



**CONDOMINIO VILLAS AT CLUB INTRAWEST ZIHUATANEJO, A. C.
November 28th, 2012 VILLAS BOARD OF DIRECTORS MEETING**

In Vancouver, British Columbia, Canada at 11:00 on Wednesday November 28th, 2012 at the Offices of the Intrawest Resort Club Group at 326 - 375 Water Street, Vancouver BC.

Present were: Robert Reyes, Sandra Ruff, Dolores Heisinger (vía Telecom), Gregory Lee (vía Telecom), Marie Cummings (vía Telecom), Enrique Vazquez (vía Telecom) & Carlos Irra (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 11:01. 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 2012 Results

Discussion:

Enrique Vazquez, Club Intrawest Director of Finance-Mexico explained the most important items of the Financial Statements as of October 2012, we have a deficit of \$527,073 MXP. Items such as Repair and Maintenance, Common Area Cleaning, Security and General Administration, also Repair and Maintenance in Shared Facilities and Operating Expenses.

Robert Reyes Mentioned that the change in General Administration is because of Jorge Irra was promoted from Security Coordinator to Operations Manager which is coded under General Administration. There is not a replacement of that position of Security - Jorge Irra supervises this area.

The second item is the Repair and Maintenance we had an increase in HOA \$248,460 MXP compared to Budget.

Marie explained that Gregory and Dolores were to the Club as the maintenance projects were preformed, we completed all Villas - from 401 to 414, some items were time consuming such as floors, wood work in and out, counter tops, also we employed outside contractors to have everything complete prior to the busy season.

Due to environmental stresses and wear and tear on the Villas it was imperative to complete these projects. Robert Reyes commented that the works needed to be done, but we need to meet our Budget targets, it's important in the future to consult with Directors prior to a project going over budget.

Dolores Heisinger questioned under the HOA Operating Expenses, The Plunge Pool, maybe do a better job scheduling maintenance, Marie responded that is what we are doing now, to avoid having big tasks during the year.

2.- Approve 2013 Budget:

Enrique Vazquez mentioned that the most important items as well are Repair and Maintenance that is showing a variance of \$137,112 MXP. The item Common Area Cleaning & Security had \$90,770 MXP decrease and General Administration as consequence had an increase of \$130,201 MXP for the change of the structure with Security and Operations Manager.

Dolores Heisinger questioned what would happen when the additional deficits that is likely to be incurred when you consider November and December also, where that money will come from? Sandra Ruff answered that will run from the Reserves.

Enrique Vazquez explained the Capital Replacement Reserve focus on 2012, we have an opening balance of \$1,936,060 MMXP, a Forecasted Contribution of \$304,233 MXP, 2012 Expenditure as of October 2012 the amount of \$ 1,302,229 MMXP, a Decrease in 2012 Net Assets \$127, 073 MXP, with the closing balance of \$810,990 MXP. The same closing balance will be opening the 2013 for \$810,990 MXP.

Dolores mentioned that the TV replacement seems to her that we already did, Marie Cummings responded that we did replace the living room and first bedroom but not the second and third bedroom in Villas.

Dolores mentioned if possible to put that off for another year to reduce this replacement and protect that Capital Replacement Reserve. Robert Reyes commented he agreed and also questioned about the Blue Rays as of where are they supposed to go? Marie responded in the living room, also the equipment we have now are completely working fine and can wait for other year along with the TV's.

Robert Reyes also mentioned that there is a request of having WI-FI on the Villas, the cost is not included in Budget or Reserves and is approximately \$85,000 MXP and will go into the Reserves, Gregory Lee commented that most people depend of Wi-Fi connectivity as he does , Dolores Heisinger questioned what year would the Wi-Fi be applied? Robert Reyes answered that as the TV's and Blue Rays were taken off in the amount of \$ 384,000 MXP and \$85,000 MXP the amount will be applied in 2013. Marie commented she made tests with one and worked well, no cabling needed.

After those changes the Estimated Expenditure for 2013 is \$320,706 MXP for Fabrics, Laundry Equipment & Wireless access points with the closing balance of 2013 for \$819,598 MXP.

Dolores Heisinger questioned about the Laundry equipment, Marie answered that they are working fine and maintenance has been provided, we are thinking to buy 2 sets. The one located in Villa 401 is giving trouble will replace one and have one more as spare. The fabrics are for the cushions of living rooms of the Villas.

The Contingency Reserve we have in 2012 the opening balance is \$1,144,943 MMXP, with Forecasted contribution of \$800,116 MXP with YTD Interest of \$119,188 MXP minus Expenditures as of October 2012 of \$1,072,019 MMXP the closing balance for 2012 is \$992,227 MXP. For next year the expenditures will be \$1,211,894 MMXP. The closing balance for 2013 will be \$610,238 MXP.

MOVED BY Dolores Heisinger, SECONDED BY Gregory Lee, THAT the draft of 2013 Budget as presented for the Villas with the changes to the Capital Reserve Expenditures is approved, Motion carried.

3.- Next Meeting:

The Annual General Meeting of the Villas at Club Intrawest Zihuatanejo A.C. on Monday, February 18, 2013 at 10:00am PST at the offices of the Intrawest Resort Club Group at 326, 375 Water Street, Vancouver, B.C.

Termination of the meeting: MOVED BY Gregory Lee SECONDED BY Dolores Heisinger, THAT the Board of Directors meeting be terminated at 12:22 Motion carried.