

**ASSOCIATES EXTRAORDINARY GENERAL MEETING MINUTE,
OF THE CIVIL ASOCIATION DESCANSO HOMES A.C.**

In Playas de Rosarito, Baja California being 10:05 hrs. of **September 16th of 2017**, the associates gathered at the registered office "*Descanso Homes, Asociación Civil*", in compliance with the notice issued and published on July 16, 2017 by the Board of Directors, based on the provisions of articles 16, 17, 18, 20, 24, 28 and 29 of the Statute governing the Association, and which was set to take place on Saturday, September 16, 2017, at the clubhouse, located at *Privada Mezquite K-3, Fraccionamiento El Descanso*, Municipality of Playas de Rosarito Baja California, at 9:00 a.m. as the first call, at 9:30 am as the second call, and at 10:00 am as the third call, which included the following:

AGENDA

1. Legal Quorum Statement Assembly and Installation.
2. Appointment of scrutineers.
3. Reading and approval of agenda.
4. Reading and Approval of Minutes of the last Assembly (May 27, 2017).
5. Election Process of the two Surveillance Committee Members.
6. Election Process of the two Board Members (President and Secretary).
7. Presentation and Approval the Financial Report by the Treasurer.
8. Closing Report of the Board for the 2015-2017 period.
9. Modifications to the HOA Regulations.
10. Updating and depuration the Associates Census.
11. PROMOCASA Report.
12. General.
13. Appointment of delegate, closing and lifting Assembly Act.

The President of the Assemble Mr. Pablo Bravo Delgado, welcomed the attendees, informing that the registration of the attendees of the Assembly started at 9:00 A.M.; and introduces the Association Board members: Pablo Bravo Delgado - President, Jesús Alberto Pastrana Rodríguez - Treasurer, Surveillance Committee – Rafaela Vasquez y Debora Chávez, Architecture and Design Committee– Arturo Quintana y Pedro Meneses; Manager of El Descanso – Jannette Mateos Bernal, Associations Lawyer – Lic. José Manuel Grijalva; representing Promocasa – Juan Carlos Camacho Reyes – Manager of Customer Service, and Belen Hernández – Responsible of Warranties.

ITEM 1 OF THE AGENDA. – 1. LEGAL QUORUM STATEMENT ASSEMBLY AND INSTALLATION.

The President of the Assembly informs that being 10:15 hrs. of September 16th of 2017, they proceed with the Third Call at which time there are 33 associates listed on the attendance list annex, so that the **EXISTENCE OF LEGAL QUORUM DECLARES**, formally establishing the Extraordinary General Assembly, so that the work carried out in it are valid and legal, as well as the determinations and agreements that are taken.

Mr. Pablo Bravo asked those present to register the topics they wish to address in item 12 of the Agenda for General Affairs, and asked Jannette Mateos to take note of the topics to be discussed, which are:

1. B-22 Cathie Turvey, will there be another access to Sunset Rest?
2. A-16 Rolando Valenzuela, will it be the same water tank for the 2 complexes?
3. G-3 Marilu Encinas, About the green area, if they are going to yield to HOA?
4. A-36 Roberta Giese, will there be any opening of the Club House?
5. J-19 Sergio Ramírez, Club House and Service to the employees. Category and Rights of the spouse.
6. L-4 Cristina Vazquez, Situation of Islay 4.

ITEM 2 OF THE AGENDA. - APPOINTMENT OF SCRUTINEERS.

Likewise, Mr. Pablo Bravo, requests the support of two volunteers to serve as scrutineers, with Mrs. Marilu Encinas and Sofía Espinoza as proposals, explaining that the scrutineers are responsible for counting the votes, as there are no more candidates, the volunteers are put to a vote as the Assembly proposals, taking the following **A G R E E M E N T**:

RESOLVED, by unanimous vote, the approval of the appointment of Ms. Marilu Encinas and Sofia Espinoza as scrutineers of this Assembly.

Once the scrutineers have been appointed, they count the attendees confirming the presence of 33 associates.

ITEM 3 OF THE AGENDA. - READING AND APPROVAL OF THE AGENDA.

Once the agenda has been read, the Assembly votes for approval, **A G R E E M E N T:**

RESOLVED, by unanimous vote of those present, the approval of the Agenda.

ITEM 4 OF THE AGENDA. - READING AND IF ANY, APPROVAL OF THE MINUTES OF THE ASSEMBLY MAY 27, 2017.

At this point, with 43 Associates registered and present, the President of the Assembly reports that the Minutes were sent to the members' e-mails in an opportune way so that they had an opportunity to read it, for which reason he requested the dispensation of reading, submitting to The Assembly is therefore asked unanimously to approve the above, and it is therefore asked if observations are made on the content of the minutes in question, without anyone requesting the use of the voice for changes or observations, reaching the next **A G R E E M E N T:**

RESOLVED, by unanimous vote, the declaration of approval of the Minutes of the Meeting of May 27, 2017.

ITEM 5 OF THE AGENDA. - PROCESS OF ELECTION OF 2 MEMBERS OF THE SURVEILLANCE COMMITTEE.

