

Dear Fellow Desert Springs Villas II Owners,

This report following our May 2018 regular meeting of the DSV II Timeshare Association and the 2018 Annual Owners meeting, is my first to you as your newly elected President. I am pleased to be serving and representing you again. I thank you for your confidence in re-electing me to our Board of Directors to serve for a three-year term.

Our DSVII regular board meeting was held a day before the Annual Owners meeting. To remind you, we meet four times a year. Twice by telephone and twice “on campus” in May and October. This, in addition to the work of the board committees, which goes on throughout the year. At this May meeting, we reviewed the budget compliance to date figures, which were very satisfactory and approved several expenditures to accommodate additional pool heaters and refurbishment upgrades, along with the installation of new electric vehicle charging stations. The entire cost of charging stations for both Villas I and Villas II was paid for by various government agencies and utilities, so we only paid for installation costs. This was a great bargain accomplished by Glenn Knorr the Director of Engineering and others on our management team. We will recover much of our own expenditures through usage fees from the owners and guests recharging their cars at our stations. Most importantly, we recognized a growing need and could provide the service needs at a minimal cost to the resort. The equipment is now installed, and its use is already growing. It is intended to be a break-even service, not a profit center.

The annual owners meeting was moved back to the meeting room at Marriott’s Shadow Ridge this year after we tried doing it at Desert Springs Villas in the Hummingbird room in 2017. The Shadow Ridge meeting room is larger and configured much better to accommodate this type of meeting, and as a sister resort, their charges to us are relatively small. At this meeting, our staff and officers reviewed the status of our resort and the improvements and accomplishments over the previous 12 months. The reports were very well received along with many compliments as to the maintenance and improvements on our property. The attendees were especially impressed with the money we saved on energy and water uses due to the Board-approved new equipment that provides our ability to both heat and cool the swimming pools. They were excited as to how beautiful and comfortable the newly refurbished villas have turned out in addition to all the new electrical outlets provided to plug in our iPhones, pads, etc.

The Board decided to put the professional servicing of our reserves and operating funds out for bid with several significant financial advisor firms. We are not unhappy with our current advisor; however, it is good to review every few years to make sure we continue to get the best advice available. Our investment yields have been growing as interest rates have been rising. It is quite a challenge for the advisor we retain, in that our by-laws require that all investments be safe, so that limits the availability of investment choices and requires maximum creativity to get better yields. Every extra dollar we can achieve in investment returns is a dollar less that we need to charge in annual maintenance fees.

DSV II Board considerations included appropriation of funds for the final phase of the villas refurbishment program with appliance and water heater upgrades and new air conditioning units. These costs were anticipated long ago and paid out of our reserves.

Additionally, we approved a three-year audit contract extension with PricewaterhouseCoopers. I am pleased to report that PwC confirms that DSV II continues to be in excellent financial condition with adequate reserves. The outstanding maintenance fee receivables are relatively low, and our collection experience compares favorably with that of the other Marriott Vacation Club resorts. Thank you for being very responsible owners.

Our next board meeting will be via teleconference on August 9, 2018 followed by our in-person board meetings on October 18 and 19, 2018. We appreciate your continued interest and support as our Board members deliberate budgets, maintenance fees, reserve requirements, investment potential, resort improvements and operating policy considerations. Enjoy your experience.

Very truly yours,

*Ben Steinberg*  
President

Board of Directors  
Desert Springs Villas II 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  
Recording Secretary

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

**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 II Timeshare Association

### **Board of Directors Meeting**

**May 17, 2018**

A regular meeting of Desert Springs Villas II 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:** Ron Horwitz, President; Sharon August Jones, Vice President; Ben Steinberg, Secretary/Treasurer; Tom Corridan, Director and Sverre Thomassen, Jr., 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**

Ron Horwitz, President, called the meeting to order at 2:30 p.m., Pacific time.

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

### **ESTABLISHMENT OF QUORUM**

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

### **APPOINTMENT OF RECORDING SECRETARY**

Mr. Horwitz 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 17, 2018, as required by the Association Bylaws.

