

McCall Area Timeshare Association
Board Meeting – Walla Walla, WA
August 21, 2001

Meeting called to order at the home of Sandy and Dorothy Koonz at 9:00 p.m., Dave welcomed everyone. Board members present were Dave Holland, Patty Hukari, Dick Brotherton & Sandy Koonz. Board member, Bill Geisler, was not present due to illness. We wish him well. Donna Brotherton present as a guest.

Read minutes of Board meeting April 25, 2001. Sandy moved to approve as read. Seconded by Patty. Approved.

Dave said the discussion will be mostly about the proposed budget and the budget to actual report. He wants to go over some of the line items with the Board members. Dave will mail out the proposed budget for their review and they'll have a phone conference September 4th.

On the budget to actual report the office expense account was budgeted \$4,500 but shows \$5,662 in costs. One reason that account is over budget is because the office computer got a virus about a month ago. It cost over \$500 to get it resolved. Dick asked where it came from. Dave said we got the virus from an e-mail we'd received from an exchange company in Texas. Janice opened the e-mail from them, called them with questions and discovered that we had the virus. We were lucky we caught it the same day; otherwise it could have eaten up a lot of our files. We installed the updated Norton Anti-Virus program and some other updates. We must keep up the virus protection on a weekly basis in order to avoid that in the future. Also, we spent \$870 in website design. Dave asked if the Board members had a chance to look at the website. Patty and Dick have tried to look at the website but have been unable to do so. They will try again.

Another item that's over budget is in the replacements account. That's because of the \$4,200 for dishwashers and glass top ranges for the three bedroom units. Together they account for \$11,000. Dave is concerned that when money is spent from the line item for the reserve account it shows up in repairs and maintenance.

Sandy asked how the steam cleaner was working out. Dave said it's great. In fact, Louise commented last week that this summer she has had fewer complaints than ever.

Dave mentioned that he's been holding a Tuesday morning meeting to acquaint people with what's going on in the area for the week. Janice makes him a list of what's going on for the upcoming week. He goes over the best fishing spots, plays and music, arts & crafts fairs etc. Also, he purchased little fishing poles for kids to check out. Dave

described how we set up chairs and tables with coffee, juice and donuts. It's been a really good thing for owners and non-owners alike.

Sandy asked about the floor in K-53. Dave and Ron found that someone had dropped a metal plate or something down on the bottom element and it burned a hole in the plastic bottom of the new dishwasher. Had to replace all the sub-floor but were able to reuse the vinyl. We were able to get the owners in by Tuesday night. Will probably have to replace the vinyl because the new vinyl was installed over the old vinyl. The plywood where the floor joists go wasn't completely dry so there's a little hump. It was a mess.

Sandy wondered where the screen door from K-53 went. Dave said it just disappeared two years after Sandy installed it. It's a mystery.

Dave said we were pretty well on target with the budget. When the power rates went up we disconnected the front porch lights so they only work from the switch. That seems to have helped the power bill. Patty asked how much we're paying for firewood now. Dave said we're paying \$125/cord for firewood and nearly finished stocking the condos for this year. Dick asked how the Laundromat project was going. Dave said he hasn't had time to work on it but will do so this winter. Dave asked for questions regarding current budget to actual report. No questions at this time.

Dave said he next wanted to discuss the 2002 budget. There's a special assessment coming from Aspen Village for the Sport Center renovation. Dave said he would like to have \$30,000 in the budget for carpet and renovation so that we can move forward with upgrading the units. Dave tells everyone three years for carpet replacement but will try to do it in two. Still doing the French doors at a rate of six a year. Dave ordered the wine glasses and they're really nice. There's a type that will accommodate both red and white wines that the restaurants use.

Dave read a note from a homeowner. It complimented him on his efforts to communicate with the owners. Things look great this year. Mentioned a few minor things for repair in #111 and said that since she's retired she has time to help around the project. Then Dave read a letter from another homeowner, dated August 15th, who wondered when MATA was going to have a fund for the repairs that are a "MUST DO". He complained about the Sports Center assessment since he never "needs" to use it and wondered about making that an "optional" benefit. He thought the McCall area residents who use the Sports Center on a regular basis should bear a larger burden of the renovation. Finally, he thinks the owners deserve a more detailed explanation. Dave commented that the Sports Center assessment is not optional but part of the common area. Dick asked if Dave has responded to that letter. Dave said he will respond to this letter when he gets back. Dick asked what the locals pay. Dave said their rates have just tripled and they're furious and threatened a class action lawsuit. They think the condo owners should bear the burden. Patty asked if that situation is settling down. Dave said yes, they've agreed, conceptually, but still putting the agreement into writing. Just taking longer than we thought. Now that

they've heard the homeowners are paying more, they're settling down. The Sports Center has lost some members and gained some. Once it's renovated the air quality and humidity will be better, among other things. We must have the Sports Center because it is an integral part of the timeshare experience. Approximately \$40 per week is the estimate for that assessment of approximately \$280,000. Ed Herschberger is working with engineers whose work will cost about \$24,000. That money is already set aside in Aspen Village reserves.

