

MARINA SOL HOMEOWNERS ASSOCIATION REGIME

Draft MINUTES OF THE GENERAL ASSEMBLY MEETING

November 12, 2011

President Penney called the meeting to order at 9:07 am.

Board of Directors, Present:

President	Penney, Henry Dale
Vice President	Seace, Lisa
Secretary	Dutra, Steven David
Treasurer	Luiza, Lorie Alice
Director	Cuomo, Bartholomew Anthony
Director	Peluso, Anthony Phillip
Director	Fawthrop, William Rodney

Vigilance Committee, Present

President, absent	Suveges, Clint Denis
Member	Griffith, Claire Virginia
Member	Walters, Larry, (Lorenzo), Joseph

General Manager, Present Lucia Fregoso, (referred to as the Manager in these minutes).

A quorum was established.

Claire Griffith of the Vigilance committee checked the Board FM3's and found them all to be in order.

Suzanne Gonzales was introduced as the translator. No one indicated a need for a translator.

A Motion was made by Bruce Smith to release the translator. Seconded by Karen Sclafani. The Motion passed unanimously.

Motion 1: To waive the reading of the notice of the meeting. Moved by Bruce Smith. Seconded by Dorine Anderson. The Motion passed unanimously.

Introduction of the Board, Manager, and Vigilance Committee. And Owners.

Motion 2: To approve the notice of the Meeting. Motion made by Bruce Smith. Seconded by Karen Sclafani. The Motion passed unanimously.

Motion 3: To approve the agenda. Motion made by Sidney Smith. Seconded by Terri Nichols . Items J and K were added to New Business. The Motion passed unanimously.

Motion 4: To Waive the reading of the minutes from the April 30, 2011 General Assembly Meeting. Motion made by Paul Joseph. Seconded by Dinah Briggs. The motion passed unanimously.

Motion 5: To approve the minutes of the April 30, 2011 General Assembly meeting. Motion made by Paul Joseph. Seconded by Lorenzo Walters. The motion passed unanimously.

The President's Report: President Henry Penny's report for this meeting was posted to the website, www.marinasolhoa.com, on 10/12/11. The report was not read for the meeting and will be appended to this report.

The Treasurer's Report was presented by Lorie Luiza. All financial reports discussed are appended. Bank balances were reviewed. The insurance reserve fund was discussed. It was established when the hurricane insurance was dropped a few years back. Collections on past due HOA fees were reviewed. We are down to 6 delinquent accounts. Jim Anderson remembered a resolution that required delinquent dues to go to the reserve. The Board is compiling a list of all resolutions made by the GA for the last 10 years and agreed to research this topic. The financials were reviewed.

A Motion to authorize transfer from reserves for this summer's emergency water pump replacement was made by Bruce Smith. Seconded by Claire Griffith. The motion passed unanimously.

Bill Gardener asked for an accounting of the reserve account. President Penney said it would be distributed at the Spring Meeting after the close of the year. Lorie pointed out that this information is always available in the office to all owners.

The Manager's Report, (appended), was presented by Manager, Lucia Fregoso. Written copies were distributed to the assembly. Several questions were asked on the report. Karen Sclafani asked about the expense of the elevator tile. The Board acknowledged that this item was not handled in the best way possible and would no longer accept expenses presented by owners after the fact without previous approval from the Board. A short discussion of the new recycling program and how to make it more effective took place. Owners are urged to place a special recycling container in their condos. Bruce Smith asked about how sewer discharge costs were calculated. The Manager was asked to check on this and report back. The Manager was also asked to check on the possibility of seasonal reductions in the pick-up schedule. President Penney thanked the Manager Lucia for a job well done.

Security Committee Report: was given orally by Jim Sclafani. He spoke to concerns about keeping a guard at the front desk at night and ongoing parking problems in the A building garage. A letter to the Board of Directors was submitted by Security Committee President, John Pinkerman, (absent). John had two concerns: that the guards were still often not in the lobby at all times after 10:00, and that the gate between D and E Buildings was often ajar. It was noted that the Board has directed the Manager to

have a guard in the lobby at all times beginning at 9:00 p.m. Kim Jones expressed the need for a Guard Supervisor. President Penney responded that the Manager has been given the authority to hire a sixth guard and to appoint a guard supervisor when she feels there is a qualified candidate. Bruce Smith and Claire Griffith both noted exterior lights by gates that were too bright. The Manager was aware of these. Adrienne Kenlan felt that a written job description for guards was needed.

Vigilance Committee Report : was presented orally by its various members. Paul Joseph read a letter from absent committee President Clint Suveges, (appended). He complimented the Board, Vigilance Committee and the Manager on a job well done. He urged everyone to continue to work together to make Marina Sol better. Lorenzo Walters commented that things were better than ever. He also commented on the ongoing parking problems and gate security.

