

Board Meeting Minutes
August 12, 2003
Walla Walla, WA

Dave Holland called the meeting to order at the home of Sandy and Dorothy Koonz at approximately 7:50 pm. All board members were present. Dave thanked them for making the effort to attend.

Dave asked the board if there were any changes to the minutes from the April 15, 2003 board meeting. No changes were thought necessary. Patty made a motion to accept the minutes as written. Sandy seconded. Motion approved unanimously.

Next item was the budget review. Dave reminded the board that the last audit was very good. He proceeded to give a status report on certain items on the budget.

For example, the carpet and renovation line item was budgeted at \$30,000. The actual price to re-carpet the three-bedroom units was \$31,332, which is really close. Carpeting the two bedroom units will cost much more; in fact, Dave estimates it will cost close to \$45,000.

We do have some money in the reserve accounts and we'll be in positive territory there. Dave said he does not want to increase the amount of the carpet and renovation line item to \$45,000 because that would drastically increase our maintenance fees. He thought taking some out the reserves and then increasing that line item amount to \$36,000 might be a good way to approach it. That would be about a \$3 increase for the homeowners for that line item. If we raise it to \$36,000 we'll have that extra money available in the future to cover replacing the furniture and other much-needed items like appliances. Dave asked for comments from the board. He said we still have sixteen two-bedroom units to carpet and vinyl. Patty asked if it was still the plan to replace the carpet in the dining area with vinyl. Dave said yes, but that means we'll have to replace the sub-floor in the dining area to bring it up to the level of the carpet in the living room.

Dave stated that we're on target for salaries and wages. July and August are our peak months for employee hours. Housekeeping hours go way up in the summer because of the extra laundry and the mid-week cleanings. Even with that, we're still in good shape.

We're over budget on the firewood but Dave wants to fill all the garages as much as possible. He has a good source for firewood so he's getting as much as possible right now. There's always the possibility we won't be able to get any wood if the forests close due to fires. Dave reminisced about the years we were low on firewood and had to move it around from condo to condo in the back of pickup trucks. He also said it's entirely possible that some time in the future we may have to look at converting the woodstoves to gas. Dick asked where we're buying wood. Dave said we're buying some from the Boy Scouts and some from Marty Coulter's son, Cody. We're paying \$125 per cord which is cut, split and stacked in the garages.

This summer in D-7 we had a toilet seal break in one of the upstairs bathrooms. The water leaked down through the sheetrock and into the kitchen below and made a huge mess. It was quite an ordeal. We repaired the sheetrock, steam-cleaned the carpet and got everything cleaned up. *The very next week the same thing happened.* We had a little 80-year old lady in the unit who had exchanged into the resort. She checked in on Monday and that night the toilet plugged up, though she swears she didn't use that back bathroom. When it started to overflow she closed the door and walked away. When she woke up on Tuesday morning she was walking in water and the kitchen ceiling had caved in. Dave said all he had to do was use the toilet plunger to unplug the toilet.

Since we didn't have another two-bedroom unit to move her into and she wouldn't accept a one-bedroom unit, we had to rent a room for her and her guests at the Holiday Inn Express, as per our bylaws and declarations. Within 72 hours we had the sheetrock repaired, textured and painted, the carpet pulled back, dried and cleaned and the unit completely cleaned. Then she didn't want to move back. Her daughter complained that she had Lupus and couldn't be exposed to spores etc. but Dave told her we were through paying for the room and he had notified the front desk to that effect. Dick asked if they were happy once they moved back. Dave said we didn't hear anything from them the rest of the week but that a couple of weeks ago he received a letter from her thanking us for all our efforts. Dick asked if D-7 was nicer than the Holiday Inn but Dave said no, the Holiday Inn Express is brand new, top-of-the-line accommodations.

Dave asked if the board members had any questions about the budget-to-actual report. No questions arose. Dave wanted to know how they felt about a possible three dollar per week raise in the maintenance fees.

