

Bylaws of the Asociación Colonos Lomas del Manglar, A.C.

1 Bylaws

1.1 These Bylaws have been approved by the General Assembly of property owners, including all amendments up to and including **December 14, 2010**. Any member who knowingly violates the Lomas del Manglar bylaws and is so notified by the president or the board, but refuses to return to compliance within three (3) days of receiving such notice shall, from that day forward, no longer be considered a member in good standing. Such member shall not be eligible to hold office or speak at meetings.

1.2 The association is constituted under the new Current Civil Code of the State of Jalisco. On April 22nd 1999, the United State of Mexico, SECRETARIA DE RELACIONES EXTERIORES, GUADALAJARA REGIONAL OFFICE PA1.-37364 (Escritura Numero 3486) granted the Asociación Colonos Lomas del Manglar, A.C. the right to administer the whole of the urban development under the terms of the applicable Law.

2 Name

1. The name of this Society is: Asociación Colonos Lomas del Manglar, A.C. de Chapala.
2. The association shall have its address in the subdivision of Lomas del Manglar, Municipality of Chapala, These are the Bylaws, the operating authority for the Asociación Colonos Lomas del Manglar, A.C., in Jalisco.
3. The life of the Association shall be indefinite.
4. The Association will not engage in real estate investments for capital gain, nor will it engage in any other acts contrary to those allowed under Article 27 of the General Constitution of the Republic.

3 Object

1. To take charge of Public Services such as water, sewage, public lighting, streets and sidewalks, security, public gardens and trees, garbage collection, and to assure that the recommended environmental practices are followed.
2. To enforce all rules and regulations approved by the General Assembly.

3. To co-operate with Municipal, State and Federal authorities recognizing that their legal mandates take precedence.
4. To promote the betterment of Lomas del Manglar.

4 Members

4.3 Membership in the Association shall comprise the following:

4.1 Active Member

1. A person who owns one or more residential properties in Lomas del Manglar who is not delinquent in the payment of his or her assessment or assessments to the Association is an Active Member.
2. A person who owns one or more vacant lots in Lomas del Manglar and who, with the approval of the Board of Directors, regularly uses water and/or other resources of the Association, who is not delinquent in the payment of his or her assessment or assessments to the Association, is an Active Member.

An Active Member (or spousal partner) shall have the right to one vote (regardless of the number of properties owned) and shall have the right to hold office.

4.2 Associate Member

4.4 A person who owns one or more vacant lots in Lomas del Manglar, who does not regularly use water or other resources of the Association may, by paying a reduced annual fee, become an Associate Member of the Association. Associate Members shall have the right to attend meetings, vote with reduced weight pro rata to the fee paid, but shall not have the right to hold office.

4.3 Delinquent Member

4.5 A member whose assessment or assessments remain unpaid for more than thirty (30) days from the assessment(s) date shall be deemed delinquent. Delinquent Members shall not have the right to vote (regardless of the number of properties owned) and shall not have the right to hold office.

4.4 Transference

4.6 Whenever a member transfers his/her property to another, he/she shall advise the Board within ten (10) days of such transfer and shall provide the prospective new owner with a copy of these Bylaws. The transferee must become a member of the Association.

4.5 Building

4.7 When a vacant lot owner decides to build on his lot, the owner must, if not already a member of the Association, become a Member upon approval of his approved building plans as specified in Section III "Building Permit" of the Lomas del Manglar Zoning and Building Regulations.

5 Annual Assessment

5.8 Members shall pay the Annual Assessment as approved by the General Assembly. The Annual Assessment shall comprise the following elements:

1. Electric Power for street and public security lights
2. Electric Power for the water and sewage treatment systems
3. Garbage collection
4. Gardener for public spaces
5. Maintenance of the Associations capital equipment and public facilities, e.g., well, pump, gate system, sewage processing system.
6. Registration and Protocolisation of Meeting Minutes and Bylaws.
7. Honoraria for special services as approved by the Board.
8. Contingency fund for other miscellaneous Association expenses.
9. Water Concession-C.N.A.
10. General Maintenance of common spaces (streets, street lights, etc.)
11. Accountant and banking fees
12. Legal services as needed

5.9 The Annual Budget and Annual Assessment must be approved by the General Assembly at its regular annual fourth quarter (December) meeting and must cover all of the anticipated expenses for the coming year as outlined in the Annual Budget.

5.10 Members shall pay the Annual Assessment and any Special Assessment (when required) within thirty (30) days following receipt of the Notice of Assessment. *It is each residents responsibility and obligation to pay all fraccionamiento fees on time without requiring persistent reminding.*

5.11 Notice of the annual assessment will be carried out via the procedure described in Section ??

5.12 All Members are obligated to pay the Annual Assessment fees levied by the Association on a timely basis regardless of whether or not they choose to avail themselves of any or all of the services provided by the Association.

