

**CASCADAS DE BAJA ASSOCIATION
ANNUAL MEETING
JUNE 18, 2016
10:00 AM (PDT)
HILTON IRVINE/ORANGE COUNTY AIRPORT
IRVINE, CALIFORNIA**

MINUTES

I. Call Meeting to Order

Loren Gallagher called the meeting to order at 10:07 a.m. (PDT). He introduced Patricia Giddings who made an opening statement. Mrs. Giddings thanked everyone for their attendance and the team for all of their efforts to make Club Cascadas de Baja a unique resort. Mrs. Giddings announced that Loren Gallagher would chair the meeting. In attendance were:

Board Members Present

Patricia Giddings	President
Marty Russell	Vice President
Larry Greenberg	Treasurer
Richard Bort	Secretary
David Giddings	Director
Greg Giddings	Director

Legacy Committee Members Present

Tom Lieb
Marty Russell

Board Advisors Present

Mark Giddings

Guests Present

Daniel Holzkan	General Manager - Club Cascadas
Reyna Gerhardus	Assistant General Manager - Club Cascadas
Fatima Martinez	Restaurant Manager – Club Cascadas
Dave Stoenner	Sales Director – Cascadas Legacy Sales
Barbara Montgomery	Cascadas Legacy Sales
Loren Gallagher	CEO – TPI/VRI
Mauricio Quezada	Director of Resort Operations, TPI/ VRI
Luis Moran	Assistant Vice President HOA Accounting - TPI
Casey Clayson	Administrative Assistant – TPI
Nicole De Casas	Administrative Assistant – TPI
Bryan Jackson	Director of Exchange Services – TPI
Nick Burson	Exchange Specialist – TPI

The notice of the annual meeting and proxy form were mailed to all owners of record on April 20, 2016.

A quorum was established with more than 35% of the owners represented in person or by proxy.

II. Overview of 2015-2016

Mark Giddings gave a summary of all the projects that were accomplished throughout 2015 and the amount of work that has been planned and approved for 2016, including: palapa replacements, a full remodel of building 1, gym improvements, and the Las Palmas second floor remodel amongst additional work. Mark Giddings emphasized the importance of continuing to work as a team to achieve and complete projects in a timely manner between the Developer, the Board, Management and the On-Site staff.

III. Update for 2016

Daniel Holzkan presented a chart with electric savings of 10% (more than 600,000 pesos) from 2014 to 2015. Mr. Holzkan expressed his gratitude for the support the on-site team has received to continue moving forward with the projects. Reyna Gerhardus further expressed her thanks.

Larry Greenberg reported that a plan to remodel all of the villas at Club Cascadas is being developed. Mr. Greenberg presented a year-by-year chart showing how this plan is spread out over the next five years intending to complete a full remodel by 2021.

IV. Update on Financial Status of Club

Luis Moran reported on the financial results for 2015. Total revenue for 2015 was \$5,087,603 compared to \$4,445,489 in 2014, and the total expenses for 2015 were \$4,319,325 compared to \$4,149,182 for 2014. Mr. Moran provided a report on Operating Fund and Capital Replacement Fund reserves.

V. Sales Update – Dave Stoenner and Barbara Montgomery

Dave Stoenner and Barbara Montgomery delivered a presentation on the on-site sales program:

- There were 329 sales in 2015, with \$827,000 being paid to selling members.
- Members or guests of members represent the highest percentage of buyers.
- 711 Bonus Weeks were confirmed into member-owned weeks and reimbursed \$492,474 in maintenance fees to members.

Mr. Stoenner made a short presentation for Club Cascadas' sister resort in Puerto Vallarta, Ocho Cascadas, and extended an invitation for Members to do a one-week inspection.

VI. Legacy Committee Update

Mark Gross reminded attendees of the Legacy Committee's function and its interaction with the Board. Mr. Gross invited Members who would be interested in participating in this Committee to contact him for further details.

