

**McCall Area Timeshare Association
Board Meeting
Hood River, Oregon
April 15, 2003**

Dave Holland, president, called the meeting to order at 7:30 p.m. at the home of Norm and Patty Hukari in Hood River, Oregon. Board members present are Dave Holland, Patty Hukari, Sandy Koonz and Dick Brotherton. Bill Geisler is excused due to illness.

The first item of business is to read and approve the minutes from the annual homeowner's meeting and the board meeting from last October. All members have read and approved. Patty moved that the minutes be approved; Sandy seconded. Minutes approved unanimously.

Dave wanted to show the board an example of a complimentary RCI rating card in which the resort got high marks (5) on most items. Comments were very flattering even for things like activities and quality of the units.

Dave then talked about the recent improvements in the units. All the two and three bedroom units now have the new glass-top ranges. The C and W buildings require a smaller stove so those will be done at a later date.

Carpet pad was delivered last week. They sent an upgraded (9/16") pad by mistake and told us to keep it without an added charge. The carpet is scheduled to be installed in the three bedroom units in two weeks. The two-bedroom units will be re-carpeted next year and that will finish the carpet project so that we can move on to other things like furniture.

Dave said that the Formica counter tops in the units are getting worn and beat up so he's hired a local craftsman named Kraig Allen to replace the countertops. The price is running about \$200- \$250 per unit. The new counter tops match the carpet and vinyl well. He's also having Kraig refinish the dining room tables and repairing the wobbly legs.

Another ongoing project is the replacement of the sheetrock in the garages with chipboard on the walls where wood is stacked.

Patty asked how the picture project is going. Dave is getting some bids from a new lady in town who has a printing process.

Dave said one of the common complaints is about the skillets so he went to Four Star Restaurant Supply in Boise and got a really good price on 12" skillets and 9" skillets. They're really nice heavy non-stick skillets.

Dave then proceeded with an update on the plumbing. When the Aspens were built the builder often mixed copper pipes with galvanized pipes which cause a lot of corrosion.

He doesn't want to install the new carpet until all the plumbing problems have been fixed and we're sure the water heaters are not leaking. All the bathroom faucets were getting old so those are being replaced. In addition, the one and two bedroom units are getting spot checked for bad faucets and those are being replaced as needed.

Dave said Louise found a moderately priced ceramic lamp that will complement the new carpet -they're a nicer size too. Since the two bedrooms aren't getting carpet this year they're getting the new lamps. We're getting rid of the old leather-covered lamps. The new ones should provide much better light.

Dave then updated the board members on The Aspen Village Condo Owners Association. The Sports Club is operating pretty well. It's running in a negative 5-10K per year right now. All the renovations have been completed.

They are going to hire someone to prepare a business plan because there wasn't anyone on the board who is willing to do it for nothing. Patty asked if members of the community are using the Sports Club. Dave said yes but there's a new business in town called Curves for Women. It's the second most successful franchise in the U.S. next to Subway. Along with Rudy's Gym those are the two main competitors for the Sports Club. A good business plan will be very helpful for the Sports Club.

The Aspen Village tennis courts will be resurfaced this summer. The storage lockers are getting new roofs and that will be the end of the roofing project.

Dave said he attended the annual meetings for both The Aspens and The Aspen Village. Those meetings went well. The Aspen Village has approximately \$50,000 in their reserve account. The Aspens notified us of a special assessment they have approved to completely rebuild the parking lot. MATA's portion was about \$6,000. Dave asked for affirmation from the board for this assessment. Patty made a motion that the special assessment monies be paid from the reserve funds. Sandy seconded. Motion passed unanimously.

The MATA audit report was outstanding this past year. Dave asked the board if they remembered the "bouncing ball". Last year we were \$16,000 below the line but this year we're \$23,939 above the line. We not only made up the negative \$16,000 but we made an additional \$24,000. So we had excess of revenue over expenditures of \$40,000. Dick asked for a "nuts and bolts" explanation. Basically it means we raised maintenance fees and reduced spending.

