

January 31, 2011

PROPOSED ACTIONS TO BE APPROVED BY THE HOA BOARD OF DIRECTORS, DURING THE FEBRUARY 19th, 2011 MEETING AT THE FRACCIONAMIENTO LA HACIENDA

1 –Propose and approve the Installation of an automatic Gate opener at the entrance of the complex, the system will include a magnetic card and a punch number station; the magnetic cards will be used for the owners and residents.

The punch number station will be used for short term renters, without the proper access code the entrance to La Hacienda will be denied.

The 5 digit code will be assigned by security; the code will lapse after the assigned period of time. The owners and or administrators will need to contact security to obtain the code.

A daily pass will be issued to visitors, contractors and maintenance personnel, Security will request to leave an identification that will be returned upon leaving the premises.

2 – Propose and approve the Installation a camera system that will monitor the entrance 24/7, the camera will operate only when motion is detected.

Notices will be sent to everyone that is not current with their dues; a period of 30 day will be waive to give the owners the opportunity to become current or to negotiate a payment arrangement. If the HOA is not able to reach these owners, a 3 day pass will be provided to these owners during their next visit, to give the owners the opportunity to bring themselves current. Security will collect the owners current information to update the data base.

Install a large red button at the entrance that will be required to open the gate, by those owners that are not current with their dues. Another option is to deny the entrance of the vehicle. This button can also be used in case of emergencies by the Fire and Police departments.

Security will deny, after the waive period, entrance to any one that is renting daily, or short term, from an owner that is not current with their dues.

Any visitor that is going to a home that is in default will have to depress the red button to gain access to the complex, Furthermore, if the owner is not present at the time of the visit, the access will be denied.

3 – Propose and approve to provide 24 hours security, during eventful weekends and holidays, mainly during Friday and Saturday, to enforce the rules.

Inform and provide a copy of the rules that are been enforced in La Hacienda, to the Chief of Police.

4 – Propose and approve the budget to be able to complete the work described in paragraph 1, 2 and 3, that are required to be able to perform the security tasks, the budget is US\$5,400.00; see the details on exhibit A.

5 – Propose and approve the two options, A and/or B, that are being offered to the owners to raise the funds required to complete the work as noted in paragraph 4, two options are being offered:

Option A – Request to the owners that normally are current with their dues to lend to the HOA US\$150,00, in return the HOA will agree in writing to not to increase their assessment fees for the next, three years.

Option B – Request to the same group of owners to advance of US\$150.00, in lieu of future dues, that can be deducted at a rate of US\$50.00 per year. This arrangement will also be in writing.

Since we are a legal institution (Association Civil, A.C.) under the law of Baja California, any agreement approved and made with the HOA is legally binding.

Commitments in writing of 34 owners will be required to raise the 5,400.00 dollars, required to implement the security system. The individual commitment can be done by sending an email, confirming your participation, the target date to receive your email, will be March 10th, 2011.

6 – Propose and approve the proposed Assessment for Los Condos/Las Casitas; see the details on exhibit B.

7 – Propose and approve Posting on the HOA web site, a notice to all new buyers, to check for delinquent maintenance dues, if the dues are not paid by the seller at the time of closing the buy and sale transaction, it will be the responsibility of the new owner, to pay for any HOA past dues.

8 – Propose and approve the proposal that will be presented to those owners with past dues, this proposal will give them the opportunity to bring them current. La Hacienda could be the most beautiful place in San Felipe, If most of the owners were to keep up with their maintenance payments, needless to say, the property value and the desire of new owners to join the community will be much higher.

The proposal includes all the properties in the complex, (some described as Phase I and Phase II) The lots in Phase II are without the following services, water, sewer and electricity, Also these lots do not have the street in front of the lots.

For the **Phase II** the proposal is as follows:

- a) Reduce the current annual assessment by 50% that is to say that the annual fees will be \$110.00 dollars, retroactive to the year 2005.

- b) The phase II, includes the lots located in the blocks 1, lots 7 al 14, block 2, 3, 4, in the block 5, lots 1, 2, 3, 4, 5, 6 y 7, blocks 11, 12, 13,14, 15, and in the block 16, lots 1 al 29.
- c) The numbers of lots without services in Phase II are 204 lots, (except error u omission). The approximate debt accumulated for the 204 lots is \$120,720.00 dollars.
- d) The dues for 2011 must be paid by no later than March 15th.2011.
- e) 50 % of the past due accumulated in the periods 2005 to 2010 will be waived, if the balance of 50% is satisfied by not later than April 30th, 2011.
- f) 40 % of your past due accumulated in the period 2005 to 2010 will be waived, if the balance of 60% is satisfied by no later than July 15th, 2011. Monthly payments can be arranged.
- g) 30 % of your past due accumulated in the periods 2005 to 2010 will be waived, if the balance of 70% is satisfied by no later than December 15th, 2011. Monthly payments can be arranged.
- h) For those owners who own several lots in La Hacienda, the HOA, will consider receiving part of the payment in land at current market prices.

For the **Phase I** the proposal is as follows:

- a) The dues for 2011 must be paid by no later than March 15th, 2011.
- b) 70 % of your past due from the period 2005 to 2010 will be waived, if the balance of 30% is satisfied by not later than April 15th, 2011.
- c) 50 % of your past due from the period 2005 to 2010 will be waived, if the balance of 50% is satisfied by no later than July 15th, 2011. Monthly payments can be arranged.
- d) 30 % of your past due from the period 2005 to 2010 will be waived, if the balance of 60% is satisfied by no later than December 15th, 2011. Monthly payments can be arranged.
- e) For those owners that own several lots in La Hacienda, the HOA, will consider receiving part of the payment in land at current market prices.

- f) The number of lots in Phase I are, 222 lots, (except error u omission).
- g) The total amount of debt accumulated in Phase I, for the periods 2005 al 2010, is substantial, probably more than \$250,000.00 dollars.

9 – There are owners that have always paid their dues, regardless of the economics times, These owners, first of all, should be given a big “THANK YOU”, for that support and contribution, furthermore, The HOA Board of Directors, would like to suggest that their dues for the next 2012 Calendar year, be reduced by 25 %, if 25 % of the past due from owner that are In the arrear are collected during the 2011 calendar year.