

WATERS EDGE HOMEOWNERS' ASSOCIATION, INC.

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CONDOMINIUM RESALE CERTIFICATE-- INITIAL OWNER OCCUPANCY REQUIREMENTS

THIS IS A MISSOURI-REQUIRED AND LEGALLY- ENFORCEABLE DOCUMENT. FOR YOUR PROTECTION AS A NEW BUYER, YOU SHOULD READ AND SEEK CLARIFICATION OF ANY QUESTIONS, RULES, OR OTHER REQUIREMENTS BEFORE EXECUTING IT.

Waters Edge Homeowners Association, Inc. welcomes you as a new owner. **To finalize the Association's acceptance of your purchase, and assure no post-purchase buyer misunderstandings, new owners agree to review the Association's current Amended Bylaws and Rules and Regulations before signing this document. These documents are readily available from realtors, the Association website (no password required), or the Association office. Your signature constitutes your agreement to accept and be bound by them as, with all other 203-unit Owners.**

MISSOURI CONDOMINIUM RESALE CERTIFICATE

Condominium Resale Certificate for Condominium Unit _____, Building _____ of Waters Edge Condominiums, a condominium project, located at 35 Waters Edge Court, Four Seasons, Camden County, Missouri, 65049, on behalf of the Waters Edge Homeowners Association, Inc. (the "Association") by the Association's Board of Directors (the "board"):

1. ASSOCIATION FINANCIAL INFORMATION—SELLER/BUYER RESPONSIBILITIES:

- A. **Monthly Dues:** The monthly common expense assessment/dues for this unit are _____ per month. The Association ___ has X has not approved an increase in such dues. If an increase has been approved, the new dues amount will be \$ _____ per month and the effective date will be _____ which is due on or about _____.
- B. **Seller Unpaid Fees-Capital Expenditures—Special Assessments:** The Seller ___ does _____ does not owe the Association any common expenses/dues or special assessments. If no unpaid amounts are due, monthly assessments/dues are paid to _____. If unpaid amounts are due, _____ is due and payable as part of the sale closing. There ___ are ___ are no current or planned special assessments by the Association.

The attached current Operating Budget lists all capital expenditures for the current fiscal year. No additional capital expenditures have been approved for any subsequent fiscal year.

Other fees _____ are _____ are not due and payable from the Seller. If fees are owed, the amount due as part of the sale closing is for:

- Owner-contracted or Association required repair/renovation work of \$ _____.
- Owner fines for Association rules violations of \$ _____.
- Interest penalties for unpaid amounts due the Association of \$ _____.

- C. **Other Fees Due from Purchaser:** If purchaser is buying /transferring a dock slip lease, dock lease/s and maintenance fees on slip number(s) _____ of \$ _____ (separate signed agreements with the Association required), are due and payable to the Association. The net amount is \$ _____ assessed as two equal payments of _____, each due on January 1 and July 1 annually.

If there are any unpaid portions of the Special Dock Use Fee effective January 1, 2020, the purchaser agrees to pay the remainder of any such fees due to the Association in either a lump sum upon execution of required slip lease documents or if requested by purchaser, in succeeding semi-annual

payments billed by the Association with slip semi-annual maintenance assessment fees, until the full fee has been paid. The remaining amount of this fee due to the Association is \$_____.

- D. **Association Reserves:** The Association's reserves are approximately \$400,000.00. Approximately \$_____ of these reserves have been budgeted/allocated for specified projects. Unanticipated emergencies or unavoidable unbudgeted capital expenditures are not included in this amount.
- E. **Required Association Financial Reports:** The Association's most recently regularly available Operating Budget, Balance Sheet, and Income and Expense Statement are attached.
2. **ASSOCIATION LITIGATION:** There ___are ___X are no unsatisfied judgments against the Association. If judgements or litigation exist, a summary of the nature and amount of any unsatisfied judgment or the status of any pending litigation is attached.
3. **NO LEASED LAND:** The condominium project is not on leased land. A portion of the common element facilities comprising docks and slips is leased to individual owners for bi-annual fees paid by owners to the Association.
4. **NO ASSOCIATION RIGHT OF FIRST REFUSAL:** The Association does not have the right of first refusal or other restraint on the free alienability of the unit.
5. **UNIT ALTERATIONS:** To the Association's best available knowledge and exclusive of any unknown/hidden conditions, the board _____ has X has no knowledge that any alterations or improvements to the unit or to the limited common elements assigned to the unit violate any provisions of the Association Declaration and Bylaws or Rules and Regulations. If so, they are:

To the Association's best available knowledge and exclusive of any "hidden conditions", the unit has an updated copper or PEX water system which meets Association requirements. Owner acknowledges that any subsequently discovered non-compliant plumbing or other non-compliant equipment or systems will be the Owner's responsibility to expeditiously pay for and have replaced to protect this unit and surrounding units.

6. **ASSOCIATION INSURANCE COVERAGES:** The Association provides insurance coverage for the common elements. A summary statement describing the coverage is attached.

