



RESOLUTION 03-18-112

Resale Correction Policy

WHEREAS, on May 20, 2014, the Board of Directors approved Resolution 03-14-53, establishing a security deposit for resale inspections;

WHEREAS, resale inspections and inspection reports are an integral part of the resale process and non-conforming conditions or alterations noted on the inspection reports are vital for the protection of Mutual property and assets; and,

WHEREAS, Staff has found the current security deposit section of the resale policy to be administratively burdensome and withholds funds from members for an unreasonable length of time.

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby adopts the Proposed Revised Resale Policy as attached to the official meeting minutes;

RESOLVED FURTHER, effective September 1, 2018, corrections and deficiencies found in the resale inspection will be noted in the report and will be provided to the seller;

RESOLVED FURTHER, the Seller will be held responsible for the corrections and deficiencies;

RESOLVED FURTHER, corrections and repairs to Mutual property and assets shall be completed by the close of escrow;

RESOLVED FURTHER, the remainder of the existing policy will remain unchanged;

RESOLVED FURTHER, that Resolution 03-14-53, adopted May 20, 2014, is hereby superseded in its entirety and no longer in effect; and

RESOLVED FURTHER; that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

PROPOSED REVISED RESALE POLICY

It is the policy of the Third Laguna Hills Mutual housing corporation that transfers of property through the resale process shall be handled as expeditiously as possible, in accordance with Mutual review and approval processes.

Further, it is the policy of the Mutual that the Seller of a condominium property in Third Mutual, or authorized agent, should:

Within two business days after listing or making the property available for sale, the Seller or Seller's authorized agent should notify the Resale Inspection Office, in writing of the listing and submit to the Resale Department a "Request for 1st Inspection Report". The notification shall include the name of the listing real estate agent or personal agent of the Seller, Seller's address and telephone number, the listing contract date, and Seller's current address and telephone number if Seller is not residing in the manor being listed for sale; and at least one week prior to close of escrow, the Seller or the authorized agent will request that a Final Inspection be scheduled.

Seller's Authorization to Release Information

Seller, or authorized agent, shall execute and deliver the Seller's Authorization for Release of Information to the Managing Agent. No information will be released by the Mutual or the Managing Agent to any party until the Managing Agent receives the Release.

Mutual Board's Review of Buyer's Qualifications

Upon receipt of all requisite documents from the Escrow Office handling the resale transaction, and completion of the First Inspection, the Mutual will have fifteen (15) calendar days to review and approve or deny the Buyer's application for membership.

Occupancy by Buyer Prior to Close of Escrow

A Buyer is not be permitted to occupy a manor prior to Board approval of the Buyer's membership qualifications except by receiving Board approval of a Lease Permit through the GRF Lease Permit Office.

If a Seller agrees to permit the Buyer to occupy the manor after Board approval, and prior to close of escrow, both parties shall execute and present a Hold Harmless Agreement or similar Mutual Issued document through the Security Division. Early occupancy based on the Hold Harmless Agreement shall be limited to fifteen (15) calendar days. Buyers who intend to occupy the manor for more than fifteen (15) days prior to close of escrow shall obtain a Lease Permit approved by the Board through the GRF Lease Permit Office.

Carryover Occupancy by Seller

If Buyer and Seller agree that Seller may continue to occupy the manor after close of escrow, such occupancy shall be limited to fifteen (15) calendar days. Seller who intends to carry over occupancy for more than fifteen (15) days following close of escrow shall obtain a Lease Permit approved by the Board through the GRF Lease Permit Office.

Resale Corrections

If the inspection reveals an architectural violation, failure to maintain an alteration, or other damage to common area caused by the Member or Member's occupants, the Member shall be responsible for such violations, alteration maintenance, and damage to common area. The Member must make all corrections before the close of escrow. The Mutual will make all corrections to landscaping; the cost of which shall be paid to the Mutual prior to close of escrow.

In the event that a Member is unable to ensure the repairs are completed by close of escrow, due to illness or circumstances beyond their control, the Member may be permitted to transfer the responsibility to the Buyer. The Buyer will be required to sign an acknowledgement accepting the responsibility for the repairs. The repairs will be required to be completed within six months after the close of escrow. Failure to complete the repairs will be subject to disciplinary action by the Board. The Member will be required to provide complete documentation of the illness or extenuating circumstances. The request for variance from this policy will require the approval of two Officers of the Board.

If at the time of the inspection the Member owes the Mutual unpaid assessments, fines or other amounts, the amounts sufficient to rectify the Member's indebtedness to the Mutual will be held at escrow in a holding account.