

COSTA DEL MAR

San Carlos, Sonora, Mexico

GENERAL ASSEMBLY MEETING MINUTES

Saturday, October 31, 2015 Location: CDM Clubhouse

Board Officers in attendance:

Wade Earl – President, Rod Sainsbury - Vice President, Ken Unrein – Treasurer
Norene Sullivan - Secretary

Guests:

Translator: Rudy Velazquez Accountant: Reyna Mera
Attorneys: Lic. David Peralta Moreno

First Call to order: October 30 2015 3PM.

Cathy Sainsbury and Gustavo Talamante were appointed as examiners for this meeting.

Examiners reported: There was not a legal quorum present to call the meeting.

Second call to order: October 31st 9:46 AM.

Doreen Lennon and Gustavo Talamante were appointed as examiners for this meeting.

Examiners reported a Second Call Legal Quorum of 42.4% present in person or by proxy.

List of attendees present in person.

Mary Lou Wright, Eric Holland, Jesus Vasquez Carbajal, Ramiro Guzman, Betty UnRein, Kyle and Julie Akin, Gary Reznikoff, Pam Grissom, Scott Elliot, Claudia Perez del Valle, Manuel Carter and Berta Ortiz, Bob and Cynthia Smith, Daniel Pellon and Ivonne Lacaud, Ricardo Romo, Cathy Sainsbury, Ron and Kelly Shields, Ramon and Cecilla Castillo, Miguel Lopez Campana, Sagasta and Patricia Ibarra, Juan Carlos Gonzales, Leticia Parada, Gustavo and Monica Ojeda, Adolfo and Rosa Maria Garcia, John Lowe, Bill Harrison, Donald Clark and Lois Reggins, Leticia Ocampo, Linda Harrison, Doreen Lennon, Ariel Obregon, Victor Bravo, Carlos Fernandez, Luis Fausto Teran, and Pam Matthews.

Election of President to conduct the meeting:

Wade Earl was nominated by Rod Sainsbury as President to conduct the meeting, seconded by Ariel Obregon. All in favor.

Election of Secretary of the Assembly: Norene Sullivan was nominated by Rod Sainsbury as secretary for this meeting. Seconded by Ariel Obregon. All in favor.

Presidents Report: Wade Earl started by announcing the projects and improvements that were completed in 2015. A water pump was added to the SE end of the community to help with drainage, pickle ball and tennis courts were started, the fence in the NW maintenance storage area was painted, the wrought iron gates to the beach were painted, the undeveloped lots were cleaned during the summer, all street posts were painted and repaired/replaced, damaged curbs were repaired, middle walkway to the beach was repaired, drainage at the SW end was cleared, and the road leading to Costa Del Mar gate entrance was top sealed. Wade asked if there were any questions or discussion .

Bill Harrison (Lot 115) inquired who paid for the cleaning of the lots. Rod Sainsbury explained that it was voted in a previous assembly meeting that the cleaning of empty lots would be paid for by the community because an unimproved lot owner is assessed the same HOA dues as an assembly member who has a house in CDM without benefiting from the common amenities.

Scott Elliot (lot 130) thanked the Board for their efforts and commented that the community has not looked this good in twenty five years.

Mary Wright (Lot 6) questioned the height of the tennis courts and requested that the height be as planned at a 9' height rather than 6'. Rod Sainsbury explained that there were complaints and a threat of a lawsuit from a homeowner that borders the sports court so the plans were changed to avoid a conflict. Scott Elliot (lot 130) asked for discussion on the matter and it was decided by the assembly members present that the fence height would be 9' consistent to what was there in the past with the original courts. Leticia Parada (Lot 61) commented that errant flying balls would effect the neighbors more than a 9' fence would. Doreen Lennon (Lot 101) commented that there were changes from what the original planning committee submitted to the Board and asked for clarification as to what exactly is being constructed. Wade Earl explained that it is a two phase construction project of which the first phase is nearly completed consisting of a pickle ball court and a tennis court with fencing. The Board will be meeting with the contractor at the end of this meeting to proceed with Phase 2. The second phase will consist of landscaping and a grassy area with Palapas and benches. There was significant opposition to the basket ball courts because of noise and therefore it was eliminated from the plans. Liability issues were brought up regarding the playground, so it was put on hold. Gary Reznikoff (Lot 32) mentioned that as far as liability issues, the pool poses more of a liability concern than a playground. Doreen Lennon (Lot 101) commented that a committee was formed and charged with the task of obtaining bids and doing preliminary research for the sports area. Why were the plans changed from what the committee recommended? Rod acknowledged that the committee did a good job but there was some opposition and differences of opinion with other owners. Rather than stall the construction, a compromise was reached that would allow the sports area improvements to move forward. Doreen Lennon (Lot 101) expressed dissatisfaction with the way things

