

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



CALL FOR ORDINARY GENERAL ASSEMBLY AND EXTRAORDINARY GENERAL ASSEMBLY.

This is the official call to the members of the Asociación de Colonos del Fraccionamiento Chula Vista de Chapala A. C., to attend the Ordinary General Assembly Meeting that **will be held on Saturday, January 21, 2023 at 10:00 a.m. at the Hotel Villa Montecarlo**, located at Av. Hidalgo # 296 in Chapala, Jalisco. The meeting will be held according to the following agenda:

AGENDA - ORDINARY GENERAL ASSEMBLY

- 1.- Call to order.
- 2.- Appointment of the Chairperson, the Secretary and Parliamentarian of the Meeting
- 3.- Appointment of Polling Officers.
- 4.- Approval of the Minutes from the 2022 General Assembly Meeting
- 5.- Introduction of the Board of Directors.
- 6.- Presentation of the President's Report.
- 7.- Presentation of the Treasurer's Report 2022 and the proposed 2023 Budget.
- 8.- Comisario's report.
- 9.- Election of the new Board of Directors 2023.
- 10.- Election of Alternate Directors 2023.
- 11.- Granting of Powers to the 2023 Board of Directors.
- 12.- Announcement of the Officers selected by the 2023 Board of Directors.
- 13.- Designation of the delegate to formalize the Minutes of the Meeting into a Public deed before the Public Notary.
- 14.- Adjournment.

This is the official call to the members of the Association of Residents of the Fraccionamiento Chula Vista de Chapala A.C. to attend the Extraordinary General Assembly Meeting to **be held on Saturday, January 21, 2023, immediately after the Ordinary General Assembly at the Hotel Villa Montecarlo**, located at Av. Hidalgo # 296 in Chapala, Jalisco. The meeting will be held according to the following agenda:

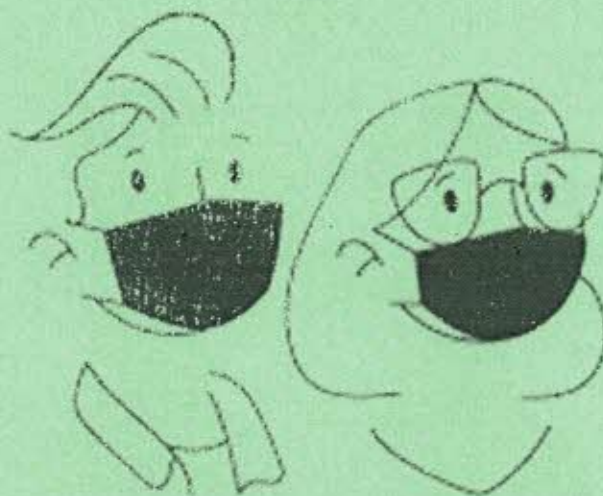
AGENDA - EXTRAORDINARY GENERAL ASSEMBLY MEETING.

- 1.- Call to order.
- 2.- Appointment of the President, Secretary and Parliamentarian of the Extraordinary General Assembly Meeting.
- 3.- Appointment of Polling Officers.
- 4.- Presentation of the Board of Directors.
- 5.- Grant powers to the Board of Directors of the Association to sign the Concession for the provision of services with the Constitutional City Council of Chapala Jalisco.
- 6.- Repeal the Rules and Regulations and approve the Rules and Regulations of the Association.
- 7.- Designation of the delegate to formalize the Minutes of the Meeting into a Public deed before the Public Notary.
- 8.- Adjournment.

**SRA. MARIA LETICIA GUTIERREZ SHELLY
PRESIDENTE.**

*****SUGGESTION*****

DUE TO THE PANDEMIC AND AS A PREVENTIVE MEASURE



**“REMEMBER TO WEAR A MASK
DURING THE ASSEMBLY”**

REPORT OF THE PRESIDENT 2022-

To all my neighbors:

During my efforts as president of the Board of Directors in this year 2022, I inform you that together with the Board of Directors we have worked carefully on 3 very important negotiations for the well-being of our community, namely:

1. The first negotiation was to acquire a greater quantity of cubic meters of water that was urgently needed, due to the population growth and the construction of houses that our community has had. With the advice of Mr. Eduardo R. Carvajal, the Board of Directors authorized the initiation of procedures to obtain a private concession of 40,000 M3 per year. In this regard, a user was obtained who has volume under concession in the same aquifer where the subdivision is located and who was willing to transmit the volume that was needed; Derived from the efforts, talks and negotiations, a price per cubic meter of \$27.50 pesos per cubic meter was agreed and agreed upon, plus IVA. On August 29 of the current year, the contract for the assignment of the aforementioned cubic meters was entered into with the assignor, which was signed before a notary public.

