

**MINUTE OF THE ORDINARY ANNUAL GENERAL ASSEMBLY OF CONDOMINOS OF CONDOMINO ROYAL  
GOLF CLUB AND THE CONDOM ASSOCIATION OF THE ROYAL GOLF CLUB CONDOMINIUM, A.C.,  
CELEBRATED BY SECOND CONVOCATION DATED MARCH 19, 2016.**

Ordinary Annual General Assembly of Condóminos of the Royal Golf Club Condo and the Royal Golf Club Condo Condómino Association, A.C., carried out in Segunda Convocatoria, according to the agenda established in the call dated February 21 of the current year, which was published in the Newspaper the Impartial on February 2 and 13 of March of the current year, through its President Mr. Gastón Méndez Jiménez.

In San Carlos, Nuevo Guaymas, Sonora, at 10:00 (ten) hours on March 19, 2016 and in Segunda Convocatoria met the Condóminos of the Royal Golf Club Condo and the Associates of the Condóminos Association of the Royal Golf Club Condominium, A.C. hereinafter referred to as the Condo, at the address cited for this purpose that is located in the Restaurant "El Mar" located in Condominios Posada de San Carlos Nuevo Guaymas, Sonora, in order to celebrate the Annual General Assembly Ordinary Condos of the Royal Golf Club Condominium and the Ordinary Annual General Assembly of Associates of the Royal Golf Club Condo Condóminos Association, A.C., in accordance with Article 54 of its Regulations to which they were previously convened by the Condo "Royal Golf Club Condo Condómino Association, A.C." Through its President C. Gastón Méndez Jiménez, proceeding to unseat the agenda set out in the reference call:

**ORDER OF THE DAY**

1. Attendance List
2. Choice of two Tellers
3. Legal Quorum Certification
4. Reading the Previous Act
5. Report on Conservation and Maintenance Expenses carried out in FY 2015 and their corresponding approval
6. Discussion and Approval of the Budget of Conservation and Maintenance Expenses of the minimum condo for the 2016 financial year

7. Discussion and Approval, where appropriate, of condom quotas that will be charged to the condóminos for the year 2016 or until they are modified by the assembly of condóminos
8. Report of the President.
9. Report of the Surveillance Committee
10. Diverse Affairs
11. Closing of the Assembly

#### **DT THAT ROLL OF THE ORDER OF THE DAY**

1.- In relief of **agenda item number one**, the President passes the Attendance List to the condominiums that make up the Royal Golf Club Condo, so that they are recognized as such and that the corresponding signatures of each of them are located in it; in the same way as he does with the Attendance List of Associates of the Royal Golf Club Condo Condóminos Association, A.C., creating that these attendance lists will be added to this minutes.

2.- In relief of **agenda item number two**, the Assembly unanimously appoints assembly as President of the Assembly to C. **Gaston Mendez Jiménez**, as Secretary to C. **Víctor Manuel Ruiz García** (who holds the same position on the Board of Directors of the Association) as well as Tellers to the C. **David Lewis and Jaandne Seeley**, who accept and protest the appointment of the office conferred, on the basis of Article 55 of the Condominium Regulations, informing them that their task will be to verify Quorum Legal for the installation of the Assembly in Second Call according to the minimum required in the Condominium Regulations and verify the vote on the points of agreements reached in this Assembly. Also having the presence of Ms. **María Dolores Aguilar Shelling** as chairman of the Surveillance Committee and Mr. **Rodolfo Velazquez Ahumada** in his character as Translator and Interpreter who will translate attendees who do not know the Spanish language entirely from the assembly.

3.- In relief of item number **three** of the agenda, the President of the Assembly requests the Tellers to attest to the legal existence required under Article 54 of the Condominium Regulations so that the Annual Ordinary General Assembly of Condóminos of the Royal Golf Club Condo and the Assembly of the Condóminos Association of the Royal Golf Club Condominium, A.C., in Second Call, proceeding the Tellers to verify the existence of the Legal Quorum for the origin and Installation of the Assembly,

which is declared valid by the President of the same, since the Tellers verified that the Quorum in this Assembly was 28.9279% of the individual of the Condo and that according to the Law and by being held this in second call is declared legally installed with the attendees of the same.

