

**Twenty-Seventh Annual Meeting
Of The Tahoe Seasons Resort
Time Interval Owners' Association
Meeting Minutes
December 2, 2010**

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 3:10 PM at the Tahoe Seasons Resort. Mr. van Eckhardt announced that a quorum had been reached with 1964 proxies received in the mail and or in person and that this would be a valid meeting. The following persons were in attendance:

Board Members:

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

Vacation Resorts International:

Tom O'Brien, *Sr. VP of Resort Operations*
Dwayne Baty, *Director of Finance*

Resort Staff:

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

Owners:

Mr. & Mrs. Michael Wolf
Mr. & Mrs. Robert Putland
Mr. Donald Preston
Mrs. Bergondy
Mrs. Thomas
Mrs. Van Eckhardt

II. INTRODUCTIONS

A. BOARD OF DIRECTORS

Chrys van Eckhardt introduced Adolphus Thomas, Bruce Bergondy, Roy Fraser and Gary Ransone.

B. MANAGEMENT COMPANY

Chrys van Eckhardt introduced Tom O'Brien, Senior VP of Resort Operations, and Dwayne Baty Director of Finance.

C. RESORT STAFF

Chrys van Eckhardt introduced G. Michael Presley, Karen Frates, Lauri Gurley, Michael Gwin, and Kevin Miller.

III. APPROVAL OF MINUTES OF PREVIOUS MEETING

Approval of the minutes from the Twenty-Sixth Annual Owner's Meeting on December 5, 2009. The minutes were approved without amendment.

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 Gary Ransone and Bruce Bergondy. Length of term is two years. Mr. O'Brien asked for a volunteer from the audience to act as Inspector of Elections; Michael Wolf agreed to act as Inspector of Elections. Mr. O'Brien asked for nominations from the floor; there were none, and nominations were officially closed. Mr. O'Brien then asked each of the candidates present if they would like to make a brief statement. After the statements, ballot instructions were given; owners present voted and ballots were then collected and tallied.

Owner Putland said he was disappointed that out of all the candidates running for election this year only Messrs. Bergondy and Ransone showed up to this meeting.

V. REPORTS

President's Report

We would like to express special thanks to VRI, our Management Company, for its continued support of on-going training and general guidance. With 140+ resorts in the United States, Canada and Mexico, VRI is on the cutting edge of timeshare management; their partnership with TSR will only prove to be more beneficial in the years to come.

I felt compelled to respond to a candidate's statement that challenged the integrity of the Board and the decisions made over the years. To quote a Northern California newspaper's comment about one of the candidates in our recent governor's race, "this candidate has a loose relationship with the truth"; that statement epitomizes this candidate statements. I'd like to review these quickly so you have the facts and ask that these comments be made part of the minutes of this meeting.

Quote: "In the past year the Board authorized the transfer of unspecified and unbudgeted funds to a former Board member."

Fact: The Board did approve purchasing a gift for a retiring Board member that served this Association for over 15 years. The total cost of this gift was \$603.10 and was split 50/50 with VRI. This action was reported in the minutes of the June 7, 2010 meeting. The same was done a few years back for another Board member that had served more than 20 years. The Board felt this token amount was a worthwhile expense for the dedication and effort put forth on behalf of these individuals.

Mr. van Eckhardt re-introduced Mike Gwin to give an update on this year's projects.

2010 Accomplishments:

- Guest Room Thermostats: Projected completion date is April 2011.
- Guest Room Tubs: Replacement of tub jets, all four at once, is ongoing as needed. The tubs in GR337 and GR623 were refurbished in December 2009 with new jets, and a new glazing color coat. A non-skid material was added to the color coat to help prevent slips and falls.
- Foundation Repairs: Remedial plans were developed. All of the repairs were completed according engineer/architect specifications. The cost of this project was just over \$433,000.
- New Exhaust fans installed on the 5th and 8th floors to maintain proper exhaust flow. This block of rooms will be monitored for effectiveness over the next three months.
- Garage Driveway Ramp: Investigation of the Parking Garage structure revealed that the underside of the main access ramp exhibited several areas of spalled concrete and steel rebar degradation. In June 2010, Dunagan Engineering, (DEI) recommended further testing. Only minor rebar degradation was discovered and DEI has made a determination that the ramp is structurally sound. The consensus of opinion indicates the following steps should be taken. “Sound” the concrete and remove unsound concrete. Pressure wash all existing slab ceiling surfaces. Patch, repair the concrete and apply new weather resistant coating. The cost to date for this project was \$75,047. The loading dock had similar problems. The costs to date for those repairs are \$23,318 and it is anticipated it will take another \$23,124 to complete.
- ADA Path of Travel: ADA “DESIGN” plans have been completed to a level of 90% or better. Specification of make and model for certain items such front doors, is needed to fully complete the plans. The plans do provide a starting point to begin the process of prioritizing items and estimating costs.
- Valet/Driveway Pavers : All the pavers were replaced, subsurface was regarding to allow for proper slope, new pavers were sealed and new curbing added.
- See Association’s website for photos of some of these projects.

Mr. van Eckhardt asked Tom O’Brien to report the results of the election.

Election Results – Tom O’Brien

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

VI. OPEN FORUM

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

Q.) *Why is there continuing problems with the roof?*

A.) The inherent problem with the roof is the fact that it is a flat roof. There have been problems with some of the surface coatings and management researching the best options and solutions for the top coating. There is no concern main roof membrane.

Q.) *Why have the dues gone up over the years?*

A.) The main increase is due to delinquencies that have increased. The other contributing factor is the Board has been trying to raise the level of Replacement Funds to meet the goal of achieving a 50% level of funding in five years. While that plan called for the level of funding to be 50% in 2012, the Board chose to make a reduced level of Replacement Funding to help offset the increases to the operating portion of the budget where the delinquencies are accounted for. Despite a candidate’s statement to the contrary;

management fees have not gone up in over three years and employees raises have been frozen for the last two years.

Q.) *What is being done with delinquent intervals?*

A.) The Board signed an agreement in September to allow the MVP Services company to begin on-site sales focusing on selling the Association owned inventory. Since they started at the beginning of the Association's "shoulder" season their results to date have only produced one sale. The Board and MVP Services are hoping that when the occupancy picks up they will be able to generate many more sales for the Association.

VII. ADJOURNMENT

There being no other business to discuss, the Annual meeting adjourned at 3:55 PM.