

July 9, 2018

Dear Marriott's Desert Springs Villas Owner:

I am pleased to provide the President's Letter for Desert Springs Villas Timeshare Association. The attached minutes are being distributed to Owners as outlined in the Desert Springs Villas Timeshare Association Declaration Article IV Management, Section 4.2 (o).

Please also consider opting-in to receive mailings required by the Association's governing documents or applicable law via electronic transmission through an email address. Examples of required mailings may include: notices of meetings, financial statements, budgets and amendments to the governing documents.

In order to receive these items by electronic transmission, Owners must first explicitly provide consent (or "opt-in"). Consent to receive required mailings by electronic transmission is effective unless it is revoked at a later time.

To opt-in, log into your Owner account on <https://owners.marriottvacationclub.com>. Click on "Account". Click on "Profile". Click on "Register for Online Document Notification". Click on "Edit Settings".

For questions, please contact me by phone at 760-779-1201 or by email at [MVCownerboard.desertspringsvillas@vacationclub.com](mailto:MVCownerboard.desertspringsvillas@vacationclub.com).

Sincerely,

*Bill Gunderson*

General Manager

Marriott's Desert Springs Villas

July 9, 2018

Dear Desert Springs Villas Owners:

I have recently returned from the May Board of Directors Meeting for our Desert Springs Villas Timeshare Association, (DSV). As the President of the Desert Springs Villas Board of Directors, I would like to provide you with some highlights from the meeting.

Our General Manager, Bill Gunderson was awarded the 2017 World Class Leadership award. On behalf of all of the Board Members, I would like to congratulate Bill on this award. It is because of Bill and his team that we have such a desirable resort.

Annual Audit - Our auditors, PricewaterhouseCoopers LLP, audited our financials and issued a good opinion of our operations with no audit adjustments.

Villa Refurbishment - The second phase of the Villa refurbishment has begun, and the estimated completion date is November 2018. Buildings A-J and Y are completed and look amazing.

Exterior Painting - The proposed exterior colors and finishes have been completed on building Y. If you are on property, please take a look at the new design if you come to the resort. Projected start date is 2019.

Landscape - Excess grass is being removed and replaced with Desert Landscape using drip irrigation, in an effort to reduce water consumption. This process started with the walking paths in 2017.

Wage Legislation - California mandated wage increases continue to impact the property. We are always looking for ways to minimize the impact on the association budgets.

Insurance - Premiums are expected to rise by 30% next year due to insurance losses incurred by our carriers resulting from fires, floods and hurricanes. We have reviewed our coverage and are assured that we have adequate coverage.

Unpaid Fees - Our collections remain among the best in Marriott Vacation Club. Our unpaid fees stayed close to 2017 coming in at 2.7% for 2018. This along with the Marriott Vacation Club repurchase program we will continue to keep our unpaid fees low.

Guest Satisfaction Scores (GSS) - Continues to stay at very high levels, exceeding 90%. Our Owners and Guests continue to make our Resort a destination of choice.

Golf Nets - The Board has agreed to install netting to mitigate golf balls entering the West Pool area. Management is working with the JW Marriott Desert Springs Resort & Spa on a proposal to be submitted to the City of Palm Desert for approval.

Board of Directors - Paul Backowski, who served as a board member for 25 years, passed away earlier in 2018. The board decided to honor his years of service with a bench and monument sign dedicated to Paul and his years of service. His place will be taken by James Masterson as a result of the May 18, 2018 election. We welcome Mr. Masterson to the board.

Sincerely,

*Shelley Chamberlain*

President

Desert Springs Villas Timeshare Association

## Desert Springs Villas Master Association

### Board of Directors Meeting

May 17, 2018

A regular meeting of Desert Springs Villas Master Association Board of Directors was held on May 17, 2018, at Marriott's Desert Springs Villas, Hummingbird Meeting Room, 1091 Pinehurst Lane, Palm Desert, California 92260.

**Present from the Board of Directors were:** Tom Cook, President, Desert Springs Villas Timeshare Association; Sharon August Jones, Vice President, Desert Springs Villas II Timeshare Association; Shelley J. Chamberlain, Secretary/Treasurer, Desert Springs Villas Timeshare Association; Tom Corridan, Director, Desert Springs Villas II Timeshare Association; Bob Gallagher, Director, Desert Springs Villas Timeshare Association; Ron Horwitz, Director, Desert Springs Villas II Timeshare Association; Joe Lawrence, Director, Desert Springs Villas Timeshare Association; Ben Steinberg, Director, Desert Springs Villas II Timeshare Association and Sverre Thomassen, Jr., Director, Desert Springs Villas II Timeshare Association

**Present from Marriott Vacation Club® International, representing the Management Company, were:** Art Ambriz, Chief Engineer; Jane Berg, Regional Vice President - West; Brian Burak, Senior Assistant Controller; Suzette Ellebracht, Project Manager; Bill Gunderson, General Manager; Matthew Gardell, Director of Finance; Glenn Knorr, Director of Engineering; Pedro Montalvo, Assistant Controller in Training; H.C. Noll, Front Office Manager; Scott Wilkerson, Regional Director of Finance - West; Alex Yanez, Chief Engineer and Mary Ann Chavez, Executive Assistant

### CALL TO ORDER

Tom Cook, President, called the meeting to order at 8:05 a.m., Pacific time.

