

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

**Telephonic
Tuesday, February 18, 2020
9:00 A.M. (PST)**

REGULAR SESSION MINUTES

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

The meeting was called to order at 9:03 a.m. (PST) by President Sandra Wicks. The following people were in attendance by phone:

Board of Directors

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|-----------------|----------------|
| 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

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

Roger Denton motioned, and David Brusby seconded the motion to approve the agenda with the following change: move VI.C. Retrofit Items and VII. Owner Correspondence to V.B. Refurbishing Project 2020. The motion passed unanimously.

II. MINUTES OF PREVIOUS BOARD MEETING

A. October 30, 2019 Meeting Minutes

Dennis Lockwood motioned, and Charles Meacham seconded the motion to approve the board minutes of the October 30, 2019 meeting with the following change: under IV.E. update “sale summer weeks” to “sell summer weeks.” The motion passed unanimously.

III. EXECUTIVE SESSION

At 11:06 a.m. (PST), 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 and reconvened regular session at 11:18 a.m. (PST).

IV. REPORTS

A. Financial

1. Financials and Accounting System Update

Luis Moran explained that Lindo Mar had been transitioned to MVW's accounting program, but the transition was unsuccessful. Accounting was currently in the process of transitioning back to the old software and catching up with the monthly financials.

2. Monthly Financial Review

Luis Moran presented the financial statements for the resort as of October 31, 2019. He reported that for the ten-month period ended October 31, 2019, the Association was operating with a surplus in the amount of \$199,413 and a favorable variance to the budget in the amount of \$193,912.

Roberto Chavez informed the board that minimum wage for employees in Mexico has gone up by 20%. Mr. Chavez also explained that all employee salaries at Lindo Mar were increased by 5% and the union has requested to meet to increase salaries for union employees even more than the 5%.

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

3. Delinquencies

The delinquency rate as of September 2019 was 6.49% which was a 1.37% increase over the same month last year.

B. Management

Roberto Chavez provided the board with an update of outstanding projects at Lindo Mar. he explained that this year has been a bit overwhelming with getting the quotes from the suppliers because of all the new employees who are new and still learning their role. Mr. Chavez has reported that he is currently looking into ways to increase security at the resort and suggested the installation of cameras. Mr. Chavez will provide the board with a quote on how much it would cost to install security cameras at the resort (Action Item).

Roberto Chavez says that management has obtained a material to place over the sharp edges of the air conditioning condensers in each room to make them safer.

1. Javier Quezada

Roberto Chavez reported that year-to-date, Javier Quezada has conducted sales in the amount of \$163,500 USD.

The board requested that TPI provide them with a break down on what percentage of the sale the resort earns, what percentage TPI earns, and what percentage Javier Quezada gets for commission (Action Item).

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

The board reviewed and discussed the RCI, II, TPI, and TripAdvisor comments. Roger Denton reported on the yelp reviews that La Playita restaurant received and explained the new Yelp summary in the board packet.

The board directed Roger Denton to get a proposal for how much it would cost to advertise La Playita Restaurant on Yelp (Action Item).

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 for resolution.

B. Refurbishing Project 2020 & Retrofit Items

The board reviewed and discussed the 2020 refurbishment project and retrofit items.

Roberto Chavez informed the board that all closets that have low hanging bars and long dresses would drag on the floor will be corrected and the bard will be adjusted higher (Action Item).

The boards reviewed retrofitting items in several of the rooms including units 204, 402, and 302.

Retrofit items and items for refurbishment discussed were as follows:

- In unit 302, currently the can lighting and the wall lighting in the sitting area are on the same switch and should be on two separate switches.
- In unit 302, there should also be an electrical outlet on the wall with the bed.

- In the 2-bedroom deluxe units, there should be two wall lights in the sitting area and the can lighting should be eliminated.
- In the two-bedroom deluxe units, management needs to make sure that the tile in the master bathroom has a nice accent and is more colorful like the tile in unit 402, and not the tile in unit 302.
- In units, where the living room photos are very busy, a nice light fabric like the fabric in the unit 302 sitting area should be used on the sofas.
- In the two-bedroom deluxe, staff should consider moving the microwave to the left-hand corner to free up counter space and the cabinets should be moved to the wall sink so they could be made bigger.
- In unit 204, the second bedroom is quite small, and something needs to be done to give occupants more room. This will be discussed at the next meeting.
- In unit 104, the board like the plan to install a US style medicine cabinet, make the shower stall bigger, and include a seat in the shower.

C. New Bar Design Remodeling Program

The board deferred discussion of this topic for the next telephonic meeting.

D. Restaurant Agreement

Asael Sandoval reported that management met with the restaurant owner to discuss extending the lease.

Dennis Lockwood motioned, and Charles Meacham seconded the motion to extend the current restaurant agreement for 6 years at a cost of \$5,600 a year once the current agreement expires. The motion passed unanimously.

VI. NEW BUSINESS

A. 2020 Election

Dennis Lockwood motioned, and David Brusby seconded the motion to accept the 2020 election timeline for 2020. The motion passed unanimously.

B. Five Hundred Club

Asael Sandoval reported that Javier Quezada, Roberto Chavez and himself held meetings where they discussed ways to increase summer occupancy. Mr. Sandoval further explained the Five Hundred Club that they had developed. By adopting the new promotion, members and their guests and friends could stay at Lindo Mar during the summer for a \$500 rental fee and have the option to purchase the week at a discounted rate.

The board reviewed and discussed the promotion and provided feedback. They requested the removal of the lower maintenance fee offer and to include a phrase that would inform everyone that the fixed week bought through this promotion is not upgradable.

Roger Denton motioned, and Charles Meacham seconded the motion to adopt the Five Hundred Club promotion with the amendments discussed. The motion passed unanimously, and management will begin to promote the advertisement.

VII. OTHER BUSINESS

A. Review of Previous Action Items

The board deferred discussion of this topic for the next telephonic meeting.

VIII. ADJOURNMENT

David Brusby motioned, and Dennis Lockwood seconded the motion to adjourn the meeting. The motion passed unanimously, and the meeting recessed at 1:35 p.m. (PST) and will be continued March 13, 2020 at 1:00 p.m. (PST). Sandra Wicks thanked everyone for their hard work.

Submitted by:
Trading Places International
Its: Managing Agent

Accepted by:
Lindo Mar Adventure Club, Ltd.

Casey Clayson
Administrative Assistant

David Brusby,
Secretary