



Association News

Third Issue 2017

LAKE ARROWHEAD CHALETS TIMESHARE OWNERS ASSOCIATION NOTICE OF ANNUAL MEETING OF THE MEMBERS AND PROXY SOLICITATION

The Annual Meeting of the members of the Lake Arrowhead Chalets Timeshare Owners Association will be held on Saturday, October 21, 2017, at The Lake Arrowhead Resort and Spa at 10:00 a.m.

YOU ARE URGED TO FILL IN, DATE, SIGN, AND RETURN THE ENCLOSED POSTAGE-PAID PROXY CARD WHETHER OR NOT YOU PLAN TO BE AT THE MEETING. SUCH ACTION WILL NOT AFFECT YOUR RIGHT TO VOTE IN PERSON SHOULD YOU DECIDE TO ATTEND THE MEETING.

If a quorum of the membership is not represented at the meeting, either in person OR BY PROXY, the Association may be required to adjourn and reschedule the meeting AT ADDITIONAL EXPENSE TO THE ASSOCIATION PAID FROM YOUR ASSESSMENTS. Therefore, you are urged to complete, sign and return the proxy card. You are not required to vote on any issue. Checking the blank marked "Withhold" will ensure that your proxy will not be voted BUT WILL STILL COUNT TOWARD THE QUORUM REQUIREMENT.

The agenda for the meeting is as follows:

1. Approve the minutes of the previous Annual Meeting.
2. Election of three (3) members to the Board of Directors.
3. Transaction of any business that may properly come before the meeting or any reconvening thereof.

By signing and returning the proxy card, you, as an owner and member of the Lake Arrowhead Chalets Timeshare Owners Association, appoint President, Marion Phelps, as Proxy Holder with full power of substitution to vote and otherwise represent you at the Annual Meeting on Saturday, October 21, 2017, and at any reconvening thereof, and to vote your membership as fully as you might or could do if personally present upon such business as may properly come before the meeting.

You may revoke this proxy in writing at any time and it will not be used if you attend the meeting and vote in person. The proxy will be voted as you indicate and, if no indication has been made, or if you fail to cast all the votes to which you are entitled, your uncast votes will be used as the Proxyholder deems advisable on the matters set forth above.

If there are any items of business you wish to present for action by the owners at the Annual Meeting, please write to Charles Wendt at Vacation Resorts International, 25510 Commercentre Drive, Lake Forest, CA 92630 or fax to (949) 351-3761.

EVENTS

Oktoberfest

It's Southern California's largest free admission Oktoberfest and you're invited! Join us as we celebrate this time honored German tradition with dancing, authentic food and great German beer!



Starting September. 16 through October 29.
Every Saturday and Sunday starting at noon at
Center Stage in Lake Arrowhead Village!

For more information and table
reservations please call: (909) 337-2533

Annual Home Tour September 15

For more information please
call: (909) 336-1547

Lake Arrowhead Chalets Timeshare Owners Association Board Meeting Highlights - July 15, 2017

The meeting took place at Lake Arrowhead Chalets at 9:00 a.m. Board members present were Marion Phelps, Kevin Jetton, Herbert Uhlhorn and Jennifer La Fontaine. Woodson Samuel was unable to attend. Representing management was Charles Wendt from VRI and Denise Vasquez, Resort General Manager. The following actions took place:

- Approved the Board of Directors Meeting Minutes of April 22, 2017 as presented.
- Approved a proposal from Spectrum for phone service in the amount of \$1,180 plus taxes and fees.
- Approved the 2016 Year End Financial Report prepared by Schonwit and Associates.
- Approved a funds transfer to borrow \$50,000 from reserves to offset operating expenses beginning in October 2017.
- Approved a number of previously unapproved replacement expenses as follows: eleven barbecues for units purchased from Home Depot in the amount of \$2,951.28 and a water heater purchased from Home Depot for #116 in the amount of \$592.47. Total amount approved \$3,543.75.
- Approved a funds transfer in the amount of \$7,371.75 to reimburse the operating account from reserves for replacement expenditures paid out of operating (\$3,573.75) and 2016 Due to/from in the amount of (\$3,828.00).
- Release all Association owned inventory to Great Destinations for sale except for inventory attached to #124 (account numbers that start with 08).
- The Board agreed to table discussion of the sale of a whole unit at this time and will try to lower the non-performance factor through continued sales with Great Destinations. The Board also authorizes operating funds of up to \$30,000 for foreclosures of delinquent owners.
- Approved the 2018 Operating Budget with .61% increase for the two-bedroom units (\$651 to \$655) and a .96% increase for the three-bedroom units (\$729 to \$736).
- Reconfirmed the 2018 Assessment Billing & Collection Policy including the Eight Month Payment Plan.
- Approved the CPA Engagement Letter with Schonwit and Associates for the year end 2017 audited Financial Report and tax preparation

(NOTE: A copy of the minutes is at the resort for your review. If you wish to have a copy for your records, please send your request to Vacation Resorts International, Attention: Samantha Colter, 25510 Commercentre Drive, Lake Forest, CA 92630 and a copy will be mailed to you.)

