

Seller Obligation: Owners of residential real estate, including single-family and two-family dwellings, duplexes, apartments, and condominiums, are required to obtain a Certificate of Inspection (Point of Sale) prior to entering into an agreement to sell or convey an interest in such property.

Application Fee: The fee for the Point of Sale inspection is \$150 for a single-family dwelling or condominium unit and \$200 for a two-family dwelling. The fee for apartments is \$150 for the first unit and \$50 for each additional.

Reinspection Fees: A reinspection fee of \$25 is charged for each requested reinspection after the first two requested reinspections, to be paid at the time of issuance of the Certificate of Compliance or a transfer release.

Required Use of Certificate: Sellers must provide the prospective purchaser with a copy of the Certificate of Inspection or a copy of a Certificate of Compliance prior to the execution of a contract of sale.

Time Limit: The Certificate of Inspection or Certificate of Compliance provided to the purchaser must have been issued within one (1) year prior to the agreement.

Buyer's Acknowledgement: An Acknowledgement Form signed by the purchaser affirming receipt of a Certificate of Inspection or Certificate of Compliance must be deposited in escrow and a copy provided to the Housing Inspection Department as a condition of title transfer.

Escrow Requirement: If all violations listed on a Certificate of Inspection are not corrected prior to transfer of title, an escrow account must be established and funds, in an amount not less than \$100 and equal to 150% of the estimated cost of repairs, must be deposited to pay for the cost to correct all remaining violations.

Escrow Determination: The amount to be held in escrow shall be determined by procuring a written estimate from a company currently registered to do business in Shaker Heights. The estimate must reflect current market rates for labor and materials, and be itemized to correspond to the Point of Sale inspection notice. The City may reject an estimate that fails to reasonably reflect the fair market cost of repairs.

City Estimate: If the party establishing the escrow (seller or buyer) can demonstrate to the City that, after a good faith effort, he/she is unable to obtain a written estimate, the City may establish the amount of the escrow with the understanding that such determination is non-negotiable.

Escrow Notification: The escrow agent must notify the Housing Inspection Department in writing that funds are being held in escrow in an amount approved by the City to correct all remaining violations.

Transfer Release: If the City determines there has been compliance with the ordinance, a written transfer release letter will be issued.

Escrow Disbursement: Funds held in escrow shall be disbursed only upon written authorization from the City. If the amount held is less than \$5,000, no funds shall be released until all violations are corrected. If the amount is \$5,000 but less than \$20,000, the City may authorize one (1) partial release of funds from escrow if it is determined that substantial progress has been made in correcting the violations and that sufficient funds remain in escrow to correct all remaining violations. If the amount is \$20,000 but less than \$40,000, two (2) partial releases may be approved. If the amount is \$40,000 but less than \$60,000, three (3) partial releases may be approved. On escrow accounts equal to or exceeding \$60,000, four (4) partial releases may be authorized.

Escrow Agent Obligation: No person, firm or corporation acting in the capacity of an escrow agent in any real estate transaction shall transfer title or disburse funds from any sale unless the provisions of Chapter 1415 of the Housing Code have been satisfied.

Failure to Comply: Any person violating any provision of Chapter 1415 of the Housing Code will be guilty of a misdemeanor of the first degree and shall be punished as provided in Section 101.99 of the Administrative Code of the Codified Ordinances.