

## **Spinnaker at Lake Dillon**

### **Transfer of Ownership Procedures for Timeshare Weeks**

Spinnaker at Lake Dillon has recognized the need to enact procedures applying to the transfer of timeshare weeks or any portion thereof. In the following you will find 3 categories of procedures. The first applies to all transfers of timeshare weeks, regardless of whether a licensed Colorado title company or licensed Colorado attorney is engaged to handle the transfer. The second applies only to transfers where a licensed Colorado title company or licensed Colorado attorney is NOT engaged to handle the transfer. The third applies to where the transfer is to or from a trust.

These new procedures are necessitated, in small part, by well-intentioned Owner(s) who inadvertently make mistakes in transferring their interest(s). Overwhelmingly, however, these new procedures are necessitated by certain companies who have created an industry in improperly transferring timeshare weeks to illegitimate and/or non-existent "owners". The purpose of these procedures is to preserve the value of your investment in Spinnaker at Lake Dillon by ensuring that: (1) timeshare weeks are transferred to new, legitimate owners, (2) timeshare weeks are transferred with unblemished and marketable title, (3) the Association is able to accurately identify Spinnaker at Lake Dillon Owners as required by the Declaration and Colorado law, and (4) the Association is able to properly collect assessments in accordance with accurate ownership records.

Even a well-intentioned, yet flawed, transfer to a legitimate new owner burdens our community with significant costs. Owners who transfer their timeshare interest(s) without the assistance of a Colorado title company or Colorado attorney tend to unintentionally create title problems such that their week(s) becomes unmarketable. A growing number of unmarketable Spinnaker at Lake Dillon weeks is very detrimental to the health of our community. For this reason, the Association is compelled to incur expense in order to clear up such clouds on title, or else the problems lay dormant only to reappear years later. Thus, in the interest of protecting all of our owners and the value of your investment in Spinnaker at Lake Dillon, the Association has enacted the following procedures.

#### **Definitions:**

- Grantor: Current Owner(s) transferring week(s). All references to "Grantor" shall include the plural (Grantors).
- Grantee: Intended new owner(s) of week(s). All references to "Grantee" shall include the plural (Grantees).
- Manager: Current management company for the Association or any successor manager as identified by the Association.

## **Procedures for the Transfer of ALL Spinnaker at Lake Dillon Timeshare Weeks**

- (1) A Grantee who is a natural person must be an identifiable natural person whose existence, address and other contact information can be verified. Grantee must also verify acceptance of the obligation to pay assessments. Failure of a Grantee to respond to a telephone inquiry(ies) will be considered evidence that the Grantee did not accept the deed and the transfer will not be processed.
- (2) A Grantee who is an entity must legitimately exist such that business may be reasonably transacted with such entity. The following criteria will be general guidelines used to determine if this standard is met.
  - a. Does the entity have a readily identifiable natural person responsible for conducting its business such as a manager, officer or director whose full name, existence and physical address can be quickly and easily verified?
  - b. Does the entity have a verifiable physical address for its place of business other than a post office box, mail service store box or virtual office?
  - c. Does the entity have a phone number in its name?
  - d. Does the entity have current financial statements available or other documents to show that it is other than a shell/sham entity?
  - e. Does the entity and/or its principals and/or officers own other timeshares; and if so, is it (or are they) delinquent?
  - f. Will the entity voluntarily disclose all officers and principals?
- (3) If necessary, a private investigator may be employed by the Association to determine the legitimate existence of a Grantee. That cost ranges from \$300 to \$500 and will be passed on to Grantor.
- (4) If a private investigator cannot determine whether a Grantee legitimately exists, the matter will be referred to an attorney who may file suit if circumstances merit. The Association may continue to list Grantor as Owner of the interval/timeshare week until such time as Grantee pays assessments from an account in Grantee's name (as opposed, for example, to a check being sent from a third party or transfer company).
- (5) All legal and investigative costs associated with transfers to an illegitimate or non-existent Grantee will be charged to the Grantor regardless of when incurred.
- (6) Grantor will continue to be held responsible for all assessments and dues for the week(s) if it cannot be determined that the transfer was to a legitimate Grantee who accepted the obligation to pay assessments.

- (7) Grantor will continue to be held responsible for all assessments and dues for the week(s) if Grantee does not timely pay subsequent assessments for the next three years. Action may be filed in the proper court to determine that liability.
- (8) The use of a closing company or other facilitator of selling timeshare weeks does not absolve a Grantor from responsibility for transferring to a legitimate, new owner. In the Association's experience, transfers to entities, transfers by powers of attorney and transfers where the Grantor has no contact with the Grantee are problematic.
- (9) Grantor shall be responsible for ALL costs of clearing any cloud created on title arising out any document, recorded or unrecorded, creating a concern by the Association about marketable title. Grantor is encouraged to use a reputable Colorado title company or Colorado attorney to avoid this issue. A list of local title companies can be obtained from Manager.
- (10) The Association or its Manager may waive all or some of the above requirements on a case-by-case basis.
- (11) All estoppel requests sent on behalf of an Owner (e.g., from a transfer company) must contain the full and complete name of the person making the request on behalf of the Owner, must be executed by a natural person and must contain the full, legible name of the natural person under the signature line.