Overview of Senate Bill Section 4900, est. seq. (Open Meeting Act) of California Civil Code  
Mr. Cook reviewed Senate Bill 4900, Open Meeting Act, of California Civil Code.

### ESTABLISHMENT OF QUORUM

Mr. Cook announced with all Board Members present, quorum was met.

### APPOINTMENT OF RECORDING SECRETARY

Mr. Cook appointed Mary Ann Chavez to serve as Recording Secretary.

### PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING

Notice of Board Meeting was emailed to all Board Members on April 18, 2018, as required by the Association Bylaws.

### APPROVAL OF AGENDA

**A motion was made by Bob Gallagher to approve the Agenda as presented. The motion was seconded by Sharon August Jones and unanimously carried.**

### APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES

**A motion was made by Ron Horwitz to accept the October 10, 2017 Golf Course Net Committee Meeting Minutes as presented. The motion was seconded by Bob Gallagher and unanimously carried.**

**A motion was made by Ron Horwitz to approve the October 19, 2017 Board Meeting Minutes as presented. The motion was seconded by Bob Gallagher and unanimously carried.**

**A motion was made by Ron Horwitz to approve the February 8, 2018 Board Meeting Minutes as presented. The motion was seconded by Bob Gallagher and unanimously carried.**

### FINANCIAL REPORT

2017 Audit Committee Report

Ron Horwitz presented the Audit Committee Meeting Report. PricewaterhouseCoopers reported operational results were positive for the Association with no audit adjustments.

The Board discussed engagement of external auditors.

#### Acceptance of April 20, 2018 Audit Committee Meeting Minutes

**A motion was made by Sharon August Jones to accept the April 18, 2018 Audit Committee Meeting Minutes as presented. The motion was seconded by Tom Cook and unanimously carried.**

**A motion was made by Joe Lawrence to approve PricewaterhouseCoopers as auditors for the 2019 Audit, with the agreed upon fee of \$10,000. The motion was seconded by Shelley Chamberlain and carried unanimously.**

**A motion was made by Joe Lawrence to authorize the Joint Audit Committee, including Ron Horwitz, Bob Gallagher, Shelley Chamberlain and Ben Steinberg, to review and approve the 2018 Audited Financials prior to the financials being mailed to Owners as required, on behalf of the Board. The motion was seconded by Shelley Chamberlain and unanimously carried.**

#### 2017 Audit

Matt Gardell reviewed the 2017 Audit. Highlights included:

- Audited Operating Fund balance at year-end was \$16,499; the variance of \$10,167 from the year-end statement was due to a pool maintenance accrual
- Audited Reserve Fund balance at year-end was \$436,997

**A motion was made by Sharon August Jones to accept the 2017 Audited Financials as presented. The motion was seconded by Bob Gallagher and unanimously carried.**

#### Current Financials

Mr. Gardell reviewed current financials. Highlights included:

- As of March 2018, the Operating Fund balance was \$5,897 under budget; variances included: Electricity - (\$5,985), Gas - \$8,158, Repairs and Maintenance - (\$2,550) and Water and Sewer - (\$1,760)

#### Investments

Brian Burak reviewed investments. Highlights included:

- Current investment yield for the Operating Fund is 1.48%
- Current investment yield for the Reserve Fund is 1.45%

The Board requested Scott Wilkerson and Mr. Gardell obtain at least three requests for proposals (RFP) from investment firms interested in conducting the 2018 investment services. The Board requested this information be presented at the August 9, 2018 Board Meeting.

#### **ACTION ITEMS**

Sverre Thomassen, Jr., presented an update on American Resort Development Association (ARDA).

Tom Corridan presented an update on the Insurance Policy, specifically Errors and Omissions received from Marriott Vacations Worldwide.

Mr. Wilkerson reviewed the Dispute Resolution Process.