5.13 Members shall be deemed delinquent if their account(s) remain unpaid thirty (30) days after date of receipt of invoice.

5.14 The Board of Directors is authorized to establish a past due interest rate of four percent (4%) per month to be added to delinquent accounts until paid in full.

5.15 The Board of Directors, as authorized by a special vote of the General Assembly, and after providing notice to the Delinquent Member of such intent, may assess the Delinquent Member an additional fee comprising the cost of the maintenance plus a surcharge of twenty-five percent (25%) in order to maintain the overall acceptable appearance of the property.

5.16 The Board of Directors is authorized and obligated to take whatever action is deemed necessary, including legal action to assure collection of delinquent accounts.

5.17 The Board of Directors is authorized, always abiding by the relevant Mexican law, to restrict a Delinquent Members access to any or all Association services or facilities, including severely or totally restricting a Delinquent Members delivery of water from the Associations main water lines.

5.18 Once a Delinquent Members water delivery has been officially restricted for non-payment of fees, before being re-connected to the Associations water delivery system, all arrears and related expenses plus a water reconnection fee of not less than the New Construction Water Hook-up Fee referenced in Section VIII of the Associations Zoning and Building Regulations shall be paid. Tampering with water delivery restriction devices will not be tolerated.

5.19 Subject to paragraphs ??13 and ??18 above, if a delinquency remains unresolved for more than twelve (12) months following the date an official notice from the Board of Directors, advising the owner or his representative of the circumstances and consequences of not immediately correcting the delinquency, the Members name shall be struck from the rolls of the Association, and the property declared ineligible to receive any further Association services. Before being reinstated, the property owner applying for reinstatement of the ineligible property will be required to pay the full admission fees and deposits referenced in Section VIII of the Associations Zoning and Building Regulations, plus, at the discretion of the Board of Directors, all outstanding delinquent fees plus costs and interest, including those due from the ineligible period.

5.20 This fraccionamientos environmental regulations are designed to protect our fragile environment, to maintain a high standard of sanitation and to improve the overall ambience of the fraccionamiento. Unfortunately, there are those among us who choose to ignore these rules, and subsequently place the burden of clean-up and restoration on other Members. To encourage all Members and residents to abide by these rules, and to penalize those who choose to ignore these rules, the Board has approved the following fine structure: For violation of Bylaws 8, 9 and 10 of Article V of the Zoning and Building regulations, first offense, \$250 pesos; second offense \$500 pesos, third and subsequent offenses \$1,000 pesos, each payable within 5 days of notice.

5.21 Owners of unimproved lots will be assessed an annual fee of \$1,000 pesos.

6 Notice

6.22 All members of the Asociación Colonos Lomas del Manglar, A.C. will be

notified in one of the following three methods:

1. Via email the notification will be considered delivered unless the sender of the email receives a non-delivery notice within fifteen (15) days of the date the message was sent.
2. Via regular mail if the Asociación Colonos Lomas del Manglar, A.C. member provides the secretary with a prepaid self-addressed envelope. It is the responsibility of the member to make sure that enough envelopes are provided. A digital photograph of the letter being handed to the local post office official will be taken, and the member will be considered notified after fifteen (15) days of the sending.
3. Via a letter posted conspicuously on the property of the member. A digital photograph will be taken of the posted notice, and the member will be considered notified after fifteen (15) days of the posting.

This notification procedure will be used for Notices of Assessment, meeting minutes, meeting agendas, and all official correspondence between the Asociación Colonos Lomas del Manglar, A.C. and the member.

6.1 Timing of Notices

6.23 Notice of the regular General Assembly meetings and any Special Meeting, including their proposed agenda, shall be provided to all Active Members at least fifteen (15) days prior to the proposed meeting date. Notice of Directors meetings (to Directors and the Comisario only) shall be provided at least (5) days prior to the proposed meeting date.

6.24 The Notice of Assessment shall be delivered to members during the first week of January following the General Assembly Meeting at which the Annual Budget and Annual Assessment were agreed.

7 Meetings

7.25 Regular General Assembly meetings shall be called twice yearly during the first half of each of June and December. Directors Meetings shall be convened at least once per quarter, or more frequently as required at the request of the President or any two Directors. Special Meetings may be called by any Director at the request of a minimum of three Active Members or at the written request of the Comisario (Statutory Auditor).

