

**LINDO MAR ADVENTURE CLUB, LTD.
BOARD OF DIRECTORS MEETING
Telephonic**

**Monday, February 26, 2018
9:00 A.M. (PST)**

REGULAR SESSION MINUTES

I. CALL TO ORDER / ROLL CALL / APPROVAL OF AGENDA

The meeting was called to order at 9:00 a.m. (PST) by President Sandra Wicks.
In attendance were:

Board of Directors

Sandra Wicks	President
Dennis Lockwood	Vice President
Poul Hansen	Secretary / Treasurer
Charles Meacham	Director
David Brusby	Director

Trading Places International

Asael Sandoval	Director of Resort Operations
Luis Moran	Assistant VP of HOA Accounting
Casey Clayson	Administrative Assistant

Lindo Mar Resort

Roberto Chavez	General Manager
Miguel Correa	Operations Manager

Charles Meacham made a motion and Poul Hansen seconded to approve the agenda with the following modifications: update of “Falling Northern Wall” to “Failing Northern Wall” in VI. D, the addition of Casa Karma under New Business as item I, and the transfer of item III. C. Additional Amenities from the executive session agenda to the regular session agenda as item V. B. The motion passed unanimously.

The board requested that Roberto Chavez should look into getting a better phone or connection before the next telephonic board meeting (Action Item).

II. MINUTES OF PREVIOUS BOARD MEETING

David Brusby made a motion and Charles Meacham seconded the motion to approve the board minutes of the October 23, 2017 meeting with the following wording corrections: under IV.5 Budget Review and Approval change “for two weeks in 2018” to state the “first phase of the remodeling project,” under IV. B. Management change the word “quartz” to

“bedrock” and change of title of VI. F. from “Review of 2nd Floor Space” to “Review of Space above Office.” The motion passed unanimously.

III. EXECUTIVE SESSION

At 9:13 a.m. (PST), the board recessed the regular session and moved into executive session to approve the previous executive meeting minutes and to discuss legal matters. Regular session reconvened at 9:48 a.m. (PST).

IV. REPORTS

A. Financial

1. Monthly Financial Review

Luis Moran presented the financial statements for the resort as of December 31, 2017 and briefly reviewed the January 31, 2018 financial statements. Mr. Moran reported that Lindo Mar ended its fiscal year with a surplus in the amount of \$206,557 and the replacement fund ended with \$1,005,437. Mr. Moran also reported that the delinquency rate for 2017 ended at 5.10 %, an increase of 2.15% from the prior year. For the month of January 2018, Mr. Moran reported that the association is operating with a surplus in the amount of \$16,120 and a favorable variance to budget of \$24,847.

The board requested that management cancel any membership more than two years delinquent and not Mexican (Action Item).

Poul Hansen moved to accept the financial statements as of December 31, 2017 and Charles Meacham seconded the motion. The motion carried unanimously.

2. Schedule of Actual Expenditures vs. Reserve Study

Mr. Moran reported that the Reserve Study for 2017 was funded as recommended. The reserve study indicated a contribution of \$400,000 and the actual contribution was \$390,917.

The board requested that they would like to review and reestablish the motion made at the February 22, 2016 board meeting to reduce the Association’s surplus Operating Funds to USD \$100,000 and to transfer any present and future surplus from the Operating Funds to the Reserve Funds based and the need to bring up the Association’s Reserve Funds to about 75% of the Reserve Budget, and any future increase (Action Item).

B. Management

Roberto Chavez provided the board with an update of outstanding projects. He reported that the labor secretary visited Lindo Mar for another inspection and all went well. For the 15th year in a row, Mr. Chavez proudly announced that Lindo Mar had won the RCI Gold Crown Award. The board requested that a picture of the RCI award with the staff should be posted on the website and Facebook (Action Item).

Mr. Chavez also reported that resort now has a wheelchair, walkers, and bathroom chairs for members and guests to use if needed. DVD players are also now available for rent.

1. Javier Quezada

Roberto Chavez reported on the October 2017 to January 2018 sales report provided by Javier Quezada.

C. Comment Card Review (RCI, II, TPI & TripAdvisor)

The board reviewed and discussed the RCI, II, TPI, and TripAdvisor comments.

D. Occupancy

The occupancy report was reviewed and discussed.

E. Great Destinations Sales Report

Asael Sandoval reviewed the Great Destinations sales report with the board reporting that in January 2018 Great Destinations sold 22 units.

