

MEMORANDUM

To: Woods Manor Interval Timeshare Owners
From: Woods Manor Board of Managers
Date: November, 2009
Subj: Woods Manor Timeshare Budget/Dues/Status Update

The budget to operate the Woods Manor Interval timeshare units in 2010 has been completed by the Board of Managers. This memorandum is provided to all timeshare owners to explain the 2010 budget and dues and to provide general status information regarding Woods Manor.

We've been working with the new management company, Four Seasons Lodging, for 16 months now. The Board is very pleased with the quality of Four Season's management services. They are a true partner in our goal of ensuring Woods Manor is a well-maintained, pleasant and safe place to reside and vacation.

We would like to remind all owners that a website was established in 2008 for Woods Manor at www.woodsmanorcondos.com. You can find information on the website about Woods Manor, directions, governing documents, minutes of board meetings, annual budgets, etc. Check out the classified ads for some good deals on timeshare weeks. If you would like to place an ad to buy or sell a unit, email the details to directors@woodsmanorcondos.com.

The dues for 2010 increased 7.8% above the 2009 levels. Explanation of the budget will follow.

Woods Manor Timeshare Dues		
Unit	2009	2010
B101	\$357.76	\$385.96
B102	\$455.14	\$491.00
B203	\$407.51	\$439.62
B204	\$509.12	\$549.24
B303	\$407.51	\$439.62
B304	\$509.12	\$549.24

Timeshare dues are calculated for each unit by multiplying the total timeshare budget by the unit's percentage factor. This percentage factor is based upon the size of the unit as documented in the condominium declarations. After this computation, the amount for each unit is divided by 50 to get the weekly dues for each unit. The association owns weeks 20 and 44 which are used for major repairs and cleaning, thus the reason for 50 weeks being used in the calculation.

The complete 2010 budget can be accessed from the Woods Manor website. As you look at the budget, most of the line items are self-explanatory. Comments about some of the larger line items follow here:

Woods Manor 2010 Timeshare Budget Comments		
Line Item	Amount	Comment
Timeshare Dues	\$142,734	This is the dues to be collected from the owners of the 300 weeks (6 units, 50 weeks each).
Management Fees	\$11,124	This is the fees we pay to our Management Firm (Four Seasons Lodging). They have personnel to handle the RCI reservations, unit maintenance coordination, funds accounting, owner communications, etc.
HOA Dues to WMA	\$39,477	WMA is the ownership association for the entire complex. The overall complex operating expenses are budgeted through WMA and the resulting monthly dues are transferred from WMI (timeshare owners association) each month for the six units owned by timeshare owners. The WMA budget addresses needs outside the walls of the individual condo units.
Total Housekeeping	\$29,980	This is the cost to have housekeeping services at the end of each timeshare week (Saturdays), to do major cleaning during the two maintenance weeks, and to fund linen replacements.
Total Repairs and Maintenance	\$14,900	This is the budget for repairs inside the six timeshare units throughout the year. It also includes carpet cleaning.
Total Utilities	\$15,600	Utility costs seem to go up each year. Actual expenditures will depend a lot on the temperatures during the winter months. We have budgeted for higher electricity and gas bills in 2010.
Operating Contingency	\$17,981	The timeshare dues revenue is based upon 300 unit weeks contributing. The association currently owns 7 weeks, from foreclosures. There are also some weeks that are delinquent on 2009 dues. This line item is primarily to cover weeks that do not contribute dues in 2010. Unfortunately, paying owners have to compensate for non-paying owners (more about this later). If we don't need the entire contingency, we can transfer it to the timeshare reserves account at the end of the year.

As we all know and expect, with 300 timeshare owner weeks, there will inevitably be some owners that have financial difficulties and get behind on their dues payments. Although these situations are unfortunate, it is the Board's responsibility to protect, as a group, all owners' financial interests in Woods Manor. In an attempt to address non-paying owners, the Board utilizes an attorney to take whatever steps are necessary to resolve these situations in the best interest of the paying owners. These actions have had positive results during 2009 with past dues and penalties being collected on several accounts. Unfortunately for delinquent owners is that they end up paying much more in the long run when late fees and attorney fees are added to their balance owed. A majority of the increase in 2010 dues is to ensure we have operating funds available if we don't receive all dues owed. If we don't need the contingency funds, we will move any end-of-year excess to our Reserve Account.

Another topic for your consideration is the status of the interior furnishings within the timeshare units. We receive a few comments from owners and RCI exchange members throughout the year regarding the condition of Woods Manor timeshare units. These range from excellent to needs improvements. We believe most owners don't want high dues that are used for very high-end furnishings. On the other end, we suspect no owner wants furnishings to deteriorate to the point no one enjoys staying in the unit. We currently have approximately \$75,000 in our timeshare Reserve Account. So, we are in good shape for replacing furniture that's in disrepair and many of the other small to medium items. In June of this year we replaced the old television sets in all living rooms and master bedrooms. At some point, we need to consider the need to remodel bathrooms and kitchens. These items will require us to accumulate more in our Reserve Account. The Board is capable and willing to make improvement and financial decisions. However, input from owners to influence those decisions is desired and solicited.

Your feedback, suggestions and questions can be delivered to the Board by sending an email to

Directors@woodsmanorcondos.com

or by mailing your feedback to:

Four Seasons Lodging, Inc.
Attn: Woods Manor Board of Managers
424 South Ridge St
Breckenridge, CO 80424

We hope you find this informational memorandum helpful. We wish you all a healthy and prosperous 2010 and hope you enjoy your next stay in your Woods Manor condominium.

Sincerely,
Woods Manor Board of Managers