

**CASCADAS DE BAJA ASSOCIATION  
BOARD OF DIRECTORS MEETING  
November 28, 2017  
1:00 PM (PST)  
Telephonic**

**MINUTES**

**I. CALL MEETING TO ORDER/ APPROVAL OF AGENDA**

Patricia Giddings called the meeting to order at 1:04 p.m. (PST). Mrs. Giddings thanked the board, the committee members, management, and especially the on-site team for their continued hard work at Club Cascadas and wished them a Merry Christmas and a Happy New Year. The following people were in attendance:

**Board Members**

Patricia Giddings	President
Marty Russell	Vice President
Richard Bort	Secretary
Larry Greenberg	Treasurer
David Giddings	Director
Mark Giddings	Director ( <i>Absent</i> )

**Advisors to the Board**

Jessica Kim	Advisor to the Board
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**Legacy Committee Members**

Mark Gross	Chair
Earl Asbury	Member

**Club Cascadas**

Mauricio Quezada	COO Cascadas de Baja Association
Miguel Torres	General Manager – Cascadas de Baja Association

**Management**

Rich Muller	COO -VRI-TPI
Asael Sandoval	Director of Resort Operations – VRI / TPI
Douglas L. Wilcox	Sr. Vice President of Resort Operations - TPI
Luis Moran	Assistant Vice President, HOA Accounting - TPI
Casey Clayson	Administrative Assistant – TPI

**Guests**

Dave Stoenner	Cascadas Legacy Sales Director
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**Absent Members**

Erick Malm	Legacy Committee Member
Glenn Brush	Legacy Committee Member

Mrs. Giddings asked Mauricio Quezada to chair the meeting.

Marty Russell made a motion to approve the agenda with the inclusion of IX. C Term for Board of Directors for 2018 under regular session and III. B. V. Future of Remi Mar under executive session. The motion was seconded by David Giddings and the motion passed unanimously.

## **II. OPEN FORUM – MEMBER COMMENTS**

There were no members present.

## **III. APPROVAL OF MEETING MINUTES**

### **A. August 31, 2017 Board Meeting Minutes**

A motion was made by David Giddings and seconded by Larry Greenberg to approve the minutes of the August 31, 2017 board meeting. The motion passed unanimously.

## **IV. REVIEW OF PREVIOUS ACTION ITEMS**

The board reviewed, discussed and updated the action items.

Some of the action items that have been completed included: providing the board with a copy of the 2018 revised budget, notifying members affected by the 2018 remodeling and drafting a copy of the Return and Refund Policy. Several action items were still on-going and these include: promoting the Palmas Express, updating the Owner's Manual, and researching a database both sales and TPI could utilize.

Miguel Torres reported that he has been working on retrofitting all the newly remodeled units with Wi-Fi. The board gave Miguel Torres permission to use \$20,000 for Wi-Fi infrastructure.

Marty Russell made a motion and Richard Bort seconded the motion to accept the Compania del Rey proposal to continuing marketing and advertising Ocho Cascadas at Club Cascadas by paying out 2% of all sales proceeds from Ocho units sold at Club Cascadas, and providing one to two free weeks for the Club Cascadas Annual Meetings. The motion passed unanimously.

## **V. REPORTS**

### **A. COO Report**

#### **i. Turnover Transition Status & Pending Items**

Mauricio Quezada reported that all matters related to the new sales entity, Cascadas Vacations Inc. (CVI), will be discussed during CVI's board meeting following the Association's meetings. Overall, transition is going well.

Mr. Quezada commented that all renovations for 2017 had been completed except for the elevator in the main building caused by delays from the vendor. He also announced

that a brand-new car is to be given away at the staff's Christmas party raffle, which represents no cost to the Association because it was bought using the self-generated employee fund and goods sold from the units that were renovated in 2017.

**ii. Website Update Plans**

The Board directed Mauricio Quezada to provide them with a quote and an example of a new website design (Action). The board will review at the next board meeting.

**B. Quarterly Update**

Miguel Torres reported that maintenance weeks were a great success. He is looking to close out 2017 year with a surplus, and announced that the Christmas party for the staff will be held December 9, 2017.

**C. Finance / Sales / Administration Committee**

**i. Sales Update**

Dave Stoenner informed the board that sales were going well and there are currently only 13 sales to go until the turnover and everything is on track for the January 1, 2018 transition. Palmas units booked through the on-site sales office are currently being provided with a complimentary customized tequila bottle as a personal touch.

**D. Facilities Committee**

Marty Russell reported that everything is going well and buildings 24 and 22 are planned to be remodeled next as approved at the previous board meeting.

**E. Legacy Committee**

No business was discussed.

**VI. FINANCIAL MATTERS**

**A. Financial Statements for the Period Ended September 30, 2017**

Luis Moran presented the September 30, 2017 financial statements. Having reviewed the financial report, Richard Bort moved and Larry Greenberg seconded the motion to accept the financial statements as of September 30, 2017. The motion passed unanimously.

Mr. Moran gave an estimate projection of \$860,000 surplus for year-end and a projected \$431,000 forecast for the capital replacement fund.

**B. Foreign Exchange Hedging**

On behalf of the Association, Mauricio Quezada and Luis Moran have entered into the hedge agreements with Wells Fargo bank for 2018 as instructed by the Board. The strike price for the hedge is 18.8824 Mexican Pesos per USD.

## **VII. MANAGEMENT REPORT**

### **A. Occupancy Report**

The occupancy report was reviewed and discussed.

## **VIII. CONTINUING BUSINESS**

There was no continuing business discussed during this meeting.

## **IX. NEW BUSINESS**

### **A. 2018 Meeting Locations and Dates**

The board set the next budget board meeting for October 2, 2018.

### **B. Committee Meeting Dates**

The board decided that if a committee meeting is needed, it will take place the day before the October 2, 2018 budget meeting on October 1<sup>st</sup>. Committee Meeting dates will be set as needed and will always be held the afternoon before a board meeting.

### **C. Term for Board of Directors 2018**

Upon the election of the five Board Members at the June 2018 Annual Meeting of Members, the board determined that the three nominees with the highest votes will serve for 3-year terms and the remaining two will serve for 2-year terms.

## **X. EXECUTIVE SESSION**

Representatives from Trading Places were excused from the meeting and the board entered into executive session at 2:26 p.m. (PST).

The board exited executive session at 2:55 p.m. (PST) and TPI representatives re-entered the meeting.

## **XI. REVIEW OF NEWLY-ADDED ACTION ITEMS**

No discussion.

## **XII. NEW BUSINESS CONTINUED**

Larry Greenberg made a motion and Marty Russell seconded the motion authorizing the Cascadas de Baja Association to loan Cascadas Vacations Inc. funds up to the amount of \$100,000 to accrue 2% interest annually. The motion passed unanimously.

**XIII. ADJOURNMENT**

With no further business to discuss, Marty Russell made a motion and David Giddings seconded the motion to adjourn the meeting at 2:59 p.m. (PST).

*The next meeting is scheduled for Tuesday, January 23, 2018 at 9:30 a.m. (PST) at the DoubleTree Club located at the Irvine/Orange County Airport.*

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