4.- Proceeding to the relief of agenda item **number four** concerning the reading of the previous minutes, the Secretary of the Assembly at the request of the Condóminos, I account for the most important points discussed in the previous Assembly, as settled in the corresponding minutes, attesting to the above of the designated tellers, there is no correction or observation to it and in order to respect the time of the attendees, unanimously the reading of the same was taken, in the terms of the Convocation, having been read by each of them prior to the holding of this Assembly.

There is no comment on this, the Unanimous Assembly of Votes took the following:

#### **ACUERDO**

I.- The Act of the Extraordinary General Assembly and the Act of Ordinary General Assembly of Condóminos of the Royal Golf Club Condo and the Condóminos Association of the Royal Golf Club Condominium, A.C., held dated March 07, 2015, taking as valid each and every agreement in it taken.

5.- Following the relief of agenda item **5 on** the Report on Conservation and Maintenance Expenses in 2015, Mr. Gastón Méndez Jiménez requests C. Andrés Limón Avila to report on the conservation and maintenance costs incurred in the 2015 financial year.

Mr Andrés Limón Avila then gives the assembly members the report on conservation and maintenance costs for the 2015 financial year.

Mr Allan Kohut makes the motion for that budget to be authorised until it is extensively revised.

Ms. María Dolores Aguilar Shelling proposes to the assembly to hire an auditor to review the expenses and income, to which Mr. Jesús Manuel Morales Morales, states that there is no need to incur expenses for an audit since this is very expensive and that the numbers that are being presented are quite clear.

Mrs Gail Diesveld proposes not to authorise the financial report until it is extensively analysed, proposing that it be the Monitoring Committee and those interested in making such a review, committing Ms. Gail Diesveld, Christine Iriarte, Nicole Geisler and Fernanda Mundo to participate in this review.

After extensive discussion of the above, the decision was taken that this report will not be adopted until it has been extensively reviewed by the Monitoring Committee and the persons mentioned above, so in the word of the word Mr. Víctor Manuel Ruiz García makes available to each and every condomino the accounting records of the expenses of the Association, making the clarification that each and every expense made is made with checks and that no bank transfers are used to make payments; so that the following was taken:

#### **ACUERDO**

The report of conservation and maintenance costs incurred in 2015 is NOT approved until it has been audited by the Monitoring Committee and the persons who volunteered to assist this audit; same audit to be carried out no later than 2 months so that the administration would send to the Monitoring Committee all information that is required for such review.-

6.- Following the relief of agenda item number six on the discussion and approval, where appropriate, of the budget for the maintenance and maintenance of the condominium for the year 2016 in the floor of Mr. Víctor Manuel Ruiz García, presents to the Assembly members the budget for the year 2016; same that after being discussed widely it was agreed that it will not be approved until a thorough review of it is done, taking the followings:

#### **ACUERDOS**

I.- The budget of conservation and maintenance expenses is NOT approved, until the review of the same is done.-

II.- The budget will be approved together with the Financial Report for the 2015 financial year once it has been audited and at the end of the financial year a corresponding authorization act will be lifted.

7.- Proceeding to the relief of agenda item number seven on the discussion and approval, where appropriate, of condom quotas to be collected from the condóminos for the year 2016 or until they are amended by the assembly of condóminos, In the word of the floor, Mr. Víctor Manuel Ruiz García, states to the assembly that by virtue of the results obtained (the same results that will be audited and analysed), the increase in maintenance quotas will not be necessary for the time being.

Once the above has been proposed and after being discussed extensively by each and every one of those present, the assembly unanimously approves the suggested increases, so it takes the following:

#### **ACUERDO**

There is no need for the increase in maintenance fees for the 2016 financial year.-

8.- Following the relief of agenda item number eight on the President's report and by wording Mr. Gastón Méndez Jiménez, he gave the assembly its report for the period 2016, expressing to the assembly that every effort was made to save on expenditure for the period 2015 and that many benefits were made.

