

WOODS MANOR HOMEOWNERS ANNUAL MEETING

AGENDA

Woods Manor Clubhouse

1:00 pm

July 25, 2015

Welcome and Introductions

I. Call to Order: 1:15 pm

Board introductions: Lisa Cobb, Jay Rust, Chuck Sebald, Karen Schilling.
Management represented by Steve Erlandson and Michael Walzak of Four Seasons.

Owners: Barbara Day, Wes Cobb, Kelly Trommaschy, Steve & Karen Werner, Ann Logan, Kathleen Rust, Phil Schilling, Madalin & Frederic Gerber (time share).

Reminder: www.woodsmanorcondos.com has meeting minutes, policies, Declarations, budgets, 10 yr. capital plans and other information.

II. Establish Quorum: 11 whole owners, 26 timeshare weeks representing in person & by proxy; quorum established.

III. Approval of Agenda: Karen moved, Wes second; all approved.

IV. Approve July 2014 Annual Meeting Minutes: Motion from Ann, Kathleen second; all approved.

V. Maintenance Report

a. WMA

- Michael reported: Clubhouse had unexpected expenses in spa heater, circulation pump, circuit breaker. Spa water is checked every day.
- Common exterior property – repaired some gutters that were damaged by drifting snow/ice last winter; small roof leaks repaired; dryer vents for all units have been cleaned; hose cleaned both garages; emergency hallway lights replaced that were damage by power outages; pine trees sprayed to prevent beetle kill (trees were inspected, advised to treat less pines); elevators are checked monthly; daily walks of complex are done, residents were asked to let management know if anything needs attention.

b. WMI

- Two maintenance weeks: one Fall, one Spring. Tasks performed: carpet cleaning, inventory resupply, some doorknobs replaced, cracked lint cages replaced, touch-up painting. Positive responses from time share owners and guests are on file. It has been a busy in summer. Two master baths' jetted tubs were replaced. The remaining 4 are scheduled for replacement this Fall. **To date six units' tubs have cracked. Whole owners are advised to replace**

their tub to avoid possible water damage to their unit and the unit(s) below. All repair cost are paid by the owner of the unit that caused the damage.

VI. Financial Report

a. WMA

- Steve reported: WMA balance sheet – both associations have positive cash flows. Some owners have prepaid dues. Operating P&L: half way through fiscal year and most accounts are on budget -- a little over in office; general insurance under budget, due to a one time refund of \$4k (rates not increasing as much as past years due to less floods and wildfires; telephone under budget due to negotiated line charges down; under on snow removal (grounds space available to pile snow, did not have to haul snow away); clubhouse expenses over because of spa expenses; grounds and house repair – over due to concrete steps repair for entrance of A building.
- Reserve P&L: a portion of monthly dues is transferred to reserves to fund capital projects such as the rear concrete walkway replacement. The 10-year reserve plan shows projected projects and funding requirements for these projects. The plan is a useful tool that is adjusted by the Board at least every 6 months. The plan is also required by IRS.

b. WMI

- Positive cash flow in operating and reserve accounts. Prepaid: \$6K – to allow owners to bank their week(s). Operating P&L: \$2k+ paid to replace window glass to tempered as required by town code. This expense will be moved to reserve account. Legal: \$5,400 charged to send out foreclosure notices and releases to Woods Manor lawyer. Reserve P&L: bathroom tub replacements -- 1/2 has been paid as deposit. 10 year capital plans shows that reserves are not adequate to cover expenses.
- This year was the first year without dues increase. To date, the Board does not believe a mini-assessment will be needed to cover expenses.
- Delinquent status: 11 weeks are owned by WMI; 50 weeks are in collections/foreclosure. Late payments, Collection Policy, can be found on website www.woodsmanorcondos.com under Documents.
- A time share owner expressed concerns about the increasing number of delinquencies which causes the dues of those that pay to increase to make up for the shortage of dues funds.

- c. 2014 Budget Review/Ratify budget: Jay discussed how budgets are set. Ann moved to ratify the budgets. Frederick seconded. All approved

VII. Management Company Change

- The Board is in the process of hiring a new management company – Ski Country Resorts. Ski Country is a management and rental company. Packets prepared by Ski Country were handed out. This company plans to rent weeks that are owned

by WMI which will help the WMI budget. They are also available to rent weeks of other owners.

- There is no market for sales of timeshares currently.
- The units are deeded to a specific week and unit. An owner suggested that time share weeks be converted to whole ownership. The Board is aware that there is an increased number owners are interested in deeding back their week or selling it.
- Ski Country packet was reviewed and discussed. They were recommended by Four Seasons. Board welcomes a young couple as our new on-site resident managers.
- Steve: Four Seasons used to handle rentals but decided to change their focus away from rentals due to staffing issues. They transferred their rental contracts to Ski Country, confident that their customers would be well taken care of. That was nine years ago, and it has gone well ever since.
- Our contract with Four Seasons has been extended until Ski Country can take over on Oct. 1st. Four Seasons will be helping with training during a transition period of time.
- Ski Country offers shuttle service and some discounts on tickets. Jay related that he is impressed with their staff, experience, openness, commitment to do a professional job managing Woods Manor and offering a rental program to whole and time share owners.

