



**ASOCIACIÓN DE VECINOS DEL FRACCIONAMIENTO  
CHULA VISTA NORTE A.C.  
BYLAWS  
Enacted March 27 2021**

**CHAPTER I  
CONSTITUTION, NAME, ADDRESS, NATIONALITY & TERM**

ARTICLE 1. A Non-profit Organization (*Asociación Civil*) is herein established, which shall be governed by these Bylaws, its Rules and Regulations and the Civil Code of the State of Jalisco (hereinafter “the Organization” or the “A.C.”)

ARTICLE 2. The Organization will be called “ASOCIACIÓN DE VECINOS Del FRACCIONAMIENTO CHULA VISTA NORTE” and must be followed by the words “ASOCIACIÓN CIVIL” or its abbreviation, “A.C.” Hereinafter referred to as Fraccionamiento Chula Vista Norte , Chula Vista Norte Subdivision or CVN

ARTICLE 3. The legal address of the Organization will be in the state of Jalisco and may open branches in different places.

ARTICLE 4. The Organization will be Mexican and it is herein established that: “Every foreigner that at the time of its constitution or at any later time acquires an interest or participation in the Organization will, by that sole fact, be considered as a Mexican regarding one or the other, and it will be understood that he agrees not to invoke his/her government’s protection under penalty of losing said interest or participation to the Mexican nation.”

ARTICLE 5. The term of the A.C. will be ninety-nine (99) years as of the date this deed is recorded at the Non-profit Organizations Department of the Public Registry of Real Estate Property.

**CHAPTER II  
PURPOSE OF THE ORGANIZATION**

ARTICLE 6. The Organization being established seeks to protect the assets of the subdivision residents and to foster harmony and cordial relations among them, and in order to achieve this, the purpose of the Organization is:

- a) To take over the general management of the Chula Vista Norte subdivision, which, for all legal effects is located in the town of San Antonio Tlayacapan, Km. 4, North

side of the Guadalajara-Chapala highway toward Ajijic, better known as Libramiento Chapala-Ajijic, Chapala Municipality, State of Jalisco. To undertake all necessary endeavors to obtain from competent municipal authorities, public or private entities, the constant supply of basic services such as street lighting, garbage collection, potable water supply and residual water discharge, as well as security, among others.

- b) To collaborate and enter contracts into with municipal authorities with jurisdiction in the area where Chula Vista Norte is located for them to render such public services / utilities.
- c) To enter service contracts into with private corporations for maintenance, security, installations, supply and any other service to the Chula Vista Norte subdivision and its associates.
- d) To manage and enforce the Chula Vista Norte Bylaws and Rules and Regulations among the associates.
- e) To collect and manage the funds generated by the members' fees established in these Bylaws, and use such amounts to meet the Organization's purposes.
- f) To seek the preservation and improvement of the Chula Vista Norte subdivision common areas.
- g) To seek to obtain, through mediation or execution of the pertaining municipal authority, payment of mandatory fees owed by delinquent members and, if this were not possible, to initiate arbitration and judicial proceedings (as the case may be), which are legal and necessary to forcefully obtain payment of mandatory fees from the members, according to these Bylaws.
- h) To defend its members' particular interests upon their request, under the terms established by these Bylaws.
- i) To propose arbitrators, conciliators, experts or receivers under the terms of the applicable laws and these Bylaws, whenever specialists on issues related to urban properties are required.
- j) To try and defend that the use of common areas and municipal property areas is compatible with the Organization purposes.
- k) To render or hire from third parties those services determined by the General Meeting, as well as those public services (utilities) destined to satisfy the needs related to the associates activities, whenever said services are authorized or granted in concession by any municipal, estate or federal public administration agency.
- l) To negotiate and obtain public services from federal, state and municipal authorities, to improve them for the associates and obtain concessions to render such services according to the applicable municipal legislation of the state of Jalisco.
- m) To foster unity and fellowship among the members.

- o) To promote actions oriented to preserve regional ecosystems, control pollution, use water rationally and improve the environment.
- p) To foster the rational and adequate urban development in what it affects Chula Vista Norte, as well as to participate in the territorial arrangement in accordance to provisions of the Urban Development Law of the State of Jalisco.
- q) To enter into collaboration, participation and support agreements with government authorities at any level.
- r) To represent the members before authorities in defending their common interests.
- s) To destine its assets exclusively to the ends inherent to its purpose. The A.C. may not grant benefits over the distributal remnant to any individual or to its members whether individuals or corporations, unless in the latter case, it is a corporation authorized to receive donations under the terms of the Income Tax Law or when paying for services actually received by the members or the Organization.
- t) To become a member of other organizations which discuss and seek to improve conditions of urban developments similar to the Chula Vista Norte subdivision, or their environment, especially when dealing with sanitation of Lake Chapala.
- u) At the time of its liquidation and owed to the same, to destine the entirety of its assets to entities authorized to receive donations under the terms of the Income Tax Law. And,
- v) To carry out all other actions derived from its Bylaws or that correspond to the achievement of its purposes and those specifically pointed out in any of the applicable laws.

