

Condominium La Puntilla
Ordinary and Extraordinary Minutes
Wednesday, January 5, 2005
14 pages

At 12:03 PM on **Wednesday, January 5, 2005**, at the Caledonia Restaurant (formerly known as *La Luna y Sol*), in La Cruz de Huanacastle, Municipality of Bahía de Banderas, Nayarit, location of **CONDOMINIUM LA PUNTILLA**; the condominium owners and/or their representatives that appear on the attendance list that forms a part of this act, met with the purpose of holding the **General Ordinary Meeting** of Condominium Owners of Condominium La Puntilla. The meeting was called to order on the first call, according to article 59 of the Interior Bylaws, having made said call to order under the terms of the Law and that which is set forth in the interior Bylaws of the Condominium.

Continuing the act, the President, Secretary and Scrutinizers of the meeting were designated. Mr. Erin Strench made a motion for Ms. Cherie Sibley to act as President of the meeting. It was seconded by Ms. Lydia Dobyns and by unanimous vote of those in attendance at the meeting, Ms. Cherie Sibley was designated as the President of the meeting, in the same manner Ms. Amy Welch volunteered to act as Secretary of the meeting and following that, Mr. Jerry Martinson and Mr. Don Ronlund were designated as the scrutinizers. Mr. Martinson and Mr. Don Ronlund performed their tasks by taking the attendance for which representation of 94% of the voting interests of the Condominium were present for the Ordinary meeting. The above results from the information contained on the attendance list and which shall accompany the act which contains the resolutions made in the meeting.

According to that which is set forth in Article 28 Section IV of the law in effect, said percentage does constitute a legal quorum and as a result the meeting was declared as legally called to order on the first call to order.

The scrutinizers communicated and certified the existence of a legal quorum according to the Bylaws, indicating that according to the dispositions cited in the Bylaws and in the law in effect, a legal quorum exists in order to hold the present meeting, they indicated this fact to the President of the meeting who declared the General Meeting of Condominium Owners of Condominium La Puntilla was legally called to order on the first call to order.

A continuing act, and according to the Call to Order for the meeting, the President proposed that the meeting be subject to the following:

ORDER OF THE DAY

1. Designation and naming of the President of the Assembly, the secretary of the same and two more scrutinizers of the same who will be in charge of fulfilling the scrutiny and counting of the votes that are made public in the making of agreements or resolutions conforming with the Agenda.

Ms. Cherie Sibley called for the Call to Order, shown in the notebook on pages 2 and 3 (English). Page 4 and 5, in Spanish.

Cherie Sibley, President; Amy Welch, Secretary; Jerry Martinson and Don Ronlund were scrutinzers. In addition to taking minutes, Ms. Welch tape-recorded the meeting.

2. (notebook: 1) Attendance list and accreditation of ownership rights of the homeowners or the exhibition and delivery of the letters of proxy of those representing the homeowners at the meeting..

Property Administrator Ms. Cherie Sibley and Association Attorney Ms. Maria O'Connor went to BBVA Bancomer to collect the Escriutera-Fidicomiso permission from Lic. David Rafael Garcia Contreras for the Ordinary and Extraordinary meetings.

In Attendance or Represented by Proxy – 16 Homeowners:

- 1A – Barry-Lydia Dobyns – Lydia in attendance
- 2A – Paul Doolan – proxy held by Lydia Dobyns
- 3A – Jerry-Bonnie Martinson – Jerry/Bonnie in attendance
- 4A – Jeff-Joni Knutson – proxy held by Jerry Martinson
- 5A – Don-Mel Ronlund – Don/Mel in attendance
- 6A – Dave-Joanne Hibbard – proxy held by Doug Davies
- 7A – George-Pam Thomas – George Thomas attended, upon leaving proxy held by Michelle Willner de Cruz
- 9A – Dave Ronlund – Dave in attendance
- 10A – Erin Strench – Erin in attendance

- 2B – Arturo Macias – proxy held by Michelle Willner de Cruz
- 3B – Jim-Carol Rosenwinkel – Jim/Carol in attendance
- 5B – Wayne Weismiller-Llora Ferguson – proxy held by Doug Davies
- 6B – Amy Welch – Amy in attendance
- 7B – Juan-Alicia Julian – proxy held by Jerry Martinson
- 8B – Chris-Terry VanDerMaas – Chris in attendance
- 9B – Humberto Rodriguez – Humberto in attendance

