

**CASCADAS DE BAJA ASSOCIATION  
ANNUAL MEETING  
JUNE 24, 2017  
10:00 AM (PDT)  
WYNDHAM IRVINE / ORANGE COUNTY AIRPORT  
IRVINE, CALIFORNIA**

**MINUTES**

**I. Call Meeting to Order**

Patricia Giddings called the meeting to order at 10:10 a.m. (PDT). She made an opening statement and thanked everyone for their attendance. Mrs. Giddings introduced the members of the board and announced that Douglas L. Wilcox would chair the meeting. Officers and employees in attendance were:

**Board Members Present**

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

**Legacy Committee Members Present**

Earl Asbury  
Erick Malm  
Glen Brush

**Board Advisors Present**

Jessica Kim

**Guests Present**

Miguel Torres	General Manager - Club Cascadas
Mauricio Quezada	COO Cascadas de Baja Association
Dave Stoenner	Sales Director – Cascadas Legacy Sales
Barbara Montgomery	Cascadas Legacy Sales
Aida Trujillo	Cascadas Legacy Sales
Pedro Patino	Cascadas Legacy Sales
Rich Muller	COO-TPI/VRI
Asael Sandoval	Director of Resort Operations, TPI/ VRI
Luis Moran	Assistant Vice President HOA Accounting - TPI
Casey Clayson	Administrative Assistant – TPI
Kristen Makinen	Administrative Assistant-TPI
Nicole De Casas	Administrative Assistant – TPI
Nick Burson	Exchange Specialist – TPI

The notice of the annual meeting and proxy form were mailed to all owners of record on April 26, 2017.

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

## **II. Overview of 2016 & Update for 2017**

Mauricio Quezada, the former TPI Director of Resort Operations, introduced himself as the new COO of Club Cascadas, which is a new position created in preparation for the association assuming the developer's responsibilities. He then provided a brief overview of projects that have taken place. Mr. Quezada informed owners that while there has been lots of construction taking place around the resort, the construction is for the betterment of the association.

Miguel Torres also gave a brief presentation on upcoming projects and informed members that he would do his best to take care of their "home-away-from-home" as the new general manager.

## **IV. Update on Financial Status of Club**

Luis Moran presented the 2016 Financial Statements' review reporting an excess of revenues over expenses in the Operating Fund in the amount of \$838,793 and an excess of expenses over revenue in the Replacement Funds in the amount of (\$394,174). After a transfer from the Operating Fund to the Replacement Fund, per direction of the board, the Operating Fund ended the year with a balance of \$250,000 and the Replacement Fund ended the year with a balance of \$778,340.

## **V. Special Presentation**

David Giddings thanked the members for their faith in the resort, and his mom and dad for their belief in the Mexican people, in Cabo, and the members. He played a slideshow with photos from throughout the resort's history as tribute to Patricia and Ed Giddings.

## **VI. Sales Update – Dave Stoenner and Barbara Montgomery**

Dave Stoenner, Pedro Patino, Aida Trujillo and the rest of the sales team via a video thanked Mrs. Giddings for everything the family has accomplished with the resort. Mr. Stoenner delivered a presentation on the on-site sales program:

- There have been 124 sales to-date in 2017 and only 10 members have cancelled their membership due to non-payment.
- 809 bonus weeks were confirmed in 2016 and 98 sales resulted.
- The legacy goal of selling 80% of the inventory will be reached by the end of 2017 and the association will gain ownership of 1,130 memberships.

## **VII. Legacy Committee Update**

Marty Russell informed the membership that the committee has been working closely with the board of directors and the Giddings family to prepare for the turnover of the developer's responsibilities to the association at the beginning of 2018. He noted that no changes are to be expected as everyone seeks to complete a seamless transition as the membership takes over the operation of the resort from the developer. He also thanked TPI for their excellent support in this transition.

## **VIII. Election of One Member to the Board of Directors**

### **A. Candidate's Statements**

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

1. Richard Bort
2. John Bramer
3. Ron Carter
4. Mark Cox
5. Eileen McDonald
6. Raymond McKaskle
7. Julie Tizzano
8. Jeff Yurosek
9. Pirate Jeff Barnett

Candidates John Bramer, Mark Cox, Eileen McDonald, Raymond McKaskle, Julie Tizzano, Jeff Yurosek, and Pirate Jeff Barnett were not in attendance.

### **B. Call for Nominations from Floor**

Douglas L. Wilcox called for nominations from the floor.