### CHAPTER III PATRIMONY

ARTICLE 7. The Organization assets will be made up by:

- a) The fees paid by members as established by these Bylaws.
- b) Donations received of any kind.
- c) The income obtained from special services, such as negotiations, leasing of Organization property, publications made by the Organization whether in favor of the associates or non-associates
- d) The real or personal property acquired for the proper functioning of the Organization and achievement of its objectives.

ARTICLE 8. The expenses, taxes and fees incurred by the Organization will be paid only from its assets.

### CHAPTER IV MEMBERSHIP

ARTICLE 9. In their capacity of associates, the following persons are part of the Organization: individuals or corporations who own one or more pieces of property

within the Chula Vista Norte subdivision, whose location is described in paragraph a), article 7 herein..

Also, the owners of houses or lots neighboring the subdivision may be accepted as members of the Organization, prior authorization of the Special General Meeting, upon specific request made to the Board of Directors. The Board of Directors is empowered to set the amount of the registration fee and to subscribe the special agreement to which such members will be subject to during their participation in the organization.

ARTICLE 10. The "member" status may be lost by any of the following reasons:

- a) Voluntary separation. This is, when the owner has sold his/her property located inside the Chula Vista Norte subdivision; prior notice must be given to the Board of Directors by the new owner.
- b) Exclusion. Agreed by the General Meeting in accordance with these Bylaws, in the case of those members with property outside the limits of Chula Vista Norte.

ARTICLE 11. The following are causes for exclusion of the members referred to in paragraph b) Article 10 above:

- a) Lack of payment of mandatory fees without a justified cause to the Board of Directors.
- b) Violation to these Bylaws, to the CVN Rules and Regulations or to the legal provisions that regulate the activities of the Organization, in the cases when the member causes the Organization to incur in legal violations.
- c) Any action that as judged by the General Meeting is contrary to the interests of the Organization or to the members' common interests.
- d) Non-compliance with the special agreements made between the interested party and the Board of Directors.

The respective exclusion agreement will be made by the General Meeting, by simple majority of the members present.

ARTICLE 12. Members who voluntarily separate from the Organization or those excluded from it will lose all rights to its equity, may not claim reimbursement of paid fees and their exclusion will not release them from paying mandatory fees that have not been paid since the members' affiliation to their exclusion.

Payment of mandatory fees may be demanded from members either judicially or out-of-court as of the first month of delinquency; it is not necessary that the exclusion proceeding has been started at the time of collection.

ARTICLE 13. Acceptance of new member agreements will be ruled by the General Owners' Meeting and member exclusion agreements by the General Meeting. However, those aspiring to become members will enjoy all the members rights, except for the right to vote, as of the moment they obtain the acceptance favorable decision by the General Meeting, and have signed the special agreement. In all

cases, the General Meeting may amend or revoke the admission or exclusion decision whenever there is a justified cause and after hearing the affected party.

ARTICLE 14. (Deleted)

## CHAPTER V RIGHTS OF THE MEMBERS

ARTICLE 15. Only current dues and assessment paying members will have the following rights:

- a) Vote in the Meetings.
  - b) Be elected for administrative, executive and representation positions foreseen by these Bylaws.
  - c) Make any proposals they deem convenient to the General Meeting or the Board of Directors regarding the interests of the Organization or its members.
  - d) Receive reports issued by the Board of Directors regarding all issues of general interest and specially regarding laws, decrees or government provisions directly related to the Organization purposes.
  - e) Be heard by the Board of Directors or the committees created within the Organization when inquiring about the Organization activities, laws pertaining to the Organization activities and technical issues whenever the Organization has the appropriate bodies to solve them.
  - f) Ask for support and advisory from the Organization to defend their private interests, so long as this implies defending the collective interest of the membership.
  - g) Receive the especial services provided by the Organization, so long as the established fees are paid.
  - h) Receive those services the Organization has hired for the members who request them and are up to date on their fee payments or who have paid the fees specifically set for particular services.
  - i) Be issued a member certificate.
  - j) All others granted by the Law or these Bylaws.
- k) The lot owners into subdivision that are not paying ordinary dues and other special assessment do not have the right to vote and to be elected as board of director member in neither Ordinary Assembly nor Extraordinary Assembly.

ARTICLE 16. Members with the right to vote have the same rights and obligations within the Organization, however, only those who meet all general obligations imposed by these Bylaws, especially in relation to payment of regular and special fees determined by the General Meeting may exercise their right to vote and may be elected to fill positions in the Board of Directors.

