



ORDINARY GENERAL ASSEMBLY MINUTES SEPTEMBER 14, 2019

1. ATTENDANCE LIST, DECLARATION OF LEGAL QUORUM AND INSTALLATION OF THE ASSEMBLY.

At 10:00 a.m. on September 22, 2018, beginning work, proceed in Third Call, with the presence of 38 members listed in the attendance list attached, to DECLARE THE EXISTENCE OF QUORUM LEGAL, formally installing the Ordinary General Assembly, so the works that are developed in it are valid and legal, as well as the determinations and agreements that are taken, informing that Pablo Bravo Delgado will act as a translator of works in the English language for those who do not speak Spanish.

2. AGENDA READING AND APPROVAL.

Mr. Pablo Bravo reads the AGENDA:

1. Assistance list, Legal Quorum Statement Assembly and Installation.
2. Reading and approval of agenda.
3. Appointment of scrutineers.
4. Reading and approval of Minutes of the last Assembly (May 25th, 2019).
5. Report by the Surveillance Committee.
6. Presentation and Approval of the Financial Report, period May to August 2019, by the Treasurer.
7. Election Process of one Surveillance Committee Member for the period of September 2019 - May 2020.
8. Election Process of 4 Board Members: President, Secretary, Treasurer and Alternate Secretary.
9. Words from the outgoing Board Members and presentation of the new Members.
10. Promocasa's report.
11. General matters.
12. Appointment of delegate, closing and lifting Assembly Act.

It is reported that two applications were received to register in item number eleven of General matters; which are: The first is a document signed by 11 owners, headed by Mrs. Marilu Encinas de Privada Chopo G-3, in which she asks that it be a) The use and enjoyment of facilities of the recreational area, by family, friends, guests and tenants of the owners. b) Parking. c) Recruitment by the owners of services from ex-personnel of the Association. d) Status of the transfer of recreational area from Promocasa to the Association of El Descanso. The second application is from Dr. Rolando Valenzuela from Alamo A-16, requesting an analysis of the 64th Law of the Condominium Regime Law regarding to noise, scandals or bad behavior of residents or tenants, and so to specify the working hours of particular and external employees inside the development.

After the Reading of the Agenda, it's up to vote the approval, taking the **A G R E E M E N T**:

RESOLVED unanimously by the votes of those present, approve the Agenda of the day published in the call that was made for this Extraordinary General Assembly.

3. APPOINTMENT OF SCRUTINEERS, AND COUNTING OF ATTENDEES.

Mr. Pablo Bravo, requests the support of volunteers to serve as scrutineers, explaining that the scrutineers are responsible for counting the votes, to which Mr. José Rico from Abedul N-2 and Mr. Eduardo Ainslie from Cactus C-9 volunteered, resolving as follows **A G R E E M E N T**:

RESOLVED, by unanimous vote, the approval of the appointment of Mr. José Rico and Mr. Eduardo Ainslie as scrutineers of this Assembly.

Once the scrutineers have been appointed, they count the attendees confirming the presence of 67 associates.

4. ASSEMBLY MINUTES FROM MAY 25TH, 2019 READING AND APPROVAL.

At this point, the President of the Board, Pablo Bravo Delgado stated that the Minutes from May 25th, 2019 has been sent to all the associates and requested that the reading was skipped. Nobody objected, so the voting was resolving as follows:

A G R E E M E N T:

RESOLVED, by unanimous vote of those present, the approval of the Agenda from May 25th, 2019.

5. COMMISSARIES REPORT.

Ms. Beatriz Elena Beltrán Martínez informs that according to the responsibilities of the Surveillance Committee, of assisting to the meetings and supervising the work made by the Board; informs that she has been present to most of the meetings, in which the Homeowners, in some cases, the owners are personally attended, and that there are no relevant issues to report, testifies that the Board of Directors is working and meeting with the needs of the development and our properties at Descanso Homes.