2. The second negotiation was to obtain the permit from Conagua, for the relocation work of Well # 1. This process was delayed because of the Pandemic many requests were delayed, and their digital platform had changes. In the month of October, a nullity trial was promoted against the National Water Commission, this due to the slowness in giving us an answer to the request made in February to obtain the permit for the relocation of the water well. Finally, was admitted, and the permit was obtained at the beginning of November. The work will begin in 2023 in the next month of January and the duration of the work is calculated to be approximately 10 weeks.

3. To obtain a new Concession Contract, same as with the support of Mr. John Brennan, and in order to enforce our Rules and Regulations and that our Association functions properly with the cooperation of the Government of the Municipality of Chapala. To do this, a whole process began that required a Census of our affiliates. The process in the negotiations, the preparation of the documentation of said Contract has been a titanic task on which I want to mention a great appreciation to Lucy and José. The complete documentation has been delivered to the municipal authorities since September.

Since the beginning of the year a committee has been formed to deeply review our Rules and Regulations which will take a closer look at the policies that deal with Rental Regulations in general, but also address Airbnb questions.

In March, we received from Mr. Paul Raza a court order to reconnect his water that had been disconnected due to failure to pay his fees. Also some issues with dog owners who broke the rules by not taking proper care of their pets, this, I must mention, has improved a lot in the second half of the year.

In May, I informed the Board of Directors regarding a meeting with Lic. Carvajal on the subject related to our pending requests for additional water concessions. After considering various possibilities presented by Lic. R. Carvajal, the Board of Directors accepted: Not to continue with the request for the additional volume of 280,000 M3, which the Association presented to CNA in 2009, and instructed the Office to report to Lic. Carvajal accordingly

and request his final invoice on this matter. A motion was made to approve the termination of the request for the adjudication of said m3 before Conagua.

During June, I had a meeting with Police Chief C. Sergio C. Ramírez, with the idea of requesting more support for the security of the subdivision. Said support is limited by the lack of personnel in the area and it is suggested some type of camera systems that are placed in strategic streets to record and/or prevent said infractions.

Since the month of August, with the support of Mrs. Aurora Michel, some meetings with other Subdivisions began in order to share the procedures for the achievement of Concession Contracts.

In October we had a visit during the monthly meeting of the board of directors of Lic. René Ochoa, in the absence of Mr. José Jaime Orellana Rodríguez, Director of Planning and Urban Development. In said meeting we requested support to work together, the city council and Chula Vista, regarding the construction permits that said instance of the Chapala City Council has granted, without taking into consideration the Association and without respecting our Internal Regulations.

For this serious problem and the resolution of the new Service Concession Contract, we have sought and requested on several occasions an urgent meeting with the Municipal President of Chapala since the beginning of 2022. We have not succeeded; we are still waiting.

We hope that in 2023 we will achieve the much mentioned and necessary Concession Contract, which will help protect our community. All of the above has been with the intention of keeping our community a wonderful place to live.

I want to end by expressing a very deep gratitude to each and every one of the members of the current board of directors and the administrative and labor staff, for their great efforts, their sense of commitment and their spirit of service. Without it, the achievements obtained would not have been possible. We are a team the best. Thank you!!!!

2022 Environmental Committee Report.

Trees etc.

Another year and the same old problems, most trees grow and in many cases, we let them grow too tall. Trees need some maintenance and depending on where they grow some trimming is in order not to interfere with the view of our neighbors, their roots might invade places such as the underground water pipes and damage them, just to mention a few. Most of us do love trees, greens, flowers, bushes just to mention a few, it brightens up our homes and gardens.

Many disputes between neighbors can be avoided if we keep our trees, bushes etc. out of their property by trimming them regularly. As I mentioned in last year's report it is important to take into consideration the **root system of trees in particular**. Before planting a new tree in particular close to your neighbor's property or on the sidewalk, please get informed about how the tree or other type of bushes that grow in heights, will spread its roots, you don't want to plant something that will damage your home's infrastructure and/or your neighbors! **Your local Nursery will be glad to assist you in your choice.**

Regular trimming of trees growing tall is recommended to avoid any of the problems mentioned above. The Office can recommend a Specialist who will take care of those needs as well as the permits in case you want to eliminate an older or sick tree. A good specialist will take care of the necessary permit from "Ecologic", also the price of those specialists is very reasonable, they take care of all including cleaning up and taking away all cuttings.

Please remember that before planning to trim or cut down a tree, you must get **a permit, that's why its advisable** to hire a professional who will take care of all those requirements without any extra charge.

