

**LINDO MAR ADVENTURE CLUB, LTD.  
BOARD OF DIRECTORS MEETING  
Lindo Mar Resort Sales Office**

**Wednesday, October 31, 2018  
9:00 A.M. (CST)**

**REGULAR SESSION MINUTES**

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

The meeting was called to order at 8:57 a.m. (CST) by President Sandra Wicks. The following people were in attendance:

**Board of Directors**

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

**Lindo Mar Resort**

Roberto Chavez	General Manager
Miguel Correa	Assistant General Manager

**Trading Places International**

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

**Guests**

Roger Denton	Lindo Mar Adventure Club Owner
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Dennis Lockwood made a motion and David Brusby seconded the motion to approve the agenda with the following additions to VI. New Business: E. Bed Bugs, F. Painting Ocean View, G. Flooring Tile for 104 Patio and Pool and to III. Executive Session: Outside Businesses Run by Employees on Staff Time. The motion passed unanimously.

Roberto Chavez introduced Alexandro Robles and Eng. Fernando Becerra.

**II. MINUTES OF PREVIOUS BOARD MEETING**

**A. June 12, 2018 Meeting Minutes**

Charles Meacham made a motion and Dennis Lockwood seconded the motion to approve the board minutes of the June 12, 2018 meeting with the following wording corrections: under IV. B. 1. change “has made \$64,000 in sales” to state “has made sales in the amount

of \$64,000” and under V. A. change from “reported that was” to “reported there was.” The motion passed unanimously.

#### **B. July 6, 2018 Telephonic Meeting Minutes**

Charles Meacham made a motion and Dennis Lockwood seconded the motion to approve the board minutes of the July 6, 2018 meeting as presented. The motion passed unanimously.

### **III. EXECUTIVE SESSION**

At 9:10 a.m. (CST), the board recessed regular session and entered executive session to approve the previous executive meeting minutes, and to discuss both legal and employee matters.

The board exited executive session at 10:42 a.m. (CST) and after a short break, reconvened regular session at 10:54 a.m. (CST).

### **IV. REPORTS**

#### **A. Financial**

##### **1. Monthly Financial Review**

Luis Moran presented the financial statements for the resort as of September 30, 2018. For the month of September 2018, Mr. Moran reported that the association was operating with a surplus in the amount of \$151,691 and a favorable variance to budget of \$126,555.

Poul Hansen made a motion and Charles Meacham seconded the motion to accept the financial statements as of September 30, 2018. The motion carried unanimously.

##### **2. Schedule of Actual Expenditures vs. Reserve Study**

Mr. Moran presented the Reserves Fund activity of actual expenditures and the Reserve Study 2018 Plan.

##### **3. Delinquencies**

The delinquency rate as of September 2018 was 5.05% which was lower than the previous year by .14%.

##### **4. 2019 Budget Review and Approval**

Luis Moran presented the proposed 2019 budget to the board using an exchange rate of 18.00 pesos per Dollar.

Poul Hansen motioned, and Charles Meacham seconded the motion to approve the 2019 Budget as proposed. The motion carried unanimously.

## **5. 2018 Audit Engagement Letter**

Dennis Lockwood motioned, and Poul Hansen seconded the motion to engage the US financial review with Schonwit and Associates for the year 2018 in the amount of \$2,600. The motion passed unanimously.

Poul Hansen made a motion and Dennis Lockwood seconded the motion to approve the engagement of an auditor for the Mexican books. The motion passed unanimously.

## **B. Management**

Roberto Chavez provided the board with an update of outstanding projects at Lindo Mar. He reported that he was working with Pablo Caballero, the restaurant supervisor, on updating restaurant prices and menu items. Mr. Chavez also reported that Lindo Mar has a new internet provider (Total Play) and the internet was much faster than before.

Mr. Chavez said that Lindo Mar was still being cleared by the Labor Secretary and he would provide an update once he received a response. Once Lindo Mar is cleared, Mr. Chavez said that Lindo Mar could sign up for the self-management program to fulfill requirements.

### **1. Javier Quezada**

Roberto Chavez reported that Javier Quezada has conducted sales in the amount of \$107,000 from January to October 2018.

Charles Meacham made a motion and Poul Hansen seconded the motion to give management the authority to accept all fixed week cancellation requests between November to the end of April. The motion passed unanimously.

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

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

## **D. Occupancy**

The board reviewed and discussed the occupancy report.

The board directed Asael Sandoval to look into the reason why there were bonus weeks during March (Action Item).

## **E. Great Destinations Sales Report**

Asael Sandoval reviewed the Great Destinations sales report with the board. He reported that Great Destinations has sold a total of 76 units since January 1, 2018. Mr. Sandoval

also reported the Great Destinations will no longer be conducting sales as they have been because a new company called Discovery Vacation Networks has been created.

#### **F. Rental Report**

Mr. Asael Sandoval reported on the 2018 rental report. He reported that there was a decrease in the number of nights rented, but an increase in the average rental rate.

The board recessed for lunch at 12:30 p.m. (CST) and returned from lunch at 1:37 p.m. (CST).

