

INFORMATION SHEET
FOR BUYERS AND SELLERS OF A SHARED INTEREST IN
CARAVANS WEST RV RESORT

July 2015

Overview

It is important to realize that the buying of a shared interest is the purchase of real estate and when you buy a shared interest, you become the legal owner of property.

The ownership of Caravans West RV Resort is divided into 382 shared interests. When you purchase a shared interest, you become the owner of 1/382nd of all the land and common "improvements" (e.g., the infrastructure and common buildings) of the resort.

This ownership is an "**undivided**" shared interest. That is, you own 1/382nd of the resort as a whole and not any particular part of it. However, along with the ownership of an undivided shared interest you are granted the **exclusive use** of an RV site.

The resort is operated, on behalf of all the shared interest owners, by the Caravans West Owners Association which is a non-profit corporation. Membership in this Association is restricted to shared interest owners (often referred to as co-owners).

The Sales Transaction

1. ***The purchase/sale of a shared interest is the responsibility of the Buyer and Seller.*** However, the other co-owners have third party interests in the sale that have to be addressed. The Association acts on behalf of the other co-owners and their third party interests.
2. The purchase has two different but related transactions.

The first is the sale and transfer of the property (the shared interest) itself. This transaction includes the issuance of a BC Lands Titles Branch "State of Title Certificate" naming the Buyer as owner.

The second is the signing of a "Co-Owners Agreement" by the Buyer and the Association (on behalf of the other co-owners). The Co-owners Agreement is a legal contract between all the co-owners as to how they interact with each other with respect to the resort. All the co-owners have an interest in assuring that each co-owner signs the Co-Owners Agreement. ***The Seller needs to remember that the legal onus is on the Seller to insure that the Buyer signs the Co-Owners Agreement (according to the Co-Owners Agreement which Seller has previously signed).*** The signing of the Co-owners agreement is a precondition to the transfer of title.

Recommended Steps

It is recommended that the Buyer and Seller, consult a lawyer/Notary Public to assist you with the purchase/sale.

1. The Buyer and Seller come to an agreement on the sale of the shared interest and do whatever is necessary to complete the sale.
2. The Buyer's lawyer contacts the Association's office to obtain a clean, unsigned, copy of the Co-Owners Agreement and to inquire about any possible outstanding obligations to the Association.

A note to the Buyer: With respect to outstanding obligations, the Buyer should be aware that the Association levies annual fees against each shared interest to cover resort operating costs and property taxes. There may also be other outstanding charges or levies. These fees and costs are levied against the shared interest and are the liability the co-owner.

3. The Buyer's lawyer/Notary Public returns to the Association's office, a copy of the Co-Owners Agreement signed by all individuals buying the shared interest (all individuals whose names appear on the Certificate of Title). These signatures need to be witnessed by a non-interested third party.

The Buyer will need to provide to the Association the names, addresses and phone numbers of all the new co-owners (the individuals who have their names registered on the Certificate of Title). Email addresses would also be appreciated.

The Seller will need to return all his/her security pass gate cards and turn over to the Buyer. The gate cards are re-programmed in the Buyer's name. Any cards that the Seller does not turn over to the Buyer will be deactivated.

4. On receipt of the signed Co-Owners Agreement, the Association will sign it and then return a copy to the Buyer as instructed by his/her lawyer/Notary Public.

The Association will also forward an application for membership in the Association to the Buyer plus a copy of the Policy and Procedures Manual, Part A "Governance" and Part B "Rules and Regulations". The Association will provide a copy of the latest financial statements of the Association.

Finally, to cover its costs, the Association will levy a \$300.00 (+ \$15.00 GST) administrative fee to cover its costs. The administration fee is the responsibility of the Seller's lawyer/notary to collect and remit to the Association. This fee is still payable if the transaction does not complete. At the Association's AGM, the membership will vote on the size of administrative fee. If it is decided that a smaller fee is required the Buyer will be reimbursed the difference.