

Rules for Transfer of Intervals

Purpose: The viability of the resort is threatened by transfers of intervals to a variety of predatory companies and their agents and accomplices (“related persons”) sometimes referred to as “timeshare relief companies” or “timeshare rescue companies” (collectively referred to as “predatory companies”) who charge owners exorbitant fees to take their intervals, but have no intention of fulfilling their obligations of ownership. These predatory companies frequently change identities, but sometimes share common characteristics which allow them to be identified. Fraudulent transfers result in significant losses of assessment income and additional expense related with foreclosing on delinquent intervals. That lost revenue and increased expense is transferred to the remaining owners. Both the selling owners and remaining owners are victimized by these transfers. The following policies are necessary to allow the resort to do appropriate background searches to identify the predatory companies and related persons and recover the cost of such searches, stop these fraudulent transfers before they are finalized for the purpose of protecting the interests of all owners and the financial security of the resort:

Transfer Policy: If an owner (transferor) or transferee fails to comply with any element of these rules or provide a false or misleading statement in relation to these rules, the Manager shall be entitled to disregard the transfer, hold the transferor liable for all usual costs, fees, and assessments related to ownership as well as any special costs incurred by the Association or its agents in resolving a transfer pursued in violation of these rules, including, but not limited to, collection costs, reasonable attorneys’ fees and quieting title to the interval in the event of a recorded conveyance.

1. Notice. Prior written notice must be given to the Manager by transferor of a proposed transfer at least 10 days prior, identifying the name, address and phone number of the transferee and whether any sum of money was or will be paid in conjunction with the proposed transfer. A process fee of \$100 payable in cash or by check shall be charged for each transfer unless waived by the Manager for good cause. If a check is used, the 10-day period shall not begin until the check clears in the Association’s bank account. The transferor is required to obtain and submit a state issued photo ID for the transferee is required to be given in conjunction with said notice. If the transferee is a corporation, limited liability company, trust or any other form of entity, the transferor shall obtain and submit to the Manager the full name and address of the entity, together with a certificate of good standing from the state in which the entity was organized, and the name and address of all directors, officers, managers, trustees and principals, which information shall be verified by the transferee under oath.
2. Background Check. The Manager may do an appropriate background research, including without limitation a credit check, of the transferee and related persons to confirm their identity and assess their intent to become an owner in good standing. The Manager may take into consideration the fact that the transferee and/or its related persons own multiple intervals at this resort or other resorts and whether or not those intervals are in good standing. If there is a pattern of multiple ownerships by the transferee or related persons or the transferee’s record indicates an unwillingness or lack of capability to meet the obligations of ownership, the Manager will assume that the transferee is not acquiring the interval with the proper intent to be a bona fide owner and may prohibit the transaction. The Manager shall notify the transferor in writing no later than the expiration of the 10-day notice period whether the proposed transfer is authorized or prohibited. If prohibited, the Manager will indicate in said notice the basis of its decision.

3. No Power of Attorney. Transfers under a power of attorney are prohibited and will be disregarded unless the transferor obtains a waiver from the Manager. A waiver may be issued in the Manager's discretion if the transferor sufficiently demonstrates a legitimate reason for the power (such as physical incapacity) and that the power is not merely intended to facilitate a fraudulent transfer.
4. No Transfers to Entities. Transfers to an entity other than a natural person are prohibited and will be disregarded unless the transferor, transferee and directors, officers, managers and principals of the transferee: (i) guarantee payment of the transferee's obligations while owned by the transferee; or (ii) obtains a waiver from the Manager. A waiver may be issued in the Manager's discretion if the transferor sufficiently demonstrates that the entity will fulfill its obligations as an owner and is not merely intended to facilitate a fraudulent transfer.
5. No Transfers Requiring Payment of Fees. Transfers involving payments by an owner to someone other than the Association are prohibited and will be disregarded unless the transferor obtains a waiver from the Manager. A waiver may be issued in the Manager's discretion if the transferor sufficiently demonstrates a legitimate reason for payment of the fee and that the fee is not related to transaction that would yield a fraudulent transfer.
6. Cross Reference List of Companies and Related Persons Engaged in Predatory Transfers. The Manager will maintain a list based on professional and industry experience of companies and related persons that engage in predatory transfers. If a proposed transferee appears on the list, the Manager will so notify the owner within the 10-day notice period that the transfer is prohibited.
7. Authorized Transferee is Required to Acknowledge and Consent to the Resort's Documents. Each authorized transferee shall be required to obtain a copy of the Resort's material documents (Declaration, Articles, Bylaws, Rules, etc.) which will be provided by the Manager and consent to the terms and conditions of ownership.
8. Exemption. These requirements shall not apply to transfers between owners or family members who are in good standing with and known to the resort.