

**Tahoe Seasons Resort
Time Interval Owners' Association Board of Directors
Regular Session Meeting Minutes
September 8, 2008**

The following are the DRAFT meeting minutes from the past Board meeting. Until the Board of Directors approves these minutes at the next Board of Directors Meeting, they are NOT considered final.

I. CALL TO ORDER/ROLL CALL

President E.C. van Eckhardt 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*

Roy Fraser, *Vice President*

Robert "Bob" Stickel, *Chief Financial Officer* (participated in Executive Session meeting only)

Gary Ransone, *Secretary* (departed at 11am)

Adolphus "Doc" Thomas, *Director*

Bruce Bergondy, *Advisor*

Vacation Resorts International:

Juanita Presley, *Vice Chairman / Secretary*

Bruce Quigley, *Chief Financial Officer*

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

Stacey Shilling, *Sr. VP. Of Operations*

Grant Tuttle, *Regional Director of Resorts*

Resort Staff:

Michael Presley, *General Manager*

Karen Frates, *Assistant General Manager*

Dwayne Baty, *Controller*

Michael Gwin, *Chief Engineer*

Kevin Miller, *Administrative Assistant*

Owners (regular session):

Donald Thomas

Mr. and Mrs. Lynne Zimmerman

II. APPROVAL OF AGENDA

The agenda was amended to include "Committees" under New Business and the Business under Financial was moved earlier in the agenda to facilitate Gary Ransone's participation. Executive

session was moved to the beginning of the Board meeting in order to include both Robert Stickel and Gary Ransone who were not able to participate through and complete the entire meeting agenda.

EXECUTIVE SESSION

The Board entered into Executive Session at 9:05 AM during which the Board approved the June 2, 2008 Executive Session Minutes, discussed correspondence dated August 31, 2008 from Jeff Sparrow, Owner and Operator of Fat City Food Company (food service tenant at the resort), approved a restaurant contingency to be included in the 2009 operating budget, and received a unanimous consensus of the Board to approve the 2009 Operating budget with the edits considered by the Budget Committee on September 7, 2008. The Board returned to Regular Session at 10:04 AM.

III. REPORTS

Reports / Financial:

1. Acknowledgment of Receipt of Financial Materials
Board members acknowledged receipt and review of the monthly financial reports.

2. Delinquency Report
Management reported that as of August 19, 2008 the total number of delinquent owners is 602 and represents 7.5% of the owner base (8,007). There are 107 HOA owned intervals. The total non-maintenance fee performing number of intervals is 710 or 8.8% of the total owner base. The delinquency factor (not including the HOA owned intervals) from August 2007 was 11.2 % with 895 intervals.

Management informed the Board that the Association auditors recommended a slight change to the Interval Purchase Agreement with Pacific Monarch Resorts that would specify that the net proceeds from this sale should be placed into the Association's Replacement Fund.

MOTION: Doc Thomas moved to amend the Interval Purchase Agreement with Pacific Monarch Resorts (PMR) to specify that the net proceeds be deposited into the Association's Replacement Fund.

If the remaining 107 HOA owned intervals are not purchased by Pacific Monarch Resorts this year, management is to verify if they can be offered to existing owners without violating the terms and conditions set in the Interval Purchase Agreement.

3. Approval of 2009 Operating Budget
The Board acknowledged Robert Stickel's (CFO) request in Executive Session that the 2009 Operating Budget be approved incorporating the changes made by the Budget Committee during their work session of September 7, 2008. The consensus of the Board was to schedule a telephonic meeting in order to approve

the 2009 budget when the final changes recommended by the Committee were incorporated.

4. Ratification of Reserve Contribution

The Board tabled ratification of this item until the 2009 budget is approved.

5. Approval of ABC Policy

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

6. Approval of early billing (October)

The consensus of the Board was to approve the preexisting practice of billing the 2009 Owner Assessment in October 2008 providing additional time for individual owner payment.

7. Schonwit Travel Expense

The Board debated the merits of Steven Schonwit, Certified Public Accountant to attend the December meeting of the Board in order to personally present his findings in preparation of the 2008-year end financials of the Association.

MOTION: Doc Thomas moved to approve Seven Schonwit's hourly fees and personal expenses related to travel total estimated \$2,000 in order to attend the December Board of Directors meeting in Sacramento to present his findings in preparation of the 2008 Association Financial Statements; contingent upon Individual Board members generating questions to provide Mr. Schonwit in advance of the meeting. The motion was seconded by Roy Fraser and passed unanimously. This issue will be discussed again during the upcoming telephonic Board meeting.

8. Reserve Reimbursement

MOTION: Roy Fraser moved to ratify the expense per the listing provided the Board totaling \$71,367.29 from the Replacement account to reimburse Operations for previously approved expenditures during the period April through July 2008. The motion was seconded by Gary Ransone and passed unanimously.

Maintenance	Labor	\$12,860.34
Tahoe Basin Container	Disposal	\$ 5,367.00
Ferguson Enterprises	Drain Stoppers	\$ 1,594.70
Service Lighting	Room light bulbs	\$ 8,530.78
Simplex Grinnell	Fire Panel	\$21,215.92
Computer Base	Final for computer upgrades	\$ 5,364.92
Ferguson Enterprises	Bathroom Fixtures	\$2,513.82
Integrated Telcom	Telephones	\$4,563.75
Simplex Grinnell	Final payment for Fire Panel	\$4,197.93
Tahoe Fence	Heavenly Valley Fence	\$ 808.13

Kleinfelder	Building Foundation Analysis	<u>\$4,350.00</u>
	Total	\$71,367.29

MOTION: Doc Thomas moved to approve and ratify the previously unapproved Replacements expenses per the listing provided the Board totaling \$17,954.60. The motion was seconded by Roy Fraser and passed unanimously.