were handled by the Board and requested details about the expenditure of the project. Pam Grissom (Lot 131) mentioned that she recalled some sort of vote and we can't just ignore what the assembly wants. Rod Sainsbury and Wade Earl commented that the Board is working very hard and doing the best they can. Rod Sainsbury asked Ken Unrein to get the information regarding the costs of the first and second phase improvements so that it can be reported to the assembly.

Motion presented by Wade Earl to approve the minutes of the November 15, 2014 meeting. Seconded by Scott Elliot. Motion passed unanimously by a show of hands. (see next motion)

Ariel Obregon (Lot 117) commented that the Spanish translation was poor on the last line of the minutes. It stated that Ken Unrein was against adjourning the meeting, which was probably not the case. There may be some other errors in the Spanish translation according to commentary among the group. Norene Sullivan commented that it is critical that the Spanish minutes be corrected because that is the legal version for Mexican Law. It was determined that the minutes were translated by Salas Castro's office and should be done by a legal translator for an official translation.

Motion presented by Ken Unrein to have the minutes of the November 15, 2014 formally translated by Rudy Velasquez. Seconded by Rod Sainsbury. Motion passed unanimously by a show of hands.

Treasurers Report: Ken Unrein reminded the assembly that everyone was emailed a copy of the proposed 2016 budget and opened the floor to any questions.

Consensus among the group is that 2016 looks under budget compared to expenses of 2015. Doreen Lennon and Pam Grissom requested that the Board send a statement of accounting for the sports court improvements so that we will know if there is any money left over that can be applied to something else. Ken Unrein commented that it will not matter because all of the money allocated for that project must be moved to a designated account based on a past assembly approved resolution, but he will provide an accounting as requested.

Jesus Vasquez (Lot 14) had a question for the accountant regarding origin and application of resources and if she can provide the assembly with a detailed report of current expenses and income. Reyna Mera indicated that she can provide that. Pam Grissom (lot 131) pointed out that those items are accounted for in the 2015 expense report. Doreen Lennon (Lot 101) commented that there is nowhere on the budget that shows the total revenue of the association and she cannot approve a budget without knowing how much we have to spend. Ken Unrein responded that he will get to that portion of his report.

Motion presented by Ken Unrein to approve the 2016 Budget. Seconded by Wade Earl. Unanimous Approval by a show of hands.

Scott Elliot (Lot 130) made a suggestion that the future proposed budget reports show an anticipated revenue as a line item. Ken Unrein explained that when we approve the budget, then we assess the association according to that approved budget. Scott Elliot made the point that a certain amount of owners do not pay their dues and Ken Unrein responded with the fact that those delinquent accounts are already budgeted for in addition to the actual expenses. Ken Unrein commented that in reality, you are paying your own dues and the dues of those that are not paying. As of September 30, 2015 the delinquent dues for 2015 assessments were \$448,116.00 pesos. The past due balance for all prior years totals \$3,075,336.69 pesos. Ricardo Romo (Lot 51) asked what we plan to do to collect those dues and if we receive those delinquent dues, where does the money go? Ken Unrein explained that there is a resolution that we will be voting on asking the assembly to give the Board the legal authority to proceed against those owners that are in arrears for a period greater than one year. Pam Grissom (Lot 131) asked how many people that owe money actually use their homes? Rod Sainsbury responded that a lot of them are empty lot owners. Ken Unrein affirmed that some are owners of homes and reminded the assembly that a resolution was passed years ago that prohibits homeowners from renting their properties without making an agreement for payment of delinquent dues. There has been significant progress in collecting delinquent dues. Scott Elliot (Lot 130) applauded the Board for the strides that have been taken in collecting delinquent dues and the efforts in improving collection results using the legal process and he encourages the Board to continue on this path because it makes our community stronger.

2014 Financials: Ken Unrein reported that the income for 2014, was \$1,986,858 pesos. Our expenses were \$1,388,633 pesos which left a positive balance of \$430,452 pesos. Reyna Mera (CDM Accountant) commented that she is trying to find a legal way to include those who are not paying their dues as an expense in her report without the requirement of issuing them a factura for the debt. If we send them facturas (invoices) they will be able to sell their lot at any time without bringing their balance current.

