

Appendix C

AGYC Property Sales Process

The specific process for keeping track of inventory, determining price, showing lots, accepting an offer, closing the deal, and updating inventory is as follows:

1. Lot Inventory

All lots that revert back to AGYC flow through our attorney to the Business Office. Our attorney provides assurance that title to the property is clear and that we can sell it with no encumbrances. The Business Office maintains the list of lots that are available to be sold. The list will be updated periodically and available to any interested party. The Board will determine the timing and manner of sale for each lot that is to be sold.

2. Lot Sale Price

When a new lot has been added to AGYC inventory, the GM will determine if the lot has any distinguishing characteristics that would assist the Board in establishing a price. At that time the Board will determine if, when, and how the lot should be sold.

3. Accepting an Offer

If a prospective buyer wishes to make an offer or has been a successful bidder, they should be asked for a deposit that will temporarily take the lot out of inventory. The attached Offer Sheet can be used to facilitate the process. The purpose of this sheet is just to record the buyer's pertinent information and create a record of the offer. All completed Offer Sheets should be turned into the Business Office.

4. Closing the Deal

During the time of showing a lot or accepting an offer, the potential buyers should be informed that they pay all closing costs. On an individual lot sale a closing fee is paid to our attorney, a transfer fee paid to AGYC, and the State excise tax added on to the sale price. Also, there will be minor fees for recording the deed and pro-ration of taxes on the property. When the purchaser is ready to close, they will receive a letter similar to the one attached that describes the essence of the deal. This letter is not a contract; it is intended only to confirm for the buyer the details of the closing process and what they should be expecting to pay. The buyer notes their acceptance; the Business Office faxes the agreement to our attorney who in turn prepares the Quit Claim Deed and a letter of impending closing that is sent to the buyer. The letter from the attorney will detail the exact closing costs and serve as the buyer's closing statement after the signing process is completed. The buyer pays the remaining amount of money to our attorney who in turn remits the amount due AGYC. The Business Office receives the check and takes the lot out of inventory.

If a buyer wishes to have a standard title insurance policy and receive a statutory warranty deed, that process can be handled through an escrow closing agent and title insurance company. This obviously increases the costs for the buyer and in general, AGYC will pay no portion of the closing costs unless particular arrangements have been made, such as increasing the sales price or accommodating multiple lot sales.

Appendix C
Offer Sheet – AGYC Owned Lots

Buyer Name: _____

Address: _____

Telephone: _____ Fax: _____

E-Mail: _____

Property Description:

Division: _____ Lot: _____

Price: \$ _____

Notes or Comments:

Accepted by: _____ Date: _____

Appendix C
Sample Letter

DATE

Name

Address

Dear:

This letter is to confirm our recent discussions regarding your purchase of an AGYC owned lot. The lot is identified as Division ____ Lot ____ with a purchase price of \$____. We are in receipt of your check for \$____ as down payment to hold the lot.

We try to make the sales process as simple as possible by using our attorney in Shelton. Upon your acceptance of this letter of mutual understanding, our Business Manager, will fax this letter to our attorney, and he in turn will notify you of the readiness to close. Closing can take place in a matter of days. At closing you will pay all closing costs and the remainder of the sales price of the lot, and our attorney will provide you with a Quit Claim Deed to the property.

Your total costs at closing should include the remainder of the sales price, \$____, attorney closing fee of \$____, lot transfer fee of \$____, and excise tax of approximately \$____ for a total of \$____. There will also be a small fee for recording the title and possibly a relatively small charge for prorating property taxes on the lot.

Thank you for closing AGYC and we look forward to welcoming you as part of the Alderbrook community.

AGYC Representative

Accepted by (Name)

(date of acceptance)