

MEMO

To: Woods Manor Condominium Association- Owners & Board Members
From: Michael P. Connelly, Willis & Connelly PC
Date: July 6, 2020
Re: Conversion Plan Update

As you aware, the Board of Directors adopted the Conversion Plan in February, 2016. As you are also aware, the Conversion Plan is supported by almost every single owner at Woods Manor and, as a result of this support, two (Units 203B & 304B) of the six timeshare units were converted to whole ownership and sold to a third party. While we were able to get a third timeshare unit (Unit 203B) under contract to be sold to a third party, the owners of a unit week in this unit refused to comply with the provisions of the Conversion Plan and that contract was ultimately terminated by the buyer.

Following the termination of the contract for Unit 203B, a ballot allowing owners to vote "For" or "Against" the proposed Second Amendment to the Amended Condominium Declaration, and allowing owners to support judicial partition actions for the remaining timeshare units, was mailed to all Woods Manor owners. This Second Amendment, was overwhelmingly approved by the owners, indicating the owners support for filing the judicial partition actions. Following this vote, the Amendment was properly adopted and recorded in the Summit County real estate records. The timeshare owners that would not comply with the provisions of the Conversion Plan were then notified of the Second Amendment's adoption and recordation in the hopes that any issues could be resolved without the need for litigation. Unfortunately, what followed was the filing of a lawsuit against the Association to challenge the validity of the Conversion Plan and Second Amendment, among other things. The Association proceeded with lawsuits to have the remaining four timeshare units sold through judicial partition. The Association also took legal action against the owners who refused to comply with the provisions of the Conversion Plan resulting in the termination of the contract of Unit 203B. This is a separate action for tortious interference with the contract to sell Unit 203B.

Unfortunately, the litigation process moves slowly and was slowed even more by the pandemic. However, much has been done and we expect more to be accomplished as we proceed through the summer. Here is some of what has transpired in the current litigation:

- Draft and file Complaints, Answers, other initial pleadings and amendments
- Draft and file various pre-trial motions and responses/supplements, including a Motion for Summary Judgment against one of the parties
- Telephonic case management and discovery conferences with opposing counsel and the Court
- Issue and respond to requests for discovery and disclosure
- Early mediation with one of the opposing parties
- Obtain stipulations from timeshare owners to further indicate their support of the Association's efforts to convert and sell the remaining timeshare units

At this point, we continue to work through the increasingly complex litigation process with two litigators hired as co-counsel earlier this year. When it became clear that any settlement of these disputes would not come quickly, it was necessary to hire litigation co-counsel not only for their expertise in bench and jury trials but also for their expertise in addressing the pre-trial motions and discovery process discussed above. With their assistance, we can continue to work towards the resolution that almost all timeshare owners want to see- the remaining four timeshare units converted and sold in accordance with the Conversion Plan.