



HIGHLANDS
COOPERATIVE ASSOCIATION

HIGHLANDS COOPERATIVE ASSOCIATION MOVE IN PROCEDURE

Welcome to Highlands Cooperative Association. Also referred to as Cooperative or Association. We are glad that you are interested in becoming a Member of our community.

A Membership entitles you to an equal share (ownership) in the Cooperative, private use of a townhome and a vote in the operation of the Cooperative.

Highlands Cooperative is a not-for-profit Corporation, which provides benefits of owning your own home without the hassles of maintaining your home.

This will help explain the procedures of becoming a Member at Highlands, from the application process until you actually move in.

At the back of this booklet is a list of definitions you may need to refer to while reading the move-in procedure.

AVAILABILITY OF PARKING SPACES PER HOUSEHOLD

Allowed to park one vehicle per licensed driver, up to a maximum of:

- 1 Bedroom – 2 Vehicles
- 2 Bedroom – 3 Vehicles
- 3 Bedroom – 3 Vehicles

APPLICATION:

- If you are interested in purchasing a Membership and moving into the Cooperative, necessary paperwork needs to be completed.

Note: All occupants 18 or older will be required to complete paperwork.
- A check or money order for \$45.00 must be submitted with the application. This is non-refundable. This payment should be payable to Highlands Cooperative Association.
- Social Security Cards or another legal form showing Social Security Numbers (income tax form, etc.) must be submitted with the application for all Members and occupants over the age of 18. We cannot process the application without them.
- A credit report will be done **on all applicants**. If the credit report meets the criteria, a criminal history will be done on all applicants and occupants, 18 years of age or older. If the criminal history report(s) comes back satisfactory, you will be notified of your status and receive a list of Memberships that are for sale.
- Proof of income must be included with your application. It will then be determined if your income meets our criteria. **Refer to the Income Review Sheet for details.**
- The criteria is set by the Board of Directors.
- Once your application is fully approved, you are eligible to make **an agreement** with an outgoing Member to purchase their Membership.
- If there are any changes in income or family household or it has been more than 120 days since your original verification were done, it will be necessary to contact the office and update that information to see if you are still eligible to purchase a Membership. This must be done prior to setting up the closing. **Therefore, it is important to contact the Office with any changes in your income, family composition, and/or address.**

PROSPECTIVE MEMBERS LIST:

- All applications are filed by desired size of the townhome (i.e. one bedroom, two-bedroom, three bedroom).
- When a Membership becomes available, all applicants are contacted by e-mail or **U.S.** mail. You will be sent a list of all available Memberships. You will be given the Member's name, address, and telephone number. It is your responsibility to make an appointment with the outgoing Member to view the townhome and discuss an agreement to purchase their Membership.
- The outgoing Member is not required to utilize the prospective Member listing.

- The Cooperative does not become involved in any personal money agreements and is not responsible for either party's obligation.

PURCHASE OF MEMBERSHIP:

- The outgoing Member establishes the selling price. The selling price normally will consist of the cost of the Membership/transfer equity value (not to exceed the By-Law maximum) and costs to reimburse the outgoing Member for any improvements and/or personal property they wish to sell.
- Once you have made an agreement to purchase a Membership. A closing will need to be scheduled. This meeting requires all parties (outgoing Members and incoming Members) to be present. **The meeting should be scheduled at least a week in advance to give you time to review all the documents you will be required to sign at the closing and move in.** You and the outgoing Member should choose three potential dates and times for the closing. The outgoing Member will contact the Office to schedule the closing. Once the closing has been scheduled the Sales Manager will contact you to make an appointment to pick up your Membership Handbook (which you will keep) and a copy of the documents you will be required to sign.

Note: Closings are done on Monday, Tuesday, and Friday between 9:00 a.m. and 2:30 p.m. No closings are done on Wednesday or Thursday due to the three-day grace period given in the Membership Purchase Agreement.

- The outgoing Member, prior to the closing, should give a Seller's Disclosure Statement to you. This is a statement of the current known condition of the townhome. You will need to bring this with you to the closing. Both parties must sign this agreement.