**A motion was made by Ron Horwitz to approve the Dispute Resolution Process, as presented and attached to the minutes of record for Desert Springs Villas Master Association. The motion was seconded by Sharon August Jones and unanimously carried.**

Mr. Wilkerson recommended the Board form a California Legislative Committee for Desert Springs Villas Master Association, Desert Springs Villas Timeshare Association and Desert Springs Villas II Timeshare

Association to allow the review of legislative matters with Management, provide direction to Management with authority to engage Association legal counsel if necessary and to report findings and recommendations to the Board.

The Board appointed Shelley Chamberlain, Tom Corridan, Sharon August Jones and Joe Lawrence to sit on the newly formed California Legislative Committee.

## **RESERVES**

### 2017 Reserves

Suzette Ellebracht presented an overview of the 2017 Reserves. Highlights included:

- Three-year asphalt slurry seal application was completed
- Pool chillers were installed
- Five-year Lobby soft goods were upgraded which included furniture, paint and carpet
- Cardio equipment was purchased
- Clubhouse umbrellas and pool furnishings were replaced

**A motion was made by Bob Gallagher to approve the Reserve expenditures in the amount of \$1,314,092 to include roof replacement at a cost of \$118,735, purchase of furniture and fixtures at a cost of \$333,139, resurface pavement at a cost of \$135,440 and rehabilitation of common area at a cost of \$726,778, as provided in the 2017 Audited Financials. The motion was seconded by Ron Horwitz and unanimously carried.**

Ms. Ellebracht requested to move the following items and expenses from 2017 Reserves to 2018 Reserves:

▪ Installation of fountain flood lights	\$6,911
▪ Installation of ice machine at the Clubhouse pool	\$8,971
▪ Installation of pool chillers at the Clubhouse pool	\$7,896
▪ Installation of pool chillers at the Palmeras pool	\$10,001
▪ Installation of chair lifts at Palmeras and Clubhouse pools	\$9,324
▪ Replacement of corrugated roof on Operations building	\$2,784
▪ Repair flat roof on Operations building	\$50,415
▪ Replacement of tile roof on Clubhouse	\$29,389
▪ Installation of trash dispenser package throughout resort	\$2,400
Total	\$128,091

**A motion was made by Bob Gallagher to move \$128,091 from the 2017 Reserve Fund to the 2018 Reserve Fund to include installation of fountain flood lights at a cost of \$6,911, installation of ice machine at Clubhouse pool at a cost of \$8,971, installation of pool chillers at Clubhouse pool at a cost of \$7,896; installation of pool chillers at Palmeras pool at a cost of \$10,001, installation of chair lifts at Palmeras and Clubhouse pools at the cost of \$9,324, replacement of corrugated roof on Operations building at a cost of \$2,784, repair flat roof on Operations building at a cost of \$50,415, replacement of tile roof on Clubhouse at a cost of \$29,389 and installation of trash dispenser package throughout resort at a cost of \$2,400. The motion was seconded by Joseph Lawrence and unanimously carried.**

### 2018 Reserves

Ms. Ellebracht reviewed 2018 Reserves. Highlights included:

- Upgrades to the Cascade fountain
- Upgrade Clubhouse Breakroom
- Upgrade fountain filters
- Install Key Watcher
- Replace utility carts: Housekeeping (14 carts), Engineering (10 carts), Loss Prevention (4 carts) and Activities (1 cart)
- Replace vehicles: Shuttle van and Loss Prevention
- Install depth markers in all pools

Ms. Ellebracht requested the Board approve the additional 2018 Reserve expenses:

▪ Install depth markers at Clubhouse and Palmeras pools	\$3,612
▪ Upgrade plant walk signage	\$7,058
▪ Install golf netting at Clubhouse pool	\$35,758
▪ Install golf netting at Palmeras pool	\$42,605
▪ Replace Phase 1 laundry bins	\$24,000
▪ Upgrade lighting at Operations building	\$5,100
▪ Replace pump at Palmeras pool	\$3,610
▪ Upgrade tile in Clubhouse office areas	\$3,650
▪ Replace Activities utility cart	\$7,500
Total	\$132,893

**A motion was made by Bob Gallagher to approve the additional 2018 Reserve expenditures in the amount of \$132,893 to include installation of depth markers at Clubhouse and Palmeras pools at a cost of \$3,612, upgrade plant walk signage at a cost of \$7,058, installation of golf netting at Clubhouse pool at a cost of \$35,758, install golf netting at Palmeras pool at a cost of \$42,605, replace laundry bins in Phase 1 at a cost of \$24,000, upgrade lighting at Operations building at a cost of \$5,100, replace pump at Palmeras pool at a cost of \$3,610, upgrade tile in Clubhouse office areas at a cost of \$3,650 and replace Activities utility cart at a cost of \$7,500. The motion was seconded by Sverre Thomassen, Jr., and unanimously carried.**

### **RESORT OPERATIONS REPORT**

H.C. Noll presented the Resort Operations report. Highlights included:

- Guest Satisfaction Scores were in the 90s for Desert Springs Villas and Desert Spring Villas II; scores are in line with division goals
- Summer Activities and Food & Beverage events were reviewed
- Desert Springs Villas raised over \$50,000 for Children’s Miracle Network

### **NEW BUSINESS**

#### 4041 Distribution

Bill Gunderson presented options to distribute information to Owners as required by California Civil Code 4041.