Not Eligible to vote but in attendance:

- 1B – Kurt-Zdenka Miller – Zdenka in attendance

Not Eligible to vote and not in attendance:

- 4B- Gustavo & Miriam Barajas

Not Eligible because no Bank Escriutera fidicomiso permission received but in attendance:

- 8A - JoAnn Johnson – JoAnn in attendance

3. (notebook: 1a.) Presentation of the general state of affairs of THE CONDOMINIUM made by the Administrator of the same, for the period of time understood since the constitution of THE CONDOMINIUM until the present date and in time the approval of the acts and motions realized by the administrator of the same.

A notebook was given to each homeowner which included all the necessary documentation for the Ordinary and Extraordinary Assemblies.

Ms. Cherie Sibley called for a discussion of Item A, shown in the notebook on pages 6 and 7 in English. Pages 8 and 9 in Spanish.

Mr. Erin Strench moved and Mr. Jerry Martinson seconded to approve the Administrator's Report, on pages 6 and 7 in English. Pages 8 and 9 in Spanish.

PASS: 16 YES, 0 NO.

4. (notebook: 1b. 1c. 1d.) Discussion and in succession approval of ratification of all and each one of the acts realized and celebrated by the Assembly prior to this date by the Homeowners of the Condominium, and specifically those agreements made in the Assemblies held on January 3, 2004 and July 17, 2004.

Ms. Cherie Sibley called for a discussion of the January 3 Ordinary and Extraordinary minutes, shown in the notebook on pages 10 to 38 in English. Pages 39 to 43 in Spanish.

Ms. Cherie Sibley called for a discussion of the July 17 Ordinary and Extraordinary minutes, shown in the notebook on pages 44 to 49 in English. Pages 50 to 55 in Spanish.

Ms. Lydia Dobyms moved and Mr. Jerry Martinson seconded to approve the January 3, 2004 and July 17, 2004 Ordinary and Extraordinary minutes as presented in the notebook.

PASS: 16 YES, 0 NO.

5. (notebook: 1e. 1f.) Discussion and in succession approval of ratification of all and each one of the acts, actions and gestures made by the Vigilance Committee during the year 2004.

Ms. Cherie Sibley called for a discussion of Ítems E and F, shown in the notebook as follows:

- Letter from President Erin Strench, pages 56 through 58 in English. Pages 59 through 61 in Spanish.
- Letter from Landscape Chair Pam Thomas, page 62 in English. Page 63 in Spanish. Additional final landscape report distributed by Ms. Mel Ronlund in English.

In Ms Pam Thomas' absence, Ms. Mel Ronlund distributed a Final Landscape Report from Ms. Pam Thomas to add to notebook. "January 2005: Landscape Chairman, report for the Homeowners Annual Meeting January 2005."

On view were also story-boards with photos and explanation to show the progress of the landscaping throughout the year. Thomas divided the common areas into 10 areas. Within each area, she showed an explanation of each Phase A, B and C.

Phase A was an initial cleanup

Phase B was a more in-depth process of cleaning the areas and replanting.

Phase C was a "wish list" of areas that the landscape committee would like to implement.

Area I – Entrance to La Puntilla

Area 2 – Median Strip

Area 3 – Along the road from the guard gate to Calle B

Area 4 – Empty lot between guard shack and "B" street

Area 5 – Common ground area at the end of "B" street

Area 6 – Area between Pelicanos and entrance to Calle B

- Area 7 – Planter boxes along driveway from Calle B to Calle A
- Area 8 – Sewage Treatment plant
- Area 9 – Common ground central park
- Area 10 – Beach front

Ms. Mel Ronlund shared that work has been extensive and complete.

Ms. Bonnie Martinson expressed concern regarding tree removal. Martinson stated that this should only be done through VC Board approval and perhaps through a process to include Nayarit government officials.

Attorney Ms. Maria O'Connor expressed that approval by the government officials would be granted because of disease or injury. Ms. Cherie Sibley stated that she was once fined for a tree removal on her property.

Ms. Amy Welch expressed that it is questionable as to whether government permission is necessary as the original landscape plans (Environmental Review) were never forwarded to the government for approval, thereby showing no change to the original property. Welch expressed that Thomas submitted plans for approval from the board before altering the landscape.

