

CATEGORY #1: Why Sec 2.04 is in the Condominiums' Governing Documents

- Why/when did this begin or what triggered this.
- When was article II, Section 2.04 added to the declaration and bylaws? Why was this section added, what was the logic?
- Does anyone know why this provision was included in the declarations. There must have been a reason.
- On scenario #1, Is it possible to just extend the date with a modified date further out.

ANSWERS: *This section was in the Condominiums' Governing Document from the very beginning of the Association. The Board was able to contact the founder of the Association who recalled "accepting the idea of a 50-year sunset clause without thinking about it too much". The Board has input from 3 different law firms in Wyoming stating they have never seen a clause like this before related to timeshares. So, the Board is left without an adequate explanation. Whatever the reason, we must now deal with either leaving it in and allowing the Condominium to dissolve on 31 December 2030, or we must remove it.*

CATEGORY #2: Decision process to remove Sec. 2.04 or dissolve the Condominium – how and when

- How will you ultimately decide between the two scenarios? Vote?
- What procedure allows any decision to be made? Is this a majority vote of the owners, or what? Will units owned by the association be voted? If so, how will that be determined?
- Who decides what scenario will be adopted? Will it be the Board of Directors, or will it be by a vote of the owners of the week(s)?
- When do you anticipate making a decision between scenario 1 and scenario 2? Will it potentially come to a vote by the owners?
- Who makes the final decision? The Board of Directors or the shared owners of the condo association?
- When will a decision be made on what scenario will be adopted?
- Will the owners be asked their preference – remove the section or sell
- When is the final decision made?
- We want to Amend the Declaration by removing Section 2.04.
- Issue a survey inquiring as to Owner's preferences - Scenario #1 Amend or Scenario #2 Sell
- Can you tell what the likely hood (sic) of the 2 scenarios would be? Is getting the date extended or eliminated the most popular, or is there interest in the 2nd option?
- Who has the authority to decide to implement Scenario#1? Would not this require a vote of all owners?
- Does the Board have a fiduciary responsibility to act in the interest of the owners?
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ANSWERS: *The decision to allow the dissolution on 31 December 2030 or to remove Section 2.04 will be made by the Owners. The Associations' Governing Documents provide the method and criteria. In the "Declaration of Condominium," which should have been received by each owner at their closing, Section 15.05 states, "Amendment. Except as otherwise provided herein, this Declaration may be amended if Shared Owners holding at least fifty-one percent (51%) of the total votes of the Association consent and agree to such amendment by instruments duly recorded in the office of the County Clerk of Teton County, State of Wyoming." The owners referred to in this section speak to those owners in good standing whose yearly assessment fees have been paid in full at the time of the vote. The Board's role is to ensure an open and fair process is established in accordance with the Associations' documents and with appropriate legal counsel. Ultimately, the decision will be based on*

a majority vote of all owners in good standing. Regarding the likelihood between the two scenarios, we have heard mixed comments from the very few owners who have responded to date. We will have more details on the voting process in our next Owner Education letter.

CATEGORY #3: How ownership of weeks applies to votes

- If the owners vote and someone owns two weeks or maybe even owns two units, would that owner get two votes? Or will it be one vote per owner?

ANSWERS: *The Associations' Governing Documents are very clear on this point. Each "unit-week" counts for one vote. Therefore, if an owner owns a unit for 2 different weeks, they will get two votes. If an owner owns 2 units for the same week, they will get two votes. Like the yearly Board of Directors elections, an owner is entitled to one vote for each unit-week they pay an assessment on.*

CATEGORY #4: Value of condos

- What are the liabilities of the condos?
- What are the assets?
- Is there a recent appraisal for; condos, apartments-per building or as a whole?

ANSWERS: *The most recently available financial statements will be posted on the Association website soon for all owners to review. While the financial statements are based on the accrual accounting method, the association largely runs based on the cash basis. As of December 2021, the association had \$456,700 in cash and no long-term liabilities.*

Regarding an appraisal, we first will determine the will of the owners regarding dissolution or not of the Condominium after December 31, 2030. If the will of the owners is to dissolve, then we will start that process closer to the dissolution date.

CATEGORY #5: How payout to owners will be determined under dissolution of Condominium after 31 Dec 2030

- Have you done a formal market value study in the event the decision is made to sell? If not, do you plan to request a market study? (If not have you received any informal valuations?)
If the condominiums are sold, how are the payouts calculated?
- Could we get a ballpark figure?

ANSWERS: *The Board has not sought a formal market valuation by an external agency and does not plan to in the short term. We have computed a ballpark figure based on current real estate listing in The Aspens. As with any "future value" calculation, there are no guarantees - markets can have periods of major corrections. Recently within The Aspens, condominiums similar to the Associations' were listed for about \$1 million (private residence, not timeshares), so each unit-week could be valued at about \$20,000.*

CATEGORY #6: Owners in delinquent status regarding yearly maintenance fees

- Do the units in default get any votes or proceeds from dissolution?

ANSWERS: *Owners whose accounts are in delinquent status will not be able to vote, nor will they receive proceeds from a dissolution of Condominium. Only owners in good standing are allowed to vote.*

CATEGORY #7: If dissolution will occur, can an individual "hang on" to their condo?

