

MINUTES
TAHOE BEACH & SKI CLUB
Annual Meeting of Owners
September 27, 2014

A. MEETING CALLED TO ORDER: The meeting was called to order by President Al Fong at 1:07 PM at the Embassy Suites Hotel in South Lake Tahoe, California.

B. INTRODUCTIONS

Board Members

Al Fong, President
Sedric Ketchum, Vice President
Jacob Bercu, Treasurer
Shannon Krutz, Secretary
Stephen Williams, Director

VRI Management

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

TBSC Staff

Tamara Hollingsworth, General Manager
Pattie Pearson, Operation Supervisor
Tiffany Celnar, Owner Services

C. QUESTIONS & ANSWER SESSION

The questions listed below came from those owners in attendance at today's annual meeting.

Q. *Will the renovations be continued?*

A. The Board will consider future renovation when they return to the Board meeting that started this morning.

Q. *Can we get bigger TV's for the living room?*

A. As TV's fail, they will be replaced with larger TV's.

Q. *Will the Association get High Definition signal in the future?*

A. As that technology becomes more affordable for the hospitality industry, the Board will consider it. The TV's that are being purchased now are all HDMI compatible.

Q: *Can we add more cabinets to the one bedroom units in future renovations?*

A: The Board will review plans for future work to see if this can be incorporated.

Q: *Can the Association go back to taking all reservations onsite?*

A: Reservations with Grand Pacific Resorts will be handled from their reservations center and with help from one of their onsite representatives. Space restrictions have always been one of the big issues limiting adding additional staff onsite. Further, when reservations were handled on-site a number of years ago, there fewer owners and little competition compared to today, so it made sense to move offsite so more reservation agents could be added.

Q: Can we review the policy on service animals seems more and more people are taking advantage of the law by bringing their pets on property?

A: The Department of Justice is reviewing the definition of a “service animal” and will be coming out with additional clarifications on the definition a service animal to help the hospitality industry.

Q: I have had my name on the wait list to buy another interval, are there still Association owned intervals for sale?

A: The Board assured all owners that Association owned weeks are available for sale to them and that management will be contacting all owners on the waitlist.

Q: Can the Board members announce any conflicts they may have by serving on the Board?

A: Each Board member gave a brief explanation of their involvement in the timeshare industry. There were no conflicts presented.

D. APPROVAL OF MINUTES, ANNUAL MEETING SEPTEMBER 28, 2013

MOTION: Betty O’Connor moved to dispense with the reading of the previous year’s minutes and to approve them as written. The motion was seconded by John Finckbonner and passed unanimously.

E. QUORUM CERTIFICATION

Tom O’Brien announced that the quorum was reached with over 3,100 proxies received.

1. Board of Directors Election

Tom O’Brien asked for two volunteers from the audience to act as Inspector of Elections. These volunteers could not be a candidate in this election or related to a candidate. The Inspector of Elections will be asked to tabulate and certify the election results. Owners Betty O’Connor and Frank Ken LaRovere volunteered. Mr. O’Brien then asked for nominations from the floor. There being none, the nominations were closed and the candidates present were asked if they wanted to address the audience. After the candidates present (Hal Stephens and Sedric Ketchum) gave brief statements, Tom O’Brien gave instructions on how to complete the ballot and then those in the audience were given an opportunity to cast their votes.

F. PRESIDENT'S MESSAGE

President Fong informed owners of the change of management company from VRI to Grand Pacific Resort Management effective January 1, 2015. He thanked Tom O'Brien and VRI for their 15 years' of advice, guidance and service to both Tahoe Beach & Ski Club Owners' Association and to the Board. He introduced Jay Anderson, Senior VP of Resort Operations, Grand Pacific Resort Management, who then introduced Mandi Osborn, Regional Director of Resort Operations, and Racheal Shake-Giannecchini, RiverPointe Resort Manager. There was a short Q & A period during which time Jay Anderson responded to questions from owners.

G. MANAGEMENT REPORT

Tamara Hollingsworth provided the owners with a renovations summary. The unit renovation concept began in 2009 and a design firm was selected for the plan, two model units were completed in 2010. By the end of 2014, 107 units will have been completely renovated including new kitchen and bathroom construction and upgraded interior furnishings replacement. The project initially was to be completed in 5 years, but has since been extended to a 7 year project. Tamara provided before and after pictures of the unit renovations and displayed layout options for future unit renovations. Tamara advised the owners of the resort projects that have been completed in the past year: This included 21 units of Phase 4 of kitchen/bath renovations, same 21 units will have interior furnishings replaced in the fall. Created a two bedroom lock off unit from an existing studio and one bedroom unit. Added,70 new beach lounge chairs, parking lot repairs/slurry seal, and resurfaced tennis court, installed Gemlink Wireless Energy Conservation system. Tamara advised the owners of the updated energy conservation plan including recycling, use of "green" products and appliances. All past and proposed renovation plans include energy conservation products utilizing companies that are focused on green practices with the goal of reducing our carbon footprint. In addition to energy savings, these practices will result in reduced operating costs.

H. TREASURERS REPORT

Jacob Bercu gave the following report:

2013 Operating Account

Income:

• Dues	\$2,609,598
• Retail Space Rental	\$ 160,000
• Units Rental Income	\$ 303,014
• Interest	\$ 1,755
Total Income	\$3,074,367

Expenses

- Payroll and Benefits \$ 888,812
- Housekeeping - Mastercorp \$ 607,084
- Other Operations – Utilities, Repair, Grounds \$ 473,302
- Administrative –Insurance, Management \$ 805,822
- Income Taxes \$ 57,693
- Bad Debt \$ 243,021

Total Expenses \$3,075,734**Fund Balance, end of Year \$ 587,918**

2013 Reserve Account

Income:

- Dues \$1,431,314
- Interest \$ 25,683

Total Income \$1,456,997**Expenses**

- Income Taxes \$ 3,037
- Bad Debt \$ 134,419
- Renovations \$1,513,152
- Refurbishments \$ 410,033
- Asphalt \$ 18,737
- Fire Alarm \$ 23,003
- Other Replacements \$ 28,213

Total Expenses \$2,130,594**Excess Expenses over Revenue \$ (673,597)****Fund Balance, end of Year \$1,214,123****19.09% Funded****I. NEW BUSINESS**Board of Directors Election Results

Tom O'Brien announced the following results: Sedric Ketchum received 1,720.50 votes and Hal Stephens received 1,697 votes. With those totals, Sedric Ketchum is elected to the Board, serving three year term.

J. ADJOURNMENT

There being no further business to come before the membership, the Annual meeting was adjourned at 4:07 PM.