

**McCall Area Timeshare Association  
Board Meeting  
Boise, Idaho  
April 12, 2008**

The McCall Area Timeshare Association Board of Directors meeting was held in Boise, Idaho at the Doubletree Hotel on April 12, 2008.

Present were Board Members David Holland, Dick Brotherton, Sandy Koonz, Travis Leonard and Gary Turner. Board President Dave Holland convened the meeting at 10:30 a.m.

Dick Brotherton moved that the minutes of the October 13, 2007 Board meeting and the Telephone Conference meeting of August 22, 2007 be approved as presented. Sandy Koonz seconded the motion. The minutes were unanimously approved.

Dave Holland opened the meeting with discussion of the 2007 Annual Audit. He reported that he had hoped to have the completed audit for this meeting, but that Randy Leavitt has had some staff and personal health issues and has been unable to complete the audit. Randy was able to give Dave the bottom line figures to present at this meeting and the completed audit will be available to be discussed at the next Board meeting in August. Dave explained that the year was started with an accrual through the years of \$55,000 to the good. He and Travis had started the replacement of the two bedroom furniture, as was discussed at previous Board meetings. That, along with other expenses, had resulted in overspending the budget for 2007 by \$29,000, which left the Association \$26,000 to the good. There was some discussion on the figures and Dave explained that foreclosures and write-offs also contributed to the figures, so it wasn't just the furniture purchase. Dave noted that MATA is still in a good position with \$26,000 to the good at the end of 2007. He also explained that swivel chairs, ottomans and lamps have already been purchased for all of the two bedroom units and that we are committed to the purchase of sofas for 10 of the two bedroom units. Buildings D & E are scheduled for the furniture replacement and that expenditure will take care of most of the renovation budget for this year. We will have to wait until January of 2009 to replace the furniture in the Y Building. That will complete the replacement of the living room furniture in all of the units.

Dick Brotherton noted that Donna had mentioned that the VCR stand in the unit she recently occupied was falling down. Dave acknowledged that he is aware of the problem and that he is in the process of trying to address it. It has been suggested that an ornamental brace be put in the stands and that this should take care of the problem. Other options were briefly discussed, but it was noted that expense has to be taken into consideration and that the braces are the least expensive alternative at this time.

Dave then asked Travis Leonard to address the Sports Club report. Travis gave a run-down on the Sports Club amenities. It was questioned if the meeting room at the Club is big enough for the annual meeting. Travis noted that it would be pushing it to have enough room in the meeting room, but Dave reported that the AVCOA meeting had been held in the basketball court area, so the Annual MATA meetings can be held there, as well. He noted that this will relieve us of having to go somewhere else for the Annual Meetings which will save several hundred dollars. Travis reported that the Club has been a huge hit and gave a brief report on the Manager and operation costs status. Passes to

Zims and Holiday Inn Express for swimming were also discussed and it was noted that the passes were in the budget during the time they were being offered, so that had not had an effect on the budget figures. Dave explained that the outside passes are no longer being provided now that the Club has reopened. He had planned to keep offering the passes to Zim's for awhile, but usage had actually gone up instead of down and it had gotten too expensive to continue to offer the passes in addition to the costs for the Club.

Dave then addressed unit issues. He explained that the weight from this winter's heavy snowfall had caused a problem on the North side of the W Building in the four inside units. The two end units are fine, but the snow was so heavy that it was crushing the sliding glass doors and the headers above the sliders are bowed and have to be repaired. New sliding glass doors have been purchased and will be installed during the repairs. Sliders will also be replaced in the C Building.

Dave also reported that there will be a \$5,000 special assessment for repairs at the Aspens, that the Water & Sewer rates are going up and could cost an additional \$5,000 and that the cable rates are also going up in the near future. Unforeseen expenses are hitting us and Dave noted that he hopes to not have to do a supplemental assessment to cover these extra expenses. He discussed the City of McCall's financial problems and the rising costs of the services that have to be provided. There are a lot of things that he and Travis would like to be able to do, but they have had to pull back on some items due to budget constraints. It was noted that there is a need for some painting and that there will have to be some sheetrock repair done, so there are items that need to be addressed. There was some further discussion on snow load damage and needed repairs.

Dave gave a brief run-down on the recent AVCOA meeting and reported that he had argued to have AVCOA cover the costs of repairing the damage in the W Building because the building had apparently not been constructed properly. The Board had ultimately voted and agreed to cover the cost of the repairs related to the problem with the headers. Dave noted that there will be some on-going issues regarding common and limited common areas that will entail a lot of discussion and will ultimately need to be resolved. Possible future recreational amenities at Aspen Village were discussed.

Dick Brotherton asked about the schedule for Dave's retirement and for Travis to take over. Discussion followed and it was noted that Dave will still be around to help for awhile after Travis takes over. Travis is taking over more and more of the day to day responsibilities and the staff is going to Travis more and more with questions and operation issues. Dave also discussed title work and deed issues. He noted that for the past two or three years we have been forcing owners to get their title work up-dated and have notified all owners on more than one occasion that this needs to be done. Trusts and other ownership issues were briefly discussed and explained. Dave explained some recent title issues and how title transfers are now being handled. Brian McMahan has drafted a document that will need to be signed for all transfers to put the burden of proof of title on the owners instead of on MATA.