In the floor, Mr. Víctor Manuel Ruiz García asked the condóminos to make their comments and comments:

- The condóminos manifested and requested that something constant leaks be made in the development.
- They also requested that action be taken in relation to all batches that are in a state of abandonment and full of weeds.

After commenting extensively on the above, in the light of the floor, Mr. Víctor Manuel Ruiz García proposes to the assembly that the abandoned or troubled premises be cleaned and charged to the owners of these premises. It also informs those present that the leaks are reported directly to the State Water Commission and that even many of them are repaired on 20 the workers of the Association

and requests support to the condóminos so that they also make their timely and insistent reports to the water operator agency.

Ms. Christine Iriarte makes a motion that all lots and houses that are in maintenance and cleaning problems and that are for sale with a Real Estate house, were sent to a letter asking them to clean up that property, specifying that if they do not comply with this request the Association will take care of cleaning of the property, on the understanding that the Real Estate agency will have to pay the costs of such cleaning.

Having discussed and analysed the above, the assembly unanimously approves the report submitted by the Chairman of the Board of Directors, and the following are taken:

## **ACUERDOS**

1.- The report submitted by Mr Gastón Méndez Jiménez in his role as Chairman of the Board of Directors is unanimously adopted.

2.- The motion to send to the owners and / or Real Estate Agencies a statement that if they do not take care of the cleaning of their properties the Association will take care of the cleaning and maintenance on the understanding that this generated a charge for such cleanings and that it will be paid directly by the owner and / or manager of the property.

9.- Following the relief of agenda item number nine on the report of the Monitoring Committee, and in the words of Ms María Dolores Aguilar Shelling, she presented to the assembly her report without the following:

1.- The monitoring committee requested letters were sent to Morosos for the recovery of expired portfolios, expressing the need to sue and seed the properties of the condóminos that are not aware of their quotas; speaking to Ms. María del Carmen González Alejos, I ask Ms. María Dolores Aguilar

that if to whom she had made this request since she had never addressed the Association Administration to make this request or any other, to which Ms. Aguilar Shelling replied that they had made a pre-assembly with one of the condóminos to review these matters.

2.- Continuing with her report, Ms. María Dolores Aguilar Shelling states that the problem of road traffic in fractionation is growing and that it is necessary to find a parking area for visitors and for condóminos that have trailers, boats and/or several carriages.

3.- Asimismo states that the Monitoring Committee was reviewing some buildings and some amendments were authorized, including those in Mr. Matzumilla's VG-90 lot.

4.- Ms. Aguilar Shelling continues to say that they were requested from the administration every quarter and that they were not given to what Ms. María del Carmen González Alejos asked again to whom they had been requested, since the administration had not received any requests from the Monitoring Committee and that the requests have to be made directly to the Board of Directors and they were the ones who sent the reports they requested. Ms. Aguilar did not answer this question.

5.- Ms. María Dolores Aguilar Shelling continues to state that the committee requested the Engineers of the Construction outside Royal not to connect their drainage to the development pipeline; to which Ms. María del Carmen González Alejos replied that it had already been requested before Control and Urban Development of the Municipality of Guaymas the Licenses and Building Permits having obtained from H. City Council of Guaymas through the Transparency Commission the authorization to obtain within 10 days a copy of the required information, having subsequently sent us this Transparency Commission a trade issued by the Directorate of Planning and Urban Control where the breakdown of public roads in calle de los Navajos is authorized. Building permits and licenses are pending the use of this dependency.

6.- They request information regarding the VG73 and VG74 lots since they do not appear in the fee collection relationships to which Ms. María del Carmen González informs that those who own those lots have been searched and that such information could not be obtained since they do not even have a cadastral key, so they have been thought to be donation areas.

Pursuant to the above, Ms. María Dolores Aguilar Shellingproposes to the assembly that these lots be cleaned and usedas parking and/or common area, so that visitors or the condóminos themselves can park their cars or their boats.