**A motion was made by Bob Gallagher to direct the Management Company to electronically distribute the annual mailing, required by California Civil Code Section 4041, to all Desert Springs Villas Master Association Owners who have opted in to receive association information electronically. The motion was seconded by Tom Corridan and unanimously carried.**

#### Boardvantage Device Payment

Mr. Gunderson reviewed the revised Board of Directors Travel and Expense Reimbursement Policy.

**A motion was made by Joe Lawrence to approve and confirm the revised Board of Directors Travel and Expense Reimbursement Policy for Desert Springs Villas Master Association as presented by Bill Gunderson, dated May 17, 2018, and direct the Secretary of the Association to include the policy in the records of Desert Springs Villas Master Association and be attached to the minutes of record. The motion was seconded by Shelley Chamberlain and unanimously carried.**

**A motion was made by Shelley Chamberlain to approve, authorize, confirm and ratify the prior purchase, as well as any future purchases by Desert Springs Villas Master Association of devices for each Director of the Association, in the amount of approximately \$1,100 per device. The motion was seconded by Bob Gallagher and unanimously carried.**

#### Golf Netting Review

Mr. Gunderson presented an update on the golf netting discussion with JW Marriott Desert Springs Resort and Spa golf course.

Brand Refresh

Mr. Gunderson discussed Marriott Vacations Worldwide brand refresh.

Announcement of Next Meeting Dates

- Board Meeting (conference call) – August 9, 2018
- Board Meetings – October 18-19, 2018
- Board Meeting (conference call) – February 14, 2019
- Board Meetings – May 16-17, 2019
- Board Meeting (conference call) – August 8, 2019
- Board Meetings – October 17-18, 2019
- Board Meeting (conference call) – February 13, 2020
- Board Meetings – May 14-15, 2020
- Board Meeting (conference call) – August 13, 2020
- Board Meetings – October 15-16, 2020
- Board Meeting (conference call) – February 11, 2021
- Board Meetings – May 13-14, 2021
- Board Meeting (conference call) – August 12, 2021
- Board Meetings – October 14-15, 2021
- Board Meeting (conference call) - February 10, 2022
- Board Meetings – May 19-20, 2022
- Board Meeting (conference call) – August 11, 2022
- Board Meetings – October 20-21, 2022

In Memoriam

Shelley Chamberlain suggested the Board place a memorial plaque on a resort bench to honor Paul Backowski, long term Board Director, who recently passed away.

**A motion was made by Ben Steinberg to authorize the Management Company spend up to \$1,000 to purchase and place a plaque on an existing or retrofitted bench between Buildings R and S in memory of Paul Backowski and his service to the Board of Directors. The motion was seconded by Tom Cook and unanimously carried.**

ADJOURNMENT

**There being no further business to come before the Board, a motion was made by Sharon August Jones to adjourn the meeting at 11:15 a.m. The motion was seconded by Shelley Chamberlain and unanimously carried.**

Submitted by:

Approved by:

\_\_\_\_\_  
Mary Ann Chavez Date  
Recording Secretary

\_\_\_\_\_  
Tom Cook Date  
President

**These minutes are subject to approval at the next Board of Directors Meeting**

**Desert Springs Villas Master Association**

**Organizational Meeting**

**May 19, 2017**

An Organizational Meeting of Desert Springs Villas Master Association Board of Directors was held on May 18, 2018, at Marriott’s Shadow Ridge, Golf Conference Room, 9003 Shadow Ridge Road, Palm Desert, California 92211.

**Present from the Board of Directors were:** Shelley Chamberlain, Director, Desert Springs Villas Timeshare Association; Tom Cook, Director, Desert Springs Villas Timeshare Association; Tom Corridan, Director, Desert Springs Villas II Timeshare Association; Bob Gallagher, Director, Desert Springs Villas Timeshare Association; Ron Horwitz, Director, Desert Springs Villas II Timeshare Association; Sharon August Jones, Director, Desert Springs Villas II Timeshare Association; Joe Lawrence, Director, Desert Springs Villas Timeshare Association; Ben Steinberg, Director, Desert Springs Villas II Timeshare Association and Sverre Thomassen, Jr., Director, Desert Springs Villas II Timeshare Association

**Absent from the Board of Directors was:** James Masterson, Desert Springs Villas Timeshare Association

**Present from Marriott Vacation Club® International, representing the Management Company, were:** Jane Berg, Regional Vice President – West; Bill Gunderson, General Manager and Mary Ann Chavez, Executive Assistant

**CALL TO ORDER**

Tom Cook called the meeting to order at 11:50 a.m., Pacific time.

