
HOUSE BILL 2548

State of Washington

53rd Legislature

1994 Regular Session

By Representatives Appelwick and Forner; by request of Department of Licensing

Read first time 01/17/94. Referred to Committee on Judiciary.

1 AN ACT Relating to timeshare regulation; amending RCW 64.36.010,
2 64.36.020, 64.36.030, 64.36.050, 64.36.140, 64.36.210, 64.36.220,
3 64.36.225, 64.36.230, 64.36.320, 64.36.330, and 64.34.020; prescribing
4 penalties; providing an effective date; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 64.36.010 and 1987 c 370 s 1 are each amended to read
7 as follows:

8 As used in this chapter, the following terms have the meanings
9 indicated unless the context clearly requires otherwise.

10 (1) (~~"Advertisement" means any written, printed, audio, or visual~~
11 ~~communication which is published in whole or part to sell, offer to~~
12 ~~sell, or solicit an offer for a timeshare.~~

13 (2)) "Affiliate of a promoter" means any person who controls, is
14 controlled by, or is under the control of a promoter.

15 ((3) ~~"Commercial promotional programs" mean packaging or putting~~
16 ~~together advertising or promotional materials involving promises of~~
17 ~~gifts, prizes, awards, or other items of value to solicit prospective~~
18 ~~purchasers to purchase a product or commodity.~~

19 (4) ~~"Director" means the director of licensing.~~

1 ~~(5))~~ (2) "Interval" means that period of time when a timeshare
2 owner is entitled to the possession and use of the timeshare unit.

3 ~~((6))~~ (3) "Offer" means any inducement, solicitation, or attempt
4 to encourage any person to acquire a timeshare.

5 ~~((7))~~ (4) "Person" means a natural person, corporation, business
6 trust, estate, trust, partnership, association, joint venture, or other
7 legal or commercial entity.

8 ~~((8))~~ (5) "Promoter" means any person directly or indirectly
9 instrumental in organizing, wholly or in part, a timeshare offering.

10 ~~((9))~~ (6) "Purchaser" means any person, other than a promoter,
11 who by means of a voluntary transfer acquires a legal or equitable
12 interest in a timeshare, other than as security for an obligation.

13 ~~((10))~~ (7) "Sale" or "sell" includes every contract of sale of,
14 contract to sell, or disposition of, a timeshare for value.

15 ~~((11))~~ (8) "Timeshare" means a right to occupy a unit or any of
16 several units during three or more separate time periods over a period
17 of at least three years, including renewal options, whether or not
18 coupled with an estate in land.

19 ~~((12))~~ (9) "Timeshare expenses" means expenditures, fees,
20 charges, or liabilities: (a) Incurred with respect to the timeshares
21 by or on behalf of all timeshare owners in one timeshare property; and
22 (b) imposed on the timeshare units by the entity governing a project of
23 which the timeshare property is a part, together with any allocations
24 to reserves but excluding purchase money payable for timeshares.

25 ~~((13))~~ (10) "Timeshare instrument" means one or more documents,
26 by whatever name denominated, creating or regulating timeshares.

27 ~~((14))~~ (11) "Timeshare owner" means a person who is an owner or
28 co-owner of a timeshare. If title to a timeshare is held in trust,
29 "timeshare owner" means the beneficiary of the trust.

30 ~~((15) "Timeshare salesperson" means any natural person who offers
31 a timeshare unit for sale.~~

32 ~~(16))~~ (12) "Unit" means the real or personal property, or portion
33 thereof, in which the timeshare exists and which is designated for
34 separate use.

35 **Sec. 2.** RCW 64.36.020 and 1983 1st ex.s. c 22 s 2 are each amended
36 to read as follows:

1 ~~((1) A timeshare offering registration must be effective before~~
2 ~~any advertisement, solicitation of an offer, or any offer or sale of a~~
3 ~~timeshare may be made in this state.~~

4 ~~(2) An applicant shall apply for registration by filing with the~~
5 ~~director:~~

6 ~~(a) A copy of the disclosure document prepared in accordance with~~
7 ~~RCW 64.36.140 and signed by the applicant;~~

8 ~~(b) An application for registration prepared in accordance with RCW~~
9 ~~64.36.030;~~

10 ~~(c) An irrevocable consent to service of process signed by the~~
11 ~~applicant;~~

