



CLUB DONATELLO

***CLUB DONATELLO IS A FOUR-STAR, GOLD CROWN BOUTIQUE OWNERS CLUB  
PROVIDING AN INTIMATE AMBIANCE IN THE HEART OF SAN FRANCISCO'S UNION SQUARE***

Dear Fellow CDOA Owners,

One of the significant benefits of being a Club Donatello Owner is that you actually own a proprietary interest unit (PIU), which is personal real estate. This includes the rights and responsibilities as identified in our governing documents and the CA Civil Code governing "common interest development" (CID) types of properties.

**GRANT DEED TRANSFER OPTION – FAMILY MEMBERS:**

Some Owners have deeded or transferred ownership of one of their PIU's to other family members (children, grandchildren, siblings, etc.), and this is a positive way to handle the reassignment of ownership over to other family members. The CDOA has a reduced cost approach to facilitate these types of intra-family transfers of ownership, so please contact Mrs. Marie Vergara, Club Manager, and she will be glad to help you through that process.

**GRANT DEED TRANSFER OPTION – BUSINESS/GIFTS:**

Some Owners have transferred or "gifted" their PIU ownership to their business, or a nonprofit organization to be used as a reward for employees or customers as part of their internal business relationships. This is another positive way to handle the sale or transfer of ownership and have it continue to be of value to an organization of your choice. Please make sure that you have obtained good legal and tax counsel on these types of transfers so that you are taking the right steps for proper handling of this for your business or gifting accounting.

**RESALES MARKET ENVIRONMENT:**

Some Owners have sold their PIU's personally, or through a qualified real estate agent, however, the "resales" marketplace has not been a positive environment for these transactions over the past few years.

Several of our Owners who are qualified brokers/agents handling commercial real estate, and specifically timeshare real estate, can confirm the status of the current resales market for what you can sell your PIU for, and there is a significant amount of inventory available for purchase.....the old but true economic theory of "supply and demand" is clearly at work here.

There are several good WEB sites for information about timeshare resales, including the Timeshare Users Group (TUG), and American Resort Development Association (ARDA), and as noted on our Club Donatello WEB site under the Owners Information section for "Resales".

### **DONATIONS OF TIMESHARE TIME/WEEKS:**

Some Owners have donated a few of their nights or an entire week of Owners Use time to nonprofit organizations as a fund-raiser tool, and this is something that can be done on a regular basis, or periodically.....it's up to each Owner how they want to handle this type of transaction. Please make sure you have obtained competent advice from your tax preparer on the handling of such "donations", as the determination of "value" for what you are donating is part of this documentation process.

### **CDOA GOVERNING DOCUMENTS RIGHTS AND RESPONSIBILITIES:**

For example, in our **CC&R's, Article II, Use Rights and Restrictions, Section 2.6, Transfer of Interest**, the provisions for how you hold your real estate property and how you can "sell, assign, transfer, hypothecate, or encumber" your entire real estate holdings is identified.

Also, the **Section 2.7 – Separate Mortgages, Section 2.8 – Partition and Subordination of Tenancy-in- Common Attributes**, and **Section 2.9 – Protection of Interest**, all speak to the rights for an Owner to manage this real estate entity for their own benefit, and in compliance with their Association.

Please note that it is very important for each Owner to comply with the provisions of **Section 8.4 – Notification of Sale of Proprietary Interest**, so that when you might sell or transfer the ownership of your PIU to another Owner, that this timetable and process are consistently used.

Also, our **Bylaws, Section 2.2 – Transfer of Ownership** provides additional information for the handling of your PIU, should you decide that you wish to sell or transfer it to some other person/s or organization.

### **ASSOCIATION "BUYBACK" QUESTIONS:**

Some Owners have encountered significant economic or health condition challenges, and have asked us about the CDOA "taking back" their PIU, rather than continuing to pay the Annual Dues. However, the CDOA is not in the real estate buy/sell or speculation business. Our primary role and responsibility is to manage the Club Donatello and the CDOA operations in the best interests of our 2,295 Owners.

When you buy a residential property and live in it for a few years, and then if you decide that you don't want the responsibility of owning that house, you must sell or transfer that property to another Owner who is willing to take it from you. In extreme cases you may end up returning it to your mortgage lender in cases of foreclosure, however, you cannot just return it to the former Owner, or tell your Homeowners Association that you want to give the property to them.

### **HISTORICAL FACTS OF OWNERSHIP:**

The CDOA was not the Owner of a PIU when the Club Donatello was first formed in July 1984. The property was owned by the Developer/Declarant, who then sold off the 2,295 PIU parcels to individual Owners who bought them. The CDOA has been involved in the overall management of the property, including the Pacific Plaza Condominium Association (Master Association for the Donatello building), but not the ongoing ownership of individual PIU's.

When we have had to foreclose on a delinquent account, and go through the Lien and Foreclosure process, the CDOA has become the temporary Owner of a PIU in several situations. However, as quickly as possible we find an interested Owner to purchase and sell the PIU to them.

If you have individual questions or concerns about any of this information, please send a note via fax or e-mail to the CDOA Board of Directors, as noted below, and we will be pleased to respond to each of your questions as quickly and completely as we can. The process for handling of transfer or sale of your PIU can be provided personally by meeting with Mrs. Marie Vergara, Club Manager. Thanks!

Sincerely,



Don R. Thomas,  
President & CEO – CDOA

All communications regarding this matter should be sent to the attention of:

**Marie A. Vergara, Club Manager**  
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