## CHAPTER VI OBLIGATIONS OF THE MEMBERS

ARTICLE 17. The following are the obligations of the members:

- a) Timely pay the mandatory fees as per these Bylaws.
- b) Truthfully perform those positions and commissions the Organization management and direction bodies give them, whenever accepted by the member.
- c) To strive for the progress and well being of the Organization.
- d) To inform the Board of Directors of any change to or updating of administration, ownership, judicial or special powers of attorney which imply amendments regarding the Agents' power to vote. Such information must be provided, at the latest, at the beginning of the General Meeting held immediately following the amendment in question.
- e) To update the information given to the Organization regarding their address to receive legal notices and General Meeting notices. In case changes are made, these must be informed within no more than 10 workdays after such change. In case of not meeting this obligation, notices will be made to the previous address recorded and will be valid.
- f) Provide the Board of Directors information on their lots and buildings whenever such information is required in writing by it and it is useful for statistical purposes or to determine fulfillment of provisions contained in the subdivision Rules and Regulations.
- g) Try to solve any conflict that may arise among members through negotiation and understanding, always looking for a solution to internal disagreements through dialog, conciliation and arbitration provided by the Organization itself.
- h) All others imposed by the Law and these Bylaws.
- i) The members will support the board of directors in any legal action taken against board members in lawful pursuit of their duties. To include fully covering legal expenses and costs.

ARTICLE 18. Members with the obligation to pay fees must pay the Organization the following mandatory fees:

- a) Deleted
- b) Regular fees, whose amount will be determined by the General Meeting according to the subdivision needs, the projects necessary to its proper operation and investment projects that may be convenient for the Organization itself.
- c) Special fees. Must be paid by all members and will be set by the Board of Directors based on specific needs that may come up and are important to achieve the Organization purposes.
- d) Special fees to be determined for services offered by the Organization to the members.

ARTICLE 19. Additionally to the mandatory fees specified in former article 18, the members may contribute voluntary fees for specific purposes as requested by those contributing such fees, but in case no specific application is set, or the specified

application is contrary to the achievement of the Organization objectives, these fees will be used for those projects or activities decided by the Board of Directors.

ARTICLE 20. Payment of the fees referred to in articles 18 and 19 will be made on the terms, manner, and place and under the terms determined at the time of their establishment.

## CHAPTER VII DIRECTION, MANAGEMENT AND REPRESENTATION OF THE ORGANIZATION

ARTICLE 21. The direction, management and representation of the Organization in the specific scopes pointed out in these Bylaws will be the responsibility of:

- a) The General Meeting.
- b) The Board of Directors.
- c) The President of the Board of Directors.

## CHAPTER VIII THE GENERAL OWNERS' MEETING

ARTICLE 22. The General Owners' Meeting will be made up by all members, nonetheless, for the effects of the necessary legal quorum in voting, only the members empowered to exercise their right to vote will be counted.

ARTICLE 23. The General Meeting will have the following powers:

- a) To approve these Bylaws and future amendments to them, and to the Rules and Regulations as well.
- b) To approve collaboration, participation and support agreements entered into with government authorities of any level.
- c) To amend agreements through which the Board of Directors sets the mandatory fees to be paid by the members and other users of the services provided by the Organization.
- d) To authorize the acceptance to the Organization of owners of lots or houses neighboring the subdivision.
- e) To approve by majority of votes the exclusion from the Organization of any member, whenever there are reasons for it, in accordance with paragraph d) above.
- f) To approve the creation or dissolution of special permanent committees.
- g) To approve civil or commercial loan applications before financial or private entities.
- h) To approve the income and expenditure budget, differentiating entries for regular and extraordinary expenses.
- i) To appoint the members of the Board of Directors by direct election.
- j) To approve the percentage of late interest to be charged on regular and special fees to delinquent members.

k) All others conferred by the Law or these Bylaws.

## CHAPTER IX DEVELOPMENT OF GENERAL MEETINGS

ARTICLE 24. General Meetings may be Regular or Special.

ARTICLE 25. Regular General Meetings will be held at least once a year, at the Organization's address or at the place specifically appointed to that end, and will be summoned by the President of the Board of Directors or by the majority of members of the Board when the President is absent. The initial announcement of the General Meeting (AGM) will be a minimum of 30 days prior to the date of the meeting. Notification shall be by email, signage at the gate, and on the website.

ARTICLE 26. Extraordinary General Assemblies will be held when they are convened by the President of the Board of Directors and must be convened when there is a petition signed by at least 20 twenty percent of the active members of the Association and that the associates that sign the petition are up to date with their maintenance fees and contributions to the Association. The call to meeting for these Assemblies must be made 20 twenty days in advance of its celebration and the Associates will be notified by electronically to the emails registered in the *Fraccionamientos's* administration, as well as be published in the entrance booth, administrative offices and on the Web page of the *Fraccionamiento* Chula Vista Norte.

ARTICLE 27. The notices for any General Meeting will include the place, date and time of the Meeting, the Agenda and a copy of the projects to be reviewed and approved when, according to these Bylaws, such projects are to be made by the Board of Directors or the President of the same. Said notices may include a second call to the meeting at least 30 minutes after the first one, in case of lack of a legal quorum, with the purpose of having a sufficient quorum for decision-making.