12 ~~(d) The prescribed registration fee; and~~

13 ~~(e) Any other information the director may by rule require in the~~
14 ~~protection of the public interest.~~

15 ~~(3)) The ((registration)) requirements of this chapter do not~~
16 ~~apply to:~~

17 ~~((a)) (1) An offer, sale, or transfer of not more than one~~
18 ~~timeshare in any twelve-month period;~~

19 ~~((b)) (2) A gratuitous transfer of a timeshare;~~

20 ~~((c)) (3) A sale under court order;~~

21 ~~((d)) (4) A sale by a government or governmental agency;~~

22 ~~((e)) (5) A sale by forfeiture, foreclosure, or deed in lieu of~~
23 ~~foreclosure; or~~

24 ~~((f)) (6) A sale of a timeshare property or all timeshare units~~
25 ~~therein to any one purchaser.~~

26 ~~((4) The director may by rule or order exempt any potential~~
27 ~~registrant from the requirements of this chapter if the director finds~~
28 ~~registration is unnecessary for the protection of the public~~
29 ~~interest.))~~

30 **Sec. 3.** RCW 64.36.030 and 1983 1st ex.s. c 22 s 4 are each amended
31 to read as follows:

32 The ~~((application for registration signed by the promoter shall~~
33 ~~contain the following information on a form prescribed by the~~
34 ~~director)) promoter shall maintain the following information in a form~~
35 ~~to be made available to a prospective purchaser upon request of the~~
36 ~~purchaser at each sales office:~~

37 (1) The following financial statements showing the financial
38 condition of the promoter and any affiliate:

1 (a) A balance sheet (~~(as of a date within four months before the~~
2 ~~filing of the application for registration)~~) that is always within
3 twelve months of being current; and

4 (b) Statements of income, shareholders' equity, and material
5 changes in financial position as of the end of the last fiscal year and
6 for any period between the end of the last fiscal year and the date of
7 the last balance sheet;

8 (2) A projected budget for the timeshare project for two years
9 after the offering being made, including but not limited to source of
10 revenues and expenses of construction, development, management,
11 maintenance, advertisement, operating reserves, interest, and any other
12 necessary reserves;

13 (3) A statement of the selling costs per unit and total sales costs
14 for the project, including sales commissions, advertisement fees, and
15 fees for promotional literature;

16 (4) A description of the background of the promoters for the
17 previous ten years, including information about the business experience
18 of the promoter and any relevant criminal convictions, civil law suits,
19 or administrative actions related to such promotion during that period;
20 and

21 (~~(5) ((A statement disclosing any fees in excess of the stated price~~
22 ~~per unit to be charged to the purchasers, a description of their~~
23 ~~purpose, and the method of calculation;~~

24 (~~(6) A statement disclosing when and where the promoter or an~~
25 ~~affiliate has previously sold timeshares;~~

26 (~~(7) A statement of any liens, defects, or encumbrances on or~~
27 ~~affecting the title to the timeshare units;~~

28 (~~(8)) Copies of all timeshare instruments((; and~~

29 (~~(9) Any additional information to describe the risks which the~~
30 ~~director considers appropriate)).~~

31 **Sec. 4.** RCW 64.36.050 and 1987 c 370 s 3 are each amended to read
32 as follows:

33 (1) (~~(A timeshare offering is registered for a period of one year~~
34 ~~from the effective date of registration unless the director specifies~~
35 ~~a different period.~~

36 (~~(2) Registration of a timeshare offering may be renewed for~~
37 ~~additional periods of one year each, unless the director by rule~~
38 ~~specifies a different period, by filing a renewal application with the~~

1 ~~director no later than thirty days before the expiration of the period~~
2 ~~in subsection (1) of this section and paying the prescribed fees. A~~
3 ~~renewal application shall contain any information the director requires~~
4 ~~to indicate any material changes in the information contained in the~~
5 ~~original application.~~

6 ~~(3))~~ If a material change in the condition of the promoter, the
7 promoter's affiliates, the timeshare project, or the operation or
8 management of the timeshare project occurs during any year, an
9 amendment to the documents ~~((filed))~~ required to be made available
10 under RCW 64.36.030 shall be ((filed, along with the prescribed fees,))
11 made as soon as reasonably possible and before any further sales occur.

