

DRAFT

Woods Manor Homeowners Annual Meeting

Woods Manor Clubhouse

1:00 pm July 11, 2020

Attendees: Chuck Sebald, Ann Logan, Deb Frye, Jay Rust, Denise Thatcher, Sandy Hahn, Kathleen Rust, Beth Eisenman, Jesse Eisenman, Mitch Seek, Janet Seek

Welcome and introductions

- I. Call to order at 1:06 pm
- II. Establish quorum: more than 25% of ownership were present
- III. Approval of Agenda: Sandy Hahn moved to amend the agenda with the addition of Comcast installation under "other". Ann Logan moved to approve the agenda as amended. Mitch Seek seconded. All approved.
- IV. Approve July 2019 Annual Meeting Minutes: All approved as submitted.
- V. Maintenance Report: (see attached report submitted by Noah Orth) maintenance was reviewed. Several owners expressed interest in exterior window cleaning. Noah has contact information about window washing resources. Jay recommended waiting till Fall to minimize damage to landscaping by window washers. Denise Thatcher and Chuck Sebald will pursue dryer vent issues in their units. Deb Frye ask about bathrooms exhaust fan vent cleaning.
Jesse Eisenman asked about rights as owners with Town of Breckenridge and Woods Manor's Rules and Regulations policy re: noise and smoke, etc. He was referred to the new Breckenridge short-term rental rules and regulations and the Woods Manor website at www.woodsmanorcondos.com. Dr. Eisenman also asked about the impact of time shares on the whole-owners' budget. Jay explained the separate accounting budgets for WMI and WMA for operations and reserves.
- VI. Financial Report: Keith Chamberlain from Wildernest Property Management manages WMA and WMI accounting. He was excused from the HOA Annual Meeting due to group size limitations for COVID-19 control. WMA and WMI Jan. to end of May operating and reserve budgets were reviewed and to date both are in the "black" (included in the meeting packet). WMA's expenditures will need to be carefully monitored for the rest of the year. Dues will be increased in 2020, but much less than 10% for in 2020. Denise Thatcher moved to ratify the 2020 budgets, seconded by Ann Logan. All approved. Deb Frye thanked the board for all their angst and effort.
- VII. The 10-year plan WMA and WMI were reviewed, including rear of buildings window replacement, asphalt repairs and future total replacement, and elevators' motor replacement (included in the meeting packet).
- VIII. Time Share Conversion Plan to Whole Ownership Update: Our attorney Michael Connelly provided a written Conversion Plan Update (included in the meeting packet and below). Our legal fees have reduced WMI Owned Weeks Reserve Account from an initial \$381,000 by \$166,866.12. Jesse Eisenman asked for the best and worst case outcomes from our legal

efforts. Jay proposed the best case would be settlement; worst case would be court proceedings that would reduce reserves further.

To: Woods Manor Condominium Association- Owners & Board Members From: Michael P. Connelly, Willis & Connelly PC
Date: July 6, 2020
Re: Conversion Plan Update

As you aware, the Board of Directors adopted the Conversion Plan in February, 2016. As you are also aware, the Conversion Plan is supported by almost every single owner at Woods Manor and, as a result of this support, two (Units 203B & 304B) of the six timeshare units were converted to whole ownership and sold to a third party. While we were able to get a third timeshare unit (Unit 203B) under contract to be sold to a third party, the owners of a unit week in this unit refused to comply with the provisions of the Conversion Plan and that contract was ultimately terminated by the buyer.

Following the termination of the contract for Unit 203B, a ballot allowing owners to vote “For” or “Against” the proposed Second Amendment to the Amended Condominium Declaration, and allowing owners to support judicial partition actions for the remaining timeshare units, was mailed to all Woods Manor owners. This Second Amendment, was overwhelmingly approved by the owners, indicating the owners support for filing the judicial partition actions. Following this vote, the Amendment was properly adopted and recorded in the Summit County real estate records. The timeshare owners that would not comply with the provisions of the Conversion Plan were then notified of the Second Amendment’s adoption and recordation in the hopes that any issues could be resolved without the need for litigation. Unfortunately, what followed was the filing of a lawsuit against the Association to challenge the validity of the Conversion Plan and Second Amendment, among other things. The Association proceeded with lawsuits to have the remaining four timeshare units sold through judicial partition. The Association also took legal action against the owners who refused to comply with the provisions of the Conversion Plan resulting in the termination of the contract of Unit 203B. This is a separate action for tortious interference with the contract to sell Unit 203B.

Unfortunately, the litigation process moves slowly and was slowed even more by the pandemic. However, much has been done and we expect more to be accomplished as we proceed through the summer. Here is some of what has transpired in the current litigation:

- Draft and file Complaints, Answers, other initial pleadings and amendments
- Draft and file various pre-trial motions and responses/supplements, including a

Motion for Summary Judgment against one of the parties

- Telephonic case management and discovery conferences with opposing counsel

and the Court

- Issue and respond to requests for discovery and disclosure
- Early mediation with one of the opposing parties
- Obtain stipulations from timeshare owners to further indicate their support of the

Association's efforts to convert and sell the remaining timeshare units

At this point, we continue to work through the increasingly complex litigation process with two litigators hired as co-counsel earlier this year. When it became clear that any settlement of these disputes would not come quickly, it was necessary to hire litigation co-counsel not only for their expertise in bench and jury trials but also for their expertise in addressing the pre-trial motions and discovery process discussed above. With their assistance, we can continue to work towards the resolution that almost all timeshare owners want to see- the remaining four timeshare units converted and sold in accordance with the Conversion Plan.

- IX. RCI: Resort Quality Improvement Program-- RCI has developed a Quality Improvement program and has sent us a letter demanding compliance in order to remain in the RCI program. Sited in the letter: outdated appliances (more than 8-10 yrs. Old), "cheap" linens and bedding, furniture and furnishings outdated and broken down, missing baseboards. Len has responded to RCI that the Board is considering the RCI demands. Bringing time share units up to RCI's standards would be VERY costly. For example, king and queen-sized sofa sleeper have a \$5,000 to \$3,500 price range. Funding to meet these standards would require a special assessment for WMI. Not meeting the standards will lead to RCI dropping our timeshares from continued affiliation. The question is whether not to be in compliance with RCI standards, which would mean timeshare currently in their program they could not trade their weeks for other locations. Since only 2 time share owners, Mitch and Janet Seek, were in attendance, Mitch proposed having Len Vest survey the time share owners regarding RCI's standards and the number of timeshares in the RCI program. All agreed that should be done and the survey results should be shared with timeshare owners. The Board will work with Len on creating a survey.
- X. Board of Directors Election: Three positions were open. It was asked if anyone present was interested in serving on the Board, no response. Denise Thatcher, Mark Lauriha and Chuck Sebald agreed to be candidates. It was moved by Kathleen Rust and seconded by Ann Logan that we elect the 3 candidates by acclamation. All present agreed.
- XI. Other
 - a. Comcast installation: Resort Internet will be terminated at the end of July. Comcast cable modem/routers were installed at acceptable prices.
 - b. Annual meeting date will be July 10, 2021
 - c. Breckenridge news: the new parking structure by gondola lift was discussed.
- XII. Adjourn: Adjourned at 3:10 pm