

McCall Area Timeshare Association
Board Meeting
August 19, 1998

The Board Meeting of the McCall Area Timeshare Association was called to order at 8:45 p.m. at Sandy Koonz' home. Board members were present as follows: Bill Geisler, Sandy Koonz, Dick Brotherton, Patti Hukari, David Holland. Members were welcomed and given an agenda of the meeting. Dave asked if all members had had time to read the minutes of April 14, 1998.

Dave called for questions on the minutes so that all items are covered in the discussion. Bill Geisler asked if the dishes were given to charity. The dishes were given to WICAP which is a local charity organization. They were very grateful. Bill Geisler asked if the wall hangings had been sold. Dave replied that they have not been sold as of yet, but are bagged and in storage waiting for time to accomplish this task. No replacements were purchased for the 1 bedroom units because there is no need to replace them. Patti Hukari is investigating replacements for the 2 bedroom units. Dave reported that the new window blinds are in place in the 1 bedroom units. He also reported that there is a need to do some sheetrock work and painting because removal of the old blinds left unsightly marks on the walls. Dave also reported that there is water damage in some of the units because of the ice and rain and a bill is being submitted to the Aspen Village Condominium Association to be worked out for payment of damages. After the discussion Sandy Koonz moved to approve the minutes as read. Dick Brotherton seconded.

Dick Brotherton inquired as to the progress in finding information regarding enclosing the loft bedroom to make it private. David reported that he had talked to the McCall building inspector. There is not a problem in enclosing the 2 and 3 bedroom lofts. David will give a report at the annual meeting. Dave has polled some of the homeowners and received mixed opinions. One of the reasons to enclose the lofts is so RCI will consider the units as 2 & 3 bedroom for exchanges. Discussion was held on the pros and cons of enclosing the bedrooms. No decision was reached.

Sandy Koonz inquired as to purchase of dishwashers. They were purchased at the price of \$275. They are installed in the 1 bedroom units.

Dave presented his views of the need for a computer for the office. The year 2000 will present problems in record keeping because of the existing obsolete equipment. His opinion is that MATA will find the need to upgrade because of the association with world wide exchange organizations. Also MATA'S CPA has informed Dave that we need to upgrade the accounting program. The office computer is not able to accommodate the upgrade. Discussion followed regarding upgrading and getting onto the internet. A motion was made by Dick Brotherton to purchase a computer before the year 2000 begins. Motion was seconded by Patti Hukari. Motion passed. It was suggested that funds can be used from the depreciation account which has been allowed in the budget. Dave has been directed to look into joining the internet service.

Dave confirmed the annual homeowner's annual meeting will be held October 17, 1998 at the Sports Club in McCall. Dave will confirm that the Sports Club will be available for the meeting. Dick Brotherton will be in charge of serving coffee and doughnuts.

The appointment of a committee to nominate re-election of expiring terms of David Holland, Corman Geisler and Sandford Koonz was discussed. The nominating committee was appointed by Board members as follows: Peggy Whitman, Ab Borgholthaus, Barbara Farnham. Patti Hukari will send documents to each nominee for signature. It was moved and seconded to appoint the above named as the nominating committee..

A restrictive reserve account has been set up for the Aspen Village units and the Aspens units at Washington Federal Savings and Loan. Signature cards were signed by all Board members for these two accounts.

Dave reported that communication with the Aspen Homeowners Association has always been very positive and supportive. The Aspen Association is anticipating an increase in annual fees which will likely increase from \$130. to \$190. monthly on January 1, 1999. The Aspen Association has a reserve account from which they have withdrawn funds to cover the increased municipal water and sewer fees levied by the City of McCall. The association realizes that it will be difficult for the McCall Area Timeshare Association to incur an increase in fees mid-year. This was demonstrated in a phone call received from the Aspen President. This increase will need to be considered when proposing the MATA budget for 1999. Dave's goal in proposing the budget is to keep the maintenance fees level with no increases for this next year.

Dave presented a report regarding the unit replacement of blinds and dishwashers in the two bedroom units. A bid to replace all of the window blinds with vinyl verticals was submitted by Linda Comstock from Decorating Solutions company. The bid was for \$5030 for blinds installed in sixteen units upstairs and downstairs. The Board moved to have Decorating Solutions replace these blinds later in the year if funds are available.

The rearrangement of the beds in the three bedroom units and the deterioration of the mattresses was next on the agenda. After discussion the Board moved to have mattresses replaced in all units as soon as possible.

The purchase of carpet cleaning attachment was next on the agenda. Joe Becker, the on-site employee, has an extractor carpet cleaning machine. Dave purchased an attachment for his machine which will clean upholstery. This has been very successful in two ways: immediate response to soiled carpets and upholstery complaints can be met; reduction in cleaning costs are realized.

The Board minutes of the phone conference meeting of April 27, 1998 were reviewed and approved. Also the letter of the May 29, 1998 conference was reviewed and approved. The

Board reviewed and ratified the resolutions agreed upon June 26 and July 7, 1998. It was resolved that MATA owned units acquired by default be sold at auction. This action was completed by President, Dave Holland.

