

**McCall Area Timeshare Association**  
**29<sup>th</sup> Annual Homeowners Meeting**  
**McCall, Idaho**  
**October 9, 2010**

The 29<sup>th</sup> Annual Meeting of the McCall Area Timeshare Association Homeowners was held at the Aspen Village Sports Club in McCall, Idaho on October 9, 2010.

Present were Board Members Travis Leonard, David Holland, Richard Brotherton, and Gary Turner. Spencer Koonz was absent due to other obligations. Also present were 29 owners, MATA. CPA Rick Lamm (who is also a timeshare owner) and Office Manager Linda Branstetter.

Quorum for the Annual Meeting requires representation by 25% of the timeshare owners by proxy and/or attendance. Owner proxies received prior to the meeting plus weeks owned by those in attendance represented 31% of owner weeks. Quorum was therefore achieved.

President Travis Leonard convened the meeting at 10:05 a.m. and thanked those present for their attendance.

First Agenda item was the reading and approval of the 2009 Annual Homeowners Meeting Minutes. Board Member Gary Turner stated that the minutes were mailed out to all timeshare owners with the 2010 annual Maintenance Fee billings and explained that the minutes could be approved by motion from the floor or read in their entirety at this time.

Rick Lamm moved to approve the minutes of the 2009 Annual Homeowners Meeting as published. Joe Hegedus seconded the motion.

Motion to approve the Minutes as published carried with no dissenting votes.

Travis then introduced Rick Lamm, accountant for the McCall Area Timeshare Association. Rick reviewed the Financial Statement for the Fiscal Year ending December 31, 2009, which was previously mailed to all timeshare owners with the Annual Meeting information and copies of which were available at the meeting. Rick reviewed the Auditor's Statement first. He then noted that the homeowners' equity figure on the report showed a negative amount of \$7,903. He explained that the figure at the beginning of the year was a negative amount of \$42,000, so it has actually come a long way. He noted that the chart for the Association has been like a roller coaster since the beginning. 2008 was not a good year, 2009 showed improvement and so far in 2010 the Association has been holding its own. Balance sheet was discussed and Rick explained the various figures. The balance sheet showed that at the beginning of the year MATA had \$242,000 in assets and \$222,000 in liabilities. Revenues and expenses were reviewed and discussed and Rick explained that revenues for 2009 were \$753,000 and expenditures were \$719,802. The difference plus interest earned on deposits totaled \$34,559 of revenues over expenditures. This figure was then added to the negative beginning balance resulting in the ending balance for the Fiscal Year. He noted that the financial statement showed that the Association made \$34,559 but the cash value actually decreased because the receivables went up. It was explained that this was due to unpaid maintenance fees and large expenditures for furniture that needed to be replaced. It was also noted that there is an on-going process to collect bad debts and collection and foreclosure process and status were briefly addressed. Travis also reported on approximately \$20,000 worth of special assessments for unanticipated work at both the Aspens and Aspen Village that were paid out of the budget without passing the special assessment on to the owners. Roads, sewer work and drainage were some of the items included in these special assessments that added to the expenditures. The final issue that Rick addressed was the disclosure in the Financial Statement that no estimate has been made to completely replace things that wear out and that estimated replacement costs could have been reserved for but that it is not required to be. He noted that the Association has done things on an as needed basis and that there may be times when special assessments are required to replace some of the big ticket items. Possible need for replacement of the Jacuzzi rooms was mentioned and it was noted that this was to be discussed later on in the meeting.

Discussion followed on recent improvements. Question was asked about past due accounts and Travis reported that there is in excess of \$70,000 in unpaid balances at this time. It was noted that foreclosure of some delinquent accounts is now in process and that as soon as that foreclosure process is completed another will be initiated on accounts that have become delinquent since the current foreclosure was

initiated. This will be an on-going process. It was explained that owners are not able to use their timeshare weeks if their maintenance fees are not paid and that MATA will no longer be allowing the fees to go unpaid for three or four years before beginning foreclosure process.

Anticipated revenues and expenditures for 2011 were then addressed and payroll items including salaries, hourly wages and number of employees were discussed and explained. There were no further questions with regard to the financial statement and the budget.

Dave Holland moved to accept the Financial Statement as presented.  
Michael McClay seconded the motion. Motion carried unanimously.

Rick Lamm was then excused from the meeting at his request.

Travis stated that he felt good about being able to decrease the negative balance. He noted that it took a lot of penny pinching and that wages had been frozen for the past two years to try to make up some of the deficit. Wages will be evaluated again in the spring and the Board will make a decision according to finances at that time.

