



UNIÓN DE COLONOS EL CID

Estatutos de la

**UNIÓN DE COLONOS DEL FRACCIONAMIENTO
EL CID GOLF & COUNTRY CLUB A.C.**

**" EL CID GOLF & COUNTRY
CLUB HOME OWNERS"**

(Courtesy Transalation)

**EL CID GOLF & COUNTRY CLUB HOME OWNERS
ASSOCIATION BY LAWS**

(Courtesy Translation)

FIRST CHAPTER

NAME; NATIONALITY AND ADDRESS

FIRST.- The parties hereto constitute a legal entity known as an "Asociación Civil" which is regulated by Article 2552 (two thousand five hundred and fifty -two) to Article 2569 (two thousand five hundred and sixty-nine) of the Civil Code of the State of Sinaloa.

SECOND.- The "Asociación Civil" will be called " UNION DE COLONOS DEL FRACCIONAMIENTO EL CID, GOLF & COUNTRY CLUB", ASOCIACION CIVIL.

THIRD.- The Association is located in the City and Port of Mazatlán, Sinaloa.

FOURTH.- The Association is Mexican Association and the founding members agree before the "Secretaría de Relaciones Exteriores" (Federal Foreign Relation Dept.) that all foreigners who acquire an interest or who participate fiscally in this association at the time of its formation or at any subsequent time, will be considered by such acquisition or participation as a Mexican national. It is understood that they agree thereby not to invoke under any circumstance the protection of their government, under penalty of law, and the loss of said interest or participation in favor of the Mexican Nation.

SECOND CHAPTER

DURATION AND PURPOSE

FIFTH.- The duration of this Association will be 50 (fifty years).

SIXTH.- The purpose of the Association will be:

a).- The Management of activities and funds collected from the home and lot owners and the maintenance of optimum circumstances and conditions for the comfort of the residents of the El Cid Golf, & Country Club Subdivision.

b).- The protection of the interest of the residents of the subdivision against other institution , organizations and authorities.

c).- The celebration of legal agreements and contracts necessary and convenient for the benefit of the residents of the subdivision and the subdivision itself.

d).- Cooperation in maintaining a high quality of service and maintaining in good conditions the installations of the subdivision.

e).- The consummation of those legal acts and the celebration of all types of contracts permitted by law for this type of association, related directly or indirectly to the purpose of the Association.

f).- The Association cannot be the owner of any estate.

THIRD CHAPTER

CAPITAL OF THE ASSOCIATION

Clause Seven: - The capital of the Association shall be made up by and extraordinary fees paid by the members, remuneration for services rendered, as well as income from the events that are organized, All income shall be destined to the fulfillment of objects of the Association.

The members shall be obligated to pay the ordinary and extraordinary fees approved by the Assembly of members. Said fees Should be paid in the manner that the same Assembly determines, and in the case of annual fees, before the First of March of each year. Failure to make prompt payment of the ordinary fees charged to the

charged to the Members, shall cause moratory interest, separately from any action which corresponds to the Association for the legal collection of said fees.

FOURTH CHAPTER

ASSOCIATES

EIGHTH.- Members of the Association will be founders, who do not reserve for the themselves any privileges, and any other persons who are subsequently admitted by previous agreement of the Board of Directors.

NINTH.- It is a requirement for membership in the Association that the applicant demonstrate to the satisfaction of the Association that he is the owner of the one or more lots or condominiums, within the subdivision " El Cid, Golf & Country Club, in the City of Mazatlan, Sinaloa.

All property owners and beneficiaries of the trust of one or more lots or condominiums of the Subdivision El Cid, Golf & Country Club, S. A. de C. V. are obligated to the members of this Association since they agreed to belong to the Union at the time which they signed their respective Purchase Contracts .

TENTH.- The rights derived from his character as Associate will be exercised by the Associate himself and all the members of the exception of the right to vote in Assemblies, which is reserved to the Associate alone, or his legally qualified representative.

ELEVENTH.- Only those Associates whose payment of the ordinary and extraordinary fees are current can be elected members of the Board of Directors.

The General Assembly will have the power to decree the exclusion of an Associate for the such matters of consequence as

their opinion judges as necessary.

The excluded Associates lose all rights to the fiscal assets, but the Association reserves for itself the necessary legal action relative to the payment of the fulfill of unfulfilled obligations of the excluded Associate incurred before such exclusion.

TWELFTH.- The Associates will be have the right to use the services or benefits that the Association furnishes.