- Will all weeks be valued equally, or will there be a provision for red weeks etc. and the size of the unit?

- I notice on the JHVC website that there is a long list of weeks that are owned by the owners associations. If scenario #2 is adopted and the condominiums and land are sold, how would the distribution of the proceeds from such a sale be handled, having in mind the weeks are owned by an association rather than an individual.
- I believe that the inference of “substantial” payout needs significant detail added including a range of anticipated payout. I’m on the verge of mailing the ‘22 maintenance fee. Why pay fees for this and the next 8 years if the payout is minimal to unknown?
- Is it even possible to hang on to the condos if it’s written into the declaration that they would be sold in 2030?
- If the decision is to sell the property, will the current owners have first option to place an offer
- Also, if property is sold off would current owners be allowed first option to buy and maybe with realtor fees discounted.

ANSWERS: According to our legal counsel, there is the potential for a “buy-out” scenario if the Association is dissolved, but it is a very technical and complicated legal procedure. We are not taking the time or expense to further understand this scenario at this time. The best first step is to determine what the majority of the owners want to do. If they wish to delete Sec. 2.04, and continue operation of the timeshare, then these questions are moot. If the majority wishes to allow Sec. 2.04 to take effect on 31 December 2030, then we should have time to establish that future business case for those who wish to keep their unit after 31 December 2030.

CATEGORY #8: Copies of Declaration of Condominium and Bylaws

- Where can we access the “Declaration of Condominium” and “Bylaws”? I don’t recall receiving these when buying my shares.

ANSWERS: We have attached a copy of both the “Declaration” and “Bylaws” to this site. NOTE: The Declaration and Bylaws are the same for Bluegrass, Ricegrass, and Ryegrass. The name on the front of the pamphlet is not material to the information you find inside the documents. These documents were provided to each owner at closing.

CATEGORY #9: Management of property if Condominium continues after 31 Dec 2030

- If scenario #1 is adopted and owners continue as we have been, does that mean there will continue to be a management company and yearly maintenance fees will continue to be assessed?

ANSWERS: Yes. Under scenario #1, the association will continue to run as it is today. We believe a management company will have to be in place if Sec. 2.04 is removed. Otherwise, management, maintenance, and housekeeping of the units would be impossible.

CATEGORY #10: Timing for updates to owners

- When can we expect the next update on the progress of the project?

ANSWERS: We will attempt to publish the next update on approximately June 30, 2022.

CATEGORY #11: Other topics of owner interest

- Our preference would be to sell the buildings tomorrow as we are now too old to use them.
- Would you please send a copy of your 4/27/22 letter to my email address above.

ANSWERS: We have posted the first Owner Education letter on this site and will do the same with future letters.

- Do the association owners own the land the buildings sit on.
- Do the association owners own the buildings.

ANSWERS:

- Does the developer of the timeshare project have any remaining interest in the project?

ANSWERS: *No, the developer no longer has an interest in the project.*

- Please have the board acknowledge our email and send us a list of the board members and the associated addresses, as well as the membership list and addresses for all buildings, as we own in all of them.

ANSWERS: *If you log into the www.jhracquetclub.com site (“Owner Login” at the bottom of the home page) you will find contact info for the Board members. Based on counsel we have received from the Board’s lawyers, we cannot provide you a list of membership with addresses, etc. due to privacy laws.*

- We would also recommend the Board have a capital call infusion from Owners for deferred maintenance and capital improvements.

ANSWERS: *This is a separate issue from the 2030 Project that the Board has been wrestling with. Yearly maintenance fees have climbed so much in the past few years that we hesitate to issue another assessment to everyone for additional funds...especially when some folks have difficulty paying the current yearly fees. Also, if the owners vote to dissolve the Condominium as of December 31, 2030, we do not want to be putting more funds into the buildings*

- If the units were sold; would they be sold as a) condominium units; b) market them per building (apts); c) market all buildings as one project?

ANSWERS: *The Board’s discussions on this prefers to sell all three buildings at once. But this approach will be discussed once we know the will of the Board from the voting which will take place in the not too distant future.*

- Personally, I’d attempt to reduce all operating to absolute minimum. Can some owned week assigned units be consolidated into fewer buildings, reducing expenses?

ANSWERS: *Our management company, Vacation Resorts International – Americas, has been with us for a little over 2 years. They have done excellent job at reducing operating costs in every area. By consolidating, we run into legal issues as specific units fall under specific deeds for the owners. The owners also chose the specific units. To attempt a consolidation would require a very complex approach with many legal implications...and the legal fees would only increase the operating costs.*

- Has the “reserve fund” assessment calculation reflected the 2030 project termination?

ANSWERS: *Not at this point as all of the owners will first need to determine if they wish to remove Sec 2.04 to stop the 2030 dissolution; or leave Sec. 2.04 at which point we would make calculations to reflect the termination.*

- The sale may need to occur before 12/31/30 for the Board to have any authority to act. Can a sale of the project occur before the dissolution date?

ANSWERS: *It is better that we get through the voting process first. If the vote is to allow the dissolution to occur, we will address the sale at that time.*