12 ~~((4))~~ (2) The promoter shall keep the information in the written
13 disclosures reasonably current at all times by amending the
14 ((registration)) disclosure document as required by RCW 64.36.140. If
15 the promoter fails to amend and keep current the written disclosures
16 ((or the registrations)) in instances of material change, the
17 ((director may require compliance under RCW 64.36.100 and assess
18 penalties)) disclosure document is deemed not to be a current
19 disclosure document, and a purchaser thereunder will retain
20 cancellation rights as provided in RCW 64.36.150 until such time as the
21 purchaser receives a current disclosure document.

22 **Sec. 5.** RCW 64.36.140 and 1983 1st ex.s. c 22 s 3 are each amended
23 to read as follows:

24 Any person who offers or sells a timeshare shall provide the
25 prospective purchaser a written disclosure document before the
26 prospective purchaser signs an agreement for the purchase of a
27 timeshare. The timeshare salesperson shall date and sign the
28 disclosure document. The disclosure document shall include:

29 (1) The official name and address of the promoter, its parent or
30 affiliates, and the names and addresses of the director and officers of
31 each;

32 (2) The location of the timeshare property;

33 (3) A general description of the timeshare property and the
34 timeshare units;

35 (4) A list of all units offered by the promoter in the same project
36 including:

37 (a) The types, prices, and number of units;

38 (b) Identification and location of units;

1 (c) The types and durations of the timeshares;
2 (d) The maximum number of units that may become part of the
3 timeshare property; and
4 (e) A statement of the maximum number of timeshares that may be
5 created or a statement that there is no maximum.
6 (5) A description of any financing offered by the promoter;
7 (6) A statement of ownership of all properties included in the
8 timeshare offering including any liens or encumbrances affecting the
9 property;
10 (7) Copies of any agreements or leases to be signed by timeshare
11 purchasers at closing and a copy of the timeshare instrument;
12 (8) The identity of the managing entity and the manner, if any,
13 whereby the promoter may change the managing entity;
14 (9) A description of the selling costs both per unit and for the
15 total project at the time the sale is made;
16 (10) A statement disclosing any fees in excess of the stated price
17 per unit to be charged to the purchasers, a description of their
18 purpose, and the method of calculation;
19 (11) A statement disclosing when and where the promoter or its
20 affiliate has previously sold timeshares;
21 (~~(11)~~) (12) A description of the nature and purpose of all
22 charges, dues, maintenance fees, and other expenses that may be
23 assessed, including:
24 (a) The current amounts assessed;
25 (b) The method and formula for changes; and
26 (c) The formula for payment of charges if all timeshares are not
27 sold and a statement of who pays additional costs;
28 (~~(12)~~) (13) A statement of any liens, defects, or encumbrances on
29 or affecting the title to the timeshare units;
30 (14) Any services which the promoter provides or expenses the
31 promoter pays which the promoter expects may become a timeshare expense
32 at any subsequent time;
33 (~~(13)~~) (15) A statement in bold face type on the cover page of
34 the disclosure document and the cover page of the timeshare purchase
35 agreement that within seven days after receipt of a disclosure document
36 or the signing of the timeshare purchase agreement, whichever is later,
37 a purchaser may cancel any agreement for the purchase of a timeshare
38 from a promoter or a timeshare salesperson and that the cancellation

1 must be in writing and be either hand delivered or mailed to the
2 promoter or the promoter's agent;

3 ~~((14))~~ (16) Any restraints on transfer of a timeshare or portion
4 thereof;

5 ~~((15))~~ (17) A description of the insurance coverage provided for
6 the benefit of timeshare owners;

7 ~~((16))~~ (18) A full and accurate disclosure of whether the
8 timeshare owners are to be permitted or required to become members of
9 or participate in any program for the exchange of property rights among
10 themselves or with the timeshare owners of other timeshare units, or
11 both, and a complete description of the program; and

12 ~~((17) Any additional information the director finds necessary to
13 fully inform prospective timeshare purchasers, including but not
14 limited to information required by RCW 64.36.030))~~ (19) A listing of
15 the documentation required to be made available under RCW 64.36.030
16 together with a statement disclosing the charges for requested copies
17 of documents. The charges must be reasonable.

