

Asociación de Colonos del Fraccionamiento Chula Vista de Chapala A.C.

BY - LAWS

Revised, January 2012

These Bylaws are the operating authority for the Asociación de Colonos del Fraccionamiento Chula Vista de Chapala, A.C., as approved by the General Assembly of property owners.

The Asociación is constituted under the Civil Code, First Section of the Eleventh Chapter. On January 18, 1970 the Municipality of Chapala delegated to the Asociación de Colonos del Fraccionamiento Chula Vista de Chapala A.C., the authority to administer the urban development under the terms of the applicable law.

(Letter from the Presidencia Municipal de Chapala, Numero de Oficio 47, Expediente 40/1970)
(Seventh point of the agenda of the regular meeting of the Municipal Council May 29, 2008)

ARTICLE I - NAME AND AUTHORITY

1. The name of this association is: Asociación de Colonos del Fraccionamiento Chula Vista de Chapala A.C., hereinafter referred to as the "Asociación"
2. The Asociación shall have its address in the sub-division of Chula Vista, in the Municipality of Chapala, Jalisco.
3. The duration of the Asociación shall be indefinite unless dissolved as provided for in these Bylaws.
4. The Asociación shall not engage in real estate investments for a capital gain, but may acquire the necessary properties to accomplish its social object, as established in the Constitutional Article 27, Section III of the General Constitution of the Republic. The Asociación has the authority to establish assessments on properties and to formulate penalties for non-compliance with the Bylaws and Regulations of the Asociación.

ARTICLE II - OBJECT

1. The object of the Asociación is to constantly promote the betterment and improvement of living conditions in Chula Vista. To achieve this objective, the Asociación shall:
 - 1.1 Take charge of public services such as supply of potable water, sewerage, public lighting, maintenance of streets and sidewalks, public gardens and trees.
 - 1.2 Assure adherence to the proper environmental and ecological practices.
 - 1.3 Enforce the Zoning and Building Regulations approved by the General Assembly.
 - 1.4 Cooperate with Municipal, State and Federal authorities, recognizing that their legal mandates take precedence.

ARTICLE III - MEMBERSHIP

1. Every owner of a lot in Chula Vista, which is subject to assessment, shall be a Member of the Asociación. Membership shall be appurtenant to and may not be separated from ownership of a lot subject to assessment, except as permitted under the law.
2. Such a person has the right to only one vote at any regular or special meeting of the Asociación, regardless of the number of properties owned and has the right to hold office. Spouses of Members may hold office but not concurrent with the Member.
3. Any Member whose account is delinquent shall not be eligible to vote nor attend Asociación meetings nor to stand for election.
4. Within fifteen days of transfer of ownership, the new owner shall provide the Association office with a copy of the new deed, whether registered yet or not. Personal items such as purchase price and heirs may be struck out. Additionally, as a condition of continuing the water connection of the previous owner, the new owner must sign an agreement acknowledging he or she has read the Rules and Regulations of the Chula Vista Homeowners Association and that he or she agrees to abide by them.
5. If an owner voluntarily withdraws as a member of the Asociación under Article 184 of the federal code, they may be readmitted to membership if they apply to an Annual General Assembly, and if a majority of the membership present and voting at the meeting agrees to readmit the former member.
6. If the membership decides by a two-thirds vote at an Annual General Assembly to remove an owner from membership under article 185 of the federal code it will require a similar two-thirds vote at an Annual General Assembly to readmit the former member.

If former members transfer ownership of their property, the new owners will automatically become members in the Asociación on registering their deeds.

