

**DESERT BREEZES RESORT TIMESHARE OWNERS ASSOCIATION
REGULAR BOARD OF DIRECTORS MEETING
DESERT BREEZES RESORT CONFERENCE ROOM**

**THURSDAY, FEBRUARY 2, 2017
9:00 AM (PST)**

MINUTES

I. CALL MEETING TO ORDER

Clarke Schlabach called the meeting to order at 9:00 a.m. (PST) and introduced all those present, including Emily Pangilinan, the new Guest Services Manager at Desert Breezes Resort. A quorum was present with all board members in attendance. In attendance were:

Board Members

Clarke Schlabach	President
Jacques Peeters	Vice President
Brian Bowcock	Treasurer
Barbara Slovak	Secretary
Dorothy Fazio	Advisor to the Board
Vacant	Director at Large

Trading Places Representatives

Loren Gallagher	President/CEO
Al Hippe	Resort General Manager
Joanne Hallert	Director of Resort Operations
Trish Dye	Interim General Manager

Guests

Verne Busse	Owner
John Middleton	Owner

II. OWNER FORUM

No owners were present at the meeting.

III. APPROVAL OF AGENDA

Barbara Slovak requested the addition of Item E, Personal Matter, in Executive Session. Old Business, Item C, BOD Reimbursement Policy was moved to Executive Session, Item F. A motion was made by Brian Bowcock and seconded by Jacques Peeters to approve the agenda, as amended. The motion passed by unanimous affirmative vote.

IV. APPROVAL OF MINUTES

A motion was made by Brian Bowcock and seconded by Jacques Peeters to approve the minutes of the November 4, 2016 regular board meeting. The motion passed unanimously.

A motion was made by Brian Bowcock and seconded by Jacques Peeters to approve the minutes of the November 5, 2016 organizational meeting. The motion passed unanimously.

V. REPORTS

A. Financial Reports

1. Financial Statements Period Ending December 31, 2016

Joanne Hallert and Patricia Dye presented the financials through December 31, 2016 and answered questions from the board.

A motion was made by Brian Bowcock and seconded by Jacques Peeters to accept the December 31st monthly financial reports for filing. The motion was passed by unanimous affirmative vote.

The board expressed their appreciation for Luis Moran and the TPI accounting team for the timely delivery of financial statements.

2. Delinquency / Collections Report

The board reviewed the delinquency and collection reports. Joanne Hallert noted that the YTD delinquency rate was trending the same as last year. The board requested that page 1 of the delinquency report be no longer included with the board packet.

B. Sales Report – Great Destinations

The board reviewed the sales report from Great Destinations and noted 107 total interval sales for 2016.

C. Property Operations

1. On-Site Management Report

Patricia Dye and Joanne Hallert verbally presented the resort update and answered questions from the board. Jacques Peeters requested that management look into decorative items for the shelf in the living room of the 2 bedroom units.

2. Action Items

The board reviewed the action items. Bids for the ADA pool lifts will be presented at the April meeting. The board elected to take no further action regarding writing off balances on delinquent accounts.

The board reviewed the amended 2017 calendar and motion was made by Brian Bowcock and seconded by Jacques Peeters to move the date of the 2017 annual meeting to November 18th with the board meeting on November 17th. The motion passed with one dissenting.

The board requested that management get a quote to email future newsletter to owners with email addresses on file and mail hard copy to those who do not.

The board requested that management provide a quote from Time Warner to have buildings wired for TV in 2nd bedrooms, to include cost of additional TV's.

D. HOA Owned Inventory

The board reviewed the HOA inventory report. Ms. Hallert confirmed that the 99 intervals being transferred from WWVC were included in the HOA rental inventory.

E. Deed Back Report

The board reviewed the deed back report. The board reiterated their policy that TPI has the authority to make decisions regarding deed back requests.

F. Occupancy Report

The board reviewed the occupancy report.

G. Rental Report

The board reviewed the rental report.

H. Master Association Report

Brian Bowcock reported as a member of the Masters Board. Minutes from November 15, 2016 were reviewed. Barbara Slovak stated that kudos should be given to Brian for his outstanding work with the masters association.

I. Guest Comment Card Reports

The board reviewed the TPI comment cards, the RCI Resort Recognition Report and the II Comment Card summary.

The board requested that management obtain a price to install additional shower bars.

The board requested that Mr. Hippe review the space available and the need for a pool table and/or ping pong table and report back to the board with his recommendation.

J. Board of Directors' Comp Time Report

The board reviewed the comp time report.

The board adjourned for lunch at 12:00 p.m. (PST). The board meeting was reconvened at 12:40 p.m. (PST).

VI. OLD BUSINESS

A. Pool Shower / Restroom Building

Mr. Peeters stated that he would take responsibility for bringing a contractor to the resort to get design ideas and pricing a pool shower/restroom building.

B. ADA Compliance – Pool Lifts

Bids will be presented at the April board meeting.

At Ms. Hallert's request, the board re-reviewed two previous items of old business due to information that she had received that morning.

A motion was made by Brian Bowcock and seconded by Jacques Peeters to increase the approved amount for carpet replacement in the downstairs units to \$63,074 as the previous amount submitted did not include installation, tax and shipping or the cove base. The motion passed unanimously.

A motion was made by Brian Bowcock and seconded by Jacques Peeters to approve the sum of \$13,004 as an operations expense for landscaping work by Blue Agave Landscaping to correct the work performed by the previous landscaping contractor. The motion passed unanimously.

VII. NEW BUSINESS

A. New IRS Mileage Rate

A motion was made by Brian Bowcock and seconded by Jacques Peeters to accept the 2017 IRS mileage rate in the amount of 53.5 cents per mile.

B. Golf Cart Proposal

The board elected to defer a decision on a replacement golf cart until April and asked management to make a recommendation as to whether it was actually needed.

C. Pickelball

A motion was made by Jacques Peeters and seconded by Brian Bowcock to approve a payment in the amount of \$38.42 to Thor Eckert for reimbursement for pickelball equipment as a one-time accommodation. The motion passed unanimously.

VIII. EXECUTIVE SESSION

A motion was made by Brian Bowcock and seconded by Jacques Peeters to enter Executive Session at 1:02 p.m. (PST). Dottie Fazio, John Middleton and Verne Busse left the meeting.

Executive session was closed at 3.21 p.m. (PST) and regular session was reconvened.

VIII. ADJOURNMENT

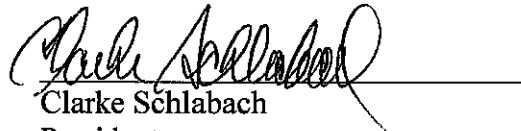
A motion was made by Barbara Slovak and seconded by Dottie Fazio to adjourn the regular board meeting at 3:24 p.m. (PST).

Respectfully submitted by:

Minutes approved by:



Joanne Hallert
Director of Resort Operations
Trading Places International



Clarke Schlabach
President
Desert Breezes Resort Timeshare Owners Assoc.