Creative Design Concepts	Hair Dryers	\$2,526.00
American Hotel Register	Pillows, Deflectors, Other	\$5,994.76
Double D Upholstery	Lobby Chairs Upholstery	\$3,064.16
Da Tile	Additional tile – refurb.	\$ 115.73
American Hotel Register	Lamp Shades	<u>\$6,253.95</u>
	Total	\$17,954.60

MOTION: Roy Fraser moved to ratify the Replacement expenses listed below totaling \$33,618.01. Doc Thomas seconded the motion and passed unanimously.

1. 12 televisions ordered as spares. \$15,215.85
2. 1 sleeper sofa to install in unit 317 \$2,772.00
3. Sofa sleeper spare parts and fabric to have on hand for repairs. \$5,469.54
4. 6 each desk and lamps ordered for Fairmont unit not considered in additional order. \$2,871.62
5. 6 night stands for Royal A next to sofa sleeper and 2 for Cambridge unit next to sofa sleeper. 8 lamps for night stands and coffee tables for Cambridge unit. \$5,324.00
6. 6 spare coffee tables to have on hand for breakage. \$1,965.00

MOTION: Roy Fraser moved to approve and ratify the Replacements expenses listed below totaling \$66,478.68. Doc Thomas seconded the motion and passed unanimously.

1. 25 heat pumps to have on hand as spares, ordered annually to have on hand as spares. \$57,625.16
2. 25 thermostats for heat pumps listed above. \$8,853.52

IV. APPROVAL OF MINUTES

MOTION: Roy Fraser moved to approve the June 2, 2008 Board of Directors meeting minutes. The motion was seconded by Doc Thomas, and passed unanimously.

V. REPORTS

- A. Managers Report
- B.

Michael Presley and resort staff summarized the General 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.

VI. OLD BUSINESS

A. Renovation

Michael Presley, Karen Frates, and Michael Gwin reported that the renovation process is progressing well and ahead of schedule. The anticipated completion date is December 8, 2008. Michael Gwin, Chief Engineer, assured the Board that he personally inspects each unit prior to signing off on its ready status to return to inventory.

B. Fitted Bed Sheets

Management had received a number of bids for the purchase of fitted sheets for all beds as well as two proposals for laundering of the same. Management recommended the Board approve the bid from Baltic Linen and the proposal from Tahoe Beach and Ski Club to provide laundry services for the fitted sheets.

MOTION: E.C. van Eckhardt moved to approve the purchase, as soon as possible, of fitted bed sheets per management's recommendation and to pursue an agreement with the Tahoe Beach and Ski Resort to provide laundry services for the fitted sheets. The motion was seconded by Roy Fraser and passed unanimously.

VII. NEW BUSINESS

A. Proposed Rack Rate Increase

Management requested a 20% increase in rack rates and corresponding discount structure. It was noted that the rack rates have not been increased for several years and that with the renovation, management felt the increases were warranted.

MOTION: Doc Thomas moved to approve the rack rate increases as proposed by on site management to take affect January 1, 2009. The motion was seconded by Roy Fraser and passed unanimously.

B. Proposed Accessibility Upgrade

The Board tabled a discussion of a proposal by Steve Jacobs Architect / Budget for Design Services – Proposed Accessibility Upgrades to be included on the agenda of the yet to be scheduled telephonic meeting of the Board in order for the full Board to participate.

C. Committees: The Board reconfirmed the establishment of the Employee Incentive Committee of Robert Stickel (CFO), Tom O'Brien, and on site management to prepare a listing of financial incentive and merit distribution to employees.

VIII. OTHER BUSINESS

A. Owner Concerns and Correspondence

Don Thomas asked if the owners could be offered intervals at the same rate that Pacific Monarch Resorts paid for the intervals they acquired. Management responded that if the remaining 107 HOA owned intervals are not purchased by Pacific Monarch Resorts this year, management is to verify if they can be offered to existing owners without violating the terms and conditions set in the Interval Purchase Agreement. If it is OK to sell these to the owners, notice is to be placed in the Association newsletter as soon as possible.

Lynne Zimmerman commented on the comfort of the new sofa sleepers and he also asked if there would be a major renovation in the future. Management responded that it would be looked at again in the future.

B. Association Mailings

The next quarterly Association News is due out November 1, 2008.

Management asked the Board to consider creating a pass word protected section on the Association's website for TSRIOA owners only. After a brief discussion it was the consensus of the Board to deny the request citing that all of the information is public knowledge and that they did not want to create the perception that important Association information was being secluded from the owners for some reason. Further, the Board reasoned that since it is so difficult to get the majority of owners to read anything that is sent to them, they did not want to make it any more time consuming to read what is distributed.

C. Future Meeting Dates

The Board confirmed the following future meeting dates:

Friday, December 5, 2008 Board meeting, Sacramento CA 7:00PM

Saturday, December 6, 2008 Annual meeting, Sacramento CA 10:00AM

Proposed 2009 Meeting dates

Monday, March 16, 2009

Board meeting, Tahoe Seasons Resort at 9:00AM

Monday, June 15, 2009

Board meeting, Tahoe Seasons Resort at 9:00AM

Monday, September 14, 2009

Board meeting, Tahoe Seasons Resort at 9:00AM

Friday, December 4, 2009

Board meeting, Sacramento, CA 7:00PM

Saturday, December 5, 2009

Annual meeting, Sacramento, CA 10:00AM

The meetings noted above in Sacramento meeting will be held at the Doubletree Hotel.

IX. ADJOURNMENT

There being no further business the meeting was adjourned at 11:45AM