ARTICLE IV - MEETINGS

1. The supreme authority of the Asociación lies with the General Assembly. The regular meeting shall be held in the month of January each year and special meetings may be called whenever a situation arises necessitating an assembly.
2. All meetings of the Members, regular or special, shall be called by the President. Notice in writing thereof shall be sent to all Members at least thirty (30) days prior to the meeting. In addition, the notice of the regular meeting shall appear in two consecutive publications of one of the newspapers in general circulation in Chapala and Guadalajara, Jalisco.
 - 2.1 If the President refuses to call a special meeting requested by 20 or more voting member who are not delinquent, or requested by the Comisario, the Comisario will call that special meeting. - WHEN??
 - 2.2 If the meeting was called at the written request of 20 or more members, an item needs to be added to the agenda for the members to decide whether those members requesting the special meeting are required to pay the expenses of the special meeting or if the costs are to be paid from the general operating funds. Only a simple majority is required for this decision.

3. A quorum at General Assembly and special meetings, shall consist of one-half (1/2) of the number of Members eligible to vote as attested to by the Treasurer as not being delinquent and who are present in person or represented by written proxy as supplied by the Asociación at the scheduled time of assembly.

3.1 If a quorum is not present at the scheduled time of a meeting, the President may call the meeting to order one-half an hour after the scheduled start time, with three quarters (3/4) of the Members and proxies present, constituting a quorum.

4. Special meetings of an emergency nature shall be held:

4.1 At the discretion of the Board

4.2 At the written request of not less than 20 voting Members

4.3 At the written request of the Comisario.

4.4 With notice sent out to all members at least 30 days prior to the meeting date.

5. All items to be considered at an assembly meeting must be clearly stated in the notice of meeting and be included on the Agenda.

6. Only items on the agenda shall be considered by the assembly at a special meeting. Elections for the Board shall not be considered at special meetings.

7. Prior to the regular General Assembly or special meeting the President shall appoint a Committee on Proxies. This committee shall register Members and verify proxies present at the meeting and tally votes.

8. A recommended Order of Business at the General Assembly is:

8.1 Call to order.

APPROX 8.2 Reading of the minutes of the previous regular General Assembly meeting, and where applicable, minutes of special meetings.

8.3 Report of the Treasurer and presentation of the budget.

8.4 Report of the Comisario.

8.5 Report of Committees.

8.6 Report of the President.

8.7 Election of Directors and Comisario if necessary to serve on the Board for periods as designated.

8.8 Unfinished business.

8.9 Adjournment.

9. An accurate set of minutes of every meeting of the Members and of the Board, shall be recorded by the Secretary. Minutes of all meetings of the General Assembly shall be posted in the Chula Vista office within thirty five (35) days after each meeting of the General Assembly.

ARTICLE V- BOARD OF DIRECTORS

1. General management of the affairs of the Asociación shall be entrusted to the Board of Directors, as established by the Colonos Deed. This includes, but is not limited to the enforcement of the Rules and Regulations.

2.- The Board shall consist of 7 Directors, each of the seven elected by the General Assembly to serve for a term of 2 years, and until their successors are elected.

3. As soon as practical after the General Assembly, the Board shall meet and elect from its 7 Directors, the following officers to serve for a period of one (1) year and until their successors are elected:

3.1 President, who must reside in Chula Vista as a full time resident.

3.2 Vice-president, who must reside in Chula Vista as a full time resident.

3.3 Treasurer.

3.4 Secretary.

4. All Board meetings, regular or special, shall be called by timely notice to all Directors, Alternates and the Comisario. Directors shall attend all regular meetings of the Board, which must be held at least once a month and shall also attend special Board meetings.

5. Alternates shall attend Board meetings and may express themselves but may not make motions or cast votes unless called upon in alphabetical rotation by the President to replace an absent director.

6. -A quorum at Board meetings shall consist of four (4) Board Members including any Alternates, who are appointed by the President to substitute for the absent Directors.

7. Minutes of meetings of the Board shall be available to Members in either Spanish or English upon written request. *- ON WEBSITE*

8. Except for the authority granted to the Officers of the Board of Directors and duly appointed Committee Chairmen as stated in the Bylaws, no decisions shall be made nor any documents be signed by any Member of the Board except as a result of regular or special Board meetings at which a quorum is present and minutes are kept. Any violation of this requirement shall render any and all such decisions or signed documents as null and void.