The President of the Assembly gives the floor to Mr. José Manuel Grijalva, who reports that Ms. Rafaela Vasquez presented her Letter of Intent to continue as a member of the Vigilance Committee. After explaining to the attendees, the activities and responsibility of the position, the participants are asked to state if they wish to participate, as two members are required for the Committee.

Mr. Rafael Trejo, Ms. Rafaela Vasquez and Ms. Roberta Gieseá are proposed voluntarily.

Subsequently, a vote was taken to elect the 2 Members; with the following results, Mr. Rafael Trejo, 43 votes for Yes and 0 votes for No; Ms. Rafaela Vasquez 33 votes for Yes and 10 votes for No; Roberta Gieseá 10 votes for Yes and 33 votes for No; therefore, we reached the next **A G R E E M E N T:**

IT WAS RESOLVED by a vote of the 43 Associates present, that the Surveillance Committee is composed of Mr. Rafael Trejo and Ms. Rafaela Vázquez.

ITEM 6 OF THE AGENDA. - PROCESS OF ELECTION OF 2 MEMBERS OF THE BOARD OF DIRECTORS (PRESIDENT AND SECRETARY).

The President of the Assembly gave the floor to Mr. José Manuel Grijalva, who reported that two applications had been received for the office of President, the first of Mr. Pablo Bravo Delgado, which was received in a timely manner; the second of Mr. Jose Antonio Pasten Martínez, which was dismissed because it was filed out of time and form. Likewise, he reports that only one nomination was received from Mr. Oscar Manuel Cobián Yee, for the position of Secretary. And lastly, he comments that by strategy, Mr. Benjamín Bernabe Flores Hernandez is proposed to the position of Alternate Secretary. Once none of the present has any questions, the approval of the two candidates is submitted to a vote, arriving at the following **A G R E E M E N T:**

IT WAS RESOLVED by unanimous vote of the present the appointment of Mr. Pablo Bravo Delgado as President for the period 2017-2019.

RESOLVED, by unanimous vote, the appointment of Mr. Oscar Manuel Cobián Yee as Secretary for the period 2017-2019.

The appointment of Mr. Benjamín Bernabe Flores Hernández as Alternate Secretary for the period 2017-2019 was unanimously RESOLVED.

Due to the above results, it is hereby informed that **the Board of Directors of the Association "Descanso Homes, A.C." was made up as follows:**

President: Mr. Pablo Bravo Delgado

Secretary: Mr. Oscar Manuel Cobián Yee

Alternate Secretary: Mr. Benjamin Bernabe Flores Hernandez

Treasurer: Mr. Jesús Alberto Pastrana Rodríguez

Alternate Treasurer: Mr. Ricardo Ascencio Estrada

ITEM 7 OF THE AGENDA. - PRESENTATION FOR APPROVAL OF THE FINANCIAL REPORT BY THE TREASURER.

For the development of this point, Mr. Jesús Alberto Pastrana, who begins by presenting the Financial Report, mentions the following:

The financial information was sent monthly, as well as previously to the Assembly by email and in writing. Now there are 221 houses registered in HOA, 8 are pending to deliver by Promocasa, 2 houses "sample", and 1 that functions as Clubhouse.

The current reserve fund is: \$ 20,400.00 dollars. The owners who have not yet made the payment of the reserve fund, are invited to do so as soon as possible.

Revenue from May to August 2017 was \$ 1,223,384.69 pesos for installments, late charges, recovery of the water expense fund, reserve fund, and other income from use of areas for private events.

Expenditures report that expenditures were \$ 1'401,110.74, the most representative expense is the Administrative fee of 56.21% for the HOA employee payroll, 18.78% for taxes, 6.63% Maintenance of gardens and buildings, 4.14% Equipment of transportation, 4.54% financial expenses, 3.23% Recreation Area, 3.26% services, 1.76% light, 1.02 events and 0.43% in stationery. The balance as of August 31 is \$ 388,312.22.

Mr. Pastrana mentions that, with respect to Accounts Receivable, the Attorney is bringing the claims process to 7 owners with debts totaling \$ 22,864.01.

At the end of his report, Mr. Pastrana answers the questions of those present:

- a) How long does the recovery process take? That depends on the courts.
- b) How can income and expenses be balanced? It is difficult, everything has increased, the costs are not the same, this is evident to everyone because we all experience it.
- c) Inform to not increase the quota constantly, it is established in dollars.
- d) The exchange rate should be that of the Official Gazette. Last May it was 18.80, so the exchange rate was set at 17.50, however, in the future, possibly in May it will be necessary to increase the quota. Any suggestions or requests should be sent to the office for analysis and presentation at the next Assembly.

At the end of the questions and answers, the participants are asked to vote for the approval of the report, arriving at the following **A G R E E M E N T**:

IT WAS RESOLVED by unanimous vote of those present, to approve the Financial Report for the period from May to August 2017 submitted by the Treasurer, Mr. Jesús Alberto Pastrana Rodríguez.

