

This meeting took place at the Ferrex Offices in Vicente Guerrero beginning approx 10:45 AM

Present were Juana, Cesar, Rafa and Chet. Teri arrived at the office about noon, but did not take part in the discussions.

Items discussed:

1. The appropriate entity for the management of the property is an "Association of Participation" This new entity will be a cooperative association created by and held by the owners of the Costa Brava land parcel.
2. Pozo del Agua - The Well: Costa Brava's well has a permit that is current and was paid for by the Costa Brava Community. The name on the well permit however is Fermin's. It was discussed and agreed that the well permit should be held in the name of the new Association of Participation. All parties will work toward the accomplishment of this.
3. Development of the Property: A study of properties comparable to Costa Brava was discussed. It was agreed that Costa Brava must be competitive in price and offering with other properties. Fair market values were discussed and a pricing strategy was agreed upon.
4. The "[Marketing Plan](#)" was reviewed and discussed. All points were considered and deemed appropriate.
5. The following chart was discussed at length. Rows A, B, C, and D were agreed upon as appropriate. Row E was considered to be difficult because "indefinite" is neither legal nor practical. It was discussed that "indefinite" could be for the life of the existing rent holder or perhaps changed to 100 years. We are waiting for a legal opinion on this issue so that we are in

compliance with Mexican law.

"LRA" is an abbreviation for "Land Rental Agreement", which is the term that will be used instead of the word "lease".

	<b>Condition of the agreement with Jaime</b>	<b>Rights &amp; responsibilities of the charter member</b>	<b>Impact upon future buyers</b>
<b>A</b>	<ul style="list-style-type: none"> <li>• Term of lease has NOT expired</li> <li>• Lease is paid in full</li> <li>• Lease has a renewal clause.</li> </ul>	<ul style="list-style-type: none"> <li>• A new LRA will be issued for the time left on the original agreement.</li> <li>• Subsequent LRAs will be issued according the terms of the original agreement.</li> <li>• Once term of original agreement has expired, new LRAs will be issued according to current procedures &amp; practices.</li> </ul>	<ul style="list-style-type: none"> <li>• Buyer will assume remainder of the original LRA</li> <li>• Subsequent LRAs will be issued according to the terms of the original agreement.</li> <li>• Once the term of original agreement has expired, new LRAs will be issued according to current procedures &amp; practices.</li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>• Term of lease has NOT expired</li> <li>• Lease is paid in full</li> <li>• Lease has NO renewal clause.</li> </ul>	<ul style="list-style-type: none"> <li>• A new LRA will be issued for the time left on the original agreement.</li> <li>• Subsequent LRAs will be issued according to current</li> </ul>	<ul style="list-style-type: none"> <li>• Buyer will assume remainder of the original LRA</li> <li>• Subsequent LRAs will be issued according to current procedures &amp; practices.</li> </ul>

		procedures & practices.	
<b>C</b>	<ul style="list-style-type: none"> <li>• Term of lease has NOT expired.</li> <li>• Lease is NOT paid in full</li> <li>• Lease has a renewal clause.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Money due must be paid in full to Ferres. (If money is not paid in full to Ferres, claim to property will be considered abandoned.)</b></li> <li>• A new LRA will be issued for the time left on the original agreement.</li> <li>• Subsequent LRAs will be issued according to the terms of the original agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• To sell with money owed: money due Ferres &amp;/or the BdM/Ferre association must be paid in full <b>before</b> a LRA will be granted to the new owner.</li> <li>• The new LRA will be for unexpired period of time &amp; renewals will be according to the original agreement.</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>• Term of lease has NOT expired</li> <li>• Lease is NOT paid in full</li> <li>• Lease has NO renewal clause.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Money due must be paid in full to Ferres. (If money is not paid in full to Ferres, claim to property will be considered abandoned.)</b></li> <li>• A new LRA will be issued for the time left on the original agreement.</li> <li>• Subsequent LRAs will be issued according to current</li> </ul>	<ul style="list-style-type: none"> <li>• To sell with money owed: money due Ferres &amp;/or the BdM/Ferre association must be paid in full <b>before</b> a LRA will be granted to the new owner.</li> <li>• New LRA will be for unexpired period of time &amp; renewals will be according to the original agreement.</li> </ul>

		procedures & practices.	
<b>E</b>	<ul style="list-style-type: none"> <li>• Term of lease has NOT expired</li> <li>• Lease is paid in full</li> <li>• Lease has an <b>indefinite term</b>.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Still under discussion:</b> A 'comodato' lease will be issued for the length of the life of the lease holders or 100 years</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Still under discussion:</b></li> </ul>

6. The Ferrer would like to grant "lifetime" privileges to Bob Ewing in return for his kindness and friendship over the years. It was agreed that the Association of Participation would offer Mr. Ewing a comodato on his residence property only until he ceases to live at Costa Brava. After that transition, the property would either 1) revert to Costa Brava, or 2) be granted to the grandchildren of Don Pepe, depending upon certain events.

7. The "Mission House": The owners of Costa Brava will work together to settle the dispute with the Mission. It is the intent of the owners to offer the Mission a legal alternative to the "ownership" that they were offered by Jaime. It is hoped that the Mission Board of Directors will accept.

The meeting was over at about 12:30 PM.