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MEMORANDUM

From: David lane. Esq., counsel to Shore View Corporation
Re: Transfers to Trusts/Flip Tax
Date: 11/3/15

Dear Shareholders:

As you may be aware, since 1985 the Corporation has imposed a transfer fee ("Flip Tax"), on the transfer of apartments equal to \$6.00 per share. These monies are used to augment the Corporation's treasury and help ensure the Corporation's financial health.

In the 30 years since the enactment of the Flip Tax, cooperatives in New York have seen the emergence and increasing popularity of transfers by existing shareholders to trusts established by those shareholders for estate planning purposes.

The Corporation has received requests from shareholders for clarification as to the applicability of the Flip Tax to certain trust transfers. In response to these requests, the Board of Directors has determined that the Flip Tax will not be applicable to transfers to trusts which meet *ALL* of the following criteria:

- The shareholder is transferring his/her shares to a trust for no consideration (i.e. nothing of value, whether in cash or in kind); **and**
- The shareholder is transferring his/her shares to a trust which has been created by the shareholder in the shareholder's name and the trust grants the shareholder the right to continue to occupy the apartment being transferred

Shareholders wishing to transfer their shares to a trust are reminded that the transfer still requires the prior consent of the Corporation. Interested shareholders should contact the managing agent for a transfer application and an outline of fees and procedures for the trust transfer.

Shareholders considering a trust transfer should be aware that the New York Coop-Condo abatement is applicable to trusts *only* if the following criteria are met:

- The trust does not own more than 3 apartments and one of those apartments is used as the primary residence of the beneficiary of the trust or the trustee

Please feel free to contact the Corporation's managing agent with any questions.