

MINUTES
Tahoe Beach & Ski Club Owners Association
Quarterly Board of Directors Meeting
January 12, 2013

I. CALL TO ORDER/ ROLL CALL

This meeting was called to order by Steve Williams at 9:10 AM at the Hilton Sacramento Arden West Hotel. The following persons participated in the meeting:

Board Members

Steve Williams, President
Helen Loorya, Vice President
Al Fong, Treasurer (by speakerphone)
Landon Estep, Secretary
Jacob Bercu, Director

Advisors

Bob Davidson (could not participate)
Hal Stephens (could not participate)

VRI Management

Tom O'Brien, Senior Vice President of Resort Operations – Western Region

TBSC staff

Tamara Hollingsworth, General Manager

Guests

Kevin Dollison
Shannon Krutz
Sharlene Pipoly
John White
Sharon Neilson
Dave & Diane Bierman
Kevin Keating
Hydee & James Vanhook
Gerald Robels
Robert & Deborah Woon
Jim & Laura Englander
Manny & Barbara Goldberg
Joe D. White
Joe & Betty O'Connor
Randall & Sandra Cox
Leo & K.G. Sampanis
John Vanni
Jackie & Gil Mars (by speakerphone)
Steve Ballweber (by speakerphone)

II. APPROVAL OF AGENDA

Helen Loorya moved to accept the agenda as presented. The motion was seconded by Landon Estep and passed unanimously.

Before proceeding with the meeting agenda, Steve Williams expressed the Board's appreciation to Kevin Dollison, former Board member who resigned in November 2012. Mr. Williams presented Kevin with a plaque recognizing his years of service to the HOA. Mr. Dollison thanked the Board for his plaque and said he was honored to be able to serve this association as a Board member and Advisor for so many years.

III. OWNER FORUM/CORRESPONDENCE

Steve Ballweber inquired about the Board utilizing email and the Association's website to communicate with the membership. The Board said this was an agenda item that will be discussed later in the meeting.

The Board reviewed a letter from an owner regarding intervals purchased at a tax sale and management's response to that letter, a letter from an owner inquiring about the possibility of management selling HOA-owned weeks at the resort, and an email from an owner who had some problems with her 2013 and 2014 reservations. All correspondence was information only.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

MOTION: Helen Loorya moved to approve the September 22, 2012 Regular meeting minutes with several corrections. The motion was seconded by Landon Estep and passed unanimously with Jacob Bercu abstaining.

There being no corrections or modifications, the October 17th Organizational meeting minutes were approved.

MOTION: Helen Loorya moved to approve the November 7, 2012 meeting minutes as corrected. The motion was seconded by Jacob Bercu and passed unanimously.

The Board reviewed the draft 2012 Annual Meeting minutes for format and content and had no corrections or changes.

V. REPORTS

A. Management

1. General Manager:
 - a. Tamara Hollingsworth's report covered various topics, including administration, Tahoe improvement projects, TRPA-RPU Plan, website update, Lakefront District Group, TBSC CASp Certification, RCI Silver Crown status for 2013, and refurbishment/replacement projects status as well as the occupancy, internal comment card, VI comment card and the RCI comment card scores.
 - b. The Board asked management to gather comments and or scores from past TBSC rental and or exchange guests that may have posted on websites such as Yelp, Trip Advisor etc. The purpose of this information is to see if there are enough comments to warrant staff time to respond to each comment.

- c. The Board agreed to add the following item to the next board meeting agenda: Discussion on modifying the Rules and Regulations to allow High and Swing season owner to book in prime season.

B. Reports

1. Delinquency

VRI reported that as of December 18, 2012 there were 812 delinquent intervals representing 11.4% of the owner base. The delinquency rate for the same period last year was approximately 11.1%. The Association owns 246 intervals. The total number of non-maintenance fee performing intervals is 1058 or 14.82% of the owner base.

The Board also reviewed a report called Delinquency Analysis by Unit Type that listed the delinquencies by unit type and number of years delinquent. This report only covers delinquencies that are two years or more.

According to the El Dorado County Tax Collectors website, there were 77 TBSC intervals up for sale at the November 2012 tax sale. 4 interval weeks were redeemed prior to sale, 73 were sold. Out of the 73 that were sold, only 17 parcels had "excess proceeds." Management informed the Board that a claim was filed with El Dorado County Auditor/Controller on behalf of the Association for the approximate \$2,670 in excess proceeds.

2. Financials

The Board members individually acknowledged receipt and review of the financial statements from August to November 2012.