18 **Sec. 6.** RCW 64.36.210 and 1983 1st ex.s. c 22 s 20 are each
19 amended to read as follows:

20 It is unlawful for any person in connection with the offer, sale,
21 or lease of any timeshare in the state:

22 (1) To make any untrue or misleading statement of a material fact,
23 or to omit a material fact;

24 (2) To employ any device, scheme, or artifice to defraud; or

25 (3) To engage in any act, practice, or course of business which
26 operates or would operate as a fraud or deceit upon any person(~~(~~

27 ~~(4) To file, or cause to be filed, with the director any document
28 which contains any untrue or misleading information; or~~

29 ~~(5) To violate any rule or order of the director)).~~

30 **Sec. 7.** RCW 64.36.220 and 1983 1st ex.s. c 22 s 21 are each
31 amended to read as follows:

32 (1) The attorney general, in the name of the state (~~or the~~
33 ~~director~~)), may bring an action to enjoin any person from violating any
34 provision of this chapter. Upon a proper showing, the superior court
35 shall grant a permanent or temporary injunction, restraining order, or
36 writ of mandamus. The court may make any additional orders or
37 judgments which may be necessary to restore to any person any interest

1 in any money or property, real or personal, which may have been
2 acquired by means of any act prohibited or declared to be unlawful
3 under this chapter. The prevailing party may recover costs of the
4 action, including a reasonable attorney's fee.

5 (2) The superior court issuing an injunction shall retain
6 jurisdiction. Any person who violates the terms of an injunction shall
7 pay a civil penalty of not more than twenty-five thousand dollars.

8 (3) The attorney general, in the name of the state (~~or the~~
9 ~~director~~), may apply to the superior court to appoint a receiver or
10 conservator for any person, or the assets of any person, who is subject
11 to a (~~cease and desist order,~~) permanent or temporary injunction,
12 restraining order, or writ of mandamus.

13 (4) Any person who violates any provision of this chapter is
14 subject to a civil penalty not to exceed two thousand dollars for each
15 violation. Civil penalties authorized by this subsection shall be
16 imposed in a civil action brought by the attorney general and shall be
17 deposited in the general fund of the state treasury. Any action for
18 recovery of a civil penalty shall be commenced within five years of the
19 date of the alleged violation.

20 **Sec. 8.** RCW 64.36.225 and 1987 c 370 s 8 are each amended to read
21 as follows:

22 A (~~registrant or applicant~~) promoter against whom (~~an~~
23 ~~administrative or~~) a legal proceeding authorized under this chapter
24 has been filed, shall be liable for and reimburse to the state of
25 Washington by payment into the general fund, all (~~administrative and~~)
26 legal costs, including (~~attorney~~) attorneys' fees, incurred (~~by the~~
27 ~~department~~) in issuing and conducting (~~administrative or~~) legal
28 proceedings that result in a final legal (~~or administrative~~)
29 determination of any type or degree, in favor of the department or the
30 state of Washington.

31 **Sec. 9.** RCW 64.36.230 and 1983 1st ex.s. c 22 s 22 are each
32 amended to read as follows:

33 (1) (~~Any person who violates RCW 64.36.020 is guilty of a gross~~
34 ~~misdemeanor punishable under chapter 9A.20 RCW.~~) Any person who
35 knowingly violates RCW (~~64.36.020 or~~) 64.36.210 is guilty of a class
36 C felony punishable under chapter 9A.20 RCW. No indictment or

1 information for a felony may be returned under this chapter more than
2 five years after the alleged violation.

3 ~~(2) The ((director may refer evidence concerning violations of this~~
4 ~~chapter to the)) attorney general or the proper prosecuting attorney~~
5 ~~((who)) may((, with or without this reference,)) institute appropriate~~
6 criminal proceedings.

7 **Sec. 10.** RCW 64.36.320 and 1991 c 227 s 10 are each amended to
8 read as follows:

9 (1) No person, including a promoter, may advertise, sell, contract
10 for, solicit, arrange, or promise a free gift, an award, a prize, or
11 other item of value in this state as a condition for attending a sales
12 presentation, touring a facility, or performing other activities in
13 connection with the offer or sale of a timeshare under this chapter,
14 without first providing ~~((the director with))~~ a bond, letter of credit,
15 cash depository, or other security arrangement that will assure
16 performance by the promisor and delivery of the promised gift, award,
17 sweepstakes, prize, or other item of value.

18 (2) Promoters under this chapter shall be strictly liable for
19 delivering promised gifts, prizes, awards, or other items of value
20 offered or advertised in connection with the marketing of timeshares.

