

MARINA SOL HOMEOWNERS ASSOCIATION,
REGIME OF MARINA SOL
HOME OWNERS MEETING
MEETING TOOK PLACE IN THE MARINA SOL CLUBHOUSE
MINUTES FROM THE MEETING – NOVEMBER 10, 2007, 9:00 A.M.

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FIRST CALL AT 7:00 A.M. (Completed)
SECOND CALL AT 8:00 A.M. (Completed)
THIRD CALL AT 9:00 A.M. (Completed)

MINUTES FROM THE MEETING

The meeting was called to order by President: Rick Greenhead at 9:28 a.m.
Present were:

Greenhead, Richard Bernard, President
Penney, Henry Dale, Vice President
Joseph, Paul Edward, Secretary
Gardner, William Tell, Treasurer
Cuomo, Bartholomew Anthony, Director
Fawthrop, William Rodney, Director

Waldie, James Melvin, Vigilance Chairman
Faulkner, Thomas, Vigilance
Suveges, Clint, Vigilance

Aurello Cruz Chona - Manager

President Rick Greenhead turned over the Chair of the General Assembly Meeting to the Secretary, Paul Joseph.

The General Assembly was asked if there was anyone that wanted to make a Motion to have the meeting translated in Spanish; **MOTION:** Motion made from the floor to have the meeting translated in Spanish, Motion seconded. **APPROVED.**

All Board matters discussed from this point forward were translated English to Spanish or Spanish to English.

There was a call to order and it was stated that there was the establishment of a quorum. Question from the floor was made as to what percentage of the general assembly and proxies made up a quorum for this meeting. The Chair reminded the Assembly that there was a First, Second and Third call to establish a quorum; and the percentage of representation was approximately 76%.

Before proceeding, according to the printed Agenda, a Homeowner wanted to make a motion that we change the order of the Agenda for Motion #9 in place of Motion #7 to approve the

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budget and Motion #7 in place Motion #9 to elect the five Board of Directors. **MOTION** made **SECONDED APPROVED.**

Reading of the Notice of Meeting was deferred until addressing Motion #1 on the Agenda.

EACH BOARD MEMBER INTRODUCED THEM.

INTRODUCTION OF THE MANAGER.

INTRODUCTION OF ALL HOMEOWNERS PRESENT AT THE GENERAL ASSEMBLY.

MOTIONS ON THE BALLOT:

MOTION #1: To waive the reading of the Notice of the Meeting. Motion made, seconded, **APPROVED.**

MOTION #2: To approve the Notice of the Meeting. Motion made, seconded, **APPROVED.**

MOTION #3: To waive the reading of the Minutes of May 5, 2007 meeting. Motion made, seconded, **APPROVED.**

MOTION #4: To approve the Minutes of May 5, 2007 Semi-Annual General Assembly meeting. Motion made, seconded, **APPROVED.**

REPORTS:

President's Report: Rick Greenhead (see attached). Building D sidewalk and road have been concreted, hopeful that City will use curved stones. Buildings C, D & E - stairs completed – needs finishing with sealers. Building A has been re-carpeted. There were cosmetic repairs done to the pool but will require major repairs in the future. Remodeling went very smoothly. Guests have broken buoys. Perhaps we can have someone obtain new ones from the U.S.

MOTION to approve President's Report made, seconded – **APPROVED.**

Treasurer's Report: (verbal report) Bill Gardner stated that the full year report for 2007 will be presented at the Semi-Annual General Assembly in May 2008. He indicated there is a shortfall of \$42,000. An error of \$16,000 on the 2007 budget was found and there were more expenditures than anticipated revenues. One homeowner has not paid their dues in the sum of \$10,000 which is not reflected on bad debts. The most significant increase in actual operating expenses YTD would be the increase in water costs.

NOTE: This report was not a discussion of the budget but simply a report from the Treasurer.

MOTION to approve Treasurer's Report, made, seconded – **APPROVED.**

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Manager's Report: See attached. After a discussion of a few items on the report, a Motion was made to approve the Manager's Report, seconded – APPROVED.

Vigilance Committee Report: MOTION was made to approve Vigilance Committee Report, made, seconded – APPROVED

The Chairman, Paul Joseph, stated that the paperwork that was handed out by the Manager concerning Motions #5 and #6 would appear to be very complicated but in essence, Motion #5 would be to correct the technical name of the Homeowners Association. Motion #6 would be to correct the social status of the civil association for the minutes of the May 2006 and November 2006 of the meetings.

Romina clarified in English and translated in Spanish the importance to make these changes and have them approved by the General Assembly.

MOTION #5: To clarify with respect to the name of the homeowners association (Asociacion de Usuarios de Marina Sol, A.C. In the minutes of the meetings held on May 7, 2006 & November 11, 2006. Motion was made, seconded and APPROVED.

MOTION #6: To modify the social status of the civil association in the minutes of the meetings held on May 7, 2006 & November 11, 2006. Motion was made, seconded and APPROVED.

