

MCCALL AREA TIMESHARE ASSOCIATION

BOARD MEETING

April 14, 1998

The meeting of the McCall Area Timeshare Association was called to order on April 14, 1998 at the home of Patti Hukari, Hood River, Oregon. Those present were Patti Hukari, Richard Brotherton, Bill Geisler, Sandy Koonz and David Holland. The minutes of the Board Meeting of October 11, 1998 were read by Sandy Koonz. Minutes were approved as read.

David Holland reported that he had checked with the McCall City Council on the remodeling of the 2 bedroom units. There are no restrictions on remodeling inside a unit. Dave also mentioned remodeling the 3 bedroom units because of RCI and their regulations. RCI's regulations consider our 2 bedroom units as 1 bedroom with a loft and the 3 bedroom units as 2 bedrooms with a loft. The McCall City Code would not restrict MATA from enclosing the loft side with a wall and adding a door to make the loft rooms more private. They then should be considered a full bedroom. Dave reported he does not have a cost factor but suggested that he obtain costs for the remodels and take the information to the annual timeshare owners meeting in October. He can then present the information to them and get an opinion about to what they would like to have done. Different forms of enclosing the units were discussed. Dave was directed to obtain information and the board will discuss the different possibilities at the next Board meeting.

The financial report year-to-date is as follows:

Item 1: Restrictive reserve account. The account was opened when Sandy Koonz was in McCall. A signature card needs to be signed by the Board Members. Two signatures are required to use the account in case Dave Holland would be unavailable. Dave also suggested that Rick Lamm, CPA, have his name on the account because he has his name on all of the MATA accounts. The budget has \$28,125. to be placed into the Restrictive Reserve Account, if MATA collects all of the maintenance fees that are due. MATA now has \$18,000 to deposit into that account. One good feature about the Restrictive Reserve Account is that the Board is not restricted to where the money is used. It was designated for unforeseen use or refurbishing. The legal fees incurred because of the Aspen Village Condominium Association situation were unforeseen. In order to use that fund for legal fees, approval of the MATA Board is required. Because of the sensitive situation in dealing with AVCOA, Dave has asked that the Board take the AVCOA report, read it and then reconvene the following morning to discuss and decide what action to take. Then a complete report can be presented to the members at the annual MATA Association meeting.

Item 2: The general ledger report shows an expenditure of \$3,000 for new dishes and replacement to upgrade the 3 bedroom units to place setting of 10 as was directed by the members at the last annual meeting. The 1 & 2 bedroom units have sets of 8. Twelve new dishwashers were installed in the 1 bedroom units. The dishwashers that have been pulled are being used as parts or the better ones repaired and replaced in 2 & 3 bedroom units. The dishes that were removed were donated to charity.

It was moved and seconded the items in the budget listed above be accepted. Motion carried.

Discussion was held regarding removal of the wall hangings in the 1 & 2 bedroom units. Different avenues were discussed. The consensus of opinion was to replace the wall hangings with mirrors in the 2 bedroom units. Dave Holland moved that the wall hangings be removed from the 1 bedroom units for now with no replacement. Then possibly remove the hangings from the 2 bedroom units later when a suitable replacement can be found. Dave asked the Board to bring ideas of replacement to the next Board meeting. Disposal of the wall hangings was discussed with the Board asking Dave to attempt to sell them.

Dave presented a bid for replacing the woven wood blinds in the 1 bedroom units at \$3,237.00, installed, including sales tax. The color of the blinds is to be off-white, vinyl, vertical blinds with a wand to draw the blinds to one side throughout the units beginning with the 1 bedroom units. Dave suggested he take the good woven wood blinds from the 1 bedroom units and recycle them into the 2 bedroom units. Sandy Koonz moved to accept the bid from the

Decorating Den at \$3,327.00. Seconded and approved. It was suggested by Dave Holland that if there is a reserve in funds, that the 2 bedroom unit blinds be replaced. The new dishwashers, dishes, cutlery and blinds will update the 1 bedroom units and show a great improvement.