7.26 Meetings are not required to consider any matters not included in the respective notice.

7.27 Supreme Authority of the Association resides with the General Assembly. All significant actions undertaken by the President and/or any other member of the Board of Directors on behalf of the Association must be approved by a quorum of Members.

7.28 A quorum at the Regular and special General Assembly meetings shall be fifty (50) Percent of Active Members present in person, or via written proxy. If a full quorum is not present, after a ten (10) minute delay from the regular stating time, the registered voters present and official proxies shall constitute a quorum.

7.29 If requested by a member who expects to be absent on the date of a meeting, an official written proxy will be made available to that member by the association President: it shall be numbered and a record kept as to when and to whom it was issued. This form will have a space in which the member may indicate, by reference to an item on the posted agenda for that meeting, how he or she wishes to vote. The proxy holder will act for the member for all other business conducted during that meeting. No other proxy form will be accepted. No member may present and vote more than one [1] proxy. Solicitation of proxies is strongly discouraged.

7.30 A quorum at the Board of Directors shall consist of three (3) members of the Board.

7.31 No decisions shall be taken by the Board of Directors except at a regularly scheduled meeting at which a quorum is present and Minutes are taken.

7.32 The Officers and Board of Directors shall be elected to one year terms at the December Annual General Meeting. The Board shall comprise five (5) Active Members, including President, Vice-President, Secretary, Treasurer, and Director at Large.

7.33 Regular and Special General Assembly Meetings shall be conducted in accordance with the rules contained in the current edition of Roberts Rules of Order, in all cases where they are applicable and not inconsistent with these Bylaws.

7.34 The Order of Business at Regular and Special General Assembly Meetings shall be as follows:

1. Appointment by the President of a Registration Officer (normally the Secretary of the Association) who will register attending Members and proxies
2. Call to Order
3. Determination of a Quorum,
4. Recess and re-call to order, if required, to constitute a quorum in accordance with ??30 above
5. Reading of the Minutes of the previous Regular General Meeting and, where applicable, Minutes of Special Meetings
6. Treasurers Report
7. Comisarios Report (if applicable)
8. Committee Reports (if applicable)
9. Presidents Report,
10. General Assembly business as per Meeting Agenda, (Note: Nomination and election of Officers and Directors for the following year will be held at the November Regular General Assembly Meeting)

11. Other Business
12. Adjournment

8 Powers, Duties, and Obligations of Officers and Directors

8.1 The President

1. Chair General Assembly, Special, and Board of Directors meetings,
2. At the first Annual General Assembly Meeting, appoint a Comisario to serve for a one year term, (The Comisario may be a ordinary member of the Association)
3. Approve all Association major expenditures,
4. Prepare, with the assistance of Officers, the Annual Budget and Assessment to be presented at the November meeting,
5. Approve and distribute Minutes of all meetings to the Members,
6. Perform such other duties as customarily pertain to the Office of President.

8.2 The Vice-President

1. Assist the President or Co-President in all matters and, in the absence of both, assume all duties of the Office of President,
2. Preside over all sub-committees established by the Board of Directors,
3. Approve all Association major expenditures.

8.3 The Secretary

1. Keep a record of the proceedings of all meetings,
2. Issue Notices of Meetings, With the President, prepare an Agenda for all meetings,
3. Approve all Association major expenditures.

8.4 The Treasurer

1. Supervise the collection of all moneys due to the Association,
2. Maintain the financial records of the Association,
3. Approve all Association major expenditures.
4. Pay all Association Bills

8.5 The Comisario (Statutory Auditor)

1. Exercise vigilance on behalf of the Members over the accounting records and the application by the Directors, of the Bylaws, Regulations and decisions of the General Assembly,
2. Have the authority to suspend any motion or election by the Board for a period of thirty days,
3. Attend Directors and other Meetings with a voice, but no vote.

8.35 The President, Vice-President, Secretary and Treasurer shall have signing authority for the Association funds.

8.36 All checks drawn on the Association shall require the signature of any two of the above officers.

8.37 The fiscal year of the Association shall end on December 31st.

8.38 Directors shall not receive any remuneration for their services.

8.39 The Association agrees that the individual Officers and Directors shall be held harmless, and not subject to personal liabilities, while acting for the Association within Mexican Law and within the scope of these bylaws.

8.40 The Board of Directors, as previously defined in ??, will have the power to represent and administer the business of the fracciamiento (in accordance with Mexican law), represent and administer in front of any class of legal entity be it administrative , "laboral" , federal, state or local, and make contracts and pay bills subject to limitations in previous articles.

