

COSTA DEL MAR
San Carlos, Sonora, Mexico
Homeowners Association
Meeting Minutes
Saturday, April 26, 2008
Location: Clubhouse

Board Officers in attendance:

Ken Unrein – Chairman
Frank Sayne – Vice President
Dave Merrill – Treasurer
Maggie Candland – Secretary

Absent:

Ariel Obregon – Director of Governmental
and Legal Affairs

Board Liaison: Arturo Bours, Homeowner

Sign In

Sign-in began at 9:00 a.m.

Called To Order

The meeting was called to order at 9:40 a.m. There was a first call quorum of 52%. Throughout the meeting, all business conducted was translated into Spanish.

Announcements

- Dave thanked everyone who brought chairs to the meeting.
- The U.S. mailing address has changed to c/o Maggie Candland, 6712 W. Alegria Drive, Tucson, Arizona 85743. The address will be placed on the CDM website.
- The picnic table and chairs were donated by Frank Westerbecke. The homeowners thanked him for the donation.
- Adriana needs a digital camera – Frank Westerbecke donated a camera.
- Any emails sent to “CDM Distribution” may be found on the CDM website.
- Any complaints may be sent to the CDM Board (email addresses are on the website) – please do not complain to Adriana, our Administrator.

Review of Minutes from October and November, 2007, Meetings

Maggie read a summary of the minutes from the October and November meetings. An Owner pointed out that the motions mentioned in the minutes of the October 27, 2007, meeting included the words “unanimously approved”, so it was agreed to change the wording to “approved by the majority” instead. Revisions will be made as suggested.

Motion: *A motion was made and seconded to approve the minutes as amended, and they were approved by the majority with three opposed.*

Access to Costa Del Mar When Owners in Default on Dues and/or Assessment

A lively discussion followed on whether the Association is in violation of Article 1460 of the Constitution of Mexico by denying people access to their home if the owner is delinquent in paying dues and/or assessments. It was pointed out that Article 48 of the Bylaws of the Association denies *vehicular* access to Costa Del Mar but an Owner may walk to his/her property. Article 48 suspends the right to use the common areas (including the roads) if an Owner is delinquent. A lawyer representing a lot owner was present and mentioned that CDM is within their rights to deny the use of common property for not paying Assessments (dues), Special Assessments, late fees, fines, etc.

Treasurer's Report

Dave reviewed the 2007 year-end budget/expense report. He mentioned various line items such as Legal Expenses where zero was budgeted and 34,317 pesos were spent. Maintenance was budgeted at 180,000 pesos and 245,594 pesos were spent. Security had a budget of 232,000 and 264,668 pesos were spent. Utilities, Wages and Taxes, and Improvements were all under budget. The total budget was 1,108,100 pesos and 1,016,110 pesos was spent so the Association ended the year under budget by 91,990 pesos. The cost of the pool improvement was 149,337 pesos. Frank Westerbecke noted that Frank Sayne and Scott Elliott worked very hard to resolve a number of issues to get the pool completed. Frank Sayne was also thanked for the money he contributed to get the pool built. Dave said he did not include the money Frank contributed on the expense sheet.

The total amount of expenses for the first quarter of January, February and March of 2008, were 187,772 pesos. First quarter expenses compared to 2008 budget for some of the main categories are as follows: Maintenance 45,394 pesos (budgeted 339,000 pesos); Security 72,418 pesos (budgeted 270,000 pesos); Utilities 33,732 pesos (budgeted 161,000 pesos); Wages and Taxes 31,106 pesos (budgeted 169,700 pesos) Nothing has been spent for improvements so far this year. Specific items such as the new road for 4.8 million pesos are included on a separate spreadsheet. Judy Lowe congratulated Administration for keeping under budget in 2007. It was suggested that in future, the financial statements include the revenue collected as well as the expenses.

Motion: *A motion was made by Diane Cimetta to approve the Treasurer's Report, seconded by Shari Kelly, and unanimously approved.*

Diane offered to supply the office with a box of paper to copy the minutes, agenda and financials for future meetings.