JUST A REMINDER

Property Taxes

Property taxes come from the San Bernardino County Tax Assessors Office. If you are **NOT** receiving an annual tax bill, you will need to contact the tax assessor at (909) 387-8307 to ensure that they have your correct billing address.



Assessment Billing

The assessment billing will be mailed out by November 1, 2017. For those of you who pay annually, payments are due by December 31, 2017. January 1, 2018 they become delinquent. If you have any questions please call the Assessment Billing & Collections department at (949) 855-8004 or call the Lake Arrowhead Chalets office at (909) 337-0457.

Paying Assessment Dues Monthly

For those of you who are monthly, you will need to contact the assessment and billing department either by phone or by a written letter stating that you would like to pay monthly with the first month's payment. Monthly assessment payments are due upon receipt and considered delinquent on the 15th of each month. As a delinquent account, you will no longer receive a monthly statement and payment in full is due. All payments are due on or before August 1st, 2018. If you have any questions please call the Assessment Billing & Collections department at (949) 855-8004 or call the Lake Arrowhead Chalets office at (909) 337-0457.

Lake Arrowhead Chalets Timeshare Owners Association Scheduled Board Meeting Dates

REGULAR BOARD MEETING

Saturday, October 21, 2017 after HOA at
Lake Arrowhead Resort & Spa
27984 Highway 189, Lake Arrowhead, CA 92352

ANNUAL OWNERS MEETING

Saturday, October 21, 2017 at 10:00 am at
Lake Arrowhead Resort & Spa
27984 Highway 189, Lake Arrowhead, CA 92352

*Meeting dates, times and places are subject to change.
If interested in attending the Board Meetings,
please call the resort for location.*

FROM THE BOARD OF DIRECTORS

At the July 15, 2017 Board of Directors meeting, the Board approved the 2018 operating budget with an increase of only .61% (\$651 to \$655) for the two-bedroom units, and a .96% increase (\$729 to \$736) for the three-bedroom units. The modest assessment increase is based on continued interval sales in the last half of 2017 and the beginning of 2018.

Last year the Board reduced the assessments substantially based on one-hundred interval sales. We hope that the successful sales program continues for at least another year. In April of 2018 the Board will review progress reports and if sales were not positive it is possible an additional assessment might be necessary.

Manager's Message

Hello Everyone,

The new living room, dining room furniture, carpet and drapes have been replaced in eight of the two bedroom units. Next time you book a reservation, ask to stay in one of the updated units.

See you soon,
Denise Vasquez



Lake Arrowhead Chalets Timeshare Owners Association Statements by Candidates to Board of Directors 2017

#1 JENNIFER La FONTAINE, Pasadena, CA (Incumbent)

EDUCATION: Business & Facility Management, Loyola Marymount, L.A., CA.

EXPERIENCE: 10 years as a business & facility manager of Catholic School & Church. Owner and Manager of three apartment buildings. 15 years as owner/designer of nationally recognized decorating franchise. Very qualified in the field of design, budget, forecasting, procuring vendors/contractors and working in teams. As the Injury Prevention Coordinator with the Emergency and Trauma Services at Huntington Memorial Hospital in Pasadena, I focus on educating the elderly on preventing falls both in their home and throughout the community.

OBJECTIVES: As a timeshare owner for close to 32 years, my love and dedication for the Chalets is to continue representing the owners & fulfilling their ideas for improvements.

#2 J. KEVIN JETTON, DDS, FAGD, Yucaipa, CA (Incumbent)

EDUCATION: B.S. Psychology (1980), DDS – Dentistry (1984), General Dentistry Fellowship (2007)

EXPERIENCE: Management/Finances: 1) dental practice (1985-1996), 2) Staff Dentist, Patton State Hospital (1996-Present), 3) Captain, Army reserves (2000-2005), 4) Dental Director, New Hope Free Clinic, Redlands (2011-2014). Time-Share owner @ Lake Arrowhead Chalets (2007-present), and visited LAC since 1985.

