
ORDINARY ASSEMBLY MINUTES MAY 26, 2018

1. ASSISTANCE LIST, LEGAL QUORUM STATEMENT ASSEMBLY AND INSTALLATION. At 10:10 a.m. of May 26th of 2018, we proceed with the Third Call, with the presence of 33 associates signed in the assistance list attached to this email, **STATING LEGALLY WHO IS PRESENT**, and formally beginning the Ordinary General Assembly. Therefore, all the work made in it is valid and legal, and so are the decisions and agreements taken, with Pablo Bravo Delgado as translator between English and Spanish speakers.

2. READING AND APPROVAL OF AGENDA.

Pablo Bravo and Oscar Cobián, President and Secretary, proceed to read the AGENDA:

1. Assistance List, Legal Quorum Statement Assembly and Installation.
2. Reading and approval of agenda.
3. Reading and approval of Minutes of the Assembly (dated on September 16th,2017).
4. Appointment of 2 scrutineers.
5. Activities report by the Board, from September 2017 to April 2018, and list of Projects to develop at El Descanso.
6. Commissioners' report from October 2017 to April 2018.
7. Presentation and Approval of the Financial Report by the Treasurer.
8. Election Process of 1 (one) Board Member (Treasurer).
9. Reading and if needed Approval Club House Regulations.
10. Reading and if needed Approval of the modifications to the Association regulations.
11. Update and debugging of the associate registry.
12. PROMOCASA report.
13. General.
14. Appointment of delegate, closing and lifting Assembly Act.

Once finished the reading of the agenda, Mr. Pablo Bravo Delgado, President of the Assembly mentions that the approval of the Agenda is put to a vote, taking the following:

A G R E E D

RESOLVED, by unanimous vote of those present, the approval of the Agenda published in the made for this Ordinary General Assembly.

3. READING AND APPROVAL OF MINUTES FROM THE LAST ASSEMBLY OF SEPTEMBER 16, 2017.

In this section, the President of the Board, Pablo bravo Delgado states that the Assembly Minutes from September 16th of 2017 was sent previously to all the associates, therefore it was requested to reject the reading of the minutes, without any objection the proposal is voted, resolving as follows:

A G R E E D

RESOLVED, by unanimous votes of those present, the approval of the Minutes from the Assembly of September 16th of 2017.

4. APPOINTMENT OF 2 SCRUTINEERS AND COUNTING OF ATTENDEES.

The president of the Assembly, Mr. Pablo Bravo Delgado indicates that following the agenda in point 4 of the agenda proceeds to choose scrutineers, who will be in charge of counting the votes. Then the President asked for volunteers, to which Ignacio González Martínez and Benjamín Bernabé Flores Hernández answered, and without any other candidate they voted resulting in the following:

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A G R E E D

RESOLVED, by unanimous votes of those present, the approval and designation of Ignacio González Martínez and Benjamín Bernabé Flores Hernández as scrutineers of this assembly.

Once the scrutineers are chosen, they proceeded to count the attendees confirming the assistance of 33 Associates.

5.ACTIVITIES REPORT BY THE BOARD, FROM SEPTEMBER 2017 TO APRIL 2018, AND LIST OF PROJECTS TO DEVELOP AT EL DESCANSO.

Mr. Pablo Bravo (President) and Mr. Oscar Cobián (Secretary) exposed the following:

The Board held 12 meetings with the assistance of: vigilance committee, design Committee, lawyer and accountant of the Association, and Representatives of Promocasa. There was also the assistance of some homeowners.

Tours were made with Promocasa in the Development and its facilities, reviewing and following up on the pending commitments and making observations that are being fixed. Among other works, the maintenance of the luminaire posts, repair of luminaires, placement of concrete in the north canyon to stop the landslide, placement of ditches and graders in the south canyon, cleaning of tank and cistern, valve replacement, maintenance of the equipment and pump room, etc.