6. PRESENTATION FOR APPROVAL OF THE FINANCIAL REPORT FOR THE PERIOD MAY – SEPTEMBER 2019 BY THE TREASURER.

Mr. Jesús Alberto Pastrana Rodríguez, Treasurer of the Association, with the support of Mr. Felipe Santesteban for the English translation, informed and exposed with a projector that at the beginning of his management in 2015, there was \$ 28,754.19 pesos + \$ 37,810.00 dollars in the bank account, in August 2017 \$ 17,964.20 pesos + \$ 20,834.98 dollars, and in August 31st 2019 he is delivering \$ 55,302.70 pesos + \$ 55,464.06 dollars. This information contains the Reserve Fund of \$ 22,100.00 dollars, and the paid Maintenance Fees of 2020 which are \$ 3,452.84 dollars. The real available total up to August 31st, 2019 is of \$ 55,302.70 pesos + \$29,911.22 dollars. He reports that there was an income because of Late Fees of \$ 2,468.14 USD in September 2015, \$ 7,886.35 USD in September 2017-August 2019; and other incomes like \$2,305.86 USD from September 2013 – August 2015, \$3,192.96 USD from September 2015 – August 2017, and \$4,481.85 USD from September 2017 – August 2019.

He exposed on screen the representative expenses from September 2017 – August 2019; in which is reflected the reduction of the accounts receivable, in August 2015 with 171 homes delivered, there were 13 homeowners with late payments of \$49,571.33 USD to recover, and in August 2019 with a total of 221 delivered homes, 8 homeowners had late fees for the amount of \$24,812.66 USD, some of this accounts have a legal procedure inform to recover.

Regarding to the approved Projects in the Assembly of February 2019, Mr. Pastrana informs that the finished projects are: Liquidation of the pool repairs, purchase of 5 radios for the guards, 5 rechargeable flashlights for the guards, 4 extinguishers (10 pounds), 43 Led Luminaires for the 14 Privadas, liquidation of uniforms, and the rent of scaffoldings for the luminaires installation. He explains that there was not contemplated the pool repair which was a considerable expense in which Promocasa helped with the expenses and that the renovation of the bathrooms was made since the area was closed, the cost was of \$80,892.72 pesos. Regarding to the payroll of the guards, an adjustment was made in May leaving pending Jannette's adjustment. Some tools and materials were bought for maintenance. The filters of the pool were bought, pending the replacement of 2 pumps. From the \$ 850,649.60 pesos budgeted for projects, the guard boots and the cabling of the recreational area with an expense of \$ 74,224.02 were cancelled, \$205,959.92 have been paid and \$44,888.09 have been saved.

At last, he exposed that the income received, and the expenses are from January – August 2019. Up to August 31st of 2019, The Banamex account has \$ 55,464.06 USD and \$ 47,843.38 pesos. In the PayPal account \$ 7,459.32 pesos. Considering the Exchange of the official newspaper (Diario Oficial) of \$20.0988, we have in the bank \$ 1'170,063.75 pesos; including \$22,100.00 USD which are of the Reserve Fund and \$3,452.84 USD from the paid 2020 Fees.

As informative data, he comments that, of the 221 houses in the Development, there is a record of 60 houses that are rented, which is approximately 25% of the total.

After his report, the Treasurer answers the questions of those present, and it's up to vote the approval of the Financial Report, taking the following **A G R E E M E N T:**

RESOLVED by unanimous votes of those present, the approval of the Financial Report presented by the Treasurer Jesús Alberto Pastrana Rodríguez.

7. ELECTION PROCESS OF ONE MEMBER AS COMMISARY FOR THE PERIOD FROM SEPTEMBER 2019 TO MAY 2020.

At this point, the floor is granted to the Association's Attorney, Mr. José Manuel Grijalva Gómez, who informs those present that it is an indispensable requirement to protocolize the Act before the Notary Public, that people who wish to fill the vacant positions must deliver to the Board of Directors a copy of an official identification and in printed form your "Proof of Fiscal Situation" (Constancia de Situación Fiscal).

In the absence of volunteers to fill the vacant position of the Monitoring Committee, the following is taken

A C U E R D O:

RESOLVED that the position of a member of the Supervisory Committee from September 2019 to May 2020 remains vacant.

