

**McCall Area Timeshare Association  
Annual Home Owners Meeting  
October 10, 2015**

The McCall Area Timeshare Association Annual Home Owners' meeting was held at The Club in McCall Idaho on October 10, 2015. Board President David Holland convened the meeting at 10:02 AM. Present were Board Members David Holland, Travis Leonard, Dick Brotherton, and Gary Turner (Spencer Koonz had a business conflict and could not attend). Also attending were Barrett Lamm, Holly Apley, Louise Gilbert and 27 owners. The Proxy notices received were as follows: 210 for the Board, Dave received 14, Spencer Koonz received 1 and Gary Turner received 01, EA owned units 662 for a total of 888 plus attendees which satisfies the number required for a quorum.

Dave introduced Holly Apley and also Louise Gilbert explaining that Louise is the Housekeeping Manager and has been with MATA for almost 29 years.

The minutes from the 2014 meeting were presented by Gary Turner with a statement that they have been posted on our website during the last year. A motion to approve without reading the minutes was given by Joe Hegedus. Motion was approved unanimously.

Dave introduced Dick Brotherton to present the Nomination Committee's vote for the two open positions on the Board. The two nominees were Travis Leonard and Dick Brotherton. Dick read the notice and since there were no other nominations Dave asked to have a motion to accept both nominees. Joe Hegedus made the motion, and the motion passed unanimously.

Dave then made note that he had brought the Meeting Minutes and pertinent documents since 1981 through 2015. The recorded documents and legal letters were also present at the meeting. He brought them so any owner who wished could review them. Dave mentioned that we could scan all of the documents and put them on the website if the owners wished. It would take a lot of time and effort but it is possible. Joe Hegedus asked if they were kept in a fireproof safe and the answer is no but there are 7 sets of AVCOA (Aspen Village Condominium Owners Association) documents in multiple locations. It was discussed and decided that we will create a digital backup of all pertinent MATA documents.

Dave then turned the meeting to Barrett Lamm who is representing our Accountant's Office. Barrett started by asking who knows what an audit was and what is its purpose. He then explained that it is a third party who reviews the books and general business practices for valid expenses and "Generally Accepted Practices". He then read the opinion page from Bailey and Co (our third party Auditors) stating that in their opinion that MATA complies with accounting principles generally accepted in the United States of America. He stated that this is the best opinion that you can receive from an Auditor. Sherrie Ransier asked about vehicle expenses but Barrett then stated that he would be willing to sit with her but there would be a charge since MATA has already paid a third party to audit our operations. Dave then explained that vehicle expense incorporates all gasoline, maintenance, parts, etc. on vehicles owned by MATA and some expenses incurred by private vehicles used by MATA for MATA business. Gary then stated that the vehicle expenses were reviewed by the auditors and found to be valid.

Sherry then asked about property taxes. Dave asked what in particular she was questioning. She wanted to know what we pay property taxes on since we do not own the buildings. Dave explained that you as a condominium owner pay taxes on the space in between the walls. He then explained that the maintenance for the exterior part of the building is paid through Aspen Village and The Aspens and is included in our HOA fees paid to the Homeowners Associations monthly.

Barrett asked for any other questions. Since there were none Dave asked for a motion to except the Audit. Motion was made by Gary Turner and Nancy Haidle gave a second. Motion passed unanimously.

Dave then announced that he was going to show a Power Point presentation and wanted people to hold their questions until the presentation is over. He also stated that they would be holding a Board Meeting after the Annual Homeowners Meeting if any of the owners wished to attend. Candice announced that the Power Point presentation would be posted on our website for anyone who wanted to review it.

The Power Point presentation can be viewed on the website in its entirety. However, the following are the points of discussion represented in the presentation:

#### Industry Overview:

- MATA is part of what is called the “Legacy” Resorts. As such the industry recommends that we reposition, remodel or demolish our resort. By definition a “Legacy” resort is 30-40 years old, number of units 35 – 50 and are generally hotel, motel or apartment conversions.
- Ave. Resort Size – MATA has more one bedroom units and fewer 2 Bedrooms and more three Bedrooms than the industry average.
- As MATA compares with the other sold out resorts we have fewer owners and more developer owned weeks.
- In comparison to the resort average size MATA falls into the “small resort” size.
- Industry average for Annual Maintenance runs from \$840 in Florida down to \$645 in the Midwest. Our Annual Maintenance Fee averages at \$482.00 well below national average.

