

**LINDO MAR ADVENTURE CLUB, LTD.  
BOARD OF DIRECTORS BUDGET MEETING  
LINDO MAR SALES OFFICE**

**Puerto Vallarta  
Wednesday, October 30, 2019  
9:00 A.M. (CDT)**

**REGULAR SESSION MINUTES**

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

The meeting was called to order at 9:03 a.m. (CDT) 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
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

**Owners**

William Ahlstrom  
Delores Smith

Charles Meacham motioned, and David Brusby seconded the motion to approve the agenda as presented. The motion passed unanimously.

**II. MINUTES OF PREVIOUS BOARD MEETING**

**A. June 26, 2019 Meeting Minutes**

Dennis Lockwood motioned, and Charles Meacham seconded the motion to approve the board minutes of the June 26, 2019 meeting with the following amendments: under IV.B. update “so that they can shut off electricity to a single room as needed” to “so that they can shut off water and gas to a single room as needed”; update V.B.1. “Complimentary

Purchases” to “Room Enhancements”; and update the text under V.B.1. from “seconded the motion to approve the purchase of complementary items” to “seconded the motion to approve the purchase of room enhancements (lamps, appliances, furniture, etc.). The motion passed unanimously.

### **III. EXECUTIVE SESSION**

At 9:12 a.m. (CDT), 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 10:39 a.m. (CDT) and reconvened regular session at 10:55 a.m. (CDT).

### **IV. REPORTS**

#### **A. Financial**

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

Luis Moran presented the financial statements for the resort as of August 31, 2019. He reported that for the eight-month period ended August 31, 2019, the Association was operating with a surplus in the amount of \$206,325 and a favorable variance to the budget in the amount of \$164,369.

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

##### **2. Delinquencies**

The delinquency rate as of August 2019 was 6.03% which was a 1.09% increase over the same month last year.

##### **3. 2020 Budget Review and Approval**

Luis Moran presented two proposed 2020 budgets to the board using an exchange rate of 19.00. The first budget reflected no increase to the maintenance fees and the second budget reflected a 3% to the fees. With no Maintenance Fees increase and lower budgets for Rental Income and Sales Income, the total budgeted revenue decreased \$85,128 compared to the projected 2019 results. Restaurant revenue for 2020 was budgeted at the same level in Pesos as 2019; however, due to the difference in exchange rates between the two years, the US Dollar budget reflects a 5% increase. Mr. Moran explained that considering the factors mentioned above, the contribution to the Replacement Fund for 2020 was \$187,107 which is a decrease of \$60,462 from 2019.

Trading Places recommended increasing maintenance fees by 3% to increase the contribution to the Replacement Fund.

Charles Meacham motioned, and David Brusby seconded the motion to accept the proposed 2020 budget with no increase to maintenance fees. The motion passed unanimously.

#### **4. 2019 Audit Engagement Letter**

Dennis Lockwood motioned, and Roger Denton seconded the motion to engage the US financial review with Schonwit and Associates for the year 2019 in the amount of \$2,650. The motion passed unanimously.

### **B. Management**

Roberto Chavez provided the board with an update of outstanding projects at Lindo Mar. Mr. Chavez reported that all of the plug outlets that were not placed above the bedroom dresser in the phase 1 remodel, were moved during the 2019 demolition weeks. Mr. Chavez explained that significant work would have to be done with the sewage connections and pipes during the 1<sup>st</sup> floor remodel in 2020.

Dennis Lockwood motioned, and Charles Meacham seconded the motion, to install a second towel bar on the balcony for all phase 1 units. The motion passed unanimously.

The board reviewed and discussed several items that they would like addressed in the phase 1 and 2 units:

- onyx lights to be on a separate light switch
- can lights over the televisions to be removed
- fans in phase 2 units should be centered over the table
- shower door in 607 keeps sliding open and needs to be addressed
- cabinet door under kitchen sink in unit 703 springs open and the handle slams in the glass oven, the spring needs to be replaced
- stoves in all units should be anchored
- water leak repair and patch should be painted over in unit 607

The board directed onsite management to update the small welcome pamphlets and include a notice in the in-room directory that lists all of the items available on loan from the front desk (Action Item).

Mr. Chavez provided the board with a brief update on the restaurant. He explained that complaints have been received from members and guests about being unable to identify their waiter, because there are several people bringing food and taking orders. Mr. Chavez explained he along with the restaurant committee were working on creating a solution to solve the problem that would be fair to the waiters.

