

Bravo del Mar S.A. de C. V.
Annual Meeting Official Minutes
January 2, 2010

Call to order & Opening statements: 10:30

Opening statements:

1. 5 year contracts are good until new ones are available
 - a. Ferres must show the courts that Diana owned 8% of the land.
 - b. They must provide this information to the court before it can be adjudicated by the courts allowing Neitza to become a party to the partnership agreement.

2. Clarification/reminder: One vote/share

I. Election of Commissary: Must be a separate person who cannot be both Administrator and Commissary (external auditor)

Motion to elect Filipe Garcia as commissary for 2010 by Rose, Second by Juana
Motion passed.

II. Motion to approve minutes of General Meeting from January 2009(Rose, Juana 2nd) Passed Unanimously

III. Treasurer's Reports (Cesar)

Bravo del Mar

1. Profit and loss statements presented.
 - a. Jan. 1st – Dec. 31st, 2009
 - b. BdM is reporting a loss therefore no taxes
2. Balance sheet
 - a. Capital reserve will be added to the value of each share when all members have paid for their founders shares
 - b. Losses can be carried forward for 10 years to offset taxes owed.
3. Loan – Assessments/payments: \$74,176. 32 still owed
 - a. In Jan 2009: balance = \$81,295.52
 - b. Amount payable in 2010 = \$15,796,62

Bravo del Mar Ferre

1. Accts payable: \$1200 due from BdMF to BdM
 2. Taxes (38% on dividends, 28% on income)
 - a. 107,000 at 28% (\$29,960), leaves \$77,040+ for both corp.
 3. \$25,000 in reserve for fraccionamiento
 4. \$21000 to BdMF, \$31000 to BdM
- Motion to approve financial statement by Rose. Seconded by Marina - passed

IV. Memberships – When do you need one?

1. One owner/one membership

- a. If more than one lot is owned: Lots cannot be combined unless rental periods coincide.
- b. If a member has rented multiple lots, he is only required to have one membership. A second membership is only required if a structure is built on the other parcel(s) which includes a kitchen, or when the member sells the other parcel. Motion by Rose. Seconded by Garry Passed unanimously

2. Delinquent Members

- a. Any member who is not current with monies owed to BdM will be considered “a member not in good standing” and will not receive their LRA until they have paid in full.

Motion by Rose. Seconded by Barbara. - passed

3. Dues – Billing / Payments

1. Memberships – Price for Class B share purchases must be in Pesos.

Rate is \$65000. Class B shareholders will be assessed \$600 annually. Provision for this must be included in the LRA.

V. Committee Updates

1. Community Guidelines.

- a. no fireworks in CB - passed
- b. no excessive noise before 7AM and after 10 PM - passed
- c. speed limit on our roads 10 mph - passed
- d. no off road use – road use only - passed
- e. homes for residential use only, rental OK, no retail – passed
- f. security lighting OK, not to bother neighbors – passed
- g. RVs and trailers may park while visiting, but may not leave it behind for longer than 1 month

2. Architectural Guidelines

- a. One single family vacation home per lot. Lots cannot be subdivided. No apartments, condominiums or other multi family structures. - passed.
- b. working set of plans need to be submitted to architectural committee. – passed.
- c. Lease holder must pay all fees – passed
- d. First item to be constructed on any lot must be a pila – passed
- e. black water lines must be connected to BdM – passed
- f. Home must be light in color – defeated
- g. roofing – Mexican style roofing must be used. - passed
- h. homes must be built on site – no mobile homes or trailers – passed

- i. OK to reside in trailer or RV during construction < 18 months (Or get extension from Building permit committee) – passed
- j. building materials for construction must be kept on site – passed
- k. no building materials buried on empty lots without owners permission – passed
- l. If there is damage to adjoining lots, repairs must be made by the owner of the construction site. - passed
- m. Rules for wall heights and setbacks - defeated

3. Land Rental Agreement Committee

- a. Accept recommendation made to the LRA committee by the Board. Financing will be offered for a period no longer than 9 years 11 months. At no less than 10% interest with 50% down. Motion by Chet. Seconded by Rose. - passed
- b. LRA are taxed at 11%. Renter to pay the tax. IVA tax on LRAs will be passed on to the renter of the property of the structure at the time of the LRA being issued. Motion by Chet. Second Rose. - passed

4. Website / Bulletin Board

- a. Bulletin Board no longer supported. All corporate documents will be posed on an information page on the costabravabaja.com website.

5. Costa Brava Subdivision: The subdivision is necessary because of the building permit problem and also the Mexican government's move to bring places like Costa Brava into compliance with Mexican law

- a. Master Plan – Necessitated by our agreement with the Ferres and Mexican government in order to get building permits.
- b. Requirements for placement of utilities, width of roads etc.
- c. Prep work ≈ \$44,000 (not include labor)
- d. 6 “F” steps to complete the Fraccionamiento process.
- e. permits will be granted as we move through the process. (Must comply with the 1st three out of five conditions are met.)

VI. Hiring the Administrator

Motion to contract Cesar Valdez as sole administrator for a year at \$500/month plus expenses, with with full power of attorney For Lawsuits and Collections , for Acts of Administration and for Executing Negotiable Instruments: Without Power of Attorney for Acts of Ownership. Motion by Rose. Second by Chet – passed

VII. 2010 BdM and BdMF Budgets

- 1. Budgets presented. Motion to approve budgets with corrections. Motion by

Rose. Second by Becky – passed

2. Use of Profits from 2009

- a. \$25,000 toward subdivision = 60 (\$15,000)/40 (\$10,000) split
- b. Regarding outstanding loans: In addition to our regular scheduled payments, BdM will pay \$34,300 immediately, \$8,093 (April), \$8000 (Sept.) Payments two and three are dependent upon BdM having the funds.
Motion by John. Seconded by Ron- Passed

VIII. Shareholder Concerns/Issues

1. Roads: Ron McWhinney – Ferres will be approached to see if they will assume responsibility for bringing the roads to standard.

IX. Meeting Adjourned at 3:00