

**DESERT BREEZES RESORT TIMESHARE OWNERS ASSOCIATION
2017 ANNUAL MEETING
DESERT BREEZES RESORT
PALM DESERT, CALIFORNIA**

**Saturday, November 18, 2017
10:00 a.m. (PST)**

MINUTES

I. CALL MEETING TO ORDER

A. Welcoming Remarks

President Clarke Schlabach called the meeting to order at 10:01 a.m. (PST) and thanked everyone in attendance.

B. Introductions

Jacques Peeters introduced each board member, Trading Places staff, and Mike Fitzgerald, the Association's Auditor.

Board Members

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

Trading Places Representatives

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

Guests

Mike Fitzgerald	CPA, Fitzgerald and Associates
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C. Establish Quorum

Clarke Schlabach announced that in accordance with the Bylaws of the Desert Breezes Resort Timeshare Owners Association, a quorum of 15% is required. A quorum was established by proxies on file as well as those who were in attendance during the meeting.

II. APPROVAL OF MINUTES

A motion was made by Donald R. Davis and seconded by Brian G. Brown to approve the minutes of the November 5, 2016 annual meeting. The motion passed unanimously.

III. RESORT FINANCIAL REPORT

The association's independent auditor, Mike Fitzgerald, CPA, presented the financial update for October 31, 2016 pursuant to his audit report. Mr. Fitzgerald stated that the association ended the year as follows:

- \$2,397,915 in total assets
- \$1,288,493 in total liabilities
- \$3,020,471 in total revenue
- \$3,020,253 in total expenses
- \$218 in excess revenues
- \$224,507 spent on repairs and replacements
- \$30,633 decrease in bad debts/delinquencies

IV. 2016 - 2017 OVERVIEW – UPDATES

Brian Bowcock gave a brief report on the repairs and the replacements the resort will be focusing on for 2018. He announced that for 2018 the resort would use funds for upkeep and smaller changes and that the board was always looking for ways to improve the resort.

Al Hippe, General Manager, introduced himself and announced that the resort has started a new employee recognition program. The new program rewards employees who go above and beyond and who are mentioned on comment cards and who help fellow employees and owners in need.

Mr. Hippe also reported that Desert Breezes has earned Gold Crown Status from RCI for 2018 which is a great accomplishment. In addition, he reported that the resort has been working to update ADA compliance with new wheelchair ramps in the parking lots and the 4 chair lifts installed at the pools. In 2018, the resort will be focusing on putting new TV's in all second bedrooms, replacing sofas, finishing the replacement of the shower valves, continuing ADA improvements, new carpeting in the upstairs units, and the landscaping.

V. APPOINTMENT OF INSPECTORS OF ELECTION

Owner Donald B. Davis volunteered to be the Inspector of Election and worked with management in the tallying of the ballots.

VI. ELECTION OF BOARD OF DIRECTORS (TWO OPEN POSITIONS)

The three incumbents Dorothy Fazio, John Middleton, and Clarke Schlabach were introduced and had an opportunity to express their desire to be elected. Candidates Robert Neal Jr. and Leslie Newquist were unable to attend and Joanne Hallert read their resumes aloud. Write-in, Brian G. Brown, expressed his desire to run for the Board of Directors. Clarke Schlabach then asked three times if there were any nominations from the floor. Hearing none, the nominations were closed.

VII. GENERAL DISCUSSION/OPEN FORUM – QUESTION AND ANSWER SESSION

QUESTION/COMMENT	ANSWER
What is bad debt?	Bad debt is made up of owners who have not paid their fees and go delinquent.
What happens if we do not pay maintenance fees?	Please see your 2018 ABC policy by referring to the hard copy that was sent along with your maintenance fee statement or by visiting the Desert Breezes website.
What happens when we rent our week?	We use every channel possible to market rental inventory. You always have the option of pulling your week out of the rental pull.
Why do we have no ice trays in the refrigerator?	The board agreed that ice trays should be placed in the units.
How come the rules in the pool are not being reinforced? Some guests are drinking and playing loud music.	Management will be doing everything possible to reinforce the rules and regulations.
I called the after-hours service desk and nobody answered or addressed my issue regarding leaking water on the roof.	We apologize, and we will investigate the incident and address it with the team.
Do we have personal liability if our units get rented and someone gets injured?	You do not have personal liability.
Do we have a realtor to sell our timeshare?	No, but we do have an Owner Week for Sale program to list your ownership for sale.
How come I can't give back my timeshare when I am willing to give it for nothing?	We don't have a direct sales program. You can talk to your friends or family who may be willing to take over the ownership for you. You can also try other sales options but be aware of companies charging fees in advance.
How much are closing costs on a unit?	Around \$400-\$500 for the title search/transfer.
How many units are in the foreclosure process currently with the county of Riverside?	Approximately 300 units.
What's the estimated value of our unit if we want to sell it?	Whatever the market is willing to pay. It all depends on the seller's and buyer's agreement on the price.

Immediately following the close of the general discussion/open forum, Joanne Hallert conducted the raffle drawing for two “No Fee Exchange” vouchers and one “Experience TPI Week” voucher. The raffle winners were as follows:

- Garry Nicholson – Experience TPI voucher
- Janet Erickson & Bruce Prommersberger – No Fee Exchange voucher
- George Eichel – No Fee Exchange voucher

VIII. ELECTION RESULTS – ANNOUNCEMENT

Following the collection of the ballots and review of the proxies on file by the Inspector of Election, the new board members were announced.

The final tally was as follows:

Dorothy Fazio	806 votes	Leslie Newquist	129 votes
John Middleton	772 votes	Brian G. Brown	1 vote
Clarke Schlabach	782 votes	John Kaylor	9 votes
Robert Neal Jr.	119 votes		

Dorothy Fazio, John Middleton, and Clarke Schlabach were each re-elected to a two-year term, effective immediately, through the 2019 annual meeting.

Clarke Schlabach thanked everyone for their participation in the 2017 Annual Desert Breezes annual meeting.

IX. ADJOURNMENT

There being no further business to come before the annual meeting, Clarke Schlabach declared the meeting adjourned at 11:35 a.m. (PST).

Submitted by:
 Trading Places International
 Desert Breezes Resort Managing Agent

Approved by:
 Desert Breezes Resort
 Timeshare Owners Association

By: _____
 Joanne Hallert
 Director of Resort Operations

By: _____
 John Middleton
 Secretary