 even after the lease expires on the 10,500 sq.ft. Char parking lot.

If the Atkinson Towers corporation is **not** able to negotiate an extension of the master ground lease (i.e. another 10-20 years), or is not able to purchase the Char property, then the AOA may build a parking structure to accommodate the 34+ owners who have their stall located on the Char property. All the owners will have to share the cost of a new parking structure, or all the owners will have to pay their pro-ration of the new lease rent on Char’s property.

Finally, on January 1, 2017, there could be an assessment for the new parking structure (my estimate: \$12K to \$17K per owner), or a new lease rent (my estimate: \$85-\$95/month).

Note: These are my personal opinions and they are not approved or sanctioned by the Atkinson Towers Board of Directors. Seller and the Buyer agents are not held liable. The Buyer should obtain a lawyer’s opinion prior to purchasing this condo unit #601.

The above information is from sources deemed to be reliable, but is not guaranteed, and the Seller or the Seller’s Agent, and/or the Buyer’s Agent, are not liable or responsible for any inaccuracies, error or omissions.

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AT #601 (Revised Feb 16, 2010)