Dave wanted to discuss title transfer fees. It seems that it's standard practice throughout the industry and he thinks it's a good idea for us to adopt such a fee. Dave said we don't prepare deeds anymore but the title transfer fee would cover our time to change all our records. In fact, the other day he quoted someone \$55 for the title transfer fee. We could pick up an extra \$500-\$600 a year. The board briefly discussed transfer fees and decided it was a good idea. Sandy made a motion that we adopt the \$55 transfer fee; Bill seconded. Motion carried.

As more people move into the area it "raises the mark" as far as services go. One of Dave's assignments was to research benefits packages, insurance, etc. for the employees. He told the board he's purchased Life-Flight memberships for Diana and her husband, Louise and her husband and for Cindy, since they're our key employees. It's \$50 per year for the whole family. He believes it covers them in all of Idaho, northern California, Oregon and northern Utah. Patty said she and Norm have Life-Flight. Discussion ensued about the benefits of a Life-Flight membership. Dave said they have co-operative agreements with other Life-Flight programs. We have the applications on our front counter and we encourage all our homeowners to purchase a membership since many of them travel Highway 55 to get to McCall.

Dave has also been looking into some other kinds of insurance for the employees. For example, one is called accident insurance for loss of income. If they get hurt and lose their income it pays them a certain amount while they're in the hospital, more if they're in intensive care. When they're released from the hospital they also collect benefits. For \$16 per month it will fit right into the budget. Dick asked if this is Combined Insurance and Dave said it is. For around \$600 a year we can cover the key employees. Dick made a

motion that we provide this accident insurance; Bill seconded. Motion carried. Dave said he would like to offer this insurance to some of the other employees on a fifty-fifty arrangement. It would be taken out of their paychecks as a deduction. Dave said we can add this to the motion.

Dave also looked into term insurance. He just bought term insurance for Travis and Candice for \$20 per month. He said the insurance salesman told him that insurance has become so competitive that you're just paying for the insurance and not a lot of commissions, etc. He will get some prices before the next board meeting. Dave reminded the board that there's a key man insurance policy on him in case anything should happen to him.

Dave reviewed the progress on the French door installations. He said we've slowed way down on that project. The "W" building is in most need of new doors since they replaced the roof and the building has finished settling. As soon as the contractor can get to it, he'll be ordering and installing those doors which cost about \$1,000 for each unit. They're not only attractive but add security to the units.

Dave brought the board up to date on the progress of replacing of the Formica on the countertops in the three-bedroom units. He said it will cost approximately \$4,800 to complete the job. We've done the one that absolutely had to be done but there are nine units more to go. As we get closer to the end of the year we will complete the countertop replacement. Patty asked if the other units will be done. Dave said the kitchen countertops in the one-bedroom units are done but the bathroom countertops still need to be replaced.

Dave said the box frames for the beds are wonderful. They make it so much easier to make the beds because you don't have to bend over so far. In addition, you don't have to clean under them.

Dave commented that the new carpet color is working well. It doesn't show stains as much and they clean up well. The only problem is if it gets snagged it will start unraveling. The installer showed Dave how to repair snags with a glue gun.

Dave mentioned that the pool table in D-7 is over twenty years old. Sandy asked if Dave wanted to remove it but Dave said he wants to find a replacement, probably a good used pool table. People really enjoy that feature in the unit.

Dave said that recently a baseboard heater went up in flames. Luckily, there was someone in the condo at the time. Dave said it just got old and shorted out. We're in the process of inspecting all the baseboard heaters and thermostats and replacing all baseboards and thermostats that need it and wiring them differently. They used to have 110 volts going to them all the time, then when they were turned on another 110 volts would go through to give you 220 for heat. Apparently, on this one the resistor was faulty so it had 220 volts to it all the time. We're taking the thermostats off the wall and putting it right on the heater. It's much safer this way. Right now we're focusing on the three-bedroom units but will do the same in all the units.

Aspen Village has replaced the tile roof on the storage building so that completes the re-roofing project. We've had a leaky roof over the E-building Jacuzzi for a while now. Dave asked the roofer to stop by and repair the roof; unfortunately, he showed up at 7 a.m. and really disturbed some exchange people.

