

**McCall Area Timeshare Association
Board Meeting
Boise, Idaho
April 8, 2006**

The McCall Area Timeshares Association Board of Directors meeting was held in Boise at the Doubletree Riverside Hotel on April 8, 2006.

Present were Board Members David Holland, Dick Brotherton, Sandy Koonz, and Travis Leonard. Also present were Donna Brotherton and Dorothy Koonz.

The meeting was called to order at 10:20 a.m. by Dave Holland.

Dave noted that quorum was present and asked that the minutes of the October 8, 2005 meeting be read and approved.

Sandy Koonz moved to accept the minutes.

Travis Leonard seconded the motion. Motion carried.

The annual audit report for Fiscal Year 2005 was then addressed. Dave noted that the audit gave M.A.T.A. a clean bill of health. The financial statement was reviewed and Dave reported that the excess of revenues over expenditures for 2005 was a positive \$13,646. There were a lot of expenses with the new TVs and DVD players and other replacement items, but we were able to keep expenditures under revenues. The effort in selling the M.A.T.A. owned units was briefly discussed, as was the number of units still owned by Dave Holland. Dave explained that there are some expenses that will go away in a few years, including the purchase of the office and on-site manager's units. He noted that we could accelerate the payments, but stated that he did not see why we would want to unless the Board felt that it should be done. It was agreed that there was no reason to accelerate the pay-off at this time and that there were other needs that the money could be used for. Dave noted that this kind of audit is good for M.A.T.A. and good for the owners. Past years of negative figures were difficult, and Dave expressed satisfaction with the 2005 figures.

The graph showing figures from the beginning of the development to the present time were noted and Dave explained that with the 2005 figures added in, the cumulative revenues over expenditures figure for 1981 to the present is \$44,917 to the good. Dave was asked what is done with the excess money. He explained the Reserve Account for "rainy days" and noted that there is approximately \$60,000 in the reserve account at this time. There was some discussion on the bank accounts, interest rates and the possibility of putting some of the reserve money into CD's. Dave stated that he does not want to tie money up in CD's for more than six months in case it is needed for emergencies at the end of the year. He also noted that the Board would need to ratify the movement of the accounts from Washington Federal to Idaho First Banks and reminded the Board that this was a line item on the agenda to be addressed at this meeting.

Dave then reported that there were only about 150 unpaid Maintenance Fee accounts at this time. He explained that there will be another round of collection letters sent out, then we will move toward foreclosure on unpaid accounts at the end of the year. It was questioned if we were working with people on accounts under special circumstances and Dave explained that it has been the policy that if they just call in to make payment arrangements, we will work with them. Waiver of late fees if arrangements for payment are made and kept were also noted. Arrangements can be made, but payment cannot just be ignored or arrangements made and not kept. Brief discussion followed and Dave asked if there was a motion to accept the audit.

Dick Brotherton moved to accept the 2005 financial audit.
Sandy Koonz seconded the motion. Motion carried.

Dave Holland then up-dated the Board on the completion of the replacement of TV's and DVD/VCR players in all of the units. He also addressed putting washers and dryers in the three bedroom units and noted that he would like to get some good quality large capacity machines. He stated that he did not mind spending a little extra money if he didn't have to repair them all the time, but that some machines are considerably more expensive than others. He asked if someone would like to research the different brands of machines to try to find the best machine for the best price. Travis Leonard volunteered to do the research and will report his findings to Dave.

Dave then addressed previous discussion on the lighting in the units. He reported that the light fixtures have been replaced and explained what has been done with the lights and fans in the units to date. He did a walk-through earlier in the week and found that the electricians had installed the wrong fixtures in some of the rooms, and that those would be replaced with the correct fixtures. The pull-string lights will also be replaced with lights with a switch. The lighting project will be completed before the summer season. It was noted that the old light fixtures had been in the units for over 20 years and that it was time to up-date them.

