



ORDINARY GENERAL ASSEMBLY MINUTES SEPTEMBER 19TH, 2020

The President of the Association Descanso Homes A.C., Mr. Pablo Bravo Delgado, welcomes the attendees and introduced the podium members. Those present are notified that Mr. Pablo Bravo and Mr. Luis Felipe Santesteban will translate for those who don't speak Spanish.

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

At 10:00 a.m. on September 19th, 2020, 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 with the support of the Lawyer of the Association, Mr. Jose Manuel Grijalva Gomez.

2. READING AND APPROVAL OF THE AGENDA.

The Secretary Mr. Luis Felipe Santesteban, 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 (September 14th, 2019).
5. Board Activities Report from September 2019 – August 2020.
6. Presentation and Approval of the Financial Report, period of September 2019 to August 2020, by the Treasurer.
7. Report by the Surveillance Committee.
8. Election Process of two members of the Surveillance Committee for the Period of September 2020 to September 2021.
9. Election Process of three members of the Board: Secretary, Alternate Secretary and Alternate Treasurer, for the period of September 2020 – September 2022.
10. Promocasa's Report.
11. General Subjects.
12. Appointment of delegate, closing and lifting of the Assembly Act.

Five requested subjects are added to the General Subjects:

- 1st Subject: Engineer Miranda, representative of Privada Islay homeowners; a) Exchange rate of the Maintenance Fees. b) That the exchange rate changes to \$17.50.
- 2nd Subject: Board members, how to treat employees.
- 3rd Subject: Mr. Marco Antonio Zavala, employees working hours.
- 4th Subject: Mr. Eduardo Ainslie, Wall perimeter with Promocasa.
- 5th Subject: Mr. Francisco Ortiz, people going to the Restaurant and staying at Descanso.

After the Reading of the Agenda, it's up to vote the approval, taking the **AGREEMENT: RESOLVED** unanimously by the votes of those present, approve the Agenda of the day published in the call that was made for this Ordinary General Assembly.

3. APPOINTMENT OF SCRUTINEERS.

The Assembly designates two volunteers as scrutineers to count the votes. Volunteers Mrs. Elia Bernal (Privada Amul) and Mr. Eduardo Ainslie (Privada Cactus) are elected as follows, **AGREEMENT:**

RESOLVED unanimously by the votes of those present, the designation of Mrs. Elia Bernal and Mr. Eduardo Ainslie as scrutineers of this Assembly.

The count of the attendees is of 38 registered associates.

4. READING AND APPROVAL OF MINUTES OF THE LAST ASSEMBLY (SEPTEMBER 14TH, 2019).

The board reminded that the Minutes from the Assembly of September 14th 2019 was sent via-email to all the associates, and requested to spare the reading; and as there were no proposals or opposition from the associates, it submitted to vote taking the following **A G R E E M E N T**:

RESOLVED unanimously by the votes of those present, the approval of the Assembly Minutes of September 14th, 2019.

5. BOARD ACTIVITIES REPORT FROM SEPTEMBER 2019 – AUGUST 2020.

Mr. Pablo Bravo, exposed that:

There were 13 meetings of the Board, Committees and Promocasa, and 10 extraordinary reunions for particular subjects.

Constant Routes are made to review the state of the Privadas and to give follow to the Promocasa repairs on Cactus/Amul.

The iron of the access gates, pedestrian doors, and railings of the Privadas were repaired.

The circuit around the courts was enabled for those who like to walk and exercise.

The best option to solve the mud runoff on the slope between Alamo and Amul is being analyzed.

The maintenance staff is repairing the walls of all Privadas, removing damaged texture, plastering with cement and repainting.

Sensor movement lamps were installed along the canyons and dark areas of the development to give more protection to the homeowners.

Due to the robberies of the last year in March, which affected several developments and homes, we hired an armed guard to support the third guard shift from 11:00 p.m. to 7:00 a.m.

The improvements are visible in the development.

All the approved projects from the Assembly of May 23rd of 2019 are completed.

Mr. Salas, owner of Islay L-5 requested the placement of Sensor lamps behind Privada Islay, to which he was responded that they will install one or two lamp probably next week.

Mr. Rigoberto Alvarado reports that the entrance is dirty and full of grass weeds, he's told that it is property of Promocasa and the Santana's Group, they are responsible for the cleaning. It's already been requested for them to clean it.