ARTICLE 28. The Regular General Meeting (AGM) and or Special Meeting(AGM) will be legally convened on first call if at least 50% plus one of the members is present. In case of Second Call, the Meeting will be legally convened with whatever number of members present.

ARTICLE 29. Regular General Meeting (AGM) notices and agenda will be sent to each member at least fifteen (15) days in advance of the Meeting date.

ARTICLE 30. Special Meeting notices must be issued to each member at least five (20) days before the Meeting date.

ARTICLE 31. Meeting notification shall be by email, signage at the gate, and on the website. The notice will be published in some of the most sold newspapers in the



State of Jalisco. This publication will include the name of the Organization, the date and place of the General Meeting, and for further information about it, the Organization's address and phone number.

ARTICLE 32. General Meetings will be chaired by the President of the Board of Directors or whoever substitutes him according to these Bylaws, or else, by the member appointed by the Meeting. The Secretary of the Meeting will be the Secretary of the Board or the person appointed by the Meeting itself. In each Meeting, the President will ask two of the members to be vote counters; should this persons accept the commission and there being no significant opposition by the members, they will be responsible for counting the votes on each of the issues voted on during the Meeting..

ARTICLE 33. At the General Meeting, each member up to date on his/her fees will have the right to one vote and decisions will be made by a simple majority of votes of those present. In case of tie the President of the Meeting will have the quality vote. Enforcement of resolutions made by the General Meeting will be mandatory for all members, including those present, absent and dissident.

ARTICLE 34. Members may always be represented at General Meetings by persons duly accredited before the Board of Directors. To do so, the members must submit the right document stating they are granting the power to vote on their behalf (proxy). One person who represents another member must accredit to the Board of Directors his representation and legal power to vote, by presenting the document containing such circumstances. This proxy may be given to another member or to his/her representative before the General Meeting.

## **CHAPTER X**

### **THE BOARD OF DIRECTORS**

ARTICLE 35. The Board of Directors is an executive body of the Organization and shall be made up by seven members who will hold the positions of President, Secretary, Treasurer, and First, Second, Third and Fourth Members at Large. The General Meeting may decrease or increase this number according to the work needs, as proposed by the Board of Directors.

ARTICLE 36. The Board of Directors will be elected during a Regular General Meeting in which the President or his alternate will receive the nominations for the new Board. The members then will each cast a vote direct and open in favor of any of the slates. The new Board of Directors will be made up of the slate with more votes. In case none of the slates obtained fifty percent of the votes, a second voting will take place with only the two with the highest number of votes the first time. It is possible to make a maximum of two changes of members in the slates to participate in the second voting. Board members are elected for a two year term. On odd years we will elect 3 members. On even years we will elect 4 members.

Should the members agree unanimously on the integration of one sole slate, the new Board of Directors will be valid only if such a circumstance is recorded in the meeting minutes.

ARTICLE 37. Board members will be in office for two years and may be re-elected for equal terms. The possibility of re-election to Board positions is individual, therefore one Board member may be re-elected and others changed every time the two-year term is over.

If for any reason a new Board of Directors is not elected at the term of the previous Board, it will continue in office with full authority until a new Board is elected according to the mechanics herein stated.

ARTICLE 38. Having occupied a position within the previous Board is not a requirement to be elected as a Board member.

ARTICLE 39. Board member positions are honorary and officers will not receive payment whatsoever, yet, the General Meeting may determine to exempt Board members from payment of dues or to grant them other special prerogatives when it deems their services deserve it.

ARTICLE 40. Notices for Board of Directors meetings must be made by the President or by the majority of the Board members when the President is absent, at least three days in advance. Enclosed to the notice will be the Agenda and a copy of the immediately previous meeting minutes. This type of notices may be issued electronically via fax, phone, or e-mail.

ARTICLE 41. Quorum at Board meetings is at least three members present.

ARTICLE 42. The Board of Directors will meet at least once every six months on the day and at the time set, but may hold any number of additional meetings necessary to accomplish its duties.

ARTICLE 43. Board resolutions will be by majority of votes of Board members present in the meeting, the majority being understood by half plus one of the members. In case of tie, the President will have the quality vote.

ARTICLE 44. Duties and obligations of the Board of Directors:

- a) To decide and resolve on the mechanisms to execute the agreements made by the General Meeting or the Board itself.
- b) To choose alternates for those members of the Board who cannot carry out their duties, considering always the guidelines set in these Bylaws.
- c) To approve the creation or dissolution of temporary or transitory special committees.

