

DRAFTWOODS MANOR HOMEOWNERS ANNUAL MEETINGWoods Manor Clubhouse

1:00 pm

July 7, 2018

Welcome and Introductions:

Jay welcomed all in attendance. Board members present: Jay Rust, Julie Peper and Sandra Hahn. Secretary Lisa Cobb and Vice President Chuck Sebald were unable to attend and send their regrets. Jay introduced our HOA attorney Michael Connelly who has worked with us on the Conversion Plan and Len Vest, Woods Manor Timeshare owner. Also Wildernd Property Manager Ben Sloman, WPM Quad Leader, was introduced. Ben in turn introduced our new onsite Property Manager Noah Orth and his fiancée Jesse. Noah is from Wisconsin and has a history as a tennis professional. Jesse is a nurse at St Anthony's in Frisco. She has a history as Navy and travel nurse. Noah stated he approaches his management role as "treating the property as if I were an owner myself". Jay noted we have a 3-year contract with Wildernd Property Management.

- I. Call to Order at 12:55 pm
- II. Established Quorum—over 25% of owners in attendance. Members present: Julie Peper 203 A; Sandra Hahn 104B; Mitch Seek 203B wk 2; Charles "Richie" Miller 303B wk 30; Jay and Kathleen Rust 303A; Mary Beth, John and Adam Reese 201B; Lola L. Ozman 103B wk 8, 103B wk 39, 203B wk 37; Len Vest 102B wks 24 & 25; Gil and Anita Keller 102B wk 38; Karen Thompson & Mike 102A; Don Schesser 102B wk. 32 and 203B wk. 5; Carlton Devillier 303B wk 25. Proxies received on record at WPM.
- III. Approval of agenda: Richie Miller moved to approve. The motion was seconded and passed unanimously.
- IV. Approve July 2017 Annual Meeting Minutes. Richie Milller moved to approve and John Reese seconded. Motion was passed.
- V. Maintenance report: Ben Sloman reported the following:

Signed a new agreement for entry to buildings carpet cleanings, reduced cost by ~\$100 per month;

Leak into 102 investigated, most likely caused it from toilet;

Installed new whirly vent - \$315;

Installed new sensor light at Clubhouse;

Purchased two new bell carts;

Garage door repairs;

Landscaping done by Jay, relocating rock, cut down aspen trees, pruned bushes and trimmed down shrubs etc.;

Irrigation system heads and the system repaired;

Carpets to be cleaned next week in common areas;

Bldg B garage door opener to be repaired next week.

- VI. Financial Report: Detailed in packet. WMI incurs cleaning, electric, property taxes etc. bills while WMA owners do their own cleaning, etc. Budgets are set in the Fall so TS owners can anticipate January 1 obligations. Richie Miller moved to ratify the budgets as prepared by the Board of Directors, Mitch Seek seconded the motion and it was passed unanimously. Jay noted that historically homeowners have preferred to accumulate less in reserves wherein investments have low yields and would rather deal with periodic special assessments for capital projects.
Question: Why are HOA owned rentals generating so little income? All are indeed available to rent by TS owners and whole owners. The HOA may have only recently obtained title to those weeks. Wilderrest does advertise units for rent on their website on a commission basis.
- VII Exterior renovations report: Of \$840,000 renovation budget, \$9000 remains for coming additional costs. There were a number of work order changes that caused increased expenditures. All siding under stucco had to be replaced. Areas where a rock fell off a chimney, metal finish was applied down to the point of solid structure. Rotten plywood had to be replaced on upper parts of chimneys. Recently water testing was done on balconies and many need repairs. (It was noted that 201B still needs testing because locks need to be keyed to work with the master key.) Touch up painting remains on the contractor's punch list.
- VII Future projections of capital expenditures: Asphalt eventually needs replacement. Cost is estimated at \$135K, at today's dollars. Backs of buildings have dry rot on wood window frames, and all siding needs replacement at estimated cost of \$380K, at today's dollars. These projects may be needed to be done within the next 3 to 5 years.
- VIII Time share Conversion Plan to Whole Ownership Update: From Michael Connelly: Updates are available on the Woods Manor website. Len Vest does these updates with

Jay's help. The Board reviews and approves them before posting. Two units have been sold. 203B is under contract with a motivated buyer and is due to close mid September. Conversion requires all 50 weeks' Timeshare owners to agree to the plan which has not yet been achieved in 203B. Communication will be continued with the owner not willing to convert. If agreement cannot be reached, necessary steps will be taken by the Board to make conversion possible. The course to be pursued should be the quickest, easiest and most cost effective. Conversion has overwhelming support (92-95%) by timeshare owners. Legal steps to achieve conversion will be done sooner rather than later, as the Board has a fiduciary responsibility to owners who wish to participate. Most understand that WMI is not sustainable as it had been in previous years. Meanwhile action continues against timeshare owners not paying dues and assessments through foreclosure. Also work is being done to clear titles on remaining weeks. Laws allowing the bundling of foreclosures have made conversion feasible. People are encouraged to pay what they owe and be part of the conversion plan rather than foreclose. Revenues from HOA owned timeshares weeks are kept in separate reserve account until all units are sold. Participants will receive shares of the reserves after all 6 units have been converted to whole ownership; conversion plan nonparticipants are not eligible to receive a share from this account.

Question: Is it feasible for participating owners to take civil action due to loss of unit value if market declines and increased WMI financial obligations? Also is change in WM Declarations being considered?

The Board is taking under advisement Michael's recommendations. Per Michael: when action is determined, we will inform timeshare owners. There are issues of attorney-client privilege. Amending the Declaration is one of the options being considered. The conversion plan has overwhelming support. Whether the solution is amendment change or litigation, it will take time. We continue to communicate with the dissenting owner and discuss all options with the Board. Statutes relative to WM HOA may apply. There is not a lot of precedent for conversion of timeshare issues. Title clearance is easier as there is lots of experience in that area. The Board is clear that we need to complete the conversion plan as soon as possible.

Timeshare owners have the right to seek legal advice to determine what they may want to do to avoid future WMI financial obligations and loss of revenue if the real estate market turns into a buyers market.

Proceeds from sales of the two units have been distributed to the 50 owners of each unit. HOA owned weeks shares are deposited in a reserve account to be distributed among conversion participants when all units have been sold.

- IX. Board of Director's election: It was moved by Gilbert Keller and seconded by Mary Beth Reese to retain current Board members. Motion passed unanimously.

- X. Other: It was agreed that the 2019 annual meeting be on a Saturday after the 4th of July holiday. Richie Miller proposed it is better after than before, based on traffic congestion anticipating the holiday.
- XI. Adjourn: Meeting was adjourned at 2:20 pm

Social time followed the annual meeting with beverages and food provided by the HOA.