Dave Holland suggested that the Jacuzzi issue earlier mentioned by Rick Lamm be discussed at this time rather than waiting until later in the meeting as had been planned. Travis agreed and asked Dave Holland to present this issue. Dave explained that MATA has addressed situations as they arise and that most things have been taken care of without supplemental assessments. He further explained that during routine exterior painting this summer, it was discovered that the Jacuzzi room at the Y Building had some major deterioration problems. Dave noted that the Jacuzzi rooms are going on 30 years old and that the heat and moisture over the years has taken its toll. The moisture has permeated the wood and it has now come to the Association's attention that replacement is necessary due to severe dry-rot. Travis presented pictures that were taken of the problem areas and they were passed around by those in attendance for their review. Dave noted that the building specifications 30 years ago were not what they are today. The budget was already in process when the problem was discovered and there was not time to get the needed information on replacement costs to build it into the budget. The Board discussed the issue and it was decided that the only alternative was to address the problem with a supplemental assessment. It was originally thought that the roofs could just be replaced, but as they got deeper into it they discovered that it has permeated the walls and the problem appears to go all the way down to the ground. The plan is to get an architect and an engineer involved so that it can be determined what it will cost to replace the two Jacuzzi rooms. Dave reported that it was asked if the Jacuzzis could just be removed and not replaced but that this is not an option. The Association is obligated to provide what was here when the development started and the by-laws are clear that maintenance and replacement of the amenities that were in existence when the owners bought in is required. Owners in attendance agreed that the Jacuzzis are a popular amenity and need to continue to be provided. Dave explained that the Jacuzzi rooms are limited common areas and are accessible only to the timeshare owners and guests. The full-time owners do not have access to the Jacuzzis so it is the Association's responsibility to replace them. It was asked if it would be to the Association's benefit to let the full-time owners have access and ask them to help with the replacement costs. This was briefly discussed and it was decided that this was not a feasible option due to the number of people who would be using the Jacuzzis and maintenance issues. It was questioned if both Jacuzzis were affected and it was explained that they were both of the same vintage so it is likely that both have the same problems. It was also explained that there would probably be cost benefits to having them both done at the same time and that they have out-lived their life expectancy. Dave stated that he hopes that there will be some good bids since a lot of construction people are looking for work. Dave also noted that it is not yet known what the cost will be, but that it is estimated that it might be around \$50,000 per building and that everything will be replaced including the tubs and electrical systems. Dave reiterated that the tubs are approaching 30 years old and that the electrical systems are wearing out. Travis reported that the pumps and blowers have been replaced numerous times and that the Jacuzzis require continuous maintenance. Dave again stressed that it is not known exactly what the cost will be but that he and Travis are working on getting the cost estimates. It was questioned when the project would begin and it was noted that it would be sometime in the spring of 2011. Snow load and other considerations will be closely monitored through the winter and the plans and cost estimates will be worked up during that time. Travis estimated that replacement would probably begin sometime in June. It was questioned what the assessment would be for each owner. Dave's guess was that it would probably be around \$100 per week owned, but again noted that there are no definite figures available at this time. There was some discussion

on the size of the Jacuzzis that would replace the current ones and Travis explained that they will be at least the same size if not larger. He will be looking into the possibility of extending the buildings another couple of feet to allow more room, but this is part of what will have to be determined. Dave explained that every effort will be made to keep costs down as much as possible and that they will do their best to get the best deal that they can. It was the consensus of all owners in attendance that the replacement was necessary and that a supplemental assessment would be necessary. There were no dissenting comments or further questions regarding the supplemental assessment issue. Owners will be notified of the amount of the supplemental assessment when costs have been determined.

Brief discussion followed on the status of the Tamarack Resort. Impact on the economy of McCall and the future of Tamarack were briefly addressed. Dave and Travis noted that when Tamarack was in full operation it was very difficult to compete with them because they paid much higher wages and it was difficult to retain employees. Travis also stated that there has been less turnover of employees since Tamarack has been closed but that if they do open again it may help with sales and rentals of timeshare weeks to people who want to ski there. Travis noted that he felt that the local economy might be leveling out somewhat. Brief discussion followed on other issues regarding the local economy and current road construction projects, Legacy Park, kiosks for the bus stops and some other recent local improvements were noted.

Travis called for a 10 to 15 minute break at 10:50 am. The meeting reconvened at 11:05 am.