2015 Financials: Ken Unrein reported that as of Sept 30, 2015 we have a total income of \$2,047,313 pesos and expenses of \$1,388,633 pesos which leaves a positive balance of \$658,680 pesos. What that means is that we have collected more than what we have spent this year through Sept 30, 2015. We have an excess because we have been successful in collecting dues from delinquent accounts.

Vigilance Committee: Robert Strong is the chairman of this committee for 2015 and in his absence, Ken Unrein read his report: "I have reviewed all of the financial documents up to August of 2015 and find everything to be in order. All expenditures are accounted for with receipts and facturas. The financial records are audited by a third independent party. All financial records have been made available to me for review and I have looked at the records in the office as well. In my opinion, the records of CDM are accurate and reliable."

Ken Unrein explained to the Assembly what the Vigilance Committee's responsibilities are: "The Vigilance Committee looks at what the Board is doing and has the power to notify the Assembly of any indiscretions or oversights and has the authority to call a

special meeting. This committee is required to review and audit all of the financial expenditures of the Board and also acts as the liaison between the Assembly and the Board.” James Crank (Lot 130) asked if this committee is comprised of one person or multiple people and if it is appointed by the Board or elected by the Assembly? Ken Unrein explained that the Committee should consist of three Assembly members and it is appointed by the Assembly. So far, we have had little interest from the members to fill this need. We need more people on this committee and we have a blank slot on our voting card to write in any volunteers that wish to serve on this committee. Currently we have Robert Strong as chairman and Luis O’Campo as a committee member. Victor Bravo (Lot 99) volunteered to serve on this committee and the Assembly was directed by Rod Sainsbury to write his name in on the ballot. Ken Unrein thanked Mr. Bravo for his offer to serve and affirmed the importance of this committee that ensures the transparency of the Board and gives the Assembly the vehicle to oversee all Board actions.

Juan Carlos (Lot 69) commented that the main purpose here is a correct atmosphere of cooperation among home owners. He went on to state that we have not had transparency of the accounting of the Board for many years. He indicated that he has requested the information from the Board in many ways for a precise accounting report. Ken Unrein interrupted and informed the Assembly that we have submitted to costly audits from outside sources and the results of that audit are available to any Assembly member at any time. Juan Carlos went on to state that there is currently a lawsuit filed for accountability of the Board. Wade Earl suggested we follow the agenda and it was the consensus of the Board and CDM attorney, David Peralta, that we will not be distracted from the meeting agenda at this time to revisit Mr. Juan Carlos’ claims.

Projects Committee: John Lowe (Lots 83/84) reported that there were four new homes at CDM that were completed last year, there are two new homes under construction, and two home improvement projects that have been completed. The projects commission uses the construction bylaws as a basis for approval of projects, but there are some conflicts with the information. The setback definitions are not consistent and the Projects Committee would like to use the setback definition as the minimum distance between the construction and the property line. Luis O’campo (Lot 96) inquired as to how it will effect the properties already built. John Lowe indicated that he did not think it will effect any existing properties, it is only a matter of making the setbacks a concise and consistent distance. Also, the bylaws do not specify anything about the perimeter wall on the West side of the property. The projects committee is requesting that the West perimeter wall be a max of 2.41 meters high which matches the existing perimeter height of the other two walls. Scott Elliot (Lot 101) suggested that the West perimeter wall should be required to have a more substantial footing similar to the North wall to protect from future drainage/flooding events. It would be wise for the projects committee to specify to the owner that a deeper footing is required. Norene Sullivan asked how we would enforce a homeowner to build a wall with deeper foundation specifications? It was suggested that the difference in cost could be absorbed by the association since it is for the better protection of the community as a whole. A plea for more members of the Projects Committee was proposed by Wade Earl. Ramiro Guzman (Lot 27) and Victor Bravo (Lot 99) offered to serve on this committee.

