

**CASCADAS DE BAJA ASSOCIATION
BOARD OF DIRECTORS MEETING
Wyndham at the Irvine / Orange County Airport
Friday, June 22, 2018
9:30 a.m. (PDT)**

MINUTES

I. CALL MEETING TO ORDER

Having established quorum, Marty Russell called the meeting to order at 9:27 a.m. (PDT). The following people were in attendance:

Board Members

Marty Russell	President
Richard Bort	Secretary
Larry Greenberg	Treasurer

Special Advisors to the Board

David Giddings	Special Advisor to the Board
Mark Giddings	Special Advisor to the Board

Advisory Committee Members

Mark Gross	Chair
Earl Asbury	Member
Glen Brush	Member
Erick Malm	Member

Club Cascadas Staff

Mauricio Quezada	COO Cascadas de Baja Association / CVI
Miguel Torres	General Manager – Cascadas de Baja Association
Alberto Diaz	Controller – Cascadas de Baja Association

Management

Douglas L. Wilcox	Sr. Vice President of Resort Operations – TPI
Asael Sandoval	Director of Resort Operations – VRI / TPI
Luis Moran	Assistant Vice President of HOA Accounting – TPI
Casey Clayson	Administrative Assistant – TPI

Guests

Dave Stoenner	Sales Director – Cascadas Vacations, Inc.
Claire Greenberg	Cascadas de Baja Member
Debbie Brush	Cascadas de Baja Member
David Belanich	Cascadas de Baja Member
Jasna Belanich	Cascadas de Baja Member

Absent

Patricia Giddings	Special Advisor to the Board
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II. APPROVAL OF AGENDA

Richard Bort made a motion and Larry Greenberg seconded the motion to approve the agenda. The motion passed unanimously.

III. OPEN FORUM – MEMBER COMMENTS

Claire Greenberg introduced herself and thanked the Board, Miguel Torres and Mauricio Quezada for all their work in the legacy transition. Mrs. Greenberg asked the board if management could look into replacing the Club equipales with the ones they have at the Hacienda hotel restaurant. The board thanked her for her suggestion and directed Miguel Torres to investigate this possibility (Action Item).

IV. APPROVAL OF MEETING MINUTES

A. April 17, 2018 Board Meeting Minutes

Richard Bort made a motion and Larry Greenberg seconded the motion to approve the minutes of the April 17, 2018 Board meeting. The motion passed unanimously.

V. REVIEW OF PREVIOUS ACTION ITEMS

The Board reviewed, discussed and updated the action items.

Several action items were completed, including the distribution of the Owners' Information Guide which was e-blasted to the ownership and posted under the Owners Corner of the Club Cascadas website. Several action items were still on-going, including the installation of the Wi-Fi infrastructure, pebbletech improvements, the website, and the relocation of the Gym and Kid's Club scheduled to be executed during September.

VI. REPORTS

A. COO's Report

i. Arroyo Noise Abatement Efforts

Mauricio Quezada reported that Club Cascadas approached the arroyo owner and the resort was currently evaluating whether to hire a private security company in the short term to do rounds on Thursday, Friday, and Saturday night at the arroyo to keep noise down caused by vehicles blasting music.

The Federal investigation process remains ongoing and the resort continues to cooperate and participate in coming to a solution.

ii. Report on Status of Conagua Fine

Mr. Quezada reported that the resort is still waiting on a response from authorities. The appeal of the fine, related to an issue with the Club's water well that has since been resolved, was presented in a timely manner and as previously reported, the resort is in compliance and no payment has been made related to the fine.

iii. Club Trust

Mauricio Quezada informed the Board that the Club's Trust Agreement covering the use of the property, was created in 2002 and there have been 4 deeds created for the transfer or property use rights in all three areas. Mr. Quezada informed the Board that he continues to work with the Trustee (Banamex) to update the Trust beneficiary information and show that Cascadas de Baja has the use rights and all property rights of all three areas.

B. Quarterly Update

Miguel Torres presented a PowerPoint providing the Board with an update on each of the various departments of Club. In his presentation, he reported on the ongoing remodel, the refresh of 4 villas, the replacement of the lobby elevator, and the installation of new irrigation systems. All equipales and pool lounge chair pads were replaced, and food storage containers have been placed in each of the villas. Mr. Torres announced that the resort entered into an agreement to reduce educational lag and 85% percent of the staff now have an elementary grade education, 48 staff members were enrolled in basic English classes, and the remodel of the staff kitchen was completed. The new staff kitchen has received a lot of positive feedback from everyone. New uniforms with an all new design have also been purchased and distributed to various departments and a few have yet to arrive but have been ordered.

iv. Wi-Fi Improvements

Mr. Torres reported that 80% of the installation of the Wi-Fi infrastructure around the resort has been completed. He will continue to move forward with the project.

C. Construction Manager's Report

i. Update on Unit Remodel Project Buildings 21, 22, & 24

Mark Giddings reported that everything was going smoothly with the remodel. He informed the Board that it took longer than anticipated to get started on the remodel of Building 24, but everything has worked out well. Mark Giddings also reported how he has retained his father's concept and design but has added more living and bedroom space by removing the decks facing Pueblo Bonito Rosé. More lights and fans have been installed into the units and the units now look more organic with the use of marble and special decorative features.