The tennis courts at Aspen Village are being resurfaced this week and they look great. The common area behind the "W" building has been leveled and the boulders removed. It looks a lot better. They discovered an ant problem under the "Y" building this summer while they were preparing to paint so they hired an exterminator to spray. They had to replace a lot of the siding around the bottom because the ants had been eating it. They've also poured asphalt under the dumpsters and built barriers around them.

All the asphalt in The Aspens will be replaced the week after Labor Day. We've already paid our portion of the assessment.

The owner of the Aspen Market finally fixed all the broken siding and painted the whole thing. It's a great improvement. Dave said it's a light tan color with burgundy trim.

Dave has been thinking about providing irons and ironing boards for all the three-bedroom units. They have the nice storage area so it's a convenient place to store them. He said the one and two bedroom units don't have enough room in the storage closet to store them. We keep irons and ironing boards at the office for guests to check out. Since the three-bedrooms are so far away, having the iron and ironing boards in the units will make it easier for them.

Dick asked about the reference in the minutes that RCI had given us a 5-star rating. Dave said it wasn't RCI that gave us the good rating but rather the exchange people. Dave shared a recent RCI comment card with the board that wasn't as complimentary as the previous one. For instance, one person wrote that the placemats were dirty and they wondered about the rest of the condo. A second one thought the furniture was old and in poor repair and a third said the resort was old and rundown and that RCI should find a newer property. Dick commented that the resort is twenty-three years old. Patty thinks the resort is a good reflection of McCall. When we get the furniture updated it will be even better.

Dave has been out looking for new pictures and art for the condos. Some of the pictures have disappeared or broken over the years. Dave showed the board examples of some watercolors he likes. He passed them around for their comments. He said he really likes the one with the red pickup driving down 3rd street. The board agreed.

Dave asked the board how they feel about sending him to training seminars sponsored by the exchange companies. He said the cost runs about \$175 to \$200. When the seminars are held in Las Vegas he can stay with his Mom so the costs would be minimal. Dave said he spoke with the manager at The Kimball a month ago and he said those seminars are really helpful. Sandy made a motion that the association send Dave or Diana to some of the seminars. Dick seconded. Motion carried.

Dave showed the board a picture of the new Manchester Ice and Event Centre. He said it's open now for indoor ice skating and hockey. Mr. Manchester donated \$600,000 to the ice rink so he got naming rights. It's a wonderful addition to downtown McCall.

Dick asked about the Shore Lodge. It's now called Whitetail but he's not sure if Mr. Manchester is still part owner. Dave said no one really know what's going on there.

Hal Sager just bought the development area between us and AmeriGas. Jody Becker and Roger Anderson are back in the picture. Roger foreclosed on Chuck Jones for the "P" building which is up on the end going out on Fairway. The AVCOA president has been interfacing with these guys because the association is going to require them to pay for all the hookups and landscaping etc.

Patty Hukari and Dick Brotherton are up for election this year. Dave asked them both if they would be willing to serve another term and they both agreed.

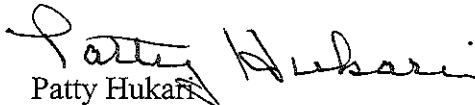
The board also needed to decide on people to serve on the nominating committee. Dave nominated Peggy Whitman, Dick Brotherton nominated Kathy Borgholthaus and Sandy nominated Steve Walters. The board approved the nominations unanimously.

Finally, the board scheduled the phone conference call for September 2nd. Patty said she would not be available that day but the other board members said they would be. Patty will contact Dave when she's back. The annual homeowner's meeting is scheduled for Saturday, October 18th.

Dick thanked Sandy and Dorothy Koonz for their wonderful hospitality.

Dick made a motion to adjourn the meeting. Bill seconded. Motion carried. Meeting adjourned at approximately 8:30 pm.

Respectfully submitted,


Patty Hukari
Secretary