Travis noted that wireless internet had been discussed at last year's annual meeting. He had tried the air cards that had been discussed and it had turned into a nightmare. The sticks had software on them that had to be downloaded to the computer and it did not work out. The Sports Club is currently the only option for wireless access. There was some discussion on other possibilities and Travis noted that he will continue to look into options for getting wireless access for the units. Cost vs. benefit have been weighed and so far the available options have been cost prohibitive. Some in attendance noted some possibilities and will get back to Travis with any information that they obtain. There was a suggestion from the floor to stay with what's available and to wait and see what can be done as time goes on. Travis will continue to explore the options and hopes that sometime down the road wireless access can be made available. In the meantime wireless access will continue to be available at the Club.

Travis then briefly addressed the Sports Club and reported that it is doing very well. It is a huge asset for the Village and a very popular amenity. Role of the various associations within the Aspens and Aspen Village were briefly addressed and explained.

There was some discussion on recent up-grades and improvements including furniture, painting and pictures in the units and exterior improvements including outdoor pool resurfacing, fences, exterior painting, etc. Travis reported that the interiors of the C, D and E and W Units were painted this year and that the Y Building is scheduled for interior painting at the end of this year or the first of next. He recently purchased 12 new beds and anticipates that the remaining older beds will be replaced sometime next spring. There were compliments from some in attendance on the new dining chairs in the one bedroom units, photography in the two bedroom units and the new housekeeping amenities that were initiated earlier this year. Baseboard heater thermostats have been moved to the walls. Brief discussion followed.

It was mentioned that the grounds seemed to be dry and the owner worried about the trees specifically. Another owner mentioned that the ground behind the D Building was extremely wet and swampy. Travis explained that MATA does not handle the outside maintenance but that he will address these concerns with the AVCOA Maintenance Supervisor.

Dave Holland then asked those in attendance if they had suggestions or requests. Included were ice cream scoops, irons and ironing boards in all of the units, towel racks in the kitchens of the one bedroom units, initiation of a checklist on maintenance issues such as plug ins, blinds, screen doors, sliding glass doors, light bulbs, igniter cables and general maintenance items. It was suggested that a clipboard with a pen be hung in the units so owners could write down problems as they find them. It was noted that there is a maintenance request form provided in every packet for this purpose. It was noted that the stair railings in some of the two bedroom units are loose and Dave Holland stated that the railings are being looked at. It was suggested that there be more handrails in the Jacuzzi rooms and also handrails installed inside all of the showers and tub areas. It was noted that there are handrails outside each shower and there was some

discussion on child safety issues with regard to handrails inside shower areas. Suggestion of replacement of the wooden dowel plugs covering the set screws and complaint that the drains are clogged with hair were presented by another owner.

Travis then addressed the letter that he received from an Aspens timeshare owner. The owner had asked that her request be addressed at the annual meeting. She was requesting that the loft bedrooms in the three bedroom units be closed in. She noted that they are hot and noisy and she suggested that all owners of the three bedroom units be contacted to see if they would be willing to pay to have the lofts enclosed and donate their week to allow the work to be done. It was noted that this is not really feasible and would require a special assessment for the three bedroom owners and 100% agreement of all owners of the three bedroom units. Discussion followed and problems with this idea were noted including no way to put a window in the rooms because the lofts are inside walls, which would not pass fire code. It was also noted that there would be ventilation and lighting issues. The three bedroom unit owners in attendance were not in favor of this suggestion and it was noted that this in itself makes it a non-issue since there was no consensus to pursue this request.

There was a question from the floor with regard to approval of the budget for 2011. Dave Holland explained that the budget is set and approved by the Board of Directors and that this was done at an earlier Board meeting and that budget figures were sent to all owners with the Annual Meeting information. After brief discussion Bill Eames moved to support and sustain the Board's budget approval. Allyne Eames seconded the motion. Motion carried with no dissenting votes.

The final agenda item was election of Board Members. Dick Brotherton read the election by-laws and reported that the Nominating Committee this year was comprised of owners Kathy Borgholthaus, Larry Craig and Danielle Hill. Nominees for two year terms were Dave Holland, Gary Turner and Spencer Koonz. Discussion followed on terms, nomination process and current nominees. Joe Hegedus moved to approve the nominees as presented. Ken Carpenter seconded the motion. Motion carried with no dissenting votes.

Travis asked if there were any further questions or comments. None were presented and Travis entertained a motion to adjourn the meeting.

Laura Walls moved to adjourn the meeting.  
Michael McClay seconded the motion. Motion carried.

Travis Leonard adjourned the meeting at 11:55 a.m.

Respectfully submitted,

Richard Brotherton  
Secretary