

**McCall Area Timeshare Association**  
**Board Meeting**  
**McCall, Idaho**  
**April 28, 2007**

The McCall Area Timeshare Association Board of Directors meeting was held in McCall, Idaho at Aspens Village Unit C-5 on April 28, 2007.

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

Dick Brotherton moved that the minutes of the October 14, 2006 Board meeting be approved as presented. Sandy Koonz seconded the motion. There was no further discussion on the minutes and they were unanimously approved.

Dick Brotherton asked about the visit of Jane Brown, representative of Interval International. Dave reviewed the visit and noted that Jane had suggested that M.A.T.A. not try to make Aspens & Aspens Village the kind of resort that it isn't. She stated that we shouldn't worry about things like marble countertops, but should instead concentrate on making the units look nice and keeping them well maintained. Aspens & Aspens Village is kind-of middle ground of where all the resorts are, and Jane had suggested that we strive to keep it toward the upper middle. She suggested that we not try to compete with the up-scale resorts where there are on-site restaurants and shopping, twenty-four hour maid service, etc. because that is not what we are. She told us that we are pretty much on track with what we are doing. Dick Brotherton mentioned the possibility of adding wireless service in the units. Dave explained that Aspens Village already has hot-spot capability, but that it is not a free service and is done through a company in town. Brief discussion followed on possible future internet cable service for the units and Dave explained that the person with whom he was working on this issue has sold his business and that he will have to look into other options. There was some further discussion on Jane Brown's visit, RCI's point system, changes happening in the McCall area and exchange capabilities.

Dick Brotherton questioned in-house exchanges and asked why there are now up-grade fees for in-house exchanges. Dave explained that there had not previously been up-grade fees for owners and that in-house exchanges had always been done according to what was available, but that he thought that Office Manager Linda Branstetter had interpreted the up-grade fees charged for up-grades during regular weeks and for exchange guests to also include up-grades for in-house exchanges. Dave noted that he would discuss this with Linda. Some problems with owners finding ways around policies were briefly discussed. It was noted that with the rental policy of only owners of record being able to get the owner rate, some owners have put numerous family members on title to get around this. Problems that are and will be arising out of this practice were briefly discussed.

Approval of the 2006 Annual Meeting Minutes was then addressed.

Travis Leonard moved to approve the Annual Meeting Minutes.

Sandy Koonz seconded the motion.

There was a call for questions. None were presented and the 2006 Annual Meeting Minutes were unanimously approved as presented.

Dave then addressed the 2006 Annual Audit. The audit letter was briefly discussed and Page 3 of the audit report was then reviewed. Dave explained the excess of revenues over expenditures figures and noted that after everything was said and done, M.A.T.A. was \$10,179 to the good for the year. He stated that he was extremely pleased with this and noted that a lot of items had been purchased for the units and we still came out this much to the good. This figure added to the figures from the year before put M.A.T.A. \$55,096 to the good. Dave explained the ups and downs of the end of year figures since the development began and noted that in all the years of operation, M.A.T.A. is now at the soundest financial basis that it has ever been. He also noted that we don't want huge reserves, but that we don't want to be in the red, either. He explained that he tries to target the black line, but that he also likes to have some reserves to help avoid special assessments. Dave further explained that the bottom line is that we started the current year out \$55,000 to the good before the budgeted money even comes into play. Now that the numbers have come in with the audit, we know what we have to spend on renovations and up-dates. Dave explained that the furniture that has been purchased for the one-bedroom units was paid out of the 2006 budget and that Travis would up-date the Board on plans for this year. Dave then turned the meeting over to Travis Leonard to discuss the plans for 2007 up-grades and renovations.

Travis reported that since January 1<sup>st</sup> washers and dryers have been installed in five of the three bedroom units. The new machines were discussed and it was noted that good quality items are being purchased for up-grades as we do them. There will be five more sets of washers and dryers coming for the remaining three bedroom units. The machines are being used by Housekeeping and Laundry to decrease the amount of washing at the Laundromat, and the machines are a convenience for owners and guests during their stays. Travis also reported that curved shower curtain rods have been ordered for all units, all locks on the unit doors will be replaced, recliners and couches for the three-bedroom units have been ordered, fridges have been replaced and all units will have new comforters and shams like those recently placed in the one-bedroom units. Mattresses have also been ordered to replace some of the older ones and to have some extras if needed. Travis also noted that the units will be repainted in the near future. Sliders in the one-bedroom units will also be replaced. The items that have been ordered should be in place before summer kicks in. After the summer season, it will be reviewed to see what is needed. Furniture in the two bedroom units should then be in line for replacement at that time. It was questioned if the sheets were being replaced and Dave reported that they have been ordered. Travis also reported on the recent up-grades to the D-7 unit. There was some discussion on replacement of water heaters and other items that are not as noticeable, but that have been and will continue to be done. Pro-active endeavors to keep ahead of maintenance and renovations were noted and briefly discussed. On-demand water heaters were discussed and it was noted that this option would be looked into. Dave noted that there is no plumbing available for the smaller units to have washers and dryers, but that it will be helpful to have them in the three bedroom units where the plumbing and space for them is available. There was some discussion on the condition of the table tops in the units. It was noted that some are not in really good shape, but that things will have to be addressed as they come up and as funds and time allow. Brief discussion followed on other renovation items, status of hearths and the possibility of getting some fireproof mats to put over the carpeting in front of the wood stoves, flooring possibilities, etc.

