

Woodlake Community Association
Community Meeting Q & A
March 13, 2013

On March 13, 2013, the Woodlake Board of Directors held a community meeting for the purpose of reviewing the future options for Woodlake Swim and Racquet Club (WSRC) including a possible amendment on membership of the Club, which was deferred by the board prior to the community meeting. After the presentation on the WSRC Long Range Planning Committee recommendations for the future, the Board heard comments, questions, and concerns from residents. In order to best respond to the comments, questions, and concerns brought forward by residents, the BOD and staff listened carefully and took notes, but did not respond at that time.

Below are the questions and comments heard from residents with accompanying responses (as necessary) from the WCA.

Q: Will be 85 in June and is asking the young people of Woodlake to care for the Club. Please be considerate and not self-centered and recognize the value of the Club.

Q: Thought there was truth to the letter and doesn't want the amendment proposal to filter down and to be forced into paying for anything.

Q: If new people are required to join, what guarantee is there that it won't trickle down to current residents? What incentive is there for the current pool management company to manage effectively?

A: The (now deferred) amendment proposal was intended to help create a stable Woodlake resident membership base, and to position the Club so that we can achieve two long-term goals: 1) Improve and enhance facilities and 2) Create a revenue source that will allow the Board to consider other WSRC membership options. The WCA is not in a position to consider other WSRC membership options until the East West Partners (EWP) loan is paid off.

The Woodlake Amenities Management Corporation (WAMC) invested \$1 million in the WCA ownership of the Club. The unsecured \$1 million loan stipulated that the WAMC manage the Club during the term of the loan. If, at any time during the management contract, the WSRC cash flow is insufficient to cover expenses, debt service, or emergencies, EWP will defer, at no penalty to the WCA, the amount owed on the loan. Therefore, EWP continues to have a vested interest in the success of the Club from both a financial perspective and a professional one.

Q: Voted against the purchase and knew it would be a problem. Doesn't believe the pool should be forced on new owners or existing owners. Looked at houses in Magnolia Green, and their fees are less expensive.

A: For clarification: Magnolia Green annual assessments are \$900 per year and include outdoor pool membership, a playground, trails, community center, planned sports areas, and trash removal only. They do not have an indoor pool, fitness, a lake, multiple playgrounds, 12+ miles of trails, a waterfront pavilion and related boating facilities, or sand volleyball courts.

Q: Former BOD member, and thank you to the BOD for doing a tough job. What's done is done, but there is a root cause, and that is management. Has there been a legal analysis of the bond the management company provides? Things could have been done to prevent members from leaving.

A: As part of the negotiation for the purchase, both parties utilized attorneys to look out for their interests. WCA attorneys reviewed and assisted in the negotiation of the contract. Since that time, there has not been any additional legal review of the contract.

Q: The cost is too high to maintain a membership to the Club, and once retired, it won't be affordable. Would like to see the facilities study presentation, but won't be able to attend the annual meeting, so requests that the BOD hold additional meetings for the presentation. Also, the staff presentation stunk and didn't provide any information. It should include the years beyond the expiration of the second mortgage, because that financial picture will be very different.

A: We will work to provide multiple opportunities for Woodlake residents to review all the options and studies, and to provide input on future priorities for WSRC and WCA. We anticipate hosting additional community meetings, issuing surveys and finding ways to obtain resident feedback.

In 2016, the financial picture does change significantly, as our debt service will decrease by \$250,000 annually. We will have the opportunity to invest that money into the Club and/or consider other WSRC membership options for Woodlake residents. However, we want to plan effectively for the future and ensure that we enhance and improve our common properties and amenities, which is one of the reasons that the BOD established the WSRC Long Range Planning Committee.

Q: Long time resident of Woodlake and a part-time trainer at the Club. We have many opportunities for the future, including a possible split of the membership option to separate the fitness component from the pools. In order to remain competitive in the marketplace, we need to create more membership options and variety for potential members.

