

FROM THE CENCLUB BOARD OF DIRECTORS

AN UPDATE REGARDING THE PURCHASE OF THE RECREATIONAL FACILITIES DECEMBER 31, 2019-----NOVEMBER 9, 2020

To the Residents of Century Village East,

It is impossible to believe that only a few months have passed since we purchased the recreational facilities. What a year 2020 has proved to be so far; so much work has been done already and so much more is ongoing all while learning day by day how to navigate a pandemic, striving to keep activities going and keeping our residents safe!

One of the most important tasks we have been working on behind the scenes is to finalize the mountains of paperwork and solidify the details pertaining to the purchase of the property. The documents that governed the sale and purchase of the recreational facilities were more than forty years old; they contained many typographical errors and were missing information, like parcel ID numbers, that is now requested by the property appraiser. The attorneys, surveyors, and title underwriters have been working all this time to remove any pending questions to the legal descriptions and to secure the corrections to perfect the deeds.

It seemed prudent to inform the community of these details. To do so, the CenClub Board thought it best to simply share the most recent update from our attorney. It is a great deal of information to be sure; however, it will give you a small sense of the corrections and adjustments that needed to be addressed and that are ongoing. As progress is made, we will again update the community on that. Please be assured that this work is not creating any additional expense to the community. The title underwriter, under the title insurance we purchased, is handling all of the corrective work. Below is the letter received this week by Board President, Rita Pickar, from our real estate attorney:

Rita,

I will address each and hope to put all the points of the purchase into perspective for clarity.

Cenclub Recreation Management, Inc., formerly known as Cenclub Homeowners Association, Inc., purchased the property effective December 31, 2019.

Cenclub is the entity that holds title. Condo Owners in Century Village have use of the recreation property.

Title has transferred to Cenclub; the services of both a surveyor and a title underwriter were used for the closing, and they each are doing and/or have done what they are obligated to do to resolve the pending questions.

- Prior to closing, a survey company was commissioned to survey the property and the legal descriptions developed were given to the title underwriter to review, confirm and approve.
- The underwriter approved the surveys and provided the legal description to use in the deed conveying the property to Cenclub.

- It was later determined that there were errors in some of the legal descriptions of the parcels acquired and we brought this to the attention of the title underwriter and the surveyor.
- The title underwriter acknowledged the errors and has worked to resolve the issues, which arose because of differences between partially illegible legal descriptions in the chain of title and the measurements recorded by the surveyor.
- From mid-January through the summer, there were several exchanges with the property appraiser until all of the legal descriptions were vetted and agreed upon.
- A corrective deed was prepared and is presently under review by the seller prior to execution.
- The underwriter is dealing directly with the surveyor and is going to cover the cost of re-recording the corrective deed and other documents due to its errors.
- See the comparison /explanation relative to the legal description at the end of this response for more detail

The property appraiser does not determine ownership, to answer your question. They determine who they are going to tax for the properties (to the extent they are taxable). The recorded documents in the official records govern ownership rights. The deed delivered at closing is valid and there is no impact whatsoever to 9 of the 15 parcels transferred.

The title underwriter continues to work with us under the title insurance policy to secure the corrective deed from the seller.

- These parcels have typographical errors resulting in the title underwriter's preparation of the legal descriptions from documents in the public records that were partially illegible and/or which arose when the legal descriptions were converted from PDF to Word format. There were also some field note errors by the surveyor.
 - o Parcel 1 – Clubhouse Area - corrected 4 of the surveyor/title underwriter's typographical errors
 - o Parcel 4 - Lyndhurst Recreation Area South- Typographical error correction to the angle of one line.
 - o Parcel 6 – Ashby Recreation Area - Corrected transposed numbers in one line.
 - o Parcel 7 – Durham Recreation Area – (i) Typographical error correction resulting from clarification of previously illegible line measurement, and (ii) Typographical error correction to the angle of one line.
 - o Parcel 13 - Ventnor Recreation Area – (i) Typographical error correction resulting from clarification of previously illegible line measurement, and (ii) Typographical error correction to the angle of one line.
 - o Parcel 14 – Oakridge Recreation Area - Typographical error correction resulting from clarification of previously illegible line measurement.
 - o (Note that the Parcel ID was added to each of the foregoing at the Property Appraiser's request, though not legally required.

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- The following parcels have changes that are not corrections but mere clarifications and did not require any action:
 - - Parcel 2 – Tennis Courts – (i) Added the Parcel ID (not legally required), and (ii) Added words like “commence” to replace “begin”. Additionally, The Property Appraiser could not follow the boundary of this legal. Surveyor reviewed and suggested we remove the reference in our legal description to the boundary line of the Admin Building Parcel altogether, since we do not have an accurate prior deed at this point to reference the Admin Parcel. Title agreed to remove the extraneous reference that did not change the legal description but made it clearer; the underwriter also, suggested we record the corrected survey as an attachment to the corrective deed.
 - Parcel 3 – Lyndhurst Recreation Area North - Added the Parcel ID (not legally required).
 - Parcel 5 – Grantham Recreation Area (i) Added the Parcel ID (not legally required) and, (ii) Corrected “saig” to be “said.”
 - Parcel 8 – Upminster Recreation Area - Added the Parcel ID (not legally required).
 - Parcel 9 – Markham Recreation Area - Added the Parcel ID (not legally required).
 - Parcel 10 – Berskshire Recreation Area - Added the Parcel ID (not legally required)..
 - Parcel 11 – Richmond Recreation Area – (i) Added the Parcel ID (not legally required), and (ii) deleted duplicate wording.
 - Parcel 12 – Westbury Recreation Area - Added the Parcel ID (not legally required).
 - Parcel 15 - Newport Recreation Area - Added the Parcel ID (not legally required).

In summary, the process of resolving the questions raised by the property appraiser is ongoing and being handled by the surveyor and the title underwriter, with our firm’s supervision and we are in contact with the Seller’s attorney to complete these items.

Sincerely,

Michael E. Boutzoukas
Becker & Poliakoff