

**Tahoe Seasons Resort
Time Interval Owners' Association Board of Directors
Regular Session Meeting Minutes
September 14, 2009**

I. CALL TO ORDER/ROLL CALL

Vice President Gary Ransone called the meeting of the Board of Directors of Tahoe Seasons Resort to order at 9:04 AM. The following persons were in attendance:

Board Members:

E.C. van Eckhardt, *President* (unable to attend)

Gary Ransone, *Vice President*

Robert "Bob" Stickel, *Treasurer*

Adolphus "Doc" Thomas, *Secretary*

Roy Fraser, *Director*

Bruce Bergondy, *Advisor*

Vacation Resorts International:

Juanita Presley, *Vice Chairman / Secretary*

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

Dwayne Baty, *VP Financial Services*

Grant Tuttle, *Regional Director of Resorts*

Resort Staff:

Michael Presley, *General Manager, TSR/TIOA*

Karen Frates, *Assistant General Manager, TSR/TIOA*

Michael Gwin, *Chief Engineer, TSR/TIOA*

Kevin Miller, *Administrative Assistant, TSR/TIOA*

Owners (regular session):

Don and Charmaine Thomas

Lynne and Susan Zimmerman

Jacob Bercu

Bruce Kelley

Others:

Steven Jacobs

Cliff Hall

II. APPROVAL OF AGENDA

- A. The agenda was amended accommodate speakers by moving two presentations to the beginning of the agenda for two agenda items; from Old Business - Resort Media Group (RMG) Mr. Cliff Hall and from Financial Ratifications -Foundation Mr. Steven Jacobs.

Resort Media Group RMG

Michael Gwin requested the Board consider a contract change with RMG to provide video content and free wireless internet. Cliff Hall answered a few of the Board's questions, said he would make the requested changes. The Board will discuss this topic later in the meeting.

Foundation Evaluation

Steven Jacobs provided the Board an update on progress in evaluating the degree of degradation to the foundation walls and discovery of findings of damage to the parking garage due to water intrusion. The rebar in the concrete foundation appears to be in good condition. The steel supporting system is degraded in certain areas. A report of findings, conclusions, and recommendations will be provided to the Board once the demolition is done.

III. OWNER FORUM / CORRESPONDANCE

Don Thomas requested the Board support AB 899 and SB 259 which will save timeshare associations money should they be passed into law. Mr. Thomas also voiced his concern with owner delinquency and the need to consider all potential solutions to thwart delinquency.

Jacob Bercu posed several questions noted herein with responses noted below:

Q: What is the status of bar operations?

A: GM Presley responded that costs to operate the bar are prohibitive given the historical infrequent use of the bar. The majority of the Board expressed a desire to have bar service but reiterated the fact that it has been cost prohibitive to operate and that they will continue to explore alternatives.

Q: What is the status of internet?

A: Management responded that the plan being implemented is to have primarily wireless and partially wired connectivity by the end of October 2009.

Q: Would the Board consider a later start time of the Annual Meeting in December to accommodate Owners who may drive in from the Bay Area?

A: The availability of Bonus Time and additional rooms in the area should accommodate those owners that want to come in from any distance; therefore the meeting time will not be changed.

IV. APPROVAL OF PREVIOUS REGULAR SESSION MEETING MINUTES

MOTION: Bob Stickel moved to approve the June 15, 2009 Board of Directors regular meeting minutes with the omission of not recording the second and results of voting in Old Business C be corrected. Seconded by Doc Thomas and passed unanimously.

V. REPORTS

A. Management

1. Operations Manager's Report

Michael Presley summarized the Managers report, which covered various topics, including administration, maintenance/grounds; reserve/replacement projects status as well as the occupancy report, internal comment card and the exchange company comment card scores. A copy of this report will be attached to the approved set of these minutes and filed in the Association minute book.

2. Ratification of Contracts

a. Integrated Telecom – Phone Maintenance Agreement

MOTION: Doc Thomas moved to approve a maintenance agreement contract with Integrated Telecom Services (ITS) as presented and to authorize G.M. Presley to sign the contract on behalf of the Association. The motion was seconded by Roy Fraser and passed unanimously.