#### Brief History of the Timeshare Industry:

- Various facts were discussed please refer to the presentation for details

#### Challenges facing legacy resorts:

- Various facts were discussed including Collections of Delinquent Maintenance Fees, Owners Aging out, Millennial Generation, Sunset clauses, HOA unable to borrow Funds, etc.

#### Definition of Master Association vs. MATA:

- The Master Association is the full HOA of Aspen Village (AVCOA) and also The Aspens
- The Master Associations are responsible for Roads, Roofs, Exterior Walls, Common Areas, etc. Everything outside the unit that is within the complex.
- MATA represents 15% of The Aspens and 20% of Aspen Village.
- The Aspens do not carry reserves for major repairs and therefore impose Special Assessment for such things as the roof replacement. Aspen Village does carry Reserves for improvements and they also maintain The Club which is now in a positive cash flow.

#### Millennial Generation Report (by Candice Leonard):

- A focus group was conducted over the last year and the following were the findings of what the Millennial Generation will want:
  - Rather rent than own homes. They want the flexibility to move with ease.
  - Vacations need to be a “Value Package”. They want a bigger bang for their buck and do not mind paying for it.
  - They look for an “Experience” and would like options when they arrive.
  - They want immediate gratification when they look to book. They will book at a moment’s notice and are usually only looking for 3-4 days at a time.
  - Millennials are now the largest, most diverse generation in the US Population and have been shaped by Technology

#### Expenses included in AMF:

- Property taxes in 1988 were \$17,000 and are now running \$65,000
- Idaho Power was \$17K – 19K and is now running \$60K - \$65K per year
- Wages were \$3.35 and now are averaging \$10-\$12 per hour
- In general all expenses have roughly tripled. However our Maintenance Fees have not kept up with diminishing owner base and higher costs.

#### RCI:

- We have just been awarded the Silver Crown Resort award by RCI

#### Owner to Owner Rentals:

- After 10 years at the current rate for owner to owner rentals it was decided that we needed to have an increase. Owners currently enjoy the 50% off non-owner rate. The increase will be approximately 20% so if you choose to have us rent your unit you can look forward to an increase in the amount you may receive per night.

#### Developer Owned Weeks:

- In an effort to capture the Millennial Rental Market, the developer will be placing all of its weeks with Summit Resort Rentals. You can view these and rental options at [www.SummitResortRentals.com](http://www.SummitResortRentals.com) if you choose.
- The Developer has agreed to pay a maintenance fee from the revenue from the unsold units helping to mitigate an undue burden on the Owners.

#### Conclusion:

- It is the responsibility of the board to make decisions that will be best for the Association as a whole. We will need to take a more aggressive approach and increase our fees over the next few years to fully fund our renovation and depreciation accounts. “Our timeshares are over 30 years old and it is past time that we do some serious renovations inside the condos”. It may be necessary to have a special assessment to boost us forward in our renovation efforts later next year.
- Dave then asked for a vote of confidence in moving forward with increasing our annual fees and having a special assessment to properly fund renovations and put the Home Owners Association on sound financial footing. The vote was unanimous in full support.

Dave asked if there were any questions, Faith Ann Swayne stepped up and made her case that the bed in her unit is now too high for most people and may be a liability. Dave made note that we would investigate and correct the problem. She also stated that the Jacuzzi is running too hot. Dave said the normal temperature should be 103 degrees and that he would have Travis monitor it. She also noted that the cover is awkward and heavy. Dave stated we would look into a lighter or easier cover.

#### **Wood vs. Gas Stoves:**

A question was posed about the timeshares converting from wood stoves to a propane fireplace. Dave stated that we have received the approval from Aspen Village but we are waiting due to the expense of the conversion.

Dave then asked if the present owners could get behind the new business direction and the attendees all agreed.

Dick made a motion to adjourn; Gary made a second, motion passed unanimously to adjourn.

Respectfully submitted,

Richard Brotherton  
Secretary