VIII. 10 Year Capital Plans

a. Balconies, front entrances, and exteriors:

- Safety concerns with our balcony railings. The balconies have been repaired many times over the years. Some are in better shape than others. Time has taken its toll and they are in need of replacement due to safety concerns and the slats not meeting town code.
- Last summer, Board hired a structural engineer to inspect the balconies' deck joists. The report states that the joists do not need to be replaced.
- The buildings' stucco has been repaired many times over the years. The original application of the stucco installation was defective causing the stucco to periodically "fall off" in small and large sections. The stucco is again showing signs of future failure at numerous locations.
- The buildings are close to needing all exteriors painted. This cost over \$40K years ago.
- From time to time, chimney rock has detached and fallen off the upper part of the chases. A mason inspects all of the upper chases yearly. Water penetration to the upper chases is causing this instability. Enclosing the upper chases with metal may be the best option. This would require structural drawings.
- Concrete entry walks to Bldgs. A & B have been repaired many times. There are signs that more repairs will be needed in the near future. Board decided to evaluate overall replacements of these failing exteriors.

Considering all of the above, last fall the Board hired Marc Hogan, architect with bhh Planners, to create conceptual exterior drawings regarding the above listing and to upgrade the buildings appearance with Rocky Mountain styling.

b. Property Values

- Karen discussed what such a renovation would do for our property values. She spoke with a couple of realtors that are familiar with Woods Manor.
- Karen was told that a remodel would help with several areas – potential buyers' perception of the building; if it is older construction, buyers are wary of the assessment that will be required, this hurts sales; and owners cannot get top dollar for their units if the buildings have an old style.
- For instance, a Woods Manor apartment has been on market for a long time. Totally remodeled inside, but comments from potential buyers are that the exterior is not up to par. This unit has not sold.
- Realtors advised that we upgrade the exteriors, not to skimp, and not just to repair but to renew.
- Jay also spoke to two realtors; similar responses as the above. A realtor told him that the increase in value of condo complexes that have renovated their exteriors far exceeded the assessment needed to pay for the project.

c. Capital Improvement History

- Recent total interior remodel (carpets, painting & texture, lights, tile, chair rails) cost \$240K funded by special assessments.
- Replaced roofs with a previous special assessment of \$185K.
- Total landscape project (irrigation system, boulders, river rock around the buildings, top soil, plants and shrubs) paid by an assessment of \$70K.

Woods Manor's Considerations:

- Our units' square footage is excellent; our acreage is 4; the building has great amenities – elevators, under buildings parking, ski lockers, Clubhouse with spa, steam room, sauna, showers, exercise equipment, party/meeting room, resident managers house, quiet due to being located off Broken Lance Dr., Free Ride bus service off the driveway, and walking distance to town.
- The Board has supervised projects to help save money.
- Previous improvements have made it possible to do this renovation without having to completely start over.
- We know we have safety issues that must be addressed. Signage will be posted on balconies cautioning residents about safety concerns.
- Windows and doors will not be replaced.
- Contractors stated that making piecemeal changes will be more expensive, best to do the whole project at one time.

d. Owner Discussion

- Ann said she's heard comments that our complex looks old. She will try to get specifics.
- Steve recommends that we aim high at the beginning and then pare back, rather than start low and add.
- Kathleen wants us to consider doing it all.

- Karen brought up the challenge of timing – would have to be done after ski season and summer, which may make it difficult or impossible for rentals to have access or to even want access.
- Michael reported that many complexes restrict rentals but allow owners to have access, this is negotiable in a renovation contract.
- Timeshares in our buildings would have to be given adequate notice so that they can make payment arrangements.
- Timeshares would have to be assessed at the same proportional rate as whole owners.
- Barbara loves Marc Hogan's renovation plans.

IV. Special Assessment Funding for Projects

a. Jay requested time for discussion.

- Karen W. said she thought it was a great idea to do all at once.
- Jay discussed consideration of a multi-year assessment, combined with a loan using the house as collateral, to raise the necessary money.
- Interest rates are good now.
- Ballpark - \$600-700K, which comes to ~\$25 to 29K average per unit.
- Chuck asked Steve to discuss his experience with other buildings' renovations. He said that generally \$30K was a good number to aim for if doing just exterior renovation. Windows and sliders add \$10K, roof + parking structures can add \$10K.
- Ann says she'd support replacing all surfaces while we're at it, if it cuts down on expenses for maintenance down the road.

X. WMI Master Bath Tub replacements

See above V. b.

Two have been done, four remain to be finished in the Fall. Thank you Lisa and Karen for organizing this project.

XI. Board of Directors Election

Larry and Lisa are up for re-election. Jay asked if anyone attending would be interested in running. Larry could not be present due to family issues, but he is interested in re-running. Ann motions that they be reelected, Frederick seconds. All approved.

XII. Other

a. Breckenridge News -

- Parking structure is being proposed by the town on F lot, at corner of Highway 9 and the Village. Jay went to a meeting with 100 people attending. Structure design presented. People didn't like it – too modern, has to fit flavor of town and needs vegetation, trees, planters. Price tag is \$50 Million. It would be 3 levels on one side. Town talking with Vail, looking for a contribution, or will ask for a vote to support a tax on lift tickets.
- Broad opposition to parking meters on Main Street. Steve mentioned the parking structure would include a bridge for pedestrians which would alleviate road congestion on Park Ave. and the Village. Also, Pueblo has no parking meters,

which encourages people to come downtown to shop. Colorado Springs has them and it has hurt the downtown businesses.

- b. Steve W. – balconies have safety concerns. He supports we move forward with the renovation plans.
- c. Kelly, as a former spec builder, supports the remodel and calls it smart money. Agrees adding windows balloons the cost. We have good bones and this plan will update the 1980s exterior look.
- d. 2016 Annual Meeting Date
Jay asked about meeting times. Prefer now, any other summer date or 4th of July week? No consenses on changing the date. Kelly commented that with the proposed renovation projects, he will definitely be at our meetings no matter when they are held.

XIII. Adjourn: Karen moved we adjourn, Wes seconded. All approved at 3:22 pm.