

Lot Transfer Guidelines

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Lot Transfer Committee (LTC) Restrictions

Any reimbursement for personal travel mileage or expenses must be approved in advance by the Board of Directors.

The budget for LTC is set at Five Hundred Dollars (\$500). Any amount over that will need Board approval. This includes purchases with cash expenditures from petty cash. IF NOT APPROVED in writing beforehand, the LTC member WILL NOT be reimbursed.

The Lot Transfer Season begins after the first Board Meeting in November, and ends the last Monday or Thursday in March. However, the LTC may continue to do business in April (to close out the season) and during the month of October (to prepare for the oncoming season).

Application to Waitlist

Application for placement on the Waitlist is made through the office. Before taking any application, the manager must verify that the applicants have been a guest at Kofa Ko-op. A maximum of two (2) names are allowed on the application for the Waitlist. The applicant is informed there is no age limit for getting on the Waitlist, but one of the applicants must be fifty-five years or older to become a leaseholder. The date on the check will become the date used in determining the Waitlist Seniority.

Office intake responsibilities:

Waitlist application is completely filled out and signed by applicant(s).

Make a copy of driver's license or picture ID showing date of birth.

Have current SKP card or validation.

Collect a fee of One thousand Dollars (\$1,000.00), which is refundable, plus Thirty Dollars (\$30.00) if a U.S. resident, or Forty Dollars (\$40.00) if from Canada. This

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latter fee is for administrative purposes and is not refundable. Make 2 copies of the Check(s), one for the Office files and one for the Lot Transfer Files.

A letter of Designation of Beneficiary is to be signed upon payment of the One Thousand Dollars (\$1,000.00).

The KOFA Office may take an application at any time during normal business hours. During the summer months, the date and time will be noted on the application and will be processed when the Lot Transfer Office opens in the fall.

LTC Intake Process:

A copy of all these documents and receipts, noting date and time of application, is forwarded to the LTC where the data is entered into the LTC computer. The original documents are stapled together and filed in the Waitlist binders. Names are placed on the Waitlist in the order of date and time received. If the applicant has not reached the age of Fifty-five (55), an asterisk (*) will be placed by their name.

The LTC will send a letter to the applicant to:

Acknowledge participation in the program

Advise them that they will receive an annual update letter indicating their position on the Waitlist.

Notifications:

Yearly Notification;

Once a year, at the end of March, a letter is sent out to **all** applicants on the Waitlist. This is to inform them of their numerical position on the KOFA Waitlist.

Top Twenty Five (25) Notification;

When the applicant reaches the top Twenty Five (25) on the Waitlist, the LTC will verify they are paid-up members with National Escapees at www.escapees.com/membershipverification.

Send a "Top Twenty Five" letter to the applicant informing them of their position on the Waitlist and of their responsibility to keep KOFA KO-OP advised of a current address or contact person. This letter re-asks if they are interested in a bare lot only, or if they are interested in both a bare lot and Park Model. The applicant is also informed that if they are interested in a Park Model, that Kofa does not get involved with personal property transactions (the Park Model) and they must deal directly with the owner of the unit or structure.

Top Ten (10) Notification;

When the applicant reaches the top Ten (10) on the Waitlist, the LTC will verify they are paid-up members with National Escapees at www.escapees.com/membershipverification.

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At number ten (#10) on the list, the LTC will send a notification letter to the applicant stating their position on the Waitlist. This letter also informs them of their responsibility to give the LTC a weekly call to verify an active callback phone number where they can be reached. This weekly check-in should be on Mondays or Thursdays at 1:00 P.M. (MST). If the requested time cannot be accommodated, then please leave a message.

As part of this #10 notification letter, the LTC will also include a copy of the Leasehold Agreement for their review and consideration. Also, to remain on the Waitlist, applicants will be required to make an additional Earnest Money deposit of \$1,000 (US) payable to Kofa Ko-op by check or Wire Transfer. This transfer must occur within 30 days of the date of the #10 letter. Contact the Kofa Office at 928 344-0645 for additional handling procedures.

