

**VILLAS OF CAVE CREEK OWNERS ASSOCIATION
BOARD OF DIRECTORS BUDGET MEETING
TRADING PLACES INTERNATIONAL**

MONDAY, SEPTEMBER 19, 2016; 10:00 A.M. (PDT)

MINUTES

I. CALL TO ORDER / ROLL CALL

The meeting was called to order at 10:10 a.m. (PDT) by President, Jeffrey Abramowitz. Mr. Abramowitz welcomed everyone to the meeting.

Board members and guests in attendance were:

Board of Directors:

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|--------------------------|---|
| Jeffrey Abramowitz | President |
| Bryan Dodd | Vice President (<i>via telephone</i>) |
| John Holwager | Treasurer |
| Rosemary Callard-Szulgit | Secretary |
| Daniel Shaffer | Director |

Trading Places International:

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|----------------|-------------------------------|
| Joanne Hallert | Director of Resort Operations |
| Gary Fraizer | HOA Accountant |

Villas of Cave Creek:

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| Trish Dye | Manager |
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II. APPROVAL OF AGENDA

A motion to approve the agenda as presented was made by Rosemary Callard-Szulgit and seconded by John Holwager. The motion was approved unanimously.

III. APPROVAL OF MINUTES

Ms. Dye noted that the 2017 meeting dates were listed in the minutes as 2016 on page 5 of the minutes and should be corrected.

A motion was made by Daniel Shaffer and seconded by Rosemary Callard-Szulgit to approve the minutes of the May 19, 2016 board meeting as amended. The motion was approved unanimously.

IV. REPORTS

FINANCIAL

Monthly Statement

Gary Fraizer reviewed the financials for the period ended July 31, 2016 and noted that while there was currently a negative variance to budget, the variance was due to timing and that a small surplus was forecast by year end.

A motion to accept the July 2016 financials was made by John Holwager, seconded by Daniel Shaffer and unanimously approved.

Delinquency/Collections/Foreclosure Update

Gary Fraizer reviewed the delinquency report for the board. The board also reviewed the 2016 collections report.

Joanne Hallert advised the board that there were currently 52 intervals in foreclosure.

A motion was made by John Holwager and seconded by Rosemary Callard-Szulgit to instruct management to move ahead with foreclosure proceedings on all uncollectible intervals. The motion passed.

March Group Portfolio

The board reviewed and discussed the portfolio and instructed Gary Fraizer to check on the maturity dates for the CDs and report back to the board.

GREAT DESTINATIONS-SALES REPORT

The board reviewed the Great Destinations report and Ms. Hallert confirmed that the sales agreement had been terminated once the sales agreement with Welk had been signed.

HOA INVENTORY

The board discussed the HOA inventory.

OCCUPANCY REPORTS

Joanne Hallert reviewed and discussed the occupancy reports with the board. The board requested that moving forward only three years' data be included on the report.

PROPERTY OPERATIONS

Operations Overview (Manager's Report)

Trish Dye reviewed her Manager's Report for the board, highlighting the new outdoor games area and the progress made on the maintenance weeks. The board requested that Ms. Dye price alternative floor covering for the games area and that the area could use better lighting.

Action Items

The board reviewed the Action Items and noted that all were complete.

V. OLD BUSINESS

ADA Compliance Update – Project Update

The board discussed the need to plan a budget for an accessible unit. Ms. Dye advised the board that the City of Cave Creek's map showed an easement into the wash to allow for ADA compliant parking. Mr. Abramowitz requested that Ms. Dye send him a copy of the map for review. The board requested that Ms. Dye update the bids for the parking space, not including a shade cover.

Ms. Dye advised the board that all other common area elements needed for ADA compliance had been completed with the exception of purchasing ADA compliant picnic tables.

A motion was made by Rosemary Callard-Szulgit and seconded by Daniel Shaffer to purchase two ADA compliant picnic tables. The motion passed.

The board directed Joanne Hallert to contact association counsel with regards to ADA compliance if the rental program is no longer in place.

TV System Upgrade

The board reviewed bids from Direct TV and Dish TV to upgrade the TV system at the resort.

A motion was made by John Holwager and seconded by Daniel Shaffer to approve the bid from Direct TV with the costs of installation to be paid up front and payable from reserves. The motion passed unanimously.

The board instructed management to include the new system into the updated reserve study and to research an appropriate cabinet to protect the hardware from the elements.

Board Travel Policy

The board discussed the need for a travel and expense policy and directed management to include a draft in the next board packet.

VI. NEW BUSINESS

2017 Budget Proposal & Recommendation

Ms. Hallert and Ms. Dye presented the proposed 2017 budget with a zero percent increase in maintenance fees and noted highlights for the board.

A motion was made by Rosemary Callard-Szulgit and seconded by John Holwager to approve the budget as presented. The motion passed unanimously.

The board also reviewed a proposal from Nordis for electronic election management services and elected not to proceed at this time.

Cover Letter and ABC Policy

The board reviewed last year's cover letter and Mr. Abramowitz will provide management with the text for this year's letter.

A motion was made by Daniel Shaffer and seconded by John Holwager to approve the ABC policy and billing inserts. The motion passed.

The board decided not to insert the ARDA ROC donation letter in the billing packet.

2016 Audit Engagement Letter

A motion was made by John Holwager and seconded by Daniel Shaffer to approve the audit engagement letter from Fitzgerald & Associates. The motion passed.

TPI Rental Letter

A motion was made by Rosemary Callard-Szulgit and seconded by John Holwager authorizing Jeffrey Abramowitz to sign the rental letter from TPI. The motion passed.

Business Interruption Insurance

The board reviewed their current business interruption insurance.

A motion was made by Rosemary Callard-Szulgit and seconded by Daniel Shaffer to leave the limits as is for now and to invite Scott McGuiness to attend the December board meeting to review further. The motion passed.

Rules and Regulations Update – Pets

The board reviewed the language in the current pet policy.

A motion was made by John Holwager and seconded by Daniel Shaffer to amend the Rules and Regulations to reflect the suggested language. The motion passed.

VII. EXECUTIVE SESSION

The board moved into Executive Session at 1:28 p.m.

The board moved back into regular session at 1:44 p.m.

VIII. ADJOURNMENT

There being no further business to come before the board, the meeting was adjourned at 1:45 p.m. (PDT).

Next Meeting Date

| <u>Day</u> | <u>Date</u> | <u>Time</u> | <u>Place</u> | <u>Type</u> |
|------------|------------------|-------------|--------------|-------------|
| Wednesday | December 7, 2016 | 2:00 p.m. | Telephonic | Board |

Respectfully submitted,

Accepted by,

Joanne Hallert, Director of Resort Operations
Trading Places International

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