

**LINDO MAR ADVENTURE CLUB, LTD.  
BOARD OF DIRECTORS MEETING  
TRADING PLACES OFFICE**

**Lake Forest, CA  
Wednesday, June 26, 2019  
10:00 A.M. (PDT)**

**REGULAR SESSION MINUTES**

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

The meeting was called to order at 10:02 a.m. (PDT) by President Sandra Wicks. The following people were in attendance:

**Board of Directors**

Sandra Wicks	President
Dennis Lockwood	Vice President
David Brusby	Secretary
Charles Meacham	Treasurer
Roger Denton	Director

**Lindo Mar Resort**

Roberto Chavez	General Manager
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**Trading Places International**

Asael Sandoval	Director of Resort Operations
Douglas L. Wilcox	Sr. VP of Resort Operations
Luis Moran	Assistant VP of HOA Accounting
Casey Clayson	Administrative Assistant

**Owners**

Judith Sanacore

Charles Meacham motioned, and Roger Denton seconded the motion to approve the agenda with the addition of VI. I. D & O Insurance Policy, VII. C. Comments from Owners, and VI. J. Lindo Mar Trust. The motion passed unanimously.

**II. MINUTES OF PREVIOUS BOARD MEETING**

**A. February 18, 2019 Meeting Minutes**

Dennis Lockwood motioned, and Charles Meacham seconded the motion to approve the board minutes of the February 18, 2019 meeting with the following amendments: under V. B. 1. update “for new refrigerators in the previously remodeled units” to “for left-handed refrigerators in the previously remodeled units that require them;” under Exhibit A Living Area: add “and move it over couch;” under Exhibit A: Kitchen: insert “separate” before

“switches;” under Exhibit A: Bedroom: update “electric outlet beside dresser” to “electric outlet above dresser with USB;” and under Exhibit A: Master Bath update “toilet bar” to “towel bar.” The motion passed unanimously.

**B. March 12, 2019 Telephonic Meeting Minutes**

Roger Denton motioned, and Dennis Lockwood seconded the motion to approve the board minutes of the March 12, 2019 meeting with the following amendments: under III. A. 1. remove the phrase “in the kitchen;” and add the heading III. A. 6. Approval of Phase 2 Budget to the last paragraph under III. A. 5. The motion passed unanimously.

**C. March 22, 2019 Telephonic Meeting Minutes**

Charles Meacham motioned, and Dennis Lockwood seconded the motion to approve the board minutes of the March 22, 2019 meeting with the following amendments: under II. A. update “open the window in the upstairs bathroom, and put adequate lighting in the master bedroom that will not affect the minisplit” to “provide an opening window in the upstairs bathroom, and place an LED lighting strip on the front edge of the closet making sure it does not interfere with the airflow in the minisplit.” The motion passed unanimously.

**III. EXECUTIVE SESSION**

At 10:20 a.m. (PDT), the board recessed regular session and entered executive session to approve the previous executive meeting minutes, and to discuss legal matters.

The board exited executive session at 10:57 a.m. (PDT) and reconvened regular session at 11:06 a.m. (PDT).

**IV. REPORTS**

**A. Financial**

**1. Monthly Financial Review**

Luis Moran presented the financial statements for the resort as of May 31, 2019. He reported that for the five-month period ended May 31, 2019, the association was operating with a surplus in the amount of \$180,857 and a favorable variance to the budget in the amount of \$99,463.

The board requested for management to provide a breakdown of the rental revenue for the first part of the year (Action Item).

Charles Meacham motioned, and Dennis Lockwood seconded the motion to accept the financial statements as of May 31, 2019. The motion carried unanimously.

## **2. Delinquencies**

The delinquency rate as of May 2019 was 6.31% which was a 1.35% increase over the same month last year.

Asael Sandoval provided the board with a few factors that possibly could have increased delinquency.

## **3. 2018 Financial Review**

Luis Moran presented the 2018 financial review completed by Schonwit & Associates, Inc. for the year ended December 31, 2018.

Dennis Lockwood motioned, and Charles Meacham seconded the motion to accept the December 31, 2018 financial review completed by Schonwit & Associates, Inc. The motion passed unanimously.

The board thanked onsite management for all their hard work.

## **B. Management**

Roberto Chavez provided the board with an update of outstanding projects at Lindo Mar. Mr. Chavez reported that two of Lindo Mar's long-time employees, Eterio "Yeyo" Bravo and Francisca Meza have retired and staff held a goodbye celebration for them. He also reported that maintenance staff will be replacing all of the bypass valves in each unit during the remodel so that they can shut off water and gas to a single room as needed.

Roberto Chavez announced that a new law has been passed in Mexico concerning staff work environments. A new beach access door with a code lock has been installed and owners will receive the passcode when the check-in. Mr. Chavez said staff have been receiving fewer complaints, if any, from guests and members staying in the remodeled units.

AXA, the insurance provider, provided Roberto Chavez with a few items they would like addressed including the installation of a fire system and a review of the lightening rods.

Roberto Chavez reported that he was invited last month to go to Cabos San Lucas to meet with Home Depot representatives to discuss special rates and pricing. Home Depot representatives then visited the resort and gave them documents to establish a credit line. Home Depot has lifetime warranty on many products, will deliver to the resort and will keep merchandise in stock if they request it.

