

**McCall Area Timeshare Association
Board Meeting
Boise, Idaho
April 16, 2010**

The McCall Area Timeshare Association Board of Directors meeting was held at The Homewood Inn & Suites in Boise, Idaho on April 16, 2010.

Present were Board Members Travis Leonard, David Holland, Spencer Koonz, Dick Brotherton, and Gary Turner.

Board President Travis Leonard convened the meeting at 10:20 a.m.

The minutes from the October 18, 2009 Board meeting were reviewed.

Dave Holland moved to approve the minutes as presented.

Gary Turner seconded the motion.

Motion carried unanimously.

Travis presented the 2009 audit figures. The letter from the auditor was briefly reviewed and Travis reported that the numbers have improved since last year's audit. Last year the Association was in the red \$42,462 and that figure is now down to \$7,900. Dave noted that Travis had been able to make up ground of nearly \$34,000. Travis explained that this was accomplished by holding tight on renovations and freezing of wages for last year. The Y Building was the only one left to put the new furniture in and he had done that, then held tight for the rest of the year. Dave noted that had it not been for special assessments and some other unforeseen expenses, the end figure would have been even better. Dave noted that the Association should be back in the black next year.

Dave pointed out revenues of \$16,000 in late fees and noted that collections seem to be exceptional given the current situation with the economy. Travis reported that there were 153 April Demand letters sent out this year compared to 168 last year and 154 the year before. The collection process and recent improvements to the units were briefly discussed.

Gary Turner moved to accept the audit for the year ending December 31, 2009 as presented.

Dave Holland seconded the motion.

Motion carried unanimously.

The next item of discussion was foreclosure of delinquent accounts. Travis and Dave explained that there is always a foreclosure process going on. There was some discussion on the process and how it has been handled through the years. It was noted that there has never really been a set schedule to handle the process and that sometimes multiple years have gone by without addressing foreclosures. Travis explained that he sat down with Brian McMahan to discuss the foreclosure issue and that he would like to finish one foreclosure and begin the next right away to avoid the problem of unpaid accounts accumulating years worth of balances before they are foreclosed. Dave Holland told the other Board members that Dick Brotherton had made a motion several years ago regarding staying ahead of problems rather than trying to catch up with them after they happen. This had virtually changed the way the Association did business and it has been a major improvement. He felt that foreclosures fit into this same idea. Travis noted that foreclosure takes approximately two years to complete, so he will probably start the next process as one is completed. He reported that there are currently 38 weeks in foreclosure process.

Dave Holland then addressed some discussion from a previous meeting regarding the possibility of the Board holding one of their meetings at another resort, perhaps on the Oregon or California coast. He stated that he felt that it would be a good idea to pursue this idea to give the Board a perspective on how other resorts operate and to give them all some ideas for the Aspens and Aspen Village.

Maintenance Fees were then briefly addressed and Travis stated that it seemed like there were fewer complaints about the increase for 2010 than there have been in previous years. It was felt that this was probably due in large part to the fact that owners have been able to see the improvements that have been made.

Travis also noted that he has taken 14 weeks back since December and that he currently has three more in process and two other weeks that will possibly be deeded back. Dave Holland noted that 15 to 20 deed backs per year is normal. There was brief discussion on how McCall seems to be doing with the economic situation and Travis stated that the economy doesn't seem to be manifesting itself at the resort. Purchase price and maintenance costs of other resorts were briefly discussed.

There was some additional discussion on foreclosure proceedings and Dave reported that some resorts begin foreclosure proceedings if fees are 90 days late. He felt that the Board needs to approve getting more aggressive with the foreclosure process but that the owners need to be informed that this is being done. Travis explained that Brian had indicated that it would be difficult to begin a new foreclosure process before one is finished and that he agreed and didn't feel that MATA could do foreclosures at 90 day delinquency. Dave explained that the foreclosure process actually starts when the attorney sends his final letter out. It was agreed that foreclosures will need to be done on a continuous basis and that owners should be informed that MATA will be taking a more aggressive approach.

Travis then addressed Annual Maintenance Fees. He noted that Maintenance Fees are due February 15th of each year, and that owners sometimes do not get their fees paid prior to the date of usage. Dave Holland explained that it is in the CC&R's that fees have to be paid before the unit is available for use. Travis asked if this could be put on the Brown Cards that are sent out to remind owners that they cannot specify use of their week until their fees are paid. Dave noted that this is a management issue and that Travis has the authority to set this up however he sees fit. Travis noted that he wants this included on the Brown Cards and will have that initiated.

Wireless Internet was then addressed. Travis explained that the air cards that he had previously gotten approval to try were not working. They have been given out, but over half of those using them have not been able to get them to work. Travis has had to do a lot of trouble shooting and sometimes they won't work at all. Travis noted the open space next to his office and previous discussion on setting up an office for owners to use. It was noted that the Sports Center does have wireless access, but that there is no printer for them to use to print boarding passes or public computers for them to check their email, etc. There was some discussion of setting up a small office in the upstairs area of the MATA office as was mentioned at the 2009 Annual Meeting as well as the costs associated with trying to set up wireless access in the units. It was the consensus that putting an office in the upstairs area could create some problems. Office interruptions and privacy issue concerns were discussed. Dave suggested that the vacant office space be used as a reception type area rather than setting it up as an office space for owners to

access computers. It was agreed that wireless access at the Sports Center should be adequate and it was unanimously decided that there should be no office area set up at the MATA office for owner and guest use.

