



Arroyo Roble Resort
Minutes of Special Board Meeting
June 25, 2025
Via Zoom

Board members present: Dave Brown, Board President; Sharon Trischan, Board Vice President; Scott Klarkowski, Board Treasurer; Randy McGrane, Board member; Tom Canepa, Board Secretary

ARR Staff present: Jolene Moya, General Manager; Ralph Woellmer, Director of Operations

Meeting was called to order by Dave Brown at 1 pm.

Purpose of the meeting was to discuss projected cash flow shortfall for the resort, anticipated to begin in September, 2025.

Question was posed at the start of the meeting as to how we could have a cash flow shortage for one-third of the year. Response was that this is a continuation of the shortfall in maintenance fees from the intervals acquired through the legal action against Waypoint. Maintenance fees have not been received for 179 intervals for the past couple years. There was a similar cash flow issue in 2024; this was covered by a private loan. That loan was repaid in December, 2024, from early payments for 2025 maintenance fees as well as from rental fees through the new rental program with Vacatia. The rental program is anticipated to eventually provide revenues to replace the loss of maintenance fees from the Waypoint intervals, but this will take some time.

There was lengthy discussion regarding the amount of the anticipated shortfall in operations and the need for an accurate accounting of what will be required to fund the balance of the year. There was concern expressed that the 2025 budget did not factor in the lack of revenue from the Waypoint villas and that the maintenance fee revenues budgeted were not sufficient due to a large portion of these being used to repay the private loan.

Further discussion to clarify what the prior special assessment was supposed to fund and whether those collections were actually being used in the way they were promoted to owners.

Discussion on how many owners are delinquent in paying maintenance fees and what is being done to collect this significant amount of revenue.

Discussion transitioned to the need for another special assessment and the urgency required for this. Part of this conversation was trying to determine what the special assessment should be and the need for more accurate numbers. Concern that we need to be honest with owners about the issues and miscalculations. Jolene will work with staff to calculate this. Need to factor in that we will have many owners choosing to not pay this which will contribute to further shortfall.

There was discussion about contracting with Vacatia to assist with accounting and IT functions. They have offered to lend us up to \$1 million to assist with renovation costs. Concern is that the annual costs for Vacatia services are well over \$100K and how would these be covered as part of our annual operating costs? Further details and comparisons are required to help determine these costs.

Discussion about the need to order and pay for materials this fall to complete the renovation project in 2026. Many of the materials need to be ordered soon to avoid cost increases and to ensure these are received prior to the start of the 2026 portion of the renovation project. Missing some deadlines would both increase costs and delay the renovations.

Conversation on the critical nature of the cash flow issue and need for immediate action. Draft letter regarding need for special assessment to be written this afternoon and sent for feedback.

Jolene will work with staff to determine what the number should be for the special assessment.

Submitted by:

Ms. Jolene Moya, General Manager

Approved by:

Mr. Tom Canepa, Secretary