9 Use of Property

9.41 All Asociación Colonos Lomas del Manglar, A.C. individual properties are zoned for owner-occupied single family dwellings. The construction of multi-family and semidetached buildings, additional stand-alone casitas on a single lot, or subdividing an existing dwelling into two or more separate living units is **strictly forbidden**.

9.42 Occupancy of existing *casitas*, is strictly for family members and non-paying guests of the owners. The use of such *casitas* as income producing property is **strictly forbidden**. Occupants of such units as of March 10, 2010 will be permitted to remain.

9.43 Should these provisions be violated, the owners will immediately be subject to punitive measures provided by Mexican law and by the rules of this Fraccionamiento such as revising the tax status of said property, and opposing the legality of the structures under Mexican zoning law. Any costs of prosecution will be born by violator, In addition, any punitive measures allowed under the bylaws of the Asociación Colonos Lomas del Manglar, A.C. will be enforced, such as the suspension of use of the association owned water delivery distribution system. Short or long term leasing of an entire property to a single family renter by an absentee owner, for non-commercial occupancy, shall be permitted.

9.44 Owners who lease their property to others must inform the rental agent, lessee or tenant of these regulations, in advance, and the lessee or tenant, whether or not so informed by the owner or rental agent, shall be obligated to abide by all of the provisions contained herein.

9.45 The number of persons occupying any residential property as residents or tenants shall not exceed two persons per bedroom, infants and very young children excepted.

9.46 In the event a Members property is leased or rented, and the Members account is in arrears by more than thirty (30) days, the Association shall have the right to demand full payment of the delinquent amount from the rental agent or tenant.

9.47 Members who wish to sell their property must first obtain a written release from the Board of Directors certifying that all fees and other obligations to the fraccionamiento Asociación Colonos Lomas del Manglar, A.C. are fully paid and current.

10 Miscellaneous

10.48 The Association shall provide general liability insurance for all full-time workers, working in the common areas. Individual property owners shall be responsible for their own liability insurance on their own properties.

10.49 Associate Members who elect to pay the full annual assessment fee shall have the right to utilize all of the services provided by the Association and to enjoy all of the privileges enjoyed by Active Members, including the right to a full vote and to hold office.

10.50 These Bylaws and/or Zoning and Building Regulations may be amended at any Regular General Assembly Meeting by a two-thirds (2/3) majority vote, provided that the proposed Amendments have been submitted, in writing, with the Notice of such meeting.

10.51 In order for all residents to enjoy this fraccionamiento to the fullest, we require your co-operation with the following:

1. Dogs must be under the control of their owners at all times, and please scoop the poop.
2. Any dog(s) who has/have been aggressive and deemed a threat to any member of the fraccionamiento or their pets shall be reported to the Board of Directors

in writing. The Board shall then notify the dog owner in writing that the offending dog(s) shall be leashed at all times when off the owner's property and within the boundaries of the fraccionamiento. Failure to do so shall result in the Board of Directors, as a body, approaching the appropriate municipal authorities for relief.

3. Enjoy your music and outdoor parties, however, you are obliged to ensure that you are not imposing on your neighbors at any time of day. If your music is loud enough to disturb others it is too loud. More specifically, playing music that disturbs neighbors after 10:00PM is strictly prohibited. Each violation is punishable by a fine of not less than \$1,000.00 pesos, nor more than \$10,000.00 pesos, and/or by termination of fraccionamiento services, including household water delivery, for repeat offenses.
4. Do not throw garbage or brush clippings on undeveloped lots or into the Arroyo. Household garbage is to be securely bagged and placed on the street for pick up on Tuesday morning.

10.52 All fraccionamiento dues and fees must be paid directly to the fraccionamientos authorized representative, net of all costs or commissions. If a member elects to pay into court, or via any third party, the amount credited to his/her account shall be the actual final amount received by the fraccionamiento, i.e., net of all costs of collection. The member is responsible for all legal and collection costs incurred by the fraccionamiento.

10.53 All payments will be credited to the oldest debt on record regardless of the paying preference or intent of the person making the payment. Members do not have the right to make selective payments. Current bills will not be credited unless and until all arrears, including interest, costs and penalties, have been fully retired.

10.54 If an official, legal CURP receipt is requested, the person requesting it must have their own valid CURP and IVA will be added to the invoice.

10.55 If a member files a suit against the fraccionamiento and/or one of its officers or directors and does not win a clear court judgement, the member shall be obligated to pay all of the defendants legal and court costs.

10.56 If the fraccionamientos water meter is located on a members property, that member must permit the fraccionamiento unrestricted access to the said meter and to the water lines on the fraccionamientos side of the meter. If the member refuses to do so the member must, or the fraccionamiento will, at the members expense, relocate the meter onto fraccionamiento property.