

**LINDO MAR ADVENTURE CLUB, LTD.
BOARD OF DIRECTORS MEETING MINUTES
LOS ALCATRACES / ZOOM VIDEO CONFERENCE
Wednesday, October 27, 2021**

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

The meeting was called to order at 10:22 a.m. (CDT) by Vice President Roger Denton. The following people were in attendance and by video conference / phone:

Board of Directors:

Dennis Lockwood, President via Zoom
Roger Denton, Vice President
Chuck Meacham, Treasurer
Sandra Erickson, Secretary
Lisa DeJong, Director

Lindo Mar Resort:

Roberto Chavez, General Manager
Ulises Alfaro, General Manager in Training
Miguel Correa, Operations Manager

Trading Places International:

Rich Muller, Chief Operating Officer
Ken Loury, Sr. Vice President of HOA Accounting
Cathy Cruz, Assistant Vice President of HOA Accounting
Daniel Garza, Director of Resorts
Edgar Sierra, Senior Staff Accountant

Guests:

Dave Stoenner, Member

MOTION: Chuck Meacham moved to approve the agenda with the removal as presented. Motion was seconded by Lisa DeJong and approved unanimously.

II. MINUTES OF PREVIOUS BOARD MEETING

A. June 23, 2021 Regular Meeting Minutes

MOTION: Chuck Meacham moved to approve the Board Meeting Minutes of June 23, 2021, with the following correction: strike the third paragraph in Item D. under VI. New Business. Motion was seconded by Lisa DeJong and approved unanimously.

B. September 15, 2021 Budget Meeting Minutes

MOTION: Chuck Meacham moved to approve the Budget Meeting Minutes of September 15, 2021, as presented. Motion was seconded by Lisa DeJong and approved unanimously.

III. EXECUTIVE SESSION

A. June 23, 2021 Executive Meeting Minutes

MOTION: Lisa DeJong moved to enter Executive Session at 10:32 a.m. (CDT) to approve the previous Executive Meeting Minutes and discuss legal matters. Motion was seconded by Chuck Meacham and approved unanimously.

Regular session reconvened at 11:17 a.m. (CDT).

IV. REPORTS

Roger Denton introduced Rich Muller, Chief Operating Officer of Trading Places International / VRI Americas who provided updates of current practices and changes at Trading Places International (TPI) that have taken place.

Rich Muller greeted the Board and stated that he was thankful to attend in person rather than Zoom and the importance of being there today to announce some of the changes that had taken place over the last year and to be a part of Roberto Chavez's last meeting before retirement.

Rich Muller presented an overview of the company stating that TPI and VRI have merged and are now one company, VRI Americas.

Rich Muller discussed the navigation of COVID-19 over the last year and provided some context of the changes that has occurred. Mr. Muller stated although there were some changes made, behind the scenes the senior team has decades of experience and provides assurance of continuity of service.

Rich Muller presented three of the staff changes and introduced Ken Loury, Sr. Vice President of HOA Accounting, Cathy Cruz, Assistant Vice President of HOA Accounting, and Daniel Garza, Director of Resort Operations.

Roger Denton thanked Mr. Muller for the update and taking the time to attend the meeting today.

A. Financial

1. Monthly Financial Review

Ken Loury presented the month end September 30, 2021 financial statements. He reported that the Association was operating with a surplus in the amount of \$81,259 and a favorable variance to the budget in the amount of \$30,475 for the nine-month period.

MOTION: Roger Denton moved to approve the month end financial statements as of September 30, 2021 for filing. Motion was seconded by Charles Meacham and approved unanimously.

2. Delinquencies

The delinquency rate as of September 2021 was 7.77% which was over 1.25% compared to September 2020.

B. Management Report

Roberto Chavez provided various updates in staffing, legal, housekeeping, maintenance, food and beverage, and outstanding projects along with a summary of new projects.

Mr. Chavez stated that the gardening was removed from the terrace adjacent to the updated spa and that the spa was resurfaced with Cantera tile by the on-site maintenance staff. This project was completed to allow for additional tables and umbrellas on the terrace for member usage.

Mr. Chavez stated that the first-floor elevator doors were replaced with stainless steel doors to withstand the salt air.

Mr. Chavez answered questions from the Board on a variety of topics in his written report.

1. Sales Performance

Roberto Chavez reported that year-to-date, Javier Quezada has conducted sales in the amount of \$60,500.

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

There were no new comments submitted since the previous Board Meeting. The TripAdvisor and Yelp summaries were reviewed.

1. Occupancy

The Occupancy Report was reviewed and discussed, and no action was taken. The Rental Report was reviewed, and no action was taken.

MOTION: Sandra Erickson moved to approve the reports from Management as presented. Motion was seconded by Lisa DeJong and approved unanimously.

V. UNFINISHED BUSINESS

A. Federal Zone Update

Roberto Chavez reported that there were no updates since the last meeting due to COVID-19.