OTHER IMPORTANT BUYER ACKNOWLEDGMENTS

1. **UNIT CONDITION AT PURCHASE - BUYER RESPONSIBILITIES:** The buyer is responsible for the unit's existing condition upon purchase., This includes but is not limited to any existing known or unknown cosmetic/finish/flooring, or underdeck ceiling defects; entrance-exit doors, windows and sliding glass door operational problems; together with any other electrical, plumbing, sewage, water supply, hot water heater, HVAC system, and appliance operational problems. **These are NOT the Association's responsibility to correct/repair.** It is the buyer's decision whether the unit is purchased on an "AS IS" basis-or whether to have the unit inspected by a qualified home inspection professional with correction of any problems, deficiencies, or applicable building or regulatory code compliance matters to be negotiated with the seller.

2. **OWNER FINANCIAL RESPONSIBILITIES--NON-COMPLIANCE PENALTIES:** Timely payment of owner monthly dues and assessments is essential to the Association's financial viability and to maintaining 204 units' market value. **As an Association condition of purchase, the buyer agrees to comply with the Association's timely payment and accounts receivable policies and procedures.** Buyer explicitly understands and agrees that failure to do so may result in the assessment of interest charges and fines, termination of Association-provided water service and cable TV-internet services with significant reconnection fees, forfeiture of the use of the Association's common areas and amenities, filing of liens against the unit, imposition of substantial fees for removing such liens, and foreclosure on and sale of the unit, and collection of attorney fees.

3. UNIT RENTAL LIMITATIONS AND REQUIREMENTS-FEES: As with most area condos, units may not be rented without written Association approval. Buyer understands and agrees that the Association currently limits the total number of units which can be short-term rented to 10% of total units, and long-term rentals to 5% of total units. If all the approved long-term or short-term rental unit slots have been issued to owners, interested owners should contact the Association office and ask to be included on the Association's appropriate rental unit waiting list. Potential buyers are advised that the short-term waiting list is normally **long**. As such, a new owner acknowledges that the Association has no control over when existing approved rental unit owners will sell their units thereby opening an approved slot for the next owner on the waiting list. Nor can the Association make any guarantees to a new buyer when their units might be approved for rental purposes. When an Owner's units reaches the top of the waiting list, the Association will notify the owner. The owner will then need to pay the annual rental unit administrative fee, and ensure that he/she understands the very specific Association unit rental rules and regulations, insurance requirements, and significant rental unit owner fines for rental unit rules violations. **Rental unit approval does not transfer with the sale or purchase of a unit.**

4. UNIT INSURANCE COVERAGE REQUIREMENTS AND VERIFICATION: A new owner must initially, and annually thereafter, timely submit acceptable evidence of unit HO6 insurance coverage to the Association office. Owner acknowledges that he/she has read and been provided an opportunity to seek clarification of Association insurance coverages and limitations, as well as unit HO6 coverage requirements detailed in the Association Rules and Regulations accompanying this Resale Certificate, and available to potential buyers and owners on the Association website (no password required). As with virtually all condo associations, Waters Edge insurance premiums have dramatically increased during the last several years, despite no claims. This has required the Association to maintain high claims deductibles for owner unit damage claims. Buyer understands and agrees that he/she is responsible for such deductibles, that the Association strongly recommends that an owner's HO6 policy include adequate "LOSS ASSESSMENT" coverage for such deductibles, and that "special perils" sewer backup and water damage coverages are included.

5. OWNER INFORMATION FORM COMPLETION: All new owners must submit a fully-completed Owner Information Form as part of, or within 7 days of the sale closing process--the same form annually required of all owners by Missouri statute. It is available from the Association office, the Association's website, or an email or telephone call to the Association office. It documents required owner identification, demographic, and contact information; automobiles/motorcycles to be used (for which mandatory parking stickers will be issued only after completion and submission of this fully completed form), golf carts with Association permits, all boats and PWC's to be brought on site; and other relevant information.

6. GOLF CART AGREEMENT AND PROOF OF INSURANCE COVERAGE: Before purchasing or using a new golf cart, and bringing on site, or using a cart purchased from the unit's former owner, the new owner must obtain a permit from the Association. Potential buyers are advised that there usually is a waiting list for such permits. If all of the authorized permits are distributed, new owners wishing to obtain a golf cart permit should contact the Association office and ask to be included on the Association's golf cart permit waiting list. When their names reach the top of the waiting list, the Association will notify the owner, after which the owner needs to execute a Golf Cart Agreement with the Association after providing specific golf cart insurance coverage verification for the limits required in the Association's Rules and Regulations. Following payment of the annual golf cart fee, the new owner will be issued a permit sticker/number for the authorized golf cart. **Golf cart permits do not transfer with the sale or purchase of a unit.**

7. DOCK SLIP TRANSFER-AGREEMENT COMPLETION: If a slip lease is being purchased or transferred, new owners must complete required dock slip paperwork available from the Association office or website.

8. TOTAL FIREPLACE USE BAN: Buyer acknowledges and agrees that, if the unit being purchased has a fireplace, it may never be used for wood burning fires or any other fires with flammable liquid or gas fuel sources. UL-approved electric fireplace inserts are permitted, and small candles may be used for decorative or ambience purposes. **UL-approved electric fireplace inserts are the only heat-producing sources permitted by the Association for use in fireplaces to comply with code-compliance and regulatory requirements required to obtain Association property and liability insurance.**