Motion: *A motion made by Judy Lowe that when preparing the 2009 Budget we begin to budget for a small reserve account, was seconded, and approved by the majority.*

Road Improvement Report and Discussion/Determination of the Additional Assessment Collection Schedule

Ken reviewed the history of the Road Improvement Project. He reported that the original projected cost was 3,253,000 pesos based on 5cm pavers with a 1 meter rock border. The Owners then discussed upgrading the pavers to 8cm and eliminate the rock border to provide a thicker pavement and better quality road together with a 10-year guarantee from the manufacturer. The cost to remove the existing pavers and replace them with the 8cm pavers is 4,800,000 pesos. At one time, the City of Guaymas was going to give the Association 1,500,000 pesos which would have covered the additional costs. Subsequently the City advised that they legally are unable to give Costa Del Mar any money as public money can not be used for private roads. Ken noted that he is going to ask Ariel to talk to the Mayor again and see about the City of Guaymas repaving the road coming into the Association from the main street.

At the October 27, 2007, meeting the upgrade to 8cm pavers was approved and between 4.2 to 4.8 million pesos was discussed as the amount needed to complete the roads. The total cost is 4.8 million and the Board has sent notices to all Owners for their portion of the additional assessment.

Motion: *A motion made by Judy Lowe to increase the road assessment up to 4.8 million pesos with the first payment due on May 1 2008, and a second payment due on August 1, 2008, was seconded by Bob Strong, and approved by a vote of 90%. (Each Owner present at the meeting had the opportunity to vote on the computer with 10% voting no.)*

Mr. Pinero with the paving company, Econoblock, then talked about the pavers and how the project will progress. He noted that the pavers are already 15-20% more expensive now than when we purchased them a few months ago. He added that most of the pavers are at his plant and a few are on the tennis courts for people

to see the various design layouts. Mr. Pinero said he can do the whole job in 12, 16 or 20 weeks – whatever the Association prefers. He noted that his company would like to remove the current pavers and recompact the ground underneath for a better base. In his budget, everything is included. The road will be totally sealed with a high quality sealer. He said he will seal the pavers perfectly underneath as well as on top. He is giving the Association a 10-year guarantee.

The first thing is to get the drainage situation resolved. Pits will be dug at the end of the two roads closest to Playa Blanca and it is anticipated that the water table will be reached in about 3-5 meters. At this time, it is not planned to send the excess water into the ocean.

Redevelopment Committee Report and Discussion of the Board's Decision to Delay the Collection of the Gate and Clubhouse Special Assessment

Ken reported that the special assessment for the gatehouse and clubhouse improvements was passed in November of 2007. He added that the Board cancelled the collection of that assessment until the road improvements have been completed. Frank Westerbecke and Scott Elliott felt that staggering the payments for these improvements would help a lot of Owners; however, they are looking at improving only the gatehouse first. Frank suggested that those Owners who have already paid and those who volunteer to pay in the meantime will have their contributions directed towards just the gatehouse improvement. The cost for the gatehouse improvement is \$50,000 U.S. and so far \$20,000 U.S. has been collected. Ken added that there will be no official assessment at the moment but if enough people would like to volunteer to pay then we will do the gatehouse improvement without the official assessment. However, the special assessment will become official for the gatehouse and clubhouse once the roads are completed.

An Owner asked for clarification on once an assessment becomes mandatory after the roads are completed, how many days does an Owner have before they will be precluded from entering Costa Del Mar with their vehicle. Ken confirmed that an Owner would have sixty (60) days after the roads are completed before the rules come into effect. A question was asked that when a resident is short of money can they approach the Board and negotiate on a payment schedule and interest and the answer was “absolutely”. Exhibit B, Article 22 and Resolution 040701 establishes the interest charged.

Motion: *The following motion was made by Judy Lowe, seconded by Diane Cimetta, and unanimously approved: That at the time 500,000 pesos have been collected through voluntary payments, the gatehouse construction will begin. The mandatory assessment schedule for the gatehouse and clubhouse will be voted on at the next Owners meeting on October 25, 2008, with the assessment to be implemented by January, 2009, or when the new roads have been completed.*

Project Commission Report

No report.

