

**VILLAS OF CAVE CREEK OWNERS ASSOCIATION
REGULAR BOARD OF DIRECTORS MEETING
CAVE CREEK, AZ**

Monday, February 15, 2016; 10:00 a.m. (MST)

MINUTES

I. CALL TO ORDER / ROLL CALL

The meeting was called to order at 10:10 a.m. (MST) by President, Daniel Shaffer.

Board members and guests in attendance were:

Board of Directors:

Daniel Shaffer	President
John Holwager	Treasurer
Rosemary Callard-Szulgit	Secretary
Jeffrey Abramowitz	Director

Trading Places International:

Joanne Hallert	Director of Resort Operations
Gary Fraizer	HOA Accountant (<i>via telephone</i>)
Kristen Makinen	Administrative Assistant, Resort Management

Villas of Cave Creek:

Trish Dye	Manager
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Guests:

Mike Fitzgerald	Auditor
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II. APPROVAL OF AGENDA

Joanne Hallert proposed the removal of the TPI Extras from the agenda as this information was covered previously.

Ms. Hallert proposed replacing the TPI Extras with the 2015 draft audit.

A motion to approve the agenda as amended was made by Jeffrey Abramowitz and seconded by Rosemary Callard-Szulgit. The motion was approved unanimously.

III. APPROVAL OF MINUTES

October 21, 2015 - Budget Board Meeting

A motion was made by John Holwager and seconded by Rosemary Callard-Szulgit to approve the minutes of the October 21, 2015 budget board meeting as presented. The motion was approved unanimously.

IV. REPORTS

FINANCIAL

Monthly Statement

Gary Fraizer reviewed the financials for the period ended December 31, 2015.

A motion to accept the financials through December 31, 2015 was made by Mr. Shaffer and seconded by Mr. Holwager. The motion was approved.

Mr. Abramowitz inquired on the increase of prepaid maintenance fees; Mr. Fraizer advised GEO Holidays had paid in full by the end of January, rather than paying quarterly as in the past.

The board reviewed and discussed the association's delinquency rates currently, as well as comparative to prior years.

The board discussed deed backs, owners' use of weeks, traded weeks and post card companies.

March Group Portfolio

The board reviewed and discussed the portfolio. Mr. Frazier was directed to request information and answers to questions posed by the board.

GREAT DESTINATIONS

The board reviewed and discussed the Great Destinations report.

Mr. Shaffer asked how income from Great Destinations is identified within the financial reporting.

Mr. Abramowitz requested Great Destinations add "First Year of Use" to their report.

HOA INVENTORY

The board discussed the recording of TPI payment for HOA owned inventory under maintenance fees as income for 2016 and not 2015.

Mike Fitzgerald discussed the rental income and that it was over the budgeted amount. The auditors will finalize the amounts of special compensation due under the management agreement for rental income and bad debt.

The board directed Joanne Hallert to solicit owners in arrears to participate in the deed back program. A letter will be sent to relevant owners.

OCCUPANCY REPORTS

The board reviewed and discussed the occupancy reports.

PROPERTY OPERATIONS

Operations Overview (Manager's Report)

Trish Dye reported that rentals, including long term, have been up and that the resort is booked through April of 2016.

All 2015 projects are complete; reserve spending was under budget due to savings on pool lifts, painting and other projects.

The phone system remains in need of upgrading. The 2016 reserve study does include a budget for this upgrade.

The Wi-Fi was still experiencing lagging response times due to band width; this issue was present even though upgrades were completed within 2015. This issue is being addressed.

Action Items

The board reviewed and discussed the Action Items.

V. OLD BUSINESS

Maintenance Workroom – Project Update

The board toured the completed workroom.

Kitchen / Bathroom Remodel

Ms. Dye reported that she is obtaining quotes and that the ADA compliance requirements will increase the cost and requires major restructuring, including extending the lofts. The board will consider the cost and if the remodel would be feasible.

ADA Compliance - Project Update

The board discussed additional items that will need to be brought into compliance.

The board directed Ms. Hallert to provide the ADA report to their legal counsel to confirm its validity.

Bringing parking and one unit into compliance will be an ongoing focus and discussion of whether all units are legally required to be ADA compliant, and at what speed as determined by budget, was discussed in detail.

Playground

The playground has been removed. The board discussed other options for that space.

VI. NEW BUSINESS

2015 Annual Meeting

The board was advised of their assigned votes by proxy from other owners.

The board was advised that in 2011 the annual meeting was not held due to failure to meet quorum. This has resulted in the meeting being a year behind.

A motion to approve correcting the years to be aligned with the calendar year and to adjust all term expiration dates accordingly was made by Jeffrey Abramowitz and seconded by John Holwager. The motion was approved.

ADA Update

The board reviewed the ADA report.

The board directed Ms. Dye to obtain quotes on bringing the parking into compliance.

2015 Audit Review

Mike Fitzgerald reviewed his report for the board.

VII. EXECUTIVE SESSION

The board moved into executive session at 11:49 a.m. (MST).

The board moved back into regular session at 11:51 a.m. (MST).

VIII. ADJOURNMENT

There being no further business to come before the board, the meeting was adjourned at 11:51 a.m. (MST).

Meeting Dates

<u>Day</u>	<u>Date</u>	<u>Time</u>	<u>Place</u>	<u>Type</u>
Wednesday	May 18, 2016	10:00 a.m.	Telephonic	Regular

Respectfully submitted,

Accepted by,

Joanne Hallert, Director of Resort Operations
Trading Places International

Rosemary Callard-Szulgit, Secretary
Villas of Cave Creek Owners Association