B. Refurbishing Project 2021

Vice President Denton provided an update of the second-floor remodel. Mr. Denton stated that he performed a walkthrough of units 304, 204, 203 and 202 and that his assessment was that the level of quality work was the highest grade due to the fact that the contractor focused all his attention on one single floor.

The Board discussed at length the work completed and approved the review conducted by Mr. Roberto Chavez and Mr. Isidro Alvarado of the second-floor units.

The Board recessed for lunch from 12:55 p.m. (CDT) to 1:28 p.m. (CDT).

C. Restaurant Remodeling Items

1. New Bar Design
2. Roof Tile Replacement
3. Floor Tile Replacement

The above agenda items are part of a wish list of projects to be completed and were deferred to a future meeting.

D. Pool Area Retile

Mr. Denton advised that the project has been approved, and that the coping on the pool and spa will match the new pool area tile.

Mr. Denton requested the plumbing be completed under the pool when the 1st floor remodel occurs. The Remodel Committee will advise.

VI. NEW BUSINESS

A. Contracts and Ratifications

1. GM Replacement

MOTION: Chuck Meacham moved to approve the ratification of Mr. Ulises Alfaro as Mr. Roberto Chavez's replacement as General Manager of Lindo Mar Resort. Motion was seconded by Sandra Erickson and approved unanimously.

2. Unit 203 Bathtub

MOTION: Chuck Meacham moved to approve the ratification of installing a stall-type shower in the master bathroom and common bathroom in unit 203 of the 2-bedroom deluxe unit. Motion was seconded by Lisa DeJong and approved unanimously.

B. Refurbishment Project 2022

The Board held a lengthy discussion on the remaining floors that need to be remodeled. Floors one and nine are pending completion.

Mr. Denton discussed the need to have the first-floor unit ADA complaint for accessing the balcony upon exiting the sliding door. Mr. Denton will discuss with the Construction Committee.

Mr. Chavez provided two proposals that were received in 2019 for general reference on the pricing to replace the pool tile, common area, and 104 to be completed during the first-floor remodel.

Mr. Meacham provided an update on the reserves and the availability of funds to continue with remodeling in 2022. Mr. Meacham recommended remodeling floor one in 2022 and releasing the 9th floor inventory.

C. HOA Administrative Hold

Mr. Garza discussed the current number of HOA owned intervals and delinquent members. Mr. Garza presented a spreadsheet displaying the mix of HOA intervals and delinquent members as well as the recommended release of inventory into the rental program per unit, week, and season. Mr. Garza stated that the currently approved release of inventory for rentals is six months and suggested the Board consider a nine-month release.

MOTION: Chuck Meacham moved to approve the release of four (4) - 1 bedroom HOA and delinquent inventory nine-months in advance. Motion failed to receive a second.

D. Committee Assignments

The Board reviewed and discussed the Committee assignments.

MOTION: Chuck Meacham moved to approve the following Committee assignments:

Restaurant – Lockwood, Denton, Erickson
Social Media / Communication – Lockwood, Denton, DeJong
Remodel / Construction – Lockwood, Denton, Erickson
Activities / Concierge – DeJong
Finance – Meacham, Erickson, DeJong

Motion was seconded by Sandra Erickson and approved unanimously.

E. Approval of 2022/2023 Meeting Dates

The Board reviewed the proposed 2022 meeting dates as follows:

Board Meeting Wednesday, February 9, 2022, 10:00 a.m. location TBD
Board Meeting Wednesday, June 22, 2022, 10:00 a.m. location TBD

Budget Meeting Wednesday, September 14, 2022, 10:00 a.m. location TBD
Board Meeting Wednesday, October 26, 2022, 10:00 a.m. location TBD

VII. OTHER BUSINESS

A. COVID-19

Roberto Chavez advised that Puerto Vallarta was back to 100% capacity, however, the safety protocols were still being followed by staff and members.

B. Owner Forum / Correspondence

No correspondence has been received since the last meeting.

C. Owner Cancellation Requests

The Board reviewed and discussed owner cancellation requests.

MOTION: Sandra Erickson moved to approve the surrender of membership by Mr. and Mrs. Kirkpatrick, owner number 287195. Motion was seconded by Lisa DeJong and approved unanimously.

MOTION: Sandra Erickson moved to approve the request of Mr. and Mrs. Ashton to trade weeks 28 and 29 to weeks 17 and 18 and to surrender weeks 30 and 31. Motion was seconded by Lisa DeJong and approved.

D. Review of Previous Action Items

The Board reviewed the Action Items and discussed the progress of each item.

VIII. ADJOURNMENT

MOTION: Sandra Erickson moved to adjourn the meeting at 2:52 p.m. (CDT). Motion was seconded by Chuck Meacham and approved unanimously.

Submitted by:
Trading Places International
Its: Managing Agent

Accepted by:
Lindo Mar Adventure Club, Ltd.

Daniel Garza
Director of Resorts

Sandra Erickson
Secretary