

**POLICY AND PROCEDURES
LAKE ROYALE POA PROPERTY SALES 0910-002**

This procedure will take place over prior land sales policies of the board. The policy will be centered on rating properties as strategic/unsellable/greenway (Category 1) or sellable (Category 2).

Category One (1) Properties

These are properties that the POA wishes to retain for parks, greenways and like uses, which because of their strategic location in the community are to be retained in inventory.

Category Two (2) Properties

These are properties that the POA deems to be saleable to the general public based on the new Category 2 policy.

All lots rated as Category 2 will be sold using the following guidelines in an outright cash sale or Land Sales Contract:

- Lots shall be reviewed by a local licensed Real Estate agent who will be asked to submit a Comparative Market Analysis (CMA) to the POA for sales purposes.
- The POA will advertise these lots for sale at a percentage of the high end of the CMA as determined by the BOD. Prices are firm and not negotiable.
 - Lots will be advertised monthly, and all advertisements will include physical address, lot number, and price.
 - Local realtors will be provided a list of lots for sale.
- POA shall pay a \$200 Realtor Buyer Agent Commission. A licensed Real Estate Broker must accompany buyers viewing property in order to qualify for a commission.
- Buyer will be responsible for all buyer side closing cost (including but not limited too: Attorney fees, title search, prorated POA dues, prorated taxes). POA (seller) shall pay for normal seller side closing cost such as deed preparation and North Carolina Revenue Stamps.
- Outright cash sales will be conducted by use of the standard LRPOA Offer to Purchase Contract, with closing to be held at Steve McFarlane's office..
- Land Sales Contracts will be conducted as follows:
 - Execution of Contract for the Installment Purchase of Real Estate
 - Minimum of \$199 down and \$99/month (max term of 24 months), with a balloon payment at the end of the contract in the amount of the full remaining balance owed.
 - No improvements on the lot until the full amount of sale price is paid and deed is recorded in the name of the buyer.
 - Use of amenities within the community will be done by issuance of Temporary Membership Cards.

This policy shall be in effect from January 1, 2010 until June 30, 2010, at which time the policy shall be re-evaluated by the board.