

**McCall Area Timeshare Association**  
**Board Meeting**  
**August 9, 2005**

Regular meeting of the McCall Area Timeshare Association Board was held on August 9, 2005 in Walla Walla, Washington.

Present were Board Members David Holland, Patty Hukari, Sandy Koonz and Richard Brotherton.

Also present were Carol Holland, Dorothy Koonz, and Donna Brotherton. Board Member Marv Meacham was absent.

The meeting was called to order by President David Holland.

First item of discussion was approval of the minutes of the April 19, 2005 meeting.

Patty Hukari moved to approve the minutes.

Sandy Koonz seconded the motion. Motion carried.

Dave Holland reported on the status of MATA owned units. Of the 29 MATA owned units, all but three have been sold. All of the weeks were un-billable weeks this year, but will be billable next year. The remaining units are all one bedroom units, one in Week 44 and two in Week 45. Dave noted that efforts will continue to sell the remaining units. He also explained that it is time again to start foreclosing on units again, but that the 29 units just discussed were accumulated over several years, so there won't be anywhere near that number again with the up-coming foreclosure process.

Dave then reported on the installation of handrails in the timeshare units. It has been a huge project due to the number of bathtubs in the units. There are 21 handrails remaining to be installed and it is hoped that the installation will be completed by the time the annual Board meeting.

An up-date on the Sports Club was then presented by Dave Holland and the letter from Kenneth Crown of Adjusters International was reviewed. Incidental expenses in the amount of \$8,517.94 were included in the amounts already reimbursed. The only incidental expense that has not been reimbursed at this time is approximately \$1,400 to put people up for the night of the fire. Dave felt sure that Aspen Village would reimburse MATA for those expenses, but it had to be taken care of at an AVCOA Board meeting. Now that the insurance has declined paying it, Aspen Village will discuss reimbursement. Dave explained that people were evacuated, many had children, and that something had to be done to accommodate them. Dave put the charges on his MATA credit card to get everyone taken care of.

According to the letter it looks like there will hopefully be a settlement conference scheduled within the next few weeks. Kenneth Crown is a settlement specialist who was hired by the Aspen Village Board. His record and compensation were briefly discussed and Dave reported that the Aspen Village Board had negotiated and agreement was

reached that Mr. Crown's compensation will be 7.5% of whatever he is able to collect. His normal fee is around 10%.

Clean-up of the Sports Club is on-going. Dave explained that everything has to be separated before it is hauled away, so it is taking a long time to complete the clean-up. Parts of the building and foundation that may still be usable are still being looked at and there are on-going checks and tests to determine what can and cannot be re-used. It will be necessary to design a new facility over the foot-print of what remains, then expand it or do something different. The pool area was briefly discussed, as were the underground pipes to the utility room, etc. Surveys have been distributed to the homeowners and are being reviewed. Dave filled out the survey for MATA according to past records of timeshare owner use. The pool was the number one priority for both timeshare and private unit owners and will obviously be an integral part of whatever is done. Dave also discussed construction costs, which have risen dramatically between the time the Sports Club burned and now. This is part of the argument, so it is not known what amount will be decided upon or how much legal expense will have been incurred by the time it is all settled. Dave suggested the possibility of a special assessment being needed to build what was there before. Another option would be to settle for something less. He explained the problems with differences in figures for replacement costs and what Continental has paid, as well as the on-going errors and omissions insurance dispute. This is all done internally. Once that is settled, they will all go against the insurer for the private unit complex where the fire started. Dave noted that the contractor/developer was underinsured, but that he has assets. It will be a long process to get everything settled and there is no definite date for rebuilding at this time. Annual budgeting for the nine units at the Aspens was briefly discussed, as were costs for the swim passes being provided to owners and guests. During the winter months, charges for use of the facilities at Zim's and the Holiday Inn Express ran around \$900 per month. This is approximately \$200 per month more than what it usually costs for the Sports Club. It has gone down during the summer months while guests are using the outdoor pools, so that line item is still within budget.

Insurance and recent findings by an attorney that Aspen Village should take the responsibility of insuring the entirety of everything inside and outside all 158 of the condos in the Aspens Village were then addressed. The MATA premium to Aspen Village may go up, but the current premium for insuring the interiors of the timeshare units will be negated. The new policy will cover everything, which will alleviate any future problems about who is responsible for what. Dave estimated that it would take approximately a year and a half to get everything situated, but they are heading in that direction.

The Budget to Actual Report was the next item of discussion. Dave reported that, as it stands now, if we were to stop half way through the year, we would be in very good shape. Many of the new TV's that have been put in the timeshare units were purchased with 2004 budget money, and MATA is in good shape with the current budget. Dave expressed his reluctance to spend a lot of money at this time due to the Sports Club issue, and stated that he does not want to have to resort to a special assessment if it can be

avoided. As it gets closer to the end of the year, he may feel better about spending some money. Several new mattresses have been purchased and the old mattresses are being replaced as needed. Dave noted that 12 new TV's are needed for the one-bedroom units, but that the large ones recently purchased for the two and three bedroom units are too large for the smaller units. He discussed the possibility of plasma TV's. It was noted that they are expensive, but that since there are only 12 needed, it might still be an option.