Mr. Jose Luis Sandoval mentioned that in some of the posts of the boulevard, only one of the two lamps in each post light up. He is explained that it is how Promocasa programmed them because they are in charge of the lightning of the boulevard.

Mr. Zavala asks why our personnel was cleaning the boulevard if its Promocasa's responsibility? The answer is that it was cleaned as a benefit to the residents because it was very dirty and later on we will see what we resolve with Promocasa.

6. PRESENTATION AND APPROVAL OF THE FINANCIAL REPORT GIVEN BY THE TREASURER (PERIOD 2019 TO AUGUST 2020)

Ms. Beatriz Beltran takes the Word, as Treasurer of the Association.

She reports that the financial reports were sent monthly to all the associates, and because of the time that takes reading all of it, she will resume to the actual finances. The incomes from the period September 2019 to august 2020 were \$5'527,244.76 pesos and the expenses were of \$ 5'509,137.89 pesos. As you can see, we have spent as we received, which let us very little for extraordinary expenses. It is of knowledge of all the associates that the main expenses are administrative, taxes, services of light, water from the Privadas and Recreation areas, garbage collection, etc.

An income analysis was made for the budget period September 2020 to August 2021, comparing to last year's same period, there were more income, but the expenses also increased, mainly because we are paying approx. \$ 200,000 pesos more of taxes; also additional \$ 100,000.00 pesos more are spent in light, water, and garbage collection, etc.

Mr. Ulises Celaya asked for the percentage of homeowners who are behind in their maintenance fees, the treasurer explains that up to September 2020 of all 221 houses, there are 7 houses who owe between 7-24 months, 4 houses who owe between 3-5 months, that sum up \$11,383.82 dollars, plus 3 houses in "judicial process" with owes for more than 2 years that sum \$13,023.70 dollars in total. Regarding to the 3 houses under judicial process, the money will be recovered until the houses are sold. The maintenance is given to all houses to maintain the value of the development.

Mr. Celaya commented that in other developments the owed amounts, address, and name of the owners is made public as a form of economic recovery.

The associates present ask that the approval be taken to a vote inform to publish the statements of the owners who owe to the Association in the accesses of the Development. Taking the following **A G R E E M E N T:**

RESOLVED with 35 votes in favor, 3 abstinences, the approval to publish the statements and information of the owners who owe to the Association in the accesses of the Development.

Mrs. Elia Bernal requested to offer a discount as motivation for those who make the annual payment in advance. The Treasurer responded that an analysis would be needed because as we can see with this year's budget we are barely going to make it.

Following with the Budget, in August 2020 we would have a deficit of \$ 195,619.73 pesos. We usually have extra income with fines, late fees and particular events, which help to eliminate or reduce this deficit. She shares that the Projects approved in May 2019 were made because the financial recovery of approximately \$ 13,000 dollars by the Administration Office and the Lawyer. This means that we had an extra income, and this year there was a gas saving because the pools weren't in use. Savings are being reduced in the possible matter. As for the armed guard hired because of the events in last March, we are evaluating if we continue or not with the service.

Once the Treasurer finished her report, and answered the questions of those present, the 2020 budget and Financial report are taken to vote, taking the following **A G R E E M E N T:**

RESOLVED by 30 vote in favor, the 2020 budget and Financial Report (period September 2019 – August 2020) by the Treasurer Beatriz Elena Beltran Martinez is approved.

7. REPORT BY THE SURVEILLANCE COMMITTEE.

At this point, the Lawyer reads the inform made by Mr. Oscar Guerra, Commissary of the Association Descanso Homes, A.C., who stated: "The undersigned Oscar Guerra, as Commissioner of the Descanso Homes Association, AC, and in relation to the work program and activities of the Association's Board of Directors, corresponding from September 2019 to August 2020, I report the following: The general situation of the Association presents a reasonable degree of compliance mainly in budget, accounting, financial and operating items, corresponding to the period from September 2019 to August 2020, and thereby the Board of Directors of the Association is complying with the legal, statutory and regulatory standards. Yours sincerely, Oscar Guerra, Commissioner".

