



**CONDOMINIO VILLAS AT CLUB INTRAWEST ZIHUATANEJO, A. C.  
November 20<sup>th</sup>, 2015 VILLAS BOARD OF DIRECTORS MEETING**

In Vancouver, British Columbia, Canada at 1:00 pm (PST) on Monday November 20<sup>th</sup>, 2015 at the Offices of the Intrawest Resort Club Group at 326 - 375 Water Street, Vancouver BC.

**Present were:** Robert Reyes, Dolores Heisinger (vía Telecom), Gregory Lee (vía Telecom), Marie Cummings (vía Telecom), Sandra Ruff (vía Telecom), Enrique Vazquez (vía Telecom) & Indira Hernandez (vía Telecom).

**Called to Order**

Robert Reyes chaired the meeting and the Villas Board of Directors Meeting was called to order by Robert Reyes at 1:03 pm (PST). Robert proceeded with the details of the meeting. Participants were introduced by the chair.

**Adopt Agenda**

MOVED BY Dolores Heisinger, SECONDED BY Gregory Lee THAT the agenda is adopted as presented. Motion carried.

**Notice of Motion:**

**1. - Review YTD 2015 Results**

**Discussion:**

Enrique Vazquez, Club Intrawest Director of Finance-Mexico explained the Financial Statements as of October 31<sup>st</sup> 2015. Homeowners Associations fees collected were \$7,780,182 MXP and the Foreign exchange was \$164,149 MXP.

The following items showed the most significant variances in Home Owners Association Operating Expenses when compared to Budget:

Positive variances of \$69,842 MXP in Audit/Legal/Postage /Admin, \$56,893 MXP in Property Taxes and \$43,190 MXP in Operating Supplies.

Shared facilities Operating Expenses showed the most significant variances when compared to Budget in the following items: Utilities (Electricity, Gas & Water) shows savings of \$298,521 MXP. A negative variance in General Administration of \$136,915 MXP (Mainly increases in Benefits in Human Resources and Staff Meals). It also shows a negative variance in Fire & Safety of \$44,645 MXP as result of acquiring additional security supplies.

Villas Association shows a surplus of \$594,834 MXP.

Enrique asked if anyone had any question about the results as of October 31, 2015. Gregory & Dolores said there are no questions.

## **2.- Approve 2016 Budget:**

Enrique Vazquez explained that the 2016 Villas Associations reflects a 3.7% increase over the 2015 Budget.

Enrique Vazquez mentioned the most important variances in the Operating Expenses as follows: Trust Administration Fee, it shows an increase of \$125,161 MXP as result of the change of the Trustee, due to some issues Owners have had with the actual Trustee that has not been able to solve different requests from our Villa owners.

Budget 2016 is including a Capital Replacement – Additional Contribution of \$200,000 MXP. This amount was included in the 2015 Budget as well to maintain a healthy reserve fund.

In Shared facilities Operating Expenses: The Association shows a \$44,720 MXP increase in Fire and Safety as result of replacement of and acquisition of new security supplies. General Administration shows a \$54,765 MXP increase (mainly the inflation effect projected in Administration expenses such as back office supplies, staff meals, and staff recognition). Finally, Utilities-Water shows a \$43,746 MXP decrease expense as result of operating programs in place to reduce such expense.

Dolores asked a question regarding the Trustee Administration: Is one of the things you are looking for Enrique, in searching for another company is their ability to help Owners with the transfer title? Enrique answered: Exactly! That is one of the issues Owners have had with the current Trustee.

Robert mentioned they can not move forward to approve the Budget, without the discussion around what they will do with the Surplus plus the \$200,000 MXP of the Capital Replacement – Additional Contribution.

Robert asked Sandra for the forecast of the final Surplus, so the Board can decide to send it to the Capital Reserve or place in the Operating Budget for next year which would help reduce the expenses. In the past year the recommendation has been to send it to the Capital Reserve.

Dolores mentioned the 3.7% increase is manageable.

Gregory and Dolores accepted the idea to send the \$200,000 MXP and any surplus from 2015 to the Capital Reserve.

The forecasted projects for Capital Replacement for 2016 are: Kitchen wood Replacement (5 Villas), Replacement of Kitchen roof (5 Villas), Chilled Water Line Insulation (2 Villas), Bathroom Sink Refinishing (5 Villas), Kitchen Roof extension (5 Villas), Alarm Clock Replacement, Dinning Chairs Replacement, Granite Countertop Kitchen (5 villas), Mini Fridge replacement, Kitchen Shelving Replacement (5 Villas), Dip pool Refinishing (7 Villas), Sliding Door and Window Replacement (4 Villas), Tile Roof 403 for a total of \$1,360,079 MXP.

Robert said he is going to call for the approval of the Budget for 2016 only at this time. He stated to the Board that we will send a revised version of the numbers for the Reserves for 2016 and then we will have another meeting prior to December 1, 2015 to approve this.

Robert called for a motion to approve the 2016 Budget and the 3.7% increase in the Home Owners Association fees which includes the additional contribution of \$200,000 MXP to the Capital Replacement fund.

MOVED BY Dolores Heisinger, SECONDED BY Gregory Lee, Motion carried.

Robert asked for a motion that the Reserves Projects for 2016 will be approved in a special meeting to be completed before December 1, 2015.

MOVED BY Gregory Lee, SECONDED BY Dolores Heisinger, Motion carried.

Dolores asked: how healthy is our Contingency Reserve? (Healthy, pretty healthy, danger). Robert said that it is pretty healthy.

The forecasted projects for the Contingency Reserve fund for 2016 are: Club Car replacement, Propane Tank Relocation, Common Area Handrail replacement, Handicapped Platform Replacement, Domestic Water Pump System, WIFI upgrade for a total of \$1,050,180 MXP.

### **3.- New Business:**

Marie commented to be mindful that Gregory's term on the Board of Directors ends this year. There will be a position up for election at the Annual General Meeting.

### **4.- Next Meeting:**

The Annual General Meeting of the Condominio Villas at Club Intrawest Zihuatanejo A.C. on Monday, February 1<sup>st</sup>, 2016 at 10:00am PST at the offices of the Intrawest Resort Club Group at 326, 375 Water Street, Vancouver, B.C.

The Special Meeting to approve the Reserves Projects for 2016 will be on November 27<sup>th</sup>.

**Termination of the meeting:** MOVED BY Gregory Lee SECONDED BY Robert Reyes, THAT the Board of Directors meeting be terminated at 1:46 PST Motion carried.

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