### **V. UNFINISHED BUSINESS**

#### **A. Federal Zone Update**

Roberto Chavez provided the board with an update on the completed federal zone survey. Mr. Chavez reported that there were 58.3 sq. meters of land won to the sea and when they submit the renewal for the concession. The board asked for this to carry over to the next meeting (Action Item).

#### **B. Refurbishing Project 2019 -2020**

The board reviewed and discussed the costs of refurbishing the units over the next two years. Roberto Chavez presented a report on the proposed costs for remodeling floors 3, 7 and 8 in 2019 and floors 1, 2 and 9 in 2020 remodeling project.

The board also reviewed and discussed the 2018 remodeling project and several areas where they felt improvements could be made for the future units:

- Move reading light over tv to above the sofa area
- Make sure alabaster lights are a different switch than full kitchen lights
- Place mirrors, and not paintings, over the living area couch
- Include a soap dish on the counter
- Make sure all units have new chairs and not the old-style chairs
- Secure refrigerator better

Mr. Chavez also reported on several potential future projects including the remodel of the lobby level, a game room, and the bar.

#### **1. Fixed Owner Communication for the 2019 Remodel**

Mr. Sandoval reported that the 3<sup>rd</sup>, 7<sup>th</sup>, and 8<sup>th</sup> floor units have been blocked for 2019 remodel.

#### **C. 2<sup>nd</sup> Elevator**

The board directed management to see if a fan or air conditioning can be added to the new elevator along with additional railing (Action Item).

#### **D. Refurbishment of Old Elevator Cabin**

The board reviewed and discussed the two quotes presented by Roberto Chavez to refurbish the interior of the old elevator cabin.

Chuck Meacham made a motion and David Brusby seconded the motion to give management permission to proceed forward with one of the elevator options and the timing of the project not to exceed \$15,000 USD. Dennis Lockwood objected. The motion passed by majority vote- four votes yes and one vote no.

#### **E. Falling Northern Wall**

Roberto Chavez reported that the project to make the northern wall look better will be completed in two weeks.

#### **F. Ventilation in the Kitchen**

Roberto Chavez stated that the new ventilation in the kitchen was working well.

#### **G. Rental Program**

Asael Sandoval reported that year-over-year there has been a 42.6% decrease in the average number of rental rates but a 29.3% increase in the average rental night rate.

### **VI. NEW BUSINESS**

#### **A. Elevator Emergency Back Up System**

Roberto Chavez reported that the emergency backup system was turned on so that the elevator would still have power in case of an outage.

#### **B. 2019 Maintenance Fee Mailer**

Chuck Meacham made a motion and Dennis Lockwood seconded the motion to approve the proposed cover letter and ABC policy for the 2019 maintenance fee mailing with the inclusion of the TPI marketing insert. The motion passed unanimously.

#### **C. 2019 Meeting Dates**

The board approved the 2019 meeting dates as follows:

- February 18<sup>th</sup> Board Meeting held Telephonically
- June 26<sup>th</sup> Board Meeting held at TPI
- October 29<sup>th</sup> and 30<sup>th</sup> Budget and Board Meetings held at Lindo Mar

#### **D. Bed Bugs**

Roberto Chavez reported that incidents of bed bugs at Lindo Mar are rare. He said that if a member or guests reports bed bugs, staff immediately relocates the guests/members, empty the room and fumigate.

**E. Painting Oceanside of Resort**

Dennis Lockwood made a motion, and David Brusby seconded the motion to approve the painting of the oceanside exterior of the resort for a cost not to exceed \$6,000 USD. The motion passed unanimously.

**F. Flooring Tile for 104 Patio and Pool**

The board directed Roberto Chavez to provide quotes for replacing the tile around the pool and the unit 104 patio to be presented at the February board meeting (Action Item).

**VII. OTHER BUSINESS**

**A. Owner Forum / Correspondence / Cancellation Requests**

The board reviewed the owner correspondence submitted by Giancarlo Accettullo and Jim Race.

The board also reviewed all cancellation requests submitted to them.

Charles Meacham made a motion and David Brusby seconded the motion to accept all submitted cancellation requests: Irene and Michael Germaine, Mary J. Kotlan, Rich Tontarski, George Fatton, Hovhannes Roberti Melkonyan and Anush Matirosyan. The motion carried unanimously.

**B. Review of Previous Action Items**

The board reviewed the action items list.

Roberto Chavez presented a list of proposed rental rates for Lindo Mar members who arrive late or want to stay an extra night at the end of their stay. The board reviewed, discussed, and approved the proposed member rental nights list.

**C. Board Changes**

Poul Hansen announced, that after nine years on the board, he was resigning.

The board thanked Poul Hansen for his commitment to the board and presented him with a small gift and a plaque that will be placed in the corridor going to the terrace.

Charles Meacham made a motion and Dennis Lockwood seconded the motion to designate Poul Hansen as a board member emeritus in recognition of his nine years of exemplary service on the Lindo Mar board of directors. The motion passed unanimously.

## VIII. ADJOURNMENT

Sandra Wicks thanked the board and management for their hard work. The meeting adjourned at 3:40 p.m. (CST).

Submitted by:  
Trading Places International  
Its: Managing Agent

Accepted by:  
Lindo Mar Adventure Club, Ltd.

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Casey Clayson  
Administrative Assistant

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David Brusby,  
Director