Dave then addressed the Sports Center. He showed the plans for the new building and discussed how the building will be set up. He noted that there will be one racquetball court instead of three, there will be a second story with an apartment for the Sports

Center Manager's residence, the swimming pool will be the same but will have a renovated deck and the Jacuzzi will be at the foot of the pool instead of to the side. Locker rooms will be larger, there will be a wet sauna, and everything will be up-dated and state of the art. It was questioned when the project is scheduled to be completed. Dave stated that the goal is to have it up and going by November of 2007. It was noted that it would be three years in November since the fire destroyed the Sports Center. The long litigation and disagreements about what should be done were briefly addressed. Dave stated that by the 2007 Annual Meeting things should be progressing and that the nicest thing is that there will be no special assessment for the Sports Center. Brief discussion followed and it was agreed that it will be nice to have the Sports Center back up and going.

Dave and Travis then addressed employee status and wages. Dave noted that he has been harping on this issue for the past several years. He explained some of the impacts that Tamarack & Whitetail have had on wages and employee availability. He stressed that employee wages are a major issue and that, at this time, we have pretty much caught up with what we pay in wages, but this is something that will require attention and up-dating on a continual basis. Dick Brotherton asked what M.A.T.A. is now paying its employees. Dave reported that wages range from starting wages of around \$8.00 per hour to around \$14.00 per hour for the longer term employees. Travis reviewed the averages for different types of businesses in the area and it was noted that what M.A.T.A is paying is now in the ballpark, but that it will have to be watched and adjusted as needed to get and keep employees. Cost of living was also briefly discussed, as were fractional ownership developments being built in the area and current timeshare costs, etc. Gary Turner asked if M.A.T.A. has the flexibility to adjust wages as needed. Dave acknowledged that we do have that flexibility and that we have to have it. Gary stated that he felt that we should adjust as needed since we do have that flexibility. Dave agreed that this had to be done and noted the expense and time involved in retraining and the problems with finding people to replace employees who leave.

Dave then noted that the RCI renewal has come in and explained that they automatically renew every six years. He stated that he was going to go ahead and let it renew and it was noted that approximately 30% of our occupancies are exchange guests. Brief discussion followed.

The next item of discussion was the schedule for the August Board meeting. Dave reminded the Board that the dates had been set for August 7<sup>th</sup>, 8<sup>th</sup> & 9<sup>th</sup>, but that he would like to change it to the 8<sup>th</sup>, 9<sup>th</sup> & 10<sup>th</sup>. The meeting is to be held at the Koonz residence in Walla Walla, Washington and Dave asked Sandy Koonz if this change would be acceptable. Sandy stated that he would check with Dorothy to make sure that there wouldn't be a problem. The meeting was tentatively set for August 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup>, providing this would be agreeable with Dorothy Koonz. Sandy will let the other Board members know as soon as he talks with Dorothy.

Dave then addressed the auditor's request that the Board discuss earthquake insurance. He noted that this is more an Aspen Village issue than a M.A.T.A. issue and stated that he would take this matter up with the Aspen Village Board. Brief discussion followed. Sandy Koonz moved that Dave discuss this with the Aspen Village Board to see if earthquake insurance is in place and that the Board proceed accordingly after that discussion.

Gary Turner seconded the motion. Call for questions. None were presented. Motion carried.

Sandy Koonz suggested that M.A.T.A. might consider buying a couple of trees to plant at the K-53 unit to make it a little more private. Brief discussion followed and Dave stated that he would talk to the Aspen Village grounds maintenance people to see if this would be possible.

Dave asked if there were any further questions or other business. It was noted that Travis has been a great help to Dave and to M.A.T.A. and he and Candice were thanked for their efforts. Dave thanked everyone for attending the meeting and for their service. There was brief discussion on the recent passing of former board member Bill Geisler.

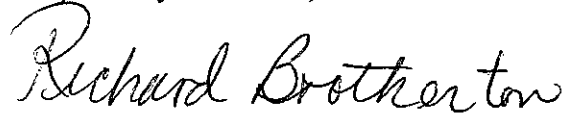
No further questions or items of discussion were brought up and Dave Holland entertained a motion to adjourn.

Sandy Koonz moved to adjourn the meeting.

Gary Turner seconded the motion.

Motion carried and the meeting adjourned at 11:45 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Richard Brotherton". The signature is written in dark ink and is positioned above the printed name.

Richard Brotherton, Secretary