7.- Requests a report on the settlement of lot 33, to which Ms María del Carmen González Alejos asks me to clarify this situation since lot 33 is aware of the payment of her dues and that she does not understand what the question is about that lot. Ms. María Dolores Aguilar Shelling repliesthat she was wrong about the lot number and that she is talking about lot 32 that was put in the name of Desarrollo Marina San Carlos, but it is not known whether or not this company paid the Association.

Ms. María Dolores Aguilar Shellingalso continued to saythat the Monitoring Committee proposes to the Assembly the change of administration.

Once the above has been analyzed and discussed by those present, it is unanimously approvedandn is takenin thefollowing:

#### **ACUERDOS**

- 1.- It is agreed that the reports and financial statements of the Association shall be delivered to the Surveillance Committee, where required, upon authorization by the Chairman of the Board of Directors.
- 2.- It was agreed to provide the monitoring committee with the transparency reports issued by Br. Guaymas City Council.
- 3.- It was agreed that the VG-73 and VG-74 lots should be cleaned and used as a common area and/or parking lot.
- 4.- It was agreed to look for all the information concerning the VG-32 lot in the name of Desarrollo Marina San Carlos.
- 5.- It was agreed and made the clarification that the Board of Directors chooses the Administrator and / or Manager of the Association, so it is said council that can suggest or make such changes.



10.- Proceeding to the relief of item number ten, of the agenda, concerning various matters, by speaking Mr. Arturo Morales Angeles, who is the lawyer of Amigos Trust, S.C. states to the current condóminos that during 2015 the delinquent condóminos was followed by extrajudicial and judicial collection, that an intense campaign was carried out through phone calls, sent emails and personally to people who could be located and that the collection of several lots that reported a considerable debit was achieved; having obtained a portfolio recovery of \$820,017.24 M.N.

Mr. Arturo Morales Angeles then states that a lawsuit is already filed where payment of several lots is required, but to continue this lawsuit process it is necessary to authorize the payment of the certified copies of the deeds that are required in order for the lawsuit to continue its course.

Mr. Arturo Morales, states to the Assemblyists that without the authorization by the assembly of the cost of certified copies ranging from approximately \$20,000.00 it is not possible to continue the lawsuit process.

Mr. Alfonso Aguilar Shelling proposed that budgets be staled for the cost of certified copies.

The assembly members propose that delinquent customers be invited to put their properties up for sale so they can pay their debits.

I give the floor to Mr. Allan Kohut, expressing to the assembly that, in accordance with the statutes of the association in this assembly, the change of Governing Council and the Surveillance Committee must be made since his posts had already expired.

Speaking and after extensive consideration, Mr. Arturo Morales Angeles explains to the Assembly members that in order to make such changes of Board of Directors and Surveillance Committee it is necessary to quote an Extraordinary Assembly since these items are not on the agenda, and that legally it is the only way in which these changes can be carried out.

This point is widely discussed, and great controversy is generated among the attendees since they demanded that they be at that time that the change of board should be made, so in the words of Mr. Gastón Méndez Jiménez exposes the assembly that understands his position, but that since this was

not on the agenda they have to quote an extraordinary assembly to make such decisions and that he has no problem presenting his resignation from the position of chairman of the board of directors to be named a new council; accepting the assembly members such a waiver.

Mr. Víctor Manuel Ruiz García also said that he resigned from his post as Secretary of the Board of Directors of the association, which was accepted by the Assembly members.

Next, the Assemblymen insist on appointing the new board of directors of the association at that time, there is discussion and controversy that Mr. Licenciado Angel Guzmán takes the floor and explains to the Assembly members that to make that decision legally they must first be gathered all the members of both the Board of Directors and the Surveillance Committee and since at that time they are not all gathered invites them to accept that it is done in an extraordinary way, that law publications are made so that the Extraordinary Assembly can be carried out legally and correctly and that misunderstandings and legal issues are not incurred afterwards since as part of the Administration he does not agree to take this responsibility. To which Mrs Gail Diesveld states that it is indeed the right way to do things, and she invites attendees to agree to the celebration of this Extraordinary Assembly.