BOARD OF DIRECTORS ELECTION

- A. Nominations from the Floor. Chalyne Salgado was nominated from the floor and added to the ballot.
- B. Comments from the Board of Directors Candidates. Bart Cuomo, Chalyne Salgado, Bill Fawthrop, Jan Fawthrop, Adrienne Kenlan, Henry Penney, Lisa Seace, Karen Will.

Motion 6: To elect four (4) members of the Board of Directors.

OLD BUSINESS

- A. Report on Cabo Villas/Marina Sol perimeter wall repairs. Cabo Villas has removed dirt and debris that was pushed against the wall and causing damage. Marina Sol has repaired two badly damaged sections of the wall at a cost of about \$2,000 USD, and is examining the possible need to repair a section behind E Building. Several questions were asked for clarification.
- B. Report on New Condominium Law adoption study. The Board will have an expert answer questions at the next Board meeting. The Board hopes to have a recap and recommendation for the GA by the Spring General Assembly Meeting. Since we have received the official translation of the New Baja Condo laws that was prepared by our attorney, the unofficial translation on the website will be removed by December 1, 2011.
- C. Report on Emergency B-Building Waterline Repairs. Repairs were completed on time and according to the bid. The Manager reports that the system is working fine.
- D. Report on Old Restaurant Conversion to Residential. Claire Griffith reported that only one approval from the City Of Cabo San Lucas was needed to complete the transaction. Bruce Smith questioned as to whether or not the 23011 Master Trust was still in the name of Lynn Lorenz's old corporation. President Penney reported that we had an attorney examining the matter. Jim Anderson reported that this has been an ongoing problem for years.

E. Report on Water Supply and the Well. The previous Manager failed to keep the well permit renewed. As a result, we have lost the rights to use the water from the well. We have discontinued use of the well water to avoid fines. Attorneys have been hired to gain our rights back and are optimistic that we will be able to regain use of the well. Our attorney Susana Gonzales, outlined some of the legal challenges we face.

Currently, the City of Cabo San Lucas has been turning off the water supply on a regular basis for various lengths of time. This has resulted in the need for additional water storage capacity. Bill Fawthrop outlined a plan for a series of 5,000 liter cisterns to be placed in the A-Building parking garage. Storage cisterns cost about \$650 USD each. We would need 8 – 16 cisterns to double our water storage capacity to insure 3 to 4 days of water in the event of a shut-off.

President Penney urged all owners to conserve water through the use of low flow toilets, checking for running toilets and using low flow shower heads.

F. Day of the Dead Celebration. Claire Griffith presented a request to host a fundraiser on November 2nd to raise money for Sarahuaro, a charity that raises money for children's causes. It would be an upscale dinner party around the pool and not a wild drinking party.

Motion 10: (Added to written ballot). Day of the Dead Charity Event: Was added to the Ballot. A motion was made by Leslie Webb recognizing the existence of a previous GA resolution limiting gatherings to 50 people in the clubhouse only, and that this General Assembly approve an exception for this one-time event, November 2, 2012, to be held poolside and exceed the 50 person limit. The General Assembly grants this exception subject to approval of the details of the event by the Board of Directors. Seconded by Paul Joseph.

G. Perimeter Gate Security. Bart Cuomo explained the use of digital keypad gate locks that would eliminate the use of keys and allow more security flexibility. Cost would be about \$3000 USD. Karen Will questioned who would monitor the upkeep of the codes and system. A lengthy discussion took place on the pros and cons of the key code system.

A Straw Poll show of hands showed approximately, 23 in favor and 5 opposed to a keypad code lock. Based on the results of the straw poll, the Board will proceed with the process of researching and selecting a keypad lock system for the perimeter gates.

NEW BUSINESS

A. Addition of new TV Channels. President Penney reviewed the most recent repair/upgrades to the TV system recently approved by the Board to improve signal quality. President Penney presented a proposal for adding 4 channels for a \$1000 USD for equipment and \$3400 USD per year for the additional programming. Many owners expressed their opinions on the television service.

A straw poll showed about 50% in favor and 50% opposed. Since a 75% majority was not obtained, the proposal to add new channels was dropped.

B. 2012 Operating Budget. Version 6 of the Budget was distributed to the GA. Recent changes were high-lighted. Treasurer Lorie Luiza pointed out that the Budget for 2012 was calculated at 11.5 pesos per USD and explained the budget calculating process and comparisons with previous years. The net result was a small reduction in the dues per square foot over the previous year. President Penney and Director Cuomo gave an overview of the budget and reviewed important points. Several questions were asked and answered by the Board. Bill Gardener questioned whether or not we had sufficient money to get us through the last two months of the year. Lorie Luiza calculated that with expected income, that approximately \$94,987 USD would be available for operations from now to the end of the year. This amount is sufficient to cover all expenses.