Garbage & recycling:

The small park at Paseo del Golf in Upper Chula Vista has a garbage basket if you decide to have a picnic or just a rest, please use it, our maintenance staff will empty it regularly.

We have now installed four containers for recycling purposes:

Two are in Lower Chula Vista on Avenida Del Parque on the south side of the median at the corner of Del Parque OTE. (The **street** running up from the Modelorama.)

Two are in Upper Chula Vista at the top of the of the first leg up the hill where Paseo De Golf and Paseo De las Peñas split.

One of the two containers is for glass only while the other is for cans and plastic only.

We are unable to take cardboard or paper products at this time.

Recycling these materials is good for the environment and less garbage will help keep our garbage truck and landfill fees down.

Dog Owners:

We thank our dog owners for using the special containers for doggy waste as well as keeping their dogs on their leashes while walking them in Chula Vista.

A good idea would be to identify your dog with a little tag with his name and a phone number, so we can get in touch with the owners should your pet get lost.

Maintenance Staff:

Again our maintenance staff has kept our public areas and streets clean of overgrown grass and other debris. They were also taking care of the water breaks that do occur sometimes and putting our water back to flow as soon as possible.

Our maintenance staff is a great asset to all of us, they are always focused on beautifying our streets and green areas.

I cannot finish this report without thanking our devoted Office Staff, Lucy and José who are always ready to answer our questions and assist us when needed!

Submitted by,

Werner Zuercher

Chair – Environmental Committee.

Building & Zoning Committee – AGM 2022

Construction Projects: Process

Owners who want to build a new house, an addition, or undertake remodeling, are required to submit architectural plans to the Chula Vista office for review by the Building & Zoning Committee. The process of obtaining permits from the Association can be made much easier if both owners and builders are familiar with the Construction section of the Association's Rules & Regulations.

Once plans are approved, stamped and signed by Chula Vista, they must be submitted to the Chapala Building Department at City Hall for municipal approval.

Construction Permits:

From January, 2022 – December, 2022 there were 8 construction permits issued in Chula Vista.

Fourteen (14) projects are ongoing.

Much appreciation goes to Chula Vista Building Inspector Stan Rawson for using his engineering acumen and experience to help the Building and Zoning Committee. Stan volunteered countless hours to evaluate plans, and inspect homes and building sites. Stan retired from his position as Building Inspector in May to pursue other passions and projects.

The Association was very lucky to retain the services of Arq. Julio Novoa who took on the position of Building Inspector in May, 2022. Arq. Novoa is a licensed architect and civil engineer who brings a wealth of experience to benefit the members of Colonos as he performs plan reviews and site inspections.

Submitted by,

**Christine L'Ecluse,
Chair – Building & Zoning Committee**

Security and Street Lighting Annual Report 2022 **Security:**

There have been just 5 burglaries that have been reported to the Association.

Break-in on del Roble street
Break-in on Calle Chula Vista
Home invasión on de las Peñas
Break-in on Calle de la Vista
Break- in on de las Peñas

Previous Boards have considered the possibility of some kind of vehicular control (Security Guard or barrier), to Upper Chula Vista, but the idea has been discarded due to the requirement of the Municipality to have free access around the development.

Homeowners are advised to check and improve physical protections, with the possible inclusion of CCTV installations.

Street Lighting

We have 173 lamps in total, located mainly on concrete posts, the property of CFE, except for a few steel posts, which are the common property.

Owners report any none- working light to the Office Administration, who arranges for a regular contractor to attend and repair as necessary, on the basis of previously agreed charges. The lamps include photocells which activate the bulb, and these, along with connections and ballast (a voltage regulator) are the usual repairs or replacements which are necessary.

During 2022, there have been 72 callouts (23 in Lower, 49 in Upper)

Submitted by,

Lawrence Park

Chair – Security and Street Lighting Committee

TREASURER'S REPORT 2022

Our most important accomplishments this year were to finally receive the approval of CONAGUA for our purchase of additional water and the relocation of Well #1. Our lawyer had to work very hard to obtain the concession for more water. It was the fifth approach to a seller that was successful, and the price was about 10% higher than we had budgeted. We are now waiting for the complete registration before we pay the ultimate balance to the seller. With regard to the relocation of the well, we paid 35% of the contract before the end of 2022 in order to avoid an inflated cost of materials. CONAGUA have been very slow and rather difficult to deal with, requiring a great deal of extra time from Lic. Carvajal, our agent to deal with CONAGUA. CONAGUA is now operating on a new platform which locates wells by satellite. This meant that the location of our wells had to be redefined and registered. Luckily, we have been able to cover his costs from our operating budget in 2022.

