

Update and Summary:

Banamex

Over the past several weeks, I shared that a representative from Banamex in Mexico City would attend our Annual Meeting. You emailed questions and issues that you wanted this individual to answer/discuss. I forwarded those questions and concerns to Sr. Sergio Torres prior to our Annual Meeting.

On Friday, May 20th, Sr. Torres met with several members of the Board of Directors in Puerto Peñasco. However, he was unable to attend Saturday's meeting; he sent an email stating had a family emergency and returned to Mexico City.

Here's what we learned from our meeting with him on Friday:

1-Banamex's New Cost Numbers for the 20 year extension.

- a- Over the past two years, Banamex had stated that the cost to extend was \$3,000 USD with an annual trust fee of \$1,500 USD. THESE ARE BANAMEX COSTS ONLY.
- b- Banamex has lowered their cost to extend to \$348 USD with an annual trust fee of approximately \$348 USD. THESE ARE BANAMEX COSTS ONLY.

2-Process and Costs for 20 year extension- I have requested from Banamex their process for extension. At this time, I have not received their process. This is what we do know.

- a- You can submit the paperwork 90 business days prior to the expiration of the trust. For Las Conchas, this is approximately July 28, 2017.
- b- If there are NO changes to your current trust, the approximate cost is \$5,500 USD. There are required fees for permits and notarios. One of these is for the Foreign Affairs Office. Those costs are:
 - i. \$700 USD to extend current permit for as much as 20 extra years.
 - ii. \$110 USD process fee
 - iii. \$200 USD to National Registry of Foreign Investment
- c- If there are changes to your current trust, Banamex recommends that you make those changes now. For example, you would need to make changes to your trust if either the beneficiary or substitute beneficiary has died or changed names. The cost for this is approximately \$2,500 USD (This is in addition to the costs outlined above for the extension.)
- d- Each change and extension will be reviewed individually by Banamex.

4-Banamex is not interested in new individual trusts.

5-What happens when the Master Trust expires?

- a- Banamex has stated that they will not conduct an auction of the properties whose trust has expired. Nevertheless, by Mexican law, the bank who holds the Trust has the legal right to conduct an auction.
- b- Any actions after the Trust has expired will be assessed late fees by the Foreign Affairs Office. This will increase monthly.

6-Contact information for Banamex:

Sergio Torres Email:sergio1.torres@banamex.com

Phone: 52 (55) 22 62 59 87 (55987)

Isaura Quintero Email: ramona.isaura.quinteromolina@banamex.com

Phone: 52(662) 324-9639.

In conclusion, we were unable to answer the number one question that you asked

Why is Banamex interested in Las Conchas now?

Sr. Torres was apologetic about how Banamex had treated the Vecinos of Las Conchas through the years. However, we have heard—from several sources—a rumor. As you know, I do not share rumors unless I can validate them. This is one that I think you should be aware of. Banamex may be in the process of selling its entire portfolio of bank trusts. Perhaps this is why Banamex is interested in extensions for bank trusts in Las Conchas.

If you have any questions or concerns, please contact either Sr. Torres or Sra. Quintero.