21 (3) Persons promised but not receiving gifts, prizes, awards, or
22 other items of consideration covered under this section, shall be
23 entitled in any cause of action in the courts of this state in which
24 their causes prevail, to be awarded treble the stated value of the
25 gifts, prizes, or awards, court costs, and reasonable attorney fees.

26 ~~(4) ((The director may require that any fees or funds of any~~
27 ~~description collected from persons in advance, in connection with~~
28 ~~delivery by the promisor of gifts, prizes, awards, or other items of~~
29 ~~value covered under this section, be placed in a depository in this~~
30 ~~state, where they shall remain until performance by the promisor.~~

31 ~~(5) The director may require commercial promotional programs to be~~
32 ~~registered and require the provision of whatever information, including~~
33 ~~financial information, the department deems necessary for protection of~~
34 ~~purchasers.~~

35 ~~(6) Persons offering commercial promotional programs shall sign and~~
36 ~~present to the department a consent to service of process, in the~~
37 ~~manner required of promoters in this chapter.~~

1 ~~(7)) Registrants or their agents or other persons shall not take~~
2 possession of promotional materials covered under this section and RCW
3 64.36.310, from recipients who have received the materials for
4 attending a sales presentation or touring a project, unless the
5 permission of the recipient is received and the recipient is provided
6 with an accurate signed copy describing such promotional materials.
7 ~~((The department shall adopt rules enforcing this subsection.~~

8 ~~(8) Chapter 19.170 RCW applies to free gifts, awards, prizes, or~~
9 ~~other items of value regulated under this chapter.))~~

10 **Sec. 11.** RCW 64.36.330 and 1987 c 370 s 14 are each amended to
11 read as follows:

12 (1) Concerning any timeshare offered or sited in this state, it is
13 unlawful and a violation of this chapter and chapter 19.86 RCW for any
14 person, developer, promoter, operator, or other person in control of
15 timeshares or the board of directors or appropriate officer of
16 timeshares with such responsibilities, to fail to provide a
17 member/owner of a timeshare with a membership list, including names,
18 addresses, and lot, unit, or interval owned, under the following
19 circumstances:

20 (a) Upon demand or by rule or order of the director of the
21 department, for whatever purpose deemed necessary to administer this
22 chapter; or

23 ~~(b) ((Upon written request sent by certified mail being made by a~~
24 ~~member of the timeshare, to a declarant, promoter, or other person who~~
25 ~~has established and is yet in control of the timeshare;~~

26 ~~(c))~~ Upon written request sent by certified mail of a member of a
27 timeshare to the board of directors or appropriate officer of the
28 timeshare or an affiliated timeshare.

29 (2) The board of directors of the timeshare may require that any
30 applicant for a membership list(~~(, other than the department,))~~ pay
31 reasonable costs for providing the list and an affidavit that the
32 applicant will not use and will be responsible for any use of the list
33 for commercial purposes.

34 (3) Upon request, a member's name shall be excluded from a
35 membership list available to any person (~~(other than the director of~~
36 ~~licensing for purposes of administering statutes that are its~~
37 ~~responsibility))~~). Such persons shall make their request for exclusion

1 in writing by certified mail to the board of directors or the
2 appropriate officer or director of the timeshare.

3 (4) It is unlawful for any person to use a membership list obtained
4 under this section or otherwise, for commercial purposes, unless
5 written permission to do so has been received from the board of
6 directors or appropriate officer of the timeshare. Wilful use of a
7 membership list for commercial purposes without such permission shall
8 subject the violator to damages, costs, and reasonable attorneys' fees
9 in any legal proceedings instituted by a member in which the member
10 prevails alleging violation of this section. Members may petition the
11 courts of this state for orders restraining such commercial use.

12 **Sec. 12.** RCW 64.34.020 and 1992 c 220 s 2 are each amended to read
13 as follows:

14 In the declaration and bylaws, unless specifically provided
15 otherwise or the context requires otherwise, and in this chapter:

16 (1) "Affiliate of a declarant" means any person who controls, is
17 controlled by, or is under common control with a declarant. A person
18 "controls" a declarant if the person: (a) Is a general partner,
19 officer, director, or employer of the declarant; (b) directly or
20 indirectly or acting in concert with one or more other persons, or
21 through one or more subsidiaries, owns, controls, holds with power to
22 vote, or holds proxies representing, more than twenty percent of the
23 voting interest in the declarant; (c) controls in any manner the
24 election of a majority of the directors of the declarant; or (d) has
25 contributed more than twenty percent of the capital of the declarant.
26 A person "is controlled by" a declarant if the declarant: (i) Is a
27 general partner, officer, director, or employer of the person; (ii)
28 directly or indirectly or acting in concert with one or more other
29 persons, or through one or more subsidiaries, owns, controls, holds
30 with power to vote, or holds proxies representing, more than twenty
31 percent of the voting interest in the person; (iii) controls in any
32 manner the election of a majority of the directors of the person; or
33 (iv) has contributed more than twenty percent of the capital of the
34 person. Control does not exist if the powers described in this
35 subsection are held solely as security for an obligation and are not
36 exercised.

1 (2) "Allocated interests" means the undivided interest in the
2 common elements, the common expense liability, and votes in the
3 association allocated to each unit.

4 (3) "Assessment" means all sums chargeable by the association
5 against a unit including, without limitation: (a) Regular and special
6 assessments for common expenses, charges, and fines imposed by the
7 association; (b) interest and late charges on any delinquent account;
8 and (c) costs of collection, including reasonable attorneys' fees,
9 incurred by the association in connection with the collection of a
10 delinquent owner's account.

11 (4) "Association" or "unit owners' association" means the unit
12 owners' association organized under RCW 64.34.300.

13 (5) "Board of directors" means the body, regardless of name, with
14 primary authority to manage the affairs of the association.

15 (6) "Common elements" means all portions of a condominium other
16 than the units.

17 (7) "Common expenses" means expenditures made by or financial
18 liabilities of the association, together with any allocations to
19 reserves.

20 (8) "Common expense liability" means the liability for common
21 expenses allocated to each unit pursuant to RCW 64.34.224.

22 (9) "Condominium" means real property, portions of which are
23 designated for separate ownership and the remainder of which is
24 designated for common ownership solely by the owners of those portions.
25 Real property is not a condominium unless the undivided interests in
26 the common elements are vested in the unit owners, and unless a
27 declaration and a survey map and plans have been recorded pursuant to
28 this chapter.

29 (10) "Conversion condominium" means a condominium (a) that at any
30 time before creation of the condominium was lawfully occupied wholly or
31 partially by a tenant or subtenant for residential purposes pursuant to
32 a rental agreement, oral or written, express or implied, for which the
33 tenant or subtenant had not received the notice described in (b) of
34 this subsection; or (b) that, at any time within twelve months before
35 the conveyance of, or acceptance of an agreement to convey, any unit
36 therein other than to a declarant or any affiliate of a declarant, was
37 lawfully occupied wholly or partially by a residential tenant of a
38 declarant or an affiliate of a declarant and such tenant was not
39 notified in writing, prior to lawfully occupying a unit or executing a

1 rental agreement, whichever event first occurs, that the unit was part
2 of a condominium and subject to sale. "Conversion condominium" shall
3 not include a condominium in which, before July 1, 1990, any unit
4 therein had been conveyed or been made subject to an agreement to
5 convey to any transferee other than a declarant or an affiliate of a
6 declarant.

7 (11) "Conveyance" means any transfer of the ownership of a unit,
8 including a transfer by deed or by real estate contract and, with
9 respect to a unit in a leasehold condominium, a transfer by lease or
10 assignment thereof, but shall not include a transfer solely for
11 security.

12 (12) "Dealer" means a person who owns or has a right to acquire
13 either six or more units in a condominium or fifty percent or more of
14 the units in a condominium containing more than two units.

15 (13) "Declarant" means any person or group of persons acting in
16 concert who (a) executes as declarant a declaration as defined in
17 subsection (15) of this section, or (b) reserves or succeeds to any
18 special declarant right under the declaration.

19 (14) "Declarant control" means the right of the declarant or
20 persons designated by the declarant to appoint and remove officers and
21 members of the board of directors, or to veto or approve a proposed
22 action of the board or association, pursuant to RCW 64.34.308 (4) or
23 (5).

24 (15) "Declaration" means the document, however denominated, that
25 creates a condominium by setting forth the information required by RCW
26 64.34.216 and any amendments to that document.

