

**Twenty-Fifth Annual Meeting
Of The Tahoe Seasons Resort
Time Interval Owners' Association
Meeting Minutes
December 6, 2008**

I. CALL TO ORDER/ROLL CALL

President E.C. van Eckhardt called the Annual meeting of the Tahoe Seasons Resort Time Interval Owners' Association to order at 10:00 a.m. at the Double Tree Hotel in Sacramento, California. The following persons were in attendance:

Board Members:

E.C. van Eckhardt, *President*
Roy Fraser, *Vice President*
Robert Stickel, *Chief Financial Officer*
Gary Ransone, *Secretary*
Adolphus Thomas, *Director*

Bruce Bergondy, *Advisor*

Vacation Resorts International:

Tom O'Brien, *Sr. VP of Resort Operations*

Resort Staff:

G. Michael Presley, *General Manager TSR/TIOA*
Karen Frates, *Assistant General Manager TSRTIOA*
Dwayne Baty, *Controller*
Michael Gwin, *Chief Engineer*
Kevin Miller, *Administrative Assistant*
Lauri Gurley, *Owner/Guest Services*

Owners:

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| <i>Marshall Bradley</i> | <i>Don & Charmaine Thomas</i> |
| <i>Dale & Patricia West</i> | <i>Jacob Bercu</i> |
| <i>James Patterson</i> | <i>Wayne & Yvonne Sheldon</i> |
| <i>Mike & Mary Hendershot</i> | <i>Paul Rubstello</i> |
| <i>Donna White</i> | <i>Pat Bush</i> |
| <i>Joe Topacio</i> | <i>Jon Abbey</i> |
| <i>Robert Woon</i> | <i>Liz van Eckhardt</i> |
| <i>Bruce Kelley</i> | <i>Eura Thomas</i> |
| <i>Alfred & Pauline Fong</i> | <i>Barbara Stickel</i> |
| <i>Jan Lecklikner</i> | <i>Maureen Bergondy</i> |
| <i>Lynne Zimmerman</i> | |

II. INTRODUCTIONS

- A. **BOARD OF DIRECTORS**
Chrys van Eckhardt introduced Roy Fraser, Adolphus Thomas, Robert Stickel, Gary Ransone and Bruce Bergondy (Board Advisor).
- B. **MANAGEMENT COMPANY**
Chrys van Eckhardt introduced Tom O'Brien, Senior VP of Resort Operations, VRI.
- C. **RESORT STAFF**
Chrys van Eckhardt introduced G. Michael Presley, Karen Frates, Lauri Gurley, Dwayne Baty, Michael Gwin, and Kevin Miller.

III. APPROVAL OF MINUTES OF PREVIOUS MEETING

Approval of the minutes from the Twenty-Fourth Annual Owner's Meeting on December 8, 2007. The minutes were approved as amended.

IV. ELECTION OF DIRECTORS

Chrys van Eckhardt asked Tom O'Brien to conduct the election. Mr. O'Brien informed owners that a quorum had been met; additionally, that two Directors' terms were scheduled to end – those of Robert Stickel and Gary Ransone. Length of term is two years. Mr. O'Brien asked for nominations from the floor; there were none, and nominations were officially closed. Mr. O'Brien then announced each of the candidates, and asked those present to give a brief statement. After the statements, ballot instructions were given; owners present voted and ballots were then collected and tallied.

V. REPORTS

- A. Mr. van Eckhardt reported on the following:

2008 Accomplishments:

Refurbishment FF&E – to include tub-caulking, wood refinishing (window sills), modifying the step lights and repair of wallpaper.

Monarch Grand Vacations assisted in clean-up and purchase of 500 + weeks, which is a "POSTIVE" to the bottom line, bolstering Reserves, timely payment of annual assessments. With that said, we are not at the mercy of anticipated "rentals" to offset delinquency factors.

Upgrade of Owners "page" website to include Association Documents. Video with voice-over!! All documents will be up first part of next year. Currently quarterly Newsletters are available, budgets, Rules and Regulations, Year-end financials, rental forms and authorizations, Presidents' communiqué, ABC Policy, property descriptions (floor plans), Reserve Study.

Energy Saving – continues...already changed out all light bulbs with compact fluorescents – should see immediate savings.

3rd year offering Wine & Cheese Socials (Winter months)

BBQ (Summer months) - Monday Mixers – Meet the vendors and plan your activities - Tuesday

Timeshare 101

PC and Printer - Complimentary

PC and printer will provide Internet access, and printing capabilities for guests, located in the lobby. Guests are can print document, accessed from their own laptop computer in

their room, at this printer.

Roof – Top Inspection revealed no major flaws or breach of water proofing membrane.

Foundation Inspection –ensure Structural integrity

Revenue Generating Amenities

- High speed internet
- In-room or Pay Per View movies
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- ATM machine
- Full Service Ski Shop

B Election Results – Tom O’Brien

Tom O’Brien announced the results of the election; incumbents Robert Stickel and Gary Ransone were re-elected to serve another two (2) year term.