9. No Member of the Board shall make a motion in which he/she has a financial or personal interest. If such a motion is made by another Member of the Board, the Director with such interest shall be excused from the meeting during the discussion and voting on the issue. If due to his absence a quorum is not present, the motion shall not be considered.

10. Absence of any Director or Alternate from three (3) regular Board meetings without adequate excuse shall constitute resignation from the Board. The Board shall be the sole judge of the adequacy of the excuse offered.

11. Any vacancy among the Officers or Directors during the year shall be filled from among the remaining Directors or Alternates, except for the office of President, which shall be filled automatically by the Vice-President and the resulting vacancy in the office of Vice-President is filled from the Board. Replacements shall be elected by the Board at a regular meeting and serve for the remainder of the unexpired term of the vacancy.

X 12. All positions on the Board shall be honorary. Incumbents do not have the right to receive remuneration for their services.

13. The Board may delegate some of the duties to an employee or employees whose salaries shall be established by the Board. The Board may, at their discretion, employ or appoint qualified persons for specific services.

14. No Director or Comisario shall serve for more than two (2) consecutive terms and two years must elapse before being eligible to serve on the Board again.

ARTICLE VI - ASSESSMENTS AND FISCAL YEAR

1. Members shall pay assessments as approved at the regular or special meetings of the General Assembly. The assessments shall consist of the following:

- 1.1 Land assessment, billed annually.
- 1.2 Residence assessment, billed annually.
- 1.3 Water assessment, billed quarterly
- 1.4 Special assessment, when and as required.
- 1.5 Levies and fines assessed pursuant to the Remedies and Penalties of the Comprehensive Rules and Regulations

2. The regular assessments covering land, residence, and water shall be approved by the General Assembly at its regular January or special meeting and shall cover the anticipated expenses as outlined in the budget submitted to the Assembly at that time.

3. Special assessments may be established by the Board when unusual situations arise indicating that the regular approved budget of the Asociación will not be adequate to cover the expenditures and these must be submitted to the Membership for approval at a special meeting.

4. Members accounts shall be deemed delinquent if unpaid 30 days after the date of billing.

5. To assure collection of delinquent accounts, the Board is authorized and obligated to take whatever action is necessary, including the restriction of water service and/or legal action, for non-payment of any moneys owed to the Asociación, such as but not limited to, assessments, levies or fines.

6. The Board is authorized to establish a past due interest rate applicable to delinquent accounts.

7. The fiscal year of the Asociación shall be from 1 January to December 31 of each year.

ARTICLE VII - ELECTIONS

1. The President shall select a chairman for the Nominating Committee prior to the October Board meeting each year to select candidates to fill any seats which will be open on the Board and for the position of Comisario in even-numbered years.

2. The Nominating Committee Chairman shall select two Asociación Members to form a nominating committee. Members of this committee may stand for election to the Board.

3. The Nominating Committee shall submit names of selected candidates to the President prior to the regular November Board Meeting. The Nominating Committee shall select one candidate for each open seat as follows:

- 3.1 Candidates to make a total of seven (7) Directors serving a period of 2 years and until their successors are elected.
- 3.2 Five (5) Alternates to serve for a period of one (1) year and until their successors are elected.
- 3.3 A Comisario, in even numbered years, to serve for a period of 2 years and until a successor is elected.

4. Nominations for the Board may also be made by any Member or group of Members by written notice to the Secretary not less than 3 days prior to the General Assembly. Nominations for the Board may also be made by any Member or group of Members by making it verbally on the floor of the General Assembly.

5. Names of all candidates shall be included in the notice of the meeting. Names of candidates nominated after the issuance of the notice shall be posted in the administrative office immediately upon receipt. In all cases, written confirmation of acceptance to stand for office must be submitted by the nominee, or they must make a verbal acceptance at the General Assembly. No nomination will require a second from another member.