Motion 7: To approve the Budget. To be voted on the ballot.

C. Elimination of the Spring General Assembly meetings.

Motion 8: To Eliminate the Spring General Assembly Meetings. Pros and Cons were discussed. To be voted on the ballot.

A motion was made from the floor by Adrienne Kenlan to eliminate one Board meeting: Seconded by Kim Jones. The motion failed by a show of hands.

D. Management Access to Individual Units. The Manager needs to have keys to all units for emergencies. Currently, many units do not have keys in the office.

E. "A" Building Lobby Remodel discussion. President Penney asked for discussion and ideas and opinions on remodeling the lobby. Claire had given an estimate to the Board for approximately \$32,000 USD to include smoothing walls and ceilings, adding electrical to facilitate better lighting, new furniture, wrap beams in wood. Several owners expressed their opinion on the proposal.

Straw Poll: on remodeling the lobby. The GA voted approximately 90% opposed to spending money on a lobby remodel.

F. Solar power discussion. Lorenzo and Adrienne Kenlan volunteered to research the possible benefits and application of solar power at Marina Sol. Dianna Lynch shared her positive home experience with solar with the GA.

G. Internet Discussion. Leslie Webb volunteered her husband Matt to help research ways to improve internet access quality. Some owners pointed out that those with landlines can buy DSL reasonably from the phone company.

Bart moved to move \$50,000 pesos from the TV budget to the internet budget with the goal of improving the quality of the internet service. Lorenzo Walters seconded. The motion passed unanimously.

H. Pets: The bylaws regarding pets, (Article 23), was read to the Assembly. Owners were notified that the bylaws would be strictly enforced.

I. **Motion 9:** Temporary Transfer of \$100,000 from the Reserve Account to take advantage of the current favorable exchange rates. These US dollars will be replaced to the Reserve account with the first dues collected in January 2012. To be voted on the ballot.

J. Low hanging pipes and leaking pipes in A Building Parking Garage. The Manager was asked to look into repairing leaky pipes and eliminating any that may no longer be in use.

K. Discussion of revising the proxy system. Lorenzo asked how the proxies were verified. The proxies are verified by the Manager and our accountant Pedro Gonzales. Bart questioned whether or not proxies were still required to have original signatures as opposed to fax or e-mail copies. Attorney Susana stated that the New Baja Condo law permitted this, but that the current law we use does not.

Motion 9: Approve the temporary transfer of \$100,000 USD from the Reserve Account to be replaced with funds from the 2012 Budget.

L. Resolution: Vigilance Committee Terms. A motion was made by Bart Cuomo to resolve that the Vigilance committee be removed November 2012, and every two years thereafter, and new elections held. Seconded by Bruce Smith. Motion passed with only 3 dissenting votes.

REMARKS FOR THE GOOD OF THE ORDER

Motion to adjourn made by Bruce Smith. Seconded by Richard Greenhead. Motion passed unanimously.

Meeting was adjourned at 2:10 p.m.

After the close of the meeting, the following results were announced:

1. MOTION 1 waive reading the notice of the Meeting.....Yes (99%)..... No (1%)
2. MOTION 2 Approved the Notice of the Meeting.....Yes (99%).....No (1%)
3. MOTION 3 Approve the Agenda.....Yes (98%).....No (2%)
4. MOTION 4 Waive reading minutes April 30, 2011 GAM.....Yes (98%).....No (2%)
5. MOTION 5 Aprove the Minutes of the April 30, 2011 GAM.....Yes (99%).....No (1%)
6. MOTION 6 Vote for up to four members to the Board of Directors

	OLD RESULT	NEW RESULT
Bill Fawthrop-----	(23%)-----	23.30%
Henry Penney-----	(22%)-----	22.60%
Bart Cuomo -----	(21%)-----	21.60%
Lisa Seace -----	(14%)-----	13.60%
Karen Will -----	(13%)-----	12.90%
Adrienne Kenlan -----	(4%)-----	03.00%
Janice Fawthrop -----	(3%)-----	03.00%
Chalyne Salgado -----	(0%)-----	00.00%

7. MOTION 7 Approve the budget.....Yes (87%).....No (13%)
8. MOTION 8 Eliminate the Spring General Assembly meeting.....Yes (40%).....No (60%)
9. MOTION 9 Transfer 100,000 usd in to the Reserve Account in January 2012.....Yes (95%).....No (4%)

10. MOTION 10 Approve to Celebrate Death Day to support SARAHUARO Foundation
Yes (76%).....No (24%)

Note: MOTIONS 1, 2, 3, 4, 5, 7, 8, 9 and 10 TO BE APPROVED According with the Bylaws is necessary THE MINIMUM 75%.

Respectfully submitted,

Steven Dutra

Secretary