Desert Shadows RV Resort Association Inc.
Board of Directors
HOA Open Meeting Minutes
September 23, 2025 ● 10:00 AM (PDT) via zoom

Members Present:	Steve Wiltermuth, President Carol Bratt, Secretary Becky Schaub, Member at Large Robert Wold, Member at Large
Members Absent:	Louis Rivest, Vice President
Guests:	David Smith, Resort Manager Arnold Bos, CFO HOA Owners

1. The meeting was called to order at 10:00 AM.
   A. Steve welcomed everyone to the meeting and introduced the Board members, Arnold Bos, and David Smith to the HOA members.
   B. Steve reminded everyone that this meeting is for HOA Owners only.
   C. Steve shared a power point agenda for today's meeting. Steve requested that questions and comments from the HOA Owners be saved until the open forum portion of the meeting and that the chat feature at bottom of their device screen be utilized for questions and comments; Becky kept track of the chats.

2. **It was moved, seconded and passed by the Board to approve the Minutes of the June 24, 2025 HOA Open Meeting.**

3. Financial Reports:
   A. Arnold reviewed the January-August 31, 2025 reports.
      1) Revenue is looking good.
      2) Administrative expenses are considerably over budget mainly due to legal fees. Steve reported that we have a few legal issues that we are working through. One of the issues is that we are currently in the middle of litigation to protect our CC&Rs from someone who does not want to abide by them, even though the HOA Owners resoundingly voted to approve them in 2022. We are hoping to be able to recoup some of these legal costs, but we do not know when or how much we will be able to recoup.
      3) Utilities expenses are in pretty good shape even after having an unexpectedly large water bill earlier this year.
      4) Landscaping expenses will probably be over budget until the end of the year.
   B. Arnold reviewed the Balance Sheet and Replacement Reserves Fund reports. Painting the HOA buildings was a big item that came out of the reserves this year; this expense is necessary for building maintenance and to maintain the good appearance of our resort.
   C. Arnold reported that our Retained Earnings could possibly be depleted by the end of the year if we continue to have large legal expenses.
   D. The Board is diligently trying to contain, control and manage our expenses.

4. Board Update:
   A. Steve reviewed the results of the Owner Satisfaction Survey. Some areas that residents expressed a need for improvement were: residents abiding by the rules, Owners properly maintaining their sites, and Board leadership.
   B. Steve reported on our website. Earlier this year there was a large number of bot intrusions on our website (736); each bot needed to be removed individually, which took a lot of staff time. Mike Nunan worked tirelessly along with David and Dennis Stoller to resolve our website issues. Mike found a company based in Colorado that helped us resolve our website issues at a reasonable price. Steve relayed to the Owners that if they have issues gaining access into the Owners section of the website, they should clear their device's cache and then the issue should be resolved. Steve encouraged everyone to thank Mike Nunan for all of the time and effort he put into resolving our website issues.
   C. Key Performance Indicators (KPI): KPIs are the items we monitor regularly in order for our resort to be running well. The Board thanks James Cole for regularly collecting this information for them. Some KPIs that we keep an eye on are:
      - Full-time occupancy in each of the three different areas of the resort. In Phase 1 the full-time residency cap is 63; we currently have 69 full-time residents. Phase 2A (park models are allowed), the full-time residency cap is 18; we currently have 15 full-time residents. Phase 2B (RV section), the full-time residency cap is 35; we currently have 11.
      - Full-time renters: In January there were 19; in July there were 22.
      - Domestic water line breaks.
      - Properties sold: Not many properties have been sold during the summer, due in part to political and economic reasons. There is usually a 10% annual property turnover, and right now we are just a little over that 10% average. Ten of the properties currently for sale were owned by people who have recently passed away and who owned multiple properties.
      - Activities fund balance.
      - Changes to the Rules and Regulations were explained and changes will be posted on the website and HOA Bulletin Board.

5. Resort Managers Report:
   A. David thanked the 39 Owners for attending the meeting.
   B. The HOA office renovations are almost complete and the office is looking good.
   C. HOA Mailroom Break-In: On September 6, 2025 at 3:26 PM, a male Caucasian broke into the mailroom and took some packages. Local police were notified as well as federal authorities. The exterior and interior doors of the mailroom are being replaced with steel doors and more cameras are being placed inside the mailroom. If you need to get into the mailroom during the hours it is locked, please use your fob to gain access. David reminded everyone, if they have not already done so, to come to the HOA office to get their fob coded to be able to open the mailroom doors.
   D. The summer projects are winding down and the resort is being prepared for the seasonal residents. The landscaping staff has started working on refurbishing the grass areas.
   E. David reminded everyone that when a property is sold, the new owners need to bring copies of the grant deeds that show the new ownership information to the HOA office. This

information is necessary for our Emergency Preparedness Plan, the State required census information, and for safety and security purposes.

F. People (including some unsavory individuals) have been trying to gain access into the resort from the front gate. They try pushing codes and numbers at the gate to try to get anyone who answers their phone to enter the code that will open the gate and enable them to get into resort. **If someone you do not know calls you to gain entrance to the resort, please do not enter the gate code to let them in.** Please make sure your guests, expected contractors, etc. know how to get into the resort.

