

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

**THURSDAY, JULY 25, 2018  
10:00 AM (PDT)**

**MINUTES**

**I. CALL MEETING TO ORDER**

Brian Bowcock called the meeting to order at 10:00 a.m. (PDT) and introduced everyone present. 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 ( <i>Telephonically</i> )

**Trading Places Representatives:**

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

**II. APPROVAL OF AGENDA**

A motion was made by John Middleton and seconded by Jacques Peeters to approve the agenda with the addition of C. Personal Matter to VIII. Executive Session. The motion passed unanimously.

**III. BOARD MINUTES**

**A. April 5, 2018 Meeting Minutes**

A motion was made by Jacques Peeters and seconded by Dorothy Fazio to approve the April 5, 2018 minutes as presented. The motion passed unanimously.

## **IV. FINANCIAL UPDATES**

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

The board reviewed the financial statements through May 31, 2018 and noted the positive variance to budget year to date.

A motion was made by John Middleton and seconded by Dorothy Fazio to accept the May 31, 2018 financial reports for filing. The motion passed unanimously.

### **B. Reports**

#### **1. Delinquency**

The board reviewed the delinquency report as of May 31, 2018. No further action was taken.

#### **2. Collections**

The board reviewed the collections report as of June 30, 2018. No further action was taken.

#### **3. Occupancy**

The board reviewed the occupancy report as of May 31, 2018. 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. No further action was taken.

#### **6. Sales-Great Destinations / HOA Inventory**

The board reviewed the sales report from Great Destinations and noted the continuing decrease in the number of sales. The board requested that management check with Great Destinations to see if any incentives/lobby marketing can be used to improve sales.

## **V. MANAGEMENT REPORTS**

### **A. Resort Update**

Al Hippe reviewed his Manager's Report and answered questions from the board. The board agreed with Mr. Hippe's recommendation to replace the current washer and dryers

with stackable units as needed. The board directed Al Hippe to present possible ideas for cleaning the lake at the November board meeting once it had been determined whether there were any leaks in the liner.

**B. Action Items**

The board reviewed the action items, noting that all but two items have been completed and are still in progress. The two items that are still in progress are cleaning the lake and continuing to research possibilities for selling HOA inventory.

Al Hippe presented the board with a PowerPoint displaying all the items that have been completed to make the resort ADA compliant. He also provided a list of items that still needed to be addressed. The board decided that they should continue to focus on the common areas and that they would then address the units once the common areas had been completed.

The board requested that Mr. Hippe provide proposals for pool chillers for the November meeting.

**C. Board of Directors' Comp Time Report**

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

**D. Master Association Report**

Brian Bowcock, as a member of the Masters Board, reported on the May 16, 2018 meeting. He reported that the Masters Association has been working on completing major repairs and capital expenditures. These include fixing the leak in the roof, installing air conditioning, and repairing the entrance gate.

**VI. OLD BUSINESS**

**A. 2017 Operating Surplus**

The board directed management to leave the 2017 surplus in the operating fund, instead of transferring the surplus to the replacement fund.

**VII. NEW BUSINESS**

**A. 2019 Budget Proposal & Recommendation**

The board reviewed the proposed 2019 budget. A motion was made by Clarke Schlabach and seconded by John Middleton to accept the 2019 budget as presented with a 5% increase in maintenance fees. The motion passed unanimously.

## **1. 2019 Reserve Projects**

Joanne Hallert presented the proposed 2019 reserve expenditures to the board.

A motion was made by John Middleton and seconded by Jacques Peeters to approve the 2019 reserve expenditures as presented and to allow Al Hippe to move forward with these projects without further board approval. The motion passed unanimously.

### **B. Cover Letter, 2019 ABC Policy & Buckslips**

The board directed management to update the cover letter to reflect that maintenance fees were being increased to continue funding of the association's reserves.

A motion was made by Dorothy Fazio and seconded by Jacques Peeters to approve the cover letter as amended, and ABC policy and buckslip as presented. The motion passed unanimously.

### **C. ARDA-ROC Donation Letter**

A motion was made by Jacques Peeters and seconded by John Middleton to approve the inclusion of the ARDA-ROC letter in the 2019 maintenance fee mailer. The motion passed unanimously.

### **D. 2018 Audit Engagement Letter**

A motion was made by John Middleton and seconded by Clark Schlabach to approve the audit engagement letter from Fitzgerald & Associates, Inc. for the 2018 fiscal year. The motion passed unanimously.

### **E. Owner Correspondence**

The board reviewed owner correspondence.

## **VIII. EXECUTIVE SESSION**

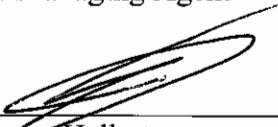
The board entered into Executive Session at 12:04 p.m. (PDT).

Executive session was adjourned at 12:15 p.m. (PDT) and regular session was reconvened.

## **IX. ADJOURNMENT**

A motion was made by Dorothy Fazio and seconded by John Middleton to adjourn the July 25, 2018 board meeting. The motion passed unanimously, and the meeting adjourned at 12:15 p.m. (PDT).

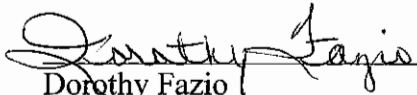
Submitted by:  
Trading Places International  
Its: Managing Agent



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Joanne Hallert  
Director of Resort Operations  
Trading Places International

Approved by:  
Desert Breezes Resort Timeshare Owners Assoc.



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Dorothy Fazio  
Secretary of the Board