

EXHIBIT "16"

FREQUENTLY ASKED QUESTIONS AND ANSWERS SHEET
FOR COOPERATIVE ASSOCIATIONS

SUNSET PALMS, a Residential Cooperative
Name of Cooperative Association

As of November 1, 2001
(date)

- Q: What are my voting rights in the residential cooperative?
- A: The owner of each membership certificate shall be entitled to one vote. If an owner owns more than one membership certificate, he shall be entitled to one vote for each certificate. Each membership certificate's vote shall not be divisible. More detailed information can be found in Section 2.2 Voting of the Bylaws, Exhibit "4" of the Prospectus.
- Q: What restrictions exist in the cooperative documents on my right to use my Unit?
- A: Use restrictions existing on membership in Sunset Palms can be found in the Rules and Regulations as Exhibit "15" of the Prospectus.
- Q: What restrictions exist in the cooperative documents on the leasing of my unit?
- A: The Lessee shall not sublet the whole or any part of the unit or renew or extend any previously authorized sublease unless consent thereto shall have been duly authorized by resolution of the Directors or given in writing by a majority of the Directors. More detailed information can be found in Section 15 Subletting - Assignment of the Master Form Proprietary Lease, Exhibit "7" of the Prospectus.
- Q: How much are the assessments to the cooperative association for my unit type and when are they due?
- A: The 2001 Proposed Budget indicates that the monthly maintenance fee is \$90.00.
- Q: Do I have to be a member in any other Association? If so, what is the name of the association and what are my voting rights in this association? Also, how much are my assessments?
- A: No
- Q: Am I required to pay rent or land use fees for recreational or other commonly used facilities? If so, how much am I obligated to pay annually?
- A: No
- Q: Is the residential cooperative or other mandatory membership association involved in any court cases in which it may face liability in excess of \$100,000.00. If so, identify each such case.
- A: No

Note: THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, EXHIBITS HERETO, SALES CONTRACT AND COOPERATIVE DOCUMENTS.