



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 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.
- Application Fee:
 - \$40 per applicant for a credit and criminal history report
 - \$15 per occupant (18 years or older) for a criminal history reportA check or money order must be submitted with the application. This is non-refundable. This payment is made 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.
- 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(seller) 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 Seller 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 seller for any improvements and/or personal property they wish to sell.
- Prior to finalizing an agreement with the seller to purchase the Membership, the seller should discuss with you all improvements and/or personal property that will be sold with the Membership. These improvements and or personal property will be considered yours and you will be responsible for maintaining and/or replacing them when necessary.
- The seller has the right to request a Good Faith Deposit/Earnest Money. This agreement should be in writing and signed by both parties.
- Once the agreement is finalized the seller will need to provide you with the following documents:
 - SELLER'S DISCLOSER STATEMENT: Both you and seller must sign the back page with the date and time of the signing. You will hold on to this document and bring it to the closing.
 - DISCOSURE STATEMENT ACKNOWLEDGEMENT OF RECEIPT: You will fill out and sign this receipt. The seller will return this document to our Office prior to scheduling the move out date (final inspection).
 - TRANSFER SALES DISCLOSURE STATEMENT: This receipt will itemize the cost of the membership and any additional funds for improvements and personal property items. This document is sign by you and the seller. The seller will return this document to our Office prior to the scheduling their move out (final inspection).
 - AS-IS STATEMENT: Review the improvements with the seller. This document will itemize all improvement and/or personal property you are purchasing with the membership. You and the seller need to sign and date the form. The seller will need to returned the document to the Office prior to the scheduling their move-out (final inspection).
- Once a final inspection has been scheduled by the seller, closing paperwork and Occupancy Agreement will be drawn up by the Office. You will be notified of the date the paperwork will be available for you to pick up for your review prior to the closing date.
- Once the final inspection has been done, a closing date will be set.

CLOSING – DATE OF OCCUPANCY

- At the closing you will
 - Submit a \$1,200 Resale Fund, which must be paid to Highlands 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 seller minus any money they may owe to the Cooperative. **In some instances, the resale fund may be more than \$1,200. If so, you will be notified at the time of scheduling your closing.**
 - Sign the additional paperwork including the Occupancy Agreement you were provided.
 - Receive keys to the townhouse.
 - Begin paying monthly carrying charge payments. Your carrying charges will be prorated for the current month. If you move in after the 20th of the month you will also be required to pay the following month's carrying charges.

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 Office for a sample copy prior to setting a closing date.

RULES, REGULATIONS, AND POLICIES:

- The Cooperative has a Membership Handbook that contains all the rules, regulations and policies that Members must adhere to. 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. To review this handbook prior to scheduling a closing, you will need to make an appointment with the Office. 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 our Office.

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 seller, buyer, and a representative of Highlands. This meeting is designed to finalize the purchase of the seller'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: Pre-Move out Inspection: when an outgoing Member submits a withdrawal notice (form is provided by the Association), a pre-inspection is scheduled within 10 workdays. This inspection details the Member's obligation and the Association's obligations. It also lists any improvements/personal property that the seller intends to sell with their membership. 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 seller.

Keys: UNDER NO CIRCUMSTANCES ARE KEYS TO BE GIVEN TO THE BUYER BY THE SELLER. Locks are changed prior to the move in of the buyer.

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.

Move-In/Out Agreement: This agreement is between the seller and the buyer. 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 Office.

Move-in Date: The buyer takes possession and receives the keys to the townhome.

Move-out Date: 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 Office 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, wallpaper, 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.

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 seller. 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 seller within 60 days after the scheduled move-out date.

Seller: The current Member moving out.

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

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