You are all fully aware of the kind of inflation we are seeing now, in groceries, materials, and services of any kind. As yet, we don't know what CFE will do to us, nor how the price of gas may go up. We have a new contract for garbage which covers the increase for labor and truck rental, but we don't know the potential increase in the price of tonnage dumped. With these unknowns, we have budgeted just about 10% for inflation.

In the office we have made changes to reduce the cost of supplies. We now have a contractor doing our building inspections.

You will have heard that employee benefits have been legislated to go up, specifically almost doubling vacation days for all employees. IMSS and taxes go up accordingly. One of our new employees, who started last year is now full time. Our employees have worked hard with quite a lot of extra hours maintaining our water quality and fixing surprise leaks. We have budgeted for these increased costs as well as for inflation.

For 2023, we have tried to retain our reserves because we know that we need to repair water infrastructure, and roads. Our roads have been suffering in part because of heavy trucks being used for a lot of construction. This can also damage our piping. Much of this work will be done by our own workers, but we must buy materials and hire equipment.

For water, we charge the same rates as Simapa, (Periodico Oficial del Estado de Jalisco – tarifas de agua servicio medido año 2023 – localidad San Antonio Tlayacapan) but maintenance fees will be increased as needed above. As this may pose a problem for some, we will be pleased to make payment arrangements, and promise no interest to be charged while the payment schedule is adhered to. Also, due to a legal change, we will not be charging a fee for payments by credit card.

We are extremely grateful for the strong support we receive from Jose and Lucy.

The proposed rates for 2023 are as follows:

MAINTENANCE FEE

\$7.22 pesos per square meter for empty

\$5.72 pesos per square meter of total property

\$3,922.80 pesos charge per house (base rate)

Businesses pay double rate (authorized area)

2023 budget proposal.

INCOME AND EXPENSES REPORT	BUDGET	TOTALS	FORECAST	BUDGET
	YEAR 2022	TO NOV. 2022	2022	YEAR 2023
WATER INCOME				
Water actual year (4, 1,2,3 quarters)	\$ 2,000,000.00	\$ 1,343,285.00	\$ 1,393,285.00	\$ 2,000,000.00
Collection for system connections fees	\$ 35,000.00	\$ 20,891.00	\$ 20,891.00	\$ 35,000.00
Interest earned in current year	\$ 5,000.00	\$ 6,098.00	\$ 6,098.00	\$ 7,000.00
Interest earned past due accounts	\$ 15,000.00			\$ -
Collections on water past due accounts	\$ 40,000.00	\$ 253,795.00	\$ 253,795.00	\$ 60,000.00
Interest earned past due accounts	\$ 10,000.00	\$ 3,678.00	\$ 3,678.00	\$ 10,000.00
Miscellaneous income	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00

	\$ 2,106,500.00	\$1,627,747.00	\$ 1,677,747.00	\$ 2,113,500.00
NORMAL WATER INCOME				
WATER EXPENSES	BUDGET	TOTALS	FORECAST	BUDGET
Salaries	YEAR 2022	TO NOV. 2022	2022	YEAR 2023
Vacation pay				
Aguinaldos		\$ -		
		\$ -		
		\$ -		
IMSS/Infonavit/Payroll taxes		\$ -		
TOTAL				
Well Repairs				
Pipe replacement	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00
Cleaning	\$ 12,000.00	\$ -	\$ -	\$ 12,000.00
TOTAL	\$ 37,000.00	\$ -	\$ -	\$ 37,000.00
Tank Infrastructure Refurbishment				
Electrical Upgrades	\$30,000.00	0	0	\$30,000.00
Pump/Motor Replacement	\$25,000.00	0	0	\$25,000.00
TOTAL	\$55,000.00	\$ -	\$ -	\$55,000.00
Other Water Expenses				
Electricity for water pumps	\$ 500,000.00	\$ 459,014.00	\$ 500,000.00	\$ 550,000.00
Equipment and repairs	\$ 200,000.00	\$ 84,460.00	\$ 92,000.00	\$ 200,000.00
Federal water use taxes	\$ 50,000.00	\$ 42,668.00	\$ 50,000.00	\$ 55,000.00
Lic. E. Carvajal - Conagua license	\$ 50,000.00	\$ 58,000.00	\$ 174,000.00	\$ 70,000.00
Water Testing		\$ 6,148.00	\$ 6,148.00	\$ 10,000.00
Legal fees	\$ 50,000.00	\$ -	\$ 54,291.00	\$ 50,000.00
Consulting fees	\$ 5,000.00	\$ -	\$ 1,650.00	\$ 5,000.00
Reserve water repairs and improvements	\$ 300,000.00	\$ 16,704.00	\$ 16,704.00	\$ 300,000.00