Number One (#1) Notification

When the applicant reaches number One (#1) on the Waitlist, the LTC will verify they are paid-up members with National Escapees at www.escapees.com/membershipverification.

When the applicant becomes number One (#1) on the list, the LTC will attempt to contact the applicant or their designated representative and advise them of the bare lot availability. The LTC will provide an estimate of purchase costs including basic lot cost, improvements, pro-rated annual dues and transfer fees.

If the applicant has not reached the age of Fifty-five (55), they will not be offered a lease and any available lot will be offered to the next applicant on the list. When they reach age fifty-five (55), they will automatically be considered for the first available lot.

Refusals: The primary means of initial contact by the LTC is by telephone. The applicant has the right of two (2) refusals but must take the number three (#3) offer or they will be moved to the bottom of the list. *A non-answered phone and/or a voice message left by the LTC, is considered an offer.* If not answered by 1:00 P.M. MST the next LTC business day, it is considered a refusal. Each available lot is considered a refusal. The LTC documents all attempts to contact the applicant.

Removal from Waitlist

Any person or persons who wish to be removed from the Waitlist will be asked to do so in writing or by email. When a name is removed from the Waitlist, their computer record is updated and the hard copy record is pulled from the Waitlist file and placed in the Dropped file. The reason and date of removal will be documented. The office will be notified of the termination so their deposit and any additional Earnest Monies can be returned. The Office will make a copy of the check and send it to LTC where it will be placed in the applicant's Dropped File. Normal requests will be processed during the standard Lot Transfer season. Requests during the summer months will not be processed by the LTC; however, any requests received out of season will be handled as office staff is available to make a refund. The Office will document the transaction and the LTC will update the master record when the LTC is re-opened.

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To remain on the Waitlist, National Escapees RV Club dues must be current. Failure to keep their dues current will result in the removal from the Waitlist and the refund of the initial \$1,000 deposit and any additional Earnest Monies.

Waitlist to New Member Transfer Procedures:

When a lot becomes available, the LTC will generate a formal cost analysis and provide it to the #1 applicant. The applicant will then have until 1:00 P.M. MST the next LTC work day to accept or decline the lot. If the lot is accepted, the applicant will have seven (7) days from the date of acceptance to submit payment by certified check or by electronic transfer. Any electronic transfer costs will be passed to the applicant.

When a check has been received, the LTC will send a new member packet to the applicant which contains the following:

- The Packet List
- Three copies of the Leasehold Agreement
- Rental Pool Agreement Form
- Emergency Information Sheet
- Beneficiary Form
- Certificate of Membership
- Completed Membership Transfer Form
- Arizona Recreational Vehicle Long Term Rental Space Act
- Current By-Laws
- Lot Evaluation Form
- Lot Development and Landscape Guidelines
- Membership Regulations
- Membership Park Rules
- Alphabetical Membership List
- Numerical Membership List

New leaseholder responsibilities:

Sign all three (3) leasehold agreements (both persons, if appropriate), and return them to the LTC. The LTC will then have them signed by the President and Secretary. One will be returned to the new leaseholder signed by the Board; the original agreement will be placed in the Lot Transfer Leasehold Binder, and one will be kept in the KOFA Office.

Complete and return to the KOFA office within 30 days:

- All signed Leasehold Agreements
- Rental Pool Agreement Form, (if desired)
- Emergency Information Form
- Beneficiary Form

The LTC will make four (4) copies of the Waitlist to Member Transfer Form. One copy to the Office for the member file, one copy to Buyer, one copy to Seller, and one copy to the LTC.

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LTC will make two (2) copies of the Lot Evaluation Form: One copy to Member's active lot file located in the Kofa Office, and one for the Lot Transfer Evaluation Binder.

