

**ANNUAL MEETING
OF THE OWNERS OF THE
WHISPERING WOODS II OWNERS ASSOCIATION MINUTES**
Wednesday, May 11, 2022

I. CALL TO ORDER/ROLL CALL

President Pat Buckley called the Annual Meeting to order at 1:00 p.m. Pacific Time. Robin Barrett, Whispering Woods Director of Operations, reported that a quorum was present to conduct the meeting, with 66.3% of the members present in person or by proxy. The following persons were in attendance:

Board of Directors:

Pat Buckley, President
Jeff Pank, Vice President
Sushanto Shenai, Secretary

Absent:

Ben Sjodin, Treasurer
Brian Kruhm, Director

VRI Americas (VRI) and Resort Management:

Grant Tuttle, Director of Resorts/VRI
Pat Easterbrooks, General Manager
Robin Barrett, Director of Operations

II. INTRODUCTIONS

- A. Board of Directors
- B. Resort Staff
- C. Management Company

President, Pat Buckley, introduced himself as well as the other Board members and the Resort and management staff present.

III. PROOF OF NOTICE OF MEETING

Robin Barrett reported that the official meeting notice was mailed on or before March 31, 2022, 41 days before the meeting.

IV. APPROVAL OF MINUTES OF PREVIOUS MEETING

- A. May 12, 2021 – Annual Meeting Minutes

MOTION: Jeff Pank moved to approve the May 12, 2021, Annual Meeting Minutes as presented. Motion was seconded by Pat Buckley and approved unanimously.

V. REPORTS

There were no individual homeowners present, so the following reports were accepted into the minutes as presented.

A. President

Welcome to the Twenty-Fifth Annual Meeting of the Whispering Woods II Owners Association. Thank you all for coming!

RECAP OF YEAR

Highlights of 2021 include the following:

1. Whispering Woods II received the RCI Gold Crown award for 2022.
2. Buildings C and D interiors were repainted, and the new Building A elevator construction was completed. Pat Easterbrooks will provide more details on projects completed in 2021 and what is planned for 2022 in his Manager's Report.
3. We finished 2021 with an operating loss, but the Association continues to be financially healthy. More details will be provided in the financial report.
4. VRI completed its 26th year as our management company. Grant Tuttle is our Director of Resorts.

Mr. Buckley recognized and thanked the Board, Management company and staff.

B. Treasurer

2021 NOTE:

- This Financial Report is based on unaudited financial statements. Clubhouse operations are also included in this consolidated report.
- Whispering Woods II finished 2021 with an operating loss before depreciation, healthy reserves, and well-maintained units. Assessments increased by 3% from 2021.
- Operating cash on hand as of December 31, 2021 was \$768,284 (compared to \$747,741 in 2020).
- In 2021, WWII expenses exceeded revenue by \$96,267, an operating loss; Clubhouse expenses exceeded revenue by \$2,600, an operating loss. Overall, the Operating Fund had a positive balance of \$62,265 at year-end. This year began with a \$146,929 positive balance.
- The Reserve Fund balance as of December 31, 2022 was \$1,911,499 (compared with \$1,815,865 at the beginning of the year).
- Total unit refurbishment and renovation expenditures in 2021 totaled approximately \$208,000. As of January 1, 2022, the Reserve Account is well funded at approximately 85% of ideal. Looking back to 2004, we were funded at 19% of ideal.

Audited Financial Statements:

The 2021 Audited Financial Report should be finalized and available by June 2022 and a copy will be posted on the Resort website. The preliminary report made available to you for this meeting is also posted on the Owners page of the Resort website.

For those owners who wish to have a complete, printed copy of the Audit, please contact Pat Easterbrooks, the General Manager, and one will be sent to you at no cost.

C. Management/Joint Use Committee

Whispering Woods II Owner's Association
2022 Annual Meeting
General Manager's Report

Property Update – 2021

1. Buildings C and D received new interior paint.
2. We replaced a few appliances as needed.
3. Construction of the new Building A elevator was completed.
4. Aging commercial washing machines were replaced in the Housekeeping Department.
5. Seal coating and re-stripping of the parking lots were completed.