The exchange of the properties is being followed up, specifically the land where the Club House is located, which was already approved and published in the Official Gazette on April 13, 2018, from page 59 to 67. We will contract the services of an authorized expert to make a topographic survey and marking of the points (limits) of the land of the green area (clubhouse, pool, courts, etc.) to confirm the adjoining.

Mr. Grijalva, Lawyer of the Association, is reviewing in detail the document of Commodatum (Referred in spanish as "Contrato de comodato") and guarantees of the Club House and Recreational Area.

The Club House was inaugurated, in which the following works were carried out: installation of ceramic floor, installation of surveillance camera systems, installation of alarm system, installation of flying buttresses in columns, installation of roof in windows, installation of the equipment of the gym, installation of carpet and coat racks in gymnasium, installation of urinal, placing of inauguration plaque. Improvements in the gardens of the recreational area: installation of drip irrigation systems to reduce water expenditure, enabling areas to have more areas with tables and chairs, cleaning and design of planters with a minimum investment. Works in Privadas: Two cards were replaced for Privada Sauce (vehicle access doors), the gardens were fertilized, maintenance was done on blacksmithing of access doors, walls are being restored and painted in some privadas.

PROJECTS TO DEVELOP AT EL DESCANSO

Purchase of flashlights for guards, purchase of tools and equipment for maintenance, purchase of guillotine to cut iron (for works of blacksmithing), purchase of harness to prune the palms, installation of roof tile in north part of clubhouse, modification of the roof in the main entrance of the club house, furniture with sink and installation of the microwave in clubhouse, blocks to match perimeter wall for handrail, installation of a handrail in the north part of clubhouse, handrail on the ramp to the clubhouse, decorative wood for landscaped areas of the club house, decorative gravel (2 trucks), wooden guard fence in grill area, replacement of 2 concrete benches, plaster and paint in walls of common areas of the Privadas. Construction of a tool and machinery warehouse, conditioning dining area for employees and installation of Microwaves.

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After de report its taken in consideration of the Assembly for vote:

A G R E E D

RESOLVED, by unanimous vote of those present, the approval of the report by the Board of the period September 2017- April 2018.

6. COMMISSIONERS' REPORT FROM OCTOBER 2017 TO APRIL 2018.

C. Rafaela Vásquez informs that she wishes to recognize the hard work that the Board of Directors has developed, that the results of her work are evident and can be observed at a glance;

The assembly thanks Mrs. Rafaela Vásquez for her participation and report.

7. PRESENTATION AND APPROVAL OF THE FINANCIAL REPORT BY THE TREASURER.

The Treasurer, Jesús Alberto Pastrana Rodríguez, indicates that the Financial information has been sent monthly via email. The balance on May 23 at the Bank is \$ 62,574.31 pesos, \$ 24,277.53 in dollars, plus \$ 21,600.00 dollars in the reserve fund. As of May 23, 184 payments have been received for the extraordinary fee for the purchase and placement of tiles in the clubhouse, with 37 houses missing for making their payment.

The Treasurer proposes to the Assembly to stablish the payment of the Extraordinary Fee as obligatory to all 221 homeowners, and to stablish that it needs to be paid as soon as possible; submitting it to vote as follows:

A G R E E D

RESOLVED, by unanimous vote of those present, its approved the payment of the Extraordinary Fee is obligatory to all 221 homeowners as \$280.00 pesos or \$16 USD, this charge will be applied to the homeowner billing statement if it has not been paid.

Mr. Pastrana said that the monthly maintenance fee has been the same for 10 years, and that we all can see the increase in gasoline, services, materials, etc., so it is reported that he will begin with the review of an increase in maintenance fees, based on a budget to calculate the increase, analyzing the expenses that are generated by maintenance, as well as the conservation of the home value of our properties. The information will be presented at the Assembly of September 2018.

After a detailed explanation of the information presented in writing of the income, expenses, remnant, accounts receivable, and the presentation of the 2018 Budget, answers were given to the questions of the associates, taking note of the proposed suggestions. When there are no more questions, it is put to the vote taking the following:

A G R E E D

RESOLVED, by unanimous vote of those present, the approval of the Financial and Budget Report 2018 presented by the Treasurer Jesús Alberto Pastrana Rodríguez.