After the applicant becomes a leaseholder, their updated Record Master form is moved from the Waitlist binder to the Lot History binder. The appropriate data is entered into the computer and all Seniority lists are automatically updated.

A notice will be given to the person updating the picture board in the clubhouse, listing name(s) of leaseholder and lot number. A notice will also be given to the Welcome Committee with name(s) and lot number.

Overview: All Sales, Transfers, and Lot Swaps:

Per KOFA Bylaws Section 3.3.G.2 - "Any member shall have the right to enter into an agreement for exchange of his/her lot with any other member. Such an exchange shall not create any rights to the other members; however, the KO-OP shall be paid its reasonable expenses for documentation of the exchange." As this exchange is between individual leaseholders, it does not become "available" as referenced in Section.3.3.G.1, thus is not posted on the Clubhouse bulletin board.

If there is a permanent residential unit or structure involved, it shall be the obligation of exchanging members to settle the financial terms and adjustments for the exchange of said unit. A "Park Model" or "Permanent Unit" is the Personal Property of the owner, and the ownership of that unit is not administrable by the Ko-op. This private exchange concept is also expanded to include qualified Waitlist applicants - #25 or below.

Before a permanent unit or structure is sold the leaseholder will sign and date an "Intent to Dispose of Permanent Unit or Structure" form authorizing the LTC to have the lot evaluated and inspected to ensure all code requirements are met.

Inspections: All lot transfers of any type will be required to have each lot involved in the transaction inspected by the Lot Evaluation Committee, and brought up to Kofa standards prior to the release of the lots. Deficiencies must be fixed prior to the exchange. "Out of Compliance" or "As Is" transfers will ***not*** be permitted without Board Approval. All property must be in usable condition.

Fees: The Park will be paid a Transfer fee for the documentation of ***all*** exchanges. A transfer fee of Fifty (\$50) Dollars per lot is included in the transaction total. Unless one person agrees to pay both fees, each leaseholder is to pay the Fifty (\$50) Dollars transfer fee.

Dues: The prorated dues adjustment must be paid by the buyer.

Processing Time Restriction: Due to processing time constraints, after March 1st, LTC will only process Permanent Units that have prearranged sales.

Lot Transfer Guidelines

Procedures:

Overview: Sale of Park Models. A Park Model and/or Permanent Structure is considered “Personal Property”, and within the criteria as stated in this document, the Seller has the right to sell their unit to any qualified buyer of their choosing.

Swap - Bare Lot to Bare Lot:

The leaseholders will notify Lot Transfer of the intended swap. Lot Transfer will then contact Lot Evaluation to have the lots evaluated and documented for compliance. Each leaseholder requesting the swap receives only the difference between the value of his lot and the one he is purchasing. Transfer fees will be applied. The balance-due check for the difference between the lots and the two transfer fee checks must be written to KOFA KO-OP and the KO-OP will issue a check to the seller of the more expensive lot.

Swap – Permanent Unit to Permanent Unit:

The procedures are the same as stated in the “Bare Lot to Bare Lot” Section. As stated in the “Overview”, Kofa has no involvement in the financial transactions pertaining to the Permanent Units.

Sale/Swap - Park Model to a Specific Bare Lot Leaseholder:

After mutual agreements are in place, the leaseholders will notify Lot Transfer of the intended sale/swap. Lot Transfer will then contact Lot Evaluation to have the lots evaluated and documented for compliance. Each leaseholder requesting the swap receives only the difference between the value of his lot and the one he is purchasing. Kofa Transfer fees will be applied. The balance-due check for the difference between the lots and the two transfer fee checks must be written to KOFA KO-OP, and the KO-OP will issue a check to the seller of the more expensive lot.

If this transaction is a straight sale, the Seller’s lease will be terminated and the buyer’s existing lot will become available for lease.

Sale - Park Model to Specific Qualified Waitlist Applicant.

