

**McCall Area Timeshare Association
Board Meeting
McCall, Idaho
October 14, 2006**

The McCall Area Timeshare Association Board of Directors meeting was held in McCall, Idaho at the Holiday Inn Express on October 14, 2006 immediately following the 2006 Annual Homeowners' Meeting.

Present were Board Members David Holland, Dick Brotherton, Sandy Koonz, Travis Leonard and Gary Turner. Also present were Carol Holland, Donna Brotherton, Dorothy Koonz, Candice Leonard and Carold Turner.

Dave Holland convened the meeting at 12:30 p.m. and welcomed new Board Member, Gary Turner. He noted that all Board members were present and asked that the minutes of the August 8, 2006 Walla Walla Board meeting and the August 22, 2006 telephone conference meeting be reviewed and approved. The minutes were reviewed by the Board.

Sandy Koonz moved to approve the minutes of the August 8, 2006 Board Meeting held in Walla Walla, Washington.

Dick Brotherton seconded the motion. Motion carried.

Brief discussion followed on the telephone conference meeting held on August 22, 2006.

Travis Leonard moved to approve the minutes as presented.

Dick Brotherton seconded the motion. Motion carried.

Dick Brotherton was asked to sign the minutes of both meetings as the Board Secretary.

Gary Turner asked if he needed to go to the bank to sign papers, as was discussed at the Walla Walla meeting and included in the minutes. Dave Holland stated that it would be good if he did, but that the banks were closed since it is Saturday and that the signatures would need to be taken care of at a time when the Board members are in McCall during the week. Dave noted that it would be good to have the signatures on file as a back-up in case of unforeseen circumstances. Dave also reported that there is a \$250,000 insurance policy on him through Key Man Life Insurance, which would give the Board funds to hire consultants to come in to help get things figured out should something happen to Dave. He also noted that having Travis on board on a daily basis will help to alleviate that risk since he will know all of the day-to-day operations to keep things going.

The Annual Meeting held just prior to the Board Meeting was then addressed and discussed. Dave noted that there had been no recommendations for anything new in the units, which was a first. He asked if there had been anything discussed that the Board felt should be implemented. Travis Leonard stated that he thought that it was very important to implement the suggestion from one owner that there be an owner-accessible website where information can be posted. He noted the time and work involved in paper mailings and stated that he felt that it was very important to make this move to help with that issue. There was some discussion on PDF files and how they work. It was agreed that this needed to be addressed as soon as possible. It was noted that there would still be some mailing needed as not all owners will have access to or be interested in the on-line information system. Travis suggested that owners could state a choice between internet access and paper mailing so that information distribution is not being doubled up. It was also suggested that the date of the P & Z meeting to address the Sports Center issue be

reviewed and that the owners who are here for their week at that time be asked to appear at the meeting in support of the Sports Center project, as well as contacting those in attendance at the annual meeting who had left their email addresses. It was decided that these endeavors should be implemented and that a motion was not needed to do so.

There was discussion on the issue of housekeeping problems that had been addressed at the Annual Meeting earlier in the day. Dick Brotherton stated that he has noticed some of the same problems that were brought up by the owner at the meeting. Travis Leonard stated that he had heard a guest in the office the previous week telling staff that she had never been to a resort that was so clean and reminded the Board that some people are super-sensitive and that it depends on a lot of factors how people view the resort. Dave explained to the Board that some cleaners are extremely thorough and don't need to be checked, others are faster but less thorough and their work does have to be checked, so it depends a great deal on who has cleaned a unit. He explained that it takes an average of 2.65 hours to clean a unit and that occupancy has been higher than ever, which might explain part of the housekeeping complaint of the owner at the meeting. It was questioned why this was and Dave noted that RCI is pushing more exchanges into the Aspens & Aspens Village than at any time since he started 18 years ago. Dave explained the points system and the fact that a lot of the exchange guests coming in are coming in with a chip on their shoulder because this is the only place they could get into when they really wanted to go to the Oregon Coast or somewhere else. He then reported that Janie Brown from Interval International will be coming to visit within the next week. She will be coming to McCall to visit the new fractional timeshare resorts and will stop by to visit with Dave. Brief discussion followed and it was noted that the demand for time in McCall is increasing and that this will boost our resort desirability, which will increase our owners' chances to trade out if they want to give up their weeks to go somewhere else. Travis acting as a sort of Concierge for exchange guests to help boost the Aspen & Aspen Village desirability was briefly discussed and Dave noted that this would also help with the exchange guests' concept of our facility.

Dave then reviewed the Budget to Actual Report and noted that, as of the end of August, there was approximately \$272,000 to get through to the end of the year. Dave has been holding back money for this time of year to be able to start buying furniture and other replacement items. The power budget was briefly addressed and Dave noted that about half of the budget for power is left, but will be used up when the colder weather hits. He also reported that during the annual fireplace and chimney inspection it was found that the fireplace and chimney in K-53 was bad and needs to be replaced. Because of the annual maintenance, the fireplaces and chimneys have lasted for 25 or 26 years, but that it is getting to the point that replacements need to be considered. Propane vs. wood fireplaces were addressed and discussed. Dave noted that the units are well stocked with wood for this year, but that it has been suggested that propane fireplaces be considered when up-grading is done. Board members felt that guests like the wood burning stoves and that they fit in well with the mountain atmosphere. Dave questioned what happens if we go to all of the expense of putting in new wood burning stoves and are unable to get firewood. It was noted that it is getting more difficult and more expensive to get wood. It was noted that there is still a lot of forest, but that more of it is becoming protected and wood is harder to come by than it has been in the past. Dave felt that it might be about ten years before it becomes too difficult to obtain wood to make it feasible. Plumbing in for natural gas was suggested, but it was noted that there would need to be tanks and underground pipes, which would require approval from the AVCOA Board of Directors. Pluses and minuses were discussed including propane being easier to use than wood, safety issues, etc. It was suggested that Dave look into the issue to see if there were any