### **1. Javier Quezada**

Roberto Chavez reported that Javier Quezada has conducted sales in the amount of \$87,500 for 2019.

## **2. TPI Inspection Summary**

The board reviewed and discussed the TPI Inspection Report completed by Mark Giddings.

The board directed Asael Sandoval to contact Mark Giddings for his ideas for the restaurant remodel (Action Item).

The board directed Roberto Chavez to research the cost of taller aluminum lounge chairs for the patio and the pool area. The board would like lounge chairs with a locking mechanism for the back (Action Item).

## **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.

## **V. UNFINISHED BUSINESS**

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

Roberto Chavez reported that he was still awaiting information from the government.

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

The board reviewed and discussed the 2019 refurbishment project.

#### **1. Room Enhancements**

Dennis Lockwood motioned, and Charles Meacham seconded the motion to approve the purchase of room enhancements (lamps, appliances, furniture, etc.) for the cost of \$33,938.34 USD. The motion passed unanimously.

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

Asael Sandoval reported that management has received a quote from Otis for the installation of an AC in the new elevator. He reported that the quote for the installation of an AC system was too pricey and they were checking with Otis on the installation of an extractor instead.

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

Roberto Chavez reported that the old elevator has been refurbished and looks a lot better than before.

**E. Bar Remodeling Proposal**

The restaurant remodel committee reported that they will report on the bar remodel proposal at the October meeting.

**VI. NEW BUSINESS**

**A. 2019 Election Results**

Asael Sandoval provided the board with a handout showing the results of the 2019 election were as follows:

Kathryn Brogan	61	Dennis Lockwood	725
David Brusby	418	Will Stewart	80
Lisa DeJong	143		
Roger Denton	510	<u>Write-Ins</u>	
Sandra Clark Erickson	374	Laura Raltson	1
Kelli Gilbert	60	Steve Raltson	1

The three incumbents, David Brusby, Roger Denton, and Dennis Lockwood were re-elected to serve for another two-year term on the board.

David Brusby motioned, and Dennis Lockwood seconded the motion to retain the current slate of officers. The motion passed unanimously, and the board remains as follows:

Sandra Wicks	President
Dennis Lockwood	Vice President
David Brusby	Secretary
Charles Meacham	Treasurer
Roger Denton	Director

The board expressed their thanks for all of the candidates that ran in the 2019 election.

**B. Spa Expansion**

Roberto Chavez reported that the spa expansion will be an ongoing project. In October, management will measure the upstairs area for the planning.

**C. Fitness Center Relocation**

Roberto Chavez reported that he was working on creating a plan to relocate the fitness center.

**D. Owner’s Computer Behind Concierge**

The board directed Roberto Chavez to get rid of two of the three computers behind the concierge.

**E. Ratification of Approving Left Side Refrigerator Project**

Dennis Lockwood motioned, and Roger Denton seconded the motion to ratify the approval to reduce the left side of the kitchen area wall to allow for the installation of the left-handed refrigerators approved via email on April 18, 2019. The motion passed unanimously.

Dennis Lockwood motioned, and Roger Denton seconded the motion to authorize management to remove several inches of the kitchen wall at a cost of \$9,984.54 (\$768 per unit) in the phase 1 remodeled units to make space for the left-handed refrigerators. The motion passed unanimously.

**F. Addition of Safes in Second Bedrooms**

Dennis Lockwood motioned, and Charles Meacham seconded the motion to approve the addition of a safe to any bedroom without one, for a cost of \$738 USD. The motion passed unanimously.

**G. 10 Year Restaurant Agreement**

The board reviewed and discussed the three proposals for the restaurant agreement provided by Roberto Chavez. Mr. Chavez reported that the resort was currently in the third year of a five-year agreement.

The board directed Charles Meacham to work with Asael Sandoval and Roberto Chavez to provide a finalized proposal for the October board meeting (Action Item).

**H. Cancellation of Memberships**

Asael Sandoval reported that 39 memberships were cancelled for non-payment of fees for 2019.

The board directed Asael Sandoval to report on how many memberships Great Destination sold and how many of them have defaulted.

**I. D & O Insurance**

Asael Sandoval reported to the board on the increase in the D & O Insurance Policy premium.

David Brusby motioned, and Roger Denton seconded the motion to accept the D & O insurance policy for \$2 million with a total premium cost of \$14,118 USD. The motion passed unanimously.

**J. LMM Trust**

The board directed management to investigate the steps/items needed to update the Lindo Mar Trust (Action Item).

**VII. OTHER BUSINESS**

**A. Cancellation Requests**

The board directed management to cancel the memberships for Kenneth and Barbara Verlac, and Rachel Pearson.

**B. Review of Previous Action Items**

The board reviewed and discussed the action items list. Mr. Sandoval reported that all items on the list have been completed or would be completed during the phase 2 remodel.

Charles Meacham motioned, and Dennis Lockwood seconded the motion to approve the proposal to enclose the 706 loft for a cost of up to \$4,000 with a 10% contingency. The motion passed unanimously.

**VIII. EXECUTIVE SESSION CONTINUED**

The board exited regular session and once again entered into executive session for the purpose of discussing staff and personal board matters at 2:45 p.m. (PDT). The board exited executive session at 3:05 p.m.

**IX. ADJOURNMENT**

Sandra Wicks thanked the board and management for their hard work. The meeting recessed at 3:05 p.m. (PDT).

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,  
Secretary