



COTTAGE OWNERSHIP TRANSFER RULES

IN TRANSFERRING OWNERSHIP OF A COTTAGE, THE OWNER MUST REALIZE THAT THE APPLICATION OF THE PROPOSED TRANSFEREE WILL BE REVIEWED BY THE COMMITTEE ON RESIDENTIAL LEASE IN THE LIGHT OF THE SPIRIT AND OBJECTIVES OF THE ASSOCIATION AND THE ACCEPTANCE THEREOF AND THE PROBABLE ADHERENCE THERETO BY THE PROPOSED TRANSFEREE.

1. An application must be made to the Committee on Residential Lease at least 30 days prior to approval of any change in cottage ownership. For the purposes of these rules, a change in cottage ownership includes any transfer of any interest in a cottage or, in the case of a cottage owned by a person other than one or more individuals, any direct or indirect transfer of an interest in a person that owns a cottage. Application forms are available at the Association office.

2. The application must be accompanied by three letters of reference from persons who know the prospective transferee well, each of which shall address the applicant's character, and

a) One letter shall be from a member of the clergy or a leader in a faith community;

b) If possible, one letter should be from a current MVCMA leaseholder and should address the willingness and capacity of the applicant(s) to live in a close and rule-governed community like the MVCMA.

References must include contact information of the persons supplying the reference. No interview shall be scheduled until the Residential Lease Committee has received and accepted the three letters of reference."

3. In addition to the application and letters of recommendation, all applicants must be interviewed by three or more members of the Committee on Residential Lease, or by other members of the Board of Directors of the Association or other appropriate persons, in each case as designated by the Committee on Residential Lease. Interviews must take place at least ten days prior to any transfer. As described in more detail in Section 4 below, the interview and approval process applies to each person acquiring an interest in a cottage, as well as each person with an ownership interest in or a management role on behalf of any legal entity acquiring an interest in a cottage.

4. For the purposes of these rules, a "person" means an individual, partnership, limited partnership, corporation, limited liability company, unincorporated association, trust, or any other legal entity. The application must indicate the type of proposed ownership, i.e., whether life interest, remainder interest, full ownership by individual, joint ownership with survivorship or co-ownership in specified shares without survivorship.



Whenever there are two or more joint owners, each proposed joint owner must submit the required three letters of reference. Only spouses may share references. Also, whenever there are two or more joint owners, one of them must be designated as the primary contact for *lease payments and compliance with all Campground rules and regulations*.

If the proposed cottage owner is a person other than one or more individuals, then each owner of an equity or beneficial interest in the owner, as well as any trustee, manager, officer and director of the owner, as well as any other person managing the affairs of the owner, must submit the required three references and be interviewed and approved pursuant to Section 3 prior to any approval of a cottage transfer. In the case of an owner other than one or more individuals, the application must include a statement identifying all of the owners of equity or beneficial interests in the proposed leaseholder, as well as each trustee, manager or other person managing the affairs of the proposed leaseholder, and the person primarily responsible for compliance with all Campground rules and regulations on behalf of the proposed leaseholder. Cottage purchasers should be aware that to the extent there is subsequently any intent to change in the owners of equity or beneficial interests in the leaseholder, or in the trustees, managers or other persons managing the affairs of the leaseholder, then any such person not previously interviewed and approved by the Committee on Residential Lease in connection with the leaseholder must submit the required references and be interviewed and approved by the Committee on Residential Lease, as described in these rules, prior to any such change in the ownership or control of the leaseholder taking place. Notwithstanding the foregoing, however, to the extent any person otherwise required to submit an application and be interviewed and approved under these Rules is a minor, such person shall not be required to do so until such person reaches the age of majority, provided that such person must submit an application, be interviewed and approved within six months of achieving the age of majority in order for the leaseholder (e.g., a trust leaseholder in which the person is a beneficiary) to maintain its status as a leaseholder.

5. No leaseholder shall cause a change in cottage ownership, or any other event requiring approval under these Rules, unless the change or event shall have been previously approved by the MVCMA.

6. In the event of involuntary transfer of any legal interest in a cottage or a leaseholder by death, bankruptcy, foreclosure, insolvency, forfeiture of lease or otherwise, the parties entitled to such interest shall furnish to the Association satisfactory evidence of the transfer and apply for approval by the Committee on Residential Lease of the parties to whom the interest has been transferred as outlined in paragraphs 1, 2, 3, and 4 above. In the event of disapproval, proper arrangements must be made for further transfer of ownership to owners acceptable to the Committee on Residential Lease. Such arrangements must be made within six months after the date of the said involuntary transfer of legal interest.



7. Upon approval of any new ownership as above outlined, a copy of the duly executed Bill of Sale or other legal transfer document shall be filed with the Association office for permanent Record.

8. Prospective leaseholders may not occupy a cottage until they have executed a lease with the MVCMA, other than as permitted by and in accordance with the **Cottage Rental Rules –For Owners.**

9. Any failure to follow the foregoing procedures shall be sufficient cause for the Committee on Residential Lease to terminate a leaseholder's lease of the property on which the cottage rests. Any such termination may be appealed to the Board of Directors of the Association.

10. Before issuance of a lease to a new cottage owner, all outstanding charges, including back lease payments, interest on back leases, and current lease due, must be paid in full, as well as any fines or other monetary amounts which may be owed to the Association with respect to the cottage. This provision includes back lease payments with interest on leases withheld or suspended by the Association, and any third party costs, which may include legal fees, incurred by the Association in connection therewith.

11. (a) A lease origination fee based on the purchase price of the cottage (including the price of any cottage contents also sold to the purchaser of the cottage) shall be paid by the buyer to the Association when full or partial ownership of a cottage is transferred.

1) For transfers with a purchase price of up to \$10,000 the fee shall be \$200.00.

2) For transfers with a purchase price of \$10,000 or more the fee shall be 2% of the total purchase price.

(b) A signed copy of the bill of sale, any settlement statement and any instrument of transfer and all papers filed with the Town of Oak Bluffs must be submitted to the Association's General Manager within 30 days of the transfer.

(c) A fee of \$25.00 shall be paid to the MVCMA for recording the addition of a name of a "family" member on a residential lease or in connection with a previously approved Entity.

(d) Transfers and additions to leases must have the written consent of all current Leaseholders.

(e) Any fee to be paid under this Section 11 must be paid prior to the granting of a lease to a transferee or the addition of a name or names to a residential lease. Any such fee will be credited to the Tabernacle Endowment Fund.



12. All Town regulations regarding transfers of property must be complied with in connection with any cottage transfer.

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