**ESTABLISHMENT OF QUORUM**

Mr. Cook announced with all Board Members present, quorum was met.

**APPOINTMENT OF RECORDING SECRETARY**

Mr. Cook appointed Mary Ann Chavez to serve as Recording Secretary.

**ELECTION OF OFFICERS**

**A motion was made by Bob Gallagher to elect Ron Horwitz as President. The motion was seconded by Sharon August Jones and unanimously carried.**

**A motion was made by Ben Steinberg to elect Sverre Thomassen, Jr., as Vice President. The motion was seconded by Tom Cook and unanimously carried.**

**A motion was made by Tom Corridan to elect Bob Gallagher as Secretary/Treasurer. The motion was seconded by Joe Lawrence and unanimously carried.**

**ADJOURNMENT**

**There being no further business to come before the Board, a motion was made by Joe Lawrence to adjourn the meeting at 12:15 p.m. The motion was seconded by Shelley Chamberlain and unanimously carried.**

Submitted by:

Approved by:

\_\_\_\_\_  
Mary Ann Chavez  
Recording Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ron Horwitz  
President

\_\_\_\_\_  
Date

**These minutes are subject to approval at the next Board of Directors Meeting**



## Desert Springs Villas Timeshare Association

### **Board of Directors Meeting**

**May 17, 2018**

A regular meeting of Desert Springs Villas Timeshare Association Board of Directors was held on May 17, 2018, at Marriott's Desert Springs Villas, Hummingbird Meeting Room, 1091 Pinehurst Lane, Palm Desert, California 92260.

**Present from the Board of Directors were:** Bob Gallagher, President; Joe Lawrence, Vice President; Tom Cook, Secretary/Treasurer and Shelley Chamberlain, Director

**Present from Marriott Vacation Club® International, representing the Management Company, were:** Jane Berg, Regional Vice President - West; Brian Burak, Senior Assistant Controller; Suzette Ellebracht, Project Manager; Bill Gunderson, General Manager; Matthew Gardell, Director of Finance; Glenn Knorr, Director of Engineering; H.C. Noll, Front Office Manager; Scott Wilkerson, Regional Director of Finance - West; Mary Ann Chavez, Executive Assistant

### **CALL TO ORDER**

Bob Gallagher, President, called the meeting to order at 1:00 p.m., Pacific time.

Overview of Senate Bill Section 4900, est. seq. (Open Meeting Act) of California Civil Code  
Mr. Gallagher reviewed Senate Bill 4900, Open Meeting Act.

### **ESTABLISHMENT OF QUORUM**

Mr. Gallagher announced with all Board Members present, quorum was met.

### **APPOINTMENT OF RECORDING SECRETARY**

Mr. Gallagher appointed Mary Ann Chavez to serve as Recording Secretary.

### **PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING**

Notice of Board Meeting was emailed to all Board Members on April 18, 2018, as required by the Association Bylaws.

### **APPROVAL OF AGENDA**

**A motion was made by Tom Cook to approve the Agenda as presented. The motion was seconded by Shelley Chamberlain and unanimously carried.**

### **APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES**

**A motion was made by Joe Lawrence to approve the October 20, 2017 Board Meeting Minutes as presented. The motion was seconded by Tom Cook and unanimously carried.**

**A motion was made by Joe Lawrence to approve the January 18, 2018 Nominating Committee Meeting Minutes as presented. The motion was seconded by Tom Cook and unanimously carried.**

### **FINANCIAL REPORT**

#### 2017 Audit Committee Report

The Board discussed the 2017 Audit and engagement of external auditors.

**A motion was made by Joe Lawrence to approve PricewaterhouseCoopers as auditors for the 2019 Audit with the agreed upon fee of \$12,200. The motion was seconded by Shelley Chamberlain and unanimously carried.**

**A motion was made by Joe Lawrence to authorize the Joint Audit Committee, including Ron Horwitz, Bob Gallagher, Shelley Chamberlain and Ben Steinberg, to review and approve the 2018 Audited Financials, prior to the financials being mailed to Owners as required, on behalf of the Board. The motion was seconded by Shelley Chamberlain and unanimously carried.**

### 2017 Audited Financial Statements

Matt Gardell reviewed the 2017 Audited Financial Statements. Highlights included:

- Audited Operating Fund balance at year-end was \$1,351,922.
- Audited Reserve Fund balance at year-end was \$6,074,937.