8. ELECTION PROCESS OF 1 (ONE) MEMBER OF THE BOARD OF DIRECTORS (TREASURER).

Taking into consideration the Call published on March 26, 2018, in which interested parties interested in participating in the election were invited to the position of Treasurer of the Association Descanso Homes, AC, only one request was received from our partner Mr. Jesús A. Pastrana Rodríguez, who also complied with

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the bases exposed at the Call, delivering on time and form with the requested requirements. Proceeding to the vote, resolving on:

A G R E E D

RESOLVED, by unanimous vote of those present, designation of Lic. Jesús Alberto Pastrana Rodriguez as Treasurer of the Association of the period of May 2018 – September 2019.

9. READING AND APPROVAL OF THE REGULATIONS OF USE OF THE CLUB HOUSE.

The Secretary, Mr. Oscar Cobián Yee, informs that the Rules for the use of the Club House are very advanced, however, some points are still being revised to establish a single regulation for the recreational areas, swimming pools and clubhouse. In July the proposal will be sent by email to all owners, so that their comments and suggestions are received by August 20. The finished Regulation will be presented at the Assembly of September 2018 for approval.

Mr. Cobián continues explaining that for the time being, as the clubhouse is already in operation, the hours are from 8:00 a.m. to 10 p.m.; their cooperation is requested not to enter with wet clothes and without shoes; Club events can not be held in the clubhouse; it is for the use of the Owners and their guests, not for tenants who rent for less than six months; smoking is not allowed, neither the income and consumption of alcoholic beverages; It is forbidden to enter with pets in the entire recreational area, including the Clubhouse. Once the questions are answered and the suggestions of those present are noted, a vote is taken taking the following:

A G R E E D

RESOLVED, it is approved unanimously by the votes of those present, that the final Regulation will be presented at the Assembly of September 2018 for approval.

10. READING AND APPROVAL OF MODIFICATIONS TO THE REGULATIONS OF THE ASSOCIATION.

The President of the Assembly states that there has been disagreement among some Homeowners, because is not allowed to park on the streets or in front of their property, as indicated in the HOA Regulation. The problem that can be generated by the elimination or modification of Article 18 was exposed. After hearing the reasons of some of the present associates who disagree with this article, the elimination or modification of Article 18 is put to the vote, taking the following:

A G R E E D

RESOLVED, with 19 votes in favor and 8 against, that Article 18 remains as it is, which reads: "ARTICLE 18. Any vehicle that is parked in an area of private property and / or common use, without the express authorization of the condominium owner and the association respectively, will be entitled to an extraordinary fee for each half hour. If after three extraordinary installments it is not removed, it will be removed with a crane, charging the cost of the same to the offender. ** I. Parking on the street inside the privada is prohibited. The homeowner will be responsible for covering the cost of the crane to remove the vehicles.

PROPOSAL OF INSERTION TO ARTICLE 10 ° SECTION X.

Because the former employees of the Association are aware of the houses that are usually uninhabited, as well as knowledge of names and information of some owners, for security reasons, the Board of Directors in function proposes the INSERTION to the Association Regulations as follows:

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"ARTICLE 10, Section X. - The Associate Owners, as well as the residents who inhabit any unit within the Development, undertake not to hire former employees of HOA, as private employees for gardening, construction, sales, etc."

After an explanation of the reasons for requesting the aforementioned insertion, the approval of the insertion of subsection X to Article 10 is put to the vote, taking the following:

A G R E E D

RESOLVED, with 12 votes in favor and 4 against, that the insertion of subsection X to Article 10 is approved, which states "Subsection X. - The Associate Homeowners, as well as the residents who inhabit any unit within the Development, commit themselves not to hire former employees of HOA, as private employees for gardening, construction, sales, etc. "

PROPOSAL OF MODIFICATION TO ARTICLE 57 °.