Mr. Jim Rosenwinkel stated that the landscaping looks much better and was completed at no extra expense to the association as the work was done by La Puntilla gardeners.

Ms. Lydia Dobyms stated that saying it looks better now is a subjective statement.

Ms. Bonnie Martinson moved and Ms. Lydia Dobyms seconded that any tree cutting be approved by the VC. In the case of any big trees being removed, the request should be brought for question at the Semi-Annual or Annual Meeting.

PASS

11 YES: 1A, 2A, 3A, 4A, 5A, 6A, 9A, 10A, 5B, 7B, 9B

5 NO: 7A, 2B, 3B, 6B, 8B

Ms. Amy Welch distributed December 17, 2004, Board Meeting minutes and the “B” Field Development minutes. The field development will be discussed during the Extraordinary meeting.

Mr. Jerry Martnson moved and Mr. Erin Strench seconded that Ordinary Assembly Items E and F, with supporting documents, and motion, be accepted.

PASS: 16 YES, 0 NO.

6. (notebook: 1g.) Election of Vigilance Committee (Board of Directors) for the year 2005.

Ms. Cherie Sibley called for a discussion of Item g, “Nominations for 2005 Vigilance Committee.”

Nominees:

- Paul Doolan
- David Hibbard
- Juan Julian
- Jerry Martinson
- Mel Ronlund

Ms. Mel Ronlund declined the nomination.

Ms. Carol Rosenwinkel was nominated from the floor, and accepted the nomination.

Mr. Arturo Macias was nominated from the floor, and accepted the nomination.

Mr. Jerry Martinson questioned whether Mr. Macias could run for the Board as he is behind in his dues. Ms. Michelle Willner de Cruz, property manager and proxy for Mr. Macias, showed a letter from Ms. Cherie Sibley that Mr. Macias was fully paid in his dues.

Mr. Jim Rosenwinkel questioned whether “B” street can ever be equal to “A” street in voting as there are more houses on “A” street.

Association Attorney Ms. Maria O’Connor suggested that the VC (Board of Directors) may wish to consider electing the President from “B” street in order to recognize this under-representation on “B” street.

Ms. Michelle Willner de Cruz nominated Ms. Amy Welch to run for the VC (Board of Directors). Welch accepted.

Ms. Lydia Dobyms nominated Mr. Erin Strench to run for the VC (Board of Directors). Strench accepted.

A vote took place – the outcome was, in order of most votes:

1. David Hibbard
2. Jerry Martinson
3. Paul Doolan
4. Juan Julian
5. Carol Rosenwinkel

6. Arturo Macias
7. Erin Strench
8. Amy Welch

The first 5 nominees are the VC (Board of Directors).

Mr. Arturo Macias is first alternate; and Mr. Erin Strench is second alternate.

The alternates will be invited to attend all VC (Board of Directors) meetings.

In the event that one of the VC (Board of Directors) is not present at a meeting, the alternates (Macias and Strench) will alternate in attendance/voting as part of the regular VC (Board of Directors).

Macias will be the alternate first invited to vote at the first such VC meeting that one of the regular board members is not able to attend.

The alternates will only be allowed to vote in the event of a regular VC (Board of Directors) not being in attendance.

The 2005 VC (Board of Directors) first order of business is to elect officers and set their regular monthly meetings, along with the Assemblies (Semi-Annual Meeting) in July 2005, and the Assembly (Annual Meeting) in January 2006.

Ms. Bonnie Martinson moved and Ms. Amy Welch seconded to approve the 2005 VC (Board of Directors).

PASS: 16 YES, 0 NO.

7. (notebook: 1h. 1i. 1j. 1k. 1l. 1m. 1n.) Discussion and in succession approval of the Finance/Audit reports, Income and Expense Reports for fiscal year 2004.

Ms. Cherie Sibley called for a discussion of the finance and audit reports, shown in the notebook on pages 65 through 76, in English only. Included was a letter from the La Puntilla accountant Ricardo Ayon Magallanes, page 66 in English; page 66 in Spanish.

Shown on pages 66 through 70, Attorney William J. Welch, shared an in-depth evaluation of the La Puntilla financial records. The report was in English; the report was not present in Spanish, but will be translated for distribution to the homeowners.

