

Land Owners Association of Ladd Landing, Inc. ("Association")

Lot Owner Sale and Transfer Policy and Procedure

Background

The Association is responsible for maintaining accurate, current records of Association operations and Lot ownership records and payment of assessments. Further, a Lot Owner selling a Lot is responsible for settlement of all assessments and charges due on the property on or before the sale closing date. These Association responsibilities require additional burden, time and materials costs when a Lot Owner sells his or her property including, but not limited to, providing the Lot Owner assessments and status of account information to the title company or escrow agent before the sale, collecting any assessments and charges due, administering the new buyer's information at the time of sale and updating Association Owner Lot title records.

In general, the directives governing the responsibilities of the Association for maintaining the books and records of the Association and for the Lot Owners for payment of assessments and other payments are defined in the current "AMENDED AND RESTATED DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS, RESTRICTIONS AND OWNERS ASSOCIATION FOR LADD LANDING (CC&Rs)" and Exhibit C "BY-LAWS OF LAND OWNERS ASSOCIATION OF LADD LANDING, INC." This policy and procedure addresses the requirements that apply at the time of sale of a Lot Owner's' property.

Implementation

The Lot Sale and Transfer Fee rule was adopted by the Board of Directors of the Ladd Landing Land Owners Association on September 17, 2018. On July 9, 2019, the Board of Directors further documented the procedure implementing this policy.

Policy

It is the policy of the Association, by and through its Board of Directors, that the payment of Lot Owner Assessments and Collections at the time of any Lot sale shall be enforced in accordance with the applicable CC&Rs of the Association, and that the Lot Owner shall be responsible for the payment of (i) any outstanding assessments or charges on or before the closing date of the sale **and (ii) a \$100 transfer fee at the time of sale.**

Purpose

The purpose of this policy and procedures is to define and communicate the administrative steps (i) that a Lot Owner is responsible for and (ii) which will be applied by the Association at the time of a Lot sale, and to collect a transfer fee for administering the transaction.

Interpretation

If there is any conflict between the terms of this Policy and Procedure and the CC&Rs, the CC&Rs shall prevail.

Procedure

The following Lot transfer sale procedures that shall apply to the Association and Lot Owners:

1. **LOT OWNER NOTICE OF CONTRACT FOR SALE.** Before the closing of any Lot sale, the Lot Owner shall notify the Association of the planned sale to a new Owner upon the execution of a purchase agreement for the property. In addition, the Lot Owner shall communicate to the closing attorney, title company or escrow agent closing the transaction the fact that the Lot is under the Association's CC&Rs and to request of the Association Business Office the current Lot assessment information and a statement of account for any outstanding, unpaid assessments which must be settled on or before the Lot sale closing date.
2. **AMOUNTS PAYABLE TO THE ASSOCIATION** include, but are not limited to, regular assessments, special assessments, repairs to the common area that are an Owner's responsibility, legal fees and other costs associated with collection of funds on behalf of the Association, which may be unpaid, are outstanding and due, and/or are accrued as of the sale closing date and are payable at the time of a planned Lot sale by a Lot Owner.
3. **SETTLEMENT PAYMENT OF OUTSTANDING AMOUNTS PAYABLE.** The Lot Owner contracting a sale of his or her Lot shall pay all outstanding and unpaid amounts payable to the Association on or before the closing date of a sale.
4. **ORDER OF CREDITING PAYMENTS.** Payments received shall be applied to oldest assessments owed, then to late charges, and then to any collection expenses incurred.
5. **PAYMENT OF TRANSFER FEE.** Upon the sale of any Lot, a Transfer Fee (Fee) shall be paid to the Association in the amount of \$100.00. Purpose of this Fee is to cover the costs incurred by the Association whenever a Lot is sold and a new Owner comes into the community, including without limitation the costs to update records and files, the time, effort and costs to check status of any assessments or other issues that may be outstanding on the Lot involved and related communications with the closing agent.
6. The Seller is responsible for payment of this Fee. Notwithstanding this Seller requirement, the Seller and Buyer may, independent of Association involvement, negotiate the sharing or payment of the fee. The Fee shall be paid at the time of closing directly by the attorney, escrow or title company handling the closing. If the Association is not paid this Fee at time of closing, then the Buyer is required to pay the Fee. Such Fee is in addition to any annual assessment or special assessments provided for under the Declaration of Covenants (CC&Rs) which may be due against the Lot at time of closing.
7. For any Lot title transfer due to bankruptcy, mortgage foreclosure, or any reason other than voluntary sale and purchase, the Fee shall be paid by the person or entity acquiring title ownership as new Owner of the Lot.