### **Procedures for Transfers Where a Licensed Colorado Title Company or Licensed Colorado Attorney Is Not Involved**

- (1) Grantor must provide Manager with:
  - a. A copy of the recorded deed vesting record title in Grantor ("vesting deed"). A copy of the vesting deed may be obtained from the Association for \$25.00 or directly from the Summit County clerk and recorder at 970-453-3475 (<http://www.co.summit.co.us/index.aspx?nid=125>) . The vesting deed is necessary so that the Association can make a threshold determination whether the proposed transfer has created a cloud on title or not fully transferred the interest of all current Owners;
  - b. A copy of the properly executed and recorded deed transferring or altering ownership of Grantor's timeshare interest or a portion thereof in any way.
  - c. Any executed purchase & sale agreement(s) and all related documents.
  - d. A copy of any closing documents / files where a transfer company or title company not licensed in Colorado is involved.
    - i. All correspondence from transfer companies must be executed by a natural person on official company letterhead properly identifying the entity/transfer company. The name must be the full name of the natural person (no initials) and must be legibly printed below the signature line.

- e. A certificate of good standing for/from any transfer company when there is no designation of the transfer company's entity type (Inc., LLC, etc.) and/or no physical address on the letterhead or other documents generated by the transfer company. A certificate of good standing may be required if there is any question about the location, formation or validity of the transfer company. Therefore, the Association recommends always including a current certificate of good standing for any transfer company utilized.
- f. A physical address of the transfer company to which correspondence may be sent. All estoppel requests must be accompanied by a physical address including a working phone number. All names of transfer company agents, employees and/or representatives in **all** correspondence must be full and complete names (not initials), accurate, legible and contain accurate information about how to reach them by telephone. All estoppel requests made on behalf of an owner must be executed by a natural person whose full, complete and legible name and telephone number appears under the signature line. This includes any emails.
- g. A complete copy of any other agreement(s), closing documents or files where the transfer is part of a larger transaction whereby Grantor purchased another product.
- h. Grantor's actual and current physical address, mailing address (if different from the physical address), email address and working phone number. If Grantor uses a UPS store address or virtual office as a mailing address, a disclosure of that fact and a natural person who may be contacted at that location;
- i. Grantee's full name (no initials), actual and current physical address, mailing address (if different from the physical address), email address and working phone number. If Grantee uses a P.O. Box, UPS store address or virtual office as a mailing address, a disclosure of that fact and a natural person who may be contacted at that location.
  - i. Physical address must be a natural person(s)' actual place of residence or bona fide business address physically occupied by Grantee as opposed to a UPS store address or other type of storefront or virtual office.
- j. Grantee's current, legible and viewable photo ID. If Grantee is a closely held entity, the current, legible and viewable photo ID of all principals and officers including full names (no initials).
- k. A written statement properly executed by Grantee acknowledging that:
  - ii. Grantor has provided Grantee with copies of the governing documents – these can be obtained from the Manager;
  - ii. Grantee understands by accepting title to the timeshare week Grantee is obligated to pay annual assessments; and,
  - iii. Grantee accepts title and agrees to pay future assessments.

- I. If any documents are executed using a power of attorney, the full and accurate name, address and working phone number of the holder of the power of attorney and a valid, legible photo ID with a valid and current address. The address must be the power holder's physical address as opposed to a P.O. Box, UPS store address or a virtual office address.

### **Procedures for Transfers To or From a Trust**

- 1) A properly executed Colorado statement of authority to be recorded with the deed properly identifying the person(s) entitled to convey and/or deal with the timeshare interest.
- 2) A complete copy of the trust without any sections redacted.
- 3) Complete names, addresses, email addresses and phone numbers of all current and successor trustees.

### **Fees:**

Manager currently charges a \$75.00 processing fee to process all transfer requests. In addition to that \$75.00 fee, the following fees apply to all transfers **NOT** involving a licensed Colorado title company or licensed Colorado attorney.

- 1) Transfers to a natural person: \$150.00
- 2) Transfers to/from a trust or estate: \$350.00
- 3) Transfers to/from an entity: \$650.00
- 4) Transfers involving a power of attorney: \$250.00 per power of attorney

The Association is not guaranteeing marketability of title by charging the above fees nor does the Association, its Manager or its legal counsel represent the interests of Grantor, Grantee or any other party to the transaction.