

WOODS MANOR INTERVALS Timeshare Units Conversion Plan

This is the outline of a plan for the conversion of timeshare unit weeks to whole unit ownership.

There are 6 timeshare units, with 50 timeshare owners in each unit for a total 300 timeshare owners. Of the 300 timeshares, 15 are owned by the Association, 31 are in foreclosure, and as of February 3, 2016 the WMI accounts receivable report shows a total of an additional 75 accounts in delinquent status. This is close to half of the timeshare owners that are in a non-paying status. There could be others that may pay late reluctantly and would like to sell their timeshare week.

The Board has worked on a plan to convert timeshare unit weeks to whole unit ownerships. It is planned that we work on all six at one time. There is a concern about putting too many units on the market for sale at the same time; which might affect the sales value. It would be possible to “stagger” the conversion sale listings so that there would be two or three units on the market and when one is sold, another is put on the market. This would require working on all of the units at the same time.

1. The first step would be to start working on conversion of all of the timeshare units to whole unit ownership.
2. A package of necessary documents would need to be created, including a deed from the timeshare owner to the Association or other designee, powers of attorney, payment agreement, etc. These documents would be held in escrow until all 50 timeshares are acquired.
3. A notice to the timeshare owners would be sent regarding the plan to solicit the owners' participation. The Association will notify all owners to determine the overall interest of the timeshare owners. Timeshare owners will be requested to return a form indicating their desire to sell their week(s) for conversion for sale to whole ownership.
4. The payment agreement would specify the proportionate amount of net proceeds from the sale of the converted timeshare unit (net proceeds is after legal fees, realtor fees, closing fees, administrative fees, etc.) to the timeshare owner. It will include the escrow of earnest money from the sale of a whole owner. The agreement will include a contingency for the acquisition of all 50 timeshares in the unit. Recent sales information from a local real estate agent would be included.
5. It will be necessary to determine a fair and equitable amount to be offered to a timeshare owner who participates in the conversion by remaining current with yearly dues and special assessments.
6. There is continuing discussion of whether it is necessary or desirable to have an investor involved in the conversion process. An investor would be able to put cash up front for earnest money, etc.; but an investor will pay less to the timeshare owners.

7. The issue of the payment of the current regular yearly dues and the special assessment will need to be incorporated into the process. Timeshare owners must be current with the yearly dues and special assessments in order to participate in the sale of the timeshare owners' week(s).

8. Legal council has advised the Board to contract a project administrator to manage and administer the conversion process. Payment for such services could be a percentage of the gross proceeds of the sale of a timeshare unit converted to a whole ownership unit. The administrator could be responsible for a variety of duties such as calling and or emailing timeshare owners, keeping track of progress and working to resolve issues. The administrator would work closely with a WM Board appointee and the Association's attorney. The administrator will be an independent contractor.

9. Net revenue from the sale of Association owned weeks of a unit sold to whole ownership, will be deposited in the time share reserve account. After sale of all 6 time share units' weeks to whole ownership and all obligations are paid in full, the remaining reserve account and all other revenue will be disbursed to those time share owners that participated in the conversion plan.