

§1756. Offering of cooperative interests; subscription agreement; disclosures required

1. Materials provided to prospective members. In conjunction with the offering of cooperative interests to prospective members, a person or entity offering to sell cooperative interests shall provide to a purchaser prior to the execution of a subscription agreement by the purchaser a copy of the proposed or adopted articles of incorporation and bylaws of the cooperative affordable housing corporation, a subscription agreement or sales agreement, a proposed proprietary lease and the most current corporate financial statements, if any exist.

[PL 1993, c. 300, §1 (NEW).]

2. Contents of agreements. The subscription agreement or sales agreement must contain:

A. Provisions detailing the cost of acquisition of a cooperative interest, the rights and privileges of membership in the cooperative affordable housing corporation and terms and conditions of occupancy of a unit in the cooperative affordable housing corporation; [PL 1993, c. 300, §1 (NEW).]

B. Provisions, if any, under which the subscription agreement or sales agreement is subordinated to other agreements or otherwise encumbered; [PL 1993, c. 300, §1 (NEW).]

C. Provisions for cancellation of the agreement by either party; and [PL 1993, c. 300, §1 (NEW).]

D. A legally sufficient description of the property. [PL 1993, c. 300, §1 (NEW).]

[PL 1993, c. 300, §1 (NEW).]

3. Cancellation. The subscriber or purchaser has the right to cancel the subscription agreement or sales agreement without penalty upon provision of written notice to the offeror within 10 days of the date of signing the agreement. In the event of a cancellation, all money paid by the subscriber or purchaser to the offeror must be returned to the subscriber or purchaser by the offeror within 14 days of receipt of the notice of cancellation. The offeror shall inform the subscriber or purchaser in writing of the right of cancellation.

[PL 1993, c. 300, §1 (NEW).]

Notwithstanding any other provision of law to the contrary, the offer of membership, shares or other ownership interests in a cooperative affordable housing corporation or any other corporation or unincorporated association organized for the primary purpose of providing housing on a cooperative basis as a consumer cooperative under subchapter 1 or otherwise is not the offer of a security pursuant to Title 32, chapter 135 or any other provision of law. [PL 2005, c. 65, Pt. C, §7 (AMD).]

SECTION HISTORY

PL 1993, c. 300, §1 (NEW). PL 2005, c. 65, §C7 (AMD).

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