

**McCall Area Timeshare Association
Board Meeting
Walla Walla, WA
August 8, 2006**

The McCall Area Timeshare Association Board of Directors meeting was held in Walla Walla, Washington at the home of Sanford & Dorothy Koonz on August 8, 2006.

Present were Board Members David Holland, Dick Brotherton and Sandy Koonz. Board Member Travis Leonard was absent. Also present were Carol Holland, Dorothy Koonz and Donna Brotherton.

Dave Holland convened the meeting at 8:10 p.m. and welcomed those in attendance. He noted that quorum was present and asked that the minutes of the April 8, 2006 Board meeting be read and approved. After review of the minutes by the Board Members, Dave asked if there were any questions or comments. None were presented.

Sandy Koonz moved to approve the minutes.

Dick Brotherton seconded the motion. Motion carried.

Dave then reported that the M.A.T.A. accounts have been moved to Idaho First Bank as was previously approved, except for the savings account at U S Bank. The signature cards cannot be taken out of the bank for signature any longer, so Dave asked the other Board Members go into Idaho First Bank the next time that they are in McCall to sign to have their signatures on file. Discussion followed and it was noted that this could be taken care of when the Board Members are in McCall for the Annual Homeowners' meeting in October.

The next item of discussion was the washers and dryers that were previously approved for the three bedroom units. Travis Leonard has done some research and has reported that good upper end machines would cost approximately \$1,000. However, the dryers that he had looked at were gas dryers, which won't work for the units. Travis is going to look into electric dryers, and Dave stated that he thought that they could probably get the necessary equipment for around the \$1,000 per unit figure. It was noted that there are ten 3-bedroom units, nine at the Aspens and K-53 on the Aspen Village side. Discussion followed on the status of the laundromat at the Aspen Market. Dave reported that he has approached the owner of the market and laundromat to see if he would consider selling the laundromat portion of the business. The owner is trying to sell his business, but he was not sure that he would or could split the laundromat and retail businesses. Dave stated that this would be something to look at if the owner decides he can do it. It was noted that the machines to be purchased should be commercial models and that it will be helpful to have them in the 3-bedroom units.

Dave then addressed needed refrigerator replacements. There is money in the budget to start replacing them as needed. There was some discussion on the need to replace refrigerators before they completely quit. Replacement of the refrigerators will bring the appliances up to standard since the stoves and microwaves have all been replaced recently. Dave also stated the need to start furniture replacement between now and the end of this year. Brief discussion followed.

Dave reported that at the last meeting there were 150 delinquent accounts and that we are now down to about 36 delinquent accounts. The remaining accounts have been turned over to Brian McMahan and collection process has started with foreclosure to follow on all accounts not paid by the deadline. There was some discussion on account status and collection process.

The Budget to Actual Report was then reviewed. Dave reported that there is currently \$60,356.38 in one CD and that \$181,000 had been put into another CD to draw some interest until the money was needed later in the year. There is \$12,000 over at U S Bank and around \$30,000 in the General Account at Idaho First Bank. In a month or so, Dave will start drawing from the \$181,000 CD to start purchasing replacement appliances, furniture, etc. and for operation for the remainder of the year. Interest rates and items for which the money can and cannot be used were noted and discussed. Line items on the Budget to Actual Report were reviewed and briefly discussed. Firewood status for the units was also briefly addressed. There were no questions or concerns brought up with regard to the Budget to Actual Report and it was agreed that we seem to be on target.

Dave then reviewed the recently adopted pre-payment rental policy. He presented a letter from an owner who did not comply with the rental policy and was charged the non-owner rate. The owner had called to rent a unit and the key was picked up after hours, but the occupant did not come in to register as required. When the owner failed to come in the day after arrival to register, a note was placed on the door of the unit advising them that they needed to register and out-lining the consequences if they did not comply with the rental policy. They did not comply with the notice, left the keys in the drop box and departed without ever having registered. As directed by the Board and Management, they were charged the non-owner rate since the owner had never appeared at the office to verify that an owner of record was actually occupying the unit. The owner was notified about the extra charge and called to complain. Dave again reminded her of the rental policy. When she did not wish to accept that, he suggested that she write a letter to the Board of Directors and let them decide whether or not to over-rule the non-owner rental charge. After discussion it was agreed by all Board Members present that the policies have to be followed and that since they had been given ample notice and opportunity to fulfill the policy requirements, they should not be given a refund of the difference between the owner and non-owner rate as they were requesting.