MOTION #7 (previously Motion #9 on the ballot): To elect five members to the Board of Directors. The Chairman, Paul Joseph, asked those who were running for the Board to fill the five vacancies to say something on their behalf. Lorie Luiza (A-312), Lisa Seace (A-611), Trevor Lynch (C-305), Chalyne Salgado (A-311), Donald Seaman (D-203) not present, Jim Anderson (D-301) not present, Dinah endorsed his candidacy, Claire Griffith (A-708), Kim Jones (A307), Susan Carol (D-102), Bill Gardner (A-511), Henry Penney (A-711), Bart Cuomo (B-304). Do not mark more than five or your ballot will not be counted.

A question came from the floor about voting for candidates. Chairman, Paul Joseph, responded by saying that each voter can vote up to five votes (one per candidate). If any ballot had more than five votes, they would be invalidated. Homeowners were cautioned that there was no cumulative voting and that if they voted for less than five candidates, they would lose that number of votes.

MOTION #8: To change old restaurant in "A" building from commercial to residential. Chairman, Paul Joseph, reminded the homeowners that this same Motion was made in the year 2000 and was unanimously approved by the General Assembly. Discussion from the floor aired concerns that we were making a Motion about property the HOA did not own because it is currently owned by Lynn Lorenz. Board Members responded by saying that if we were to negotiate with the current owner and that they decided that they did want to sell that property, we would need the approval in advance to change it from commercial to residential. After much discussion a Motion was made to approve, it was seconded and APPROVED.

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MOTION #9 (previously Motion #7 on the ballot): To approve the budget for 2008. During discussions while reviewing line item by line item, several motions were made. There was discussion and a Motion made to discontinue the reimbursement to Board Members for air-travel to meetings. **MOTION FAILED.** A Motion was made to eliminate the cost to the HOA for the Homeowners' Dinner (in the sum of \$5,000). **MOTION FAILED.** There was a discussion of the capital improvements which were not included in the budget in the amount of \$50,995. After an extensive heated debate a Motion was made to include that amount. **MOTION FAILED.** A discussion was made on the budgeted income with revenues of \$625,223 that includes \$22,000 (approx.) in un-collectables and \$37,000 (approx.). **BUDGET WAS NOT PASSED.**

The Vigilance Chairman, Jim Waldie, said there as not a lot to report and basically conditions at Marina Sol were satisfactory but made a special emphasis that decisions by the homeowners and the Board of Directors in connection with the Oasis contract could pose some legal challenges and legal costs and that the Committee highly recommends the Board do everything in their power to minimize any financial problems that could arise from not adhering to Mexican law.

MOTION #10: Restaurant lease. There was extensive discussion concerning the Oasis Bar & Restaurant contract which expires December 31, 2007. Reference is made by Leticia's counsel to Article 2389 of the Mexican Law Civil Code. This code provides the right to extend the contract for one year after a ninety day notice under the conditions of the existing contract with a maximum 10% rental increase. This increase must be proven by the Association that like businesses in the same areas received a similar increase. It should be noted that the contract with Leticia, depending on a mutual agreement, can be for a lesser time period.

A business consultant, Javier, made several comments about the rights of Leticia (Oasis) and what the HOA would need to do to conform to Mexican law. The legal counsel for the Association also made a presentation about the rights of all parties. Bart Cuomo asked the attorneys and the business consultant if they were all in agreement with the fact that Leticia would be entitled to a one year extension. The responses were unanimous with the exception that no matter what would be done the Association would be responsible to file a Notice of Termination to the courts.

A **MOTION** was made to file papers with the court within the next two weeks or earlier. **MOTION** was made, seconded and **APPROVED.**

Assembly Chairman, Paul Joseph, asked for a Motion from the Assembly to release the HOA Translator, Romina, from the meeting. Motion seconded and **APPROVED.**

Chairman of the Assembly asked all Homeowners to turn in their ballots and proxies to vote on Motions 1 through 10. All ballots and proxies were turned over to Pedro to be tabulated.

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NEW BUSINESS

The Chairman addressed the General Assembly and asked if there was any new business that needed to be discussed.

Dan Jones (Homeowner) stated that he was not happy with the Vigilance Committee primarily because he felt two of the Committee members had conflicts of interest. Dan made a Motion to replace the entire Vigilance Committee. It was seconded. The special Motion to remove the Vigilance Committee **FAILED (NO)**.

A Motion was made to have the Bylaws ready for the next General Assembly meeting for Homeowner approval. Motion made, seconded and **APPROVED**.

With a new Motion on the floor, we were required to fill out a special ballot (green paper) with a yes or no vote to remove the Vigilance Committee.

The New Business portion of the Agenda was finished and the Homeowners were invited to air concerns that they have during the period of time that we would be waiting for the election results for the new Board Members as well as the special Motion to remove the Vigilance Committee.

A Homeowner stated that commercial rates should be raised (not to increase residential rates but commercial). The Board agreed to put it on their punch list.

John Brown was asked to discuss his background and experience in the restaurant business and his plans for the Oasis if he were awarded the contract.

Chalyne expressed concerns about the lack of security around the pool area and clubhouse. She also inquired about the HOA procuring an estimate for water meters for each condominium unit.

A Homeowner asked the Board to review the scheduled month of May for remodeling.

ELECTION RESULTS: The following Homeowners were elected to the Board:

Bart Cuomo, Henry Penney, Lisa Seace, Susan Carol and Lorie Luiza

MEETING ADJOURNED