

Hat Island Community Association

Statement of Policy

Acceptance of Conveyances of Real Property by Members

BACKGROUND: From time to time, members in the Hat Island Community Association (“HICA”) may request that HICA accept the conveyance of title to real property, often motivated by a desire to eliminate the obligation for future assessments.

PURPOSE and EFFECT: This Statement of Policy is intended to provide guidelines for HICA in assessing the suitability of accepting a conveyance of real property from Member(s) to HICA. The decision to accept a conveyance shall be made in the sole discretion of HICA and meeting the guidelines shall not automatically require an affirmative decision as to the acceptability of the proposed conveyance. Conversely, failure to meet the guidelines shall not prohibit HICA from agreeing to accept a proposed conveyance.

POLICY:

1. Members shall submit a written request to the Office requesting HICA to consider acceptance of a conveyance of real property owned by such Member;
2. After receipt, HICA shall conduct its own investigation and shall determine if the subject property:
 - a. Is current in HICA assessments as of the date of the receipt of the written request;
 - b. Is current in the payment of Snohomish County real property taxes as of the date of the written request;
 - c. Is free and clear of all other liens, encumbrances, judgement and obligations as of the date of the actual conveyance to HICA.
3. The real property that is the subject of the proposed conveyance shall be inspected by the Island Manager who shall examine the property for any conditions that would negatively affect the ability of HICA to re-sell the property (including, but not limited to, encroachments or the storage of hazardous material(s)). The Island Manager shall submit a written recommendation to accept or reject the conveyance to the President of the Board of Trustees based upon the Manager’s evaluation, including consideration of the number of properties owned by HICA at the time. Thereafter, the Member’s written request and the findings of the investigation and Manager’s inspection shall be brought before the Board for consideration. Upon consideration, the Board may, in its sole discretion: i) accept the request whereupon the Island Manager shall take appropriate action to effectuate the transfer; ii) reject the request either with or without stating the rationale therefore; iii) table the matter for further consideration.

4. Conveyances of real property hereunder shall be made by Quit Claim Deed. The cost of preparation of the deed, preparation of the excise tax affidavit (and payment thereof), together with any charges from the Snohomish County Records Office, shall be prepaid by the Transferor. HICA may procure title insurance in its discretion at its sole cost and expense.

Adopted by the Board of Trustees on the _____, day of _____, 2019.