6. Elections shall take place during the regular General Assembly.

7. Elections shall be conducted by the chairman of the Nominating Committee. If there are more candidates than vacancies, election shall be by secret ballot. Election shall be determined by a simple majority vote for each position. If there are no more candidates than vacancies, election shall be by acclamation.

8. If the election is by ballot, the Chairman of the Committee on Proxies and Tally Committee is responsible for tabulating the election results and ballots and proxies shall be verified and counted. The Chairman shall announce the results to the Assembly.

ARTICLE VIII - DUTIES OF OFFICERS

1. The duties of the President shall be as follows:

- 1.1 To preside at all meetings of the Members and of the Board.
- 1.2 To appoint chairmen of all standing and special committees except as may otherwise be provided for in these Bylaws or in the resolution creating a special committee. He shall be an ex-officio Member of all committees with the exception of the nominating committee.
- 1.3 To prepare with the Financial Committee, an annual budget to carry out assignments and instructions presented by the Board or as directed by the approved motions of the Assembly.
- 1.4 To carry out assignments and instructions presented by the Board or as directed by the approved motions of the Assembly.
- 1.5 Approve payment of invoices or expenditures that exceed the limits which have been approved by the Board.
- 1.6 Perform such other duties as customarily pertain to the office of President.

2. The duties of the Vice-President:

- 2.1 The Vice-President shall act as an aide to the President, and in the case of absence of the President for any reason, shall pro tempore, assume and perform the duties of the President.

3. The duties of the Treasurer shall be as follows:

- 3.1 Be responsible for the collection and receipt of all monies due the Asociación from all sources.
- 3.2 Ensure that all monies collected are deposited in the bank in the account or accounts designated by the Board.
- 3.3 Be responsible for the payment of all accounts payable. He shall ensure that all withdrawals are authorized and that all checks or other withdrawal documents are signed by two (2) of the Members of the Board with designated signing authority.
- 3.4 Prepare and maintain the necessary accounting, statistical and financial records of the Asociación.
- 3.5 Make investments as directed by the Board.
- 3.6 Prepare, with the assistance of the Financial Committee, the annual budget.
- 3.7 Prepare monthly reports of receipts and expenditures and periodic reports and returns as requested by the Board.
- 3.8 Prepare and present semi-annual and annual statements for the Members.

4. The duties of the Secretary shall consist of the following:

- 4.1 Prepare, with the President, an agenda for all meetings and assemblies.
- 4.2 Record the proceedings of all General Assembly and special meetings.
- 4.3 Record the proceedings of all meetings of the Board.
- 4.4 Prepare and see to the distribution of the notice of all meetings of the Assembly in accordance with limitations imposed elsewhere in these Bylaws.
- 4.5 Maintain the correspondence files and association records held in the administrative office. These files shall be accessible to Board Members and the Comisario upon request.
- 4.6 Provide supervision and assistance to the office staff of the Asociación.
- 4.7 Perform any other duties assigned by the Board.

ARTICLE IX - DUTIES OF THE COMISARIO

1. The Comisario shall exercise vigilance on behalf of the Members over the accounting records and operations of the Board, ensuring observance of the Bylaws. The Comisario may attend Board and Committee meetings and may speak but has no vote. An annual report shall be made to the General Assembly.

2. The Comisario shall have the authority to suspend any motion, appointment or election by the Board of Directors during or after a meeting for a period of thirty (30) days following the meeting at which the suspended item was proposed. After this time it will be put on the agenda and a revote taken and the result of this vote to carry.

