

**GENERAL EXTRAORDINARY MEETING OF THE
VIDA DEL MAR CONDOMINIUM ASSOCIATION**

At the Restaurant L'Recif, located in the condominium development known as "Vida del Mar", at Cerro del Cenicero S/N on the Juluapan peninsula, in the municipality of Manzanillo, Colima, on this 20th day of January 2007, the Association members meet, immediately after the adjournment of the Condominium Vida del Mar Phase I and Phase II extraordinary meetings of this morning, to hold a General Extraordinary Meeting, for which they timely received notice from the Board of Directors and the Manager.

The meeting is presided by Mr. Scott William Kunkel, with Mr. Antonio Agraz Parra acting as Secretary. Note is taken that the Secretary will be assisted by Vida del Mar's attorney Azucena Marin Diaz and the board member Audrey Brase to take note of the matters to be discussed and resolved in this Meeting and to also assist the Secretary on the preparation of the meeting minutes.

The translator Ramon Ramirez Lomeli is herein present to make a simultaneous translation during the meeting in order that those Mexican owners understand all the issues presented by the President and participants to the meeting in English and for such English-speaking Owners to have a translation of any issues and discussions presented by Mexican Owners and Spanish-speaking participants.

The President appoints the condominium owners Messrs. Robert Dillard, Lloyd Duncan and David Lamure as Tellers of votes, who accept the appointment and thereafter take attendance. The Tellers note that due to the fact that the totality of the attendees of the first meetings held this morning (the Condominium Vida del Mar Phase I and Phase II extraordinary meetings) are still present, the same list of attendance taken at the beginning of such meetings will be used as list of attendance for this meeting. A copy of this list is attached to the file of these minutes forming an integral part hereof for all applicable legal purposes. As noted in the list enclosed herewith, it is shown that 177 of the 199 Association members (or their representatives) are present, and therefore, 88.94% of all the Association members (or their representatives) are present.

Based on the above, it is evidenced that the legal and statutory quorum has been reached to hold the GENERAL EXTRAORDINARY MEETING.

Following from the above, and having sent to the associates the call to the meeting on December 15, 2006 (more than 10 days in advance), the President declares the Meeting to be legally in session, with the power to reach valid resolutions, proceeding to attend the Meeting Agenda as transcribed below:

M E E T I N G A G E N D A

1. Appointment of the secretary and vote tellers, attendance list, verification of quorum and, if applicable, declaration of opening of Meeting.

2. Discussion about the original incorporation of the Association, resolutions to update the same and approve, if applicable, the integral amendment of its bylaws in order to update the Association under the last reforms made to the Condominiums Law of the State of Colima as legal representative of the Condominium Vida del Mar.
3. Discussion about the settlement of land dispute regarding the Guerrero and Yucatan Parking Area and approval about conversion to common areas. Approval of related issues.
4. Designation of special delegates to formalize the resolutions taken.
5. Preparation and approval of meeting minutes.

Due to the fact that **ITEM ONE** of the Agenda has been addressed, the attendees proceed with analysis and discussion of **ITEM TWO**.

Addressing **ITEM TWO** of the Agenda, the President asked the attorney Ms. Azucena Marin to explain the antecedents of the Association.

Ms. Marin explained to those present in a summarized manner that in her review of the background, documents and records of the Vida del Mar condominiums (Phase I and Phase II), the first antecedent found about the intention of the owners to create the Association is in Public Deed No. 5,286 dated July 17, 1981, granted before Lic. Ismael Yáñez Centeno Cabrera, Notary Public No. 5 for the City of Colima, Colima, recorded in the State Public Registry on February 1, 1982 under General Documents folio 200, book 293, with the respective annotation in the margin of record 55, book 53, Section I. Said deed shows the formalization of the joint meeting held March 8, 1980 between the Phase I and II condominium owners of the Vida del Mar condominium, approving the creation of the Association to handle the administration and operation of both condominiums, whereby all condominium owners form part of the Association. In this regard, part II of the regulations approved at said meeting sets forth the agreement of the owners of the condominium units to create the Association and establish its bylaws or operation rules (without having approved a specific legal name for the Association). Thereafter, in Public Deed No. 8,549 dated February 8, 1988, granted before Lic. Ismael E. Yáñez Centeno, Notary Public No. 5 for Colima, Colima, recorded in the Public Registry of Property under folios 46 and 55 of books 53 and 71, the condominium regulations were amended without making any reference whatsoever to the Association bylaws.

