

**ANNUAL MEETING
OF THE OWNERS OF THE
WHISPERING WOODS II OWNERS ASSOCIATION MINUTES**
Wednesday, May 10, 2023

I. CALL TO ORDER/ROLL CALL

President Pat Buckley called the Annual Meeting to order at 1:02 p.m. PT. Robin Barrett, Whispering Woods Director of Operations, reported that a quorum was present to conduct the meeting with 31.46% 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
Ben Sjodin, Treasurer

Absent:

Richard Walter, Director

VRI Americas (VRI) and Resort Management:

Joanne Hallert, Regional Director, Resort Operations/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 April 19, 2023 21 days before the meeting.

IV. APPROVAL OF MINUTES OF PREVIOUS MEETING

- A. May 11, 2022 – Annual Meeting Minutes

Without objection the May 11, 2022 Annual Meeting Minutes were accepted as presented.

V. REPORTS

A. President

The President's Report for the Annual Homemaker Meeting is as follows:

WELCOME

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

RECAP OF YEAR

Highlights of 2022 include the following:

1. Whispering Woods II received the RCI Gold Crown award for 2023.
2. New window coverings were installed in Building B, siding was replaced on the south side of Building A, and several other smaller projects were completed. Pat Easterbrooks will provide more details on projects completed in 2022 and what is planned for 2023 in his Manager's Report.
3. We finished 2022 with a small operating loss, but the Association continues to be financially healthy with an accumulated operating surplus carried into 2023. More details will be provided in the financial report.
4. VRI completed its 27th year as the management company. Grant Tuttle retired after 18 years with VRI and many of those serving as our Regional Director of Resorts. Joanne Hallert, a hospitality veteran, will be serving as VRI's Director of Resorts in charge of Whispering Woods going forward.

Mr. Buckley thanked the Board, Management Company and Staff for their commitment and contributions to the resort.

B. Treasurer

- The following Financial Report is based on unaudited 2022 financial statements.
- 2022 NOTE: This financial report is based on un-audited financial statements. Clubhouse operations are also included in this consolidated report.
- Whispering Woods II finished 2022 with an operating loss before depreciation, healthy reserves and well-maintained units. Assessments increased by 4% from 2022.
- Operating cash on hand as of December 31, 2021 was \$660,091 (compared to \$768,284 last year).
- In 2022, WW II expenses exceeded revenue by \$67,759, an operating loss; Clubhouse expenses exceeded revenue by \$15,424, an operating loss.

- Overall, the operating fund had a positive fund balance of \$73,487 at year-end. We started this year with a \$141,246 positive fund balance.
- The Reserve Fund balance as of December 31, 2022 was \$2,065,771 (compared with \$1,911,499 at the beginning of the year).
- Total unit refurbishment and renovation expenditures in 2022 totaled about \$98,167. As of January 1, 2023, our Reserve Account is well funded at about 98% of ideal. Looking back to 2004, we were funded at 19% of ideal.

Audited Financial Statements:

The 2022 Audited Financial Report will be finalized and available later this year 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

Pat Easterbrooks, General Manager, provided a report on 2022 Operations:

Property Update – 2022

1. Buildings B received new window coverings.
2. A few appliances were replaced as needed.
3. Siding on the south side of Building A was replaced.
4. About eight large trees were removed due to concerns with aging and rot.

Operations – 2022

1. Rental, Owner and Exchange Guest demand was higher in 2022 than in 2021, and we continued to experience the challenges of remaining fully staffed.
2. Regional, State and Federal wage trends continued to push wages higher in 2022, similar to what happened in 2021.
3. Supply chain restrictions eased in 2022, but prices for operating supplies continued their upward trend.
4. We were able to reopen the pool to all guests without using a reservations system, and to all owners who visited the resort on Day Use. The Fitness Room reopened without limitations, but the sauna remained closed through the end of the year. Thankfully, the sauna reopened in early 2023.

5. Demand for Owner, exchange and rental reservations was strong in 2022 and continues into 2022.
6. Exchange Options: RCI, II, Trading Places Exchange
7. Staff (length of service)
 - Robin – more than 29 years
 - Cyndy – more than 26 years
 - After 18 years, Mirella continued part-time as she started her own professional housekeeping business;
 - Saul – 15 years;
 - Rose – 14 years;
 - Cec – retired in August 2022.
 - A total of 30 people who all serve a critical role. Every job is important.
 - This is my 34th year.

2023 Plans

Property: Building A and B will be repainted. Fiberglass showers and tubs in Buildings A and B will be replaced. Building C window coverings will be replaced. Miscellaneous other interior and exterior projects will be completed as needed. We were unable to complete the upgrade to our Wi-Fi system in 2022, so it is on the list for 2023 to meet higher demand and to create a more reliable system.

We are in the planning stages to begin updating the interiors of our units in 2024. The plan is to update about half of the units in 2024 and the rest in 2025.

Operations: The check-out time returned to 11:00 a.m. on May 16, 2022.

Customer Service

As of April 2, 2023, WW I RCI Comment Card scores exceeded Gold Crown thresholds. Based on 2022 Comment Cards, Whispering Woods was awarded the RCI Gold Crown designation for 2023.

This year's Joint Use Committee 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 2022. Pool and hot tub use were back to “normal,” with access available for in-house guests as well as owners on Day Use. Although the sauna remained closed in 2022, it reopened early in 2023 to very happy guests. Our new playground swing set arrived in late 2022 and will be installed when the weather permits. If you are looking for a gift on your next visit, the gift shop is well stocked with a nice variety of items, including clothing items, hats, cards and notebooks, games, ornaments, magnets, a nice selection of Big Foot items, and a section dedicated entirely to gnomes. There's much more to see, so please take a look when you're in the neighborhood.

There were no Clubhouse remodeling projects completed in 2022.

3. Financial Status – The December 31, 2022, un-audited, preliminary financial statement shows that Clubhouse expenses exceeded revenue by \$15,424 in 2022 (a loss), compared with a \$10,060 loss in 2021 before depreciation. The Clubhouse had an accumulated operating surplus of \$55,749 as of December 31, 2021. Final 2022 numbers will be available when the audit is completed later this year.
4. Usage in 2022 - We began tracking actual Clubhouse usage again in 2022 (post-COVID), but we started mid-year so there are not any full year numbers to report.
5. Day Use Policy Reminder – Day Use was available to all owners in 2022. The Day Use Policy limits Day Use to registered owners and their guests. Policy highlights include:
 - Owners 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 I.D. and sign in before using the Clubhouse facility.

Please stop by the Front Desk on your next Day Use visit to be sure your Day Use Registration form is up to date. Thanks!

D. Shell Vacations Club

Jeff Pank provided an update on Shell Vacations Club.

VI. ELECTION OF DIRECTORS

Pat Easterbrooks provided the election results, reporting that Sushanto Shenai ran unopposed and was elected by acclamation.

VII. NEW BUSINESS

A. Open Forum

The floor was opened for general discussion and owner questions. Discussion included Shell Vacations Club and Wyndham, Capital Vacations acquisition of Vacation Resorts International, and some questions about resort operations.

VIII. ADJOURNMENT

There being no further business before the Board, the meeting was adjourned by Pat Buckley at 1:31 p.m.

Respectfully submitted,

Pat Easterbrooks
General Manager

Sushanto Shenai, Secretary

Date