After receiving a letter from AVCOA dated June 27, 1998, MATA Board members were contacted by phone regarding the letter sent to Bill Ditz, AVCOA President, giving the layout of MATA's intention. (letters attached). Board members moved to ratify the resolution. Also a review of AVCOA's newsletter of July 28 and August 12, 1998 were presented to the Board. A brief description of these letters was discussed regarding a flat assessment of the annual fees which AVCOA has proposed. The August 12 letter (attached) presents 28 items of change in AVCOA by-laws. A special meeting was called for in the letter for September 5, 1998 by Bill Ditz. Dave is collecting proxy votes to attempt to elect new officers to the AVCOA Board of Directors. Also the proxies will be used to attempt a defeat of the proposals which will be presented for vote at the September 5, 1998 meeting.

Dave presented each Board member with all of the documents he has received or written regarding the communications with AVCOA. Dave asked for the Board's support in his endeavors to pursue these issues so that AVCOA will properly conduct the business of the homeowners association as written in the AVCOA by-laws. It was moved and seconded by the Board members to support Dave in this process.

Dave requested permission from the Board to transfer \$14,921.00 from the restrictive Aspen Village account to the general account. The funds will be used to pay legal fees which are over budget by \$9,000. The restrictive account was set up to cover such unforeseen expenses. A discussion as to where the funds have been disbursed was held. Dick Brotherton moved to grant permission for the above request. Patti Hukari seconded the motion. Motion was approved unanimously. Dave requested permission to have Brian McMahan, MATA's attorney attend the AVCOA September 5, 1998 meeting. It was moved and seconded by Dick Brotherton and seconded by Patti Hukari, Motion was passed.

Dave presented the 1997 audit. A discussion was held regarding the increase in expenses, i.e.: power, water and sewer. Revenue from the auction of defaulted units was discussed. Let it be noted that there is shown in the budget a misspelling of "Right off" instead of "Write off" under bad debts. It was agreed the \$12,000 gleaned from the sale of defaulted units should be placed in the general fund to reimburse the general fund for legal fees and unpaid maintenance fees which occurredr years. Dick Brotherton moved to accept the audit. Sandy Koonz seconded the motion. Motion passed unanimously.

Discussion was held regarding accounting policies used by MATA's CPA, Rick Lamm. All units are billed a maintenance fee at 100% as though all revenues will be received. If anything is adjusted at that point it basically goes against the revenue or has to be written off. Accordingly:

When an owner owes the Developer on the purchase of a unit and becomes delinquent on its obligation to the Association for the payment of Maintenance Fees, as well as its obligation to perform on the contract purchase, at the option of the Developer the contract can be nullified and the Maintenance Fees would then be considered a Bad Debt to the Association which would need to be adjusted off. It is not the desire of the Association to assume the purchasers unit and make good to the Developer for past contract payments.

Late fees that accrue may, at the Discretion of the Associations Manager, be forgiven in an effort to settle an outstanding delinquent account. Under hardship circumstances late fees may also be suspended.

All unit owners are billed their respective Maintenance Fees at the beginning of the Calendar year, the Developer on the other hand, has from the beginning of the project, been billed his/her fixed cost obligation at the end of the year on all units owned by the Developer. In cases where owners sell or transfer ownership to the Developer during the course of the year the variable portion billed is adjusted out to reflect the correct amount due by the Developer end. (Regardless of when the unit is transferred during the year in question). In the question where an owner has paid the respective maintenance fees and may have used their week then the Developer would not be obligated to pay the fixed portion at years end.

When MATA acquires units/weeks either through legal action or by Deed in Lieu of Foreclosure, the carrying value, for accounting purposes, will be \$500.00. The Balance of outstanding debt will be adjusted off in the year it is acquired by the Association.

If a unit is sold to satisfy a debt to the Association the revenue is credited to the Association the year the unit is sold. These are policies set by the Association. Any adjustments made by the manager need to be conveyed to the auditor that the manager is doing this according to the policy as directed by the Board of Directors. Patti Hukari moved to accept these policies. It was seconded by Sandford Koonz. Motion was carried unanimously.

Any adjustments made from this date until the Board meets again will be shown and accounted for. The Board will be informed as to these adjustments and be well informed of the adjustments made at the next meeting. A phone conference meeting will be set up for approval of the budget. The budget will be presented by David Holland at that phone conference.

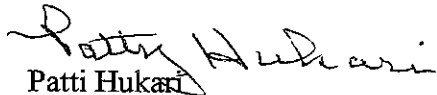
David asked for any other questions or input. Patti Hukari asked that the Board thank the Koonz's for the lovely dinner and their hospitality in hosting the Board meeting. Thanks were conveyed by all members. David also reported that the Registration Boards which are used in the office for guests registration have been reprinted for the next 10 years of use. David wanted Bill Geisler to convey to Lavina the appreciation for her work in constructing this fine tool 18 years ago.

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Bill Geisler moved the meeting adjourn. Patti Hukari seconded. All approved (except Dick Brotherton; overruled by David Holland)

Meeting adjourned

Respectfully submitted,


Patti Hukari
Secretary