

BRAVO DEL MAR BOARD MEETING NOTES/MINUTES
Saturday, September 26, 2009
Rose's casa @ 10:00 a.m.

OLD BUSINESS

1. Approval of Minutes - There was one correction to the minutes of the July 11 meeting. The minutes incorrectly stated that the Guitierrez's had amounts due. With that correction Rose moved acceptance, Bob seconded: Passed unanimously

2. Treasurer's Reports – HSBC has again closed all our accounts. The decision was made in Mexico City. The reason is unclear. Rose and Barbara will work with the bank to reopen the accounts. All payments to BDM or BDMF must be wired to either the dollar account OR be paid in pesos. Current balance in the BdM accounts total \$32,851.33. Current balance in BdM/F accounts total \$99,2072.23 Detailed financial statements for the year will be available at the annual meeting.

a. Wired payments – Due to closed accounts. No wire transfers can be accepted at this time. This problem is expected to be resolved this week. Once accounts are re-opened, all payments to BdM and BdM/F need be made by wire transfer or made in pesos.

b. Loan Update – All payments on the outstanding loans to BdM are current and funds are set aside for payments due in 2010. \$72,724.28 is still owed on our loan to purchase 20% of Costa Brava.

Bob moved and Rose seconded a motion to apply, with Cesar's approval, 80% of the projected 2009 profits in BDM to the 20% land purchase loan's principal. Motion approved.

c. 2010 Budgets' workshop – Budgets were presented for BdM and BdM/F. BdM - Anticipated revenue for 2010 for BdM is estimated to be \$68,322 with expenses estimated to be \$28,106 leaving a gross profit of \$40,216 before taxes. Taxes are estimated to be \$21,260 leaving an after tax balance of \$18,956. The budget committee recommends that this be applied to any balances remaining on the loans. Bdm/F – Estimated income for BdM/F is \$36,423 with expenses estimated to be \$10,605 leaving a gross profit of \$32,018 before taxes. Taxes are estimated to be \$18,965 leaving an after tax balance of \$13,053.

These budgets reflect ANTICIPATED income and expenses and will not reflect actual amounts.

d. Renewals - 7 shareholders took advantage of the special pricing that was available.

e. Membership billings – New members to the corporation. (Does not apply to Charter Memberships but applies to “General Members” who are assessed \$600 annually for maintenance of their shares) Motion made by Marina : Payments should be made in full yearly prior to July 1st. Payments must be made in cash in Pesos. Payments not made by July 1st will have a penalty of 10% added to the amount due. Motion seconded by Bob. Passed unanimously.

f. Notary/Registry fees for comodatos will be approximately \$175. Bravo del Mar Ferre will be paying what they owe Bravo del Mar this month. The notary charge for a General meeting is \$300 and \$500 for an Extraordinary meeting.

g. General comments – Fees charged by the bank appear to be arbitrary. Wire fees vary from \$12 to \$40 depending on where the monies originate and what international bank is used as the intermediary. Our bank HSBC charges \$10 per transaction plus \$1 for taxes.

3. Administrator's Report - Rose: All Board of Advisors meeting are open to all members and all members are welcome to attend.

a. Board re-organization – Rose will be limiting the number of advisors on the board to five members. Bob Lloyd is up for re-election and Cyd is to be confirmed. Chet has served three years and will be retiring from the board.

b. Bulletin board – The bulletin board format will be changed. It will be used to post information and update shareholders on new events and changes. Postings will be made by committee chairs. Questions regarding events can be addressed directly to the committee chair by email.

c. Taping of minutes – If anyone would like to bring a tape recorder and record the meetings, they are welcome to do so.

d. The Administrator has decided on new boundaries. She will gladly answer questions addressed to her, however she will no longer allow herself to be subjected to communications which contain personal attacks or either direct or indirect accusations that she has directed BdM in an unethical manner. If email of this type is received, the sender will be warned, if another of this type is received the sender will simply be “junked” and will not receive a reply.