THIRTEENTH.- The Associates are only held responsible up to the amount of their financial participation in the Association, The debts of the Association cannot be considered liabilities of the Associates.

FOURTEENTH.- In case of death or expulsion of an Associate, the rights of the associate shall be transfer to the person that continues to retrain the property rights of the lot of lots or condominiums that are under question; or in the event trust, the trust rights under question.

FIFTEENTH.- The Associate that leaves or is exclude from the Association, or incurs bankrupted , suspends his payments or is under injunction or interdiction will no have the right to call for the dissolution of the Association; but in every case, the rights of the Associate can be transferred to the person who retains the property rights or is beneficiary of the trust of the lot lots, or condominiums, involved.

SIXTEENTH.- The Associate is responsible for the expenses, damages or injuries that are caused by his children or any other member of this family to the common areas and affects of the of the Association.

The Associate is also responsible for any expenses, damages or injuries by a third party or any member of the third party's family, if such third party has been brought to the subdivision by said Associate, whether a visitor, or any other reason has been authorized use of the lot , the house or condominium involved.

SEVENTEENTH.- In order to exercise his rights as an Associate, it will be indispensable that Associate be current

in the payment of all his obligations, those established by this statute, as well as those which are established or those which in the future will be established by the General Assembly or the board of Directors.

The Associate that has pending, any debts which the Association, for a period that exceeds, ninety days, will forfeit all of his rights as Associate and an be expelled from the Association by Assembly, which action will be separate and apart from the right of the Association to legally insist on the fulfillment of said obligations .

FIFTH CHAPTER

ASSEMBLIES OF THE ASSOCIATION

EIGHTEENTH.- The decisions of the general Assembly are final. The Assembly has the power to ratify or modify all the acts and operations of the Associations, as a representative of the majority of Associates, It's authority will have no other limitations other that those stipulated by the law.

NINETEENTH.- The convocation for the Assembly of Associates will be effected by a written notice sent to address of each Associate in the El Cid, Golf & Country Club Subdivision, at least thirty days prior to said Assembly.

The notices should be signed by the President and Secretary of the Association's board of Directors and, furthermore, they should be published in the newspaper of largest circulation in the Port of Mazatlán .

It will not be necessary to publish the letter of convocation if all the Associates are present at the time of the Assembly.

TWENTIETH.- The Associate's Assembly will be considered legally convened if a majority of the Associates are present.

In case this requirement is not satisfied, a second convocation will be called for and the Assembly can legally be held, regardless of the number of Associates present.

TWENTY FIRST.- The Assemblies shall be presided by the President of the Board of Directors; and, in his absence, by the person that the Assembly shall so designate a Secretary, which could be the Secretary of the Board of Directors.

The President of the Assembly will declare the Assembly legally convened if the requirements for same have been satisfied, He will direct the discussion. Only matters which have been designated in the respective agent a may be brought before the Assembly.

Voting will be by voice and resolutions will be adopted by a majority vote, except in those cases in which the law or these by laws indicate unanimous agreement of the Associates.

TWENTY SECOND.- Each Associate will as many votes as he has lots or condominiums in his possessions or being held in trust for this benefit, whichever being the case.

TWENTY THIRD.- All the Associates will have the right to attend the Assemblies personally or trough a legally appointed representative, in this last case, a Power of Attorney signed, by two witnesses and a Notary Public will satisfy the legal requirement.

TWENTY FOURTH.- The minutes of the Assembly shall be duly recorded in the minute Book and signed by the president of the Assembly, the Secretary and the Associates in attendance if they so desire.

Legal documents pertinent to the convocation and the matters presented at the Assembly, the Secretary shall be properly affixed to and incorporated in the minutes.

TWENTY FIFTH.- An extraordinary Assembly will be required in order to amend the present Constitution of the Association, In this case, it will be required that 75% seventy five percent) of the Associates attend the first convocation and that the decisions adopted will be by the majority of said attendance.

If 75% (seventy five percent) of the associates are not in attendance at the first convocation will be called and the decisions will be adopted by the majority of

the Associates in attendance, regardless of their number.

TWENTY SIXTH.- On the second Monday of February of each year, the Assembly will meet to examine the following points:

- I.- Presentation of the Board of Directors Report for the previous fiscal year.
- II.- Presentation of the Balance Sheet and Profit and loss Statement of the Association by the board of Directors.
- III.- Presentation of the report and Opinion of the Commissioner of the Association.
- IV.- Designation of the members of the Board of Directors and Commissioner for the Following fiscal year.

TWENTY SEVENTH.- All the Associates will have the right to vote in the Assemblies, even though they may have a particular interest in the matter at hand before the Assembly.