**A motion was made by Tom Cook to approve the 2017 Audited Financials as presented. The motion was seconded by Shelley Chamberlain and unanimously carried.**

### Current Financials

Mr. Gardell reviewed current financials. Highlights included:

- Through March 2018, the Operating Fund was \$69,671 under budget; variances included Repairs and Maintenance - \$16,000, Electric - \$7,000, Activities (\$6,000), Credit Card Expense - (\$18,000) and Housekeeping - \$34,000

### Accounts Receivable

Mr. Gardell reviewed Accounts Receivable. Highlights included:

- Through April 2018, Accounts Receivable was 2.77%, which compares favorably to the average of unpaid maintenance fees for Marriott Vacation Club

### Investments

Mr. Burak reviewed investments. Highlights included:

- Investment yield was 1.56% for the Operating Fund and 1.23% without Market Linked CD (MLCD) and 4.10% with MLCD for Reserve Funds

The Board requested Scott Wilkerson and Mr. Gardell obtain at least three requests for proposals from investment firms interested in conducting the 2018 investment services. The Board requested this information be presented at the August 9, 2018 Board Meeting.

### **ACTION ITEMS**

Mr. Wilkerson reviewed the Dispute Resolution Process.

**A motion was made by Joe Lawrence to approve the Dispute Resolution Process, as presented and attached to the minutes of record, for Desert Springs Villas Timeshare Association. The motion was seconded by Shelley Chamberlain and unanimously carried.**

Mr. Wilkerson recommended the Board form a California Legislative Committee for Desert Springs Villas Master Association, Desert Springs Villas Timeshare Association and Desert Springs Villas II Timeshare Association to allow the review of legislative matters with the Management, to provide direction to Management with authority to engage with Association counsel and report findings and recommendations to the Board.

The Board appointed Shelley Chamberlain, Tom Corridan, Sharon August Jones and Joe Lawrence to the newly formed California Legislative Committee.

### **RESERVES**

#### 2017 Reserves

Suzette Ellebracht presented an overview of the 2017 Reserves. Highlights included:

- Ten-year case goods refurbishment
- Five-year soft goods refurbishment
- Entry doors were replaced
- Interior doors were replaced
- Appliances were replaced
- Villa signage was upgraded
- Electric vehicle chargers were installed

**A motion was made by Joe Lawrence to approve the total 2017 Reserve expenditures in the amount of \$10,551,316 to include roof replacement at a cost of \$26,500, purchase of furniture and fixtures at a cost of \$9,699,727, external building maintenance at a cost of \$385,709, rehabilitation of common area at a cost of \$439,380, as detailed in the 2017 Audited Financials. The motion was seconded by Shelley Chamberlain and unanimously carried.**

**A motion was made by Bob Gallagher to move \$797,515 from 2017 Reserve Project expenses to 2018 Reserve Project expenses to include purchase of bath amenities at a cost of \$16,068, pre-purchase of 2017 case goods at a cost of \$402,618, replace exterior trash receptacles at a cost of \$31,452, Fire Life Safety equipment at a cost of \$30,529, replace Phase 1 master dining room lighting at a cost of \$16,494, purchase of make-up mirrors for Phase 1 at a cost of \$19, replace screen doors at a cost of \$17,560 and pre-purchase of 2018 soft goods at a cost of \$282,775. The motion was seconded by Joe Lawrence and unanimously carried.**

#### 2018 Reserves

Ms. Ellebracht presented an overview of the 2018 Reserves. Highlights included:

- 25-year entry door replacement for 136 villas in Phase 2
- Upgrade 136 fireplaces in Phase 2
- 5 and 10-year villa renovations to include case goods, soft goods and lighting
- Upgrade Building Y exterior paint, façade and stairs (model building)
- Upgrade landscaping
- Upgrade internet and install air conditioning units in electrical rooms

**A motion was made by Tom Cook to approve the additional 2018 Reserve expenditures in the amount of \$45,302 to include the purchase and installation of the golf netting at the West Pool at a cost of \$18,487 and additional Fire Life Safety equipment at a cost of \$26,815. The motion was seconded by Shelley Chamberlain and unanimously carried.**

#### NEW BUSINESS

##### 4041 Distribution

Bill Gunderson presented options to distribute information to Owners as required by California Civil Code 4041.