### **C. Close Nominations**

Douglas L. Wilcox closed nominations from the floor. With no further nominations from the floor, member Lorna Hart made a motion to close nominations and member Barbara Booras seconded the motion. The motion was approved by unanimous affirmative vote.

### **D. Turn in Ballots**

A final call for ballots was made by Douglas L. Wilcox.

### **E. Volunteers for Inspectors of Election**

Douglas L. Wilcox asked for two volunteers to serve as inspectors of election. The two volunteers were members Paul Tompkins and Crossan W. Hays.

## IX. Questions and Answers

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

QUESTION	ANSWER
What is the timeframe for the renovation of all the villas?	The villas might be completed by 2022-2023. Several units will be completed every year until they are all remodeled.
Can windows in Margarita 23 be temporarily boarded up to reduce noise from the construction of the 300 rooms?	Yes, Miguel Torres will take care of this.
Any talk of making smoking areas for pools and beach area?	The board is currently discussing the placement of smoking areas.
Does Mark Giddings have adequate authority to sustain the Giddings's unique, artistic character?	Yes. The board of directors has provided Mark Giddings with authority to accomplish all changes following the Giddings legacy.
Can we do pickle ball every other day?	Yes, the tennis court has been resurfaced and the pickle ball lines added. Hooks were added to the tennis net to lower the net for pickleball. Paddles and balls are available at the front desk.
Any plans to try and control the noise coming from the Arroyo?	On-site management is doing their best to increase their engagement with the hotel association and environmental lawyers have been hired.
Would like a clear understanding of kid's club rules. Adults are not allowed in the kid's club.	Only the kid's club supervisor is allowed with the children and the room is monitored by a camera.
What can Cascadas do to maintain safety with the increase in crime in the Cabo San Lucas area?	Cascadas provides funding to pay for extra police to try to control / prevent crimes and the government has sent more police into Cabo. We have not had any criminal activity at our resort.
Are the salaries paid to the employees adequate to retain our great staff?	Cascadas has one of the lowest turnover rates in the Cabo area at 1.13%, which is an indication that our team members are being compensated properly. Miguel is evaluating salaries to stay competitive.
Can we expect an increase in maintenance fees?	The board will review the 2018 budget in August, at which time they will decide whether the maintenance fee will be raised. If raised, it will be by a small amount.
Why have resale prices been flat for the last 8 years?	Dave Stoenner informed members that resale prices were based on supply and demand. The sales staff want units to sell at the highest possible price and at a consistent pace.
What was the outcome of the insurance settlement?	The final check was received and the check was just shy of one million dollars.
The beach chairs are dilapidated- will they be replaced soon?	Yes, the beach chairs will be replaced in the next few weeks. New lounge chairs and cushions were ordered and received.
For those with legacy membership, are bonus weeks useable?	Yes, the bonus week program has been extended into the turnover period.

## **X. Drawing for Prizes**

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

Presented by Asael Sandoval (*Contributed by Trading Places*):

- 7-Night Vacation Stay – Eugenie Anderson & Russ Dodson
- 7-Night Vacation Stay – Sharon M. Ferguson
- 7-Night Vacation Stay – Fred Sieverts
- 7-Night Vacation Stay – Jeannette Cortez
- 7-Night Vacation Stay – Larry and Barbara Breeding (proxy drawing)

Presented by David Giddings (*Contributed by the Giddings Family & Remi Mar*):

- 7-Night Ocho Stay – Karen Kime
- 7-Night Cascadas Stay – Julie Selders
- Las Palmas Legacy Week – Michael E. Whitehead
- \$100 Club Restaurant Voucher – Thomas Grove
- 50 Minute Massage- Tracey Allen
- 50 Minute Massage- Cynthia Cable
- 2 Mexican Fiesta Dinners- Steven and Patty Riley

## **XI. Voting Results**

Douglas L. Wilcox announced that the 2016 annual meeting minutes were approved. Mr. Wilcox then announced that Richard Bort has been reelected to serve another term as a board member for the Cascadas de Baja Association.

## **XIII. Adjournment**

With no further business to conduct, a motion was made by Richard Barley to adjourn. The meeting adjourned at 12:15 p.m. (PDT).

Respectfully submitted,

Approved by,

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Asael Sandoval,  
Director of Resort Operations  
Trading Places International

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Richard Bort,  
Secretary  
Cascadas de Baja Association