

## Document Refresh

Remember when a rotary phone hung in your kitchen and 3.5-inch floppy drives on bulky computers were cutting-edge? At the time, these things were exciting innovations, but imagine if your phone or computer today was that of 30 years ago. In a world of smartphones, Bluetooth, and computers that fit in your pocket, that dated technology would be inefficient, to say the least.

The legal documents governing Meadow Lake's four villages harken from this bygone era. Although they are functional, they contain features that are hindering to owners. It is time for these documents to be updated to add value for owners.

This was the message Meadow Lake Development Corporation Board member Mike Lynch delivered to association board members and owners on June 1, in MLDC's State of the Resort presentation. Many nodded their heads in agreement as Lynch spoke on meeting the needs of Meadow Lake owners. He cited the obligation to maintain a first-class resort, enable flexible exchange options, maintain stable and affordable fees, and increase the flexibility to change ownership as one's life changes. As Lynch mentioned many times, "the goal is to add, not subtract options, and to place control and choice firmly in the owners' hands."

MLDC made copies of the documents available as Lynch briefly explained their language. They were written nearly 30 years ago with a condo-based structure. MLDC is the managing agent with a direct relationship to owners for the interiors, and Home Owner Associations manage the exterior common areas. "This is now non-standard in the industry," he averred. "As with anything, this setup offers both advantages and disadvantages." It is beneficial to owners to have MLDC shoulder the expenses and hassles of reacquiring delinquent units, and then to work to make them productive through resale or rental. Unlike resorts fully operated by HOAs, MLDC pays the fees on this inventory. A potential disadvantage of this structure is less owner control over day-to-day decisions.

With the basic structure of the documents outlined, Lynch moved his focus to the need to update some clauses in order to provide for a stronger, more valuable resort. A highlighted concern is that the documents mandate that all accounting take place at the unit level, as opposed to a building or village level. In a resort with over 100 units and 4,000 owners, this is producing unbalanced results. Unlucky owners who share units with people who quit paying their quarterly fees are bearing the burden and facing higher assessments than those in which everyone is current. Revised documents would allow accounting to take place at the village level, producing more just results resort-wide.

Additionally, he went on, a clause in each document prohibits dividing a unit up into less than a week. Because of this, MLDC's efforts to sell the 15 percent of intervals that have non-paying owners have repeatedly been thwarted. Fixed weeks serve the needs of many people, and that will remain an option for current owners and future purchases. However, if MLDC is to avail itself of current industry structures to resell intervals, it needs more flexibility. The benefit to owners will be less intervals sitting in delinquency as well as flexible options to adjust their ownership as lives change.

Next, Lynch brought up the rotational structure of many ownerships, explaining how it is now non-standard, and therefore rotational cannot be recycled through the industry. This is also posing major problems for owners who want to downsize, but not eliminate, ownership. The goal is not to eradicate this option for owners who want it, but to add options for owners to move away or adjust their ownership however it benefits them. He even mentioned introducing exit strategies for those who have

enjoyed their timeshare experience but due to current life circumstances, may not be able to continue to use or pass on their ownership.

Lynch concluded that while MLDCs goals are clear—flexibility with the inventory, low fees, and to maintain a first-class resort for owners – the company is just starting to work with industry professionals to determine the exact amendments that would be most beneficial to all owners. While MLDC does not have all the answers at the moment, he promised consistent and transparent communication with owners, and welcomed an open dialogue regarding the future of the resort. Most importantly, for any change to be made to these documents, it will require a majority vote of owners. As Lynch concluded, he gestured to the group with open hands, asking for owner assistance in crafting and implementing what will be positive changes. With the support of its owners, Meadow Lake faces an exciting future – in this century.

Please visit [Meadowlake.com](http://Meadowlake.com) for copies of documents and on going communication on this important project.