G. Steve thanked David for all of his work.

6. New Business: None

7. Open Forum: The following questions were submitted before the meeting.
   A. Harry Dillon: In the interest of saving water and electricity, have we considered eliminating the waterfall at the front gate. The Board will consider this suggestion.
   B. Harry Dillon: How about having our HOA dues factored according to the Consumer Price Index (CPI), so there will be no surprises for the HOA Owners. Steve responded that being able to do that would be nice; however, many of Desert Shadows' expenses, including insurance, legal, payroll taxes and utilities – of which we do not have much control -- all have all gone up substantially higher than the 2.9% of last year's CPI. Arnold checked the California Utilities Commission's website and reviewed the requested rate increases from the different utilities, all of which are higher than the CPI. Arnold noted that all of the utilities will most likely be granted their requested rate increases.
      - Steve noted that David and Arnold have started working on the 2026 budget. The Board will have a proposed budget ready to present to the HOA at the November 2025 HOA Meeting.
   C. Darryl Koch & Terry Willson: Noted that their HOA in Spokane, Washington keeps their mailroom and other areas of their community locked at all times and access is available only with fobs. We may want to consider doing the same with our mailroom.
   D. Carmen Reid: Asked how much does the part-time residency law save us in taxes and how did Desert Shadows survive financially before the CC&R part time residency rule changed in 2022. Steve responded that the part-time residency law had very little financial impact. Steve read Desert Shadows' Mission Statement and explained the history of why the CC&Rs were changed. Also, Cathedral City's Ordinance #9.84.50 states that there shall be no permanent residency in RV resorts; Desert Shadows was allowed to have some full-time residents because they had full-time status before Cathedral City's Ordinance #9.84.50 went into effect. RVs are not designed for full-time living, only for part-time recreational use. Park Models are classified as RVs and not as small / tiny homes.
   E. Faye Chandler: She appreciates the Board upholding the current CC&Rs.
   F. David thanked the community for their support.
   G. It was asked if we can we recoup some of our legal fees from the non-compliant residents. Steve responded that decision will be up to the judge. If the judge does allow it, we do not know if the non-compliant residents will have the money to repay us for our court costs. We have taken the legal steps necessary to recoup the costs. David noted that recently there were three cases in another local community who was in a similar situation to ours; the judge adjudicated in favor of the community.
   H. Gordon Moon: Asked if we ask for the property grant deeds upon transfer; noted that escrow companies provide them. David replied that many of the sales in our resort are private sales

and they do not give their sales information to the resort. David also noted that our HOA is not allowed to approve new owners.

I. Dennis Stoller: Prior to 2022 when the Board was looking at updating Desert Shadows' CC&Rs, they found out that Cathedral City really does not want Desert Shadows to violate their ordinance on full-time residency. The Board tried to manage our full-time residency to satisfy Cathedral City's rules and requirements and to satisfy our resort's character, sense of community and flavor by creating three phases in our resort with residency caps in each phase. The Board did not want to have any portion of our resort to be mostly full-time and another portion to be mostly seasonal since the Board felt that would create a sense of division rather than a sense of community. Steve shared that sense of division between full-time and seasonal residents is exactly what happened at a resort he and Diane stayed at in Florida.

J. Carmen Reid: Expressed concerns about the full-time residency rules. The problem for Carmen as a full-time resident is that she purchased her property with the expectation that she would be able to sell it as a full-time residence. She stated it is very difficult to sell properties as part-time residences versus full-time residences; she said there are other full-time residents in the resort who feel the same. She feels there may be more foreclosures, legal issues and expenses in the future because of the residency rules. Carmen noted that we could possibly remedy this concern by rebalancing the numbers in each of the phases in the resort. However, Steve noted doing that would require making a change to our CC&Rs, which is very difficult to do.

K. Desert Shadows legally cannot post who is on our full-time waiting list due to privacy issues. However, if you are on the full-time waiting list, you can go to the HOA office to discuss it with them.

L. Mike Husczco:
   - Park models do not qualify as low-cost housing because they are on wheels.
   - Electricity savings: Our pumps can be put on timers (like for the entry waterfall, etc.).

M. Scott Frost: What can we do to protect ourselves from future lawsuits. Steve noted that our taking action now against this person who is breaking our CC&Rs will be a deterrent to others who may try to live in the resort full-time when they are only allowed to be here seasonally. Scott also asked if there are some realtors who are promoting full-time residency against our CC&Rs. Steve responded that we cannot control which realtors make sales in our resort.

N. It was asked if there is any update on the marijuana grow-operation smell. David reported that the Cathedral City Council can monitor the plant's filtration process. The Cathedral City Council has taken some steps to mitigate the smell. David read the July 17, 2025 Cathedral City Ordinance concerning mandatory odor control with performance based standards.

8. The next HOA open meeting will be in-person in November 2025.

9. Steve thanked everyone for attending the meeting. **It was moved, seconded, and passed to adjourn the meeting at 11:15 AM.**

Respectfully submitted,
Carol L Bratt, Secretary