All financial transactions pertaining to the permanent unit and any other personal property items are strictly between the buyer and seller, Kofa Ko-op has no fiduciary responsibilities or input. This would include transfer and/or disposition of the permanent unit or structure and any other private property on the lot. At the request of the parties involved, the LTC may or may not make public announcements or publish any notices of the transaction.

After mutual agreements are in place, the leaseholder will notify Lot Transfer of the intended sale. Lot Transfer will then contact Lot Evaluation to have the lot evaluated and documented for compliance.

Each party in the transaction will receive from, or pay to, KOFA the assessed value of the lot. Kofa Transfer fees will also be applied. The balance-due check and the two transfer fee

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checks must be written to KOFA KO-OP and the KO-OP will in turn issue a check to the seller. This transaction terminates the leaseholder's membership in the Park and related privileges and obligations.

Per the Overview, due to processing time restrictions, any permanent unit put up for disposition after March 1st can only be completed by prearranged sales.

Sale - Park Model to any Leaseholder.

If a permanent unit or structure is not sold privately, then per Bylaws Section 3.3.G.1, the lot becomes available and LTC will post the supplied "Intent to Sell Flyer" for 72 hrs. on the Clubhouse East Foyer bulletin board. This process allows existing leaseholders the opportunity to review the Unit and consider purchasing the Park Model.

The leaseholder will need to furnish a flyer to LTC with pictures and data showing the permanent unit or structure and all associated personal property costs. Included in the flyer will be Park costs, basic membership value, cost of documented improvement, and the transfer fee. The flyer should also include name and telephone number of the contact person. The seller will bear all costs of preparing the flyer.

All financial transactions pertaining to the permanent unit and any other personal property item are strictly between the buyer and seller, Kofa Ko-op has no fiduciary responsibilities or input. This would include transfer and/or disposition of the permanent unit or structure and any other private property on the lot.

Upon notification of financial agreements between the Seller and Buyer, Lot Transfer will contact Lot Evaluation to have the lots evaluated and documented for compliance. Each leaseholder requesting the swap receives only the difference between the value of his lot and the one he is purchasing. Kofa Transfer fees will be applied. The balance-due check for the difference between the lots and the two transfer fee checks must be written to KOFA KO-OP, and the KO-OP will issue a check to the seller of the more expensive lot.

Sale - Park Model to any Leaseholder and/or any Qualified Waitlist Applicant:

If after the 72 hr. period and no existing leaseholder has expressed an interest in purchasing the Park Model, the opportunity to acquire the Unit will be expanded to include Qualified Waitlist Applicants. The LTC will then repost the "Intent to Sell Flyer" without the 72hr criteria. Additionally the LTC will initiate the process of mailing flyers to the Waitlist applicants that have indicated that they are interested in a permanent unit or structure.

The seller will be responsible for all costs incurred by the LTC connected with mailing of the flyers to the qualified Waitlist applicants - #25 or below. This cost will normally be covered by an Administrative/Mailing Fee of Fifty Dollars (\$50) which will cover the current season and is payable when the flyers are mailed. If the permanent unit or structure does not sell, the flyer may remain posted until the unit is sold or if removal is requested by the leaseholder. If the permanent unit or structure is offered the following season, there will be additional Administrative/Mailing Fee of Fifty Dollars (\$50).

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After a twenty-day waiting period, and after completion of a written agreement between seller and buyer, the seller will send the LTC a completed "Notification Unit Sold" confirming payment for the permanent unit or structure. Seller must give a definite departure date at which time LTC will calculate the final transfer costs.

The completion of the sale terminates the leaseholder's membership in the Park and related privileges and obligations.

Park Model Specifics:

Any pre-purchase inspections of the permanent unit or structure will be arranged and scheduled directly with the seller. If the seller is not physically available, arrangements can be made, in writing, with the seller's representative in the Park to show the unit or structure. This written permission is to be put in seller's lot folder in Office.

Seller will surrender the lease agreement on the transferred lot to the LTC. The seller should not sign or date the surrendered agreement before payment has been received for the unit.

