

BRAVO DEL MAR CORPORATION
BOARD MEETING MINUTES
December 1, 2007

Rose called the meeting to order at 10:05a.m. at her home in Costa Brava.

Chet Warfel, Roberta Wolf, Rose Burr and Barbara Dahl were in attendance. Becky Warfel sat in on the meeting. Absent: Donna Miller, John Graesser, Bob Lloyd, Secilia Parsons, Russ Reetz, and Cesar Valdez.

The minutes for 10/6/07 were approved unanimously.

As of November 30, 2007, we have \$19,760.00 in our dollar account and 8,615 in our peso account in HSBC.

Roberta reported we have accounts payable due Cesar, Enrique, Rose, Clemente and Navarette. Barbara made a motion and Rose seconded we pay Cesar's charges which were over and above his monthly fee. It was passed unanimously. Barbara made a motion and Rose seconded we pay Clemente for work he did for the Corporation as part of the 20% purchase from Marta. It was passed unanimously. Barbara reported Enrique thought the bill for \$1,000 from Navarette, the attorney in San Quintin, was excessive. Roberta said he has been paid \$310 to date for his work. We will try and negotiate a settlement with him for no more than \$500. Rose and Enrique were being reimbursed for out of pocket Corporation expenses.

A preliminary budget for Bravo Del Mar and Bravo Del Mar Ferre was presented. It was discussed line item by line item and Chet will prepare a revised budget for the annual meeting in January with as few guesses as possible.

Letters were sent with return receipt requested to Nolo Gaston and Jim Reser regarding past due membership payments. Jim Reser's return receipt was received. Rose got a phone call from Sharon Reser and she promised to pay the balance in 4 payments. The first payment would be made in November and Sharon would include a payment schedule for the additional monies owed with her check. Rose will be picking up her mail in the U.S. when she goes up next week. At that time we will know if we received Reser's November payment and the return receipt on Nolo Gaston. We are also having both Jim Reser and Nolo Gaston sign Mexican

Notes Payable on the amounts owed. If Jim Reser and/or Nolo Gaston do not pay, we can then take legal action. (See attached copies).

Letters were sent to Bill Van Dever and Pat Haney with a return receipt requested, telling them of Jaime's death, the new corporation, and asking them what their intentions are regarding their lots. We have not received anything back from Van Dever, but we have a return receipt from Pat Haney. A letter will be delivered to John Kelly next week regarding his lot. Two witnesses will sign saying he was given the letter. (See attached copy of letters.)

A letter will be given to Claire Harder telling her of the decision to eliminate the membership requirement for her. It also outlines the terms set forth at the last membership meeting. It will be witnessed. (See attached copy of letter.)

In the Mission lawsuit against the Ferre family, Rafa told the judge the Mission could have legal title to the property. The judge then granted title to the Mission. Chet made a motion and Roberta seconded it, that we spend no more time and/or money at this point. The ball is in their court. It passed unanimously. Rose spoke with Roberto, a member of the Mission Board, and he said they were willing to pay for any fees or assessments that may be charged by the Partnership in the future.

We discussed the fact that Garry is not receiving any nominations to replace Roberta or John on the Board. Rose is going to ask if it is possible to have a Board Member who is not a stockholder in the Corporation.

Enrique Villarreal, our attorney, does not want an annual contract. He would like to act as a consultant to any attorney we might hire to represent us in a lawsuit, negotiations, writing of contracts, etc., if needed. He would also like to continue to advise us on general questions regarding Mexican Corporate law.

Since Cesar was unable to attend the meeting due to the rains, the negotiations' discussion was tabled. Cesar will call Barbara and let her know when he is back in San Quintin and can meet with Chet.

Barbara informed us that you cannot have beneficiaries as part of a comodato contract. You must either put your beneficiaries on your comodato title with you or have a Mexican will listing your beneficiaries. You may list beneficiaries on a rental contract. A comodato must also be for a defined period of time. It was suggested the "forever leases" be defined as 99 years.

A motion was made and passed at our last General Meeting regarding item E under "Impact upon future buyers" that allows subsequent buyers be given new comodatos for their lifetime. It is the opinion of both Enrique and Cesar that this is illegal and must be amended at the Annual Meeting in January. Comodatos may not be passed on and so a rental contract must be written for the new renter. The maximum legal length of a rental contract is 9 yrs 11 mo and 28 days plus 4 renewal periods (approximately 50 years).

After a short discussion the Board decided to recommend to the membership at the General Meeting a transfer fee charge of \$2500 plus administrative costs. Who pays this fee will be negotiated between the seller and the buyer

Chet has done some research on the real estate market in both the United States and Mexico. It seems, because of the large amount of home foreclosures in the U.S., the real estate market has lost approximately 1/3 of it's value in the San Diego area. Mexico is also experiencing poor home/land sales because of bad publicity, poor U.S. real estate market, etc. Chet mentioned it might be more difficult in this environment to rent our land. We discussed the possibility of selling on time, but didn't have enough information to make any kind of recommendation to the membership. Chet will put together an incremental rental payment schedule for our consideration.

Barbara reported she had 3 bids for the survey and was hoping to get a fourth. A general discussion ensued regarding lot size, walkway easements, utility easements, etc. Chet volunteered to walk the property with Barbara and give her his input on various areas.

There will be a couple of additional bylaws. One will cover relinquishing stock upon the sale of your home/lot, and one defining two stock classifications. Chet and Barbara will work on the purpose of the two recommended stock classes in preparation for a vote at the January Annual Meeting.

A motion was made by Rose and seconded by Chet to recommend to the General Membership at the January Annual Meeting a spending limit for the Board of no more than 5% over the budget. It was unanimously approved.

Cesar was unable to attend and the discussion on required reporting and his employment contracts was tabled.

Bob Lloyd is preparing a list of maintenance projects. This list will be discussed and priorities determined at the Annual Meeting.

Garry Sutherland, President of the Costa Brava Water Club, has asked if we would consider having the water club take over responsibility for the septic system. It was decided the decision would be made at the Annual Meeting.

A discussion was held regarding the eventual rental of lots and sale of homes. Who would be here and be responsible for showing lots, writing contracts, etc? We need a contact person. Cesar has been approached about taking on this responsibility for the Partnership. He is respected by the Ferre Family and the Bravo Del Mar Board, speaks English quite well, and lives in the area. He has agreed to do it for the sum of \$500 for each completed sale. This includes, showing people around, writing the contracts, getting the money, registering the stock, etc. In other words, from the start of the transaction until it is completed. Board members have agreed to assist him in the process.

Chet is going to look into an online translating service to see if we can reduce our translation fees.

Rose mentioned it is important to remind members to include in their contracts that their homes are owned separately and are not a part of the contract.

If Bravo Del Mar needs to lend money to Bravo Del Mar Ferre, should they charge interest? We have to be careful, because we don't want to be paying interest to ourselves, or do we? This will be discussed at the Annual Meeting.

Cesar has asked Barbara, as part of her Secretary duties, to remind everyone at the Annual Meeting that any Costa Brava resident may attend the meetings and discuss the issues, but only registered stockholders can vote. If anyone would like to change their stock registration, they can do so with the notary. Barbara did not know the cost of this transaction, but will try and find out.

The meeting was adjourned at 1:30 p.m.

