



Timeshare Transfer and Sale Policy

Purpose: Timeshare Owners throughout the country are being solicited and victimized by time share relief companies who offer to take over ownership of a timeshare. These companies usually demand up-front payment of a flat-fee but have no intention of transferring or selling the Unit and do not fulfill the obligations of ownership. As a result, Owners are losing considerable sums of money and are often left still legally owning the timeshare Unit with delinquent accounts and unpaid taxes. This problem is threatening the viability of resorts across the country because resorts do not receive the revenue needed to operate and other owners at the resort are left with higher maintenance fees to cover the loss of revenue from these non-paying transfers or sales.

This policy is being implemented to provide procedures governing the transfer and sale of the timeshare ownership at Peterson's Waterfront. This policy will be enforced to protect all Owners against potentially fraudulent practices related to transfers and re-sale of the timeshare Units.

POLICY

1. **Notice.** Written notice of any proposed transfer or sale must be given to the Peterson's Waterfront General Manager & Peterson's Waterfront Board of Directors ("Peterson's") within fifteen (15) business days prior to the transfer or sale taking place.
2. **Transferee Responsibility.** The transferee (recipient) must provide Peterson's the following information fifteen (15) business days prior to the transfer or sale: (i) the name of the transferee or an accurate statement of identity. If the transferee is an entity, this must include proof of legal standing within the State of Washington such as the Corporation's Registration Detail from Washington's Secretary of State or a tax return from the entity; (ii) a serviceable address – a physical address in the event of collection or legal action; (iii) proof of liquidity that the transferee will be able to meet the assessment obligations of ownership such as a balance sheet or income statement; (iv) the conveyance documents that will be used in the transfer – a deed or real estate contract; (v) the prospective sales price or other fees and timing of the transfer or sale; and (vi) the name, address and contact information for Escrow Company closing the transaction.
3. **Resale Certificate.** The transferor (owner) will be required to provide a resale certificate pursuant to RCW 64.34.425(1) and a reasonable fee for the resale certificate may be charged by the Association pursuant to RCW 64.34.425(2). The resale fee must be paid to the Association in advance.
4. **Guarantee.** If the transfer or sale is to an entity other than a natural person (Corporation, Trust, etc.), the transferee will guarantee payment of the transferee's financial obligations by paying three (3) years of ownership fees in advance. Thereafter, if the transfer or sale is to an

entity other than a natural person, the transferor must personally guarantee payment of the transferee's obligations for the timeshare Unit while it is owned by the transferee. This requirement may be waived if it has been sufficiently demonstrated in the sole opinion of the Peterson's Waterfront Board of Directors that the entity will fulfill its obligations as an Owner.

5. **Compliance**. If a transferor or transferee fails to comply with this policy or provides false or misleading information, the General Manager and resort shall be entitled to disregard the transfer and hold the transferor liable for all usual costs, fees, and assessments related to ownership of the timeshare in question as well as any special costs incurred as a result of the transfer or sale.
6. **Exemption**. These requirements shall not apply to transfers between owners or family members.