Dave reminded the Board that the pictures were replaced in the one bedroom units last year and that those units are looking about as good as they ever have. There was brief discussion on the need to coordinate the dining room furniture with the woodwork in some of the units since where the wood stains are mismatched. This will be addressed in April and May.

Dave then addressed the issue of comments from owners and guests about the unit furniture and noted that it is time to start thinking about doing something about furniture replacement. He explained that during April and May we do a lot of renovation in the way of reconstruction items such as vinyl flooring, formica countertops, etc. Fall is a better time to address replacements such as furniture. The last time the furniture was replaced was in 1993. Dave noted that furniture replacement is a huge task, but that we need to start thinking about it. Dick Brotherton asked if we would be trying to sell the current furniture off. Dave stated that he did not want to get into that because it becomes

such a hassle. He also explained that he hasn't heard anyone say that they want the furniture when we replace it. The only interest owners have expressed is in the lion pictures in the bathrooms of some of the units. There was some discussion on the current furniture and it was noted that most of it is out-dated and worn out. Different types of furniture coverings were noted and briefly discussed. Furniture styles and coverings will be researched and a decision made as to what will best work for the timeshare units. Price and functionality were also discussed, as were possibilities of the furniture items that might and might not be needed. The upstairs closets in the three bedroom units were briefly discussed and it was noted that they are a waste of space, but that there is not much that can be done with them because of code, etc. The Jacuzzi tubs in the three bedroom units were also briefly addressed and it was noted that something will need to be done at some point, but that it will require a major overhaul to accomplish it. We will have to do replacements and up-grades as we are able. Costs, schedule of up-grades and possible outlets for the current furniture when it is replaced were briefly discussed. Dave noted that if it was agreeable with everyone, he would move in that direction and work within the budget to do as much as possible each year until the needed up-grades are completed.

Dick Brotherton moved to proceed with replacement of the unit furniture as we are able. Sandy Koonz seconded the motion. Motion carried.

Dave then presented an up-date on the Aspen Village insurance. He explained Blanket Coverage Insurance vs. Specific Building Policy Insurance. The insurance company tried to say that we had Specific Building Insurance and were therefore underinsured on the Sports Club. They have, however, agreed to pay on a Blanket Coverage basis because that is what our insurance papers show. Even though the policy was written on a Specific Building Insurance basis, the agent erred in omitting that information to us, the client. Fireman's Fund, the agent's Errors and Omissions insurer, had to get involved and finally settled that they would cover us on a Blanket Coverage basis. They have since said that they would cover us on a Blanket basis in the past, but will no longer do that because the current management policies and procedures have changed. At this time, the Aspens Village Homeowner's Association is the only one in the area on Specific Building coverage because of the way the President of the Association is implementing the policies and procedures. Dave briefly discussed the recent Aspen Village Homeowner's Association meeting and explained some of the issues being addressed, including common areas, the need for a proactive role by the Board of Directors, etc. Dave noted that he felt that it was getting close to agreement by the Board members to get everything in order to comply with the regulations to get Blanket Coverage. The homeowners in attendance at that meeting were also in agreement that Blanket Coverage is what they want. It was noted that the premium would be higher, but that the coverage would be much better. Brief discussion followed.

Dave then addressed an increasing problem that he has not seen in all the years he has been associated with M.A.T.A. and noted that a rental policy needs to be adopted. He explained that people are calling in to rent a room, then canceling the day before they are supposed to come in. There was brief discussion on the problem this creates when owners call in to see if their unit has been rented and are told that it has, then when the person who was supposed to be renting cancels out and they don't get a rent check, they are understandably upset. Dave has checked with other resorts and has found that they have a "no cancellation" policy. If a reservation is made, they pay whether they show up or not. It was noted that it becomes a problem when people know that they can either show up or not without any consequences. If they have to pre-pay for it with a no refund policy, they will be more cautious about just deciding not to keep the reservation. Dave also explained that owners are calling in to make reservations at the owner discount rate, then they call and say that someone else is coming to pick the keys up and that they will be arriving later, but they never show up. Dave explained that when this happens, they need to be charged the non-owner rate because the people occupying the unit are not actually owners and are not eligible for the discount. He cited instances where owners have made reservations, the keys were picked up after hours on Saturday night and left in the drop box early on Monday morning so we have no idea whether the owner was actually ever in the unit or if they just got the owner rate for someone else and were never on site. He explained that in the instances where an owner reserves a rental and pre-pays, if they have not come in to register with a photo ID for proof of ownership, that Monday by noon their account will be charged the full non-owner rate because the owner is the only one eligible for the owner discount rate and we have to know that the owner was actually on site. Dave stressed that this is for rentals, not for the owner's regular week as they can handle their regular week however they wish. The owner has to be on-site to get the owner discount rate for rentals.