The Assemblyists accept this motion to carry out the election of the new board of directors and surveillance committee by holding an extraordinary assembly to be held on Saturday, April 2 in restaurant El Mar itself.

The Assembly members also propose to make nominations for the integration of the new Board of Directors and Surveillance Committee at that time.

Ms. Christine Iriarte proposes that Mr. Gastón Méndez Jiménez continue as Chairman of the Board of Directors. Mr. Gastón Méndez accepts this nomination as long as Ms. Gail Diesveld again accepts the position as Treasurer and Mr. Gregori Murphy as Chairman of the Surveillance Committee. Ms. Gail Diesveld does not accept the position and proposes Ms Nicky Geisler to that position, offering to support her in the performance of that position. Mr. Allan Kohut is also proposed as secretary of the Board of Directors who does not accept the position.

After extensive discussion of the nominations, the nominations remained as follows:

**NOMINATED MANAGEMENT COUNCIL**

PRESIDENT: GASTON MENDEZ JIMENEZ

SECRETARY: MARIA DOLORES AGUILAR SHELLING

TESORERO: NICKY GEISLER

VOCAL: ALFONSO AGUILAR SHELLING.

VOCAL: \_\_\_\_\_

**NOMINATED SURVEILLANCE COMMITTEE**

PRESIDENTE: DENNIS REYNOLDS.

SECRETARY: \_\_\_\_\_

VOCAL: \_\_\_\_\_

Mr. Arturo Morales Angelesclarifies the assembly that these are not elections, they are only nominations, therefore there are no votes. It is also clarified that there may be new nominations on the day of the assembly, which will be voted on and authorized on the day of that assembly provided that the required legal quorum exists.

The Assemblyists propose to the assembly to make nominations for the new Board of Directors and Surveillance Committee at thattime.

Once the above has been analyzed and discussed by those present, it is unanimously approvedandn is takenin thefollowing:

**ACUERDOS**

1.- It was agreed to continue the out-of-court collection campaign through phone calls and emails and personally to people who can be located.

- 2.- It is agreed, to seek several budgets of various Notaries Public for the certification of the deeds required to continue the demand process and once obtained these budgets will be authorized the one that best suits the Association and at that time the cost of such claims will also be authorized.
- 3.-The motion to invite the delinquents to sell their properties is approved, on the understanding that before writing they will have to pay the association so that the association can issue the corresponding non-debit certificate.
- 4.- It is agreed to convene an extraordinary General Assembly, which designates the new Board of Directors and the Monitoring Committee, which shall be published in accordance with the Law.
- 5.- The Assembly members accept the resignation of Mr. Gastón Méndez Jiménez as Chairman of the Board of Directors.
- 6.- The resignation of Mr. Víctor Manuel Ruiz García as secretary of the Board of Directors is accepted.
- 7.- It is established that Saturday, April 2, will be the date on which the Extraordinary Assembly was held for the election of the new board of directors.
- 8.- Nominations made in the assembly are accepted, on the understanding that it will be in the Extraordinary Assembly when the vote will be held, therefore more nominations can be submitted for the different posts.
- 9.- In accordance with the above, the assembly appoints C. Gastón Méndez Jiménez, as Special Delegate of this Assembly, so that, on behalf of and representation of this Assembly, it goes before notary Public of his election to fully protocol the agreements taken therein.
- 11.- Proceeding to the relief of point number eleven of the call, regarding the closure of the assembly, the Annual Ordinary General Assembly of Condóminos of the Royal Golf Club Condo and the Condóminos Association of the Royal Golf Club Condominium, A.C., both held in Second Call, is concluded at 13:45 hours on the same day of the date.

Royal Golf Club Condo Condóminos and  
Condo Condóminos Association  
Royal Golf Club, A.C.

PRESIDENT

SECRETARY

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GASTON MENDEZ JIMENEZ.

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VICTOR MANUEL RUIZ GARCIA

Tellers

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DAVID LEWIS.-

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JAYNE SEELEY.-

Translator

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RODOLFO VELAZQUEZ SMOKED