- d) To manage, either directly or through third parties, the subdivision's utilities that may have been assigned or entrusted through concession by the pertaining authorities.
- e) To watch the compliance with the Rules and Regulations of Chula Vista Norte subdivision and, as the case may be, to apply the measures stated therein.
- f) To determine special assessments to be paid by the members, required to pay for the Organization's urgent needs, only in the cases in which said needs have not been foreseen in the budget approved by the General Meeting at the time of setting the regular fees.
- g) To determine payment to technical advisers and employees of the A.C.
- h) To negotiate with the members so as to facilitate payment of mandatory fees referred to by these Bylaws. Such negotiations may include a discount on advance payment, reduction of interest, authorization of installments, extension of terms, etc.
- i) To keep the A.C.'s accounting.
- j) To make the Annual Balance Sheet and Income Statement every fiscal year, and submit them to the General Meeting for approval.
- k) To annually present to the Meeting the proposed Budget for the following fiscal year, which must include separate entries for regular and special expenses.
- l) Submit to the Meeting every year the A.C. work program for the following fiscal year.
- m) To regulate the establishment and operation of Work Committees that may be created and specify their operation standards, in order to improve technical and administrative productivity.
- n) Negotiate, review and approve, as the case may be, signature of contracts entered into with external entities regarding services for the subdivision.
- o) In general, approve special expenses of the Organization.
- p) Provide everything necessary to accomplish the purpose herein referred to.
- q) To present to the Meeting's approval, the percentage of past due interest to be paid delinquent members on regular fees and special assessments.
- r) To set the amount of the registration fee to be paid by the owners of houses or lots adjoining the subdivision who request membership.
- s) To enter into the special agreements that those owners of property adjoining the subdivision, interested in becoming members of the organization will be subject to.
- t) To authorize the President of the Board of Directors to Grant and Revoke Power of Attorney, either General or Special, broad or limited, for acts of administration, ownership, for litigation and collections, before a Notary Public, according to provisions of articles 2206 and 2207 of the Civil Code of the State of Jalisco, and all others specifically imposed to it by the Law and these Bylaws
- u) All others specifically imposed to it by the Law and these Bylaws.

ARTICLE 45. The President of the Board of Directors may undertake the task of obtaining or have someone obtain special, useful or important information for the members. He/she may also offer administrative services to the members for a charge that shall be determined by the Board of Directors.

ARTICLE 46. The Board of Directors may delegate its powers to others through executive provisional or work commissions, created specifically for particular tasks and for a definite time, but will continue being fully responsible for them.

ARTICLE 47. *During his tenure the current **PRESIDENT, SECRETARY and TREASURER** shall have the powers of Legal Representatives of the Association (on the basis of Article 2554 of the Civil Code of the Federal District and its relatives of the Civil Code of the State of Jalisco), which can be used jointly or severally, and for which he is granted the following powers:*

**1. General Power of Attorney for lawsuits and collections with all general and special powers requiring a special clause under the law, without any limitation** in terms of Articles 2554 two thousand five hundred fifty-four first paragraph and 2587 two thousand five hundred fifty-seven of the Federal Civil Code and Articles 2207 two thousand two hundred and seven and 2236 two thousand two hundred thirty-six the civil code of the state of Jalisco and its correlative with the civil codes for the states of the republic. Inside this power of attorney the following powers that require special clause are granted:-----

- I. To desist;-----
- II. To compromise;-----
- III. To acquiesce to demands; -----
- IV. To submit to arbitration;-----
- V. To absolve and articulate positions;-----
- VI. To assign assets;-----
- VII. To challenge;-----
- VIII. To receive payments;-----
- IX. To promote and desist from an injunction----
- X. To attend a conciliation meeting under Article 282 bis two hundred and eighty-two of the civil procedure code of the state of Jalisco with sufficient powers to make an agreement to that which the said legal disposition refers.

**2. General power for acts of administration** in terms of Article 2554 two thousand five hundred fifty-four of the federal civil code, 2207 two thousand two hundred and seven of the Civil Code of the State of Jalisco and its correlative with the civil codes for the states of the republic.

**3. General power for acts of labor administration** in terms of Articles 11 eleven and 692 six hundred ninety two of the federal labor law, before local and federal conciliation and arbitration boards in the state or out of state and before any labor authorities specified in Article 523 five hundred and twenty of the same legal system, representing the grantor condominium before the conciliatory authorities, with powers to enter into

*agreements and force the condominium's compliance as well as try all kinds of labor actions, answer complaints, oppose to exceptions, offer proof and take tests, absolve positions, argue, file even an injunction, and generally represent the grantor condominium in all kinds of labor lawsuits until their completion, celebrate individual and collective labor contracts and intervene in the formation of internal labor regulations .---*

**4. General power to represent the Association in each and every matter related with the Mexican Institute of Social Security, being able to sign all kinds of agreements, settlements, make payments, issue receipts and generally handle all matters of any kind between the decentralized institution and the grantor condominium.-----**

**5. General power to accept, certify, grant, turn, issue and endorse titles of credit on behalf of the principal condominium, as provided by Article 9 ninth of the General Law of Negotiable Credit Operations .-----**