In this regard, Ms. Azucena Marin informed those present that while the Association has been somehow existing since March 8, 1980, as confirmed with the above referred deed and the Association's taxpayer registration form filed with the Ministry of Finance and Public Credit, stamped on June 23, 1986, showing the name "Asociación de Condóminos Vida del Mar", no permit was sought from the Foreign Relations Ministry to use the

Association name, and the bylaws have not been updated to reflect the July 24, 2004 amendments to the Colima State Condominium Law published in the Official State Journal, with respect to Article 947 of the Colima State Civil Code. Said amendments establish, regulate and recognizes the possibility of condominium owners to form an Association with its own legal personality to act as the legal representative of the condominium owners' interests.

Based in other antecedents and in consideration of the will of the owners, the Meeting Agenda includes the proposal to ratify the constitutive act of the Association and approve the amendment to its bylaws to afford it a better legal structure (in line with the 2004 amendments to the Condominium law), so that it may efficiently manage and legally represent the Vida del Mar condominium (Phases I and II of which have been merged as approved in the extraordinary meetings held immediately before this meeting).

It was also proposed that to set to law what has been done for years (using a name for the Association) a legal name be formally adopted in the Association bylaws to be approved by this meeting, once the Association has the name permit to be obtained from the Foreign Relations Ministry. The first proposed name would be "Vida del Mar Asociación de Condóminos"; however, other alternatives should be considered in the event that the use of this name is not authorized.

Therefore, it is also proposed an overhaul of the Association bylaws, a draft of which is included to these meeting minutes as **Exhibit I**, to clearly establish the operating and management rules for the Association (in harmony with the regulations of the Condominium), avoiding any doubts in dealings with authorities, owners and any third party with respect to the legal existence and powers vested in the Association. Such draft of bylaws was exposed and explained by the head of the By-Laws Committee, Mrs. Ruth Bachman.

After discussing and analyzing the legal restructure, and having the attendees broadly review each and every term of the draft bylaws made available to the Owners when the call was issued for this Meeting on December 15, 2006 and the proposal to use the Association name, the associates present hereby **unanimously** agree to the following:

RESOLUTIONS:

ONE.- It is acknowledged and ratified the constitutive act of the Association dated March 8, 1980, as evidenced in Public Deed No. 5,286 dated July 17, 1981, granted before Lic. Ismael Yáñez Centeno Cabrera, Notary Public No. 5 for the City of Colima, Colima, recorded in the Public Registry of Property and Commerce for that city on February 1, 1982, under General Documents folio 200, book 293, with the respective annotation in the margin of record 55, book 53, Section I. It is further agreed to continue to operate the Association for purposes of the legal representation of the Vida del Mar condominium.

TWO.- The respective procedure is hereby authorized so that the Association may legally use the name "Vida del Mar Asociación de Condóminos", A.C., pursuant to

Article 15 of the Foreign Investment Law. If such name is not first approved, the attendees agree to the following alternatives: “Asociación de Condóminos VDM”, A.C. “Vida del Mar”, A.C., or any other name deemed appropriate by the Board of Directors for these purposes.

THREE.- The overhaul/integral amendment of the Association bylaws is hereby approved in all terms, which as of this date will be as set forth in the document enclosed to these minutes as **Exhibit I**. Such bylaws shall include the Association’s legal name as approved by the Foreign Affairs Department.

FOUR.- By reason of the amendments approved in resolution three above, whereby as from this date the Association opts to operate as legal representative as provided in the second transitory article of the decree published in the Official Journal on July 24, 2004 that amends the Colima State Condominium Law, it is hereby agreed that all condominium owner resolutions, whether they relate directly to condominium affairs (operations, common areas, and other matters deriving under the regulations of the condominium) or in regard of the proper association and management concerns of the Association itself, shall from now on be taken in a General Association Meeting, without requiring separate condominium owner meetings, as the Association has its own legal personality and will be the legal representative of the Vida del Mar Condominium, and therefore, of the interests of the condominium owners reflected in the resolutions taken at the Association’s meetings.

