

**CONDOMINIO VILLAS AT CLUB INTRAWEST ZIHUATANEJO, A.C.
JANUARY 23, 2012.
ANNUAL ASSOCIATES MEETING**

In Vancouver, British Columbia, at 10:02 hrs. on January 23, 2012 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. Call to order
- II. Approve Agenda
- III. Appointment and, as the case may be, ratification of the members of the Board of Directors.
- IV. Approve Maid Service for the Villas
- V. Approve expenditure from the Capital Replacement Fund.
- VI. Appointment of special delegates to carry our and formalize the resolutions adopted by the meeting.
- VII. New Business
 1. Review of 2012 Budget

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

RESOLUTION

"MOVED by Dolores Heisinger, SECONDED by Gregory Lee THAT the Agenda be approved as presented.

CARRIED

ITEM THREE. In connection with the third point of the Agenda, the President suggested to ratify the appointments of the members of the Board of Managers of the Association.

In such regard, the Meeting adopted the following:

RESOLUTION

"MOVED by Gregory Lee and SECONDED by Johanna Corbet THAT the appointment of the members of the Board of Managers of the Association is hereby ratified.

CARRIED

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

BOARD OF ADMINISTRATION

<u>MEMBERS</u>	<u>POSITION</u>
Robert Reyes	President
Sandra Ruff	Secretary
Enrique Vazquez Romero	Treasurer
Gregory Lee	Vocal
Dolores Heisinger	Vocal

ITEM FOURTH. In connection with the fourth item of the Agenda, the Meeting Adopted the following:

RESOLUTION

"MOVED by Dolores Heisinger and SECONDED by Gregory Lee THAT the minimum level of Maid Service be set at 6 daily trash and 1 check-out clean, with the option of additional cleaning services, and that Maid Service not be put in the budget but that instead Villa Occupants will pay for their selected service on check-out.

CARRIED

Discussion:

Robert Reyes - Currently more service is being provided than what is being covered in the budget. The 2011 actual budgeted numbers are being formalized and the auditors will be in Zihuatanejo in March to complete the audited statements. What was budgeted for in 2011 was for 3 daily trash for the week and the check out clean was to be paid by the owners upon departure but this was not what was happening.

Jim Gibbons – What was the cost in 2010

Enrique Vazquez Romero – Actual 2010 Maid costs 457, 578 pesos.

Jim Gibbons – Why is there such a large variance from the 2010 actual cost and 2011 budget?

Enrique Vazquez Romero – This discrepancy was noted but not until after the 2011 budget was approved. Also, what was budgeted in 2011 was just pure labor.

Robert Reyes – 2 things have happened, nothing other than labor was budgeted for in 2011, a mistake as it doesn't cover additional expenses. Also, owners were not charged for additional

service on checkout even though additional service was done, in the form of 6 room refreshes and a full clean.

Robert Reyes – 2 choices. Do we want to budget for 6 room refreshes and one full clean or have owners pay for whatever cleaning service level they would like at check out?

Johanna Corbet – Would like basic costs, daily trash and check out clean. Additional cleaning level would be chosen at check-in and paid at check-out.

Robert Reyes/Pablo/Marie – Extermination is done regularly even when units are empty. Villas are checked at least once or twice a week, if not daily, for pests and cleanliness and maintained as needed; additionally a refresh is always done before check-out.

Robert Reyes – We are recommending Option 6 (1 Check-out clean and 6 daily trash). Could add an addendum to say that for multi week stays the minimum would be 6 daily trash and 1 full clean for each week of the stay, and on the last week 6 daily trash and 1 Check-out clean.

Jim Gibbons – Would we still be able to add service to the minimum?

Robert Reyes – Yes

Dolores Heisinger – Would people be able to trade daily trashes to room refresh or other requests?

Robert Reyes – No, the minimum will be 6 daily trash and 1 check out clean and one can only add to this minimum service, not trade portions of it away.

R. Scot Hein - requests that the minutes reflect that costs be adjusted to what actual service is being performed, ie what 6 daily trash costs on its own (for multi week stays) for clarity.

1 CO and 6 Daily Trash

2 BR	\$1,070.00 pesos
3 BR	\$1,460.00 pesos

1 FC and 6 Daily Trash
- Multi week stays

2 BR	\$630.00 pesos
3 BR	\$885.00 pesos

Minimum service will be set at 6 Daily Trash and 1 CO to ensure that we prevent the attraction of insects into the Villas. These costs will be paid directly by each occupant upon departure. Owners will be able to add more types of cleaning services but will be responsible for the difference in costs.

