**Proposal To RDO Board - November 2013 Relating To Sales Of Inventory By RDO Members To Owners At Other Member Resorts Where Inventory Is Surrendered**

The Board is asked to consider and approve a requirement to all RDO members, that in future, where an RDO member sells inventory to an owner, who owns inventory with another RDO member and that inventory is taken in as a trade-in, then unless the member taking the trade-in has an written agreement with the other developer, then they are obliged to register any inventory taken in with their Sales Company or other appropriate company. It is explicit in that event that the Sales Company or other company becomes and is liable for any maintenance payments on that inventory, unless and until it is legitimately disposed of by the Sales Company.  If no agreement with the other member exists, and the developer taking in the inventory does not wish to take ownership, then provided the owner agrees, the member can "cession " the inventory into the club and in such a case the owner remains liable for the maintenance. In such an event, it should be made clear to the owner that he retains this continued liability and this fact is clearly recorded.  Failure to put in place such an agreement and or register such weeks will be considered to be a Breach of the RDO Code in that it brings and/or can bring the industry into disrepute, where the owner is unwittingly left liable for maintenance on inventory he thought he had traded-in.