



## UNDERSTANDING TRANSFER AND DISCLOSURE FEES

A transfer fee and a disclosure fee are charged on all transfers of ownership of real property that is part of a Homeowners Association or Condominium Owners Association. A disclosure fee is also charged to the property owner in all refinance transactions. The first step in understanding these fees and how they are processed is to understand why each fee is charged.

The disclosure fee (per ASS 33-1806) is collected by Stratford Management to cover the labor devoted to providing the following to the prospective buyer or lender within ten (10) days after receipt of a written notice of a pending sale:

1. Copies of all governing documents (e.g. declaration, bylaws, articles of incorporation, design guidelines, rules and regulations, etc.).
2. A dated statement containing:
  - ✓ The telephone number and address of a principal contact for the association, which may be an association manager, an Association management company, an officer of the association, or any other person designated by the Board of Directors.
  - ✓ The amount of the common regular assessment and the unpaid common regular assessment, special assessment or other assessment, fee or charge currently due and payable from the selling member.
  - ✓ A statement as to whether a portion of the unit is covered by insurance maintained by the association.
  - ✓ The total amount of money held by the association as reserves.
  - ✓ A statement as to whether the records of the association reflect any alterations or improvements to the unit that violate the declaration.
  - ✓ A statement as to whether the member has any knowledge of any alterations or improvements to the unit that violate the declaration.
  - ✓ A statement of case names and case numbers, if any, for pending litigation with respect to the unit filed by the Association against the member or filed by the member against the association.
  - ✓ A statement that provides "I hereby acknowledge that the declaration, bylaws and rules of the association constitute a contract between the association and me (the purchaser). By signing this statement, I acknowledge that I have read and understand the association's contract with me (the purchaser). I also understand that as a matter of Arizona law, if I fail to pay my association assessments, the association may foreclose on my property." The statement also includes a signature line for the purchaser and shall be returned to the association within fourteen (14) calendar days.
3. A copy of the current operating budget of the association.
4. A copy of the most financial report of the association.
5. A copy of the most recent reserve study of the association, if any.
6. Additionally, the disclosure fee includes the time spent answering queries from real estate agents, lenders, attorneys, collection agents and title company representatives.

The transfer fee is a fee that is collected by Stratford Management to cover the labor devoted to:

1. Receive a copy of the transfer deed from the title company and change the records in our database.
2. Mail the new owners a Welcome Packet that includes direct contact information for the manager, assistant and accountant. Depending upon the assessment payment schedule, a new coupon book may also be included in the Welcome Packet. The Welcome Letter includes important information regarding various functions of the association, architectural review committee and other pertinent committees and functions of the community, as well as information regarding trash collection exclusivity contract with a single provider.
3. Speak with new owners regarding any queries that they may have after the sale has been consummated.
4. In selected associations, provide the board and/or committees with the new owner information.

The charge for these fees for Green Valley Fairways are:

Transfer Fee	\$100.00
Disclosure Fee	\$100.00
Fee to the Association	\$100.00 (This fee is used to maintain a Reserve Account for the benefit of the membership)