V. UNFINISHED BUSINESS

A. 2nd Elevator

The board requested that Roberto Chavez should provide them with a weekly update of what is taking place with the construction of the 2nd elevator (Action Item).

B. Refurbishing Project 2018 -2020

David Brusby made a motion and Charles Meacham seconded the motion to authorize a contract of \$605,630.83 with a 10% contingency with Becerra Engineer for the unit's refurbishment project in 2018. The motion carried unanimously.

Asael Sandoval informed the board that he will send a draft of the contract which will include a penalty clause, for David Brusby to review the contents before presenting the document to the contractor for signature (Action Item).

C. Additional Amenities

The board reviewed and discussed the costs of additional amenities like blinds, cushions, etc. to be updated in the remodeled units.

Dennis Lockwood made a motion and Charles Meacham seconded the motion to approve the commission of 96 cushions. The motion passed unanimously.

David Brusby made a motion and Poul Hansen seconded the motion to approve covering the 96 cushions using materials the resort will purchase at a figure not to exceed \$3,000. The board will decide on design. The motion passed unanimously.

The board deferred the discussion of blinds and blackout curtains until the June board meeting.

The board requested for Roberto Chavez to provide them with a ball-park price for additional amenities (Action Item).

Charles Meacham exited the meeting at 11:54 a.m. (PST).

VI. NEW BUSINESS

A. Federal Zone Update

Roberto Chavez reported that surveyors have updated the Lindo Mar coordinates between our neighbors on the north and south side to finish the geographic location plans.

B. Expense Limit for Management without Board Authorization

Asael Sandoval requested that the board give management a discretionary fund to approve expenses throughout the year without having to go to the board for authorization.

Poul Hansen made a motion and David Brusby seconded the motion to allot management the use of up to \$5,000 in discretionary funds for 2018 to be used as needed. The motion passed unanimously.

C. Rules and Regulations Update

The board requested for Asael Sandoval to update the reservations department on the difference between red versus white time and members with restrictions regarding reservations (Action Item).

D. Failing Northern Wall

Mr. Chavez reported that he would provide the board with a quote to structurally repair the wall (Action Item). He also noted that the resort will work with Conchas Chinas regarding the wall reinforcement.

E. AC Process and Procedures

The board directed Roberto Chavez to make sure that the air conditioning units undergo at least a yearly maintenance to upkeep the units. Mr. Chavez reported that new grills were being bought over time to replace the existing rusty grills on the AC units.

Charles Meacham re-entered the meeting at 12:38 p.m. (PST).

F. 2018 Election

The board reviewed and discussed the 2018 annual election timeline.

G. Ventilation in the Kitchen

Roberto Chavez reported to the board on a potential air handling unit that will help with ventilation and decrease bacteria in the air. The board requested Roberto Chavez to confirm with vendor whether they can give examples of the system used in an open space at the June board meeting (Action Item).

H. Maintenance Fee Payment Policy

Asael Sandoval reported that the maintenance fee payment policy was reviewed. It was found in agreement with the current ABC policy, and the staff is applying the policy accordingly.

VII. OTHER BUSINESS

A. Owner Forum / Correspondence / Cancellation Requests

The board reviewed all cancellation requests submitted to them. Janet Brown's cancellation request had already been reviewed and accepted at the October 25, 2017 meeting.

Charles Meacham made a motion and Dennis Lockwood seconded the motion to accept Kathy Dollinger's request to accept the cancellation of one of her units once the account is paid in full. The motion carried unanimously.

Charles Meacham made a motion and Dennis Lockwood seconded the motion to accept the request of Hector and Silvia Quintero Sandoval. Dennis Lockwood seconded. The motion carried unanimously.

Charles Meacham made a motion and Poul Hansen seconded the motion to accept Margaret Gilbert's request. The motion carried unanimously.

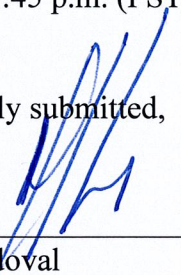
B. Review of Previous Action Items

The board reviewed the action items list.

VIII. ADJOURNMENT

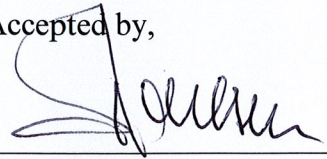
Dennis Lockwood made a motion and David Brusby seconded the motion to adjourn the meeting at 1:45 p.m. (PST).

Respectfully submitted,



Asael Sandoval
Director of Resort Operations
Trading Places International

Accepted by,



Poul Hansen,
Secretary / Treasurer
Lindo Mar Adventure Club, Ltd.