Dave said his initial reaction is that there's money to spend. The reality is that we're really close on the carpet budget this year for the three bedrooms but the two bedroom carpeting/vinyl project will probably run closer to \$45,000. Dave said he's watching the budget closely so that we always stay above the line. The line item we added to the budget a few years ago is really helping with the ongoing renovation projects. Once we're done with the carpet we'll be able to replace furniture and continue updating the units. We need to keep that line item in the budget.

McCall continues to be a recreational destination. With the new Tamarack development coming in we'll really start to feel the squeeze.

Dave said that after the audit was complete the auditor wrote a letter suggesting that we go to a single signature on the checks. The board approved. Sandy made a motion that MATA change to a single signature on the company checks. Patty seconded. Motion passed unanimously.

Another item the auditor addressed was the need to keep receipts from all the stores where we have charge accounts. Since they don't always provide itemized statements it's even more important. That is being done. All expenditures are accounted for.

The next item for discussion is the maintenance fee collection procedure for D.H. & Associates. The way we've always done this is to allow the developer to pay his fees as he can, which sometimes means being a year or two behind. However, the fees always get paid. Though this has been discussed in the past, Dave just wanted to repeat it again. At the end of the year we tally up how many weeks D.H. owns then he gets his bill. This year it's over \$20,000. Dave pays on those fees all year.

When Dave got there, Bill was sometimes two or three years behind paying his fees. But they were eventually paid off. There have been times when Dave was behind too but they were always caught up eventually. Dave just wanted to let the board know that he's current on everything. He only owes what was billed on Dec. 31st. Sandy asked how many weeks Dave owns. He said about 120- 130 weeks. At one point he was down to about 70 weeks but with the recession he's gotten more weeks.

Dave said a developer's worst nightmare is that a secondary market will develop. A glut of timeshares on the market devalues what you are selling. He tries to keep that from happening by negotiating for units. He hopes that when the recession is over he's got good inventory and will be able to recover his money with a profit. This recession just keeps going on and on. Normally his bill would be about \$10,000 but this year is \$20,000.

Sandy asked if the bidding process has helped. Dave said all the homeowners were notified of the units available for bid but we only ended up with two bids and those were both for week 6 units. Dave is not in a position where he wants to buy the rest of those weeks. Dave said it's okay if MATA holds onto those units. He suspects there will be more on the horizon because we're in the middle of a foreclosure proceeding. MATA could end up owning 50 or 60 weeks before this recession is over. Even with this the association should be financially sound.

Dick asked about Dave being behind on his maintenance fees. Dave said there's never been a policy in place that addresses it. He just wants the board to be aware of the situation. Dave said that if the board feels there needs to be a policy in place he's open

to that. Patty said that it's worked well for the past 20 plus years and she didn't think we needed to make any changes. There were no motions and no further discussion.

MATA only received two bids for the weeks that were available. Both bids were for the two bedroom units during week 6. One bid was for \$400 and the other was for \$1,251. The board discussed both bids and agreed that it was in MATA's best interest to let both weeks go to the bidders. Sandy made a motion that the board accept both bids. Patty seconded. Motion carried unanimously.

Patty asked if any of the weeks ever get rented. Dave said yes, depending on the season and the weather.

Dick asked if Dave ever responded to the gentleman who had questions about a board member having the contract on the two wholly-owned MATA units at a high interest rate. Dave said he did research a lower interest rate but they wanted to shorten the time of the note and by the time we paid the fees etc. on the new contracts it wouldn't be worth it. Dave said this was discussed at the annual meeting so it was in the minutes which were mailed out to all the owners in December.

Dave said they need to confirm dates for the August board meeting. Since the August meeting is in Walla Walla, it's up to Sandy and Dorothy to decide what dates will work for them. Dave said he would prefer Aug. 5, 6 & 7. The September phone conference is scheduled for Sept 2nd to confirm the budget. The annual homeowner's meeting is scheduled for Saturday, October 18, 2003.

Dave asked if there were any other comments. No further comments from the board. Dick moved that the meeting be adjourned. Patty seconded. Meeting adjourned at 8:30 p.m.

Respectfully submitted,



Patty Hukari
Secretary