The Design and Architecture Committee requests the amendment to Article 57 to change from ten calendar days to ten business days for the Committee to approve the construction requests submitted by the owners, voting on the modification, taking the following:

A G R E E D

RESOLVED, the amendment to Article 57 is hereby approved unanimously, as follows: "ARTICLE 57. Once the information referred to in the previous article has been received, the Design Committee shall have a term of 10 (ten) business days to review the project of construction. At the end of this term, the Design Council will summon the homeowner for the following, to Whom it may concern: ... "

11.UPDATE AND DEBUGGING OF THE ASSOCIATE REGISTRY.

The President and Treasurer of the Association, remind those present about the updating of the Associate Register as there have been sales among individuals, change of owners, etc. The information that the Association has will cross with the list of the Public Registry of Property and Commerce, later it will be registered in the Notary. The invitation is made to go to the Association office to fill out the corresponding form.

12. PROMOCASA REPORT

The representatives of Promocasa Juan Carlos Camacho, Belén Hernández and Lic. Elvia Contreras: Comprehensive explanation of the delivery of the Commodatum (Contrato de comodato) to the Descanso Homes Association, A.C. on behalf of Promocasa and the Santana group.

Confirm that Islay Street, is going to be Privada.

They deliver to the Board of Directors a copy of the CESPT document, certifying that the current facilities are sufficient to supply the 2 Descanso and Sunset developments.

Water networks will soon be delivered to the Municipality, which currently has 41 homes without a meter and 8 private homes without a meter. So, they are getting in communication with the homeowners to make the corresponding contracts.

The automation of booth point one will be carried out, as well as its remodeling including a toilet for employees.

They inform to those present, that they will begin to receive notifications from the Municipality to those who have opened accesses in the perimeter fence to the property of the Santana private property, they are recommended to close again by canceling the doors, in order to not to receive fines from the Municipality.

To Islay owners, next Tuesday May 28, they will be informed about the decision about the closure of the street to make it private, to put a gate in the Islay access, the placement of the fence and on the gutter.

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After the representatives of Promocasa responded to the questioning of those present, Mr. Jesús Pastrana told the Assembly that the installation of Telemetry has been requested to Promocasa before delivering to the Municipality and that it is being reviewed with Promocasa among others subjects the gutters, grit catchers, luminaries, pavement, etc. Promocasa Report is completed.

13. GENERAL

a) SECURITY ISSUES WITHIN THE DEVELOPMENT

The Board of Directors recommends to all that, if they have the possibility to install an alarm system and / or camera in their homes to do so, due to the unfortunate generalized insecurity that currently exists. This will serve as support to the security staff of the Association.

b) REPORT OF THE DESIGN AND ARCHITECTURE COMMITTEES:

Those present are informed that there is a new format for the Construction Application, it is available on the Descanso Homes page. The homeowners can only paint the houses with the colors approved by the Association, which are available on the Descanso Homes page. It is the responsibility of the owners to maintain trees and palm trees that are within their property, as well as that the height of these does not exceed the height of the house so they do not affect the view of their neighbors. The Board insists on the closing of the access doors in the perimeter fence so that they are not fined by the Municipality.

14. APPOINTMENT OF DELEGATE, CLOSING AND LIFTING ASSEMBLY ACT.

It is resolved by the Assembly that the Manager Jannette Mateos Bernal is the delegate in charge of protocolizing the respective Minutes that, on the occasion of this Assembly, will be drawn up.

At 1:00 p.m. on May 26, 2018, the President of the Assembly, Mr. Pablo Bravo Delgado, declares the General Assembly closed.

BY THE BOARD OF DIRECTORS,

PABLO BRAVO DELGADO
PRESIDENT

OSCAR MANUEL COBIAN YEE
SECRETARY

JESUS ALBERTO PASTRANA RODRIGUEZ
TREASURER

FOR THE MANAGEMENT OF "DESCANSO HOMES, A.C."
JANNETTE MATEOS BERNAL