Dave Holland then reported on the AVCOA financial report for 2009. He noted that AVCOA is in the best shape that he has ever seen it. Proactive maintenance and increased homeowners' fees were noted. He also reported that the peanut pool will be refurbished this year, roads and drainage have been addressed, and the Sports Club has been rebuilt and is doing very well. He noted that Tom Cottner is doing a great job and also stressed that AVCOA has done an excellent job of managing the village. There was brief discussion on up-coming projects and AVCOA cash reserves.

Dave also explained previous discussions and disagreements on common area issues. These issues have finally been ironed out and Dave noted that he did not want all of the work that has gone into reaching these agreements to be lost. An Aspen Village Board member book has been created and it contains the by-laws, amendments, general information, policies, contracts, etc. It has all of the information that a new member should know and will be passed on to new Board members as they come in. This will alleviate the problem of new Board members coming in and starting over with past disagreements. They have now been settled and are in writing in the book.

Travis then addressed recent improvements. He reported that all of the D and E units have been painted and have had new pictures put in them. There will be 84 unit chairs delivered within the next week or so and those will be put in the one bedroom units. The worst of the old chairs will be taken out of the units and the best of those remaining will be used in the two and three bedroom units until funds are available to replace them. Travis stated that he hopes to be able to paint the Y units and put new pictures in them toward the end of this year or the first of next year. Discussion followed on progression of improvements and plans for future up-grades. There was also brief discussion on common areas and past discussion of the possibility of an area for family barbecues. It was noted that this has to be taken up with AVCOA and is still being looked at. Brief discussion followed on ways to dispose of the old pictures and the bad chairs now being pulled from the units. Travis discussed replacing the vinyl in the units with laminate that looks like hardwood. He specifically discussed the hallways in the three bedroom units. He is going to try it in B-11 where the floor has buckled and needs to be replaced. If it works well, he will think about doing that in the other units in the future. Flooring and carpets will need to be replaced at some point and Travis will be working on these issues as he is able.

Travis then reported that he and Louise had sat down and discussed what they might be able to do to make owners and guests feel more welcome. He noted that nearly every hotel and resort provides shampoo, lotion, etc. Louise has purchased some baskets and will place one in each bathroom with a washcloth, shampoo, lotion and soaps. Cost of doing this was briefly discussed and Travis stated that he feels that it will be worth it. He also noted that there will be salt and pepper put in the units as well as Kleenex, which has not previously been provided. Travis also reported that he has been looking into replacing the towels and that it has been decided to switch the towels on the Aspen Village side from the green ones that have been there to white. Louise found an excellent deal on white towels and was able to purchase enough towels for all of the Aspen Village units plus a full turnover plus a few dozen extras for \$12 per dozen. Regular price of the towels was \$91 per dozen. It was noted that replacement of this many towels usually

costs \$9,000 or more and Louise was able to get them for around \$1,600. Brief discussion followed.

Gary Turner mentioned the previous discussion of the possible need for chimney replacement. Travis reported that the chimney cleaner has told him that the chimneys are fine at this time. It was noted that when they do need to be replaced, it will be MATA's responsibility. It has been determined that the chimneys do not fall under AVCOA responsibility.

Spencer Koonz asked about landscaping. Travis explained that outside maintenance is done by the year-round AVCOA maintenance crew. Spencer noted that he has heard some complaints about early morning noise from mowers and weed eaters. Dave noted that the maintenance crew is on a schedule and that they do have parameters with regard to starting times for maintenance.

Travis requested that the summer Board meeting in Walla Walla be changed from the third week in August to the second week, specifically the 9th, 10th and 11th. Discussion followed and it was unanimously agreed to change the meeting to these dates.

Wages were then addressed. Dave noted that many businesses in McCall have actually rolled back wages and workers have had to take cuts rather than lay-offs. Gary Turner stated that he did not think that wages should be reduced and made a motion that they not be reduced.

Dave Holland agreed and seconded the motion that wages not be reduced.
Motion carried.

After further discussion it was agreed that wages should be frozen again this year and that increases not be given. Dave noted that he felt that Louise needs to be able to offer increases for new housekeepers after they have worked for awhile and it was agreed that she should be able to do this within reason. Other than that, wages should remain at current levels for this year.

Dick Brotherton moved to freeze wages for another year.
Spencer Koonz seconded the motion. Motion carried.

There was some additional discussion on the economy.

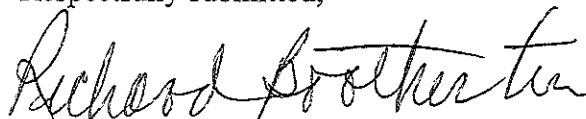
There were no further items brought up for discussion and Travis entertained a motion to adjourn the meeting.

Dave Holland so moved.

Gary Turner seconded the motion.

Motion carried unanimously and the meeting was adjourned by Travis Leonard at 12:10 p.m.

Respectfully submitted,


Richard Brotherton
Secretary