8. ELECTION PROCESS OF 4 HOA BOARD MEMBERS: PRESIDENT, SECRETARY, TREASURER AND ALTERNATE SECRETARY.

Based on the Summon published on July 13th of 2019, attendees are informed that there are 4(four) registered candidates for members of the Association's Board of Directors, two candidates for President (Period September 2019 – September 2021), Mr. José Antonio Pasten Martínez from Camalú E-9 and Pablo Bravo Delgado from Cipres F-11. At this point Ms. Zarina Valle from Cipres F-9 asked how many periods can be reelected as Board Members? The attorney Grijalva answered and clarifies that this is not a reelection, the Participants run for a position and the Assembly votes to elect the person who holds the position, adding that there is no limitation in the Statutes of the Association for homeowners who wish to participate.

Carrying on, there is ONE registered candidate for the Treasurer position, for the period September 2019 – September 2021, from Ms. Beatriz Elena Beltrán Martínez owner of Cipres F-8; and ONE registered candidate for the Secretary position for the period September 2019 – September 2020, there are no other candidates for those positions; the Board thanked Mr. Benjamín Bernabé Flores Hernández will continue as Alternate Secretary for the period of September 2019 – September 2020.

With 65 homeowners present at the moment of voting, those present are notified that Mr. José Antonio Pasten did not assist to the Assembly.

The Assembly proceeds to the President voting election, taking the following **A G R E E M E N T:**

RESOLVED with 57 votes in favor and 8 abstentions, the approval of Mr. Pablo Bravo Delgado as President of the Board of the Descanso Homes Association, A.C. for the period of September 2019 to September 2021.

RESOLVED, by a majority of votes of the 65 votes, the approval of Mr. Luis Felipe Santesteban Blanco as Secretary for the period September 2019 until September 2020.

RESOLVED, by 64 votes in favor and 1 vote against, the approval of Ms. Beatriz Elena Beltrán Martínez as Treasurer for the period of September 2019 until September 2021.

After voting all those present were informed that the new Board members are:

President - Pablo Bravo Delgado – from September 2019 until September 2021.

Secretary - Luis Felipe Santesteban Blanco - from September 2019 until September 2020.

Treasurer - Beatriz Elena Beltrán Martínez - from September 2019 until September 2021.

Alterante Secretary - Benjamín Bernabé Flores Hernández - from September 2019 until September 2020.

Alternate Treasurer – Ignacio González Martínez - from September 2019 until September 2020.

9. PARTING WORDS OF THE OUTGOING BOARD MEMBERS AND PRESENTATION OF THE INCOMING BOARD MEMBERS.

Mr. Bravo thanks Jesús Pastrana and Oscar Cobián for the excellent work done and the great team formed. The words left by Mr. Cobián were read in which he invited the homeowners to respect the regulations, to get involved and participate, to continuously improve our development ; Mr. Jesús Pastrana thanked for the support and trust received, stating that he is satisfied by his work and shares that all the decisions were thought and according to the Law.

10. PROMOCASA'S REPORT.

Mr. Marcos Altamirano, representative of Promocasa, presents himself to the Assembly and mentioned that there are reports regarding to the pending homeowner warranties, but they were not given attention. Mr. Bravo explains that he and Marcos will give a follow up to Promocasa's progress until they finish the warranty works. Marcos explains that he

will be working with René Gerardo López (after sales coordinator), who will be permanent in El Descanso, phone (686)221.5039 and email jose.gerardo@promocasa.com.mx he has a team of workers and material exclusively for warranties, and the process for claims is that the homeowner has to call, send an email, or a text message via WhatsApp, so they can review the report, in that moment they will give you written and signed folio, then they will program an inspection regarding to the information in the claim, establishing the date of repairs as soon as possible. To close the guarantee the Owner will sign of satisfaction. Each case is different according to the work done and will have the corresponding guarantee depending on the materials used in each case. Special care will be taken to repair everything 100% and do not make it dirty or decompose otherwise. Promocasa will be at Descanso and will continue serving the Owners in their office. The delivery of the Privadas to the HOA is schedule to finish in 15 days. The guarantees that are pending, Marcos undertakes to deliver a weekly list of the state of attention to the guarantees so that the Owners review if they are in the list, and he will review that list it with Pablo Bravo week by week. After hearing some complaints from the Owners present, he asked them to give him the opportunity to give them attention in a timely manner.