**6. General power on behalf of the principal condominium to make, formulate, subscribe and present all kinds of notices, communications, statements, requests, before the tax authorities of both the Federation and the states and municipalities; to process the advanced electronic signature; to file all kinds of motions, ordinary and extraordinary and desist from them; to register with said official authorities; to inform the corresponding contributions to those authorities, whether by way of income tax, value added tax or any federal, state or municipal tax; to request refunds, compensations and generally to perform any procedure or initiative that is related to contributions or legal provisions of a fiscal nature that are applicable to legal entities.-**  
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*7. Regarding the General Power to exercise acts of ownership, this is granted only to be exercised by at least two members of the Board of Directors of the Association, necessarily being two persons occupying the positions of President, Secretary and / or Treasurer .*

**8. In the same token, the President of the Board of Directors is empowered to grant limited powers of attorney to third parties but only for powers of attorney for lawsuits and collections and for acts of Administration, both in all the types described in points 1, 2, 3, 4 and 6 of this clause.**

## **CHAPTER XI**

### **THE PRESIDENT OF THE BOARD OF DIRECTORS**

**ARTICLE 48.** The following are the powers of the President of the Board of Directors:

- a) To chair the General Meetings, Board meetings and meetings required by virtue of his position.
- b) To formally execute the agreements made by the Board of Directors and by the General Meeting.
- c) To decide whether the applying members meet the requirements established in these Bylaws.
- d) To appoint and remove technical advisers and, in general, all employees of the Organization.
- e) To study the initiatives submitted by the members and make the pertaining agreements.
- f) During his/her administration, the President must make detailed annual reports of activities to the Meeting.
- g) To call General Regular and Special Meetings under the terms of these Bylaws.
- h) To see that the fees herein referred to are timely collected.
- i) To endeavor that the application of Organization resources is made according to the corresponding budget; he may check any issues or make any collections he thinks necessary.
- j) To prepare the required materials for the General Meetings.
- k) To propose to the Board of Directors all jobs and proceedings he judges necessary to meet the Organization objectives.
- l) To allow the participation of professionals in Board meetings to relief issues important to the achievement of the Organization objectives.
- m) To handle and decide on regular A.C. and Board issues.
- n) To call Board meetings every time he deems it convenient or necessary or when established by Law or these Bylaws.
- o) To be the representative of the General Meeting and the Board of Directors, except when someone is specifically appointed to have minutes or powers of attorney recorded by a Notary Public when such a formality is required.
- p) To open and close bank accounts on behalf of the A.C. The President, the Treasurer and /or secretary must jointly sign such accounts.
- q) Jointly with the Treasurer and/or secretary, make the regular expenses approved by the General Meeting.
- r) Jointly with the Treasurer and/or secretary, authorize and pay extraordinary expenses approved by the Board of Directors.
- s) To sign on behalf of the Organization and jointly with the Treasurer and /or secretary, those instruments that imply acceptance of civil or commercial loans, so long as they have been approved by the General Meeting.
- t) To appoint the individuals that should represent this Organization before national or international bodies. This type of appointments will be subject to opposition by the Board of Directors.
- u) With the authorization of the Board of Directors, to give and Revoke Power of Attorney to third parties, either General or Special, broad or limited, for acts of administration, ownership, for quarrels and collections, before a Notary Public, under the terms of articles 2206 and 2207 of the Civil Code of the State of Jalisco.
- v) All others specifically stated by the Law and these Bylaws.

## **CHAPTER XII**

### **THE SECRETARY**

ARTICLE 49. The following are the duties of the Secretary:

- a) To handle the organization, operational issues and logistics of the General Meetings and Board meetings.
- b) Write the General Meeting and Board meetings minutes.
- c) Keep the A.C. files.
- d) Make the General Meetings attendance lists.
- e) To require the publication on the CVN website of a quarterly report, to the members detailing the board's activities.
- f) All others specifically stated by the Law and these Bylaws.

## **CHAPTER XIII**

### **THE TREASURER**

ARTICLE 50. The following are the duties of the Treasurer:

- a) Permanently control the Organization funds and inventory of its assets.
- b) To execute, jointly with the President and /or secretary, the regular expenses approved by the General Meeting.
- c) To authorize and make, jointly with the President and /or secretary, the special expenses approved by the Board of Directors.
- d) To sign on behalf of the A.C. and jointly with the President and / or secretary, those instruments that imply acceptance of civil or commercial loans, so long as they have been approved by the General Meeting.
- e) The Organization's accounting.
- f) Present to the Board of Directors the Income and Expenditures reports.
- g) Make the annual Balance Sheet and present it to the General Meeting after its approval by the Board of Directors.
- h) Making the Organization's income and expenditure Budgets and submit it for approval of the Board of Directors prior to the General Meeting.
- i) Attend General Meetings and Board meetings.
- j) To require the publication on the CVN website of a quarterly report, to the members.
- k) All bank accounts will require two signatures.

## **CHAPTER XIV**

### **SPECIAL COMMITTEES**

ARTICLE 51. All A.C. issues requiring a special study and analysis for their updating and application will be delegated to Special Committees, whether permanent or temporary. The former will be created prior approval by the General Meeting and the latter with the approval of the Board of Directors.