ITEM 8 OF THE AGENDA. - REPORT OF THE CLOSE OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2015-2017.

Mr. Pablo Bravo reports that the results of the activities of the 2015-2017 Board of Directors are in full view. That is approaching a new stage in which Promocasa is going to deliver soon, says that it needs more participation and union of all the Owners to be the best Development of Rosarito. There were no questions from those present.

ITEM 9 OF THE AGENDA. - MODIFICATIONS TO THE REGULATIONS OF THE ASSOCIATION.

Mr. Pablo Bravo reports that no proposals were received from the owners to make changes to the Regulations, as requested by the May Assembly. Therefore, the regulations are as they were, urging residents to stick to them.

ITEM 10 OF THE AGENDA. - UPDATE AND DEPURATION OF THE PATRON OF ASSOCIATES.

The President of the Assembly gives the floor to Mr. José Manuel Grijalva who explains the importance of updating the Register of Associates since there have been sales among individuals, changes of Headlines, etc., so it is necessary to update them. A list of the Public Registry of Property and Commerce will be obtained, which will be crossed with the information that the Association has. It states that they can fill out the format that in this act shows, and fill it with your information to have your file updated, they can do it from this day, the format will be sent by email and will also be available in the office of HOA.

ITEM 11 OF THE AGENDA. - PROMOTIONAL REPORT.

Representing in this act Promoter of Houses and Buildings, S.A. of C.V., Architect Juan Carlos Camacho - Customer Service Manager and Architect Belen Hernandez Bravo - Customer Service Manager. Taking the floor Juan Carlos Camacho, it states the following:

A list was received from the Board of Directors on July 31 of this year, with 48 outstanding points to attend, of which 22 have been attended.

The list will be sent to the Association for delivery to the residents.

He informs that the remaining 15 houses will be finished, but that Promocasa will continue in Descanso.

There are still several Landlords who have not signed their deeds, so Promocasa will not charge them for doing the procedure, for any doubt you can approach Juan Carlos Camacho or Belen Hernandez.

Of the 69 guarantees that have been received from May to date, 19 have been taken care of, they are in process 6 and 44 are pending to be taken care of.

They are being served as they were received. Now there are 3 groups of people (crews) working to attend them.

At the end of his report, those present were informed that Juan Carlos and Belen will stay after the Assembly to attend to the Owners who wish to talk about their guarantees and to coordinate their shift to be attended to.

Residents request greater and better communication from Promocasa.

ITEM 12 OF THE AGENDA. - GENERAL BUSINESS.

Mr. Bravo starts with the 6 points scheduled in General Business:

1. B-22 Cathie Turvey, will there be another access to Descanso Sunset? No, it will be the same access for both, the boulevard is public. Improvements will be made as a new automated surveillance booth, and in the future, we will share the expenses with Sunset.

2. A-16 Rolando Valenzuela, will it be the same water tank for the 2 complexes? Yes, we are working on the issue of bombs and the placement of telemetry, by September 19 CESPT will make all the observations that Promocasa has to do. Juan Carlos Camacho agrees to send the technical file of the water tanks and pumps, plus the results. Dr. Rolando Valenzuela will be the Special Commissioner on behalf of HOA to follow up on the topic of CESPT with Promocasa. Mr. Bravo agrees to inform all Owners of the dates of the monthly meetings of the Board of Directors.

3. G-3 Marilu Encinas. On the green area, if they are going to yield to HOA? Mr. Bravo informs that the status has been sent to all, it is no longer green area and the facilities can already be used. Promocasa will send the document of the process of exchange, the process is advanced and will conclude. Mr. Grijalva has confirmed the veracity of the documents delivered by Promocasa.

4. A-36 Roberta Giese, will there be any opening of the Club House? Now, it has not been planned, the Club House has not yet been received, but you will be informed by email.

5. J-19 Sergio Ramirez, Club House and Service to the employees. Category and Rights of the spouse. Because Mr. Ramirez withdrew from the meeting, this issue was not developed.

6. L-4 Cristina Vázquez, Situation of Islay 4. Are they going to close it? Juan Carlos Camacho indicates that Islay is registered as road (street), but they are reviewing it in Promocasa Projects.

ITEM 13 OF THE AGENDA. - DESIGNATION OF THE DELEGATE, CLOSURE AND LIFTING OF ASSEMBLY ACT.

It is resolved by the Assembly that the Manager Jannette Mateos Bernal is designated as special delegate for the execution and protocolization of the minutes of the meeting, as well as for its registration at the Office of the Public Registry of Property and Commerce, who, being present accepts such charge.

At 12:36 hours on September 16, 2017, the President of the Assembly, Mr. Pablo Bravo Delgado, closes the present Extraordinary General Assembly, granting the necessary time for the preparation of the corresponding Act.

BY THE ASSOCIATION BOARD,

PABLO BRAVO DELGADO - PRESIDENT

OSCAR COBIAN YEE - SECRETARY

JESUS ALBERTO PASTRANA RODRIGUEZ - TREASURER

MANAGER OF "DESCANSO HOMES, A.C."

JANNETTE MATEOS BERNAL