



Revise Date: April 28, 2025,

Thank you for your commitment and dedication to the positive changes at the Bay Club Resort. Let's stay engaged!

To facilitate the successful exchange of communication, we encourage you to read the entire Frequently Asked Questions. Should the below not address your question, please feel free to email us at [bayclubrestructure@lemonjuice.biz](mailto:bayclubrestructure@lemonjuice.biz).

**Q: Why am I being required to complete a W-9 form?**

**A:** All recipients of proceeds greater than \$600 is required by the IRS to have a valid, fully-completed W-9. The amounts received for distribution will be reported to the IRS. Please contact your own tax advisers for personal impact; no one from the resort, management company, nor Trustee/GPCS can offer any tax advice. (Be advised that supplying invalid W-9 information is a violation of federal law.)

**Q: How long after submitting my W-9 will I receive my distribution?**

**A:** Once your completed W-9 form is received by GPCS, please allow 30 days for processing and distribution of your funds.

**Q: What happens if I delay submitting my W-9?**

**A:** Delaying submission of your W-9 will delay the start of the 30-day processing window and therefore postpone your distribution payment.

**Q: If the sale has closed but I just returned my W-9, when does the 30-day period start?**

**A:** The 30-day processing period begins from the date GPCS receives your completed W-9 form, not the date of the sale closing.

**Q: When will sales commence for South side units?**

**A:** The sales and marketing of the impacted 24 units has commenced. In fact, the Board of Directors has engaged the services of Carol Proctor, of the local Berkshire Hathaway brokerage as the real estate broker. Carol is renowned as one of the foremost agents in the Eastern Shore Market.

**Q: After my unit closes, when should I expect to receive distribution?**

**A:** Your Boards, in collaboration with Lemonjuice Solutions, are closely coordinating with Global Point Closing Services to actively review funds for distribution among all qualifying owners. If your unit has sold, please expect to receive your distribution check within 30-60 days from July 10, 2024.

**Q: If we decide to sell our week and sign the termination agreement, will we still be required to pay a maintenance fee in January?**

**A:** Yes, you will. It is important to understand that the 2024 maintenance fees are necessary for the continued operations of The Bay Club Timeshare Owners Association, Inc. ("BCTA") until the reimagination and sale process is finalized. By paying the 2024 Maintenance Fees, you will retain the use of your week. In the event that your unit is sold before utilizing your week, the maintenance fees will be included in the net distribution proceeds.

**Q: In the meeting you discussed Termination of certain floors. What floors have been terminated?**

**A:** All four Declarations have met the required termination threshold of 80%, as regulated by statutes in the State of Maryland. The Termination and Withdrawal Agreements were filed with Worcester County: the second floor on 11/28/2023, the third floor on 03/15/2024, the fourth floor on 11/28/2023, and the fifth floor on 09/28/2023. These dates mark the official termination date of each phase.



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**Q: I returned my documents as instructed but have not heard anything. What is the status of my swap?**

**A:** Our team is currently in the process of conducting a thorough quality control review of all received documents to ensure accuracy. This review is a standard procedure to help avoid any potential issues during the recording process with the Worcester County Registry of Deeds.

We anticipate your deeds to be fully recorded within the next 21 days. Once recorded, you will receive a copy of your deed (s) and a confirmatory letter with your new unit and week on the North side.

Please note that while we strive to expedite this process, there may be some processing time involved with the Worcester County Registry of Deeds.

**Important note on usage:** Owners within the sold units whose occupancy was after the sale date, and who have deposited their week for exchange will still get the benefit of that exchange deposit and will owe 2024 Maintenance Fees. Owners within any sold unit whose 2024 occupancy period occurs after the sale closing date for that unit, when and if sold, will have three options:

- 1) Deposit their 2024 week for exchange with II, RCI or 7-Across (if you are a member;)
- 2) Stay in a comparable unit/week at Bay Club subject to availability; or
- 3) If paid, obtain a refund of your 2024 Maintenance Fee.

**Q: When a sale occurs, how is the money distributed?**

**A:** The initial distribution is the amount per week assigned as a percentage (1/51 pro rata share) of the overall net sales price of each condominium. That amount is calculated and distributed to each tenant-in-common including those weeks that are owned by the association and delinquent timeshare owners. Delinquencies will be deducted from proceeds prior to distribution.

The second step of the distribution (after all 24 units are sold) is to re-distribute 75% of the proceeds the Association receives from the Trustee among the "prime-summer season" interval owners based upon the percentage as indicated on the Termination and Withdrawal Agreement (owners must have signed prior to the termination date to qualify to receive).

**Q: Why is the "second step" or "secondary distribution" the same for all owners?**

**A:** This is not a direct distribution of individual sales income; its goal was to create a financial incentive for summer owners to participate in the termination vote. Since the Termination Agreement states that former summer owners will receive a defined share of the Association owned intervals from south side units, the most equitable methodology is to wait until all are sold. Otherwise, theoretically a unit that had no Association owned intervals would not have anything to redistribute. Only summer owners that signed their Termination Agreements prior to the termination recordation qualify for the secondary distribution.

**Q: I signed a Termination Agreement that allows for a deduction of a Trustee Fee, what is this for?**

**A:** The Termination Agreement allows for a 1% fee per sale which includes: oversight of closing documents, deeds, review of title insurance policies; distribution of sales proceeds, and other necessary related activities in the best interest of the Association.



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**Q: Will there be other closing costs deducted from the sales of units?**

**A:** Traditional closing costs: title insurance, recording fees, etc. as normally associated with any real estate closing.  
Real Estate commissions: fees to paid to buyer and/or seller broker representations. Not to exceed 6% of Sales Price.