**A motion was made by Tom Cook to direct the Management Company to electronically distribute the annual mailing, required by California Civil Code Section 4041, to all Desert Springs Villas Timeshare Association Owners who have opted in to receive association information electronically. The motion was seconded by Shelley Chamberlain and unanimously carried.**

##### Boardvantage Device Payment

Mr. Gunderson reviewed the revised Board of Directors Travel and Expense Reimbursement Policy.

**A motion was made by Shelley Chamberlain to approve and confirm the revised Board of Directors Travel and Expense Reimbursement Policy for Desert Springs Villas Timeshare Association as presented by Bill Gunderson, dated May 17, 2018, and direct the Secretary of the Association to include the policy in the records of Desert Springs Villas Timeshare Association and be attached to the minutes of record. The motion was seconded by Joe Lawrence and unanimously carried.**

**A motion was made by Shelley Chamberlain to approve, authorize, confirm and ratify the prior purchase, as well as any future purchases by Desert Springs Villas Timeshare Association of devices for each Director of the Association, in the amount of approximately \$1,100 per device. The motion was seconded by Tom Cook and unanimously carried.**

##### Announcement of Next Meeting Dates

- Board Meeting (conference call) – August 9, 2018
- Board Meetings – October 18-19, 2018
- Board Meeting (conference call) – February 14, 2019

- Board Meetings – May 16-17, 2019
- Board Meeting (conference call) – August 8, 2019
- Board Meetings – October 17-18, 2019
- Board Meeting (conference call) – February 13, 2020
- Board Meetings – May 14-15, 2020
- Board Meeting (conference call) – August 13, 2020
- Board Meetings – October 15-16, 2020
- Board Meeting (conference call) – February 11, 2021
- Board Meetings – May 13-14, 2021
- Board Meeting (conference call) – August 12, 2021
- Board Meetings – October 14-15, 2021
- Board Meeting (conference call) - February 10, 2022
- Board Meetings – May 19-20, 2022
- Board Meeting (conference call) – August 11, 2022
- Board Meetings – October 20-21, 2022

**ADJOURNMENT**

**There being no further business to come before the Board, a motion was made by Tom Cook to adjourn the meeting at 2:15 p.m. The motion was seconded by Shelley Chamberlain and unanimously carried.**

Submitted by:

Approved by:

\_\_\_\_\_  
Mary Ann Chavez    Date  
Recording Secretary

\_\_\_\_\_  
Bob Gallagher    Date  
President

**These minutes are subject to approval at the next Board of Directors Meeting**

**Desert Springs Villas Timeshare Association**

**Organizational Meeting**

**May 18, 2018**

An Organizational Meeting of Desert Springs Villas Timeshare Association Board of Directors was held on May 18, 2018, at Marriott's Shadow Ridge, Golf Conference Room, 9003 Shadow Ridge Road, Palm Desert, California 92211.

**Present from the Board of Directors were:** Shelley Chamberlain, Tom Cook, Robert Gallagher and Joseph Lawrence

**Absent from the Board of Directors was:** James Masterson

**Present from Marriott Vacation Club® International, representing the Management Company, were:** Jane Berg, Regional Vice President – West; Bill Gunderson, General Manager and Mary Ann Chavez, Executive Assistant

**CALL TO ORDER**

Bob Gallagher called the meeting to order at 12:20 p.m., Pacific time.

**ESTABLISHMENT OF QUORUM**

Mr. Gallagher announced with the majority of Board Members present, quorum was met.

**APPOINTMENT OF RECORDING SECRETARY**

Mr. Gallagher appointed Mary Ann Chavez to serve as Recording Secretary.

**ELECTION OF OFFICERS**

**A motion was made by Joseph Lawrence to elect Shelley Chamberlain as President. The motion was seconded by Bob Gallagher and unanimously carried.**

**A motion was made by Shelley Chamberlain to elect Tom Cook as Vice President. The motion was seconded by Joe Lawrence and unanimously carried.**

**A motion was made by Tom Cook to elect Joe Lawrence as Secretary/Treasurer. The motion was seconded by Robert Gallagher and unanimously carried.**

**ADJOURNMENT**

**There being no further business to come before the Board, a motion was made by Joseph Lawrence to adjourn the meeting at 12:35 p.m. The motion was seconded by Shelley Chamberlain and unanimously carried.**

Submitted by:

Approved by:

\_\_\_\_\_  
Mary Ann Chavez  
Recording Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Shelley Chamberlain  
President

\_\_\_\_\_  
Date

**These minutes are subject to approval at the next Board of Directors Meeting**

**Desert Springs Master Association**  
**Desert Springs Villas Association**  
**Desert Springs Villas II Association**

**Summary of Dispute Resolution Procedures**

This dispute resolution process has been implemented by the above associations to assist the membership and Board of Directors with a designated communication path and assist in providing a timely resolution.