Ms. Cherie Sibley indicated in response to Mr. Welch's report that she is willing to change to Quick Books, if she is given assistance by Mr. Welch to make the transition. Ms. Amy Welch indicated that Mr. Welch was amendable to aiding to make the transition to Quick Books and give regular assistance and evaluation during the year.

Mr. Erin Strench took exception to Mr. Welch's report, indicating that he "orally approved paying Armando 640 pesos a month for gas." Strench said that he did not approve this expense.

Ms. Lydia Dobyms moved and Mr. Erin Strench seconded to approve all reports and recommendations so presented for implementation.

PASS: 15 YES

0 NO

1 ABSTAIN – 3A

8. (notebook: 1o. 1p.) Discussion, Budget Summary and Approval of the Budget for the year 2005.

Ms. Cherie Sibley called for a discussion of the 2005 budget, shown in the notebook on pages 77 through 80 in English; and limited translation in Spanish on pages 81 and 82.

Ms. Michelle Willner de Cruz expressed concern that all documents need to be translated into Spanish. Her client Mr. Arturo Macias especially wants to view the budget in Spanish.

Mr. Macias also indicated that the maintenance costs of the common area is high and that security should be viewed for cost-cutting. Example, use electronic gates instead of manned guards at gate.

Ms. Willner de Cruz pointed out that the 2005 budget is inaccurate as \$5266/month pesos payments should read 15,798 pesos per quarter/per homeowner; not 15,797.

Ms. Sibley indicated that homeowners should remember to use the centavo indicator (document under "Financials" on www.lapuntilla.org web site).

Ms. JoAnn Johnson stated that if Mr. Strench did not approve the gas expense, who did? Ms. Sibley indicated that she transferred the funds that were formerly dedicated to former site supervisor Eber Parades for his cell phone, to Bravo for gas.

Ms. Amy Welch indicated that perhaps Bravo should be paid a mileage reimbursement rather than a flat fee for gas.

Mr. Erin Strench indicated that a Performance Bonus has never been budgeted. Mr. Jerry Martinson indicated that he will work on a process for possible payment of a bonus via a Performance Review with measureable objective goals. No bonus is guaranteed. This Performance Review will be given to homeowners for review within the first quarter of 2005.

Ms. Lydia Dobyms moved and Mr. Jerry Martinson seconded to add a line item of \$10,000 pesos cap for a potential maximum Performance Bonus. The funds are to come from the reserve and be added as a line item to the general budget.

PASS: 14 YES

2 NO – 7A and 2B

Mr. Erin Strench moved and Ms. Lydia Dobyms seconded to approve the 2005 Budget with changes as noted in the minutes in regards to adding a \$10,000 pesos Performance Bonus and revising the quarterly pesos figure owed by each homeowner to \$15,798 pesos.

PASS: 14 YES – 1A, 2A, 3A, 4A, 5A, 6A, 9A, 10A, 3B, 5B, 6B, 7B, 8B, 9B

0 NO

2 ABSTAIN – 7A and 2B

8. (notebook: 1q.) Security System proposal: Ms. Cherie Sibley indicated that she is looking for ways to cut the cost for Security, as noted on pages 83 and 84 in English; and pages 85 and 86 in Spanish.

The potential new security measures may include: electronic car entrance gate, pedestrian gate, manual beach gate for car and pedestrians, laser on the beachfront for night-time security, computer in the present guard house to record comings and goings, digital camera at front gate, electrical back-up system for 24 hours, and a one year warantee. The total cost for this system as stated, is \$287,215.15 pesos, which includes 100 electronic access cards. Page 84 shows a one-time investment with \$25,556,15 pesos coming out of the reserve. The vendor is willing to let the Association pay over 2 to 3 months with no interest. Additionally, the vendor indicated that there will be no charge for calls for 3 years after installation.

