

McCall Area Timeshare Association
Board of Directors Meeting
August 4, 1999

David K. Holland, President, called the meeting to order in Walla Walla, Washington at the home of Board member, Sandy Koonz. Board members in attendance were Dave Holland, Sandford Koonz, Richard Brotherton, Bill Geisler and Patty Hukari.

Dave Holland presented the members with a packet containing copies of the agenda, budget, and other papers for the meeting. Members were given time to read the minutes.

First item of business was the approval of the last Board meeting minutes. Dave Holland asked for any changes of the minutes. None were presented. Sandy Koonz moved the minutes be approved as read, seconded by Patty Hukari. Dave Holland called for a vote and minutes were approved unanimously as read.

Pending items from the last Board meeting were discussed. The first item was a letter written by Dave Holland to Randy Levitt, auditor, regarding MATA's Y2K compliance for the millenium. This letter contained a list of compliance items. (Companies are required to list what is being done for Y2K compliance.)

- 1: Heat for units – a wood supply has been ordered and is being delivered.
- 2: Blankets – 80 acrylic blankets have been purchased.

Sale of three MATA units to David Hanson has been completed as discussed at the previous Board meeting. The three units were sold for \$1500. This sale included 1999 maintenance fees and deposits to RCI for Mr. Hanson.

The vinyl replacement project has been completed except for K-53. That will be completed in the near future.

The computer Web site project has begun. Diana Moody attended a workshop and has begun the process of building a Web site for MATA. It will require a great deal of study and time to complete this project.

The safety gate and privacy screens project still needs to be completed. This will be done before the annual homeowner's meeting in October.

Sixteen mattresses have been replaced. One queen-sized box spring needs to be purchased. Other unit mattresses are being replaced on an 'as needed basis'.

Mirrors still need to be purchased for the units.

Permanent hangers have been purchased and installed.

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Jacuzzi renovation was begun by rebuilding the electric heating units. Stainless steel units have been installed which replace copper units that are subject to deterioration caused by the chemicals used in the water. The Jacuzzis operate continuously and are in need of constant repair due to heavy use.

The orange cleaning van needed a major overhaul. Dave Holland purchased a rebuilt engine and had it installed in the van. Cost was about \$1,200. The van should be operating for a time longer. Improving the appearance of the van was discussed. No decision was made on this improvement.

The Ford Ranger pick up truck was discussed. The truck seems to be too small for resort maintenance. Dave Holland presented the idea of trading the work truck in for a larger truck. Discussion followed. The majority of the members felt a four-wheeled drive truck was preferable if and when there is a change to a bigger truck. Placing a MATA logo on a replacement truck was discussed.

The election of a nominating committee of three people was proposed. Richard Brotherton and Patty Hukari have agreed to serve another term. Dave Holland moved that Kathy Borgholthaus, Barbara Farnam and Peggy Whitman be asked to serve on the nominating committee and report to the Board of Directors. Richard Brotherton seconded the motion. A document will be prepared for the nominating committee.

Blue Book account adjustments were presented regarding MATA units. No major changes have occurred since the last Board meeting except the sale to David Hanson. Dave Holland will bring the Blue Book to the next meeting for discussion.

Discussion was held about past due accounts. These accounts have been pushed hard for collection. This has upset some seniors who cannot use their units anymore because of their health or age. These folks usually do not understand the process and are on a fixed income. Nor do they understand the process of disposing of their units. Dave Holland discusses options with these owners in order to help them understand how to change ownership of these units.

Budget-to-Actual Report – January through June was next on the agenda. This report shows where the 1999 budget is as of June. Also included in the packet Dave gave to the Board members is the final audit report for 1998. A letter from Leavitt, Christensen & Co., CPA'S, states that the audit shows a clean bill of health for the Association. In addition, the settlement with AVCOA is complete for 1998. Dave Holland explained, at some length, how auditors show expenditures and deficits in the audit report.

Dave discussed page 2 of the actuary report. The reserve accounts show the beginning balance and ending balance in the reserve account for both Aspen and Aspen Village accounts. Dave discussed the assessments and the line-item assessment by AVCOA. He indicated that MATA will continue to build the reserve account to offset any

special assessment AVCOA may impose in order to get the Aspen Village back up to standard. MATA does not want to increase the homeowner's maintenance fees. By keeping the reserve account in good stead, this should protect MATA homeowners.

Dave stated that now that MATA knows the situation with the reserve accounts and AVCOA assessments, he will begin upgrading the units such as painting. He also stated that the Board needs to consider new carpet.

Dave complimented the entire MATA staff and discussed the good team effort they exhibit. Wages and override were a topic of discussion. Dave explained that MATA needs to compete with the large companies in town who are paying top wages in order to keep MATA'S staff during high peak wage periods in McCall.

Board members discussed the possibility of replacing Dave as developer and manager if there should be a mishap. Dave felt the existing staff could easily step in and continue successfully operating MATA. This discussion was held only as a protective measure in case there was a sudden change.

The next item on the agenda was setting a date for a phone conference to approve the year 2000 budget. Dave will prepare a budget and send it to the Board members prior to the phone conference that is tentatively scheduled for September 1, 1999. Dave will contact the members for a time.

Other items on the budget were discussed regarding expenditures, legal fees, AVCOA assessments, etc. A letter from AVCOA President, Bill Ditz was read and Board members expressed their concerns that complaints be addressed. Because there is a letter from Bill Ditz regarding these items, it is believed that AVCOA is now attempting to comply with the rules and regulations of the AVCOA by-laws. The AVCOA monthly assessments and capital improvement assessments are more in line with the AVCOA by-laws. Dave Holland has been appointed to the AVCOA Board of Directors, which is improving communication between AVCOA and MATA.

Because of improved communication and letters to Bill Ditz written by MATA's attorney, Brian McMahan, Mr. Ditz appears to understand the necessity of directing AVCOA's business according to the by-laws. Dave Holland has had phone conferences, and exchanged faxes and letters with Mr. Ditz and other AVCOA Board members regarding AVCOA's budget, expenditures and on-site management. These exchanges have resulted in a more positive attitude. The hope is that this positive dialog will persist and accountability, capital improvements and repairs will continue. As the agenda for the meeting was completed, Bill Geisler moved the meeting adjourn. Seconded by Richard Brotherton.

Respectfully submitted, Patty Hukari, Secretary

Patty Hukari