Miscellaneous expenses	\$ 5,000.00	\$ 6,222.00	\$ 6,222.00	\$ 7,500.00
TOTAL	\$ 1,160,000.00	\$ 673,216.00	\$ 901,015.00	\$ 1,247,500.00
TOTAL WATER EXPENSES	\$1,770,200.00	\$1,165,704.00	\$1,462,155.00	\$1,977,000.00
<i>NET INCOME (loss) WATER SERVICES</i>	\$336,300.00	\$462,043.00	\$215,592.00	\$136,500.00
MAINTENANCE SERVICES	BUDGET	TOTALS	FORECAST	BUDGET
	YEAR 2022	TO NOV. 2022	2022	YEAR 2023
INCOME				
Maintenance fees 2023	\$ 2,500,000.00	\$ 2,091,210.00	\$ 2,091,210.00	\$ 2,985,000.00
Prepaid maintenance fees	\$ 10,000.00	\$ 11,221.00	\$ 11,221.00	\$ 15,000.00
Interest maintenance fees 2023	\$ 20,000.00	\$ 13,690.00	\$ 13,690.00	\$ 20,000.00
Collections on past due accounts	\$ 60,000.00	\$ 270,775.00	\$ 270,775.00	\$ 60,000.00
Interest earned in past due accounts	\$ 20,000.00	\$ 76,638.00	\$ 76,638.00	\$ 20,000.00
Non-refundable Construction fees	\$ 15,000.00	\$ 76,000.00	\$ 76,000.00	\$ 50,000.00
Construction Permit	\$ 3,000.00	\$ 4,500.00	\$ 4,500.00	\$ 5,000.00
Collection of Fines	\$ 5,000.00	\$ 20,000.00	\$ 20,000.00	\$ 5,000.00
Miscellaneous income	\$ 25,000.00	\$ 16,023.00	\$ 16,023.00	\$ 25,000.00
Comission for payments with credit cards		\$ 8,162.00	\$ 8,162.00	\$ -
INCOME FOR MAINTENANCE	\$2,658,000.00	\$2,588,219.00	\$ 2,588,219.00	\$ 3,185,000.00
MAINTENANCE EXPENSES	BUDGET	TOTALS	FORECAST	BUDGET
Salaries	YEAR 2022	TO NOV. 2022	2022	YEAR 2023
Vacaciones				
Aguinaldos				
		\$ -		
		\$ -		
IMSS/Infonavit/Payroll taxes				
TOTAL				

Vehicle Expenses				
Pickup gasoline, maintenance, license, insurance	\$60,000.00	\$46,901.00	\$51,701.00	\$65,000.00
Equipment and repairs	\$10,000.00	\$2,360.00	\$2,360.00	\$10,000.00
Materials	\$4,500.00	68	68	\$4,500.00
Reserve for new truck	\$60,000.00	\$ -	0	\$70,000.00
Contracted services	\$2,000.00	\$550.00	\$550.00	\$2,000.00
TOTAL	\$136,500.00	\$49,879.00	\$54,679.00	\$151,500.00
Garbage Collection				
Contracted services TOTAL	\$900,000.00	\$782,462.00	\$857,462.00	\$990,000.00
Street Lighting				
Electricity	\$ 400,000.00	\$ 336,940.00	\$ 367,940.00	\$ 400,000.00
Equipment and repairs	\$ 45,000.00	\$ 23,318.00		\$ 45,000.00
Contracted services	\$ 35,000.00	\$ 28,087.00		\$ 40,000.00
TOTAL	\$ 480,000.00	\$ 388,345.00	\$ 367,940.00	\$ 485,000.00
Road and Drainage Repairs				
Materials	\$ 80,000.00	\$ 57,682.00	\$ 60,000.00	\$ 130,000.00
Environmental maintenance	\$ 30,000.00	\$ 15,312.00	\$ 15,312.00	\$ 35,000.00
Contracted services	\$ 30,000.00	\$ 7,079.00	\$ 15,000.00	\$ 30,000.00
TOTAL	\$ 140,000.00	\$ 80,073.00	\$ 90,312.00	\$ 195,000.00
Office Operations				
TOTAL				
Electricity	\$ 10,000.00	\$ 9,489.00	\$ 11,489.00	\$ 13,000.00
Equipment and repairs	\$ 10,000.00	\$ 3,297.00	\$ 3,297.00	\$ 10,000.00
Supplies	\$ 30,000.00	\$ 40,898.00	\$ 45,898.00	\$ 40,000.00
Telephones	\$ 18,000.00	\$ 13,188.00	\$ 14,388.00	\$ 18,000.00
Contracted services –cleaning	\$ 25,000.00	\$ 20,611.00	\$ 23,161.00	\$ 29,000.00
Miscellaneous	\$ 30,000.00	\$ 24,286.00	\$ 26,286.00	\$ 35,000.00
TOTAL	\$ 123,000.00	\$ 111,769.00	\$ 124,519.00	\$ 145,000.00