3. Reserve Expenses

MOTION: Al Fong moved to approve the proposed Reserve/Replacement schedule for 2013 in the amount of \$2,001,565 which includes previously approved expenditures for the Kitchen Bath renovation of 22 units. The motion was seconded by Landon Estep and passed unanimously.

MOTION: Helen Loorya moved to ratify the transfer of \$393,897.69 from the Replacement Fund to the Operating Fund. The motion was seconded by Landon Estep and passed unanimously. The transfer document was signed by Steve Williams and Landon Estep.

MOTION: Helen Loorya moved to ratify the transfer of \$531,000.06 from the Replacement Fund to the Operating Fund for Replacement Expenses from September through part of December. The motion was seconded by Landon Estep and passed unanimously.

4. Contract Schedule

There were no contracts to renew at this meeting.

VI. OLD BUSINESS

A. Quarterly Owner Roster

Board acknowledged receipt of the owner roster on November 1, 2012.

B. HOA-Owned Interval sales

MOTION: Landon Estep moved to set the new sales price effective immediately for the One-Bedroom Deluxe intervals at \$2,200 each and any Two-Bedroom intervals at \$2,500. The motion was seconded by Helen Loorya and passed with three in favor and Bercu and Fong voting against.

C. ADA Compliance Update

Management provided the board with the status of ADA compliance projects completed in 2012 at the resort. To date, 2 studios, 2 one-bedrooms, and 1 two-bedroom unit have been remodeled and are fully ADA compliant. 1 studio, 1 one-bedroom, and 1 townhouse unit have been remodeled and offer a roll in shower.

MOTION: Helen Loorya moved to approve \$500 for an ADA Study update by ARCOR, Inc. The original report was prepared in April 2010. The motion was seconded by Landon Estep and was approved unanimously.

D. Renovation Update

2012 Phase II of renovation of kitchen/bathrooms & interior furnishings was completed in 34 units in Clemens, Richardson, and Carson buildings. Phase III of kitchen and bathroom renovations in 22 units in Carson began in early January.

E. ARDA-ROC Voluntary Contribution

The Board heard from Management that there may be some owners who had inadvertently paid the Voluntary \$3 contribution, either on the on-line website or via other means. In an effort to determine if an owner truly wanted to make this contribution, the Board approved the following plan:

MOTION: Jacob Bercu moved to approve sending the following message in an email to all owners who have email addresses on file, posting the message on the Association website and including the message in the next newsletter:

The 2013 billing statement that went out included a VOLUNTARY contribution for ARDA-ROC of \$3. Some owners may have inadvertently included this contribution in their payment. If you did not intend to include this contribution with your maintenance fee payment, please send an email with your name and account number(s) to wcmemberservices@vriresorts.com and the collections staff will post a \$3 credit to your account(s). If you do not have access to the internet, you may call (949) 855-8004, again with your name and account number and staff will promptly post a \$3 credit to your account. If you had intended to make this voluntary contribution you need not do anything. If management does not hear from you by May 15, 2013, they will assume you had intended to make this contribution and pass this contribution on to ARDA-ROC. We apologize for any inconvenience this may cause you.

The motion was seconded by Helen Loorya and passed unanimously.

F. On-Line Reservation Process

1) The On-line reservation component went live on September 13, 2012.

a. The first on-line reservation problem was reported October 1st. The issue related to Prime Season owners not being able to see availability in other seasons. Upgrades to the programming caused several “rules” to be deleted. The issue was resolved on October 4th.

b. The second on-line reservation issue was reported on December 28th and had to do with requiring prepayment to book a reservation in the following year. The programming looked at the “due date” for the following year’s maintenance fees, which is coded on all accounts as December 10th. This problem only affected any owner who might have been trying to book 2013 reservations between December 10th and January 2nd. The issue was resolved on January 2nd by re-programming the system to look at the “delinquency date” of January 10th instead. Owners were able to book the following year’s reservation without prepayment up to the delinquency date.

2) An issue was reported regarding not being able to see availability two years out. Management will review issue and report back to the Board.

G. Delinquency Resolution Process Update

Management reported that the effort to try to secure a Deed-in-lieu of foreclosure from the most desirable intervals that were up for El Dorado County tax sale did not prove worthwhile. These accounts had been through two collection companies and even with a letter and phone campaign, management could not establish any communications with the owners.

MOTION: Jacob Bercu moved to authorize management to solicit a Deed-in-Lieu (DIL) from those delinquent owners, if any, who own one-bedroom deluxe, two-bedroom or cabin interval weeks. If there is no response to the DIL solicitation, management is authorized to begin foreclosure proceedings on up to 23 one-bedroom deluxe, two-bedroom and cabin interval weeks, if any, which are 3 years or more delinquent. The motion was seconded by Helen Loorya and passed unanimously.