Dave said he's been too timid in raising maintenance fees in past years, but people are thrilled when things are fixed and upgraded. He suggested that one area where we can cut back is the \$5,500 depreciation reserve. Dave wants to increase the budget for contract cleaning and accounting fees because he foresees more foreclosures after the increase of maintenance fees. He would like to increase legal fees expense to \$13,000 from \$10,000. Other than that we can hold the line on everything. Sandy asked about the increase in replacement fees. The \$11,000 was for dishwashers & ranges. Dave backed off repairs & maintenance of \$30,000 and right now we're at \$18,000. Between repairs & maintenance and replacements we will be on budget. At the last meeting they discussed enclosing the three bedrooms but will discuss at the Homeowners meeting, depending on available cash we will proceed this fall or spring.

At Tuesday morning meetings Dave is hearing from owners that they are happy with the upgrades on the mirrors, doors, blinds etc. Once we're done with carpet we'll be doing furniture. The units should be in good shape.

Dave said the reserve accounts Aspens has \$14,014 and Aspen Village has \$24,602. U.S. bank has over \$6,000 in a saving account for emergencies. It shows up in the audit. Each year we write off delinquent accounts and have to provide for that.

We need to look at the cost of carpet per yard, installed. Looking at between \$15 and \$20 per yard. It's time we did the upstairs and the downstairs. Labor still involved in moving all the furnishings. Sheetrock is repaired and the units have now been painted. Sandy said the smell in some of the units will improve once the carpet is replaced. The two bedrooms are about 1,000 sq ft., which is 111 sq. yards. At \$20 per yard installed, the cost would be approximately \$2,200 per unit. We can do about 13 units with the \$30,000. Since the one bedrooms are smaller maybe we could do more with that money. Ideally we can do half the project next year and the other half the following year. The three bedrooms were completely done last time but in the one and two bedrooms only the downstairs were done. They get the most use. Dave would like to start with the one bedrooms, move on to the two bedrooms and then the three bedrooms last. All agreed.

Patty asked if the plan was still to change the dining room to vinyl in the two bedroom units. Dave said, yes, that is the plan. The same dollars for carpet will complete that change to vinyl. Board members agreed that's a good idea to change to vinyl. Dave said this is the year people will feel a real "ouch" but if they can see big changes in the condos

it should diffuse any hard feelings. Billing in November/December but no changes will take place at Sports Center until June-October next year. Patty mentioned that vinyl will help alleviate breaking chair legs when they drag them across the carpet. Downstairs bathroom will have to have vinyl too.

Tomorrow morning Board members will go look at carpet. Dave showed the Board members a sample of carpet that was installed in one of the private condos last week. When he showed it to Janice she said it wasn't good enough quality and wouldn't do; it wasn't commercial grade. Dave asked how they liked the multi-color in the carpet. Don't want anything too light. Also, the carpet color will determine what the future furniture color will be. It will brighten up the condos and make them look bigger. Patty said people will stop complaining. E-16 won't have to be re-carpeted right away because that carpet is only four years old.

Dave mentioned that the outside grounds are looking good and the big outdoor pool is open after its renovation this spring. Sandy said the list of accomplishments since 1998 is good. He asked if we'd mailed that to all the homeowners. Dave said we might use it at the Homeowners meeting. In 2003 we won't have the Sports Center assessment, but if we can keep the fees up we can stay ahead of the game. It would be great to keep the reserve accounts up there to take care of emergencies. Dave feels a lot better with the reserves at Aspen Village. Patty asked how Ed is doing as president of Aspen Village. Dave said he'd doing a great job. Dave has a meeting with Ed on Friday for a walk through at the Sports Center.

October 13th is the date set for the Annual Homeowner's Meeting: Dave expressed his appreciation to the Board members for their input on the 2002 budget.

Dave asked that the Board members let him know if September 4th will work for the conference call to approve the budget. Dave said he wants to include Bill in all this but doesn't want to burden him. Dave wants to order flowers for Bill and have the Board members sign a card to send to him. Everyone thought that was a great idea.

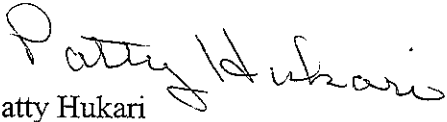
Patty asked who was up for re-election. Dave said it was Patty and Dick Brotherton. Dave said they need to appoint the nominating committee. He wants to nominate Peggy Whitman, Leslie Bills and Kathy Borgholthaus for the nominating committee. Dick motioned they accept the nominees for the nominating committee; Sandy seconded the motion. Motion approved. Dave reiterated that doing the budget and the carpets are the two big things this year. He asked if the Board members had received any letters they wanted to discuss. No one had.

Patty has some ideas about centerpieces for the dining tables. Patty said that a nice big ceramic bowl in the center of the dining table would be very versatile. She showed the Board members one from K-Mart that she feels is very attractive. Could be used for a serving bowl or for fruit etc. The board discussed replacing the little oil lamp with the ceramic bowl. Dave said we need to keep the oil lamps in the condos for power outages.

Patty asked if the beds will be permanently attached to the wall when the carpet is changed. Dave said they would be. Patty suggested getting a wall clock. Discussion followed. Dave said the angular wall in the two bedrooms would be a good place for a wall clock. Patty will look for clocks.

Sandy moved to adjourn the meeting. Dick seconded the motion; motion carried. Meeting adjourned.

Respectfully submitted,


Patty Hukari
Secretary