Title issues, which were also addressed in the letters sent out to all owners in April of this year, were the next item of discussion. Dave explained the problem with titles

never having been changed over and children, grandchildren, friends, etc. of aging and deceased owners having used the timeshare weeks for years without getting the paperwork done to authorize them to use the weeks. These people call in wanting to make reservations for rentals, exchanges, etc. and we have had to get more forceful in getting this problem corrected. Dave explained that we are being more lenient this year to get things in process to get the title work up-dated, but that next year we will not be able to be lenient. When people call in, they are screened to make sure that they are owners of record and the policies and procedures are explained. If they are not owners of record, they cannot get the owner rate for rentals, we cannot release keys unless we have authorization from the owner of record, and they cannot make arrangements to bank or have us rent the unit. Dave stressed the importance of getting paperwork up-dated and explained our current process in attempting to get the needed up-dates done. It was noted that this has been done on a transitional basis. We are letting people get by this year, but they are being told that this is the last time that we will be able to do so. The No Pets and No Smoking policies were also discussed.

The Sports Center Settlement Report was then addressed. Dave reported that an agreement has finally been reached with the insurance company for \$2.7 million. The wording of the settlement agreement is still being negotiated and, out of the settlement amount, approximately \$200,000 will be spent for attorney fees. There will be about \$2.5 million to build the new sports facility. Architectural drawings and proposals were discussed and anticipated timelines were briefly addressed. Tentative plans for the facility were also discussed, including racquet ball court, Jacuzzi, pool, meeting room, multiple use room, etc. Ground breaking is anticipated around April of 2007 with completion anticipated in the fall of 2007. The passes now being provided to guests for Zims and Holiday Inn Express were noted and costs to date were discussed.

The Nominating Committee's Report was the next item of discussion. Dave noted that Travis Leonard and Richard Brotherton were elected to the Board for two year terms at last year's annual meeting and that the seat recently vacated by Marv Meacham needs to be filled. Sandy Koonz and Dave Holland are both up for re-election this year and both agreed to serve on the Board again for another two year term. Dave proposed that the Board extend an invitation to Kathy Borgholthaus to serve on the Board through the Nominating Committee to replace Marv Meacham until the annual meeting. He reported that he had not spoken with Kathy directly as she was ill when he called, but that he had spoken with her husband. Brief discussion followed.

Dave stated that he would contact Kathy Borgholthaus to extend the invitation to her to become a member of the Board of Directors. He also reminded the Board of the need to appoint a Nominating Committee to nominate Kathy Borgholthaus, Sanford Koonz and Dave Holland for two year terms. It was noted that Steve Walters, Peggy Whitman and Kathy Borgholthaus have previously served on the Nominating Committee. Other names mentioned were Lori Rorabaugh and David

Scheduling of the phone conference meeting to approve the budget for the coming year was then discussed. Dave noted that this is usually done the first part of September, but that it has to be moved up because Linda is going to be leaving on vacation. The mailing has to go out at least 30 days prior to the meeting, which is scheduled for October 14th this year. The mailing has to be out by September 14th, which will be during the time that Linda will be gone. Printing and mailing timelines were reviewed and Dave suggested that the phone conference be done on August 22nd to facilitate getting everything back from the printer in time to get the mailing out before Linda leaves on September 8th. Sandy Koonz moved to hold the telephone conference Board meeting on Tuesday, August 22, 2006 at 10:00 a.m. (MDST)

Richard Brotherton seconded the motion. Motion carried.

There were no further issues brought up for discussion and Dave Holland entertained a motion to adjourn the meeting.

Dick Brotherton thanked Sandy and Dorothy Koonz for their hospitality and moved to adjourn the meeting.

Sandy Koonz seconded the motion. Motion carried and the meeting was adjourned at 9:10 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Richard Brotherton". The signature is written in a cursive, slightly slanted style.

Richard Brotherton
Secretary