Attorney Report: David Peralta has been assisting CDM in the collection of unpaid dues, preparing legal contracts, and advising on how to carry out legal Assembly meetings. A single lawsuit was filed against the Association for accountability. David Peralta cannot give the details of the lawsuit because the response was not filed by his firm and professionally and ethically he cannot comment on another attorney's work. What he can tell us is the facts about the ruling that was issued by the judge. The lawsuit was filed, there was a ruling and the Association was ordered to issue accountability for 2004 through 2009 and for six invoices between 2010 and 2014. Also, for specific accountability for street repairs done in 2007. The Association was also ordered to provide accountability from 2010 to date. The Association has agreed to provide accountability reports as ordered by the judge which have already been filed. What the Association does not agree to is the payment by the Association for the legal costs and expenses of this law suit. Also, as a fact and part of the ruling, the plaintiff owes the Association \$171,000 pesos for unpaid dues. The Association will take the necessary steps to recover the money owed to pay the expenses of this lawsuit. Access to accountability information is available at anytime and is presented annually and approved by the Assembly. Juan Carlos (Lot 69) commented that the attorney gave a good speech but he has the ruling and the appeal and he will leave it at the office. Rod Sainsbury interrupted that all of the documents are available for anyone to review at the office. Ricardo Romo (Lot 51) questioned who appealed and what is the purpose for the appeal? David Peralta responded that the Association appealed because we did not agree to pay the legal expenses of the suit.

Resolutions:

Resolution 151001: Rescind Resolution R141102 and any prior assembly approved motions and or resolutions which granted the Board the authority to negotiate and discount the amounts owed CDM by the beneficial owner. The Board will not have any authority to forgive past due penalties owed to the association effective October 15th 2015.

Rescindir de la moción y/o resolución donde se autoriza a la Mesa Directiva el negociar y hacer descuentos en cantidades adeudas y así beneficiar al propietario. La Mesa Directiva no tendrá autorización de perdonar penalidades adeudas a la Asociación a partir del día 15 de Octubre del 2015.

Discussion: This resolution will take away the power for the Board to negotiate discounts with delinquent HOA accounts. The Board, on four occasions, has offered discounts to the delinquent owners and some have accepted the discount and have brought their accounts current. There must be an end to the discounts or it implies permission to continue to not pay.

Resolution 151001 Passed with a ballot vote of 61.5%

Resolution 151002: Increase the quarterly past due penalty from 4% to 5% effective January 1st 2016.

The penalty shall be applied quarterly to the total amount due on the beneficial owners account.

Incrementar del 4% al 5% la penalidad por pago tarde del trimestre, que se hará efectivo a partir del día 1 de Enero del 2016. La penalidad se aplica trimestralmente a la cantidad total a pagar por los propietarios.

Resolution 151002 Passed with a ballot vote of 64.9%

Resolution 151003:

Any excess funds remaining in the Budget at the end of the fiscal year 2016 and all years following will be proportionately credited back to the beneficial owners account who are current with their total assessment.

Any deficit funds at the end of the fiscal year 2016 and all years following will be proportionately charged to all beneficial owners accounts.

Cualquier exceso de fondos que quede en el presupuesto al final del año fiscal 2016 y de los años siguientes, serán proporcionalmente acreditados de nuevo a las cuentas de propietarios que se encuentren al día en sus cuentas de mantenimiento.

Todos los fondos déficit al final del año fiscal 2016 y de los siguientes, serán proporcionalmente cargados a las cuentas de todos los propietarios.

.Discussion: Luis O'Campo stated that Sonoran Law requires that the money is returned and the budget determines how the money is spent. Ken explained that the Bylaws give the Board the authority to assess the Assembly up to 20% of the budget. Anything over 20% must be approved by the Assembly. The law requires that a non-profit HOA assesses the paying owners the amount of the non paying owners. It also requires that any excess funds can be returned to the owners. Pam Grissom clarified that we just voted to approve the budget and that budget allocates what will be paid.

Resolution 151003 Passed with a ballot vote of 75.5%

Resolution 151004: Natural Disaster funds held in account 7099 are restricted and can only be used to pay for natural disaster occurrences.

Fondos de reserve para Desastres Naturales retenidos en la cuenta 7099 están restringidos y solo pueden ser utilizados para pagar por la ocurrencia de algún Desastre Natural.

Resolution 151004 Passed with a ballot vote of 89.6%

Resolution 151005: Excess funds at the end of year 2015 will be transferred to the Reserve for unexpected expenses account 7080.

El exceso de fondos al final del año 2015 será transferido a la cuenta de reserva para gastos imprevistos en la cuenta 7080.

