

**CONDOMINIO VILLAS AT CLUB INTRAWEST ZIHUATANEJO, A.C.
FEBRUARY 18, 2013.
ANNUAL ASSOCIATES MEETING**

In Vancouver, British Columbia, at 9:56 hrs. on February 18, 2013 at 375 Water Street, Vancouver, BC, there met at the offices of Intrawest Resort Club Group, the associates of **CONDOMINIO VILLAS AT CLUB INTRAWEST ZIHUATANEJO, A.C.** (the "Association"), whose names and signatures appear in the attendance list attached to the file of these minutes, to hold a **ANNUAL ASSOCIATES' MEETING** (the "Meeting") of the Association, to which they were duly called. Jessica Robinson was also present as a special guest of the Meeting.

By unanimous vote of those present, the Meeting was presided over by Mr. Robert Reyes and Sandra Ruff acted as Secretary.

The Chairman appointed Jessica Robinson as examiner who, after accepting her office, reviewed the Associates Registry Book of the Association and the proxy letters provided by the representatives of the associates, certified that in accordance with Clause 10.6 of the corporate by-laws of the Association, the required quorum was present at the Meeting, and proceeded to prepare the attendance list attached to the file of this minutes.

Based on the certification of the Examiner, the Chairman declared the Meeting legally installed and proceeded to give lecture to the following:

AGENDA

- I. Election and Appointment of the members of the Board of Directors.
- II. Approve expenditure from the Capital Replacement Fund.
- III. Ratification of Owners vote to amend the rule to institute the non-smoking bylaw on the private terraces of the Villas
- IV. Appointment of special delegates to carry our and formalize the resolutions adopted by the meeting.
- V. New Business
 1. Review of 2013 Budget
 2. Stairwell railings.

Prior to the start of the meeting there was a request to clarify the voting for the Villas. Explanation by Robert:

Class A members (2 bedroom owners) have 2 votes Class B members (3 bedroom owners) have 3 votes

Rocky – Is voting ever by secret ballot?

Robert – No, always open

Rocky – Is cumulative voting allowed?

Robert – No

APPROVAL OF AGENDA

MOVED by Burke Corbet, SECONDED by Gregory Lee THAT the Agenda be approved as presented.

CARRIED

ITEM ONE. In connection with the first item of the Agenda, the Chairman explained to those present, the requirement to elect two new members to the Board of Directors of the Association due to the fact that Gregory Lee and Robert Reyes have both reached the end of their term. Gregory Lee and Robert Reyes stated their desire to run for re-election.

Robert Reyes was elected by majority vote.

Second Board seat was not elected at this time as the owners present and by proxy were unclear on the voting. Based on this it was agreed and approved by resolution that an online election will be held with a deadline of February 22, 2013 to elect the Board member for this seat.

Robert Reyes - Everyone who submitted their proxy either submitted their proxy for everything or their vote and their proxy.

Dolores Heisinger – Didn't know that some people had voted even though they gave their proxy to me?

Robert Reyes – We allowed this option to make it fair.

Burke Corbet – Found it confusing as well. Would have thought everyone would vote and whoever got the most votes would get the first seat and the person with the second most would get the second seat.

Dolores Heisinger – Since developer will likely never drop below 20% it doesn't seem fair that 3 candidates are listed for each seat.

Gregory Lee – People don't know which seat Club (Robert) will abstain from

Robert Reyes – Could get Owners to re-cast votes

Gregory Lee and Caryl Lee – found it very unclear

Dolores Heisinger moved to do a revote and send out another form to all the members for a new vote. Burke Corbet seconded.

Robert Reyes – We'll issue new voting form after meeting today.

Dolores Heisinger – when it goes out state that this is a general election, no proxy.

RESOLUTION

“The appointment of Robert Reyes as a member of the Board of Directors of the Association is hereby ratified.”

MOVED by Dolores Heisinger, SECONDED by Burke Corbet that the Meeting hereby admits the following person as partners of the Association.

