

In accordance with Articles 37 to 39 and others relating to the "RULES AND REGULATIONS FOR THE ADMINISTRATION of **Condominio Especifico Residencial Península Torre III A.C.** and in the business center facilities located at No. 2485 Francisco Medina Asencio Ave. Torre III, Zona Hotelera Norte, Puerto Vallarta Jalisco, the General Ordinary Assembly was held on April 3rd 2010 at 10:00 hrs, in accordance to the Following

AGENDA

First.- List of Attendees

Second.- Election of the debate President, appointment of the Secretary, Vote Counters, and inauguration of the Assembly.

Third.- Administration report.

Fourth.- Presentation and approval of the Common Administration and Maintenance Expense Budget for the year 2010

Fifth.- Presentation of the amount and form of payment for the maintenance fees to be charged to Owners, as well as the determination of the late fee penalty and its amount, necessary to guarantee the payment of the Maintenance Fees.

Sixth.- Ratification of the Members of the Directors Board for the year 2010 and if the case, admission of new vocals

Seventh.- Election and/or ratification of the associations administrative manager.

Eighth.- Miscellaneous and designation o whom will notarize the meetings minute.

Upon having read the Assembly Agenda, assembly proceeded with the deliberation.

First.- The list of attendees was signed by associates and representatives as well, with a **37%** quorum of associates, therefore, assembly was legally declared. All the agreements that were decided upon this assembly are mandatory to all its associates, despite absenteeism or dissidents who represent a minority.

Second.- For this act, the Assembly designated Mr. Sergio Eichner as the President, Mr. Eduardo Meza as the Secretary and Mr. Jorge Luis Agnesi and Daniel Carrico as the Scrutineers. These last two validated that the 37% of the associates were duly represented in this meeting.

Third.- Mr. Oswaldo Toscano, who is the Administrator, presented upon this Assembly a report of the outstanding apartments regarding maintenance fee and reserve funds up to the month of March. He also presented a check list of the tower and the services the building counts with, the different tasks and endeavors, and the personnel used for each and every area. Followed immediately by Victor Bernal, Public Accountant, who delivered the Financial Statement of the tower where all the accounts receivables and payables that took place during the month of February are clearly shown. He also presented a current Financial Statement of Assets and Liabilities.

Mrs. Ingrid Grist apparently in arrears with her account mentioned that the Developer had not formally delivered her unit yet and she wanted to know why she appeared on this list. She considered that in this case, it would be the developer's responsibility to resolve this situation. Mr. Sergio Eichner recommended her to deal with the Developer as soon as possible, he emphasized the fact that any other owner being in the same situation, should resolve in the same manner. The Association cannot become responsible for due payments, nor waive any interest derived from due accounts. Therefore, owners and Developer should resolve their differences and come to an agreement immediately.

It was agreed to modify the collection tables as follows: DCL/GRIST

Mr. Guillermo Rodriguez inquired what the reserve fund meant? It was explained to all the attendees, that the reserve fund equals to the total amount of THREE (3) maintenance fees which is deposited in a special account. This will allow us to take care of certain periodic needs which will have to be previously proposed to the assembly for its approval. It was also mentioned that the Association is not in position of waiving by no means, the reserve fund or maintenance fees and kindly asked everyone to bring their accounts current as soon as possible.

It was also mentioned that on October 31st of last year, an audit took place, when the new Board and Administration started. Assets, rights and obligations were received as well as a revision of all the accounts in which the Developer appeared to have an outstanding debt with Tower III in the amount of \$715,000.00 pesos.

In regards to the electric bill debt, Mr. Eichner explained the payment issue before the meters was installed. Apparently there were some issues that needed to be clarified in this respect. The installation was made during the months of December 2008 and March of 2009. Once the meters were installed, an average consumption for the following 6 months was determined for each Unit., and it was paid to CFE by the Developer. This bill came out to the amount of \$380,000 which was deducted from the total outstanding bill, giving us a new outstanding total of 315,000. This amount will be paid back with various works that the Developer has agreed to do, such as: a storage room next to the gas tank, an employee's diner, showers and, repair water leaks in drainages to avoid leaks on roofed parking area, cubicles for the Administration offices, payment of invoices of our Security Guards (guardia civil). We will itemize every pending work until completion and until debt is totally liquidated. It was also mentioned that the \$380,000 pesos that were deducted from the developer's account, were passed on to each owner regarding the average consumption.

Fourth. - It was informed to all attendees, owners and representatives, that for any remodeling that they wish to do within their unit, as well as the introduction of furniture, and use of services and common areas of the condominium, it is imperative that all maintenance fees are up to date. In case these are in the arrears, the corresponding interests must be paid. It was stated that neither the Administration nor the Board are entitled to waive any interests that are derived from due payments and that this resolution could only be amended during an Assembly and by the Assembly.

Fifth.- The maintenance fees remain the same, that is 24 pesos per square meter. For apartments A & D a monthly fee of \$7368 (Seven thousand three hundred and sixty-eight pesos); \$5232 (Five thousand two hundred and thirty two pesos) for Apartments B & C.

The following collection rules were approved:

It was voted that all fees shall be paid on a quarterly basis, starting July of 2010 and with a due date of the 10th day of each period (July 10, 2010 – October 10, 2010 -January 10 ,2011 – April 10, 2011). As of the 11th day, a 10% penalty will be charged over principal. This percentage was unanimously ratified as established in our last Assembly dated October 31st, 2009.

The Reserve Fund is the equivalent amount to THREE maintenance fees, with due date December 10th. As of December 11th 2009, any due amount will incur to a 10% monthly interest for late payment. This charge was unanimously approved.