11. GENERAL MATTERS.

At the begging of the Assembly two topics were subscribed to the General Affairs.

The first was requested by Marilu Encinas from Privada Chopo G-3, in name of 11 homeowners, requesting that four issues be addressed.

a) The use of the installations of the recreational area, by family, friends, guests and tenants (renters) of the homeowners. To which the Attorney José Manuel Grijalva explained that in the September 2018 Assembly the homeowners approved the Regulations of the use of the recreational areas. Clarifying that the area is "Private Property", and that the area is not owned by the homeowners. He explains that in the Development there are private and common areas that do belong to the Owners, and that the recreational area is concessioned to the Association through a commodatum (Comodato). And stated that it is important to make clear that as the recreational areas are not within private areas, nor common areas that belong to the homeowners, as result it does not belong to the homeowners.

Ms. Encinas requested to revise the change from commodatum to "usufruct" (usufructo) for the recreative area and its installations, to which Mr. Grijalva answered that there is no possibility of a change because Promocasa and the Santana group (who are the owners of the land) decided that the concession would e in Commodatum for 99 years, document that has been notarized and protocolized. Mr. Grijalva also invites to the homeowners to review their ownership deeds, in which they can confirm that it does not says this land belongs to them. The green area was exchanged and when Promocasa delivers the Development to the City Council, the City Council will be responsible for conditioning the area.

Answering an Associate's question about the renters, it is reported that within the subdivision there are 60 houses that are rented, and multiplying it by 6 guests per house, there could be 360 people who would be enjoying the pools and recreational areas in high seasons, which is when we have the biggest problem because they do not respect the Regulations of the Association; additionally this increases the expenses for consumption of gas, electricity, water, filter wear and garbage generation.

Another Associate comments that he bought as a Residential area, emphasizes that this is not a Resort or Rosarito Beach, for them to come and to do what they please. A neighbor of the Private Alamo shares about his bad experiences with the people who rent the houses behind his own, he asks for the next Assembly to vote so that it is forbidden to rent the houses by digital platforms. There are houses that have been rented to which 16 people have entered, and the owner either does not know or allows it. He commented that the guards have been attacked by some owners and by the renters, and that humiliating them will not be allowed. They request the increase in the amount of fines to be considered for approval at the next Assembly.

Residents are asked to respect the use of the children's pool, since sometimes there are adults inside it, who do not allow children to use it.

b) Parking. The Regulations were approved by the Homeowners and it is forbidden to park on the streetsc) Hiring of ex-employees of the Association by homeowners for personal services. The restriction of this was approved by the homeowners in the assembly because the ex-employees know too much about personal and confidential information of the homeowners, for which the NO access to ex-employees to the development remains the same.

d) Status of the transfer of recreational area from Promocasa to the Association of Descanso. It was clarified in subsection a).

Ms. Encinas is asked to submit her proposal in writing to the Board of Directors, to bring the issue to the next Assembly.

The second topic was registered by Dr. Rolando Valenzuela from Álamo A-16, requesting the analysis of the Article 64 of the Law of Condominium Property Regime regarding to the noise, scandals, and or bad behavior of residents and renters. The topic was referred in the subsection a).

Regarding to the working hours for particular and external workers within the development, Mr. Grijalva confirms that the schedule is from Monday to Friday at 8 a.m. until 6 p.m. and Saturdays from 8 a.m. until 2 p.m. and that on Sunday workers are not allowed to access, and that this must be respected by everybody.

12. DELEGATE DESIGNATION, CLOSURE OF ASSEMBLY AND TAKE OF THE MINUTES.

The Assembly resolved that the Manager Jannette Mateos is the delegate of protocolizing the respective Act made for this Assembly.

At 1:10 p.m. on September 14th of 2019, the President of the Assembly, Mr. Pablo Bravo Delgado, declared the General Ordinary Assembly closed.

BOARD OF DIRECTORS,

PABLO BRAVO DELGADO - PRESIDENT

LUIS FELIPE SANTESTEBAN BLANCO – SECRETARY

BEATRIZ ELENA BELTRAN MARTINEZ - TREASURER

POR LA GERENCIA DE “DESCANSO HOMES, A.C.”

JANNETTE MATEOS BERNAL