

BRAVO DEL MAR S.A. DE C.V.
ASAMBLEA REGULAR DE ACCIONISTAS - Enero 10, 2009
REGULAR SHAREHOLDER MEETING - January 10, 2009

AGENDA OFICIAL Y MINUTAS
OFFICIAL AGENDA AND MINUTES

- I. Election of Commissary
 - a. Barbara Dahl made the motion “to authorize Cesar Valdez to be our Commisary for the year 2009” The motion was seconded by Dick Paul and passes unanimously

- II. Election of Board Members
 - a. An election was held for the purpose of establishing positions on the Board of Advisors with the following results:
 - i. Chet Warfel was elected Secretary of the Advisory Board
 - ii. Donna Miller was relected as a Member of the Board.
 - iii. Garry Sutherland was elected as a representative of the Cost Brava Water Club.
 - iv. Secilia Parsons was not reelected to the Advisory Board.

- III. Approval of the Minutes of the General Meeting of January 5, 2008
 - a. Russ Reetz made the motion to accept the notes as written. The motion was seconded by Al Thomas. The motion passed unanimously.

- IV. Financial Report – Cesar Valdez presented the 2008 end of year financial report consisting of a Profit & Loss Statement and Balance Sheet for Bravo del Mar. Because there were no sales of Land Rental Agreements through BdM/F there was no income. Expenditures were for Registry, survey, materials for the fence, banking fees, Bravo del Mar/Ferre owes BdM \$76000 pesos. A loss of \$643000 MXN was reported for the year 2008.
 - a. Barbara Dahl made the motion to approve the 2008 financial statements. The motion was seconded by Tom Chapman. The motion was passed unanimously.
 - b. Tom Chapman made a motion to appoint Cesar Valdez as “Special Delegate” to deliver our meeting Minutes to the Notary in Ensenada The motion was seconded by John Grassier. The motion passed unanimously.

- V. 2009 Budgets – A presentation was made by Dick Paul estimating anticipated income and expenses for the 2009 year. The budget was understood to be a working document. Actual income and expenses will vary according to economic conditions and decisions made by CB

residents.

- a. A motion to approve the budget was made by Chet Warfel. The motion was seconded by Tom Chapman. The motion passed unanimously.
- b. John Grassier made a motion that the Sole Administrator can spend no more than \$1000 USD for any expense that is not included within the budget. The motion was seconded by Russ Reetz. The motion was passed by a majority vote.
- c. In the event that money needs to be spent that is not in the budget but has been approved by the membership, it must be “new money” and shall not come from currently available funds.

VI. A motion was made by Russ Reetz to renew the contracts of Cesar Valdez and Enrique Villareal. The motion was seconded by Barbara Dahl and passed unanimously.

VII. Shareholder Transfers –

- a. When property within Costa Brava is sold there is a need to transfer the shares owned by the seller to the buyer. According to Mexican law, this must be done in an “extraordinary meeting” held at a separate time. Concern was expressed that a buyer might be uncomfortable waiting for a once-a-year meeting to be awarded the BdM shares that are due him. An “extraordinary meeting” requires a 30 day notice to all shareholders. It was suggested that tri-annual meetings be scheduled for 2009 to deal with the need for share transfers.
- b. Proxies can be written to cover particular and specific issues. The use of proxies may be helpful when sufficient share holders cannot attend an “extraordinary meeting”.
- c. A motion was made by Barbara Dahl that Bravo del Mar shares be transferred as follows
 - i. From John Graesser – one share to Ray Graesser
 - ii. From Chester Warfel – two shares to Rebecca Warfel
 - iii. From Leah Feehrer – two shares to Greg Billings
 - iv. From Mary Hoppes – two shares to Rose Burr
 - v. From Monte Rose – 2 shares to Bob Dixon

The motion was seconded by Tom Chapman and passed unanimously.

VIII. Re-evaluation of Bravo del Mar Assets – Current capitalization of BdM is inaccurate due to incorrect values stated at the time of purchase from the Olivers. There is a need to revalue the capital of the corporation so that we are correctly valued in the eyes of Hacienda.