**Q: Will there be a maintenance process and schedule for keeping the new slider and window track clean, lubricated, (and rollers/bearings replaced as needed)?**

**A:** This will be part of the preventative maintenance plan that is in place.

**Q: Any thought to putting automatic doors in the front doors near the lobby? Also putting in walk- in showers in the Master Bedroom?**

**A:** The estimates and pricing for this option have been submitted to the board for review.

**Q: Is there any plan to enhance property security after hours?**

**A:** Yes.

**Q: What capital improvement are you paying for with \$65,000?**

**A:** This amount includes window replacements and pool structure repairs.

**Q: What is the status of the sale?**

**A:** To date, Bay Club Trustee on behalf of the Association has successfully sold and closed on the sale of six former timeshare condominiums and is exceeding the early expectations. While there is a belief for a high demand in the market, it is important to keep a steady pace with listings to ensure that the market is not flooded. To view listings on Zillow, please click this link: <https://shorturl.at/ewFK3>

**Q: What is the price for each unit offered for sale?**

**A:** At this stage, specific pricing for individual units has not been established. We are actively engaged in conducting a comprehensive market analysis, taking into account factors such as unit type and location, to determine the most appropriate pricing strategy.

**Q: How will you determine which unit will be sold first?**

**A:** Each unit will be selected via a Random Number Generator. We will keep you updated once the units go to market.

**Q: Will there be guidelines or renovations outlining the frequency at which furniture, appliances, and flooring must be upgraded in the units?**

**A:** Yes. To participate in the rental program, there must be a consistent standard for furniture and fixtures in each unit. The rental manager can set these standards and if a participant does not comply,

they may be removed from the rental program. If an item is identified to be in need of repair or replacement, it must be addressed promptly to maintain consistency and compliance with the program.



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**Q: Are there enough prime weeks available to fulfill the requests of owners who previously owned south-side units and wish to exchange them for north-side units to maintain their timeshare week?**

**A:** We have recognized the necessity of prime weeks to accommodate owners who wish to swap from the South Side to the North Side to maintain their timeshare week. Nevertheless, we are currently in discussions with specific interval/week owners on the North Side of the building to explore the possibility of facilitating exchanges with South Side owners who intend to remain with the Bay Club. **It is essential that you contact the reimagination team to check on the status of your swap.**

**Q: What is the pet fee for 2023?**

**A:** \$138.75 (1 dog) | \$205.34 (2 dogs) - Rate same for owner or renter, dogs only. Payment is received upon arrival.

**Q: To whom should I direct my inquiry if I want to sell my unit?**

**A:** Please call your designated reimagination line at 443-574-6008 between the hours of 9 am and 5 pm and one of our team members will assist you with your request. If email is a more convenient option, please email at [bayclubrestructure@lemonjuice.biz](mailto:bayclubrestructure@lemonjuice.biz).

**Q: Will the window project increase the annual maintenance fees?**

**A:** We anticipate that the window project will not result in an increase in maintenance fees. The purpose of selling the units is to decrease the bad debt, which has been a significant factor in the maintenance fee increase. At the appropriate time, the board will evaluate what is in the best interests of all owners, and a Special Assessment is not expected.

**Q: Why was the funding for capital improvements moved from profits of condominium sales and reserves to a loan?**

**A:** The board decided to replace the doors and windows promptly and secured a loan to finance the project, which will be repaid using the proceeds from the sale of the condominiums.

**Q: I understand that the loan will be repaid with profits from the sale of the south side condominiums. Will this come from profits for each unit or only those owned by the Association?**

**A:** The repayment of the loan cannot prioritize the Association over individual unit owners. As a result, only profits generated from Association-owned intervals will be utilized to pay off the loan.

**Q: What if repairs exceed the estimate?**

**A:** If repairs exceed the estimate, the contractor or vendor should notify the Association immediately and provide a revised estimate for the additional work. The Board will then review the revised estimate and determine if additional funds are available to cover the extra expenses. If additional funds are not available, the Board may need to consider alternative options such as delaying some repairs or prioritizing critical repairs over others. It's important for the Board to communicate any changes or delays to unit owners and keep them informed throughout the repair process.

**Q: Are there any plans to increase maintenance costs or add any additional annual fees?**

**A:** We anticipate that maintenance fees will stabilize since we have significantly reduced the building's deferred maintenance. Furthermore, as the loan has been approved, there are no current plans to introduce any additional annual fees or special assessments.



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**Q: What will happen to future reservations?**

**A:** This transaction will not impact any future reservations. If you currently have reservations, they will remain intact along with any other benefits you have in your existing ownership. Bay Club is committed to ensuring that all owners continue to have the quality vacation experience that all owners deserve.

**Q: What is the current balance of the reserve account?**

**A:** At the end of the year, the reserve account held approximately \$300,000. When maintenance fees are paid, the portion of the reserve included in the 2023 operating budget will be transferred to the reserve fund.

**Q: How many quotes have we received for repairs to the windows and doors? How did we determine the estimated cost per unit?**

**A:** We submitted seven bids and selected the best one, ultimately choosing All State Construction to carry out the project. The specifications for the Request for Proposal (RFP) were based on an engineering study commissioned by the association the previous year. The engineering firm recommended that we resurface and reseal the entire exterior of the building, with the exception of the roof. This included resurfacing all balconies and replacing their railings to ensure compliance with building codes.

**Q: What number do I call for additional questions regarding the sale?**

**A:** Please call your designated reimagination line at 443-574-6008 between the hours of 9 am and 5 pm and one of our team members will assist you with your request. If email is a more convenient option, please email at [bayclubrestructure@lemonjuice.biz](mailto:bayclubrestructure@lemonjuice.biz).