

## MINUTES OF THE ORDINARY GENERAL MEETING OF MEMBERS, DESCANSO HOMES A. C. CIVIL ASSOCIATION

The meeting took place at 9:00 a.m. on May 24, 2014 in accordance with the provisions of Articles 16, 17, 18, 20, 24 y 29 of the statute governing the Association, and attachment to the meeting dated April 23, 2014, gathered at Club House Association facilities, located in Privada Mezquite K-3, Fraccionamiento El Descanso, Playas de Rosarito, Baja California, held an ordinary General Meeting of Members of DESCANSO HOMES A.C., which is performed in the following Agenda:

1. Legal declaration of Quorum and, Assembly Installation.
2. Designation of scrutineers and, counting attendees.
3. Agenda reading and approval.
4. Previous Assembly Minutes reading and approval.
5. Board activities report, period October 2013 to May 2014.
6. Financial Report by the Treasurer, period October 2013 to April 2014, Presentation and approval.
7. 2014 Budget presentation and approval.
8. Projects to perform at El Descanso.
9. Negotiations Committee with Promocasa, Report.
10. PROMOCASA presented its report.
11. Titular Commissary Pedro Meneses' Report.
12. General matters.
13. Officers designation, and closure of the Assembly with the respective Minutes.

**FIRST ITEM ON THE AGENDA, LEGAL QUORUM DECLARATION AND, ASSEMBLY INSTALLATION.-** In relief this point, Mr. Oscar Guerra Peraza ,Board President, welcomed the Members, and establishes the mechanics of this assembly.

Mr. Oscar Guerra Peraza, reports that the summons was forwarded timely in terms of the constitutive statute of the Association, the first call to the nine hours was established, declaring void for lack of quorum; the second call at nine thirty hours, declaring void for lack of quorum, and taking out a third Call for ten hours.

In the third call, the President of the Assembly, Certificate Associate Assistance to the Assembly, who that under the attendance, signed, for the third call, are present 36 members, who are current on the payment of their dues. Having given opportunity to homeowners with some debt, make the payment, prior to commencement of the meeting.

The President of the Assembly, based on certifications made pursuant to the above reported, certifies and finds that there is a legal quorum to conduct the meeting and declared legally Assembly installed.

**SECOND ITEM ON THE AGENDA, APPOINTMENT OF SCRUTINEERS.-** President of the Assembly asks the attendees Associates, appoint two scrutineers for legal purposes such as designation of contracts.

Proposing Messrs. Jerome Kocher and Moises Sotelo, who in the presence of the Assembly agree to accept such appointment and the position conferred on them.

**THIRD ITEM ON THE AGENDA, READING AND APPROVAL OF AGENDA.-** In the relief of this point, the President of the Assembly read out the agenda, which was approved unanimously by those present, there were no comments or objections.

**FOURTH ITEM ON THE AGENDA, READING AND, IF APPLICABLE, APPROVAL OF THE MINUTES OF THE PREVIOUS ASSEMBLY.-** Eve Duran, Board Secretary, noticed to the Assembly with the minutes of the previous ordinary meeting held on September 21, 2013, asking the present members to express their comments or objections; To which the scrutineers reported that there is no objection or protest against the approval of the Act; Exposed this, the General Assembly approved the following resolution:

**AGREEMENT 1-AGO-2014 (24-05-2014).**- *The General Assembly Descanso Homes Civil Association, pursuant to the powers conferred on constitutive statutes, by unanimous vote, approved for all legal purposes there, the Assembly Minutes of the Previous Ordinary Session held on September 21, 2013.*

**FIFTH ITEM ON THE AGENDA, BOARD ACTIVITIES REPORT PERIOD OCTOBER 2013 TO MAY 2014.-** The President of the Assembly, read the report of activities previously sent electronically as an attachment (annex a), which is issued by the Board in compliance with the provisions of Article Forty-First point i) of the Bylaws; highlighting mainly concerning administrative activities, security activities, maintenance activities performing a detailed explanation and detailed each of the actions taken by the Board in the period under report.

**AGREEMENT 2-AGO-2014 (24-05-2014).**- *The General Assembly Descanso Homes Civil Association, according to the attributions conferred by Article Nineteen Subsection b) of the statute, by unanimous vote, approves the report exposed by the Board's activities for the period October 2013 to May 2014.*

**SIXTH ITEM ON THE AGENDA, FINANCIAL REPORT BY THE TREASURER, PERIOD OCTOBER 2013 TO APRIL 2014, PRESENTATION AND APPROVAL.** The Board Treasurer Sergio Ramirez states that delivered electronically as an attachment the financial status of the Association for the period October 2013 to April 2014, also in this act to all present delivers the report on the financial situation of the period referred to above, explaining in detail to the present information on income and expenditures of the report period; likewise the details of the accounting and financial transactions of the Association during the period specified above, the Bank report, reserves bank account, and the current debt on maintenance fees account, highlighting that on May, by implemented legal action, it was possible to recover the debt of \$ 7,968.60 Dlls, the largest debit-performing loans that had been generated by the House A-6, likewise, legal actions for the recovery of other debts are active.