VII. 2015 Annual Meeting Minutes Approval

The minutes were previously approved by proxy vote. It was noted that the name of a member mentioned in the 2015 Annual Meeting Minutes was amended from "Thompkins" to "Tompkins."

VIII. Election of Two Members to Board of Directors

A. Candidate's Statements

The following candidates were given the opportunity to make their statements:

1. John Bramer
2. Glen Brush
3. Larry Greenberg
4. Marty Russell

Candidate John Bramer was not in attendance at the meeting.

B. Call for Nominations from Floor

Loren Gallagher called for nominations from the floor, and there were none.

C. Close Nominations

Loren Gallagher closed nominations from the floor.

D. Turn in Ballots

A final call for ballots was made by Loren Gallagher.

E. Volunteers for Inspectors of Election

Loren Gallagher asked for two volunteers to serve as inspectors of election. The two volunteers were Paul Tompkins and Tom Hoffman.

IX. Questions and Answers

Following are the questions submitted to the board, and the board's responses to them:

QUESTION	ANSWER
What is taking place in the gym remodel?	Sliding windows are being installed to provide better airflow.
Who determines which villas that are for sale are e-blasted to the member?	Dave Stoenner oversees the sales and units offered. The offerings emailed out to members are based on other members' ownership. For example, a week #6 villa for sale will be e-blasted to owners of weeks 5, 6, and 7. There is no incentive to sell one villa over another, and the sales team doesn't want to inundate owners with mass amounts of emails.
Regarding inventory for sale, which villas and time of year sell quickly?	It is unique based on client needs. There really isn't a size/type of villa that sells better than another.
What is the resort's policy on pets?	Pets are not allowed onsite at Club Cascadas.
Do you still have golf bags available for rent at the front desk?	Yes, there are three golf bags available for guests to rent out at the front desk.
How is social media, such as the Google Group and Facebook, affecting the Sales/Rentals department since owners are connecting with each other?	Every question on the Facebook page is answered by a staff member. Each post on the Google Group is forwarded to the correct people, whether it is Sales or TPI rentals. We can't force owners to use the in-house services (Club Sales dept., TPI rental dept.); however, if they are successful why not use them?
How about having a no smoking policy in the Jacuzzi at the swim up bars? There is food being prepared there; restaurant food being delivered there. When 6 people have just received food to eat and one person enters the Jacuzzi smoking, it totally destroyed the ambiance.	There is a no smoking policy at the Jacuzzis.
Can we have grab bars installed in the showers?	It is being completed.

X. Drawing for Prizes

The winners of the drawing for a variety of prizes were as follows:

Presented by Mauricio Quezada (*Contributed by Trading Places*):

7-Night Vacation Stay – Russel and Arline Barnsdale

7-Night Vacation Stay – Tom Dodson

7-Night Vacation Stay – Lawrence Edward Marcus

7-Night Vacation Stay – Earl E. Asbury

7-Night Vacation Stay – Janice Ziegler- Hammond (proxy drawing)

Presented by David Giddings (*Contributed by the Giddings Family*):

7-Night Ocho Stay – Frederick Sieverts

7-Night Ocho Stay – William E. Holt

7-Night Cascadas Stay – Joseph McGowan

7-Night Cascadas Stay – Steve Riley

\$400 Club Restaurant Voucher – Mike Fagan

Las Palmas Legacy Week – John Leppert

XI. Voting Results

Loren Gallagher announced that the 2015 annual meeting minutes were approved. Mr. Gallagher then announced that both Larry Greenberg and Marty Russell have been reelected to serve another two-year term as Board members for the Cascadas de Baja Association.

XIII. Adjournment

With no further business to conduct, a motion was made to adjourn. The meeting adjourned at 12:10 p.m. (PDT).

Respectfully submitted,

Mauricio Quezada,
Director of Resort Operations Mexico
Trading Places International/ VRI

Approved by,

Richard Bort,
Cascadas de Baja Association Secretary