Regarding **ITEM THREE** of the Agenda, the President mentioned to the Associates that the Condominium parking areas located at Guerrero and Yucatan buildings’ apparently occupy some land (the “Disputed Areas”) of the adjacent lot of our neighbor Buenavista de Manzanillo / BLS de Manzanillo, S.A. de C.V., whose representative is Mr. William J. Walls. Therefore, several meetings have been held with the registered owner in order to discuss, analyze and negotiate this situation, and it has been proposed to acquire, if such is the case, such Disputed Areas and convert them into common areas of the Vida del Mar Condominium as currently used.

Question was made if this should not be a problem of only the Guerrero and Yucatan Buildings. Reply was made that this has been used for a long time and is to be common property for the whole Condominium and not for just such buildings.

Once the above matter was discussed and analyzed by the attendees present, they **unanimously** took the following:

RESOLUTIONS:

ONE.- It is approved that the Association purchase any Disputed Areas in order to convert them into common areas of the Vida del Mar Condominium, paying a purchase price not to exceed \$210,000.00 (Mexican Pesos), amount that may be reduced based on the final surface of square meters to be determined on a survey of the Disputed Areas.

TWO.- The Board of Directors is authorized to negotiate all terms and conditions (including the final purchase price with the maximum established in resolution one above) required to acquire the Disputed Areas. The Board is entitled to appoint its President or another board member to sign the purchase deed and any other relevant documents in connection with the transaction herein approved.

THREE.- In addition, once the Disputed Areas have been acquired, the Board is authorized to approve and execute the procedures required in order to formalize the approved conversion and addition of the purchased Disputed Areas as common areas of the Vida del Mar Condominium and perform the calculation and description of the adjusted common areas to be reflected in the Condominium structure.

Addressing **POINT FOUR** of the Agenda, those in attendance **unanimously** agree to appoint and empower Messrs. Scott William Kunkel, Antonio Agraz Parra, Azucena Marín Díaz and Alma Berenice Soto García to jointly or separately:

- a) Undertake the proceedings with the competent authorities (especially the Foreign Relations Ministry) for the Association's name use, and
- b) Appear before the Public Notary of their choice to formalize the resolutions herein taken and oversee the recording thereof in the Public Registry of Property.

With respect to **ITEM FIVE** of the Agenda, there being no objection from those present, the associates **unanimously** authorize the Secretary of the Meeting, Antonio Agraz Parra, to prepare the minutes and, once revised by our attorney Azucena Marín Díaz and Mrs. Audrey Brase, who performed as Secretary of the Board of Directors, to have them legalized before a notary public by the delegates already appointed.

Having addressed all matters on the agenda for the General Extraordinary Meeting, and with no further matter to be addressed, the meeting was adjourned by the President, in order to immediately proceed with the Association's General Ordinary Meeting called for this same date, noting that 88.94% of associates were present (or represented) during the proposal, discussion and approval of each and every point on the meeting agenda.

After having prepared and reviewed the minutes of the General Extraordinary Meeting of the Condominium Association Vida del Mar held on January 20, 2007, as instructed by the attendees to such meeting, this minutes document is issued by Mr. Antonio Agraz Parra, Secretary of the meeting, who undersigns the same on January 30, 2007, being these minutes also signed by the condo owners who appeared as President and Tellers, as well as by the members of the Oversight Committee and the Manager as provided by article 57 of the Condominium Regulations recently approved.

Antonio Agraz Parra
SECRETARY

Scott William Kunkel
PRESIDENT

Robert Dillard
TELLER

David Lamure
TELLER

Lloyd Duncan
TELLER

MEMBERS OF THE OVERSIGHT COMMITTEE.-

Scott William Kunkel
PRESIDENT

Richard Francis
VICE-PRESIDENT

Alan Lewis
Treasurer

MANAGER OF THE CONDOMINIUM.-

Antonio Agraz Parra