

DRAFT

WOODS MANOR HOMEOWNERS ANNUAL MEETING

AGENDA

Woods Manor Clubhouse
1:00 pm
July 1, 2017

Welcome and Introductions.

Jay welcomed all in attendance. Attendance registration sheet on file totaling 30 whole and timeshare owners. Larry Brutlag, HOA treasurer, couldn't attend due to out of state family issues.

- I. Call to Order 1:07 pm.
- II. Established Quorum – over 25% of owners in attendance.
- III. Approval of Agenda. Valerie Anderson moved, Richie Miller seconded.
Question from an owner: What is the conversion plan? Jay gave a synopsis of the plan. All owners in a unit must agree to the conversion plan in order for the unit to be sold. What if an owner doesn't want to sell? Those left in a unit would have to pay for all the expenses of that unit.
- IV. Approve July 2016 Annual Meeting minutes. Motion to approve and seconded. Passed.
- V. Maintenance Report
 - a. WMA
Aaron, resident manager, reported he does as much maintenance work himself as possible. He takes photos to show work performed. He requests Board approval for major projects that are not an emergency. He works to be proactive. Aaron reviewed maintenance work performed from a hand out. His attention to detail and self- driven desire to do the best is appreciated. He also is in charge of timeshare housekeepers, packets, key box and envelopes with instruction information. There is a security camera in the lobby entrance of Bldg. B and other locations.
- VI. Financial Report: Year to date WMA's budget is expected to end positive. This will not be the case for WMI due to the number of delinquent timeshare owners. Unknowns of exterior renovation change orders may cause financial difficulties.
 - a. WMA and WMI 2017 budgets were reviewed. Additional

questions? Please discuss at the end of the meeting with the Board.

b. 2017 Budget Reviews: The Board sets the budget in October in order to mail invoices/statements mid November or early Dec.

c. Ratify Budgets: Chuck Sebald motioned, Barbara Day 2nd. Question: Actual for 2016? WMA year end was positive. Number of WMI delinquencies caused year-end difficulties. Discussion: What if the budgets are not approved? Adjustments can be voted upon at this meeting and approved changes would be retroactive to Jan. 1, 2017.

WMA and WMI 2017 budgets unanimously approved.

VII. Exterior Renovations Status Report: Jay reported that during the past few year's meetings the exterior buildings needs were addressed. There have been several assessments for exterior landscape, roof replacement, total interior remodel over the years. Whole owners didn't have reserves to cover these expenses. They preferred assessments rather than higher dues. WMI reserves paid for these projects.

Exterior renovation is correcting structural problems: Chimney rocks are not stable – an upper rock fell through a first floor living room window – causing regular inspections and repairs; balcony rails experienced wood rot over the years -- a 3rd floor balcony deck was locked off for the past year due to safety concerns; stucco problems due to original application not done correctly – large sections have been falling off the buildings requiring repairs for many years. Also, it is time to paint all buildings and the stairs up to front entry doors need more repairs.

Master bathtubs cracked in many units. Timeshare tubs were replaced pro-actively to avoid water damage to building interiors. This was paid from WMI reserves. Due to depleted WMI reserves, timeshare owners were assessed a \$210,000 special assessment for the exterior renovations project. Whole owners were assessed \$630,000 -- 1 bedroom ~\$30, 2br ~\$40K. Total special assessment is \$840,000.

This amount was approved by the Board realizing that the back of buildings will need to be renovated a few years from now. The back of the buildings will have some siding boards replaced, totally repainted and trim boards added. Many windows have dry rot problems due to UV damage. Another special assessment will be needed to cover these repairs.

The Board approved a contract with bhh Partners for artictural plans and Town of Breck project approval. Bhh recommended Travis Construction. The Board visited recent projects completed by Travis – Tannenbaum I off Columbine Road and Double Eagle on Four O'clock. Both of these condo complexes were in terrible shape. There assessments ranged \$60 – 70,000

per unit. The Board approved a contract with Travis after Woods Manor site visits with Travis and bhh to discuss scope of work and funding. Town planning commission required a total land survey. The planning commission approved the renovation plans.

Stucco removal issues led to having to replace all sheetrock of all buildings. Travis credited us \$31K reducing our invoice to \$40K. When rocks were removed from the chimneys, plywood wet rot was found resulting in another work order change. Balcony joists were found not in need of replacement confirming the findings of an engineer report authorized by the Board two years ago. Front entry structural problems caused work order change 3. Thus, only \$14K of the assessment fund remains to pay for new light fixtures and electrical work. Remaining WMA reserves, if needed, may cover additional work order changes and thus avoid another assessment.

Renovation completion is anticipated by the end of August - early September. Real Estate brokers have said the renovation will improve property values by 10-20% and future sales.