Proposed Resolutions – Discussion and Vote

A proposed Bylaws revision was submitted regarding setbacks on perimeter lots to include a 1 meter setback from adjacent lots when building a house. Ken noted that a change to the Bylaws requires a 75% approval by the Owners plus a \$5,000 U.S. fee in order to republish the Bylaws. The proposed Bylaw revision failed upon a vote of the Owners present.

Election of New Board of Directors

The current Board Members were re-elected. Frank Sayne resigned as Vice President and he was thanked for his service to the community. Judy Lowe nominated Angel Moreno for the Vice President position which he accepted and was voted in by the majority of Owners present.

Old Business

None.

New Business

- An Owner reported that Lot 89 is running an ATV business out of the home. This is contrary to the Association's Bylaws and Owners will be advised that houses are to be used for residential purposes only.
- Locks on the walkway gates. Frank Westerbecke agrees that everyone should have access to the beach from Costa Del Mar, however, if gates are left open then cows, speeding ATV's and bikes can also come into the development from the beach. Ken added that on November 6, 2006, the Board passed a resolution so Owners can get a free key. However, if the key is lost, there will be a cost to an Owner of \$50 in order to get the three locks rekeyed. It was noted that along with the privilege of having a key comes responsibility. Keys will be available once the locks have been changed. Adriana will let Owners know when the new keys are available.
- Tony Cimetta, an Owner and engineer, stated that he did not believe the proposed drainage pits will work and said he will meet with Ken regarding other ways the drainage issue could be resolved.

Adjournment

The meeting adjourned at 1:20 p.m.

Next Homeowners Association Meeting will be held on Saturday, October 25, 2008, at 9:30 a.m. at the Clubhouse.

Respectfully submitted,

Maggie Candland

Maggie Candland, Secretary

60-DAYS PAST DUE AS OF May 6, 2008

60 DAY LIST

LOT OWNER BALANCE 05-06-2008

	PERCENTAGE	BALANCE	PENALTY	TOTAL
15	0.5077%	4,715.11	235.76	4,950.87
16	0.4838%	4,493.15	224.66	4,717.81
21	0.4709%	1,565.39	78.27	1,643.66
31	0.7096%	8,866.26	443.31	9,309.57
41	0.9915%	9,208.26	460.41	9,668.67
43	0.7061%	6,557.72	327.89	6,885.61
63	0.6043%	2,008.85	100.44	2,109.29
65	0.5173%	1,719.64	85.98	1,805.62
69	0.5634%	10,392.39	519.62	10,912.01
89	0.6279%	2,087.30	104.37	2,191.67
99	0.6322%	2,101.59	105.08	2,206.67
108	0.6988%	45,576.10	2,278.81	47,854.91
109	0.7062%	2,347.59	117.38	2,464.97
				106,721.32

60 DAY LIST

LOT OWNER BALANCE 05-6-2008

ROAD ASSESSMENT

		BALANCE	PENALTY	TOTAL
14	0.5121%	1,003.01	52.80	1,055.81
15	0.5077%	13,016.26	650.81	13,667.07
16	0.4838%	12,403.54	620.17	13,023.71
31	0.7096%	24,873.00	1,243.65	26,116.65
41	0.9915%	25,419.81	1,270.99	26,690.80
48	0.7698%	13,519.45	986.80	14,506.25
63	0.6043%	21,181.97	1,059.10	22,241.07
64	0.7638%	26,772.77	1,338.64	28,111.41
65	0.5173%	18,132.52	906.62	19,039.14
66	0.7143%	25,037.73	1,251.88	26,289.61
68	0.7143%	25,037.73	1,251.88	26,289.61
69	0.5634%	19,748.34	987.42	20,735.76
70	0.7143%	25,037.73	1,251.93	26,289.66
89	0.6279%	10,459.92	522.99	10,982.91
99	0.6322%	10,568.31	528.41	11,096.72
108	0.6988%	24,494.39	1,224.72	25,719.11
109	0.7062%	15,408.77	770.43	16,179.20
125	1.0224%	8,314.67	415.73	8,730.40
				336,764.89