

## TANGLWOOD SPECIAL OWNERS MEETING FAQ'S

### **1. Why am I just hearing about this now?**

After the year-end review for 2018 and as part of our quarterly reviews, we are seeing a trend in the reduction of operating and reserve cash. Future projections show the potential for cash issues if corrective actions aren't taken by this time next year. That's why we are being proactive now.

### **2. What is the cause of this situation?**

The Board has been diligently and prudently managing the resort finances for years. Also, we have been working with many partners to bring new owners and keep income steady. We are simply at a point where a majority of the original owner base can no longer maintain ownership and we have exhausted our ability to bring in new owners at the same pace.

### **3. How is our overall financial position?**

Resort management is doing a great job of spending to budget for operating costs and are only completing approved reserve and replacement projects. As such, we show manageable cash-flow until about August of 2020. At that point we could start to fall behind on core operating bills and/or have to stop spending on reserve and replacement items.

### **4. What gives you the right to make these decisions?**

The Board has a fiduciary and legal responsibility to direct the course of operations and ensure the financial stability of the resort. As such, we always seek legal counsel to ensure we abide by the law.

### **5. Why did you choose the Woodmont and Golf unit locations?**

The logistics of operating units that are upwards of 8+ miles away (in one direction) is extremely challenging and costly. It makes more sense and is less expensive to have all units centrally located, like at the Main Lakes Lodge. Additionally, both locations are small enough that there may be more of an interest to purchase these buildings. Also, the Main Lakes Lodge has the administrative facilities.

### **6. Can you make me do any of this?**

While we can't make you do anything, things will still happen. If nothing at all is done, then the resort will run into economic issues that will force action in 15-24 months. This would be under duress and create legal issues as well. Better that we are proactive to addressing the situation and prolong the life of the rest of the resort for decades to come.

### **7. What if I don't participate or vote for any of this?**

We will continue to push the owners for quorum, as defined in the Full Overview from Counsel. We hope the owner base understands, as we do, the importance of acting now while we are financially stable. Executing a plan like this would take at least a year or more to administer and needs to begin now to avoid major issues in the future. We urge you to participate and vote yes.

**8. If I elect to deed-back my unit/week, what will it cost me?**

There will be no cost to you. We will create the paperwork and send it out to you. You will need to execute and notarize the documents and return them in a timely fashion.

**9. If I elect to move my week to the Main Lakes Lodge area, will I get the same week and unit type?**

We will make every effort to get you a unit and week that is to your liking but unfortunately, we cannot guarantee that. At the end of the day you don't have to take what we offer you. You can choose one of the other options available to you.

**10. What will it cost me to move my unit/week to the Main Lakes Lodge location?**

There will be no cost to you. We will create the paperwork and send it out to you. You will need to execute and notarize the documents and return them in a timely fashion.

**11. If I elect to hold on to my unit week, how much will I get paid when the buildings sell?**

This is a complicated question with no simple answer. There is a fair amount of expense to completing a plan of this nature. Communication, legal, administrative, deeding, recording, marketing and real estate commissions are just a few expenses. At the end, net proceeds will be split among the total weeks at each location. The amount is generally small to each owner.

**12. About how long will it take to sell the buildings?**

That is unknown for sure, but we hope not more than a year.

**13. Do I have to keep paying my maintenance fee while all this is going on?**

Yes, you do. If you default on payment of your condo fees, you will be excluded from voting and will not be entitled to any net distributions. If you can not or do not want to pay you condo fees simply elect to deed the unit back.

**14. I thought I owned with RCI, why am I getting this communication?**

Many newer owners purchased what are called RCI Points. This purchase allows flexible travel through the Exchange Company of RCI. This travel product is however, backed by a week of timeshare. If you received our communication, then your RCI points are backed by a week at Tanglwood Woodmont or Golf Course Village.

**15. How does this affect my RCI Points Product?**

The same options we have outlined apply to you. Deed-back, swap to an equal week at the Main Lakes Lodge or wait for the buildings to sell and see what you get paid.

**16. This all seems strangely familiar, why is that?**

In 2008, we went through a similar process and sold off the Ski buildings as part of a downsizing. That helped the resort stay operationally and financially viable for the last 10+ years.

**17. I have questions but can't make the meeting, who can I discuss these with?**

You may call long time General Manager Virginia Weniger at 570-226-6161 ext. 7183