

**Tahoe Seasons Resort  
Time Interval Owners' Association Board of Directors  
Regular Session Meeting Minutes  
September 12, 2011**

*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 9:05AM. The following persons were in attendance:

Board Members:

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

Vacation Resorts International:

Tom O'Brien, *Senior Vice President of Resort Operations*  
Dwayne Baty, *Vice President Financial Services*  
Grant Tuttle, *Director of Resorts*

Resort Staff:

Karen Frates, *Assistant General Manager, TSR/TIOA*  
Michael Gwin, *Chief Engineer, TSR/TIOA*  
Kevin Miller, *Administrative Assistant, TSR/TIOA*

Owners (regular session):

Lynne and Susan Zimmerman  
Jacob Bercu  
Michael Wolf  
Donald and Charmaine Thomas  
Michael Varnais

**II. APPROVAL OF AGENDA**

The agenda was approved as presented.

**III. OWNER FORUM / CORRESPONDENCE**

Several owners present directed questions or comments to the board. Mr. Zimmerman noted the very good condition of the resort. Karen Frates provided an update of policy where in most circumstances parties who request to extend their stay are not relocated to an alternate unit. Management uses its best judgment when considering many variable operational circumstances

to best accommodate in house and arriving parties.

Don Thomas asked about future plans to reduce delinquency. Mr. Thomas recommended the board consider an “adopt a share” concept designed to reduce delinquency over time.

#### **IV. APPROVAL OF PREVIOUS REGULAR SESSION MEETING MINUTES**

There being no corrections E.C. van Eckhardt declared the June 6, 2011 regular session minutes of the Board of Directors approved.

#### **V. REPORTS**

##### **A. Management:**

##### **1. Operations Manager’s Report**

Karen Frates 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.

A discussion followed relating to the availability of luggage racks. The consensus of the board was that a minimal requirement of one luggage rack per bedroom. The resort staff was directed to inventory and update the board at the December 1, 2011 meeting as to number and cost to equip each bedroom.

##### **2. Ratification of Contracts**

There was no contracts presented requiring ratification.

##### **B. Reports / Financial:**

##### **1. Acknowledgment Receipt of Financial Materials**

Board members acknowledged receipt and review of the monthly financial reports through the period July 2011.

##### **2. Variance Report**

Dwayne Baty reviewed the variance provided to the Board in advance of the meeting. The net variance through July 2011 is a positive revenue over expenses \$151,222 without consideration of bad debt expense which will be considered at year-end.

##### **3. Delinquency Report**

Management reported that as of August 19, 2011 the total number of delinquent owners is 1,314 and represents 13.5% of the owner base (8,007). There are 379 Association owned intervals. The total non-maintenance fee performing number of intervals is 1,314 or 16.4% of the total owner base. The delinquency factor (not including the HOA owned intervals) from August 2010 was 13.5 % with 1,079 intervals delinquent.

##### **4. Reserves Reimbursement**

a. Reserves to Operating

MOTION: Motion by Gary Ransone to approve Replacements expenses totaling \$8,508.67; American Hotel Register expense for patio furniture total \$2,931.48, MCA Mechanical for inline exhaust fan replacement \$4,880 and Sears for commercial washer replacement \$697.19. Seconded by Doc Thomas and passed unanimously.

MOTION: Motion by Gary Ransone to approve payment of previously approved Steven Jacobs Architect Replacements expenses related to entry door replacement, restroom replacement, and path of travel projects total \$16,258; May 2011 \$9,651, June 2011 \$3,802, July 2011 \$2,805. Seconded by Doc Thomas and passed unanimously.

MOTION: Motion by Bruce Bergondy to ratify reimbursement of the Operating account from the Replacement account for the previously approved Replacements expenses totaling \$92,803.52; Hayesco Inc. for roof and loading dock 1<sup>st</sup> payment \$11,553.50 and Otis Elevator for payment of materials \$81,250.02. Seconded by Doc Thomas and passed unanimously.

b. Approval of Replacement Expenses

MOTION: Motion by Doc Thomas to approve the CDC Design and Specification Agreement dated September 1, 2011 to provide interior design and specification services to renovate the common area corridors total Replacements cost \$5,000. Seconded by Gary Ransone and passed unanimously.