27 (16) "Development rights" means any right or combination of rights
28 reserved by a declarant in the declaration to: (a) Add real property
29 or improvements to a condominium; (b) create units, common elements, or
30 limited common elements within real property included or added to a
31 condominium; (c) subdivide units or convert units into common elements;
32 (d) withdraw real property from a condominium; or (e) reallocate
33 limited common elements with respect to units that have not been
34 conveyed by the declarant.

35 (17) "Dispose" or "disposition" means a voluntary transfer or
36 conveyance to a purchaser or lessee of any legal or equitable interest
37 in a unit, but does not include the transfer or release of a security
38 interest.

1 (18) "Eligible mortgagee" means the holder of a mortgage on a unit
2 that has filed with the secretary of the association a written request
3 that it be given copies of notices of any action by the association
4 that requires the consent of mortgagees.

5 (19) "Foreclosure" means a forfeiture or judicial or nonjudicial
6 foreclosure of a mortgage or a deed in lieu thereof.

7 (20) "Identifying number" means the designation of each unit in a
8 condominium.

9 (21) "Leasehold condominium" means a condominium in which all or a
10 portion of the real property is subject to a lease, the expiration or
11 termination of which will terminate the condominium or reduce its size.

12 (22) "Limited common element" means a portion of the common
13 elements allocated by the declaration or by operation of RCW 64.34.204
14 (2) or (4) for the exclusive use of one or more but fewer than all of
15 the units.

16 (23) "Master association" means an organization described in RCW
17 64.34.276, whether or not it is also an association described in RCW
18 64.34.300.

19 (24) "Mortgage" means a mortgage, deed of trust or real estate
20 contract.

21 (25) "Person" means a natural person, corporation, partnership,
22 limited partnership, trust, governmental subdivision or agency, or
23 other legal entity.

24 (26) "Purchaser" means any person, other than a declarant or a
25 dealer, who by means of a disposition acquires a legal or equitable
26 interest in a unit other than (a) a leasehold interest, including
27 renewal options, of less than twenty years at the time of creation of
28 the unit, or (b) as security for an obligation.

29 (27) "Real property" means any fee, leasehold or other estate or
30 interest in, over, or under land, including structures, fixtures, and
31 other improvements thereon and easements, rights and interests
32 appurtenant thereto which by custom, usage, or law pass with a
33 conveyance of land although not described in the contract of sale or
34 instrument of conveyance. "Real property" includes parcels, with or
35 without upper or lower boundaries, and spaces that may be filled with
36 air or water.

37 (28) "Residential purposes" means use for dwelling or recreational
38 purposes, or both.

1 (29) "Special declarant rights" means rights reserved for the
2 benefit of a declarant to: (a) Complete improvements indicated on
3 survey maps and plans filed with the declaration under RCW 64.34.232;
4 (b) exercise any development right under RCW 64.34.236; (c) maintain
5 sales offices, management offices, signs advertising the condominium,
6 and models under RCW 64.34.256; (d) use easements through the common
7 elements for the purpose of making improvements within the condominium
8 or within real property which may be added to the condominium under RCW
9 64.34.260; (e) make the condominium part of a larger condominium or a
10 development under RCW 64.34.280; (f) make the condominium subject to a
11 master association under RCW 64.34.276; or (g) appoint or remove any
12 officer of the association or any master association or any member of
13 the board of directors, or to veto or approve a proposed action of the
14 board or association, during any period of declarant control under RCW
15 64.34.308(4).

16 (30) "Timeshare" shall have the meaning specified in the timeshare
17 act, RCW 64.36.010(~~((+11))~~).

18 (31) "Unit" means a physical portion of the condominium designated
19 for separate ownership, the boundaries of which are described pursuant
20 to RCW 64.34.216(1)(d). "Separate ownership" includes leasing a unit
21 in a leasehold condominium under a lease that expires contemporaneously
22 with any lease, the expiration or termination of which will remove the
23 unit from the condominium.

24 (32) "Unit owner" means a declarant or other person who owns a unit
25 or leases a unit in a leasehold condominium under a lease that expires
26 simultaneously with any lease, the expiration or termination of which
27 will remove the unit from the condominium, but does not include a
28 person who has an interest in a unit solely as security for an
29 obligation. "Unit owner" means the vendee, not the vendor, of a unit
30 under a real estate contract.

31 NEW SECTION. **Sec. 13.** This act is necessary for the immediate
32 preservation of the public peace, health, or safety, or support of the
33 state government and its existing public institutions, and shall take
34 effect May 1, 1994.

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