B. Reports / Financial:

1. Acknowledgment of Receipt of Financial Materials

Board members acknowledged receipt and review of the monthly financial reports.

2. Variance Report

Dwayne Baty reviewed the variance provided the Board in advance of the meeting. The net variance through June 2009 is a positive \$267,000. The Board acknowledged resort staff and management's efforts to reduce expenses beyond budget.

3. Delinquency Report

Management reported that as of August 20, 2009 the total number of delinquent owners is 858 and represents 10.7% of the owner base (8,007). There are 179 HOA owned intervals. The total non-maintenance fee performing number of intervals is 1037 or 12.9% of the total owner base. The delinquency factor (not including the HOA owned intervals) from August 2008 was 7.5 % with 602 intervals.

4. Approval of 2009 Operating Budget

Robert Stickel's (CFO) thanked management and the Board members in Committee for their participation to develop a 2010-operating budget. Robert Stickel reported that the Budget Committee recommended to the Board that a budget with a 3.53% increase over 2009 be approved.

MOTION: Doc Thomas moved to approve a budget with a 2% increase in assessments. That motion failed due to the lack of a second.

MOTION: Bob Stickel moved to approve a 2010 Operating budget with a total assessment of \$7,061,322 representing a 3.53% increase in assessments over the current year. Seconded by Roy Fraser. A vote taken passed with two votes in favor, Doc Thomas voting in opposition, and Roy Fraser abstaining from the vote.

As required by Civil Code 1365.5 (e) (5), the Board acknowledged the level of Replacement funds at the beginning of 2010 to be 23.56% of the ideal amount. The level of contribution to Replacements in 2010 as identified in the Thirty-Year Cash Flow Summary of August 2009 calls for a contribution of

\$1,112,870. The Board chose to make a reduced contribution to the Replacement Fund for 2010 in the amount of \$964,500. The Board further acknowledged that to bring Replacements to the ideal funding level in future years, higher contributions than those called for on the Cash Flow Summary might be necessary.

5. Approval of ABC Policy

MOTION: Doc Thomas moved to approve the Assessment Billing and Collection (ABC) Policy as presented. The motion was seconded by Robert Stickel and passed unanimously.

6. Audit Engagement

MOTION: Doc Thomas moved to accept the bid from Schonwit and Associates to perform 2009-year end audit and tax preparation for the TSR Owners Association and Pub at Tahoe Seasons and to authorized Robert Stickel to sign the timeshare association engagement letter and G.M. Presley to sign the Pub engagement letter. The motion was seconded by Robert Stickel and passed unanimously.

7. Approval and Ratifications

a. Ratifications

i. Pool Side BBQ

MOTION: Doc Thomas moved to approve purchase of the Poolside BBQ at a total cost \$3,213.74. The motion was seconded by Bob Stickel and passed unanimously.

ii. TimeLox

MOTION: Doc Thomas moved to ratify the emergency replacement of the TimeLox Key Card Encoder and related software for a total of \$9,806.29. The motion was seconded by Robert Stickel and passed unanimously.

iii. Foundation

MOTION: Robert Stickel moved to approve \$32,966.77 in expenses (exhibit provided to the board) related to continuing foundation testing and repair \$6,544 payable to Jacobs Architect, \$4,500 payable to Forbes / Dunagan Structural Engineers, and \$21,952.77 payable to Rovin Construction General Contractor for the expense related to demolition of affected areas. Seconded by Doc Thomas and passed unanimously.

b. Approvals

i. Snow Blower

In that parts are no longer available for the approximately 20-year-old snow blower Michael Gwin asked for authorization to replace the unit.

MOTION: Robert Stickel moved to approve purchase of a Sears Craftsman 30 inch snow blower total cost \$1,317.33. Seconded by

Roy Fraser and passed unanimously.