Management noted that this is an unbudgeted operational expense and that, in addition to the foreclosure fee of \$750, there may be El Dorado County taxes owed. Additionally, it was noted that foreclosure sales are open to the general public.

H. Inventory Reconciliation Update

Management reported that the inventory reconciliation is ongoing and that they will try to have the list of discrepancies available for the May meeting and a business plan to address the resolution of those discrepancies.

VII. NEW BUSINESS

A. Nomination Form Committee

Steve Williams presented a draft of the Nomination Form and cover letter that the Committee developed and proposed for adoption by the Board.

MOTION: Helen Loorya moved to approve the new form as developed by the committee. The motion was seconded by Landon Estep and passed unanimously.

B. Board and Resort Communications with Owners

The Board agreed that they would post newsworthy items on the Association’s website every other month. Board members are to send newsworthy items to Steve Williams within

the next few weeks. Mr. Williams will then wordsmith the articles for Board review and then give a consolidated message to management to post. A general email will be sent to all owners who have email addresses on file announcing that the Board post is now available on the Association's website.

C. Resort Event Weeks Discussion

After discussion, the Board agreed to add a questionnaire to the first "Board Posting" to the Association's website asking owners if they would be willing participate in themed activities during shoulder seasons in an effort to help utilize what is historically unreserved space.

D. Blue Monday Rule

This issue was tabled to the May 18th meeting so that the Board could review details of this proposed change to the Rules and Regulations and to be able to discuss this topic in person with all Board members and advisors.

E. Jacob Bercu List of Documents

Jacob Bercu was previously provided a number of documents and reports from his list. At this meeting he was handed lists of independent owners in the VI program, in the RCI Points program, lists of owners with reservations in June, July and August of 2013 & 2014. A delinquency list will be provided to him as soon as possible as well as a complete owner roster. Mr. Bercu was also provided a copy of the management agreement and a salary schedule for on-site staff.

MOTION: Al Fong moved to instruct management to provide Jacob Bercu an owner master list with account number, name, address and season identified. The motion was seconded by Landon Estep and passed unanimously with Jacob Bercu abstaining.

The Board will consider discussion of "Limited Use Agreements" at the May meeting.

F. Governing Documents Review Committee

After discussion of approximately eight proposed changes to the Association's governing documents, the Board agreed to consult legal counsel on the following proposed changes: modification of language in the Bylaws that would limit the number of seats any one entity could hold on the Board of Directors; whether personal/professional qualifications parameters could be required of someone seeking a board seat and, if so, what personal/professional parameters could be required; and whether the parameters could be added to the Rules and Regulations or should the parameters be in the Bylaws. Management was instructed to seek a written legal opinion on these potential changes to the resort's governing documents.

Management was also instructed to ask legal counsel whether language could be added to the Declaration that would address the Right of First Refusal, whereby when an owner enters into an interval sale transaction with a buyer, the owner would first be required to allow the Association to purchase the interval by matching the agreed upon price. If the Association refuses the purchase, the owner would go ahead with the sale as planned.

G. Board Goals and Objectives Discussion

The Board will list some of the Board's objectives for 2013 on their first post to the website. Additional discussion is needed to establish a list of goals. This topic will be added to the May agenda.

Steve Williams appointed a committee consisting of Jacob Bercu, three owners (Mr. Bercu's choice), and a member of the resort staff (determined by resort manager) to suggest additional topics for the resort's website. The committee will report to the board at the May meeting.

The Board recessed at 12:30 PM for a lunch break and then returned to Regular session at 1:35 PM.

VIII. OTHER BUSINESS

A. Confirmation of 2013 Proposed Meeting Dates

Saturday May 18, 2013 Board meeting @ Telephonic 1 PM

Saturday September 28, 2013 Board & Annual meeting @ Embassy Suites 8AM/1PM

Wednesday, November 13, 2013 Board meeting Telephonic 1 PM.

The Board recessed from Regular Session into Executive Session at 2:15 PM.

IX. EXECUTIVE SESSION

The Board went into Executive session at 8:07 AM. The Board approved the minutes of the September 22, 2012, October 17, 2012, and the November 7, 2012 Executive Session meeting minutes; authorized management to facilitate the transfer of two intervals to the HOA; and agreed to continue discussion on a number of potential legal issues. The Board recessed from Executive session at 8:58 AM. The Board returned to Executive Session at 2:15 PM to finish up discussion on three topics, with no action taken. The Board returned to Regular Session at 3:15 PM

X. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 3:16 PM.