

New Annual Dues Structure Proposed?

Many Coosawattee owners may not be aware that there is a timeshare project within the community. The timeshare project is named the Beaver Forest Chalet Villas. The Villas consist of 57 buildings ranging from one to three bedroom “chalets” at the River Park on Villa Drive, the Water Tower Conference Center, the recreation center and on the Coosawattee River near Fife Bridge. Additionally, there is a one building condominium operation (also a timeshare) consisting of four condominiums adjacent to River Park. For years Coosawattee River Resort Association (“Coosawattee”) has been involved in litigation with the Beaver Forest Chalet Villas Owners’ Association (“Villa Association”) regarding whether the individual timeshare owners had to pay Coosawattee annual dues. The court ruled that each timeshare owner had to pay Coosawattee the full annual dues regardless of how many timeshare weeks they owned because the governing documents permit the timeshare owners to use the amenities and other common areas all year, not just for the week they own the timeshare. To most people this seems unfair because the timeshare owners also have to pay the Villa Association maintenance fees. Currently, the maintenance fees and Coosawattee dues total over \$1,100.00 combined per year. For most people this makes a timeshare cost prohibitive to own. This large financial burden, along with the deteriorating state of the buildings has caused the number of timeshare owners to dwindle to the point where the villa and condo association is on the verge of bankruptcy.

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In an effort to make the timeshare operation viable and improve the community, the Coosawattee board of directors asked me to chair a committee responsible for coming up with options for Villa annual dues payable to Coosawattee. The committee consists of board members, Villa owners, and Coosawattee owners who are not on the board. During our last few meetings we have prepared some language to propose an amendment to the Coosawattee By-Laws. The members of Coosawattee will be asked to vote on the reduction of timeshare owners’ dues sometime before or at the annual meeting in August 2008. If the voting is held by ballot, the ballots will probably be mailed in June 2008.

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Briefly, here is what the committee is considering, **but nothing is final at this point**. The committee has prepared amendment language that if approved could reduce the timeshare owners’ annual Coosawattee dues to 1/5th the amount of other owners’ annual Coosawattee dues. Also, each timeshare owner would only have 1/5th of a vote on issues proposed by Coosawattee for membership vote. In exchange for this reduction the timeshare owners would agree to not use the common area or amenities except for the week of their ownership. The overall effect would be that the timeshare owners’ one week ownership could be reduced to a total cost of between \$700-800. This number is much more feasible and more consistent with the industry standard for timeshare ownership. This would also enable the Villa Association to have more resources to repair the existing timeshares. A fresh coat of paint and a new roof can go a long way.

This is an important issue to not just the timeshare owners but the owners of the rest of Coosawattee because, should the timeshare project fail the buildings could become an eyesore in the community and have negative impact on the surrounding areas. Therefore, the Coosawattee

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board of directors and the Villa board of directors ask that you seriously consider the proposal when it is presented and contact Coosawattee with any questions. Both boards believe that revitalizing the timeshare project is essential to continued improvement within the Coosawattee community and they ask for your support.

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