VI. INTRODUCE OPEN FORUM (Chrys van Eckhardt)

During the Open Forum, owners asked the following questions or had comments in no particular order:

Comments:

- Employees and Board work very hard – Thank you!
- Rooms look great!
- Get some history out on website for those owners who are not familiar with the challenges and hurdles the Association has been through over the years as it relates to: different Management Companies in, the bankruptcies, the savings & loan fall out, etc. The many matters the Board looked at together with Vacation Resorts International to resolve and keep solvent (The Association).
- Try a “Sign up” incentive for e-mails users...get more electronic use – BIG savings!

Q.) There is some perceived “transparencies” as it relates to communication between, the Board, VRI and Owners, why?

A.) If there are questions and or concerns the Owners are encouraged to write to the board so they may be properly addressed. Of specific note to the an earlier comment about distribution of a contract for the sale of the inventory, that deal is not quite finalized and it was felt that distribution of that information/contract might have a negative effect on the deal which could potentially be a loss for the Association. As with most business dealings, it is generally held belief that you don’t discuss these matters until the ink is dry; the ink is not dry on this deal.

Q.) Any and all Contracts that the Board enters into should be released to the Owners upon request and this has not been done... why?

A.) Contracts that are privileged are exempt from distribution and those are, but not limited to; attorney-client privilege or relating to litigation in which the Association is or may become involved in, confidential settlement agreements or information that is likely to lead to identity theft or compromise the privacy of an individual member.

The only contract that has ever been requested has been the recent Amendment to the Purchase Agreement the Association has with Pacific Monarch Resorts. There is a confidentiality clause in that agreement that limits who is allowed to see it. Pacific Monarch Resorts has informed management that they do not wish to have that agreement published. Having said that, the Board would like to inform those present and that read these minutes that Pacific Monarch Resorts has agreed to purchase from the Association 525 intervals for a purchase price of \$2,050 each. Incorporated into that agreement is a payment plan for their maintenance fees, which the Board felt was prudent, and in the best interests of the Association. Pacific Monarch Resorts has the *right of first refusal* on any inventory that might be foreclosed on by the Association or that is transferred to the Association by any other acceptable means. Vacation Resorts International had partnered up with the Association a number of years ago to help share the burden of the cost to clean up and or acquire delinquent and non-performing intervals in exchange for splitting the revenue if and when the intervals were sold. Per that long-standing agreement VRI will receive its 50% split of the revenue when that money comes into the Association. It should be noted however that this deal has not been officially closed as the note for the purchase of these intervals has yet to be finalized. The Board will inform the owners of the details of this sale once all parties agree to agree on the entire transaction.

At this point Mr. Roy Fraser gave a long dissertation on where the Association has been and how VRI and the Association Board of Directors worked through a number of challenging dilemmas over the years.

Q.) Monarch Grand Vacations (MGV) on-site sales seems to be an area that needs to be addressed in more detail. Did the Board sell the resort out from under us?

A.) No, the Board does not have the authority to “sell the resort”. What the Board does have the authority and the fiduciary responsibility to do is to maintain the financial well being of the Association. That being said the Board approved the sale of nearly 1,100 non-performing intervals to Pacific Monarch Resorts six (6) years ago. That agreement was recently revised basically under the same terms and conditions to sell the mounting number of intervals the Association had acquired over the last five years. As of today’s date, Pacific Monarch Resorts owns approximately 1,575 intervals and continues to pay their dues on time each and every year. In exchange for the Pacific Monarch Resorts purchasing the Association inventory and their right of first refusal on future inventory, the Association has granted them a portion of the vacant banquet space for their sales and marketing program associated with their vacation club Monarch Grand Vacations. Additionally, Pacific Monarch Resorts pays the staff at the concierge desk

Q.) What is the Board doing to reduce delinquencies for 2009?

A.) The plan all along has been to find a buyer for the inventory the Association held title to. It did not make any sense to continue to pursue delinquencies without some hope that

the Association could readily turn these into timely dues paying intervals. The Board is in hopes that the agreement with Pacific Monarch Resorts will substantially help provide a viable means of converting these intervals. The Board can then look at the core delinquencies and begin the foreclosure process. It should be noted that the number of non-performing intervals has been reduced in the last 12 months. We all know that with the US economy in such a sad state right now; the Association could expect to see an upturn in the number of delinquencies, as are most timeshares and common interest developments throughout the country.

Q.) Can an Owner's only blog or website be established to communicate with other Owners? For example: how can we sell to another owner who is interested in buying additional weeks?

A.) We will look into to the process, cost and use factors and make the information available to all Owners once we have compiled the information.

Q.) Why when I requested a specific week did I have to pay a fee for splitting my week?

A.) The fee approved by the Board in 1999 was set up to charge only the owners who utilize the service. The Board did not want the Association to pay extra for services that are not utilized by all of the owners.

The Board and Management remained after the meeting to answer individual questions.

VII. ADJOURNMENT

There being no other business to discuss, the Annual meeting adjourned at 11:45 a.m.