8. ELECTION PROCESS OF 2 MEMBERS OF THE SURVEILLANCE COMMITTEE.

Those present are invited to voluntary participate for the two vacants of the Surveillance Committee. Consequently the proposed and voted approval is given to Mr. Ignacio González owner of Amul B-14 and Mr. Eduardo Ainslie owner of Cactus C-9, for the period of September 2020 to September 2021.

9. ELECTION PROCESS OF THREE MEMBERS OF THE BOARD: SECRETARY, ALTERNATE SECRETARY AND ALTERNATE TREASURER, FOR THE PERIOD OF SEPTEMBER 2020 – SEPTEMBER 2022.

Based on the Summon publishes on July 19th, 2020, those present are informed that only 3 (Three) associates requester to join the Association's Board of Directors, one candidate for the Secretary position Mr. Luis Felipe Santesteban Blanco, owner of Cipres F-7. One candidate for the Alternate Secretary position Mr. Benjamin Bernabe Flores Hernandez, owner of Samara J-9. One candidate for the Alternate Treasurer Mr. Albino Fernand Bessa, owner Cipres F-2. Each member presents to the Assembly.

Proceeding to the voting, the following **A G R E E M E N T:**

RESOLVED unanimously by the votes of those present, the designation of Mr. Luis Felipe Santesteban Blanco as Secretary of the Descanso Homes A.C. Board of Directors for the period of September 2020 to September 2022.

RESOLVED with 34 votes in favor and 4 abstentions, the approval of Mr. Benjamin Bernabe Flores Hernandez as Alternate Secretary for the period September 2020 to September 2022.

RESOLVED with 35 votes in favor and 3 abstentions, the approval of Mr. Albino Fernand Bessa as Alternate Treasurer for the period September 2020 to September 2022.

After the voting, the new Board of Directors members are the following:

President - Pablo Bravo Delgado - September 2019 to September 2021.

Secretary - Luis Felipe Santesteban Blanco - September 2020 to September 2022.

Treasurer - Beatriz Elena Beltran Martinez - September 2019 to September 2021.

Alternate Secretary- Benjamin Bernabe Flores Hernandez - September 2020 to September 2022

Alternate Treasurer – Albino Fernand Bessa - September 2020 to September 2022.

10. PROMOCASA`S REPORT.

The representative of Promocasa did not assist to this Assembly. Some Associates need answers or a solution to their complaints against Promocasa.

Mrs. Gloria Rodriguez, exposed that she feels insecure with the people going to the restaurant, at 1 a.m. they are in the boulevard, and we don't know them.

Mr. Jorge Yat, shared that the vehicles going to the restaurant are speeding in the boulevard, and won't slow down even when the guards talk to them.

Mrs. Patricia Polk mentioned that the streets in the Privadas and boulevard are deteriorated.

Mrs. Angelica Medinilla, stated that there are several issues with the water pressure, and asks to Promocasa to comply what they promised when she bought the house in Descanso.

Mr. Iñaki Urquiola, suggests that all the water we dispose of go to a water treatment plant, make it totally potable and release it back to the Municipality. Ask to be informed when a technical review of the facilities is made because he wants to be present.

The Lawyer Jose Manuel Grijalva explained the process to be initiated by the HOA against Promocasa.

It is important to distinguish the responsibility of the company as developer or seller, and the responsibilities of the HOA or Board of Directors. Promocasa has responsibilities as Company, some of them, is to deliver to the correspondent authorities, for example: the boulevard is a public street. The Privadas are only from the existing gates to the interior of the Privadas. Promocasa has the obligation in a determinate period of time to deliver to the Municipality, and so the installations of lights, garbage collection, etc.

What is going to be done is to formally sue Promocasa to fulfill the benefits that it ceased to fulfill in this Development, such as delivering the areas that it had to be delivered long time ago, as well as the services that it has not delivered either. Some owners suggest placing banners for Promocasa to attend to, as it is the way in which results are obtained. Lawyer Grijalva responds that pressure will be applied in both ways, by demand and with banners. For the lawsuit, at least 30 signatures of associates (owners) will be requested with their identification supporting this request that is going to be made, it is expected that everyone will join and more will sign, in the sense that Promocasa complies with all obligations pending. Lawsuit is the last option left, it wasn't done before because it was believed we had a friendly relationship between Homeowners and Promocasa, but lately this doesn't seem to solve the pending issues of the Development. Regarding to personal claims, actions must be taken such as banners in the walls of the houses or terraces, this way they cannot tear them down, it would help if Promocasa realizes that they need to comply. The comments made will be recorded for the Lawsuit.