- Concern was expressed that the alarm will not sound if someone climbs over the gate.
- Concern was expressed that the response time from Vallarta could be 30-45 minutes.
- Concern was expressed that if we went to a keypunch code system at the gate that “everyone” will know the number and be able to enter.
- Sibley stated that if a swipe card system was installed that perhaps Telmex would install a pay phone at the gate, thereby allowing visitors or vendors to call the homeowner to allow entrance. Welch questioned that a pay phone will be installed by Telmex as in her experience with owning a shopping center, that phone companies will not install a pay phone upon request unless there is a guaranteed amount of use.
- Mr. Erin Strench expressed concern that a laser on the beach front may be difficult with people walking on the beach in the evening.
- Ms. Lydia Dobyms stated that she felt this security option should be looked at as an “experiment.”
- Ms. Michelle Willner de Cruz suggested that perhaps the gate can be manned during the day so that workers can come and go as necessary.

Ms. Lydia Dobyms moved and Ms. Amy Welch seconded to allow the VC (Board of Directors) to refine the security proposal and present a proposal for a vote at the Semi-Annual meeting in July.

PASS: 9 YES – 1A, 2A, 3A, 5A, 9A, 10A, 3B, 6B, 8B

5 NO – 6A, 7A, 2B, 5B, 9B

2 ABSTAIN – 4A, 7B

Ms. JoAnne Johnson indicated that before any decisions are proponed that homeowners should be given the option of adding a laser on the beach front by their home. Ms. Cherie Sibley concurred that homeowners should be given information and options before any final decisions are made.

9. Discussion and in succession approval of revoking the role of Administrator of the condominium.

Ms. Lydia Dobyng moved and Mr. Jerry Martinson seconded to remove Ms. Cherie Sibley as the Administrator for La Puntilla.

PASS: 16 YES, 0 NO.

10. Discussion and approval of the La Puntilla Administrator for 2005.

Mr. Jerry Martinson moved and Mr. Erin Strench seconded to elect Ms. Cherie Sibley as the Administrator for La Puntilla for 2005.

PASS: 16 YES, 0 NO.

11. Designation of a delegate to the Assembly to appear before the public official of his/her choice to formally register the agreements that may be taken.

Mr. Doug Davies moved and Mr. Erin Strench seconded to elect Ms. Cherie Sibley as the delegate to the La Puntilla Assembly to appear before the public official to record any and all agreements as referred to in these minutes.

PASS: 16 YES, 0 NO.

12. Discussion and in succession approval of the Minutes for the January 5, 2005, Ordinary meeting.

La Puntilla attorney Ms. Maria O'Connor read her draft minutes to the Assembly for approval.

Ms. Lydia Dobyng moved and Mr. Erin Strench seconded to approve the draft minutes of the Ordinary meeting as read by Ms. O'Connor.

PASS: 16 YES, 0 NO.

The scrutinizers Mr. Jerry Martinson and Mr. Don Ronlund, signed the approval for the minutes. Ms. Amy Welch signed as secretary, Ms. Cherie Sibley signed as President.

Mr. Erin Strench moved and Ms. Lydia Dobyng seconded to adjourn the Ordinary Meeting at 1:08 PM PV/CST time. A 15-minute break was given before beginning the Extraordinary Meeting.

PASS: 16 YES, 0 NO.

ORDER OF THE DAY
Extraordinary Meeting

Upon returning to the meeting at 2:22 PM PV/CST time, Mr. Humberto Rodríguez had left the meeting. It was decided that since he had signed into both the Ordinary and Extraordinary meeting, that his vote will be counted for the Ordinary meeting, but be listed as “Not Present” for the Extraordinary meeting.

At 2:22 PM on **Wednesday, January 5, 2005**, at the Caledonia Restaurant (formerly known as *La Luna y Sol*), in La Cruz de Huanacastle, Municipality of Bahía de Banderas, Nayarit, location of **CONDOMINIUM LA PUNTILLA**; the condominium owners and/or their representatives that appear on the attendance list that forms a part of this act, met with the purpose of holding the **Extraordinary Meeting** of Condominium Owners of Condominium La Puntilla, on the first call to order, according to article 59 of the Interior Bylaws, having made said call to order under the terms of the Law and that which is set forth in the interior Bylaws of the Condominium.

1. (notebook: 2) Extraordinary Assembly Call to Order

Continuing act, the President, Secretary and Scrutinizers of the meeting were designated, Ms. Lydia Dobyns made a motion for Ms. Cherie Sibley, it was seconded by Mr. Erin Strench and by unanimous vote of those in attendance at the meeting, Ms. Cherie Sibley was designated as the President of the meeting, in the same manner Ms. Amy Welch volunteered to act as Secretary of the meeting and following that, Mr. Jerry Martinson and Mr. Don Ronlund were designated as the scrutinizers, and they performed their tasks by taking the attendance list for which representation of 88% of the voting interests of the Condominium were present for the Extraordinary meeting, the above results from the information contained on the attendance list and which shall accompany the act which contains the resolutions made in the meeting.