The Special Committees will be made up by the required number of persons, taking into account the specific tasks assigned to them. The Committees will submit duly founded written reports and recommendations to the Board for its information and final resolution.

ARTICLE 52. The Board of Directors will decide the term of the Temporary Special Committees and when it deems convenient, the decision re the possibility of making them permanent will be subject to the General Meeting.

ARTICLE 53. Committee members will receive the payment approved by the Board of Directors. In case the committee members are associates, their performance in the committee will be honorary, but the General Meeting may determine to exempt them from their fee payments or to give them other special prerogatives.

## **CHAPTER XV**

### **THE COMISSARY**

ARTICLE 54. The General Meeting will appoint a Comissary to be in charge of the vigilance of the A.C. operations. The comissary may be a member or not. Among the duties of the comissary are to protect and defend the Bylaws, and Rules and Regulations of CVN.

ARTICLE 55. The Comissary will be in office for two years and may be re-elected for one-year consecutive periods.

ARTICLE 56. The Comissary will be called to attend all General Meetings and Board of Directors meetings but will not have the right to vote in board meetings, and his non-attendance will not affect the validity of the decisions made.

ARTICLE 57. When an associate member holds the position of Comissary, his duties will be honorary and therefore will not receive compensation. The General Meeting may determine to exempt him/her from their regular fee payments or to give him/her other special prerogatives. When held by someone different than the members, such person will receive the compensation approved by the General Meeting.

## **CHAPTER XVI**

### **DISOLUTION AND LIQUIDATION OF THE ORGANIZATION**

ARTICLE 58. The A.C. will dissolve by:

- a) Impossibility of accomplishing its purpose.
- b) Agreement of the General Meeting.
- c) The conversion into or substitution of this A.C. for a condominium ownership system.



- d) Provision of Law.
- e) Conclusion of its term.
- f) Judicial resolution.

ARTICLE 59. When any of the above possibilities occur, the A.C. will proceed to its liquidation and to that effect, the General Meeting or competent authority (as the case may be), will appoint a liquidator who may be a member or not, and will set his payment as well as the term to finish his job.

The liquidator will carry out the liquidation on the following bases:

- I. Conclusion of unfinished business in the most convenient manner to the A.C.
- II. Making the liquidation Final Balance Sheet and submit it to the consideration of the members and competent authority, as the case may be.
- III. Once said balance sheet is approved, he will distribute the assets balance, if any, to other non-profit organizations, under the terms established in the Liquidation Meeting and if no specific designation is made, said balance will be given to public assistance. In case the A.C. dissolves owed to the establishment of a condominium ownership system at the Chula Vista Norte subdivision, the entirety of the assets and rights and of this A.C. will become part of the condominium assets, along with the A.C. obligations assumed by the condominium.
- IV. In case a specific fund had been established for a specific activity and said activity had not been executed, this fund will be proportionally reimbursed only to those members who contributed to its establishment.

ARTICLE 60. During the liquidation period, the Meeting will meet and operate under the same terms established by these Bylaws. The liquidator shall assume the functions that in the Organization's normal life would correspond to the Board of Directors and the President, but with the special modalities imposed by the state of the liquidation.

## CONCILIATION AND ARBITRATION

ARTICLE 61. ***"CONFLICT RESOLUTION"***.- Prior to proceeding through the judicial process for the resolution of conflicts that may arise between the associates and the association, in those issues related to the interpretation and compliance of these statutes, the subscribers thereof, and those who request their admission as associates subsequently, they must first exhaust and submit themselves to the office of Alternate Means of Conflict Resolution as established in the Law of Alternative Justice of the State of Jalisco, either directly before the Institute of Alternative Justice or some private center certified by said previous institution prior to filing any lawsuit in the corresponding courts. In order to proceed judicially it will be a requirement to accompany, along with your initial claim, the proof that you have attended and

exhausted the Alternative Justice procedure before the Alternative Justice Institute or a duly accredited private center.

The conciliation and arbitration proceeding herein defined will be likewise applicable to the resolution of conflicts among members, whenever they agree to subject their differences to this controversy resolution system. The arbitration proceeding this article refers to, will be regulated according to the following rules:

- a) Arbitration must be understood as the proceeding to be followed before the appointed arbitrator, who in turn, must subject himself to rules contained in this article, and for whatever is not foreseen within the same, he must follow the rules of supplementation indicated further ahead, considering always the objectives, definitions, conditions and terms established in these Bylaws and the Rules and Regulations (when applicable) of the Chula Vista Norte subdivision, as well as the practical reality of the relationship held between the parties subject to the arbitration proceeding and common practices for the fulfillment or non-fulfillment of rights and obligations existing between the parties in conflict.
- b) The party that considers himself unfairly affected by some act related to or derived from any of the rights and obligations these Bylaws or the Chula Vista Norte Rules and Regulations refer to, shall present a written statement of the facts to the A.C. Board of Directors, who shall determine the parties affected by the controversy and will send official communication to each one of them calling them to a meeting to be held within the 10 following days counted as of the date the claim was filed. This meeting will be attended by a Conciliating Committee to be appointed by the Board of Directors itself, which shall prompt the parties to conciliate. In case an agreement is reached, it must be stated in writing, as well as its rules and terms of execution. In case of non-fulfillment of said agreement, the arbitration proceeding described ahead will be immediately initiated. Documents produced during the conciliatory proceeding, including of course the peacemaking agreement subscribed within said conciliation proceeding, will be full evidence.
- c) Once the conciliation proceeding former paragraph b) refers to has been exhausted, and in case no conciliation was reached or in case of non-fulfillment of the agreement made, the conciliators will encourage the parties to voluntarily subject their controversy to an arbitrator from a list provided by the *Colegio de Corredores Públicos del Estado de Jalisco* (Commercial Notary Public Association of the State of Jalisco). In case the arbitrator appointment is made by unanimous decision, the A.C. will be in charge of notifying the arbitrator, through the Commercial Notary Public Association, of his appointment and sending a copy of the claim submitted by the party who initiated the proceeding. Should the parties not agree on the arbitrator, any of them will directly request the above-mentioned Association to appoint one according to its arbitration rules. The arbitrator must be an expert on the topic of the controversy and should accept to subject himself to these arbitration rules. The arbitrator appointed by the Commercial Notary Public Association (CNPA) will be competent to resolve the controversy set forth when at least one of the parties in conflict has accepted him. When none of the

parties accept the arbitrator appointed by the CNPA, the same will appoint a second arbitrator, and if none of the parties accepted this arbitrator, then the CNPA will name the definite arbitrator who will solve the controversy even without the acceptance of the parties involved in the conflict, always taking into account the opinion of the A.C. Board of Directors.

- d) Once there is an arbitrator, he shall proceed to formally declare his competence to solve the conflict and must require the claiming party to meet with him within a 5-day period to ratify, broaden, or diminish the reasons of the controversy his initial document refers to.
- e) Having the final claim, the arbitrator will request to the parties a contestation or reply to the complainant's statements; he must give them a copy of the claim and grant them a 10 work day term to produce their contestation or answer.
- f) Once contestation of the claim has been produced, or even without it, the arbitrator will give the parties a term of up to 30 calendar days, depending on the complexity of the issue, to produce their evidence, which will have no other restriction than to be directly related to the issue in conflict. In case a piece of evidence requires technical study or work, and only if necessary, the arbitrator may extend the evidence term for this sole purpose, by periods that may not exceed 30 days. In case of considering necessary to know the truth of the facts, the arbitrator may collaborate with those people he deems convenient or may request any of the parties to produce the convincing elements he thinks convenient to the achievement of his function. Testimonial evidence will only be received when in writing and when having been rendered before a judicial or ministerial authority.
- g) All evidence received, the arbitrator will give the parties a 5-workday term to declare in writing all arguments on their favor, whether regarding the bottom line of the controversy or the validity or invalidity of the evidence produced, as well as its effectiveness.
- h) After the above-mentioned argument disclosure term, and within a maximum term of 20 days, the arbitrator will issue his award.
- i) The arbitration award must accurately state the manner in which the case must be liquidated, that is, the arbitrator must clearly set the conditions and specific actions the parties must guarantee or execute for the award to be enforced, and should there be a penalty to pay a certain amount, the arbitrator must specify the amount, reasons, and terms of payment.
- j) The amount of the arbitrator's fees and terms of payment will be determined according to the arbitration rules of the Commercial Notary Public Association of the State of Jalisco.
- k) Once the arbitration award is issued, the parties with some payment obligation will be given a 10-day term to voluntarily comply with the award or fully guarantee it to the satisfaction of the beneficiary; otherwise, the arbitrator will initiate, upon request of the party who obtained a favorable resolution, the necessary proceedings before the competent jurisdictional agencies in order to achieve the forceful enforcement of the arbitration award resolution.

- l) Whatever not foreseen within this arbitration proceeding will be regulated according to the arbitration rules issued by the CNPA or else to the Arbitration Rules established in the Commerce Code.
- m) By mutual agreement, the parties may reduce the terms proposed in this article, so long as they submit their request in writing to the arbitrator and he considers this shall not affect the proper achievement of his functions.

#### TRANSITORY ARTICLES

TRANSITORY ARTICLE ONE. The transition of powers of newly elected board members will take place on the next scheduled regular board meeting to be held within 30 days of the AGM.

TRANSITORY ARTICLE TWO. The outgoing president will appoint a member designated by the incoming board to have power of attorney (as referred to in article 44 t ) until the new president has such power.

TRANSITORY ARTICLE THREE. This to clarify that that incoming board members legally are not awarded the powers of their office until the municipality has accepted the protocalized minutes.