Other Expenses				
Accountant fees	\$ 64,200.00	\$ 47,930.00	\$ 52,288.00	\$ 62,000.00
Legal fees	\$ 100,000.00	\$ -	\$ 108,582.00	\$ 100,000.00
Annual general assembly meeting	\$ 30,000.00	\$ 21,031.00	\$ 21,031.00	\$ 30,000.00
Monthly board meetings	\$ 16,000.00	\$ 10,440.00	\$ 12,528.00	\$ 16,000.00
Municipal Taxes	\$ 10,000.00	\$ 10,268.00	\$ 10,268.00	\$ 16,000.00
Bank Charges	\$ 20,000.00	\$ 9,788.00	\$ 10,678.00	\$ 15,000.00
Municipal Concession fees	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00
Reserve Replenishment/Contingency	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
Miscellaneous expenses	\$ 15,000.00	\$ 14,893.00	\$ 16,393.00	\$ 15,000.00
TOTAL	\$ 405,200.00	\$ 114,350.00	\$ 231,768.00	\$ 404,000.00
TOTAL MAINTENANCE EXPENSES	\$2,970,500.00	\$2,264,316.00	\$ 2,584,837.00	\$ 3,310,350.00
NET INCOME (loss) MAINTENANCE	-\$312,500.00	\$323,903.00	\$3,382.00	-\$125,350.00
NET INCOME (loss) WATER PLUS MAINTENANCE	\$23,800.00	\$717,295.00	\$142,614.00	\$11,150.00
SPECIAL FEES	Total 2021	Total 2022	Total to date	Projection to Completion
\$ 2,000,000.00 SPECIAL FIXED FEE FOR RELOCATION OF WELL 1	\$ 1,506,729.00	\$ 256,055.00	\$ 1,762,784	\$ 1,988,802.00
\$1,000,000.00 SPECIAL FEE PER M3 CONSUMED IN 2020 FOR NEW CONCESSION	\$ 934,902.00	\$ 274,706.00	\$ 1,209,608	\$ 1,297,201.00
Investment Interest earned	\$ 55,445.00	\$ 273,570.00	\$ 352,015.00	\$ 415,015.00
TOTAL INCOME SPECIAL QUOTA	\$ 2,497,075.00	\$ 804,331.00	\$ 3,324,406.00	\$ 3,701,017.00
Purchase of property for well #1	\$ -			
Improvements for well #1	\$ -	\$ 6,029.00	\$ 818,029.00	\$ 2,326,029.00
Purchase of additional water	\$ -	\$ 1,027,992.00	\$ 1,027,992.00	\$ 1,352,792.00
TOTAL EXPENSES SPECIAL FEES	\$ -	\$1,034,021.00	\$ 1,846,021.00	\$ 3,678,821.00
NET LOSS				\$ 22,196.00

Comisario's Interim Report to the Membership

As your Comisario, my role in Chula Vista is independent of the Board- of-Directors. I report directly to the membership. My role is to observe and report on your Board's adherence to Mexican law and the Chula Vista constitution, rules and regulations.

It is my assessment that your Board adheres to the governing rules listed above and endeavors at all times to enforce the Chula Vista rules and regulations fairly. Members should appreciate that your Board is dependent on the Municipality for support which is often not forthcoming despite Chula Vista's efforts to develop a positive working relationship.

I am quite impressed with the amount of time Board members willingly devote to their responsibilities. They've accomplished some major goals this year.

From my ten plus years as an owner in Chula Vista I suggest this Board serves our community very well. When I talk to Board members from other Fraccionamientos they are often impressed at how well managed Chula Vista is.

Submitted by,

**George Radford
Comisario.**

NOMINATIONS FOR THE 2023 BOARD OF DIRECTORS

ELECTION OF THE NEW BOARD OF DIRECTORS – NOMINATIONS FOR THE 2023 BOARD OF DIRECTORS

Christine Anne L'Ecluse

Maria Leticia Gutierrez Shelly

Were elected for two-year terms at the 2022 General Assembly and will complete their terms this year.

The Nominating Committee has recommended the candidates listed below for an additional (2) two-year term as DIRECTORS:

Lawrence Park

Lawrence was elected to the Board of Directors in 2021 and has been in charge of Security and Lightning. He is now also the board liaison overseeing the construction of our replacement well. Originally from England, he has lived and worked in Argentina, Venezuela, and Mexico City, mainly in the insurance industry. After trying retirement in Los Cabos, BCS, Lawrence moved to Chula Vista six years ago. He speaks English and Spanish.