Operations – 2021

1. Rental, Owner and Exchange Guest demand was much higher in 2021 than in 2020, but staff availability made for a challenging year. At times we had to restrict rental availability because we did not have adequate staffing to clean every room. Staffing finally returned to semi-normal levels near the end of 2021.
2. Regional, State, and Federal wage trends and higher demand for staffing caused resort wages to exceed the 2021 Budget.
3. Supply chain restrictions increased prices for operating supplies and caused some shortages throughout the year.
4. Due to government-mandated restrictions, the pool and hot tub usage were restricted to in-house guests by reservations only until July 2021. The Fitness Room was limited to one family at a time, also until July 2021. The sauna remains closed for the time being.
5. Demand for owner, exchange, and rental reservations was strong going into 2021 and continues into 2022.
6. Exchange Options: RCI, II, VRlety, Trading Places
7. Staff

- Robin – more than 28 years
- Cyndy – more than 25 years
- Mirella – 18 years (recently transitioned to part-time); Saul – 15 years; Rose - 14 years; Cec – 11 years but will be retiring in August 2022.

A total of 30 people who all serve a critical role. Every job is important.

2022 Plans

Property: Building A and B steel handrails and stair towers will be repainted on the front of both buildings. Fiberglass showers and tubs in Buildings A and B will be replaced as needed (this project was delayed from 2021). Building A stair treads will be replaced. Miscellaneous other interior and exterior projects will be completed as needed.

Operations: Due to COVID demands and limited staffing, the check-out time was moved to 10:00 a.m. in 2021. The Resort will be returning to an 11:00 a.m. check-out time starting May 16, 2022.

To address the Resort's changing owner usage characteristics, Management is currently working on transferring ownership interests from Building D to Buildings A, B and C, providing more flexible use options in Building D. Any additional revenue generated from Building D will benefit the Association.

Customer Service

As of April 22, 2022, WWII exceeded RCI Gold Crown thresholds in all five qualifying categories. Based on 2021 Comment Card scores, Whispering Woods I and Whispering Woods II both received RCI's Gold Crown award for 2022.

WHISPERING WOODS JOINT USE COMMITTEE 2022 ANNUAL MEETINGS REPORT

WELCOME - CLUBHOUSE RECAP

This year's highlights include:

1. Clubhouse hours – We are currently open from 9 a.m. – 7 p.m. Sunday through Thursday, and 9 a.m. – 9 p.m. on Fridays and Saturdays.
2. Clubhouse Operations – The Clubhouse was open all year in 2021. Pool and hot tub use was limited to in-house guests by reservation, only, until June when reservations were no longer needed. Our Fitness Room is open without restrictions, but the sauna remains closed. Gift shop inventory has been replenished and the gift shop area is fully open.

There were no Clubhouse remodeling projects completed in 2021.

3. Financial Status – The December 31, 2021 unaudited preliminary financial statement shows that Clubhouse expenses exceeded revenue by \$2,600 in 2021 (a loss), compared with a \$10,090 gain in 2020 before depreciation. Final numbers will be available when the Audit is completed later this year.

Usage in 2021

Actual usage in 2021 was not tracked due to restricted Clubhouse use during half of 2021.

Day Use Policy – Reminder

Day Use was reinstated in July 2021. The Day Use Policy limits Day Use to registered owners and their guests. Policy highlights include:

- Owner’s dues must be current on their maintenance fees.
- A Day Use Registration form must be completed and on file at the Clubhouse.
- The maximum number of guests allowed for day use is limited to the maximum occupancy of the Owner’s unit.
- A registered owner must show their I.D. and sign in before using the Clubhouse facility

D. Shell Vacations Club

No discussion this meeting.

VI. ELECTION OF DIRECTORS

Pat Easterbrooks reported on election results. Jeff Pank and Ben Sjodin were re-elected to three-year terms ending in 2025.

VII. NEW BUSINESS

A. Open Forum

There was no Open Forum discussion.

VIII. ADJOURNMENT

There being no further business, the meeting was adjourned by Pat Buckley at 1:04 p.m.

Respectfully submitted,

Pat Easterbrooks
General Manager / Committee Member

Sushanto Shenai, Secretary

Date