### **APPROVAL OF AGENDA**

**A motion was made by Tom Corridan 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 Sharon August Jones to approve the October 19, 2017 Board Meeting Minutes as presented. The motion was seconded by Sverre Thomassen, Jr., and unanimously carried.**

**A motion was made by Sharon August Jones to approve the January 18, 2018 Nominating Committee Meeting Minutes as presented. The motion was seconded by Sverre Thomassen, Jr., and unanimously carried.**

### **FINANCIAL REPORT**

#### 2017 Audit Committee Report

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

**A motion was made by Ben Steinberg to approve PricewaterhouseCoopers as auditors for the 2019 Audit, with the agreed upon fee of \$12,200. The motion was seconded by Sverre Thomassen, Jr., and unanimously carried.**

**A motion was made by Sharon August Jones 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 Tom Corridan and unanimously carried.**

### 2017 Audited Financial Statements

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

- Audited Operating Fund balance at year-end was \$1,213,505; the variance of \$2,903 from the year-end statement was due to a wage accrual adjustment
- Audited Reserve Fund balance at year-end was \$3,248,477

### Current Financials

Mr. Gardell reviewed current financials. Highlights included:

- Through March 2018, the Operating Fund was \$159,340 better than budget; variances included Repairs and Maintenance - \$18,000, Electric - \$19,000, Water - (\$12,000), Credit Card Expense - (\$26,000) and Housekeeping - \$131,000

### Accounts Receivable

Mr. Gardell reviewed Accounts Receivable. Highlights included:

- Through April 2018, Accounts Receivable was 2.47%, which compared 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 1.91% without Market Linked CD (MLCD) and 10.24% with MLCD for Reserve Funds

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**

Mr. Wilkerson reviewed the Dispute Resolution Process.

**A motion was made by Sharon August Jones to approve the Dispute Resolution Process, as presented and attached to the minutes of record for Desert Springs Villas II Timeshare Association. The motion was seconded by Ben Steinberg 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 review legislative matters with Management, provide direction to Management with authority to engage Association legal counsel and report findings and recommendations to the Board.

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

### **RESERVES**

#### 2017 Reserves

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

- Installation of air conditioning and air handler
- 10-year appliances
- 10-year case goods refurbishment
- 5-year soft goods refurbishment
- 20-year replacement of villa closet doors
- Installation of water heaters
- Installation of electric vehicle chargers

**A motion was made by Sverre Thomassen, Jr., to approve the 2017 Reserve expenditures in the amount of \$11,163,426 to include roof replacement at a cost of \$87,385, purchase of furniture and fixtures at a cost of \$10,560,497, external building maintenance at a cost of \$168,277, resurface pavement at a cost of**

**\$38,400 and rehabilitation of common area at a cost of \$308,867, as detailed in the 2017 Audited Financials. The motion was seconded by Sharon August Jones and unanimously carried.**

Ms. Ellebracht requested to move the following expenses from the 2017 Reserve Fund to 2018 Reserve Funds:

▪ Replace canopy at Building 100	\$6,190
▪ Pre-purchase 2018 case goods	\$754,757
▪ Pre-purchase 2018 closet doors	\$74,428
▪ Replace furnishings at Jasmine Court	\$68,978
▪ Replace heater at Jasmine Court pump room	\$9,179
▪ Install chillers at Cassia, Mesquite and Jasmine Court pools	\$18,564
▪ Install pool lifts at Cassia, Mesquite and Jasmine Court pools	\$27,763
▪ Replace pool tables at Jasmine Court	\$3,200
▪ Pre-purchase soft goods in Phase 3	\$25,834
▪ Replace telephones in master and studio in Phase 2	\$5,579
▪ Replace telephones in master and studio in Phase 3	\$3,408
▪ Replace washer/dryer at Mesquite Pool	\$7,092