OBJECTIVES: As a regular visitor to Lake Arrowhead Chalets, and as one of your current board members, I wish to continue to preserve/enhance the cleanliness, peace and quiet, maintenance, and amenities of our resort. I will continue to work to expand our amenities and benefits in the local community, and continue to monitor operating costs, to keep our fees as low as possible. I appreciate your vote of confidence, and I look forward to continuing to serve you.

#3 HERBERT M. UHLHORN, Palm Desert, CA (Incumbent)

EDUCATION: Associated Engineering Degree from AIT in HVAC

EXPERIENCE: 42 years Business owner for air conditioning Company. Built my own home. Contractor in California and Illinois. Member, Rotary (Treasurer). I represent the Timeshare Association on the Master Association as Vice President. I was also responsible for designing a more efficient way of heating the laundry room at the Lake Arrowhead Chalets. Help in the design and construction of new LAC offices. Consultant for installation of new fireplaces.

OBJECTIVES: To maintain the quality of the Chalets and be an active Board Member. Continue support of on-going renovations and improving financial picture of the Association. I have been working on the design for new higher efficiency heating systems for the units at Lake Arrowhead Chalets.

#4 DAVID L. DICUS, Apple Valley, CA

EDUCATION: BS Degree in Agriculture, Advance Proficiency in Law Enforcement, AA Law Enforcement

EXPERIENCE: 32 years in Law Enforcement and retired at the rank of Lieutenant. Handled many types of budgets. Hired and fired employees. Testified criminally and civilly in court. Currently live in a HOA, Spring Valley Lake, CA and served on the following committees, i.e.; Safety, Architectural committee.

OBJECTIVES: Promote fiscal responsibility, develop a short and long term vision for the Chalets, approach problems with a problem solving mentality & develop policies that apply. Support the policies that previous boards have developed and that fit today's ever evolving social and business environment.

Lake Arrowhead Chalets

vri Vacation Resorts International
25510 Commercentre Drive
Suite 100
Lake Forest, CA 92630

First Class Presort
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San Diego CA
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Vacation Resorts International
www.vriresorts.com



PUBLICATION



The Association News is brought to you on a quarterly basis by Lake Arrowhead Chalets. Its purpose is to bring noteworthy news and stories of interest to owners of Lake Arrowhead Chalets Timeshare Owners Association.

Members of the Board:

Marion Phelps, *President* Woodson Samuel, *Director*
Kevin Jetton, *Vice President*
Herbert Uhlhorn, *Secretary*
Jennifer LaFontaine, *Treasurer*

Contributors:

Denise Vasquez, *General Manager*
Charles Wendt, *VRI Director of Resorts*

Management:

vri Vacation Resorts International – (949) 587-2299
“Perfecting the Art of Hospitality”

Printing and Design:

WinCom Litho

If you are interested in writing to the Lake Arrowhead Chalets Timeshare Owners Board of Directors, please direct all correspondence to Vacation Resorts International, Attn: Charles Wendt, VRI Director of Resorts, 25510 Commercentre Drive, Suite 100, Lake Forest, CA 92630.

If you are interested in submitting an article to be published in the Association Newsletter that you feel would be interesting to fellow owners, please direct all correspondence and photographs to the General Manager.

Lake Arrowhead Chalets – P. O. Box 2293, Lake Arrowhead, CA 92352 • (909) 337-0457 • Fax (909) 336-5397
www.lakearrowheadchalets.net

Service Directory

MANAGEMENT

Vacation Resorts International (VRI)
25510 Commercentre Drive, Suite 100
Lake Forest, CA 92630 (949) 587-2299

EXCHANGE INFORMATION

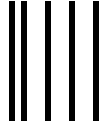
Trading Places International (800) 365-7617
RCI (877) 874-3334
II (800) 843-8843

RESERVATIONS

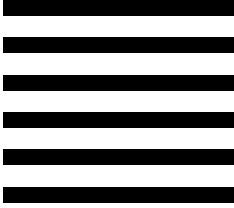
Information/ Assistance (949) 859-2181
Bonus Time (909) 337-0457
Vacation Tyme® (866) 469-8222

OWNER SERVICES

Assessment Billing & Collections (949) 855-8004
Rentals (949) 859-2181
Chamber of Commerce (909) 337-3715
Highway Patrol (909) 867-2791
Recreation Center (909) 382-2600
Visitors Bureau (909) 337-3715
Weather www.lakearrowhead.com
Road Report (800) 427-7623
San Bernardino Sheriff Dept. (909) 336-0600



NO POSTAGE
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UNITED STATES



BUSINESS REPLY MAIL
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POSTAGE WILL BE PAID BY ADDRESSEE

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VACATION RESORTS INTERNATIONAL
25510 COMMERCENTRE DR
LAKE FOREST CA 92630-9900**



