

## Summary of Jan 18<sup>th</sup> Meeting.

Present at the meeting were Rafa, Jorge, Miguel and Fermin (arriving late), Barbara, Rose, Donna, Russ and Chet. Also present to aide in the discussions was Cesar Valdez, BDM's advisor and accounting consultant.



Summary below written by Chet  
(I acted as the spokesman for Bravo del Mar in this meeting.)

The purpose of the meeting was to finalize the proposed Agreement of Participation between the Ferre family and Bravo del Mar for the management of the Costa Brava Property.

1. A 2008 budget was the first item presented to the Ferre brothers. The budget showed what we think is reasonable to expect for the year 2008. It was made clear that the budget presented was not a promise of things to come, but rather a "best guess" of what we hope to happen. The budget showed income and expense, and how revenues might be distributed if the forecasted events became true.

*Some background: At a previous meeting between Rafa, Cesar and me, Rafa requested to see an accounting of what revenues could be raised and how they would be spent. To honor this request, I prepared a tentative budget for the Association (with lots of help from other BDM members).*

About this time the last of the brothers arrived to participate in the meeting. It became quickly apparent that there is disagreement between the brothers regarding the best way to proceed. Some member(s) of the Ferre family want to receive money now, and would like to have their interest purchased outright. Other members of the family are ready to proceed with an Agreement that will allow a viable business to be created allowing the generation of revenue for 2008.

With all due respect to the brother(s) who would like immediate compensation for their share, I responded that it is not possible for BDM to purchase a family member's share outright, the money is simply not available at this time.

I pointed out that BDM and Ferres have different ambitions for the property:

- Ferres want income.
- BDM wants a secure neighborhood with legal documents insuring residents legal right to occupy the property. Additionally BDM must pay off existing debt.

2. The discussion then moved to proceeding with the Agreement. I proposed that it makes sense to proceed so that the property can begin to generate revenue. However, the Ferrés were unable to reach agreement amongst themselves about whether or not proceeding with the Agreement was the best thing to do.

3. The next topic of discussion centered on questions about the agreements made by Jaime. At this time, the Ferrés are uncertain about the agreements that Jaime made with the individuals at Costa Brava. Although they have consistently stated that they understand their obligation to honor prior agreements, they have no definitive understanding of what those agreements actually are.

In response, I agreed that BDM would review every document in our possession, examining each to see what the terms and conditions of each agreement are. (This has been done and a summary sheet was delivered to the Ferrex Office and to Fermin on Tuesday morning January 22<sup>nd</sup>).

4. Lastly, it was agreed that in order to proceed it was necessary for the property to be surveyed. A survey will establish and confirm what lots are occupied, what lots are available, location of water and sewer lines, identify locations of easements and make recommendations for the location of new easements to accommodate the growth of the community.

The cost of the survey is estimated to be \$10,000 USD. The Ferrés agreed that it was appropriate to proceed and that it was appropriate for the cost of the survey to be divided amongst the owners according to each owner's share of ownership. Rafa signed a letter on behalf of the Ferrés indicating agreement to proceed and committing to the responsibility of sharing in the cost of the survey.

The meeting was adjourned with handshakes all around.

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It is my opinion that this was a positive meeting even though we did not reach final agreement. I believe this because:

1. Doubts and misgivings were (finally) expressed openly and were responded to honestly and openly.
2. BDM had another opportunity to reaffirm that we will continue to operate in a manner that is intent on upholding the best interest and needs of all owners.
3. We are able to proceed with an important next step...the survey.

Clearly the brothers have a lot they need to settle among themselves. There are different levels of understanding, different financial desires, very different personal styles and different levels of trust. I sensed frustration and a bit of embarrassment in several of them.

One more thing I need to mention. One of the brothers took me aside and told me that they realize that there are some folks who are spreading rumors with the intent of creating discord and mistrust. He wanted us to be aware that they don't believe everything they hear...and neither should we!

Finally, this summary is my own and reflects my personal recollections and feelings of the meeting. Because I expect these notes to be freely passed around (even to people who are not members of the corporation), I want to make clear to everyone that I firmly believe that the proposed Association of Participation Agreement between Bravo del Mar and the Ferre Family is the ONLY way to meet the needs of all owners. Also understand that there is not now, nor will there ever be any intent to cheat or defraud anybody involved of what is ethically and legally their due.

If you ever hear anything contrary to this, or have concerns that my actions are contrary to this commitment, speak to me directly.

Respectfully submitted,

Chet Warfel  
Volunteer Advisor to Bravo del Mar