Dave reported that \$4,500 was budgeted for Office Expenses and that expenditures for that line item is at \$8,000. He ran a report to see why it was so high and found that more than half of that amount is Merchant Account Billings. He explained that people are paying virtually everything by credit card. MATA gets charged 3% on every credit card transaction. The monthly breakdowns of the Merchant Account Billings charges were discussed, as were late fees collections. It was noted that there isn't anything that can be done about the charges if MATA wants to continue to offer the convenience of paying by credit card. Other increases, including property taxes, fuel and utility costs, etc. were also addressed and briefly discussed. The importance of keeping a buffer for unexpected expenses was noted. There were no further questions or comments with regard to the Budget to Actual Report.

Dave then reported on the recent lighting up-grade in the three bedroom units. New fans with lights have been installed, as well as new fixtures in the bedrooms and hallways. The cost of the up-grade for each unit was approximately \$350, so all ten units were up-graded with the new lighting for \$3,500. The fans came with remotes, but Dave had them install the switches on the wall instead.

Dave reported that there had been problems with the newly installed microwaves overheating and shutting off. The warranty repairman had been called in and had informed Dave that the microwaves should not be direct wired. He had explained that the way they were wired was a fire hazard and that they needed to be re-done. The electrician had then been called in and all of the timeshare units have now been rewired to junction boxes to meet code. AVCOA subsequently notified all of the private owners that they need to have their wiring inspected, as well. Dave noted that the re-wiring cost approximately \$3,500 to complete, but that the microwaves are now wired correctly.

Employee Insurance was the next item of discussion. Dave reported that the full-time employee insurance coverage increases approved at the last meeting are now in place and that the affected employees are very happy with it. He then addressed AFLAC accident insurance. The premium is approximately \$20 - \$30 per month per employee. Dave explained that he has some employees whom he would like to cover with the AFLAC accident insurance and noted that employees would have to be with MATA for six months before they would qualify for coverage. It would cost approximately \$1800 per year to provide the coverage for the current employees who have been employed for six months or more.

Richard Brotherton moved that MATA provide accident insurance for employees working at least six months.

Patty Hukari seconded the motion. Motion carried.

The Nominating Committee for the 2005 Annual Meeting was then discussed. Patty Hukari has decided to retire from the Board. Richard Brotherton stated that he would serve again. Patty Hukari was thanked for her service on the Board and past meetings at her home were briefly discussed. It was noted that Patty's retirement from the Board would leave one vacancy. Patty Hukari stated that she would like to see a female member appointed. It was agreed that there should be at least one woman on the Board and Dave Holland stated that he would do all he could to make sure that happened. Dave reported that he had spoken with Kathy Borgholthaus, and that she would be around for the next couple of weeks and would sign as a nominating committee person if he needed her to do so. The Board needs to nominate the nominating committee. Dave noted that Steve Walters and Peggy Whitman have been used in the past. Dave agreed that there should be a lady on the Board, and explained that he would also like to get his son-in-law on the Board sometime in the future. Travis and Candice will be moving to McCall in the next year or so and will assume the on-site managers duties. The current on-site managers were briefly discussed and Dave's expectations for Travis's future on-site manager duties were out-lined. Brief discussion followed.

It was moved and seconded that Steve Walters, Peggy Whitman and Kathy Borgholthaus serve as the Nominating Committee. Motion carried.

The collections report was then addressed. Dave reported that we have been doing fairly well. The letter recently sent by Ben Weiderkehr, who has been an owner for the past 20 years, was reviewed. Mr. Weiderkehr, as well as everyone else who had not paid their maintenance fees by the deadline, was referred to the attorney for collections. He explained the process that MATA follows for collections referral and noted that Mr. Weiderkehr had denied having received the April demand letter. Dave had asked him to write a letter to the Board for their review, which he had done. Dave explained Mr. Weiderkehr's circumstances and felt that the maintenance fees would be paid. He recommended that the Board accept Mr. Weiderkehr's request and proposal and asked that the late and legal fees be waived.

Patty Hukari moved to accept the proposal to forgive the late and legal fees for Ben Weiderkehr.

Sandy Koonz seconded the motion. Motion carried.

Scheduling of the phone conference Board Meeting was then addressed. Dave noted that the conference had to be done to enable him to get everything to the printer. Possible dates and times were discussed. The phone conference was to have been on September 2, 2005, but there were some problems with that date. It was decided that the phone conference should be moved up to August 31, 2005 with the Annual Homeowners meeting to be held on October 8, 2005.

Dave reported that one of the cleaners ran into a parked vehicle in the orange van over the weekend. There was brief discussion on the condition of the vans and Dave noted that he is looking at a replacement and hopes to be able to get it for around \$3000.

Dave reported that he will be running for office again next year. He also briefly noted that he will be moving forward on some of the things around the resort, including the TV's and blenders for the units. Brief discussion followed.

Diana Moody's name was discussed as a possible Board member. All agreed that she would be great. Dave Holland is to contact Diana to see if she would serve.

There being no further business the meeting was adjourned.

Respectfully submitted,

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

Patty Hukari, Secretary