A: Our Club has worked very effectively over the years to remain relevant and competitive in the marketplace, and we anticipate continuing to explore all available WSRC membership options. From a broader perspective, the Woodlake

marketplace consists of many new neighborhoods, but we offer an amenities package that cannot be matched by any other community in the area.

Q: We are the owners and not the managers of the Club. What is the incentive of the management to make it a profitable business? Purchase was the right thing to do and we should not cut and run, because this is a correctable situation.

A: The Woodlake Amenities Management Corporation (WAMC) invested \$1 million in the WCA ownership of the Club. The unsecured \$1 million loan stipulated that the WAMC manage the Club during the term of the loan. If at any time during the management contract, the WSRC cash flow is insufficient to cover expenses, debt service, or emergencies, EWP will defer, at no penalty to the WCA, the amount owed on the loan. Therefore, EWP continues to have a vested interest in the success of the Club from both a financial perspective and a professional one.

Q: Received the March 8 e-mail and wondered what caused that message to be sent? What would WCA change and is there a way to change that?

A: From resident questions, comments, feedback and Facebook posts, it was clear that significant confusion surrounded the purchase and subsequent management of the Club. In addition, we heard from residents who indicated that they felt their concerns had not been heard by WCA. We wanted to clarify the management agreement in place, and also let our community know that we received your feedback. We thought that we needed to address the questions head-on, and also provide the assurance that we have been listening to our community.

Woodlake – the community – has an opportunity to build on our existing sense of community and create an amenity that all residents value. We have the potential to offer services and programs to all of our residents, regardless of age, family size, and background. We want to plan effectively for the enhancement and improvements to our existing amenities throughout the community, including WSRC, and we think that this conversation is the start of our journey together.

Q: Has the BOD considered paying off the debt early?

A: Yes. It is possible to repay the debt early by the residents voting in favor of a special assessment, which would reduce debt service by \$250,000 annually and offer us more flexibility in planning for improvements and enhancements, and it could also help make other WSRC membership options a possibility! Another option could include a community vote for a new combined mortgage.

Q: You can't have the property value and not support the Club. It is important!

Q: The presentation is all about saving the Club. What would it take to close the Club and rehabilitate it to become residential property? A requirement to make new owners a member could make it hard to sell a house.

A: Because the community voted overwhelmingly to purchase the Club as a community amenity and common property, the BOD has not considered closing the Club as an option. Whether or not an individual uses the various amenities in Woodlake, they all provide a positive impact to your property value. In proposing the Amendment (now deferred), the BOD did consult realtors who regularly sell and have sold Woodlake properties for many years, and reviewed the assessments of nearby communities. Given the assessments paid for the amenities offered in other communities, the opinion of the realtors and the extent and variety of the amenities package offered in Woodlake, we believed that the additional cost would not deter a buyer from purchasing a home in Woodlake.

Q: Former BOD member who was a part of the community discussion and decision to purchase the Club and WSRC Long Range Planning Committee member. Encourages all residents to work together rather than lobbing bombs at one another. Families work together to come up with solutions to address problems and the Woodlake family can do the same. Help us to create solutions and work together to make our community even better.

Q: Was against the purchase. Why do we need the pools, couldn't we just sell them? The SRC should be for residents only and the other should be whatever.

A: Again, because the community voted overwhelmingly to purchase the Club as a community amenity, the BOD has not considered the sale of the Club as an option.

Q: As a small business owner, I know that the financial times have been tough, and especially in this business, we have all been impacted. However, I spent months looking for the right place to build my house, choosing to move here from the West End. I came over here and walked the community trails with my grandson and was struck by the friendliness of every person that I met on the path. I was surprised to find that many of my neighbors do not participate in community events or opportunities. We have an amazing community! We wanted to know our neighbors and live in a place with these great amenities. Otherwise, we'd all live in the West End!