Phyllis McFarlane Gaskell

Phyllis was elected to the Board of Directors in 2021 and has been the association Treasurer for the past two years. She and her husband have been residents of Chula Vista since 2005. She graduated with a degree in biology, and has had a varied career including having worked in the commercial business and accounting side for Engineering and Government Services. From there she proceeded into investigating and devising systems for which she wrote procedure manuals. Since coming to Mexico, she has kept very busy with a variety of volunteer work including bazaars, animal sterilization clinics, LCS programmers, organizing fundraiser events, teaching dance and genealogy.

Werner Zuercher

Werner was elected to the Board of Directors in 2021 and has been the association Secretary as well as heading up the Environment committee. He was born in Basel, Switzerland, and has lived and worked in such varied locals as Morocco, Australia, Canada, Brazil and now Mexico. Werner speaks English and Spanish as well as a few other languages.

Louise Andree Morel

Louise was elected to the Board of Directors in 2021 and has been the Vice President for the past two years and the Parliamentarian for a number of years. Before that she sat as an alternative director and worked on numerous committees. Her varied professional experience ranged from economic research, marketing research, publishing and association management in both Canada and the United States. She has been a resident of Chula Vista since 2007.

Any eligible members may apply for the position of Director by registering at the office no less than three days prior to the AGM. Their names will then be listed on the ballots distributed at the AGM. A member may also be nominated from the floor of the General Assembly.

The Nominating Committee has recommended the candidates listed below for the one-year term as Alternate Directors:

Sally Amaral

Sally worked as the office manager in the same orthodontic office for 21 years, until it was sold, and then worked in other capacities. She has participated on two different Board of Directors: and Unity Church of Modesto and for Stanislaus Wildlife. She and her husband moved to Chula Vista three years ago from California.

Stanley Goman

Stan has served on several boards of directors over the years including Tower Records, the National Association of Record Merchandisers, Bayside Distribution and the Sacramento Optimist Club, as well as many committees and actions teams. These experiences have helped him understand the dynamics of board work. Stan, and his wife Linda, are both interested in keeping our community true to the vision of the original builders and developers of the neighborhood.

Michael Joseph Kavanaugh

Michael has served as president of the Chula Vista board. He has a PhD in Administration and Educational Leadership from the University of Alabama. He is the owner and president of a local real estate firm.

Emily Raskin Perey

A graduate of Stanford University, Emily had a 20-year career in professional fundraising for nonprofits, mostly universities. For the following decade, she and her husband operated an eldercare referral company in San Diego County, CA. They moved to Mexico in 2009 and into Chula Vista in 2013, the second generation of Pereys to live in the *Fraccionamiento*

Oscar Addiel González Rodríguez

Oscar was born and raised in Guadalajara, Jalisco. He studied communications and for many years worked as a graphic designer and video editor. He moved to Geneva in 2010 where he learned French and worked for the UN in Human Resources for a period of 9 years, returning to Mexico, he settled in Chula Vista.

Any eligible members may apply for a position as Alternate Director by registering at the office no less than three days prior to the AGM. Their names will then be listed on the ballots distributed at the AGM. Members may also be nominated from the floor of the AGM.

George Radford was elected at the 2022 AGM for a two-year term as Comisario and will complete his term this year.

Your Chula Vista Board is working to achieve a "Concession Agreement" with the Municipality

What is a Concession Agreement?

Basically, it's a legal contract between the municipality of Chapala and our (or any) Fraccionamiento. In the agreement the municipality agrees that the Fraccionamiento can provide services to its members and the Fraccionamiento agrees to provide them without cost to the municipality.

These services include street maintenance and lighting, garbage collection, water, sewage, and administration.

Why does our Fraccionamiento need a concession agreement?

The concession agreement requires the municipality to support Chula Vista's constitution, rules, and regulations. That means, for example, collecting on past due maintenance fees and fines and enforcing Chula Vista building regulations. The key benefit is that it means Chula Vista has the legal authority to collect fees for services and impose fines for late payments and rules and regulations violations. We cannot be challenged in Court and members cannot "resign" from our association and not pay fees.

Why don't we have one already?

Chula vista has been without a concession agreement since the most recent one expired in 2008 and we have been unable, despite repeated efforts on our part, to get a new one signed with the municipality. In fact, no Fraccionamiento has been able to sign one with the past several Chapala administrations.

With the latest government in City Hall, we appear to have a partner willing to negotiate an agreement.

Are there any risks or downside for Chula Vista?

