

WOODS MANOR HOMEOWNERS ANNUAL MEETING

Minutes

Woods Manor Clubhouse

1:00 pm

July 2, 2016

I. Call to Order 1:05

Welcome and Introductions

- a. Board introductions Sandy Hahn, Member, Larry Brutlag, Treasurer, Jay Rust, President, Lisa Cobb, Secretary, Chuck Sebald, Vice President.
- b. Owners present: Liam Logan 203B, Steve & Karen Forbes, TS 204B, Mitch, dad owns 203B week, David Weisner TS, Ronda & Paul Goodman, 304A, Karen Thompson 102A, Mike Weitsel, Kathleen Rust, Wes Cobb, Eleanor R. 20 year TS owner, Charlie Miller TS week 30. Tiana & Jared, resident managers, Jeni Shelton, owner Ski Country Resort. Michael Miller on speaker phone.

II. Establish Quorum. Confirmed.

III. Approval of Agenda. Larry motioned, Chuck 2nd, all approved.

IV. Approve July 2015 Annual Meeting Minutes.

- a. Chuck moved, Sandra 2nd.
- b. Draft minutes have been on web site since last year.
All approved.

V. Maintenance Report

a. WMA

- Resident manager's house crawl space mold eradicated; vapor barrier and swamp pump installed.
- Jet pump and heating element in hot tub replaced; pump room framework and door repaired; structural support for hot tub completed.
- Roof work – cap lost on Bldg. A roof; repaired and extended downspouts.

- Garage door damage repaired and preventative pvc pipes installed to remind guests and owners of door height when driving into the garages.
 - Fireplace inspections for interval units done -- pilot lights checked, glass cleaned, restocked embers.
 - Bathroom upgrades completed – replaced all 6 of the master bath tubs, new surround tile and installed window safety glass.
 - Sprinkler heads in lawns replaced and repaired and refocused.
 - 304B roof leak repaired.
 - Fire inspection – called for filling gaps in garage ceilings with foam to stop air from traveling into units above.
 - All common areas had carpets cleaned.
 - Upcoming interval unit work -- bathroom mirrors glue i failed, thus side brackets will be installed to support them.
 - Xcel did an energy study -- eligible for energy efficient light bulbs; motion sensors in ping pong room suggested.
 - Scheduling grout repair in showers and steam rooms of clubhouse.
 - Patching driveway cracks and holes anticipated to be completed late summer.
- b. Tiana handles administrative side, helps with accounting, oversees work, communications with board, timeshare week rentals with Ski Country and homeowner relations. Unit cleaners are doing an excellent job.
- c. Jeni primarily supervises short term rental management for 180 units in their program. Also, she manages a few homeowner associations.

VI. Financial Report

- a. Larry reported on a number of changes in the past year...new management company, new accounting, accountant retired, Stirr & Associates hired for bookkeeping, and Joleen, CPA, is overseeing their work and the systems conversions.
- b. 2016 Budget Reviews.

- Financial information included in packets handed out. The Board works on financials early in the Fall, these are proposed budgets. Larry explained the WMI and WMA budgets as well as the 10 year capital plans' projections.
- Charlie asked if the capital plan is a formal study?
- Larry confirmed that the Board and the management company studies past costs and projected costs to create the plan. It is reviewed and updated at least yearly.
- Charlie asked about renting the 21 weeks owned by WMI. Jeni has these weeks in their rental program.
- Jay explained that timeshare owners' delinquencies have grown over the last few years by substantial numbers -- many unable to continue paying their share. Contracted collections company performance proved to be unsatisfactory. Selling weeks difficult due to there not being a market in town for these weeks -- realtors not interested. The Board worked with the Woods Manor attorney to explore appropriate options. It was agreed that timeshares at Woods Manor is not sustainable.
- Larry clarified that all WMI costs and proceeds are kept separate in their budget. WMI is responsible for their share of WMA common costs.
- Board wants to avoid WMI insolvency. After careful deliberations over the years the timeshare conversion plan to whole ownership was created as the most viable option.
- Charlie asked about the cost to foreclose?
- Before foreclosures were allowed to be bundled the estimated cost was \$5-8K per unit. Grouping them into a bundle reduces that cost. Total attorney fees are unknown.
- Charlie asks if there is a definable time frame for this process? Jay answered that finding some people is often very difficult. Law says we must demonstrate that we've done due diligence to locate these people. The Board had to hire a private investigator. The procedure takes time, must post foreclosures in the local news paper for 45 days after judicial approval. There are additional steps that must be taken which takes additional months to complete.
- Avoiding WMI financial difficulty in 2017 requires converting a unit to whole ownership and successfully selling that unit.