Resolution 151005 Passed with a ballot vote of 95.5%

Resolution 151006: Reserve for unexpected expenses held in account 7080 are restricted and can only be used to pay for expenses approved by the Board of Directors and Vigilance Committee.. Notification of the approved expense must be sent to all owners 10 days prior to the disbursement of the funds.

La reserva para gastos imprevistos que se encuentra en la cuenta 7080 están restringidos y solo se pueden utilizar para pagar los gastos aprobados por la Mesa Directiva y el Comité de Vigilancia. Una notificación de los gastos aprobados debe ser enviada a todos los propietarios 10 días antes del desembolso de los fondos.

Resolution 151006 Passed with a ballot vote of 91.2%

RESOLUTION 151008

Propose to the General Beneficial Users that the Board proceed against **Gabriel Santillan**, Owner of **Lot 11**, to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division "Costa Del Mar"

The owner owes **\$13,942.58** for past due assessments, and has not remitted any payments since 15th of July 2014.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Gabriel Santillan, propietaria del Lote 11, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo "Costa Del Mar". El propietario debe la cantidad de \$13,942.58 de cuotas atrasadas y no se ha realizado ningún pago el día 15 de Julio del 2014.

RESOLUTION 151008 Passed with a ballot vote of 80.5%

RESOLUTION 151009

Propose to the General Beneficial Users that the Board proceed against **Francisco Velez**, Owner of **Lot13**, to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division "Costa Del Mar"

The owner owes **\$107,024.04** for past due assessments, and has not remitted any payments since 18th of November 2009.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Francisco Velez, propietaria del Lote 13, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo "Costa Del Mar". El propietario debe la cantidad de \$107,024.04 de cuotas atrasadas y no se ha realizado ningún pago el día 18 de Noviembre del 2009.

RESOLUTION 151009 Passed with a ballot vote of 92.4%

RESOLUTION 151010

Propose to the General Beneficial Users that the Board proceed against **Gumaro Valenzuela**, Owner of **Lot 16**, to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division "Costa Del Mar"

The owner owes **\$11,353.30** for past due assessments, and has not remitted any payments since 21 of October 2014.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Gumaro Valenzuela, propietaria del Lote 16, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo "Costa Del Mar". El propietario debe la

cantidad de \$11,353.30 de cuotas atrasadas y no se ha realizado ningún pago el día 21 de Octubre del 2014.

RESOLUTION 151010 Passed with a ballot vote of 82.1%

RESOLUTION 151011

Propose to the General Beneficial Users that the Board proceed against **Elena Lindholm**, Owner of **Lot 20** , to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$123,121.08** for past due assessments, and has not remitted any payments since 25th of March 2009.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Elena Lindholm, propietaria del Lote 20, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$123,121.08 de cuotas atrasadas y no se ha realizado ningún pago el día 25 de Marzo del 2009.

RESOLUTION 151011 Passed with a ballot vote of 92.6%

RESOLUTION 151012

Propose to the General Beneficial Users that the Board proceed against **Jesus A. Carter**, Owner of **Lot 48** , to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$285,998.56** for past due assessments, and has not remitted any payments since 9th of June 2009.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Jesus A. Carter, propietaria del Lote 48, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe cantidad de \$285,998.56 de cuotas atrasa y no se ha realizado ningún pago el día 9 de Junio del 2009.

RESOLUTION 151012 Passed with a ballot vote of 90.6%

RESOLUTION 151013

Propose to the General Beneficial Users that the Board proceed against **Evangelina & Efrain Arias**, Owner of **Lot 64** , to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$115,207.17** for past due assessments, and has not remitted any payments since 27 June 2015.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Evangelina & Efran Areas, propietaria del Lote 64, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe cantidad de \$115,207.17 de cuotas atrasa y no se ha realizado ningún pago el día 27 de Junio del 2015.

RESOLUTION 151013 Passed with a ballot vote of 87.1%

RESOLUTION 151014

Propose to the General Beneficial Users that the Board proceed against **Evangelina & Efran Arias**, Owner of **Lot 66** , to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$104,234.76** for past due assessments, and has not remitted any payments since 27 June 2015.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Evangelina & Efran Areas, propietaria del Lote 66, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la ntidad de \$104,234.76 de cuotas atrasadas y no se ha realizado ningún pago el día 27 de Junio del 2015.