CARRIED

“That a revote online for the Second Board seat be completed to ratify the Second Board position.”

MOVED by Dolores Heisinger, SECONDED by Burke Corbet that an online revote be completed.

CARRIED

Based on the foregoing resolution, the administration of the Association will continue to be entrusted to the following persons:

BOARD OF DIRECTORS

<u>MEMBERS</u>	<u>POSITION</u>
Robert Reyes	President
Sandra Ruff	Secretary
Enrique Vazquez Romero	Treasurer
TBD	Director
Dolores Heisinger	Director

ITEM TWO. In connection with the second item of the Agenda, the Meeting adopted the following:

Discussion:

Burke Corbet – Where are the 2 new sets of laundry equipment going?

Marie Cummings – They are not going into Villas immediately. The machines in 401 are almost out of service so one set will go there and the other set will be kept in reserve.

Robert Reyes – what’s the lead time to get new machines. Do we need to order ahead of time?

Marie Cummings – It can take as long as 3 months.

Burke Corbet – Wi-Fi in 403 worked well, are we altering this?

Robert Reyes – The signal in the lower Villas are strong due to the access points by the pool. We are adding more access points for the higher units with poorer access.

Burke Corbet – is it throughout the Club?

Robert Reyes – No, just Villas (Building 4)

Breakdown of costs in pesos:

\$92,400 – Wi-Fi

\$42,575 – Laundry Equipment

\$111,874 – Fabric

RESOLUTION

"MOVED by Gregory Lee and SECONDED by Burke Corbet that the Owners of Condominio Villas at Club Intrawest Zihuatanejo A.C. hereby authorize the expenditure from the

Capital Replacement fund for the Wi-Fi, Laundry Equipment and Fabric projects at the Villas.

CARRIED

ITEM THREE. In connection with the third item of the Agenda, the Meeting adopted the following:

RESOLUTION

"MOVED by Dolores Heisinger and SECONDED by Gregory Lee that the Association ratifies the Villa Owners vote that was completed in May 2012 to amend the rule to institute the non-smoking bylaw on the private terraces of the Villas. CARRIED

ITEM FOUR. In connection with the fourth item of the Agenda, the Meeting adopted the following:

RESOLUTION

"MOVED by Burke Corbet and SECONDED by Gregory Lee that Messrs. Aarón Levett Velasco, Alberto Solís Martínez, Isaac Zatarain V and Miguel Beltrán are hereby appointed special delegates of the Meeting in order for any of them, indistinctly, if they consider it advisable, to appear before the notary public of their choice to notarize these Minutes and to carry out any other act that may be required or necessary in order for the resolutions herein contained to become legally effective."

CARRIED

ITEM FIVE.

NEW BUSINESS

Review of 2013 Budget

Discussion (led by Enrique Vazquez Romero)

Enrique Vazquez Romero - Review of the 2013 Villas Association Budget Summary: Budget shows 7.8 million pesos total for 2013, 7.6% overall increase from 2012. 2% due to inflation and the remaining from a \$400k loss recovery for the 2012 deficit which was due to an overage in repairs and maintenance.

Robert Reyes – There is a very short window for maintenance projects to be completed. To be able to get in and do the work in that short a time we had to hire contractors and get in to do it all at once.

No further questions regarding the 2013 budget from those present and by proxy.

Stairwell Railings

Discussion (led by Robert Reyes)

Robert Reyes – Building 4 has some sections that don't have railing but have the concrete ledge. Comment is that if you're falling you can't grab the concrete.

Burke Corbet – Only where it makes sense, not needed on landings. Speaking from experience we had a guest trip and fall on the last step down to 403 where there is no railing but instead a concrete ledge. Club staff responded very quickly and they had outstanding care.

Robert Reyes – We received the pricing. The total for the Villas came to \$23,600 pesos.

Burke Corbet – Propose that that it be done.