Reserve Reimbursement

MOTION: Robert Stickel moved to ratify the expense per the listing provided the Board totaling \$47,980.52 from the Replacement account to reimburse Operations for previously approved expenditures during the period June through August 2009. The motion was seconded by Roy Fraser and passed unanimously.

Vendor	Description:	Amount:
Costco	BBQ Kitchen	\$3,213.74
TimeLox	Key Lock System	\$10,511.63
Forbes / Dungan	Engineering / Foundation	\$1,618.75
Forbes / Dungan	Engineering / Foundation	\$3,500.00
Forbes / Dungan	Engineering / Foundation	\$5,190.00
Inn/com	Thermostats	\$3,449.63
Rovin Construction	Shoring / Foundation	\$12,952.77
Steve Jacobs Architect	Shoring / Foundation	\$4,646.00
Steve Jacobs Architect	Shoring / Foundation	\$2,898.00
		<hr/>
		\$47,980.52

8. Proceeds

a. PMR Purchase Monies

Based on recommendation from the association's auditors, the money received from the Pacific Monarch Resorts purchase of 417 TSR intervals should be applied to related operating expenses of \$35,841.16 and that the balance and future monies received should be transferred into the associations Replacement fund.

MOTION: Robert Stickel moved to follow the recommendation outlined above from Steve Schonwit, the Association's auditor. Seconded by Roy Fraser and passed unanimously.

VI. OLD BUSINESS

A. Termination of Declaration

The agenda item was tabled to the December Board Meeting agenda.

B. Resort Media Group (RMG)

After a brief review of the suggested changes to the RMG proposed agreement the Board heard the following motion:

MOTION: Bob Stickel moved to accept the proposed agreement once Gary Ransone and Tom O'Brien have reviewed and approved of the changes that were requested of RMG representative Cliff Hall and to authorize Michael Presley to sign the agreement on behalf of the Association. The motion was seconded by Doc Thomas and passed

unanimously.

C. Flood Insurance

Flood insurance could not be secured for just one portion of the building. In addition, FEMA considers the property to be in a moderate to low risk area and that purchase of flood insurance is not required. Therefore the Board heard the following motion:

MOTION: Motion by Doc Thomas to not purchase flood insurance. Seconded by Robert Stickel and passed unanimously.

D. Concierge Services

After a discussion of value to maintain concierge services on a limited basis for the balance of 2009 the Board heard the following motion:

MOTION: Robert Stickel moved to approve providing concierge services for the balance of 2009 at 20 hours a week with a total cost not to exceed \$3,200. Seconded by Roy Fraser and passed unanimously.

VII. OTHER BUSINESS

A. Association Mailings

The next quarterly Association News is due out November 4, 2009. Contents will include notice of annual meeting and related materials, reserve summary, insurance summary and ADR notice.

B. Future Meeting Dates

The Board confirmed the following future meeting dates:

Friday, December 4, 2009	Board meeting, Tahoe Seasons Resort at 7:00PM
Saturday, December 5, 2009	Annual meeting, Tahoe Seasons Resort 10:00AM

Proposed 2010 Meeting dates

Monday, March 08, 2010	Board meeting, Tahoe Seasons Resort at 9:00AM
Monday, June 07, 2010	Board meeting, Tahoe Seasons Resort at 9:00AM
Monday, September 13, 2010	Board meeting, Tahoe Seasons Resort at 9:00AM
Friday, December 3, 2010	Board meeting, Tahoe Seasons Resort at 7:00PM
Saturday, December 4, 2010	Annual meeting, Tahoe Seasons Resort 10:00AM

VIII. EXECUTIVE SESSION

IX. The Board entered into Executive Session at 11:33 AM during which the Board approved the June 15, 2009 Executive Session Minutes, asked management to define in writing what is included in the Employee Bonus Program, reviewed a number of delinquent accounts asking management to follow up on securing the intervals in question at no cost to the Association, approved the 9th Amendment to the VRI contract and discussed potential litigation relating the roof. The Board returned to Regular Session at 12:14 PM.

X. ADJOURNMENT

There being no further business the meeting adjourned at 12:15 PM