

McCall Area Timeshare Association

Board Meeting Minutes

10/09-10/2015

Friday, October 9th, 2015

The meeting was convened and called to order on Friday evening at 4:30 p.m. at the Sports Club by Dave Holland, President. Those present were Dave Holland, Travis Leonard, Richard Brotherton and Gary Turner. Candice Leonard was in attendance as support for the power point presentation. Spencer Koonz asked to be excused due to a business conflict.

The August minutes will be approved at a later meeting when this meeting will be re-convened on Saturday.

The topic of discussion was the Annual Homeowners Meeting that would be held 10/10/2015. Dave presented his power point presentation to the Board and gave time for the board members to comment and critique. Gary said "you need to put more emphasis on the effect of the millennial generation". Dick had a few questions and advised Dave to speak loud so that all could hear. Travis said that we need to use a projector because no one would be able to see the documents. After further discussion, the Board agreed on the presentation and the plans for the future operations of the Resort.

The meeting was adjourned at 6:25 p.m. and was scheduled to re-convene the next day at 8:30 a.m...

Saturday, October 10th, 2015

The meeting was re-convened and called to order at 8:35 a.m., those present were Dave Holland, Travis Leonard, Richard Brotherton and Gary Turner.

After the August meeting minutes were reviewed, Travis made the motion to accept the minutes as presented, Dick seconded the motion, voting was unanimous.

The discussion regarding the Management Fee with Brampton was discussed and Gary made the motion to approve the Management Contract with Brampton Holdings, Inc. and MATA for its services for another year. Dick seconded the motion, voting was unanimous.

Travis expressed his dissatisfaction with the chip sealing job within the Aspen Village, AVCOA. It has been quite a hassle trying to keep up with all the cleaning considering the oil being tracked on to the carpets.

Dave explained that Sherry Ransier, an owner, expressed an interest in meeting with all the Board members after the annual meeting.

what is considered a one vs a two bedroom with RCI and II exchange companies. Dave went through an extensive history and explained how it all evolved.

Third question was, are the maintenance fees for the unsold units, (units owned by the developer, Brampton Holdings), paid for by the other timeshare owners? The answer is yes. The documents only authorize the Board to assess the units owned by the owners and not the Developer's unsold inventory of timeshare weeks. She then said "do you consider yourself an owner"? Dave said yes, but only of the unsold, unbillable timeshares. Sherry then took offense to MATA's attorney's opinion. Dave explained that you can read it yourself, it is very clear as to what the intent of the documents were. Dave said "I understand the dichotomy here". Dick asked "what is your point". She then said it is my point that the developer owns weeks that are not assessable. Dave said "that is right. I did not write the documents. It is clear that it does benefit the developer". Sherry asked that "you are willing to pay maintenance fees this next year"? Dave said "yes". Dick said yes but he doesn't have to. Dave said he is willing to do it to inject cash into MATA to do what needs to be done to help in getting MATA back on its feet.

Fourth question: Of the \$1,800 Mata paid for advertising in the Statesman, how much money did you Dave Holland make? Answer, none, Mata just about broke even. We learned that advertising the old traditional way does not make financial sense any longer.

Fifth: What incentive was given to the one bedroom owners to upgrade to a larger unit? Answer, A larger unit is the incentive. It rents better, trades better. Larger is better. That's the incentive. Nancy was surprised that Dave was willing to give such a great offer to the owners for only \$500.00. She said she wasn't aware of the offer. Could she do it? Dave said yes if she would like to. Nancy asked why were you willing to do this. Dave explained that if he could get ownership of an entire unit, he thought he could sell it easier, and that would ease the burden on MATA.


Sixth: Do the owners then have to pay the increase in Maintenance Fees because they have a larger unit? The answer was yes.

Seventh Question: I think Mata should support the local economy and we should not give a bid to do work on the condo's to Dave, Like doing the painting of the units. Dave explained that he was given the bid because he was willing to do it for the lowest bid possible, and he has a vested interest in making sure the job was done thoroughly. Dave further explained that he did sheetrock repair and upgrades to the condo's at the time he painted that were not included in just getting a paint bid. In other words you got more for your money with Dave doing the work than someone else. Also, Dave is part of the local economy, raised seven kids here and is still very involved in the community.

Eighth Question: For years we have had depreciation and renovation in our budgets, why haven't they been funded? They have not been funded because you and the other owners have not given us enough money to do it. Over the last year 80 timeshares have been turned over to the Developer from owners. This equates to about \$40,000.00 in unpaid income to Mata. We

There being no further business to come before the board, Dick made a motion to adjourn, and Travis seconded the Motion, the vote to adjourn was unanimous.

Respectfully Submitted


Richard Brotherton, Secretary



Certified Public Accountants

James Washburn, CPA
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October 30, 2015

Board of Directors and Management
McCall Area Timeshare Association
1607 Davis Ave.
McCall, ID 83638

We are pleased to confirm our understanding of the services we are to provide for McCall Area Timeshare Association for the year ended December 31, 2015.

We will audit the financial statements of McCall Area Timeshare Association, which comprise the balance sheet as December 31, 2015, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements. The document we submit to you may include supplementary information about future major repairs and replacements required by the Financial Accounting Standards Board (FASB). Although we will apply certain limited procedures with respect to the required supplementary information, we will not audit the information and will not express an opinion on it.

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the McCall Area Timeshare Association's financial statements. Our report will be addressed to the management and the Board of Directors of the McCall Area Timeshare Association. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of certain assets and liabilities by correspondence with selected owners, creditors, and financial institutions. Our procedures will not determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because such a determination is outside the scope of the engagement. We may also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent

financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Association or to acts by management or employees acting on behalf of the Association.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Association and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Other Services

We will prepare the Association's depreciation schedule for the year ended December 31, 2015 based on information provided by you. We will also prepare the Association's financial statements and related notes for the year ended December 31, 2015, in conformity with U.S. generally accepted accounting principles based on the information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the depreciation schedule, financial statement and related notes previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Association from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Association involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Association received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Association complies with applicable laws and regulations.

You agree to assume all management responsibilities for the depreciation schedule, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, receivables, and other confirmations we request and will locate any documents selected by us for testing.

Cassie Zattiero is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will be \$3,800. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoice for this fee will be payable upon representation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Bailey & Co.

Bailey & Company, Chtd. CPAs

RESPONSE:

This letter correctly sets forth the understanding of McCall Area Timeshare Association.

Management Signature: *David Holland*
Title: *President*