Gregory Lee – That's a public area correct?

Robert Reyes – Yes, the cost would be shared. The \$23,600 is the Villas portion. Management has done the analysis and discussed this with the Club and have decided that we will install throughout. The \$23,600 pesos will come out of operating budget and not the reserves.

Process to select and confirm each year's usage weeks completed by May 1

Discussion (led by Robert Reyes)

Robert Reyes – This suggestion came from Villa owner Bruce Sutherland as it would give the owners more time to plan or rent their Villas.

Burke Corbet – When would the process begin if the change were made?

Carlos Irra – Start to finish of selection cycle is about 2.5 months.

Robert Reyes – Would have to start in early/mid February to get it done by May.

Gregory Lee – I like the idea because the first month we can use is December.

Burke Corbet – Would like moving the process up a little because some people will be on holiday in the summer when it now takes place.

Robert Reyes – Don't know if it can be done this year as there's programming involved. Will discuss with programmers and if it can be done this year we will go ahead and do it and if not it will be next year.

The possibility of Club Intrawest re-purchasing Owner shares

Discussion (led by Robert Reyes)

Robert Reyes – Speaking on behalf of Intrawest, currently there is no desire to purchase the shares. For this to be viable for Intrawest we would need to buy all of the fractions of one unit. Not to say it won't ever happen but not at this point.

Dolores Heisinger– Short of Intrawest repurchasing the shares is there a mechanism to help Owners sell?

Robert Reyes – We have tried to recommend some local realtors, some are interested some are not. Sales of fractional property are fairly stagnant across North America at the moment. Sotavento has stopped construction now for over 5 months and it doesn't look like it is going to be completed anytime soon.

The possibility to propose teleconferencing for Annual General Meetings

Robert Reyes – Legal counsel says that in Mexico it's not valid to have an annual general meeting via teleconference. Owners can call in and listen but aren't able to speak or vote via phone. Teleconferencing is also difficult to manage.

Enrique Vazquez Romero – According to Mexican law you have to be in a specific place together.

New business – Gregory Lee

A method where we can take a look at appliances before they are purchased? For example a choice of 3.

Gregory Lee – Instead of just looking at the price we could look at quality and functionality.

Robert Reyes – Last year we had 3 quotes for 3 versions of each appliance, and we chose the medium one. However, this one didn't fit into the space. The next one selected also didn't fit. Finally found a 3rd option that fit but not as good a quality as the first option we selected. Getting the items to Mexico adds to the issue.

If we choose a brand and it doesn't fit then we go back to the Board.

Gregory Lee – Given the model numbers we could go look at stores and test drive.

Dolores Heisinger – Existing dishes don't fit in the dishwasher.

Gregory Lee and Burke Corbet – The racks are flimsy and sticky.

Marie Cummings – Our dishes are very heavy and large and think this makes the rack stick.

Robert Reyes – Sounds like the rack itself is an issue

Marie Cummings – Will have Rodrigo take a look.

Gregory Lee - Costco and Sam's Club are now close by, could we not source appliances there?

Marie Cummings – Yes, and we looked into that but they didn't carry the model we were looking for.

Dolores Heisinger – Would like to note that the staff is doing a fantastic job. Grounds look great and the staff all seem very happy.

There being no other matter to discuss, the Meeting was suspended for the time necessary to prepare these Minutes


MOVED by Burke Corbet, SECONDED by Gregory Lee that the meeting be terminated.

CARRIED

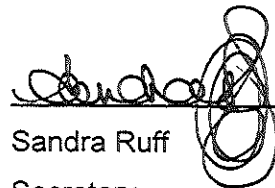
To the file of these minutes, there are attached:

- a) Attendance list;
- b) Certification of the Examiner; and
- c) Proxy letters.
- d) Capital and Contingency Reserve document

The Meeting adjourned at 10:59 on February 18, 2013.



Robert Reyes
Chairman



Sandra Ruff
Secretary