He announced that David Giddings, his mother and he would be in Cabo for the grand opening of Building 24. Mark Giddings also thanked Teresa Gutierrez, the head of housekeeping, for helping with the little details in the remodeled units.

David Giddings entered the meeting at 10:17 am. (PDT).

ii. **Progress on Gym / Kids Club Relocation**

Mark Giddings reported that the relocation of the gym and kids club will take place during maintenance weeks.

iii. **Report on Resurfacing and Jacuzzis**

Pebbletech improvements are ongoing as villas become available.

iv. **2019 Remodel Plan**

The Board requested for Mark Giddings to have the quotes for the 2019 remodel completed by the end of July for the 2019 budget (Action Item).

a. **Restaurant Remodel Plan**

The Board directed Mauricio Quezada to create a plan for the restaurant closure and remodel (Action Item).

The Board recessed for a break at 10:35 a.m. (PDT) and returned from break at 10:44 a.m.

Richard Bort made a motion and Larry Greenberg seconded the motion to recess the Cascadas de Baja Association meeting and to enter into the Cascadas Vacations, Inc. meeting at 10:45 a.m. (PDT). The motion passed unanimously.

Larry Greenberg made a motion and Richard Bort seconded the motion to reconvene the Cascadas de Baja Association Board meeting at 12:53 p.m. (PDT). The motion passed unanimously.

D. **Management Report**

i. **Occupancy Report**

The Board reviewed and discussed the occupancy report. The Board discussed that occupancy at Club Cascadas is down by 2% from last year which may be caused by the remodeling.

ii. **Website Update**

During the review of the action items, Asael Sandoval provided the Board with a handout showing the progress on the creation of a new website.

E. **Member & Guest Reviews / Correspondence**

The Board reviewed and discussed member and guest comments received from February to April of 2018.

The Board requested management to provide them with a quote of a company that can create comment cards and analyze all the data collected from the comments collected (Action Item).

VII. FINANCIAL MATTERS

A. Financial Statements for the Period Ended April 30, 2018

Luis Moran presented the April 30, 2018 financial statements. Having reviewed the financial report, Larry Greenberg moved, and Richard Bort seconded the motion to accept the financial statements as of April 30, 2018. The motion passed unanimously.

The Board discussed reporting CVI's maintenance dues separately from the Members Assessments in the Association's monthly income statements. Luis Moran recommended to record revenue as it is collected in cash from CVI (Action Item).

The Board noted that a copy of the 2017 financial review would be available if members wish to see a copy by visiting the resort or the TPI Lake Forest office. At this time, the Board requested that a copy of the financial review not be posted to the website.

Luis Moran made a recommendation to the board to eliminate the operating replacement fund located on the income statement and disperse the items to the proper categories for next year's budget. The Board directed Mr. Moran to move forward with his recommendation (Action Item).

The Board complimented onsite management for keeping within the operating budget.

VIII. CONTINUING BUSINESS

A. 2018 Annual Meeting

The Board reviewed and discussed the 2018 annual meeting agenda and the conduct of the meeting.

IX. NEW BUSINESS

A. Split Weeks Policy

The Board reviewed the proposed split weeks policy, in which a Member could assign a portion of the Member's use period to a guest. The Board declined to adopt the policy.

B. Listed Rental Week Policy

Larry Greenberg made a motion and Marty Russell seconded the motion to adopt the Listed Rental Week Policy for Members (Exhibit A). The motion passed unanimously.

X. EXECUTIVE SESSION

Marty Russell made a motion and Larry Greenberg seconded the motion to recess the Cascadas de Baja regular session and enter into the Cascadas de Baja Association Executive Session meeting at 2:23 p.m. (PDT). Representatives from Trading Places, guests, and Miguel Torres were excused from the meeting at this time.

The Board exited Executive Session at 4:23 p.m. (PDT).

XI. REVIEW OF NEWLY-ADDED ACTION ITEMS

Newly added action items will be distributed by email.

XII. ADJOURNMENT

With no further business to discuss, Marty Russell made a motion and Richard Bort seconded the motion to adjourn the meeting. The motion passed unanimously, and the meeting adjourned at 4:23 p.m. (PDT).

The next meeting is scheduled for Wednesday, October 3, 2018 at 9:30 a.m. (PDT) at the DoubleTree Club located at the Irvine/Orange County Airport.

Submitted by:
Trading Places International
Its: Managing Agent

Approved by:
Cascadas de Baja Association


Casey Clayson
Administrative Assistant

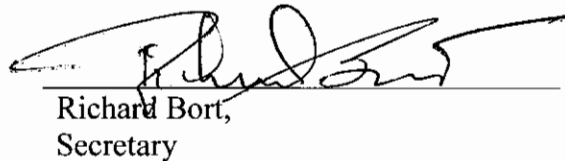

Richard Bort,
Secretary

EXHIBIT A

Listed Rental Weeks from Members

Trading Places International and the Association, through its subsidiary companies, can book more than one reservation into a single use period listed by a member into their respective rental programs to achieve the best possible use of available inventory.