4. Corporation Clarifications

a. Members with additional property – Several members have acquired lots other than those of their primary residence. There is a guideline in place for this situation but it's meaning needs to be clarified. It was decided that this issue should be taken to the Annual Meeting to let the shareholders decide.

b. Proxies – If a member cannot attend a meeting, that member can give a proxy to another member to vote on his/her behalf. The proxy giver can direct that the voting member vote in a specific manner on specific issues, OR the proxy giver can give the voting member discretion to vote as the voting member sees fit. It is the responsibility of the shareholder to be specific about the nature of the proxy.

c. Vote per shares – Each member holding 2 shares is allowed 1 vote on any issue. A member holding 4 shares is allowed 2 votes on any issue. A member holding a proxy is (obviously) allowed to vote again on behalf of the proxy.

5. New Contracts – Update Report

Enrique will let Rose know when he is ready to begin everyone's new Comodato/Land Rental Agreement. Rose will then notify the members.

a. Comodatos & Land Rental Agreements – Official translations are

needed. These contracts will be created for the shareholder with no charge from the attorney. However if the contract is to be registered with the government the cost for a comodato is \$175. LRA's will cost \$100 plus a percentage of the value of the contract. (Members are advised to include spouses, kids etc. to their contracts to provide continuity to the contract in the event of a death.)

b. Financing of Land Rental Agreements – Motion made by Chet, seconded by Bob: All financed LRAs, regardless of the length of the agreement, must be paid in advance and in full in a time period that is less than 9 years, 11 months, with a down payment of not less than 50% of the total amount due, and at an interest rate of not less than 10%. Motion passed unanimously.

6. Committee Reports

Building permits – Barbara

a. Status- Our surveyor, through a direct connection with a shareholder, has been given direct access to the chief of planning for the county of Ensenada.

b. Set asides/costs of fraccionamiento – Sr. Cueva will be presenting BDMF with a list of all that must be done in order to become a subdivision. He will include all costs. A percentage of our property must be set aside and donated to the government.

c. surveying – All open areas must be surveyed with lots identified. Property taxes per parcel will be paid by BdM/F

Guidelines/Planning – Cyd

Cyd has taken charge of this committee. Her committee consists of Bob Dixon, Garry Sutherland and Al Thomas.

a. Submitting plans to committee. Plans for improvements to a lot should be submitted to Cyd

b. Obtaining a building permit – BdM/F will obtain building permits on behalf of the shareholder. The shareholder must pay all costs.

c. Clarification and/or additions to guidelines - The committee will present changes and clarifications to the guidelines at the Annual Meeting.

Maintenance - Bob

a. Fence - Al Gaston is fixing the fence where he cut it so he could walk their dogs.

b. Road – There are several areas where the roads need attention, especially if there is an El Nino this year. Bob and Chet will review these areas and make a recommendation to the board.

Offers Committee – Barb

a. Role of the Committee is to “Receive, Consider, Respond”

b. The status of all offers received have been listed on the Bulletin Board.

c. Committee procedures and the form used for people wanting to make offers was passed out. This form includes gathering information for credit checks, if necessary, and general information.

7. NEW BUSINESS

1. CBWC - Garry was asked for a date for the CBWC Annual Members meeting so we could plan Bravo del Mar's Extraordinary and General meeting dates and time. Garry did not respond with date in time for this meeting. Water Board members are Garry, Ron, Eric and Charlotte.

2. Extraordinary Meeting

- a. An Extraordinary meeting will be held on January 1, 2010 at Rose's house. Since 100% participation is required, this meeting will be adjourned to the following day, January 2, 2010, at 10:00 a.m.
- b. Only shareholders of record can hold proxies. There is a specific proxy form for this meeting if anyone wants to use it. However, the regular proxy form will also work for this meeting and the General meeting both.
- c. Marina and Ron McDearmon have volunteered to record the attendees and all proxies and obtain all necessary signatures.
- d. Minutes will be taken by the Bravo del Mar Secretary.
- e. The agenda for this meeting will consist of adopting two share classifications, Charter and Regular, and the transfer of shares.

3. General Meeting

- a. A General meeting will be held on January 2, 2010, at 10:30 a.m. The place will be announced later.
- b. Marina will handle the election's process.
- c. Only shareholders of record can hold proxies.
- d. Marina and Ron McDearmon have volunteered to record the attendees and all proxies and obtain all necessary signatures.
- e. All motions will be recorded for the official minutes.
- f. An agenda needs to be mailed to all members one month prior to the meeting. Anyone having items for the agenda, please contact Rose.