LAKE ARROWHEAD CHALETS TIMESHARE OWNERS ASSOCIATION – PROXY BALLOT 2017

THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF THE NOTICE AND PROPOSED AGENDA FOR THE ANNUAL MEETING OF THE LAKE ARROWHEAD CHALETS TIMESHARE OWNERS ASSOCIATION TO BE HELD ON SATURDAY, OCTOBER 21, 2017, AND APPOINTS THE PRESIDENT, MARION PHELPS, AS PROXY HOLDER WITH FULL POWER OF SUBSTITUTION. THIS PROXY WILL BE VOTED AS INDICATED. WHERE NO INDICATION IS MADE, OR IF YOU FAIL TO CAST ALL THE VOTES TO WHICH YOU ARE ENTITLED, PROXYHOLDER WILL CAST ALL UNUSED VOTES AS SEEN FIT ON ANY BUSINESS WHICH MAY PROPERLY COME BEFORE THE MEETING OR ANY RECONVENING THEREOF.

ELECTION INSTRUCTIONS: Three (3) candidates will be elected. You may cast a total of three (3) votes for each interval you own. Cast them all for one candidate or divide them among as many as you wish. DO NOT CAST FRACTIONAL VOTES! Do not use a "✓" or an "X". If you do so, your mark will count as one vote only. Fill in the number of votes you want that candidate to receive. Remember that all unused votes will be cast by the Proxyholder on your behalf.

CANDIDATES (**Indicates Incumbent)

_____ **Jennifer La Fontaine _____ **Dr. Kevin Jetton _____ **Herbert M. Uhlhorn _____ David Dicus

_____ Account Number(s) _____
(Write-In) (Withhold)

AUTHORIZATION MEASURE INSTRUCTIONS: You may cast one (1) vote for each interval you own. Do not use fractional votes. If you fail to vote, the Proxy holder may cast your vote on your behalf.

AUTHORIZATION OF MASTER ASSOCIATION VOTING BY TIMESHARE UNITS
In accordance with Section 4.2(n)(i) of the Lake Arrowhead Chalet Timeshare Owners Association ("LACTOA") CC&Rs, as amended, LACTOA's members hereby authorize the LACTOA Board of Directors, acting through its duly designated representatives, to cast any and all votes for the LACTOA timeshare units at any Master Association membership meetings or ballots conducted from the date of this LACTOA annual meeting through the date of the next LACTOA annual meeting.

Mark one: Approve ___ Disapprove ___

By: _____
Signature Print Name Clearly

Date: _____

LAKE ARROWHEAD CHALETS TIMESHARE ASSOCIATION

OPERATING BUDGET FOR THE YEAR ENDING DECEMBER 31, 2018

REVENUES

Assessments	\$872,717
Room revenue and other income	175,613
TOTAL REVENUES	1,048,330

EXPENSES

Operating expenses

Salaries and wages (Includes: Front Desk, Housekeeping, Maintenance, and On-Site Management)	277,366
Payroll taxes/benefits	105,830
Utilities	47,804
Satellite TV	5,713
Telephone/data line	25,000
Housekeeping/supplies	31,000
Maintenance/supplies/repairs	21,500
Activities/hospitality	1,700
Total operating expenses	515,913

Administrative/General

Corporate tax	1,080
Property tax	2,400
Insurance	25,500
Accounting	4,100
Vacation Tyme commission	5,750
Office/miscellaneous	16,300
Bank/credit card fees	10,000
Office Rent	16,903
Master Association Fees	105,000
Management fee	47,112
HOA Mailing/printing/postage	4,000
Reserve Study	1,200
Directors/meeting expense	2,500
Marketing expense	2,000
ABC policy funding	2,000
Foreclosure expense	30,000
Legal	4,000
Bad debt expense	116,567
Total Administrative/General	446,412

Replacements (reserves)

TOTAL EXPENSES	\$1,048,330
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ANNUAL ASSESSMENTS PER VACATION PLAN:

	ASSESSMENTS	+	REPLACEMENTS	=	TOTAL
Two Bedroom	\$594	+	\$61	=	\$655
Three Bedroom	\$657	+	\$79	=	\$736

NOTE: Your Association mails an annual assessment billing statement to each member. In the unlikely event that you do not receive a billing statement from the Association, you have the duty to request a duplicate bill. Failure to receive a billing statement will not relieve you of the obligation to timely pay assessments.

(25 Units - 1275 Intervals)

A detailed budget is available at the resort for your review. A copy will be provided upon request. Send your request to Vacation Resorts International, Attention Julie Macy, 25510 Commercentre Dr., Suite 100, Lake Forest, CA 92630, and a copy will be mailed to you.