MOTION: Motion by Roy Fraser to approve the Hayesco proposal dated June 21, 2011 to prepare and waterproof the exterior monument sign at a Replacements expense of \$3,800. Seconded by Doc Thomas and passed unanimously.

MOTION: Motion by Doc Thomas to approve the Super Circuits combined quotes #738449 and #738467 total Replacements expense \$3,978.09 to provide and install video surveillance of main entry front door, pool, and sixth floor patios. Seconded by Bruce Bergondy and passed unanimously.

MOTION: Motion by Roy Fraser to approve the Otis Elevator Company proposal dated July 14, 2011 to furnish and install an emergency return unit providing auxiliary power to the kitchen (hydraulic) elevator total Replacements expense \$3,233.56. Seconded by Bruce Bergondy and passed unanimously.

MOTION: Motion by Gary Ransone to approve the Tahoe Pool Service proposal / invoice #15965 to furnish and install a Ray Pak pool heat

exchanger, Replacements expense \$3,584.06. Seconded by Bruce Bergondy and passed unanimously.

MOTION: Motion by Gary Ransone to approve the MCA Mechanical Inc. proposal dated April 11, 2011 # 237 to furnish and install Fantech brand variable speed inline exhaust fans to replace inline exhausters 13, 14, 15, 16 total Replacements cost \$4,880. Seconded by Bruce Bergondy and passed unanimously.

Michael Gwin was asked to provide an update to the board at the December 1, 2011 meeting as to the number and cost estimate to replace the remainder of the inline exhaust fans.

5. Advance from Reserves to Operating

MOTION: Motion by E.C. van Eckhardt to approve an advance transfer of three checks in the amount of \$250,000 each, from Replacements funds to the Operating account for cash flow purposes to fund Replacements projects to be completed prior to the December 2011 board meeting. Seconded by Doc Thomas and passed unanimously.

**VI. OLD BUSINESS**

**A. Roof Status**

Gary Ransone requested of Michael Gwin that he research and report to the board December 1, 2011, reasonable useful life expectancy for budgetary purposes, of the roof membrane. Roy Fraser asked same as the fore mentioned with the modification of determining the effect on perhaps extending useful life if limit to no guest access to roof.

**B. Inventory Reconciliation**

Tom O'Brien distributed a report outlining progress in reconciling inventory involving the association's records and El Dorado County. The goal in undertaking this labor intensive process is to secure and retire intervals that were oversold. The process is ongoing and the project will remain on future agendas as Old Business. Mr. O'Brien reported that he is working with El Dorado County to come up with a suitable bid for each interval that needs to be retired that might be placed up for auction. Mr. O'Brien will contact the Board for their approval if a suitable bid number is received from the County prior to the November sale date.

**C. 2011 Annual Meeting Date and Time**

After a discussion the consensus of the board was to schedule the fourth quarter 2011 board of directors' regular meeting on Thursday December 1, 2011 at 9:00AM followed by the annual owners meeting at 3:00PM. Both meetings will be held at the Tahoe Seasons Resort.

**D. In Room Movies and Internet**

MOTION: Motion by Roy Fraser to approve termination of the existing service agreement with Resort Media Group (RMG) per the provisions of the existing "Content Services Agreement" dated October 7, 2009. Seconded by Doc Thomas and passed unanimously.

MOTION: Motion by Bruce Bergondy to approve payment of the AMC invoice #211028 in the amount of \$6,750 to purchase the 30 currently installed Ruckus Wireless access points (\$225 each). Seconded by Doc Thomas and passed unanimously. The sole purpose of the access points is to support internet access (solely) to all residential units and common areas.

**E. Charter Agreement**

Resort management is communicating with Charter Cable to develop an agreement for expanded cable services.