RESOLUTION 151014 Passed with a ballot vote of 87.1%

RESOLUTION 151015

Propose to the General Beneficial Users that the Board proceed against **Evangelina & Efran Arias**, Owner of **Lot 68** , to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$141,246.52** for past due assessments, and has not remitted any payments since 27 June 2015.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Evangelina & Efran Areas, propietaria del Lote 68, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$141,246.52 de cuotas atrasadas y no se ha realizado ningún pago el día 27 de Junio del 2015.

RESOLUTION 151015 Passed with a ballot vote of 87.1%

RESOLUTION 151016

Propose to the General Beneficial Users that the Board proceed against **Juan Carlos Gonzalez**, Owner of **Lot 69** , to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$328,524.33** for past due assessments, and has not remitted any payments since the lot was purchased.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Juan Carlos González, propietaria del Lote 69, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$328,524.33 de cuotas atrasadas y no se ha realizado ningún pago desde la compra de la propiedad.

RESOLUTION 151016 Passed with a ballot vote of 92.6%

RESOLUTION 151017

Propose to the General Beneficial Users that the Board proceed against **Rogelio Valencia**, Owner of **Lot 70** , to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$22,956.77** for past due assessments, and has not remitted any payments since 2nd of July 2014.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Rogelio Valencia, propietaria del Lote 70, de exigir legalmente al propietario a pagar cantidades adeudadas a

CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$22,956.77 de cuotas atrasadas y no se ha realizado ningún pago el día 2 de Julio del 2014.

RESOLUTION 151017 Passed with a ballot vote of 92.4%

RESOLUTION 151018

Propose to the General Beneficial Users that the Board proceed against **Ernesto & Mayra Chacon**, Owner of **Lot 86** , to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$248,030.06** for past due assessments, and has not remitted any payments since 10th of July 2009.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Ernesto & Mayra Chacón, propietaria del Lote 86, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$248,030.06 de cuotas atrasadas y no se ha realizado ningún pago el día 10 de Julio del 2009.

RESOLUTION 151018 Passed with a ballot vote of 92.6%

RESOLUTION 151019

Propose to the General Beneficial Users that the Board proceed against **Francisco Velez Villa**, Owner of **Lot 91** , to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$118,444.45** for past due assessments, and has not remitted any payments since 18th of November 2009.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Francisco Velez, propietaria del Lote 91, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$118,444.45 de cuotas atrasadas y no se ha realizado ningún pago el día 18 de Noviembre del 2009.

RESOLUTION 151019 Passed with a ballot vote of 92.6%

RESOLUTION 151020

Propose to the General Beneficial Users that the Board proceed against **Gaston Galindo & Irene Dominguez**, Owner of **Lot 108** , to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$146,348.75** for past due assessments, and has not remitted any payments since 29th of July 2011.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Gaston Galindo & Irene Dominguez, propietaria del Lote 108, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$146,348.75 de cuotas atrasadas y no se ha realizado ningún pago el día 29 de Julio del 2011.

RESOLUTION 151020 Passed with a ballot vote of 98.7%

RESOLUTION 151021

Propose to the General Beneficial Users that the Board proceed against **Imelda Moreno (PofA Luis Felipe Acosta)**, Owner of **Lot 109**, to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$256,857.46** for past due assessments, and has not remitted any payments since 23rd of March 2009.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Imelda Moreno (Apoderado Luis Felipe Acosta), propietaria del Lote 109, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$256,857.46 de cuotas atrasadas y no se ha realizado ningún pago el día 23 de Marzo del 2009.

RESOLUTION 151021 Passed with a ballot vote of 90.4%

RESOLUTION 151022

Propose to the General Beneficial Users that the Board proceed against **Angel Moreno (PofA Luis Felipe Acosta)**, Owner of **Lot 110**, to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$116,143.62** for past due assessments, and has not remitted any payments since 18th of June 2013.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Angel Moreno (Apoderado Luis Felipe Acosta), propietaria del Lote 109, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$116,143.62 de cuotas atrasadas y no se ha realizado ningún pago el día 18 de Junio del 2013.

RESOLUTION 151022 Passed with a ballot vote of 96.3%

RESOLUTION 151023

Propose to the General Beneficial Users that the Board proceed against **Luis Fausto Teran**, Owner of **Lot 126**, to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes **\$163,859.55** for past due assessments, and has not remitted any payments since 2nd of July 2013.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Luis Fausto Teran, propietaria del Lote 126, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$163,859.55 de cuotas atrasadas y no se ha realizado ningún pago el día 2 de Julio del 2013.