This policy follows the Davis Stirling Common Interest Development Act pursuant to sections 5130(a)(9) and 5920 for the adoption of an internal dispute resolution process.

The internal dispute resolution process is between the Board of Director on behalf of the association and member(s) involving either parties rights, duties, or liabilities. Either party may invoke the following procedures:

- (1) The party may request the other party to meet and confer to resolve the dispute. The request shall be in writing
- (2) A member of an association may refuse a request to meet and confer. The association shall not refuse a request to meet and confer.
- (3) The board may designate a director to meet and confer with member(s).
- (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.
- (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association as long within the confines of board approved guidelines for settlement. If the tentative agreement is outside of confines of the guidelines it would need formal board approve prior to signed commitment by the designated director.
- (6) A written agreement reached the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
- (2) The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.
- (7) A member shall not be charged a fee to participate in the process.

Pursuant to Sections 5310(a)(9) and 5965 of the Davis-Stirling Common Interest Development Act, below is a summary of Article 3 of the Act with respect to alternative dispute resolution as a prerequisite to the filing of a civil action.

- (1) Neither an association nor a member may file an enforcement action in superior court for declaratory, injunctive or writ relief or for such relief about a claim for monetary damages not more than the jurisdictional limits unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to Article 3 of the Davis-Stirling Common Interest Development Act.
- (2) The provisions of this Article do not apply to a small claims action or to an assessment dispute. Any party to a dispute may initiate the process by serving a Request for Resolution on the other party which includes the items described in Section 5935 of the Civil Code including a brief description of the dispute and a request for alternative dispute resolution. If the party served fails to respond within 30 days of receipt, the request is deemed rejected.
- (3) If the party served accepts the request, the parties must complete the alternative dispute resolution within 90 days of the initiating party's receipt of such acceptance, unless otherwise extended by written stipulation signed by the parties.
- (4) At the time of commencement of an enforcement action, the party commencing the action is required to file a certificate with the initial pleading stating that
  - (a) alternative dispute resolution has been completed in compliance with Article 3;

- (b) one of the other parties did not accept the terms offered for alternative dispute resolution; and/or (iii)
- (c) preliminary or temporary injunctive relief is necessary. After an enforcement action is commenced, the matter may still be referred to dispute resolution by written stipulation of the parties;
- (d) If attorneys' fees may be awarded, the court may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

**DESERT SPRINGS VILLAS MASTER ASSOCIATION  
DESERT SPRINGS VILLAS TIMESHARE ASSOCIATION  
DESERT SPRINGS VILLAS II TIMESHARE ASSOCIATION**

**BOARD OF DIRECTORS  
EXPENSE REIMBURSEMENT POLICY  
Revised and Approved on May 17, 2018**

It is the policy of the above listed Associations to reimburse its members for the reasonable expenses which they incur to fulfill their duties and responsibilities as members in attending the Association meetings.

To that end, the following policy has been adopted:

1. Each member will be reimbursed his/her actual air fare up to an amount equal to the coach fare between his/her home and Palm Desert, California. If the member drives his/her personal auto, he/she will be reimbursed at the prevailing IRS reimbursement rate and for lodging cost enroute.
2. Each member will be reimbursed his actual lodging costs not to exceed six nights in a full 2-bedroom villa, or any combination thereof, at the Board of Directors rate. For those members who fly to the meetings, airport parking fees and transportation costs will be reimbursed.
3. Additional lodging and car rental will be paid to comply with airline restrictions if the total sum of reduced airfare and additional night(s) lodging and car rental is lower than the airfare would be on a normal scheduled return.
4. Each member will be reimbursed his/her actual costs for a mid-size rental car in Southern California not to exceed six days, or if compliant with #3 above.
5. Each member will be given a per diem allowance at the prevailing Meal and Incidental Expense rate for Palm Springs, CA as published by the GSA for up to six days. (<http://www.gsa.gov/portal/category/100120>)
6. Each member may also be reimbursed for long distance telephone and postage charges upon submission of an expense report with attached receipts.
7. Each member has the option to purchase an Electronic Device that would be used only for Association business, including, but not limited to, reviewing board and owner meeting materials. Each member who purchases an Electronic Device will be reimbursed for the cost of such device. The Electronic Device to purchase is an iPad 256GB WIFI device with a protective cover.

Receipts will be required for reimbursement of *ALL* items above except auto mileage and per diem. Reimbursement forms will be distributed at each meeting and are expected to be returned to the Senior Assistant Controller at Desert Springs Villas, within thirty (30) days of the meeting.

Exceptions to the above policy must be approved in advance by a majority of the members of the BOD.