wood burning stoves available that could later be converted to propane if that becomes necessary. Dave stated that he could look into that but that the K-53 issue needed to be addressed right away. It was agreed that we should stick with wood right now and that the K-53 stove will be replaced with an up-dated wood-burning fireplace.

Dave then informed the Board that the Management Contract needs to be renewed, as is done on an annual basis. He explained what the Management Contract entails and stated that DH & Associates is the Management Company for M.A.T.A. and receives 10% of the Maintenance Fees collected as payment for management services. He also noted that most management companies charge a higher percentage, but that his fee has been at 10% since he started and he is happy with that figure at this time.

Sandy Koonz moved to renew the management contract with DH & Associates for another year and thanked Dave Holland for his hard work.

Dick Brotherton seconded the motion. Motion carried unanimously.

The need to vote for officers was then addressed. Dave Holland has been President for 18 years. Sandy Koonz has been Vice President, Dick Brotherton has been the acting Secretary. Duties of the various officers were briefly discussed. Gary Turner was asked if he would like to be Treasurer, but Dave suggested that he be given a year to observe as the newest member of the Board. It was agreed that this would be a good idea.

Dick Brotherton moved that the following officers be elected by the Board:

DAVE HOLLAND, PRESIDENT
SANDY KOONZ, VICE PRESIDENT
DICK BROTHERTON, SECRETARY
TRAVIS LEONARD, TREASURER

Gary Turner seconded the motion. Motion carried.

Dave then reviewed the letter he recently received from the Aspens notifying him that Maintenance Fees for the Aspens units will increase as of January 1, 2007 and that it is expected that there will be a special assessment for swimming pool improvements later in the year. This will impact M.A.T.A. in the amount of approximately \$4,200 not budgeted for the maintenance fee increase plus the unbudgeted special assessment. Dave noted that there are 60 Aspens condos to spread the assessment over, so it is anticipated that there may be approximately \$10,000 impact with the un-budgeted expenses. Dave explained that there is a buffer and that M.A.T.A. will be fine, but that there is that unexpected expense that will be coming up. He then reported on the recent flooding in Aspens Village unit Y-115. On August 11th, the owners checking into that unit found the unit flooded. It happened when a pipe broke between the first and second floors. The whole downstairs portion of the unit had to be gutted and re-done, and that work has now been completed. The work was taken care of by AVCOA insurance because the area where the pipe broke is considered common area. Insurance coverage was addressed and Dave explained that M.A.T.A. may actually be over-insured. He is checking into that and it will be worked out. Dave stated dissatisfaction with the inconsistencies of the current Aspens Village insurance carrier and will recommend a change to the AVCOA Board of Directors.

Dave then addressed the need to schedule the 2007 Board meetings. He noted that the April meeting has traditionally been held in Hood River, but that was because there was a Board member residing there. Last year the April meeting was held in Boise. Discussion followed and dates were discussed. It was suggested that the April meeting be held in Boise on April 27th & 28th, 2007. The second meeting of the year is usually held in August in Walla Walla, Washington. Suggested date for that meeting was August 7th &

8th. The telephone conference meeting is also held in August to approve the minutes of the regular August Board meeting and the budget for the coming year. The telephone conference Board meeting was held on August 22nd this year. The Annual Meeting is held on the second Saturday of October, which will be October 13, 2007. There were no objections to these dates for the 2007 M.A.T.A. Board meetings.

Dave reviewed a letter received from an owner expressing gratitude for a wonderful stay in their 24th year and suggesting new furniture. Brief discussion followed.

Dave then addressed the resume sent in by Spencer Koonz for the position of Sports Center Manager once the facility is built. Dave will be recommending him for this position at the AVCOA Board Meeting on Monday night. Dave also reviewed the Vote of Confidence form and newsletter that is being sent out to all Aspen Village homeowners with regard to the Sports Center issue. Dave stated that he would like to have the form signed by all of the M.A.T.A. Board Members as a vote of confidence of the AVCOA Board and noted the verbal vote of confidence expressed by the majority of owners at the Annual Meeting earlier in the day. Specific design items were briefly discussed and all M.A.T.A. Board Members signed the Vote of Confidence form.

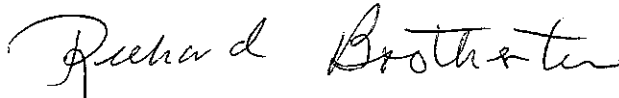
Dave asked if there were any other issues to be discussed. Dick Brotherton expressed his thanks to Dave for all of his hard work and it was agreed that Dave was doing an excellent job. There were no other items brought up for discussion.

Sandy Koonz moved to adjourn the meeting.

Dick Brotherton seconded the motion. Motion carried unanimously.

Dave Holland asked that the Board Members submit their expense receipts and adjourned the meeting.

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.

Richard Brotherton, Secretary