

SELLING AT QMS

QUEENSLAND MANOR SOUTH
COOPERATIVE, INC.



The Difference Between a Co-Op and a Condo

When you sell at QMS, you are not selling your unit. **You are selling your share in the Corporation.**

Many people confuse condos with co-ops, thinking they are interchangeable. A condo is a private residence in a multi-unit structure that includes ownership of commonly used property. A co-op is also a multi-unit building, but that's where the similarities end. A co-op owner has an interest or share in the entire building and a contract or lease that allows the owner to occupy a unit. While a condo owner owns a unit, a co-op owner does not own the unit but owns a share represented by a stock certificate.

Co-ops are collectively owned and managed by their residents, who own shares in a nonprofit corporation. The corporation holds the title to the property and grants proprietary leases to residents. The lease grants permanent rights to residents to live in their units and to use the common elements of the cooperative according to the co-op's bylaws and regulations.

An important distinction between a co-op and a condo is that most co-op associations require a prospective purchaser to be approved by the co-op board. The upside is being able to pick your neighbors. The downside is that when you sell, the board must approve the buyer and that can delay the sale. The board can reject applicants for only two reasons: financial or a refusal to abide by the association's rules and regulations.

Selling Your Unit

When selling your unit, you are required to file a 30-Day Notice of Sale with the Board. Failure to do so **WILL** incur a fine of \$250. Find the Document [Here](#).

During the 30 days the Board requires:

- Access to the unit for inspection to identify any architectural standards that need to be brought into compliance.
- Introduction and meeting with real estate agent; via email is okay.
- Review of any marketing materials. The Board reserves the right to object to any materials and require revisions before unit is advertised for sale.
- Notify the board of the listing price.

When selling your unit, you must advise your real estate agent that upon agreeing to sell your home, the prospective buyer must meet with the cooperative Board of Directors.

Must Have Documents To Sell

- Stock certificate. If you have a mortgage, your lender will still have this. We will need the certificate back upon closing.
 - If the stock certificate is lost – you must fill out a lost stock certificate form and have it notarized. Find form [HERE](#)
 - If the owner is deceased and held in a trust, we will need a certification of the trust form filled out and notarized. We will need a copy of the page from the trust confirming this information as well as a copy of the death certificate. Find Form [HERE](#)
 - Termination of Lease by seller. [Here](#)
- Access to the unit for inspection to identify any architectural standards that need to be brought into compliance, i.e.; upgraded windows, standard doors, etc.

Five Steps To Selling

STEP 1 – Creating your sales packet:

Create a sales packet that includes the documents below in order to prepare your unit to sell:

All Documents below are available through the member portal on the Front Steps/QMS website. ([A link to all documents below are on page 11 of this pdf.](#))

- A copy of your stock certificate (You may not have this if you have a mortgage but provide copy).
- A copy of our Articles of Incorporation.
- A copy of our current Bylaws.
- A copy of our current Occupancy Agreement
- A copy of our Rules & Regulations
- A copy of the current year's budget
- A copy of the most recent years' Board minutes
- A copy of the latest financial statement with balance sheet
- A copy of this notice as a cover sheet

STEP 2 – Transfer above sales packet to your Real Estate Agent:

Provide sales packet to your real estate agent. We suggest keeping a second set for yourself.

Five Steps to Selling (con't.)

STEP 3 – Buyer Interview and Board Package:

Within 10 days of entering into a contract, the board package must be completed by the buyer and provided to the Board so that an interview can be scheduled. Interview will be scheduled within 14 days. The buyer or the buyers agent are responsible for ensuring that the questionnaire is completed and submitted to the board. The board interview must be completed before you enter escrow.

STEP 4 – Buyer Reviews Occupancy Agreement:

The Occupancy Agreement is the lease between the QMS Corporation. During the interview the prospective buyer will again be informed about cooperative living and how this differs from condominium and home ownership. The Board will answer questions concerning the Occupancy Agreement and Rules & Regulations along with any other questions the buyer may have.

STEP 5 – Board Review and Approval:

After the interview, the prospective buyer will be notified of the Board's decision either to approve or deny their application. Once Board approval occurs, escrow can proceed and upon the close of escrow the buyer will receive a welcome packet from the HOA with a resident contact list and other valuable information.

FAQ's For Real Estate Agents

1. What are the HOA dues? – *Check with your seller as there are 5 different size units commensurate to monthly dues.*
2. Are rentals allowed? – *Up to 24 units may be rented in the complex.*
3. Water heater or boiler system? - *The complex is on a Boiler system. Water is included in the HOA dues.*
4. Do the HOA dues include Earthquake insurance? – *NO! The HOA carries earthquake insurance, but every shareholder is required to carry their own minimum insurance as listed in the Occupancy agreement.*
5. What are pet restrictions? *35 lb maximum. No Pit Bulls, Rottweilers, Akitas, Berneses, Canary Dogs, Chow Chows, Dobermans, Huskies, Karelian Bears, Rhodesian Ridgebacks, and Russo-European Laikas.*
6. Where does the For Sale sign go? - *At either entrance. No sign larger than 12"x18" on a metal stake pole.*
7. Are there any upcoming special assessments? *None are known at this time.*

Lenders To Co-Ops

Only certain lenders will fund mortgages for Co -Ops.

Below are two *options:

Nolan Davis Mortgage Advisor | C2 Financial
1999 Avenue of the Stars, Ste. 1100
Los Angeles, CA 90067
NMLS #1835375 | DRE #02082037

G. Ryan Greer (NMLS#507534) | Senior Vice President [National Cooperative Bank](#) (NMLS# 422343)
1901 Pennsylvania Avenue NW | Suite 300 | Washington, DC 20006
TEL (202) 349-7455 | FAX (937) 840-5014 | rgreer@ncb.com

*The QMS Board of Directors does not endorse or support one over the other. You can also use any other lender of your choice. There are also other lenders you can explore yourself.

Buyer Requirements

- The Board of Directors has the right to approve a potential buyer (the new owners).
- The prospective buyer must present a complete credit report and loan approval to the Board. This assures us that the new owner can afford the HOA dues along with their mortgage.
- The prospective buyer is expected to have read the governing documents and last year's minutes prior to the interview with the Board.
- This is the only opportunity the existing shareholders have to ensure that future shareholders truly understand the nature of cooperative living so please write down your questions in advance of interview.

Closing The Deal

Once a prospective buyer has been notified in writing by the Board that they have been approved, the next steps can take place:

- All real estate signings take place on QMS property either in the recreation room or in an open outdoor location.
- **The Board officers will need one week to schedule a closing.** Two of the Board officers must be present during the signing in order for escrow to close .
- All notaries must come to the QMS property. At that time, the buyer signs an Occupancy Agreement for the Coop. A Stock Certificate is then issued in the proper vesting.

Links to Important Documents

Find the link to all documents [HERE](#)

- **READ ALL SLIDES CAREFULLY.**
- **BE PREPARED TO HONOR THE GOVERNING DOCUMENTS.**
- **UNDERSTAND YOUR OBLIGATIONS IN SELLING YOUR CO-OP.**
- **QUESTIONS? MAKE A LIST AND WORK WITH YOUR REALTOR TO ADDRESS.**

THANK YOU FOR YOUR CARE AND CONSIDERATION IN SELLING AT QMS!