- VIII. Time Share Conversion Plan to Whole Ownership Update: Colorado state law changed from having to foreclose one unit week at a time and charging per week to allowing grouping of timeshare weeks paying one fee. May 2016 delinquency report showed 117 out of 300 owners were current in paying their accounts.

Originally owners were contacted to request payment. Board had to hire a private investigator to obtain current contact information for 28 timeshare owners. One is a missionary overseas. Another original owner wanted to deed back his week for \$3K. Woods Manor attorney is working to collect from owners in foreclosure. Owners are paying their invoice/statement in order to participate in the conversion plan. Attorney advised the Board that their fiscal responsibility is to avoid WMI insolvency. Over the last few years' delinquencies have spiked. Timeshare owners that are not delinquent can participate in the Conversion Plan. Once a unit is sold, each participating timeshare owner will receive 1/50th of net sale proceeds based on color of their week. For the weeks owned by HOA, that money will be allocated into the WMI reserve account to cover expenses; rest of the reserve money from all 6 sold units will be returned to participants according to the timeshare week. A letter from Paffrath and Thomas stipulated current unit listing price values: ranging from 101B at \$450,000 to 304B at \$625,000. The sales market in Breck is robust now.

Out of 300 timeshare owners, 232 have committed to the conversion plan. There are another 14 in foreclosure. A second round of foreclosures may be necessary depending on the payment response from demand letters the

Woods Manor attorney is sending them. Foreclosure takes roughly 120 days minimum to complete.

Numbers clearly demonstrate that there is support for this plan by the majority who have returned their agreement form. Barbara Day says Paffrath sold her unit to her years back, and commended their integrity. She suggested that there are plenty of places in town that will rent a whole unit, after you block out the weeks you want. If interested in whole ownership, a LLC can be created to own the unit as a partnership.

Timeshare owners that are interested in purchasing a converted unit should let the Board know. They will receive preferential consideration.

No unit is currently ready for sale because it takes all 50 owners in agree to the conversion plan. Len sent out a recent status report. WM attorney and the Board are finalizing a formal contract to those that support the conversion plan. Contract terms includes: signed and returned contracts placed in an escrow account, limited power of attorney, notarization requirements. Len and Jay are offering clarification help to owners.

Question: Fees, any idea what those might be, vague? Net proceeds from the sale of a unit include subtracting realtor fees, closing fees, attorney fees and administrative fees – estimated to be 10% of agreed upon sales price. Katie Hastings, Wilderrest Property Management, is in charge of renting the HOA owned weeks. Owners claimed she never had any available weeks when TS owners call to inquire about renting a week. Most of the HOA owned weeks that are available are off-season.

Question: If all 50 of a unit don't commit, what happens? The Board has explored that with the Woods Manor attorney. A judgment could be requested -- is it reasonable to hold up the desire of 48 or 49 by 1 or 2 that do not want to participate in the conversion plan? Second option, only if there is not any other alternative, requires amending the Declaration to dissolve all 6 timeshares units at a set date. Amending the Declaration requires a formal vote of the owners.

Question: On what's the hesitancy to dissolve now? There are a few owners that don't understand the conversion plan and future fiscal ownership obligations. Property rights must be legally explored.

The more units that are owned by HOA, the more money will be allocated to those who remain in the plan. Once a unit sells, the money of owned HOA weeks will be allocated to the WMI reserve account to pay expenses and after that appropriated to participating owners according to color of their week.

Woods Manor attorney has been instructed to problem solve when contacted by owners in arrears, within reason. One owner at the meeting wanted their 2017 invoice/statement earlier than mid-December. Last year's late mailing happened because our property management changed in early December. The Board will work to send invoices/statements out as early as possible. After October budgets are set and approved, that's when the 2018 invoices/statements are set.

IX. Board of Directors Election

Any nomination from the floor? All board members, Lisa and Larry to re-run, and the rest of the Board agreeing to continue their terms. Unanimously voted approval. Jay praised the Board for its dedication and serious efforts.

X. Other

a. Breckenridge News: 4 o'clock roundabout completed. Backstage Theatre renovation beautifully done. Historical, in town and out of town, offerings worth visiting. Landwise -- the town is about built out. Silverthorne theatre worth attending. Breck create art class great.

b. 2018 Annual Meeting Date: Keep it close to July 4th? All approved. Barbara Day asked for a place outside for those who don't have outside spaces. Two Adirondack chairs somewhere? Board has it under consideration. There may be more room at the front entrances due to exterior renovation changes.

XI. Adjourned: 2:49 pm

XII. Social time by owners, Wilderrest Property Management and Board.

Respectfully submitted,

Lisa Cobb, Secretary