RESOLUTION 151023 Passed with a ballot vote of 96.3%

RESOLUTION 151024

Propose to the General Beneficial Users that the Board proceed against **Ana Luz Macias, & Gene Turner**, Owner of **Lot 132**, to legally require the owner to pay the amounts owed to CDM on the property located in Costa Del Mar in accordance with Article 48 of the regulation and administration of the residential tourist division “Costa Del Mar”

The owner owes \$712,797.17 for past due assessments, and has not remitted any payments since 1st of April 2011.

Proponer a los usuarios beneficiados en general, que la Mesa Directiva proceda contra Ana Luz Macias, & Gene Turner, propietaria del Lote 132, de exigir legalmente al propietario a pagar cantidades adeudadas a CDM de la propiedad ubicada en Costa Del Mar, en conformidad con el Artículo 48 d la Regulación y Administración de la divisa de turismo “Costa Del Mar”. El propietario debe la cantidad de \$712,797.17 de cuotas atrasadas y no se ha realizado ningún pago el día 1 de Abril del 2011.

RESOLUTION 151024 Passed with a ballot vote of 92.6%

Ratification and Appointment of New Board Members:

President: Wade Earl, Vice President: Rod Sainsbury, Treasurer: Ken Unrein, Secretary: Ligia Duenas Ruiz

Ken Unrein proposed a motion that we accept the nominations of the officers for 2016. Pam Grissom seconded the motion. All in favor by a unanimous show of hands.

Motion by Ken Unrein to grant the Board members all of the powers called for in the Bylaws. Rod Sainsbury seconded the motion. All in favor by a unanimous show of hands.

Pam Grissom requested that the Annual Assembly meeting be held on the third Saturday of October.

New Business:

Scott Elliot (Lot 130) urged the Board to establish the legal rights of drainage to the West Lagoon property. The proposed development of our neighbors to the west may cause significant damage to Costa Del Mar similar to the painful lesson caused by the Playa Blanca development on our Eastern border in the event of another hurricane. Once something is built, it is near impossible to correct it. It is imperative to establish our drainage rights before future the development begins.

Motion by Scott Elliot to authorize our legal representative to do a reasonable amount of research to give us a proposal of how to protect our drainage rights. John Lowe seconded the motion. All in favor by a unanimous show of hands.

Gary Reznikoff asked how the new Caballero project to our North will impact our sewage which runs off in that direction. Rod Sainsbury commented that all of San Carlos will be effected because the infrastructure is not there to support.

Pam Matthews (Lot 1) addressed the need to have specific wording in the bylaws that prohibits parking of boats and utility trailers in the street allowing reasonable time for loading and unloading purposes. Scott Elliot commented that this problem has been

ongoing and that our streets were not designed for this kind of parking. Wade Earl agreed that there is a need but who is going to confront an owner who is breaking the rules. Scott Elliot suggested levying a fine that is added to the association dues for non conforming owners. John Lowe stated that he is in favor of the restriction, but cautions that the Bylaws be reviewed carefully to make sure there is nothing that conflicts with the decision.

RESOLUTION 151025

Resolution/Motion by Scott Elliot : Owners of any boats and/or trailers that are parked on the street for a period of longer than 72 hours will be given a 48 hour written notice to remove their boat and or trailer from the street or a \$25.00 (US) per day parking violation will be assessed. This Resolution will be effective on January 1st 2016. Rod Sainsbury seconded the motion.

The Resolution/Motion passed with by unanimous yes vote by a show of hands.

Rod Sainsbury reminded the Assembly that serving on this Board is not an easy job and it is not a paid position. Any problems or concerns should first be submitted in writing to Marla in the office to be brought to the Board. Please do not knock on the doors of a Board member and disturb their privacy or send aggressive emails or phone calls. Finding people to become involved is a difficult task so let's try to support the ones that are currently working for the benefit of CDM and encourage others to become involved.

Scott Elliot requested that we look into self closing hinges for the pool area. There was no opposition to the suggestion. The barriers at both ends of the beach are open and there is a higher occurrence of trucks and quads using the beach. Is there anything we can do to rebuild the barriers? Rod Sainsbury commented that as a Board cannot restrict the access to the beach. If a private owner wants to take it upon themselves, they are more than welcome.

Ken Unrein motioned that we adjourn the meeting. Wade Earl seconded the motion. The meeting was adjourned at 12:03 pm

Respectfully submitted,

_____ Norene Sullivan, Secretary