After receiving the surrendered lease agreement or written request for sale, payments received, and completion of all other requirements, a lease will be issued to the buyer/new leaseholder.

Buyer will pay KOFA KO-OP for the basic membership lot value, the cost of documented improvements, the pro-rated annual dues, and the transfer fee.

With written permission from the seller to the Office, the buyer of a permanent structure may enter that structure in order to clean or do maintenance before the final lot transfer. At no time may the buyer take up residence prior to the final lot transfer. If the seller hands the keys to the residence and shed to the buyer, the buyer may have access to the residence but must get in writing, from the seller, permission to move personal property into the shed.

A notice will be given to the person updating the picture board in the clubhouse, listing the name(s) of leaseholder and lot number. A notice will also be given to the Welcome Committee with name(s) and lot number.

If at any time the seller decides to remove the permanent unit or structure from the lot to be sold outside of the park, the transaction stops. A new transaction is initiated to sell the bare lot.

If the seller wishes to lower the price of the permanent unit or structure and requests an additional mailing, the whole transaction stops and the transaction is started over including an additional \$50 administrative/ mailing fee.

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Miscellaneous Actions and Procedures:

Adding a Name to a Leasehold Agreement:

If a single leaseholder wants to add a name to their leasehold agreement, the person named must have reached Number One (#1) on the Waitlist and be Fifty-five (55) years of age or older. Only 2 names may be on a leasehold agreement.

Marriage:

If a single leaseholder marries, upon the receipt of the Marriage Certificate, their spouse's name is added to the lease agreement. This date will become the new spouse's seniority date in the event the original leaseholder dies first.

Budget:

In December, the LTC will submit a request to the Budget Committee for funds for the upcoming year and keep track of expenses during the year to enable a realistic request for funds.

Death:

When there is a death of a single leaseholder, or death of both leaseholders, a Letter of Sympathy letter will be sent to the person listed on the emergency contact form along with the appropriate forms and actions required to sell the lot.

If one of the leaseholders dies, the surviving leaseholder can either:

- Sell the lot by signing off on the leasehold agreement and providing a copy of the Death Certificate, or
- Change the name on the lease agreement by providing the LTC with a copy of the Death Certificate. The LTC will then issue a revised lease agreement and Membership Certificate in the single leaseholder' name.

If both leaseholders have passed away, their lot **must** be cashed out. If a leaseholder within the park wants that lot, that lot must be paid in full and not "swapped". Then their original lot will be released and offered as a separate transaction.

Per Bylaws, Sections 3.3.D.2 and 5.7, - When the last member is deceased, the agent of the deceased may remain in the RV until the personal property has been removed or sold: not to exceed the 30 day limit.

Divorce:

In case of separation or divorce, the incumbent leaseholder must provide a notarized statement from the departing leaseholder; surrendering his/her interest in the lot within a month after the decree is final. A new leasehold agreement will then be reissued to the incumbent leaseholder.

Guidelines:

In March (before the Board Meeting) submit an updated set of Lot Transfer Guidelines to the Board Secretary for submission to the new Board.

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List Maintenance:

When the lists change, the LTC will print the changed copies and post them on the East Lobby Bulletin Board and give a copy to the KOFA Office. A digital copy is e-mailed to the KOFA Webmaster for posting on the KOFA website.

Reports:

In January, prepare a written report for the Annual Meeting covering the previous year's activity. There are no Lot Transfers in January until the annual fee has been approved by the Board

Shed Access:

With a seller's permission, a buyer may move personal items into the seller's shed prior to the final sale (however, no lawn chairs, etc., of the buyer should be out on the lot). The seller's permission must be in writing with copies in the Office, Lot Transfer and the buyer. An email or letter to Lot Transfer from an absent seller is permissible. At no time may the seller's lot actually be occupied by the buyer until the final sale is completed. It is the buyer's responsibility if any damage should occur to his/her belongings in the seller's shed.

Committee Chairperson

Date

Board Approval

Date