As of the date units were delivered and until the date when the meters were installed, owners will have to pay the CFE consumptions no later than December 10 of 2009. Any fees that have not been paid, starting the 11th will incur in a 10% monthly charge for late payment, this was also ratified unanimously.

If an owner has any other outstanding bills prior to this date, no electric reloads will be allowed until the account is current and all due payments are paid as well as any other obligations. If this measure shouldn't be effective, the association can proceed to take the trust rights off the apartment.

Owners had some questions regarding apartments that were not sold yet. Is the Developer paying in a promptly manner their fees too? The answer was that even though some units haven't been sold yet, they DO pay maintenance Fees and these are covered by the Developer.

It was also mentioned that certain paperwork with the bank was in process, in order to make payments through credit cards. We already have referenced accounts for pesos but are still in the process of completing the dollar accounts.

Sixth.- A vacancy within the Board was announced and opened for any owner willing to postulate themselves for this position. The new member now is Jose Moller in replacement of Paul Christensen. Sergio Eichner, President, proposed that in every Assembly, a new person should become involved in the Board and that it be the President the one who stepped out with a minimum of ONE year of absence in order to be considered part of the Board again.

As of today, and until new replacements are appointed, the Assembly unanimously named the new members of the Board as follows:

President.- Sergio Eicner Radchinsky
Secretary.- Eduardo Meza Pena
Treasurer.- Jose Luis Agnesi Aguilar
Vocals.- Sara Becker
 Dan Carrico
 Jose Moller

The Board also proposed the election of a Chief Commissary who will carry annual audits. The purpose of this is to have a major transparency with the financial statements kept by the Condominium. Aaron Litchi 19B is being appointed as the Chief Commissary for this period.

Seventh.- Mr. Oswaldo Toscano was appointed as the Administrative Manager for the Civil Association

Eighth.- Mr. Eduardo Meza was appointed as the Delegate to certify the Act in which all the agreements are contained. In miscellaneous issues, the following matters were addressed:

E-mail. New e-mail addresses were provided:

oswaldo.peninsula3@gmail.com

rocio.peninsula3@gmail.com

maribel.peninsula3@gmail.com

Building Insurance. The account executive for tower III had agreed to assist to the annual meeting to clarify any doubts that owners had or that may arise in regards to the insurance policy and its actual coverage. Unfortunately he did not show up due to medical reasons.

It was explained to all the owners who attended the meeting, that the insurance policy covers damages caused by earthquakes, thunder, fire, and volcanic eruptions, excluding damages caused by hydro-meteorological cases. Also this only covers damages caused by the breaking of glass windows and doors; it does not cover iron works, rails, aluminum frames. If each owner wishes to insure their personal belongings contained within their property, they will have

to do it on their own. Once this insurance policy is due, a new quote will be proposed to the Assembly.

Deeds and Title.- Mr. Alejandro Baez who is the Developer's representative, explained that the paper work is in process so that each and every unit has their own Title. The paper work includes the entire project's revision, the updating of all the renderings on behalf of the urban developers, present all the documentation upon the Property Registration office and getting 100 registration accounts. Afterwards they will go to the Public Property Registration office. The entire process takes approximately three months and is done through the city Hall. Afterwards, it will be necessary to go to a Notary to inscribe the title in the Public Property Registration office; the notary may be of the owner's choice, or go to the Notary who was responsible for the Deed of Tower II. Information on the Notary may be provided by the Administration of Tower III if you wish.

Mr. Sergio Eichner explained that is not possible yet for anyone to pay their land tax, due to the fact that the condominium regime is not ready yet, and that the developer will cover the tax in the meantime until the regime is ready as the property codes come within the titles of property. Alejandro Baez stated that the above was correct.

Tower I & II.

Common areas: It was mentioned that the common areas issue is a complicated one, due to the uncertain relationship that prevails with Tower II. Up to now, Tower I is in charge of all the garden areas and garbage, these two expenses are only shared and paid between Tower I and Tower III, because Tower II refuses to pay their proportional part.

The tasks are divided as follows:

- Tower I: Garden areas and Garbage
- Tower II: Security
- Tower III: Swimming Pool

Each one of the Towers had previously committed to provide an operation fund (for the before mentioned common areas), the problem is that Tower II is only contributing with the pool, but they have not provided for landscaping or garbage. In the case of Tower I, the operation fund for the pool has not been fully covered yet.

Security.- It was mentioned that in regards to this issue, the Administration of Tower II was going to present different quotes on different security companies. They only presented one, and the company presented is new and was established three months ago. It was previously agreed that Peninsula would not consider any company with agents who had been former employees of Peninsula, regardless if the company was good and had experienced staff or not.

Obviously the Board is not convinced of Tower II's proposal and is asking that the rules that both towers had agreed on, are complied with. The lack of security has opened a door for situations such as graffiti in parking areas. It is imperative to come to an agreement for the condominium's best interest.

Parking.- The assignment of parking spaces for each owner in the parking lot is in process. We are just waiting for the Developer to provide us with the final floor plan.

Rentals.- It was agreed to implement Rules & Regs for rentals in which an open voucher for the use of common areas must be opened at arrival. These regulations will be reviewed by the Board before it is distributed among the owners of Tower III.

Following this issue, another topic of vital importance was addressed, regarding any repairs done within the units, purchase of necessary materials will have to be done by the owners, and the labor can be done by the Towers maintenance staff, this in order to take advantage of the personnel already hired and have trust worthy people working inside your unit.