11. GENERAL SUBJECTS.

The five subjects are referred in the General Subjects.

1st Subject: Mr. Miranda, representing the 6 owners of Privada Islay, a) Exchange rate of the Maintenance Fees. B) That the exchange rate changes to \$17.50. After listening to the Financial Report by the Treasurer, asks for a previous analysis to avoid the increase of the maintenance fees, due to the economy status. He suggests, a study to be made even if we need to pay for someone who can find a way in which items we can save money. Lawyer Grijalva explains that the Fees were stated in US dollars since the creation of the Association. It could only be changed with the correct procedure, which would be to submit a formal request in writing to the Board of Directors to change the type of currency in which the maintenance fees are charged, and to that point in time can be proposed or listed for the next

Extraordinary Assembly. The issue of parity, determining the exchange rate is an exclusive power of the Board of Directors. The invitation is made to the owners who want to participate and present their savings proposals, to the monthly meetings of the Board of Directors. Ms. Beatriz Beltran, Treasurer, explains that its been several times where groups of owners volunteer to check the expenses and propose savings, but the owners do not come to the meetings, in previous Assemblies it has been explained in detail why it is not convenient to change the Fees to pesos, and the Assembly itself has agreed not to make the change, because the truth is that we earn in pesos, but our economy depends on the dollar. Mr. Miranda offers to collaborate with the Board to seek economic improvements for the Association.

2nd Subject: This Subject was requested by Board of Directors regarding mistreat to the employees of the Association. Mr. Bravo explained that some employees have been harassed, insulted, and threatened, and that these actions are not allowed. Lic. Grijalva explains that the Association will not endorse any improper conduct by any owner towards employees; each person knows what is correct and what is incorrect when treating people, it is a matter of education. The fact that they are employees does not allow them to have personal misconduct towards them, if an employee does something wrong, it is enough and exceeds that they are reported to the Administration Office, but they cannot be disrespected.

3rd Subject: Mr. Marco Antonio Zavala, regarding the working hours of the workers. Mr. Zavala asked specifically the working hours of Jannette Mateos and Alejandra Jimenez, employees at the Administration Office, he asked why the office does not open the office in the same working hours as the maintenance staff, so they have communication with the three guard shifts. The Board asks Jannette to answer, she explains that the working hours approved by the Board Members are from Monday to Friday (9:00 a.m. to 4:00 p.m.) and Saturday (9:00 a.m. to 2:00 p.m.), she added that she has communication with the guards, maintenance, and the police 24hrs a day 365 days a year, and that she is contacted at anytime by them, and she can prove it; also, she informs everything that happens in the Development to the Board Members, and informs in case that one of the two have to leave the office to do El Descanso diligences. Mr. Bravo, President of the Association confirms and endorses what Jannette reported, adding that he is aware that she works more than her working hours, that she is honest and professional.

4th Subject: Mr. Eduardo Ainslie, Wall perimeter with Promocasa. Mr. Ainslie exposed that the wall at his house in Privada Cactus is falling, and the same was happening to the next houses in Amul. The issue is that Promocasa's workers did a terrible repair job in the next two houses. He comments that what they had to do was brace the fence and they did not. Mr. Felipe Santesteban says that Promocasa brought a Structural Engineer to a meeting with those affected, explaining the work that was going to be done, but they did not do what they said in that meeting. Grijalva mentions that this issue is also included in the lawsuit against Promocasa.

5th Subject: Mr. Francisco Ortiz, people going to the Restaurant and staying at Descanso. This subject was talked in the 10th section of the Agenda.

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

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

At 1:10 p.m. on September 19th of 2020, the President of the Assembly, Mr. Pablo Bravo Delgado, declared the General Ordinary Assembly closed.

BOARD OF DIRECTORS,
PABLO BRAVO - PRESIDENT
LUIS FELIPE SANTESTEBAN - SECRETARY
BEATRIZ BELTRAN - TREASURER
"DESCANSO HOMES, A.C." MANAGER
JANNETTE MATEOS