ARTICLE X – COMMITTEES

1. The following Standing Committees shall be maintained:

- 1.1 Executive Committee consisting of the four elected officers. This committee shall assist the President in formulating overall policy which shall be presented to the Board of Directors for a vote.
- 1.2 Financial Committee - Consisting of the President, Treasurer and two Directors selected by the Board shall formulate fiscal policy. The Treasurer shall serve as Chairman of the Financial Committee.
- 1.3 Water Resources Committee shall assure the testing and maintenance of the water system within Chula Vista and shall undertake improvements when directed by the Board.
- 1.4 Zoning and Building Committee. This committee shall be responsible for:
 - 1.4.1 Application and enforcement of the Zoning and Building Regulations.
 - 1.4.2 Approval of properly submitted plans for construction of new homes, alterations, modifications and extensions to existing homes
 - 1.4.3 Observe progress of construction to ensure that building permits are being adhered to and that work complies with the approved plans.
 - 1.4.4 Ensure that upon completion, the construction site is properly cleaned up and all construction material is removed from roads, sidewalks and common areas.
 - 1.4.5 Ensure observance of municipal regulations as may be required by local or federal authorities.
 - 1.4.6 Ensure variances to the building codes receive Board approval.
- 1.5 Environmental Committee. This committee shall be responsible to protect, maintain and enhance the natural beauty and environment of Chula Vista.
- 1.6 Security and Lighting Committee shall be responsible for the maintenance of the street lighting system and for coordinating security considerations.

2. The chairmen of Standing Committees shall be appointed by the President subject to approval of the Board. The chairman shall be a Director or an Alternate. Committee chairmen shall select committee members from among those Asociación Members whose accounts are not delinquent.

3. All Standing Committees shall meet when called by the chairman or at the request of any two members of the committee. Standing Committees shall serve for a period of one (1) year.

4. All Standing Committees shall be responsible to the Board and shall make monthly written reports to the Board.

5. Special committees may be appointed by the President or formed by the Board by resolution at any meeting of the Board. The resolution forming a special committee should state the purpose for which the committee is being formed, the duration of the committee, and the form and content of the final report. No special committee shall have the right to act for the Asociación or to commit the Asociación to any form of action.

6. No meeting of any committee shall be considered as a meeting of the Board, which must be called as designated in Article V, Section 5.

ARTICLE XI - PROCEDURAL RULES

1. The rules contained in the current edition of Robert's Rules of Order, Latin American edition, shall govern the conduct of the Asociación in all cases to which they are applicable and in which they are not inconsistent with these Bylaws, or the laws. An outside expert with knowledge of the laws governing assembly meetings, and the application of Robert's Rules of Order, will be hired to advise the chair at all assembly meetings.

ARTICLE XII - AMENDMENTS TO THE BYLAWS

1. These Bylaws and/or Rules and Regulations may be amended at any General Assembly by two-thirds (2/3) majority vote of the members voting in present or by proxy, with a quorum present. All proposed amendments must be submitted in writing and must be included in the notice of meeting in order to be included on the agenda.

2. In order to fully comply with Mexican law, any modifications to these bylaws which may be required by the authority of the Municipality of Chapala shall automatically be incorporated in these bylaws. No vote of the General Assembly is required.

ARTICLE XIII - DISSOLUTION

1. The Association shall be dissolved for causes that the Law has established or when it is agreed by the General Membership in the formalities of a Regular or Special Meeting.

ARTICLE XIV - LIABILITY

1. The Association agrees that the Board of Directors, individual Directors, Alternates and the Comisario, and employees shall be held harmless and not subject to personal liabilities while acting within:

1.1 Mexican Law.

1.2 The scope of these Bylaws.

1.3 As a result of their performance of association business and related responsibilities.

2. All foreigners acquiring an interest or social participation in the Asociación shall be considered by this simple fact as Mexican with respect to each other.

ARTICLE XV - RECALL OF DIRECTORS, ALTERNATES, OR COMISARIO

Time Frame
1. Special Assembly Meetings may be called by the President, by a petition signed by 20 or more voting members who are not delinquent, or at the request of the Comisario, to seek the recall of any Director, Alternate, or Comisario. The petition, or notice ~~from the President~~, must be specific in listing the charges being made for the recall of the named Director(s), Alternate(s) or Comisario.

2. Any person named in a recall notice or petition must temporarily cede their duties, if demanded by the board of directors, until the members meet and vote on the recall request. If the President is named for possible recall, the Vice President will immediately assume the duties of President and will call the meeting.