**F. CC&R / Bylaw Amendment Update**

Tom O'Brien provided an update to changes in language proposed to Article VI Directors Section 1. This additional language will limit the number of Board seats that may be held by one individual or corporate owner. Additionally, more revisions are needed and a complete set of revised documents should be available for Board review at the December meeting. Once the Board reviews the revisions a complete red-lined set will be distributed to the membership along with a ballot measure to formally approve and adopt the revised documents.

The Board Meeting adjourned for a temporary break from 11:24AM to 11:40AM.

**VII. NEW BUSINESS**

**A. Approval of 2012 Assessment Billing and Collection (ABC) Policy**

MOTION: Motion by Doc Thomas to approve the 2012 ABC Policy as presented by management. Seconded by Gary Ransone and passed unanimously.

**B. Approval of 2012 Budget**

Bruce Bergondy representing the 2012 Budget Committee recommended approval of the 2011 budget as presented by the Committee resulting in a 1% increase in assessments over the current year. An increase to the Bad Debt line item to accurately reflect the current delinquency rate was the main reason for the increase compared to last year. The Board expressed their concern regarding the increasing delinquency rate and the need for the approved sales effort to attract new members and convert non performing intervals.

MOTION: Motion by Bruce Bergondy to approve the 2012 Budget total assessment \$7,000,719 of which \$5,948,895 is for Operating and \$1,051,824 is the Replacements contribution. The total assessment represents a 1% increase over the current year budget. Seconded by Doc Thomas and passed unanimously.

C. Replacement Fund Resolution

This agenda item tabled to the December 1, 2011 regular meeting of the board of directors.

D. Auditor Engagement for 2011

MOTION: Gary Ransone moved to accept the bids from Schonwit and Associates dated June 21, 2011 to perform 2011 year-end audit and tax preparation for the TSR Owners Association and Pub at Tahoe Seasons and authorized Bruce Bergondy to sign the timeshare association engagement letter and G.M. Presley to sign the Pub engagement letter. The motion was seconded by Bruce Bergondy and passed unanimously.

The board requested of Dwayne Baty an estimate of cost for Steven Schonwit to attend a meeting in the first half of 2012 to present his findings in preparation of the 2011 audit. Mr. Baty will provide an estimate of cost to the board for consideration at the December 1, 2011 meeting.

E. Bonus Time Enhancement Proposal

The board approved by consensus the Bonus Time proposal (buy two get one free) to be implemented immediately for owners and immediate family.

F. Cost to Association when selling Association owned inventory through MVP

Management responded to Bruce Bergondy's question, that there is no cost to the association for selling association owned interval inventory through MVPService.

G. MVP Status

Management reported that The MVP Services staff Sue Ellen Stuits, will assist the association's concierge at the Monday morning mixer. In order to insure success in sales activity, it is essential that The MVP Services meet a large number of in house owners, rental, and exchange guests. The MVP Services is offering a \$50 Amex credit card as an incentive for guests to take a tour with the MVP representatives.

## VIII. OTHER BUSINESS

A. Association Mailings

The next quarterly Association News will be published October 31, 2011. Contents will include notice of annual meeting and related materials, candidates' statement, proxy card, reserve summary, insurance summary and ADR notice.

B. Future Meeting Dates

The Board confirmed the following future meeting dates:

Thursday, December 1, 2011	Board meeting, Tahoe Seasons Resort at 9:00AM
Thursday, December 1, 2011	Annual meeting, Tahoe Seasons Resort 3:00PM

## IX. EXECUTIVE SESSION

The Board entered into Executive Session at 12:15PM during which:

The Board approved the executive session meeting minutes of June 6, 2011 as presented. Approved the committee recommendation to accept, perform, and implement three hardship deedback requests. Approved the Eleventh Amendment to the Management Agreement, which calls for a three year term with no increases during this renewal term and to authorize E.C. van Eckhardt to sign the amendment on behalf of the association.

The Board returned to Regular Session at 12:42PM.

**X. ADJOURNMENT**

There being no further business the meeting adjourned at 12:43PM.

DRAFT