PASS: 15 YES

0 NO

1 Not Present – 9B

2. Attendance list and accreditation of ownership rights of the homeowners or the exhibition and delivery of the letters of proxy of those representing the homeowners at the meeting..

Property Administrator Ms. Cherie Sibley and Association Attorney Ms. Maria O’Connor went to BBVA Bancomer to collect the Escriutera-Fidicomiso permission from Lic. David Rafael Garcia Contreras for the Ordinary and Extraordinary meetings.

In Attendance or Represented by Proxy – 16 Homeowners:

1A – Barry-Lydia Dobyns – Lydia in attendance

2A – Paul Doolan – proxy held by Lydia Dobyns

3A – Jerry-Bonnie Martinson – Jerry/Bonnie in attendance

4A – Jeff-Joni Knutson – proxy held by Jerry Martinson

5A – Don-Mel Ronlund – Don/Mel in attendance

6A – Dave-Joanne Hibbard – proxy held by Doug Davies

7A – George-Pam Thomas – proxy held by Michelle Willner de Cruz

9A – Dave Ronlund – Dave in attendance

10A – Erin Strench – Erin in attendance

- 2B – Arturo Macias – proxy held by Michelle Willner de Cruz
- 3B – Jim-Carol Rosenwinkel – Jim/Carol in attendance
- 5B – Wayne Weismiller-Llora Ferguson – proxy held by Doug Davies
- 6B – Amy Welch – Amy in attendance
- 7B – Juan-Alicia Julian – proxy held by Jerry Martinson
- 8B – Chris-Terry VanDerMaas – Chris in attendance
- 9B – Humberto Rodriguez – Signed in but “NOT PRESENT” for meeting

Not Eligible to vote but in attendance:

- 1B – Kurt-Zdenka Miller – Zdenka in attendance

Not Eligible to vote and not in attendance:

- 4B- Gustavo & Miriam Barajas

Not Eligible because no Bank Escruitera fidicomiso permission received but in attendance:

- 8A - JoAnn Johnson – JoAnn in attendance

According to that which is set forth in Article 28 Section IV of the law in effect, said percentage does constitute a legal quorum and as a result the meeting was declared as legally called to order on the first call to order.

The scrutinizers communicated and certified the existence of a legal quorum according to the Bylaws, indicating that according to the dispositions cited in the Bylaws and in the law in effect, a legal quorum exists in order to hold the present meeting, they indicated this fact to the President of the meeting who declared the Extraordinary Meeting of Condominium Owners of Condominium La Puntilla was legally called to order on the first call to order.

It was noted by Ms. Michelle Willner de Cruz that the Call to Order in English (pages 87-88) contained an incorrect numbering order. Number 39 should be changed to item 1, through number 46 as item 8. Ms. Cherie Sibley noted that the Spanish translation and numbering are correct.

A continuing act, and according to the Call to Order for the meeting (pages 87-88 in English, and 89-90 in Spanish), the President proposed that the meeting be subject to the following:

EXTRAORDINARY MEETING

Resolutions were not presented in order as proposed on the written Call to Order in the notebook. Additional items were also discussed and voted on, these items were not reflected in the Call to Order. No protest by the Homeowners was noted.

3. (notebook: 2b.) Replacement of Sprinkler System on Beach Front. Page 93 in English and Spanish. 75% of homeowners present need to approve an extraordinary resolution.

Discussion of the sprinkler system replacement was discussed. Ms. Michelle Willner de Cruz asked for clarification that this issue was voted down at the Semi-Annual meeting

in July. Ms. Cherie Sibley indicated that *yes*, this resolution was voted down but was now being brought back for a vote. Ms. Amy Welch indicated that since September our VC (Board of Directors) has requested clarification of the federal zone requirements. The sprinklers are on federal zone. The January 4, 2005, minutes reflect that the federal zone issue has still not been resolved.

Ms. Bonnie Martinson moved and Mr. Erin Strench seconded that the beach front sprinklers be approved subject to approval by federal authorities. The money to be taken from landscaping.