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3. A Director, Alternate or Comisario can only be recalled by two-thirds vote of the members registered and present at the meeting to vote on the recall.

ARTICLE XVI – APPROVED METHODS OF VOTING

1. As stipulated in the constitution, member may grant proxies for voting to other members, but under the following guidelines:

- 1.1 Proxies must be of a form prepared by the office employees under the supervision of the board of directors.
- 1.2 Proxies must name a member, not in default, to be the proxy of the granting member.
- 1.3 Proxies must contain the signature of the granting member and have a copy attached of a document (i.e. passport, driver's license, etc.) that shows the granting member's picture and signature.
- 1.4 All proxies must be submitted to the Chula Vista office where they will be verified, registered, and maintained until the membership meetings when they can be used.
- 1.5 The Chula Vista office will inform members that they received a proxy in advance of the meetings.
- 1.6 Proxies are null and void if the members granting the proxies register attendance at the meetings(s) for which the proxies were granted.
- 1.7 Members may grant more than one proxy with the last one received and recorded at the Chula Vista office being the valid proxy.

2. When agendas for annual and special member meetings are created with preset motions, the board of directors, or members petitioning for the meeting, (whomever sets the agenda), may authorize that members not in default may vote for those motions through email and/or ballot, up to 30 days in advance of the annual or special meetings.

3. When allowing voting by email in advance of meetings these conditions will apply:

- 3.1 The Chula Vista office will send the originating emails to the members' emails on record and the votes must be returned via a "Reply" to those originating emails.
- 3.2 The Chula Vista office will print and enter the email votes in a closed ballot box that won't be opened until the scheduled meeting.
- 3.3 The Chula Vista office will record receipt of the email for counting that member present and voting at the scheduled meetings.
- 3.4 The Chula Vista office will keep all returned emails on the internet until 30 days after the annual or special meetings so they may be audited if challenged.

4. When allowing voting by printed ballots in advance of meetings, these conditions will apply:

- 4.1 Members must have their ballots stamped by the office staff before casting their votes.
- 4.2 The members may then cast their votes and place their ballots in a closed ballot box that won't be opened until the scheduled meeting.
- 4.3 The Chula Vista office will record receipt of those votes for counting those members present and voting at the scheduled meetings.

The Chula Vista office will send the originating emails to the members' emails on record and the votes must be returned via a "Reply" to those originating emails.

ARTICLE XVII – MEMBERS RIGHTS

1. All activities and decisions of the Chula Vista Board of Directors must be fully transparent to the members, who may i) attend and speak at any Board meeting or session by written request submitted at least three days before the meeting or session, ii) inspect any and all office files including financial records, upon demand in writing. Members attending board meetings may also speak at those meetings if specifically asked to, or permitted by one or more Directors, Alternates or the Comisario during the meetings.

2. Association members have the right to watch closely that their fees are used only as directed by the Association. They thus have the right to examine the financial records and any related documentation by simple request in writing. The Board of Directors will develop and maintain protocols to safeguard the integrity of the records. The Comisario will lead an audit committee of volunteer members in reviewing the accounts and documentation to ensure accountability and compliance with procedures.

3. Members should be given a minimum of 7 days advance notice, through email notification, of all regular board meetings so they may attend.

4. Monthly financial reports shall be published on the web site and be available to Members in either Spanish or English upon request.

ARTICLE XVIII – CONTROLS OVER ASSETS

1. Chula Vista's water resources may not be shared, ceded, or given in concession to any other entity outside of the Asociación de Colonos del Fraccionamiento Chula Vista de Chapala, A.C. unless approved by two-thirds vote of members in attendance at a special assembly of members for this special purpose.

2. A vote of 90% of all members with the right to vote is required for approval of the sale of, purchase of, or outside access to, any public land/roads of the Fraccionamiento Chula Vista de Chapala unless those lands were acquired through foreclosures on outstanding debts, in which case it requires only a majority vote of those members in attendance at a special assembly for the purpose of making a decision on what to do with those lands.