- a. Barbara Dahl mad a motion to increase the capital in Bravo del Mar through an assessment of up to \$180,000 USD to comply with the needs of the corporation. The motion was seconded by Chet Warfel

and passed unanimously.

- b. A motion was made by Barbara Dahl to add reevaluation of the assets of Bravo del Mar to the agenda. The motion was seconded by Russ Reetz. The motion passed unanimously.
- c. Barbara Dahl made a motion “that a study be made to determine the actual value and revise the book value of Bravo del Mar shares.” The motion was seconded by Russ Reetz and passed unanimously.
- d. Barbara Dahl made a motion that once the study is completed, Bravo del Mar will hold an “extraordinary meeting” to update the share value and adopt new share classifications. The motion was seconded by Russ Reetz and passed unanimously.

IX. Annual Lot Price Adjustment – Chet Warfel made a presentation asserting that because of our inability to obtain building permits, the world economy, fear that some have of crossing the border and other factors, Costa Brava is overpriced. Chet suggested that we significantly reduce our prices in order to steer new customers to Costa Brava. He presented price charts with price reductions from 1/3 to ½ current published prices. Shareholders were asked for their input on these pricing ideas.

- a. a motion was made by Barbara Dahl that Chet meet with the Ferre family to discuss this new pricing strategy. The motion was seconded by Rose Burr and passed unanimously

X. Rent Renewal Proposal – Chet Warfel made a presentation regarding the need for realistic rent renewals for Charter Members of Bravo del Mar.

Whereas

- a. the Ferre family has declared that they are not inclined to honor the renewal clauses written into contracts by their brother Jaime, and
- b. renewal at current published prices is unrealistic and
- c. Charter Members have already paid significant amounts

A motion was made by Barbara Dahl and seconded by Rose Burr that Chet meet with the Ferrer family to discuss realistic pricing strategies for Charter Members.

XI General information / Updates

- a. Building permits – Rafa will meet with the inspector and his superior in Ensenada on Tuesday January 13, 2009 to see if we can obtain permits.
- b. CB Water Club – Garry gave an update of the financial condition of the Water Club.
- c. Haynie House – House can be used as a rental as is. Chet Warfel made a motion to attempt to sell the house “as is”. Russ Reetz

seconded the motion and it passed unanimously.

- d. Kelly House – Discussion as to how to tear it down. Some of Kelly's belongings are apparently still on sight. Jack, Charlotte and Marina will see to it that personal belongings are removed.
- e. Loan Assessment – payments have been made. There is a remaining balance of \$80,849.13. Seven shareholders have made no payment toward their share of the debt.
- f. Map distribution – Maps of Costa Brava with street addresses have been give to various businesses in the community.
- g. An electronic bulletin board has been established to contain all information about the official business of Bravo del Mar. Email updates will no longer be sent out by the BdM secretary. It is the responsibility of the shareholders to register on the bulletin board and view corporate information.

XII. Security Measures

- a. Cameras – discussed as an effective deterrent.
- b. Fence – Completed down the south side of the property. Fencing on the east side was done in a manner that shall establish our “prescriptive claim”.
- c. Gate Vote – gate is locked each night and unlocked each morning. During the day, the gate is either left open or closed depending on the decision of the last person to pass through.
- d. Money to Police – The CBWC will meet to decide how to deal with donating good will funds to the local police department. Chet Warfel made a motion to refer this matter to the CBWC. The motion ws seconded by Rose Burr and passed unanimously.
- e. Security Services –Tom Chapman discussed security services used at other locales in the area. Estimated costs of \$130-\$140 yearly per household were discussed.

XIII. Other Shareholder concerns

- a. Garry and Bob Lloyd are concerned that a better Costa Brava sign be visible from the highway.
- b. Concern was expressed about a shareholder who rents his house, stays in his camper but performs his hygienic and sanitary activities in places that are in the clear view of neighbors.
- c. A request was made to have the financial statements for Bravo del Mar / Ferre available to Bravo del Mar shareholders.