

**McCall Area Timeshare Association
Board Meeting
Walla Walla, Washington
August 10, 2010**

The McCall Area Timeshare Association Board of Directors meeting was held at The Hampton Inn in Walla Walla, Washington on August 10, 2010.

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

Board President Travis Leonard convened the meeting at 9:00 p.m.

The minutes from the April 16, 2010 Board meeting were reviewed.

Gary Turner asked if the Salt & Peppers being provided in the units now are the throw-away type. Travis stated that they are. Brief discussion followed.

Dave Holland moved to approve the minutes as presented.

Spencer Koonz seconded the motion.

Motion carried unanimously.

Travis then addressed issues for the up-coming Annual Meeting. He reported that Dave Holland, Gary Turner and Spencer Koonz are up for re-election and have all agreed to serve another term. Travis also reported that owners Kathy Borgholthaus, Larry Craig and Danielle Hill have agreed to serve on this year's Nominating Committee and that the Committee needed to be appointed by the Board at this meeting. Brief discussion followed.

Dave Holland moved to appoint Kathy Borgholthaus, Larry Craig and Danielle Hill as the Nominating Committee.

Dick Brotherton seconded the motion. Motion carried unanimously.

Travis then reported that he has gone over the 2011 Budget with Rick Lamm and presented the proposed budget for Board review. The 2010 budget was provided to the Board members for comparison. Current employee status was briefly discussed and it was noted that there are currently a lot of employees, but that the Housekeepers are working only a few hours a week so the payroll figures are still within budget. Travis explained that property taxes and insurance figures were increased for 2011, as was the amount for legal and accounting. Electricity figure has been reduced because it has been over-budgeted in the past. Nominal Maintenance Fee increases and other line item figures were discussed.

Dave Holland moved to accept the 2011 Budget as presented.

Gary Turner seconded the motion. Motion carried unanimously.

Travis asked for any questions or comments regarding the budget. Dave recommended that Travis keep an eye on the Budget to Actual figures in the next year. No other questions or comments with regard to the budget were presented.

Travis reported that Doug Moore (AVCOA Maintenance Supervisor) has brought to his attention that the Jacuzzi Room roof at the Y Building is in bad shape. This was recently discovered while the Y Building was being painted. Travis noted that the E Building Jacuzzi has not been checked, but that he assumes that it will probably be in the same shape. Travis showed pictures of the damage in the Y Jacuzzi building to the Board members and it was noted that the years of use, snow load and moisture has taken its toll on the Jacuzzi buildings. Discussion followed and it was noted that just re-doing the roof

would probably cost at least \$10,000 or more and that with the damage showing in the roof, the walls are most likely also in the same shape. It was noted that there is no moisture barrier and that the ventilation system has not been working for some time. Dave Holland suggested that rebuilding the Jacuzzi rooms entirely should be considered. Discussion followed on having design, specifications & bid process done to completely rebuild the Jacuzzi rooms. It was noted that this could cost \$100,000 or more, but that it is something that has to be considered. Dave suggested that this be discussed at the Annual Meeting and that pictures be shown to the owners who attend the meeting. It was noted that the structure is currently sound for use, but that it will need to be watched with the snow load this winter. It was noted that they really couldn't start rebuilding until next Spring and that the Jacuzzis may have to be closed for the summer. Paying for the replacement was then discussed. Dave suggested that the regular budget not be used for Jacuzzi replacement and that a Supplemental Assessment be done for that purpose. Spencer Koonz asked if there were any other projects that could be pulled to pay for the Jacuzzi replacements to avoid the need for a supplemental assessment. Dave suggested that renovations remain fully funded for unit improvements. Supplemental Assessment process and possible costs per timeshare owner were discussed. It was noted that the Board is obligated to retain the Jacuzzis because they were an amenity when the timeshares were sold. Doing away with the Jacuzzis is not an option. Lengthy discussion followed on several issues with regard to the Jacuzzi rooms and it was decided that an engineer and an architect will need to be contacted as a first step. Dave suggested that Ed Hershberger be contacted for suggestions of someone to contact to try to determine what replacement of the Jacuzzis might cost.

Dave Holland moved to authorize Travis to proceed with getting information on the proposed Jacuzzi replacement project for presentation to the owners at the Annual Meeting for the probable Supplemental Assessment.

Gary Turner seconded the motion.

Motion carried unanimously.

Dave stated and the Board agreed that Travis has the authority to proceed with whatever is necessary to get this project done.

Travis briefly addressed the future need for budgeting for website set-up and maintenance. The current website needs an overhaul, but it is going to cost to do it. Brief discussion followed and it was agreed that Travis will do some checking on costs and processes. Some options were briefly addressed.

Travis reported that most of the units on the Aspen Village side have been painted and have had the pictures replaced and that all of the units have had the thermostats moved back up to the walls rather than them being on the baseboards. The Y Building and K-53 still need interior painting on the Aspen Village side. AVCOA had exterior painting done this summer which included the Y Building and K-53. Travis also noted that he has replaced all of the dining room chairs in the one bedroom units. The worst of the old chairs have been discarded and the better ones have been recycled to the remaining units. This has resulted in fewer complaints about the chairs. Travis noted that carpeting is going to need to be replaced within the next couple of years. He reported on the replacement of the flooring in B-11 after the unit was recently flooded and asked that the other Board members look at that unit when they are in McCall for their opinion on doing the same thing in the other three bedroom units as flooring is replaced. Travis reported that the office staff has been collecting email addresses and that he estimates that around 500 email addresses have been collected. The need to find someone to print Control Boards was also briefly discussed.

The Annual Meeting and the telephone conference meeting were discussed. It was agreed that a dinner meeting in the Boise area might be better than trying to do the meeting by phone. Next year's meetings will be scheduled at the October Board meeting and it will be decided how best to accommodate the four meeting requirement in the future.

Previous discussion of the possibility of the Board traveling to another resort to see how others operate was brought up and discussion followed. ARDA conferences were addressed as one possibility and it was noted that one of the four Board meetings could be held at the same time. Travis stated that this is currently not in the budget, but that it could be included in future years. RCI and II representatives have recommended to Travis that he consider attending a conference or traveling to another resort and it was noted that this would be both helpful and educational for the Board to see firsthand how other resorts operate.

Wireless access was discussed and Travis noted that it is cost prohibitive for MATA to get wireless access at this time. Access is available at the Sports Center and that is working out fairly well for now. The meeting room in the upstairs office was briefly discussed.

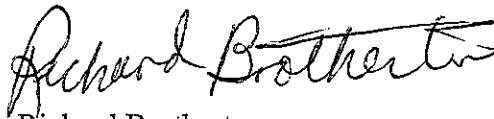
Travis stated that he will schedule the fourth meeting for sometime in September in the Valley. He will contact the other Board members to get this finalized according to their schedules. It was noted that Spencer Koonz will not be able to attend the September meeting due to distance and that he will be in Hawaii when the Annual Meeting is held. Attendance by the other Board members at these meetings will constitute quorum.

There were no further items brought up for discussion and Dave Holland moved to adjourn the meeting.

Dick Brotherton seconded the motion.

Motion carried unanimously and Travis Leonard adjourned the meeting at 10:10 p.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 and title.

Richard Brotherton
Secretary