CLOSING:

- **MOVE-OUT/IN AGREEMENT:** This agreement is between you and the outgoing Member. The agreement will be given to you prior to the closing. You need to review it and bring it with you to the closing.
- **AS IS AGREEMENT:** This agreement lists all improvements and/or personal property the outgoing Member is leaving when they move out. If you accept any improvements or personal property, such as carpeting, wallpaper, paneling, vanity, light fixtures, etc., you are responsible for any repairs and/or restoring of those items to their original condition, if removed.

NOTE: Some improvements may require you to purchase renter's insurance prior to moving in.

- If you accept carpeting from the outgoing Member, you accept the condition of the floors beneath the carpeting; therefore, if you remove the carpeting **at a later date**, and desire the floors to be refinished, any preparation or repairs needed will be your responsibility. The Cooperative will pay for the refinishing if the floors have not been done in the last eight years, if **warranted**.

- If you accept paneling/wallpaper, you are responsible for restoring the walls to an acceptable standard if these are removed.
- Damage and uncleanliness cannot be part of this agreement, except paint on the walls, ceiling and woodwork, nail holes, curtain/drape rod holes, markings, etc.
- At the closing, all the Cooperative documents are signed except the Occupancy Agreement. This document is signed on your move in date.
- There is a \$1,200 resale fund, which must be paid to the Office at the closing and must be in the form of a money order or cashier's check. **NO PERSONAL CHECKS OR CASH WILL BE ACCEPTED.** This money is a portion of the price for the purchase of the Membership. The resale fund is held by the Cooperative and returned to the outgoing Member minus any money they may owe to the Cooperative at the time of their move out. **In some instances, the resale fund may be more than \$1,200. If so, you will be notified by the Sales Manager at the time of scheduling your closing.**

MOVE IN DATE

- At the closing the outgoing Member will schedule a final inspection of the townhome. This date may need to be at least 14 days after the date of the **final inspection**. This gives the Cooperative time to schedule any maintenance that may need to be done before you move in.
- You will be given a tentative move in date based on the outgoing Member's move out date (final inspection). Your move in date is only tentative and will not be **confirmed** until after the outgoing Member has moved out and a final inspection has been done.
- Once the final inspection has been completed the Sales Manager will contact you to schedule the date and time for your move in.
- At your move in you will be required to pay the carrying charges for that month. If you move in after the 20th of the month you will also be required to pay the following months carrying charges.
- Once you are notified of the day and time of your move-in, you will need to contact the Board of Water & Light to transfer the utilities into your name. You will not be given possession of the townhome until this has been done.

MAINTENANCE:

- Normal maintenance problems for Cooperative owned property are repaired at no charge by a full-time maintenance staff person. Repair/replacement, as a result of damage, neglect, delayed notification of problem, etc., is charged to the Member. The Cooperative keeps up the common ground areas. Personal landscaping is the Members' responsibility.

RULES, REGULATIONS, AND POLICIES:

- The Cooperative has a Membership handbook that contains all the rules, regulations and policies that Members must adhere to. To review this handbook prior to scheduling a closing, you will need to make an appointment with the Sales Manager. Prior to the closing you are given a Membership handbook, which contains all the rules of the Cooperative as well as a copy of the Bylaws. You will keep this handbook and are responsible for it. As rules and regulations are revised or created you will receive a copy, which is your responsibility to insert in the handbook.

DEFINITIONS

Board of Directors: Five **Members** who are elected by the Members pursuant to the corporation's Bylaws, to direct all business of the Association. The Board of Directors is the final arbiter of all disputes with the **Association**.

Bylaws: The rules by which Highlands Cooperative Association has agreed to govern the affairs of the Association. To review a copy of the Bylaws, you will need to make an appointment with the Sales Manager.

Carrying Charge: This is the amount each Member is assessed monthly to be paid to the Association, pursuant to the Occupancy Agreement signed by the Member and the Association. The carrying charge is determined by the budget requirements to run the Association.

Closing: A meeting with the outgoing Member, incoming Member, and a representative of Highlands. This meeting is designed to finalize the purchase of the outgoing Member's Membership.

Discriminatory Practices: Federal, state, and local laws prohibit discrimination in selling because of race, religion, national origin, age, sex, weight, marital status, color, or familial status.

Fully approved: Once the Office has received all paperwork and you meet the income guidelines, you are now eligible to purchase a Membership.