NO PASS as 62.5% of membership voted in favor (75% needed to PASS):

10 YES - 1A, 2A, 3A, 4A, 5A, 6A, 10A, 5B, 6B, 7B

5 NO – 7A, 9A, 2B, 3B, 8B

1 Not Present – 9B

3. (notebook: Not listed on Call to Order:) Pay Phone to be added by Palapa at Entrance to La Puntilla.

Mr. Jim Rosenwinkel questions the necessity of this expenditure. It was decided that more information is necessary. **After discussion, this item was dropped for a lack of a motion.**

3. (notebook: 2a.) Minor improvement to Central Park Area. Pages 81 and 82, page 81 shows cost and written proposal in both English and Spanish.

Ms. Cherie Sibley presented a plan to make improvements to the park, including but not limited to crushed white granite paths and benches. Mr. Don Ronlund expressed concern that homeowners and guests would then be encouraged to go into the park. The concern was that in the present configuration, the homeowners/guests would be sprayed with treated wastewater. Given that we have no guarantees that the wastewater is adequately treated, we do not want to encourage prolonged exposure to the wastewater.

Ms. Michelle Willner de Cruz wanted it so stated in the minutes that Mr. Arturo Macias has concerns about the park being too dark at night; Mr. Macias would like to see low-level lighting in the park. Ms. Sibley indicated that perhaps we can add solar path lights.

Mr. Macias also indicated that the tops of the trees, especially the ficus and parota need to be topped to provide the promised view of the ocean. Ms. Sibley indicated that the trees will be topped and the perimeter of the trees will be pruned, as well, to encourage growth in the middle of the tree.

Ms. Amy Welch indicated that not only do the ficus and other trees need to be topped and perimeter pruned, but the bouganvilla need to be brought down to ground level. Presently there are bouganvilla growing through and up to the top of the ficus trees.

Ms. Zdenka Miller expressed concern that the Wastewater Treatment plant is noisy and smelling. Ms. Sibley indicated that the plant will be pumped in the next week and that she is aware of the noise of the plant and it will be repaired within the next week. Formerly, the treatment plant was pumped once per year. The 2005 budget allows for the pumping two times per year, once every 6 months.

After discussion, this item was dropped for a lack of a motion.

4. (notebook: Not listed on Call to Order:) Collection of 1B finances in arrears.

Ms. Michelle Willner de Cruz moved to reimburse all homeowners equally in the event of collection of 1B. This motion was not seconded.

Ms. Willner de Cruz then amended her motion to exclude special assessments, as to date not all homeowners have paid their special assessments. This motion was not seconded.

Ms. Lydia Dobyms moved to place all collected funds from 1B into Capital Expenditures. This motion was not seconded.

Ms. Willner de Cruz withdrew her motions.

Mr. Jerry Martinson moved and Mr. Jim Rosenwinkel seconded that all decisions regarding collection of 1B be tabled until the Semi-Annual meeting in July; thereby allowing additional time for the VC (Board of Directors) to seek input from the Association's accountant.

PASS: 15 YES

0 NO

1 Not Present – 9B

5. (notebook: 2c.) Copy of Rules and Regulations.

“Homeowners” (numbers 1 through 18; “Guidelines for Processing Minutes” (numbers 1 through 6); and Administrative Procedures/Guidelines: E-mails & other forms of communications” and “Direct Contact” on pages 94 and 95, and 97 through 98, both in English and Spanish.

Mr. Jerry Martinson moved and Mr. Erin Strench seconded to append these sections of the “Rules and Regulations” to the bylaws.

PASS: 15 YES

0 NO

1 Not Present – 9B

5. (notebook: 2c.) Copy of Rules and Regulations.

“Personal Property Managers” (numbers 1 through 12) on pages 96 and 97 was amended as such:

Numbers 1 and 2: no change

Number 3: Eliminate the first sentence: ~~“The PPM will make a personal observation of tall service personnel each time they provide a service at La Puntilla.”~~

Completion of number 3: no change

Number 4: no change

Number 5: changed as noted

The PPM Any individual will be held responsible for the repair and/or replacement of any accidental or intentional common area ~~homeowner~~ property damage determined to have been caused by themselves or their service employees.