TWENTY EIGHT.- If the Board of Directors of the Association does not convene an Ordinary or Extraordinary Assembly within the periods of time set forth in these statutes, a minimum of ten Associates can apply to the Commissioner to the terms set forth in these statutes, the same group of ten Associates can apply to the judge of the primary Court of Claims, civil Branch of Mazatlan, to call the meeting in the conformity with the procedures established by these same Statutes.

SIXTH CHAPTER

ADMINISTRATION OF THE ASSOCIATION

TWENTY NINTH.- The Board of Directors, formed by the President, one Vice-president, one Secretary and four representatives of the Assembly, shall be in charge of the administration of the Association.

The Commissioner will be a part of the Board of Directors,

with right to speak, but not a vote, as he shall watch over the actions of the Board of Directors as representative of the Assembly.

THIRTHIETH.- The members of the board of Directors and the commissioner shall hold their periods of one fiscal year, and can be re-elected as many times as the Assembly considers it necessary to do so.

These officers will, continue in their offices until their substitutes are elected and have taken their charge of their offices.

THIRTY FIRST.- The Board of Directors will have the following authority:

I.- A general Power of the attorney to make contracts and collect money for administrative purposes and for the conveyance of properties, without any limitation, and with all the authority necessary thereto in conformity to the law, including the right to file legal actions in general concerning grievances and denouncements in penal matters and desist from same; file legal suits and desist from same; agree to legal acquittals, in accordance with the terms set forth by the first three paragraphs of Article 2436 (two thousand four hundred thirty six) if the Civil Code of Sinaloa, correlative to Article 2554 (two thousand five hundred fifty five) of the Civil Code of the federal District and Territories.

II.- Authority to grant, subscribe to, indorse accept and guarantee credit documents, without limitation, according to the terms of the Article 9 (Nine) of the "Ley General de Títulos y Operaciones de Crédito" (General law of credit Documents and Credit Operations).

III.- Designate managers, legal representatives and employees of the Association and delegate to them the authorities that are conferred to the Board of Directors by the Power of Attorney to make contracts and collect money for administrative purposes and conveyance of property; and, in spite of such delegation, reserve the same powers to the Board of Directors.

When it is necessary to delegate authority in case of property conveyances, a special Power of Attorney will be granted for each special case.

THIRTY SECOND.-The manager of the Association will have the following authority:

A general power of Attorney to make contracts and collect money for administrative purposes, without limitation, with all the general and special authority that is necessary to the conduct of his work in conformity with the law, including the right to file legal actions concerning grievances and denouncements of penal nature and desist of the same; to file judgments and desist of same according to terms of the first two paragraphs of article 2436 (two thousand four hundred and thirty - six) of the Civil Code in force in the State of Sinaloa, correlative to Article 2554 (Two thousand five hundred and fifty - four) of the Civil Code for the federal District and Territories.

The manager cannot grant credit documents or property conveyances, except when the Board of Directors of Associates Assembly concedes this authority to him. In all instances it should be granted with joint signatures with the President, Vice-president or Secretary of the Board of Directors.

SEVENTH CHAPTER

CORPORATE YEAR

THIRTY THIRD.- The fiscal year will be the same as the calendar year. The first fiscal period will be from the date of the authorization of this document until December 31, 1975.

EIGHTH CHAPTER

DISSOLUTION AND LIQUIDATION OF THE ASSOCIATION

THIRTY FOURTH.- The Association will be dissolved for the following causes:

I.- By unanimous consent of the Associates.

II.- By the judicial resolution.

III.- In case of the impossibility of fulfill the purposes of the Association.

Once it has been decided to dissolve by the Assembly of Associates or by judicial resolution, the properties of the Association will be disposed of in the measures that are most equitable for the majority of the Associates will be procured.

NINTH CHAPTER

VIGILANCE OF THE ASSOCIATION

THIRTY FIFTH.- The Ordinary Assembly which designate the Board of Directors shall also designate a Commissioner who will be in charge of the vigilance of the Association.

The Commissioner will remain in office during a period of one year, the same as the Board of Directors, and he should remain in office until a new Commissioner is named and has taken charged of the office.

THIRTY SIXTH.- The commissioner will have the responsability of watching over the actions of the Board of directors and giving his opinion to the Associates' Assembly. It will be considered preferable to designated a person knowledgeable in accounting and administration or, faulting this, that the person obtains adequate assistance for the fulfillment of this function.

MAZATLAN, SINALOA MARCH 22, 1978