Dave also noted another increasing problem. We are getting a lot of older owners whose spouses have passed away and family members or friends are handling their affairs, but the paperwork has never been completed to turn the unit over to someone else or to give them authority to handle the timeshare for them. Sons, Daughters, Grandchildren, etc. are calling in and wanting to bank or rent the owner of record's week, but they don't tell the owner. This creates a lot of problems and does not comply with current privacy laws. He explained that with the Privacy Act, we should not be divulging financial or personal information to or discussing the timeshare weeks with anyone but our owners of record or persons legally authorized by the owner to obtain information or to handle their timeshare. In the case of both owners being deceased, it is necessary for that person's heirs to get the proper paperwork done to allow them to handle the timeshare week. Dave noted that in order to force the issue to get the proper title work done and our files up-dated, we only want to communicate with owners of record. Brief discussion on these issues followed.

Sandy Koonz moved that all rentals be on a pre-payment, no refund basis, that owner rentals require registration by owners of record in person with photo ID to get the owner rate, and that communication be with owners of record only in compliance with the Privacy Act.

Travis Leonard seconded the motion. Motion carried.

It was agreed that a letter needs to be sent out to all owners to explain that these policies have been adopted by the Board and are effective immediately.

Dave then explained that he has moved the M.A.T.A. bank account from Washington Federal to Idaho First Bank. Washington Federal was requiring that the tracking numbers be written for all checks for all deposits, which was taking hours to do. It was agreed that this was an unnecessary and time-consuming task. Dave explained that he had gone to Washington Federal and talked to them about it, but they refused to change the requirement. Dave opened a checking account at Idaho First and wants to move the savings and reserve accounts there, as well. Discussion followed and it was agreed that the move was needed. Dave asked Board members to stop by Idaho First when they are in McCall next as they need photo ID's for all Board members. He then asked for ratification of the account change.

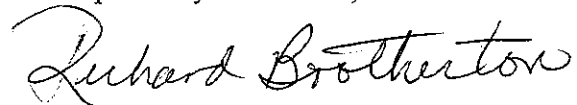
It was moved and seconded to approve the transfer of accounts from Washington Federal to Idaho First Bank.

Dave asked those present if anyone had any concerns or comments. There was brief discussion on timeshare resale companies calling owners and asking for listing fees to help them sell their properties, current asking prices of timeshare weeks at Aspens & Aspens Village, new condos coming into McCall, etc.

Dave then noted the need for a new Board Member since Marv Meacham is no longer an owner and cannot be on the Board of Directors. Diana Moody was mentioned as a possibility and Dave reported that he had approached Diana and her husband about this, but that they didn't feel that she had the time at this point. Dave noted that Barbara Farnam and Kathy Borgholthaus had been mentioned as possibilities the last time a new member was needed. There was some discussion on these two owners as possible Board Members, and Lori Rorabaugh was also mentioned. After brief discussion it was decided that Kathy Borgholthaus and Lori Rorabaugh would be contacted to see if their life styles would allow them time to serve M.A.T.A. as a Board Member.

The meeting was adjourned at 12:23 p.m.

Respectfully Submitted,



Richard Brotherton
Secretary