Dave asked the Board members to disclose to him any calls, questions or complaints which have come to them from the owners in order to discuss the issues of the AVCOA situation. Dick Brotherton had received a call from Mr. Reynolds regarding the issues in the AVCOA because he a homeowner and a timeshare owner. He inquired as to Dave Holland's authority to act on MATA'S behalf. The issue presently being discussed regarding AVCOA was presented to Dave Holland. Dave presented three letters that were sent to AVCOA Board members by MATA Attorney, Brian McMahan, requesting certain information on assessments and procedures for expenditures acted on by AVCOA. A packet of information and correspondence was given to each Board member for study. This packet included AVCOA Board minutes and Agendas for AVCOA Board meetings. Bill Dietz, President of AVCOA wrote regarding a special assessment to timeshare owners because that he believed the timeshare owners use the facilities more than regular homeowners. The AVCOA Board apparently is discussing assessing MATA Timeshare Owners additional fees because of that belief. Attorney, Mr. Thompson, AVCOA Board member suggested to the AVCOA Board that they look into the legality of this suggestion before proceeding to present this proposal to the Annual Meeting of AVCOA members. Mr. Thompson has since resigned from the AVCOA Board. MATA Attorney, Brian McMahan found, with research, that MATA has been over charged in assessments in the past. The documents discussed covered compliance with Idaho Code regarding assessments of MATA in the Aspen Village complex and the fiduciary responsibility of AVCOA and action taken by Bill Dietz and other Board members. MATA Board members were asked to review these documents for discussion later. Items listed on the attached documents were discussed at length. Dave Holland reported that Mr. McMahan's fees so far are about \$8,000 with the possibility of another \$1,000 expended in order to have him attend the Annual AVCOA meeting. It is not unreasonable to believe the cost to run as high as \$16,000 to \$18,000. Dave explained the strengths and weaknesses of the MATA Association with regard to successfully negotiating with AVCOA. Dave will re-review MATA legal documents to be certain the issues that MATA is presenting to AVCOA are in line. Board members agreed to read and review the packet information and discuss it further on Thursday and to make a decision as to further action. Meeting was adjourned until Thursday morning.

The meeting was reconvened at 8:30 a.m., Thursday, April 14, 1998 in Hood River, Oregon by President, Dave Holland. All Board members were present.

Dave asked if everyone has had time to read the information as a decision is needed at this meeting. All were in the affirmative.

- Item 1: Is it pertinent that Dave attend the meeting with the AVCOA Board as requested before the annual meeting? It was unanimous that Dave not meet with the AVCOA Board because it was the consensus of the MATA Board that nothing could be gained by the meeting.
- Item 2: It is the Board's decision that the assessment checks from MATA to AVCOA be held and not cashed until further agreement can be met between MATA and AVCOA. It was decided to hold the checks until further negotiations could be held with the AVCOA Board.
- Item 3: Attorney fees: Dave expressed a concern that this action is costing \$8,000 - \$9,000 in attorney fees and asked for the Board's support to continue to pursue finalization of the issues at hand. Dave asked for ratification from the Board to move ahead and if needed, to move ahead with the possibility of legal fees reaching \$15,000 if the negotiations should go to court. It was agreed that a limit of \$10,000 should be set until the AVCOA annual meeting and then the MATA Board will decide if they will go forward with a law suit. It was so moved. If AVCOA complies with the law on assessments then a decision will be made as to where to go from there. Dave was instructed to inform MATA Board members of results of the AVCOA annual meeting. It was seconded and carried.

It was moved by Dave Holland and seconded that the letters from MATA's attorney and from AVCOA be memmemorialized permanent records in MATA files. Seconded and carried.

It was discussed that as many proxy votes as possible be gathered to take to the AVCOA annual meeting in an

attempt to vote in a new AVCOA Board of Directors. Dave was instructed to carry this out.

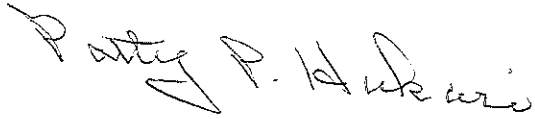
The Board complimented the staff Dave has acquired for MATA. Dave reinforced their expressions of confidence and added that he is very happy with the current staff.

Discussion regarding upgrading linoleum and carpet was held. No decision was made at this time.

Dave moved the meeting be adjourned at 9:45 a.m. Moved and seconded.

Respectfully submitted,

Patti Hukari
Secretary

A handwritten signature in cursive script that reads "Patti P. Hukari". The signature is written in dark ink and is positioned below the typed name and title.