Stating who chairs the Assembly not having comments or objections to the report submitted by the Treasurer of the Board; and once the scrutineers inform the President of the Assembly, on the voting, no objection or protest against it was received; Exposed this, the General Assembly approved the following resolution:

**AGREEMENT 3-AGO-2014 (24-05-2014).**- *The General Assembly Descanso Homes Civil Association, according to the attributions conferred by Article Nineteen Subsection b) of the statute, approved the financial report by the treasurer, period from October 2013 to April 2014.*

**SEVENTH ITEM ON THE AGENDA, PRESENTATION AND APPROVAL OF THE BUDGET 2014.** - The Board Treasurer Sergio Ramirez preceded to explain in detail to the general assembly, the budget for 2014, which as an attachment to the notice was handed to each and every one of the partners (annex) being very explicit Mr. Sergio Ramirez, in each of the concepts that make up the budget and solving the questions raised by the present members.

As the President of the Assembly finds that having no comments or objections to the proposed budget; and once the scrutineers inform the President of the Assembly, that no objections or protests against received, the General Assembly approved the following resolution:

**AGREEMENT 4-AGO-2014 (24-05-2014).**- *The General Assembly Descanso Homes Civil Association, pursuant to the powers conferred on constitutive statutes, by unanimous vote, approved the Budget presented for the year 2014.*

**EIGHTH ITEM ON THE AGENDA, PROJECTS TO DEVELOP AT EL DESCANSO.**- The President of the Assembly, made the exposure of improvement projects to make in the second half of 2014, by the Association. Thanking HOA employees for their hard work and dedication in each of the projects undertaken by the Association, stating that the projects to be developed are as follows:

- Placing security cameras on the south perimeter and Pools.
- Building a Palapa on the sand area.
- Proposal to the Santana family to negotiate land access to El Descanso.

**NINTH ITEM ON THE AGENDA, NEGOTIATIONS COMMITTEE REPORT WITH PROMOCASA.**- The President committee, Eli Barak exposed to the assembly about the meetings he has had with representatives of Promocasa, in which mainly have been addressed issues concerning the reception of the four private and theme RCI.

**TENTH ITEM ON THE AGENDA, PROMOCASA REPORT.**- Mr. Javier Armando Oliver, presented to the assembly the RCI project its foray into El Descanso, outlining the scope of the project and proposed that the next assembly of September 2014 report in detail on this issue. He also spoke about the project to build the clubhouse that will feature area restaurant, bar, mini market, gym, terrace, office and boardroom.

**ELEVENTH ITEM ON THE AGENDA, TITULAR COMMISSARY REPORT.**- At this point of the agenda, Mr. Pedro Meneses, as Commissary of the Association submits his report, making a detailed explanation regarding the current status of observance Association, Mr. Meneses highlighting that the Association has a reasonable degree of compliance in the main budget, accounting, financial and operating items, for the period from October 2013 to May 2014, thereby fulfilling the laws, statutes and regulations by the HOA Board.

**TWELFTH ITEM ON THE AGENDA, GENERAL.-** At this point, no topics were presented, however the President of the Assembly, requested to be included in the next meeting in September 2014, concerning the regulation of parties held in the development, and the prohibition of music live in such events.

**THIRTEEN POINT AGENDA, OFFICERS DESIGNATION AND, CLOSING ASSEMBLY WITH THE RESPECTIVE MINUTES.-** There being no further business to discuss, the Assembly was closed at 12:15 pm on May 24 2014. Providing time to formalize the Minutes, and attach the reports that were received and approved at this meeting that the agenda was sent to them to associates, as well as assistance list. Also in this act Julio Menéndez Sánchez Attorney is designated as a delegate of the General Assembly for the protocols process of these minutes of general assembly.

**CLOSING:** Concluded the matters provided in the agenda, lifting this Act, signed by the President of the Assembly, Board Treasurer and Commissary, and by the scrutineers appointed for the purpose of this.

Oscar Guerra Peraza.  
**President of the Assembly.-**

Eve Duran.  
**Board Secretary.-**

Sergio Ramírez.  
**Board Treasurer.-**

Pedro Meneses.  
**Commissary**

Jerome Kocher.  
**Scrutineer**

Moisés Sotelo.  
**Scrutineer**