- Timeshare owners' invoices in arrears is stated as bad debt in the WMI operating budget. Sale of a unit could cover at least part of this expense. Steve Forbes asked will owners who have been paying be compensated? After each unit sells, the owners in that unit, will receive 1/50 of the net proceeds adjusted for weeks color status (red, white or blue).
- Mitch or David asked: What is being done for timeshare owners who don't want to participate in the conversion plan? Chuck explained the delinquencies shortages are spread covered by owners that are not in arrears. The deeds for our building are deeded by week and unit, rather than being able to move among units. The industry no longer does this. Jay shared and discussed the spreadsheet of timeshare owner weeks by delinquent categories: 25 in foreclosure, 21 in multi-year arrears, 21 owe this years dues and special assessment, 18 owe special assessment, and 22 are owned by the HOA. Many owners not in arrears are paying reluctantly. Jay explained the wait list plan which may help void further foreclosure that would reduce costs which will reduce net revenue from the sale price. All WMI account money will be dispersed to all timeshare owners who are current with their accounts, including reserve money, once all costs for the sale(s) have been covered.
- Charlie asked if the plan calls for 6 individual unit sales. Yes.
- Steve asked when a unit sells, why take the owned unit money and leave it in the WMI budget? This is money that may be needed to help cover costs to continue the conversion plan. Board will do everything to treat all owners equally and fairly. \$38K is still owed for special assessment from WMI, but if we can sell a unit, that money can be paid from the proceeds. If a unit is not sold, expenses will increase weekly 2017 dues charges. Jay discussed how TS have never been asked to pay a special assessments in the past. This years special assessment if the first. In the past the Board worked to project capital expenses and budget for those in the WMI yearly operating budget. Expenses for aging building increase, repairs and maintenance are costly, this will make it impossible to continue without long range planning resulting in yearly weekly dues adjustment and if necessary invoicing for a special

assessment. Jay discussed common areas capital future needs: repairs/replacement of the asphalt drive and parking areas, back of buildings' renovations, replacement of clubhouse deck and, hopefully years away, replacement of the roof and interior carpet. There will be additional expenses for the improvements in timeshare units if the conversion plan fails.

- Charlie offered support for how the Board is managing projects to keep costs down. He supports what the Board did before the annual meeting -- reported confidence in decisions made. In his years of experience serving on boards, he expressed understanding the time requirements and difficulty of decision making.

- c. Ratify WMA & WMI 2017 Budgets. Motion Kathleen moved, Steven Forbes 2nd, all approve.

VII. Exterior Renovations Status Report

The Board visited projects that have been recently completed and discussed possible design changes from the plan designed by Marc Hogan. A meeting will be scheduled with Marc to discuss options. Those revised plans will be submitted to Travis Construction and a bid will be requested to fund the plan. The Board will need to meet with Travis to finalize a contract. Board will request Marc's assistance to obtain project approval from the town's Planning Commission. Renovation work has been requested to start at the end of 2017 ski season depending property snow depth.

VIII. Special Assessment Funding

- a. Larry reported that WMI are still \$38K short, so the board will be reviewing budgets and account balances. Jay reported that many timeshare owners are paying their invoices to avoid foreclosure and participate in the conversion plan.
- b. Charlie stated support for using special assessment to cover shortfalls.

IX. Time Share Conversion Plan – discussion above.

- X. Board of Directors Election. Chuck, Sandra, Jay were all up for reelection. Motion to reelect present Board by Charlie, Liam Logan 2nd, all approved.

XI. Other

- a. Breckenridge News: Real estate is sellers market; summer is

becoming as popular as winter. Consultant advised against the parking structure at F Lot because that would only cause a dramatic increase in traffic and “foot” problems.

- b. 2017 Annual Meeting Date: Discussion confirmed to continue meeting on the Sat. closest to the 4th of July.

XIII. Adjourn: 2:38 pm.

Refreshments and social time in clubhouse followed.