

CONTEMPO HOMEOWNERS ASSOCIATION

4190 Gemini Drive, Union City, CA 94587 Phone: 510-489-4440

RESOLUTION TO REQUIRE AN ESCROW HOLD IN THE AMOUNT OF \$5,000 TO ASSURE CC&Rs COMPLIANCE ON ALL PROPERTIES AT TIME OF SALE

By the Authority of the Association's Governing Documents, **the Contempo Homeowners Association** Board of Directors has determined there often is an inordinate financial burden placed upon the Association by actions of some property owners and/or their tenants who may have made unauthorized alterations to, or may have knowingly, or unknowingly caused damage to, the exteriors and/or to some portion of their shared building or to some portion of the common area in the Contempo community, **THEREFORE**,

WHEREAS, the Association has a duty to assure to the proper maintenance of the common areas, and structures, and,

WHEREAS, the Association has published annually, the duly adopted Architectural Control Committee (ACC) Policy and Guideline Statements which define owner care responsibility for common areas and exclusive use common areas, and,

WHEREAS, the Association can (and does) inspect the visible common area at least once each month, and,

WHEREAS, the Association notifies the owner of record, in writing, of any ACC non-compliant or non-conforming conditions when any such conditions have been observed, and,

WHEREAS, the Association cannot always observe conditions pertinent to the common area or to fence or otherwise enclosed areas of any specific Lot until such time the property is in escrow for resale or refinance of an existing mortgage, and,

WHEREAS, the Association has no means of knowing if the Seller of a property informs a Buyer of an existing ACC non-compliant or non-conforming condition for the purpose of ensuring corrections and compliance being made by the Buyer upon close of escrow, and,

WHEREAS, the Association believes a Buyer should have a reasonable expectation of taking ownership of a property that is in full compliance with the Contempo Homeowners Association's duly adopted ACC Policies and Guidelines, and,

WHEREAS, the Association has experienced some Sellers selling their Contempo homes using an accelerated Escrow (ten days or fewer), and,

WHEREAS, the Association has experienced ACC non-compliance/non-conforming repair expense losses ranging from \$1,000 to nearly \$5,000, and,

WHEREAS, the Association believes it is only fair that the owner(s) of record should bear the costs for corrections and restoration of a property to ACC conformance, and,

WHEREAS, the Association will make every reasonable effort to conduct an Escrow inspection as quickly as reasonably possible, and,

WHEREAS, the Association will need time to obtain a cost bid, or series of cost bids for professional correction of repairs, if, and as needed, to restore the property to ACC/CC&Rs compliance,
THEREFORE,

BE IT RESOLVED THAT, the Contempo Homeowners Association instructs the Association's financial management services provider that, upon notice of any Escrow being opened, to place a **general** CC&Rs Non-Compliance hold in Escrow in the amount of \$5,000 until the Association confirms, in writing, that any current or previously documented non-compliance items have been corrected, and,

BE IT RESOLVED THAT, the Contempo Homeowners Association reserves the right to draw upon the (\$5,000) Escrow Hold if needed, to make any required repairs or corrections should the Seller fail to do so, and,

BE IT RESOLVED THAT, in the event the Contempo Homeowners Association finds it necessary to draw upon the Escrow Hold to make any needed repairs as outlined above, the Seller shall be entitled to a fully documented accounting of all funds drawn for such purpose, and,

BE IT FURTHER RESOLVED THAT the Seller shall have the option, in the Escrow documents, to stipulate to whom the Escrow Hold (\$5,000), or any remaining undrawn funds from the Escrow Hold, shall be disbursed when compliance/conformance has been achieved.

Adopted 10/19/2017