Roberto Chavez proudly reported that Lindo Mar has won the TripAdvisor Certificate of Excellence Award for the fifth year in a row. At the 2019 National Managers Conference, Roberto Chavez explained that he took several courses and learned about new rules and regulations regarding a variety of items.

## **1. Javier Quezada**

Roberto Chavez reported that year-to-date, Javier Quezada has conducted sales in the amount of \$144,500.

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

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

Roger Denton reported that La Playita restaurant only received two Yelp reviews all summer.

## **D. Occupancy**

The board reviewed and discussed the occupancy report.

The board recessed for lunch at 12:51 p.m. (CDT) and reconvened at 2:04 p.m. (CDT).

## **E. Rental Report**

Asael Sandoval reviewed the rental report with the board. He reported that year-to-date there was a 29% decline in the amount of room rentals year-over-year, along with a 14.9% decrease in the average nightly rental rate. Mr. Sandoval reported that the decrease in both rental nights and the average rental rate can be contributed to the fact that there is no high season inventory to rent.

The board directed management to provide them with a summary of rental and sales income for the last five years (Action Item).

The board directed management to provide them with a proposal on how to best rent and sell summer weeks.

## **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 and the 2020 refurbishment project.

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

Roberto Chavez reported on the final costs for the room enhancements.

**C. New Bar Design Remodeling Program**

Roberto Chavez presented the board with several bar remodeling proposals.

**D. Restaurant Agreement**

On behalf of the Restaurant Committee, Roger Denton reported on the potential 10-year agreement.

David Brusby motioned, and Charles Meacham seconded the motion to authorize Roberto Chavez and Asael Sandoval to continue negotiations with the restaurant owner and to accept a contract that does not cost the Association more than the currently proposed contract for \$5,5000 USD monthly for the first five years and \$6,000 USD monthly for the last five years. The motion passed unanimously.

**VI. NEW BUSINESS**

**A. Spa Expansion**

There was no discussion.

**B. Week 53**

The board agreed to continue with the current week 53 reservation procedures.

**C. 2020 Maintenance Fee Mailer**

Dennis Lockwood motioned, and Roger Denton seconded the motion to accept the ABC policy as proposed. The motion passed unanimously.

The board directed management to insert the following statement in the maintenance fee cover letter: Due to favorable factors, we have been able to maintain our maintenance fees at their current rate for 5 years, but it is possible that in 2021 an increase may be necessary. (Action Item)

**D. Approval of 2020 Meeting Dates**

David Brusby motioned, and Charles Meacham seconded the motion to approve the 2020 meeting dates as follows:

Tuesday, February 18, 2020	Board Meeting
Wednesday, June 24, 2020	Board Meeting
Tuesday, October 27, 2020	Budget Meeting
Wednesday, October 28, 2020	Board Meeting

The motion passed unanimously.

## **E. 2019 Nominations**

Dave Brusby motioned, and Dennis Lockwood seconded the motion to approve allowing candidates to submit a photo along with their nomination form. The motion passed unanimously.

David Brusby motioned, and Dennis Lockwood seconded the motion to have all current board members have their photo taken and have the photos posted in lobby or the first floor so that members can easily identify their board members. The motion passed unanimously.

## **VII. OTHER BUSINESS**

### **A. Owner Correspondence**

The board reviewed the owner correspondence with no comment.

### **B. Review of Previous Action Items**

The board reviewed and discussed the action items list. Mr. Sandoval reported that the pool decking project was still pending and Roberto Chavez presented the board with several possible tile options. The board agreed that the darker Cantera tile would be the best choice for the project.

The board requested for management to provide them with recommendations and cost proposals for replacing the jacuzzi equipment (Action Item).

The board reviewed several choices of lounge chairs and fabric design. The board chose a style and design for a sample to be delivered to the resort.

Roberto Chavez presented the board with a chart listing the cost it would take to comply with each of AXA's (insurance company) recommendations.

Dennis Lockwood motioned, and Charles Meacham seconded the motion to approve using \$17,000 USD in Reserve Funds to make all necessary updates to comply with the insurance company's recommendations. The motion passed unanimously.

## **VIII. ADJOURNMENT**

Sandra Wicks thanked everyone for their hard work. The meeting recessed at 4:12 p.m. (PDT).

Submitted by:  
Trading Places International  
Its: Managing Agent

Accepted by:  
Lindo Mar Adventure Club, Ltd.

---

Casey Clayson  
Administrative Assistant

---

David Brusby,  
Secretary