

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

**THURSDAY, FEBRUARY 1, 2018  
9:00 AM (PST)**

**MINUTES**

**I. CALL MEETING TO ORDER**

Brian Bowcock called the meeting to order at 9:00 a.m. (PST) and introduced all those present. The board recognized Al Hippe's one year anniversary at the resort and congratulated him. A quorum was present with all board members in attendance. In attendance were:

**Board Members**

Brian Bowcock	President
Jacques Peeters	Vice President
John Middleton	Treasurer
Dorothy (Dottie) Fazio	Secretary
Clarke Schlabach	Director

**Trading Places Representatives**

Al Hippe	Resort General Manager
Joanne Hallert	Director of Resort Operations

**Guests**

Mike Fitzgerald	CPA, Fitzgerald and Associates (via phone)
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**II. APPROVAL OF AGENDA**

A motion was made by Jacques Peeters and seconded by John Middleton to approve the agenda with the following additions: Item E, Meeting Dates under VI. Old Business; Item D, Owner Correspondence under VII. New Business. The board also added Legal Matters, Owner Correspondence and Association Inventory for discussion in the Executive Session. The motion passed by unanimous affirmative vote.

**III. BOARD MINUTES**

**A. November 17, 2017 Meeting Minutes**

Jacques Peeters made a motion to approve the November 17, 2017 minutes as presented. John Middleton seconded the motion and the motion passed unanimously.

## **B. November 18, 2017 Organizational Meeting Minutes**

John Middleton made a motion and Dottie Fazio seconded the motion to approve the November 18, 2017 organizational meeting minutes as presented. The motion passed unanimously.

## **IV. FINANCIAL UPDATES**

### **A. Current Financial Statement**

The board reviewed the financial statements through December 30, 2017 and noted a small deficit for the one month year to date. Mr. Hippe explained that this was not a concern due to the straight-line budget process and line items would even out throughout the year.

A motion was made by John Middleton and seconded by Clarke Schlabach to accept the November 30, 2017 monthly financial reports for filing. The motion was passed by unanimous affirmative vote.

Mike Fitzgerald, CPA, joined the meeting via telephone and presented the draft audit for the 2017 fiscal year and answered questions from the board. Mr. Fitzgerald stated that the audit went smoothly and he could present a clean audit opinion. The board elected to wait to make a decision on how to handle the 2017 operating surplus until the July meeting. Mr. Fitzgerald left the meeting at 10:20 p.m.

### **B. Reports**

#### **1. Delinquency**

The board reviewed the delinquency report which showed a slight decrease year over year as of November 30, 2017. No action was taken.

#### **2. Collections**

The board reviewed the collections report as of December 31, 2017. Joanne Hallert noted that Meridian has collected just under 55% of the amount assigned to them. No further action was taken.

#### **3. Occupancy**

The board reviewed the occupancy report as of December 31, 2017. No action was taken.

#### **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 with a 5.2% increase in gross revenue. 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 313 intervals, 294 of which are with Great Destinations to sell. 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 look into a universal remote that will operate both the TV and cable box.

### **B. Action Items**

The board reviewed the action items, noting that all were complete.

### **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 November 1, 2017 meeting which he had been unable to attend.

### **E. Comment Cards**

The board discussed the comment cards that had been previously sent electronically and requested that Mr. Hippe follow up with Jani-King to ensure attention to detail.

## **VI. OLD BUSINESS**

### **A. BOD Expense Reimbursement Policy**

A motion was made by Dottie Fazio and seconded by John Middleton authorizing management to book additional comp nights in conjunction with board meetings, based upon the legitimate personal needs of individual board members, based upon availability. The motion passed unanimously.

The board adjourned for lunch at 11:50 a.m. and reconvened at 12:30 p.m.

**B. Riverside County Tax Sale**

Joanne Hallert reviewed her discussions with Riverside County regarding a tax sale of delinquent intervals. The board confirmed that they did not want to take any action at this time but requested that Ms. Hallert stay in contact with the County to see if there are developments.

**C. Sofa Replacement Update**

Dottie Fazio and Al Hippe presented proposals for sofa upholstery that were neutral and would go with the current décor. The board requested that they present an updated proposal at the April meeting with the number of sofas and chairs that could be replaced concurrently for \$50K.

**D. Pool Bathroom**

Brian Bowcock presented other possibilities for the construction of a bathroom at the pool. A pre-fabricated building would cost around \$90K, not including footings, plumbing etc. Mr. Bowcock suggested a 3-year strategic planning workshop for the July budget meeting.

**E. Meeting Days/Dates**

The board decided that for 2019 board meetings scheduled for January and April would be held on Wednesdays; however, not the first or third Wednesday of the month. This allows for easier and more inexpensive travel and less impact on the inventory at the resort.

**VII. NEW BUSINESS**

**A. Audit Representation Letter**

A motion was made by Dottie Fazio and seconded by John Middleton to approve the audit representation letter and authorizing Brian Bowcock to sign the letter. The motion passed unanimously.

**B. Approval of 2017 Audit**

A motion was made by Clarke Schlabach and seconded by John Middleton approving the 2017 draft audit. The motion passed unanimously.

**C. Ping Pong/Outdoor Games Proposal**

The board reviewed 3 bids for a ping pong table. A motion was made by Clarke Schlabach and seconded by Dottie Fazio approving the proposed purchase of a ping pong table from Costco in amount not to exceed \$1,000. The motion passed unanimously.

**D. Owner Correspondence**

The board discussed correspondence received from an owner and directed the Ms. Hallert draft a response for Brian Bowcock's approval.

**VIII. EXECUTIVE SESSION**

A motion was made by Brian Bowcock to enter Executive Session at 2:00 p.m. (PST).

Executive Session was adjourned at 2:55 p.m. (PST) and Regular Session was reconvened.

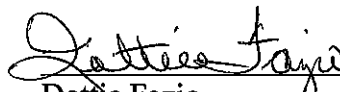
**IX. ADJOURNMENT**

Brian Bowcock declared the regular board meeting adjourned at 3:00 p.m. (PST).

Submitted by:  
Trading Places International  
Its: Managing Agent

Approved by:  
Desert Breezes Resort Timeshare Owners Assoc.

  
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Joanne Hallert  
Director of Resort Operations  
Trading Places International

  
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Dottie Fazio  
Secretary of the Board