Numbers 6 through 12: no change

Page 99: Theft and vandalism (sic)

Changed to:

Page 99: Theft, Vandalism and Intentional or Accidental Damage

Mr. Jerry Martinson moved and Ms. Lydia Dobyms seconded to append these sections of the “Rules and Regulations” to the bylaws as noted with the changes written up in the minutes.

PASS as AMENDED:

13 YES - 1A, 2A, 3A, 4A, 5A, 6A, 9A, 10A, 3B, 5B, 6B, 7B 8B

2 NO – 7A and 2B

1 Not Present – 9B

5. (notebook: 2d. and 2e.) Copy of Article 85 for possible amendment. Page 100 and 101 showed proposed change in both English and Spanish.

Mr. Jerry Martinson moved and Ms. Lydia Dobyms seconded to approve the changes to the bylaws in article 85 as follows:

Article 85 – The controversies that are caused by the intent of interpretation, application, fulfillment and/or whatever other type of controversy that might arise with regard to the current Regulations, ~~may shall~~ be subject to arbitration and, if not, the controversy will then be submitted to the Courts of the Common Forum of the municipality of the Bay of Banderas, Nayarit.

PASS as AMENDED:

13 YES - 1A, 2A, 3A, 4A, 5A, 6A, 9A, 10A, 3B, 5B, 6B, 7B 8B

2 NO – 7A and 2B

1 Not Present – 9B

6. (notebook: 2.) “B” Street Development

After a brief discussion, Ms. Amy Welch moved and Ms. Michelle Willner de Cruz seconded, to vote to continue to explore the development of the “B” street field project as proposed in the distributed minutes and drawing (to be included in the filed notebook). The reason to request the vote, was that if there is overwhelming request to end the process of exploration, the idea will be dropped. If voted to continue the exploration, then the process will continue with drawings and voting to take place at the July 2005 Semi-Annual meeting.

PASS: 8 YES - 3A, 4A, 6A, 3B, 5B, 6B, 7B 8B

0 NO

5 ABSTAIN – 1A, 2A, 5A, 9A, 10A

1 Not Present – 9B

A brief discussion ensued. Ms. Lydia Dobyms requested that the VC take more of an active role in the development process. Ms. Maria O’Connor suggested that there are

different scenarios that may take place, such as selling the property to a developer and distributing the funds to the homeowners. Ms. Bonnie Martinson and Mr. Erin Strench asked how the escriptura can be changed.

Maria O'Connor explained that although the condo regime can be modified with 75% of the homeowners voting in favor of the change, it may be more prudent to not modify the regime unless 100% of the homeowners are in favor.

Ms. Amy Welch asked that any homeowner who would like to learn more about the potential development of the "B" street field, attend a meeting with builder Cliff Prowal at the Welches house later this week.

7. Designation of a delegate to the Assembly to appear before the public official of his choice to formally register the agreements that may be taken.

Mr. Erin Strench moved and Ms. Lydia Dobyms seconded to elect Ms. Cherie Sibley as the delegate to the La Puntilla Assembly to appear before the public official to record any and all agreement as referred to in these minutes.

PASS: 15 YES, 0 NO, 1 NOT PRESENT.

8. Discussion and in succession approval of the Minutes for the January 5, 2005, Extraordinary meeting.

La Puntilla attorney Ms. Maria O'Connor read her draft minutes to the Assembly for approval.

Mr. Erin Strench moved and Ms. Lydia Dobyms seconded to approve the draft minutes of the Extraordinary meeting as read by Ms. O'Connor.

PASS: 15 YES, 0 NO, 1 NOT PRESENT.

The scrutinizers Mr. Jerry Martinson and Mr. Don Ronlund, signed the approval for the minutes. Ms. Amy Welch signed as secretary, Ms. Cherie Sibley signed as President.

Mr. Erin Strench moved and Ms. Lydia Dobyms seconded to adjourn the Extraordinary meeting at 3:40 PM PV/CST time.

PASS: 15 YES, 0 NO, 1 NOT PRESENT.

Mr. Erin Strench thanked Ms. Cherie Sibley for her work as Administrator and to thank the work of her staff in their first year in working with La Puntilla. On behalf of the VC (Board of Directors) and the homeowners, Ms. Sibley was presented with a \$2,500 pesos gift certificate to take her staff to a restaurant of their choice.