Travis reported on the recent paperwork received from RCI. He noted that we had for several years been rated as a Hospitality Resort by RCI and were moved up to a Silver Crown Resort last Fall. It was noted that it is good for the resort and good for the owners that we have been able to bring the ratings up. Dave stated that having Travis working as concierge has helped to bring the standards up to this level and that this higher rating helps the owners get better exchanges. Travis also noted that approximately 35% of our

occupancy is exchange related. Travis also gave a brief explanation of II and their resort ratings.

Dave then reported that bank fees for processing credit card payments for Maintenance Fees from November through February amounted to \$1,864 and that the fees were raised as of April 1<sup>st</sup> of this year. He had instructed Linda to start charging a 3% handling fee for Maintenance Fee payments by credit card to help defray the bank fees and asked for Board ratification of that decision. Brief discussion followed.

Sandy Koonz moved to approve the 3% handling fee to be added to all Maintenance Fee payments made by credit card.

Dick Brotherton seconded the motion. Motion carried unanimously.

Dave reported that he had recently moved \$200,000 from the General Account into a three month CD that pays 3% interest. He explained how the CD was set up and noted that we can access those funds if necessary, but that it was better to be getting some interest on the money rather than having it sit in the General Fund. There was \$260,000 in the General Account at the time the money was moved over to the CD. There was brief discussion and it was agreed that it was best to have some of the money drawing interest.

Dave then brought up Industry Conferences that are put on by II and RCI and noted that he would like to see some funds budgeted for Travis and Dave to attend one of the conferences next year. He discussed recent RCI and II operation trends and noted that he felt it was important to attend a conference to keep up with the changes and trends. Dave also stated that another Board member could go in his place if they wished but that he thought it was important for representatives of MATA to attend one of the conferences. Locations and other issues were briefly addressed and discussion followed on the possibility that all Board members might be able to attend a conference and hold one of the Board meetings in conjunction with the conference. It was agreed that the Board would shoot for trying to hold the April, 2009 meeting to coincide with a conference if there is one held in the Western U.S. at that time.

The next item of discussion was future floor replacement in the units. Pergot flooring was briefly addressed.

Dave then addressed the upcoming Board meeting schedule. The telephone conference is scheduled for August 21<sup>st</sup>, which is six days after the August meeting. Dave explained that it is necessary to hold the telephone conference this soon after the August meeting due to the time it takes to get the printed materials and mailings ready to go out to owners by the deadline before the Annual Meeting in October. The budget figures will be discussed at the August Board meeting and the figures will be finalized between the August meeting and the telephone conference meeting. Travis is to schedule the October Annual Homeowners' Meeting with Tom Cottner at the Club. Brief discussion followed on the up-coming meetings.

Dave noted that he had sent flowers on behalf of the MATA Board when former Board Member Peggy Whitman passed away earlier this month.

Possible supplemental assessment was the next item of discussion. Dave explained that he and Travis would be watching the budget, but that if expenses keep going up it could reach a point that supplemental assessment might need to be considered. Dave reported that there are currently 12 MATA owned units and that MATA will own 30 weeks again

when the recent foreclosure has been completed. He noted that this amounts to \$12,000 each year that they are on the books that we will not be bringing in since those 30 weeks are non-performing weeks. Dollar figures were discussed and Dave noted that he and Travis had discussed the sales process with regard to the MATA weeks. He explained that he has never received any compensation for sale of MATA owned units, so there is really not much incentive to sell them. Policy was set years ago that foreclosure units go to Sheriff's Sale, then the Developer is given the option of buying them at a reduced rate. After some discussion and explanation, Dave noted that he and Travis have discussed the possibility of purchasing the unsold MATA weeks at a bulk price after they have been offered to owners. Foreclosure steps and communication options were addressed. After fairly extensive discussion it was agreed that emailing the owners who have provided us with an email address would be the most feasible option for communicating the availability of the foreclosed units. Posting the information on the office door and putting notices in the check-in packets were other suggested options. The possibility of mailing information to all of the owners was also discussed and it was agreed that this is not a cost effective option. It was also agreed that it would be to MATA's advantage to sell any remaining MATA units to Travis at a bulk price of \$400 per unit week after owners have been given the chance to purchase those weeks. Dave suggested contacting owners whose email addresses we have on file.

Dick Brotherton moved to contact as many owners as possible about the foreclosed units by email and to offer unsold units to Travis at a bulk price of \$400 per week times the number of weeks left after they have been offered to owners.

Gary Turner seconded the motion. Motion carried unanimously.

Dave asked if there were any further items for discussion. Dick Brotherton noted that he is happy that Travis is on board.

Travis reported that Cindy Hansen, who was a MATA employee for many years, recently retired and has moved on to a new job at the local Veterinary Clinic. He also reported that we are no longer using the Laundromat at Aspen Market for linen laundering and that the bulk of the laundry is now being done off-site by Pristine Linen Service. The washers and dryers in the three bedroom units are still being used for some laundry on Mondays and Thursdays, and this new arrangement is going to save a substantial amount on laundry costs.

There being no further items brought up for discussion, Dick Brotherton moved to adjourn the meeting.

Sandy Koonz seconded the motion. Motion carried and the meeting was adjourned by Dave Holland at 11:45 a.m.

Respectfully submitted,



Richard Brotherton, Secretary