

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

**FRIDAY, NOVEMBER 17, 2017
9:00 AM (PST)**

MINUTES

I. CALL MEETING TO ORDER

Clarke Schlabach called the meeting to order at 8:58 a.m. (PST) and introduced all those present. 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 |
| John Middleton | Secretary |
| Dorothy Fazio | Director |

Trading Places Representatives

| | |
|----------------|-------------------------------|
| Al Hippe | Resort General Manager |
| Joanne Hallert | Director of Resort Operations |
| Casey Clayson | Administrative Assistant |

Guests

| | |
|-----------------|--------------------------------|
| Mike Fitzgerald | CPA, Fitzgerald and Associates |
|-----------------|--------------------------------|

II. APPROVAL OF AGENDA

A motion was made by Clarke Schlabach to approve the agenda with the addition of F. Owner Correspondence under VII. New Business. The motion passed by unanimous affirmative vote.

III. BOARD MINUTES

A. July 6, 2017 Meeting Minutes

Brian Bowcock made a motion to approve the July 6, 2017 minutes with no changes. John Middleton seconded the motion and the motion passed unanimously.

B. September 6, 2017 Special Meeting Minutes

Brian Bowcock made a motion and Dorothy Fazio seconded the motion to approve the September 6, 2017 special meeting minutes as presented. The motion passed unanimously.

IV. FINANCIAL UPDATES

A. Current Financial Statement

Joanne Hallert presented the financial statements through September 30, 2017 and also reported on the October 31, 2017 financial statements that were sent right before the meeting. Ms. Hallert reported on the October 31, 2017 and reported that the year ended with a positive variance of \$26,500 which was better than the forecast.

A motion was made by Jacques Peeters and seconded by John Middleton to accept the October 31, 2017 monthly financial reports for filing. The motion was passed by unanimous affirmative vote.

B. Reports

1. Delinquency

The board reviewed the delinquency report which showed a delinquency rate as of October 2017 of 18.38% which is 3.05% higher than October of 2016. No action was taken.

2. Collections

The board reviewed the collections report. Joanne Hallert noted that Meridian has collected 53% of the amount assigned to them.

3. Occupancy

The board reviewed the occupancy report. The board requested that management send an e-blast to owners regarding Breezes Time in April and September of 2018 and that an article on the program be included in each newsletter.

4. Deed Back

The board reviewed the deed back report. No action was taken.

5. Rental

The board reviewed the rental report and Ms. Hallert noted the positive year-over-year numbers. No further action was taken.

6. Sales-Great Destinations / HOA Inventory

The board reviewed the sales report from Great Destinations. Joanne Hallert reported that HOA currently owns 308 intervals, 289 of which are with Great Destinations to sale. No action was taken.

V. MANAGEMENT REPORTS

A. Resort Update

Al Hippe reviewed his Manager's Report and answered questions from the board. The board requested that Mr. Hippe obtain a proposal for a ping-pong table and/or outdoor games for the February meeting.

The board thanked Al Hippe and his staff for all the hard work in earning the RCI Gold Crown Status for 2018.

The board recessed for a break at 11:05 a.m. (PST) and reconvened at 11:17 a.m. (PST).

B. Action Items

All the action items have been completed with the exception of deciding the new sofa design. Proposals for the sofas will be presented at the February meeting for the board to approve.

C. Board of Directors' Comp Time Report

The board reviewed and discussed the comp time report. No action was taken.

D. Master Association Report

Brian Bowcock, as a member of the Masters Board, reported on the minutes from the August 15, 2017 and September 25, 2017 Master Association meetings.

VI. OLD BUSINESS

A. Sofa Replacement Update

This item was discussed during the Action Items report.

VII. NEW BUSINESS

A. Owners Corner Login Change

Joanne Hallert reported that the Desert Breezes Owner's login information for the website will be changing. The generic log in will work, but there will now be an option to create a personalized login which would automatically log owners into their own account.

B. D&O Insurance Update

Ms. Hallert reported that the D&O Liability / EPL Liability policy has been renewed with a new company called RSUI, as CNA had refused to renew coverage due to the claims

history. Ms. Hallert confirmed to the board the list of companies that the insurance broker had contacted to quote the insurance.

C. Riverside County Tax Sale

The board requested that the Riverside County Tax Sale should be budgeted for the following year. The board decided not to purchase any intervals in the Riverside County Tax Sale for the 2017 year. The board requested that Ms. Hallert confirm with Riverside County whether the intervals would still be offered for sale.

The board adjourned for lunch at 12:13 p.m. (PST). The board meeting was reconvened at 12:46 p.m. (PST).

D. 4 Seasons Lot Rent Proposal

The board reviewed and discussed the 4 Seasons lot rent proposal.

Dorothy Fazio made a motion and John Middleton seconded the motion to decline the 4 Seasons lot rent proposal. The motion passed unanimously. The board requested that Mr. Hippe send a letter to 4 Seasons confirming their decision.

E. Annual Meeting Review

The board discussed the upcoming annual meeting.

F. Owner Correspondence

The board reviewed and discussed the member correspondence. Ms. Hallert will respond to the owner.

VIII. EXECUTIVE SESSION

A motion was made by Clarke Schlabach to enter Executive Session at 1:16 p.m. (PST).


Executive session was adjourned at 1:46 p.m. (PST) and regular session was reconvened.

IX. ADJOURNMENT

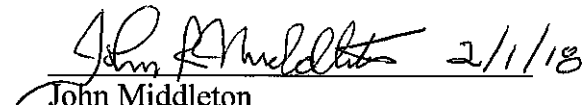
A motion was made by Jacques Peeters to adjourn the regular board meeting at 1:46 p.m. (PST).

Submitted by:
Trading Places International
Its: Managing Agent

Approved by:
Desert Breezes Resort Timeshare Owners Assoc.



Joanne Hallert
Director of Resort Operations
Trading Places International

 2/1/18

John Middleton
Secretary of the Board