Improvements: Decorating such as carpet, wallpaper, light fixtures, central air conditioning, decks, patios, finished basements, etc.

Incoming Member: Approved applicant wishing to purchase a Membership, also referred to as the Buyer.

Inspections: Preinspection: when an outgoing Member submits a withdrawal notice (form is provided by the Association), a preinspection is scheduled within 10 workdays. This inspection details the Member's obligation and the Association's obligations. It also lists any improvements that the outgoing Member intends to leave when they move out. You will be responsible for these improvements. Final Inspection: Once the outgoing Member has fully vacated the townhouse and relinquished the keys, a final inspection is required. This inspection will assist the Association in determining any damage charges that would be the responsibility of the outgoing Member.

Keys: UNDER NO CIRCUMSTANCES ARE KEYS TO BE GIVEN TO THE

INCOMING MEMBER BY THE OUTGOING MEMBER.

Management: The Board of Directors hired Legacy, LLC to conduct the day-to-day business of the Association. All personnel working at Highlands are employees of Legacy, LLC and are supervised by the Property Manager.

Membership: is referred to in Article III of the Bylaws. A complete copy of the Bylaws can be reviewed by contacting the Sales Manager.

Membership Fee: If the Association exercises its option to purchase the Membership, (Article III of bylaws) the Bylaws will be followed re: transfer value. If the Association opts not to purchase the Membership, the resale procedure will be followed. NOTE: There is no guarantee that what you agree to pay for a Membership will be equal/to or greater/than what you sell the Membership for in the future.

Membership Handbook: A loose-leaf binder that contains the policies and procedures of the Association. To review a copy of the Handbook, you will need to make an appointment with the Sales Manager prior to scheduling a closing date.

Membership Purchase Agreement: An agreement between you and the Cooperative to hold a particular townhome in consideration for a \$1,200 Resale Fund until the day of your move-in. The document contains other provisions you will be required to agree with. The document does have a provision allowing you 72 hours to rescind the agreement. If you would like to review this document contact the Sales Manager for a sample copy.

Move-In/Out Agreement: This agreement is between the seller (outgoing Member) and the buyer (incoming Member). The agreement includes 1) any personal items sold or given to the incoming Member and 2) any approved items/condition allowed by the Association. To review a copy of the Agreement for the townhome you are interested in, you will need to make an appointment with the Sales Manager.

Move-in Date: The day the incoming Member takes possession and receives the keys to the townhome.

Move-out Date: Last day the outgoing Member is responsible for carrying charges and utilities. Normally the day the keys are turned over to the Association and the final inspection is done.

Occupancy Agreement: An agreement between the Member and the Association. This agreement outlines the rights and responsibilities of both parties. If you would like to review this document contact the Sales Manager for a sample copy prior to setting a closing date.

Outgoing Member: Member wishing to sell their Membership. Also referred to as the seller.

Personal Property: Items such as carpet, blinds, appliances, etc., not owned by the Association.

Potential Buyer: A qualified applicant who has met all the required qualifications as set by the Board of Directors. The buyer is known as the incoming Member.

Pre-approved: A credit **and criminal** report has been obtained and meets our criteria. You will be notified in writing along with a list of current Memberships for sale that you are qualified for.

Resale Fund: This fund is paid by the incoming Member to assist in paying for the resale office cost and charges due to the Association by the outgoing Member. This fund is applied pursuant to the resale procedure. A minimum of \$1,200 will be required. The amount of the resale fund can be increased if it is determined that the current charges on the account and possible repairs charges could exceed \$1,200. The Association, pending any damages, fees, and/or outstanding charges, holds the fund. The balance of the resale fund is returned to the outgoing Member within 60 days after the scheduled move-out date.

Seller: The current Member moving out. The seller is also referred to as the outgoing Member.

Selling Price: The amount the outgoing Member and incoming Member have agreed to for the transfer of the Membership and reimbursement of improvements and/or personal property.

NOTE: The selling price can vary due to the market. The selling price set may not be obtainable. This may necessitate lowering the selling price.

Waiting List: An approved list of potential buyers kept by the Association to assist in selling an outgoing Member's townhome. There is never a guarantee that the waiting list will produce a buyer.

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