**A motion was made by Sharon August Jones to move \$1,004,972 from 2017 Reserve Project expenses to 2018 Reserve Project expenses to include replacement of canopy at Building 100 at a cost of \$6,190, pre-purchase 2018 case goods at a cost of \$754,757, pre-purchase 2018 closet doors at the cost of \$74,428, replace furnishings at Jasmine Court at a cost of \$68,978, replace heater at Jasmine Court pump room at a cost of \$9,179, install chillers at Cassia, Mesquite and Jasmine Court pools at a cost of \$18,564, install pool lifts at Cassia, Mesquite and Jasmine Court pools at a cost of \$27,763, replace pool tables at Jasmine Court at a cost of \$3,200, pre-purchase soft goods in Phase 3 at a cost of \$25,834, replace telephones in master and studio in Phase 2 at a cost of \$5,579, replace telephones in master and studio in Phase 3 at a cost of \$3,408 and replace washer/dryer at Mesquite Pool at a cost of \$7,092. The motion was seconded by Ron Horwitz and unanimously carried.**

#### 2018 Reserves

Ms. Ellebracht reviewed 2018 Reserves. Highlights included:

- Install air conditioning compressor and air handler in Phase 3
- 5-year soft goods refurbishment in Phase 3
- 10-year case goods refurbishment in Phase 3
- 10-year appliances
- 10-year water heater replacement
- Upgrade internet and head end room with new air conditioning units

**A motion was made by Sverre Thomassen, Jr., to approve additional 2018 Reserve expenditures in the amount of \$452,291 to include depth marker tiles at a cost of \$3,182, additional Fire Life Safety equipment at a cost of \$75,450, upgrade internet and head end room air conditioning units at a cost of \$365,661, purchase and installation of pool pump at a cost of \$4,281 and replace housekeeping power washer at a cost of \$3,717. The motion was seconded by Sharon August Jones and unanimously carried.**

#### NEW BUSINESS

##### 4041 Distributions

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

**A motion was made by Ron Horwitz 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 Sharon August Jones and unanimously carried.**

##### Boardvantage Device Payment

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

**A motion was made by Tom Corridan to approve and confirm the revised Board of Directors Travel and Expense Reimbursement Policy for Desert Springs Villas II 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 II Timeshare Association and be attached to the minutes of record. The motion was seconded by Ben Steinberg and unanimously carried.**

**A motion was made by Ron Horwitz to approve, authorize, confirm and ratify the prior purchase, as well as any future purchases by Desert Springs Villas II Timeshare Association of devices for each Director of the Association, in the amount of approximately \$1,100 per device. The motion was seconded by Ben Steinberg 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 Sharon August Jones to adjourn the meeting at 3:25 p.m. The motion was seconded by Ben Steinberg 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 II Timeshare Association**

**Organizational Meeting**

**May 18, 2018**

An Organizational Meeting of Desert Springs Villas II Timeshare Association 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:** Thomas Corridan, Ronald Horwitz, Sharon August Jones, Benjamin Steinberg and Sverre Thomassen, Jr.

**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**

The meeting was called to order by Ron Horwitz at 12:40 p.m., Pacific time.

**ESTABLISHMENT OF QUORUM**

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

**APPOINTMENT OF RECORDING SECRETARY**

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

**ELECTION OF OFFICERS**

**A motion was made by Sverre Thomassen, Jr., to elect Ben Steinberg as President. The motion was seconded by Sharon August Jones and unanimously carried.**

**A motion was made by Sverre Thomassen, Jr., to elect Tom Corridan as Vice President. The motion was seconded by Ronald Horwitz and unanimously carried.**

**A motion was made by Thomas Corridan to elect Sharon August Jones as Secretary/Treasurer. The motion was seconded by Sverre Thomassen and unanimously carried.**

**ADJOURNMENT**

**There being no further business to come before the Board, a motion was made by Sverre Thomassen, Jr., to adjourn the meeting at 12:55 p.m. The motion was seconded Sharon August Jones and unanimously carried.**

Submitted by:

Approved by:

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ben Steinberg  
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.