For Multiple week stays the Minimum service will be 6 daily trash and 1 Full Clean. On the departure week it will revert to 6 daily Trash and 1 CO.

Robert Reyes – Specific pricing will also be circulated to all Owners.

Dolores Heisinger – When will this be implemented and what’s been happening since Jan?

Robert Reyes – Since Jan 1st we have maintained what we have been doing as we couldn't change anything until this meeting so costs have been charged to the budget. New arrivals coming in will be on the new program starting this coming Saturday the 28th of January 2012.

ITEM FIFTH. In connection with the fifth item of the Agenda, the Meeting adopted the following:

RESOLUTION

"MOVED by Dolores Heisinger and SECONDED by Johanna Corbet that the owners of Condominio Villas at Club Intrawest Zihuatanejo A.C. hereby authorize the expenditure from the Capital Replacement fund to replace the appliances and only the necessary touchstones be replaced while maintaining the original Mexican design of the glasses, mugs and flatware. The color of the appliances (stainless or white) will be voted on by all owners prior to purchasing
CARRIED

AND

"MOVED by R. Scott Hein and SECONDED by Johanna Corbet that the owners of Condominio Villas at Club Intrawest Zihuatanejo A.C. hereby authorize the expenditure from the Capital Replacement fund to replace the outdoor furniture.
CARRIED

Discussion: Replacement of Appliances

Robert Reyes – Please note that the resolution has been revised to be a simple replacement of appliances, as well as replacement of touchstones (only those necessary), and outdoor furniture.

Read on behalf of Joanna – Yes we should keep up the functionality and look of appliances through regular maintenance and one of replacement when necessary. Yes the kitchens deserve modest enhancement, appliances should be of white enamel finish. The Mexican motif/vernacular should be maintained in Touchstones, Mexican glassware should remain. Proposed revisions – Item 1 on this resolution to replacement of those appliances as and when needed to white enamel.

R. Scot Hein – What would be recommended in terms of the economy of scale in replacing all of the appliances at once or as when necessary one by one.

Robert Reyes – Yes a bulk purchase will always be less. Yes my sense is that many of the appliances will last for another couple years. If you decide to go with a finish other than the current white you will need to replace all appliances at once. Also we need to pick a brand that we can get replacement parts for in Mexico. Note: in Mexico black appliances are very difficult to find.

R. Scot Hein – We should really try to maintain the design that we bought.

Dolores Heisinger – In terms of replacing appliances one at a time or all at once what is your recommendation. What do you do at other properties?

Robert Reyes – We've been able to keep a small inventory on site for immediate replacement needs however we can't keep an entire inventory of replacement appliances.

Pablo Contreras – Models are ever changing very quickly in Mexico thus it will be very difficult to ensure that. The appliances are getting to a point where lots of time and effort is being put into maintaining the current appliances.

Burke Corbet – While we agreed to remove from the resolution specification of the finish for the new appliances, there was near consensus that "stainless steel" should be adopted only if cost

competitive with "white", or nearly so, and that brand quality/maintainability was a higher priority. Also many expressed or agreed with retaining the Mexican motif glassware.

AMENDMENT

Once appliance replacement is approved color and type will be taken to the general body for a vote.

Discussion: Outdoor Furniture

Dolores Heisinger – What type of furniture will we be replacing it with?

Robert Reyes - The outdoor furniture would be replaced with new teak furniture as another type such as the all weather rattan would be to light and could be blown around during the strong winds.

Dolores Heisinger - Concerned about the weight of the current patio furniture, difficult to move around, would the new furniture be as heavy?

R. Scot Hein – Also piece protruding from the backs of the chairs poses a hazard. It's very easy to run into it accidentally. Could also possibly cause damage to the Vacation Home sliding glass doors if accidently pushed into them.

Robert Reyes – We will look into all these factors when selecting the new furniture.

Burke Corbet – It seems to us that there was a consensus that since the replacement furniture is to be teak similar to existing, that we should not replace all but retain those pieces that require only some repair & refinishing.

ITEM FIVE. In connection with the sixth item of the Agenda, the Meeting adopted the following:

RESOLUTION

"MOVED by Gregory Lee and SECONDED by Dolores Heisinger that Messrs. Aarón Levet Velasco, Alberto Solís Martínez, Susana Cann Llamosa, Lorena García Pérez-Gavilán and Liliana de la Vega Navarro 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

NEW BUSINESS

Review of 2012 Budget

The 2011 Villas Association budget reflects a 3.6% increase over the 2011 budget.

The Meeting determined there was no need for further discussion of this item at this time.

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

MOVED by Johanna 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.

The Meeting adjourned at 11:35 on January 23, 2012.