No. The Chula Vista Board has exhaustively researched the process and outcomes and feels the benefits far outweigh any possible risks. John Brennan, our fraccionamiento's legal counsel for many years, is providing guidance.

When will Chula Vista have this new Concession Agreement?

Chula Vista is well advanced with the numerous steps involved in the application. Ing. Jose Barajas, the head of Catastro is leading the process for Chapala and we are receiving great support from Aurora Michel, the liaison between the foreign community and the Chapala municipality.

Your board expects this will take some weeks to complete given that the final contract requires signing off by Cabildo (Municipal Council) and the President (Mayor).

We'll keep you posted on progress.

MUNICIPAL SERVICES CONCESSION AGREEMENT

This Concession Agreement for Municipal Utilities is executed in the town of Chapala, Jalisco, on the ____ day of _____, 20____, by and between the **CHAPALA, JALISCO CONSTITUTIONAL CITY HALL**, herein represented by **ALEJANDRO DE JESÚS AGUIRRE CUIEL**, Atty. **GAMALIEL DE JESÚS SOTO PÉREZ**, Atty. **LILIA AVARADO MACÍAS** and Atty. **FERNANDO ANTONIO MONREAL MENDOZA**, in their capacities of Mayor, Municipal Comptroller, Secretary General and Director of SIMAPA, respectively, within the 2021-2024 administration; all of the former are adults, with legal address at 202 Priv. Francisco I. Madero, Colonia Centro, Chapala, Jalisco, hereinafter jointly called the "**MUNICIPAL GOVERNMENT**." And on the other hand there appeared Mrs. **MARIA LETICIA GUTIÉRREZ SHELLY**, **LOUISE ANDREE MOREL**, **WERNER ZUERCHER** and **PHYLLIS McFARLANE GASKELL**, in their capacities of President, Vice-President, Secretary and Treasurer, respectively, of the non-profit organization called "**ASOCIACIÓN DE COLONOS DEL FRACCIONAMIENTO CHULA VISTA DE CHAPALA, A.C.**", an association acknowledged by the Chapala Municipal Government as a Neighbors Association, as per city council meeting dated _____, hereinafter to be called **THE CONCESSIONAIRE**." The parties subject this agreement to the following statements and articles.

STATEMENTS:

I. "THE MUNICIPALITY," through its representatives, declares that:

1. It is a government entity with legal capacity and assets, able to enter into contracts and bind itself in accordance Article 115 of the Political Constitution of the United Mexican States, Article 73 of the Constitution of the State of Jalisco, and Article 2 of the Municipal Government and Public Administration Law of the State of Jalisco.

2. That its representatives herein appear with the powers given to them by paragraphs one and four of Article 86 of the Constitution of the State of Jalisco, and Articles 47 section II, 48 section IV, 52 section II, 61, 64 and 67 section I, of the Municipal Government and Public Administration Law of the State of Jalisco.

3. That its official address is Ave. Madero # 202, Colonia Centro, Chapala, Chapala Municipality, Jalisco.

4. The current Municipal Administration, exercising its duties and powers granted by articles 135 and 136 of the Municipal Government and Public Administration Law of the State of Jalisco, is interested in providing citizens and municipal residents certainty regarding municipal utilities, and, as far as these are concerned, provisions of the various applicable laws are complied with.

II. "THE CONCESSIONAIRE," Asociación de Colonos del Fraccionamiento Chula Vista de Chapala, A.C., through its representatives, states:

1. That it is a non-profit organization duly established according to public deed number 7,716, dated May 28, 1966, recorded by Atty. Gilberto Moreno Castañeda, Notary Public number 21 of Guadalajara, Jalisco; duly registered under number 19, Book 2, Fifth section of Public Property Registry of Chapala, Jalisco, on the 23rd day of June, 1966.

2. That Mts. **MARIA LETICIA GUTIÉRREZ SHELLY** is the President of the Board of Directors and consequently holder of General Power of Attorney given by the entity called "Asociación de Colonos del Fraccionamiento Chula Vista de Chapala", Asociación Civil. Likewise, **LOUISE ANDREE MOREL** is the Vice President, Mr. **WERNER ZUERCHER** is the Secretary and **PHYLLIS McFARLANE GASKELL** the Treasurer of the referred Civil Association, as they evidence with public deed number 5,120 dated June 14, 2022, recorded by Attorney **SERGIO ANTONIO MACIAS ALDANA**, Notary Public 1 of the Tuxcueca Municipality, Jalisco, which contains notarization of minutes of the General Assembly held by the Association on January 29, 2022.

3. That the address of **THE CONCESSIONAIRE** is 95 Calle Jardines, Fraccionamiento Chula Vista, San Antonio Tlayacapan, Chapala Municipality, Jalisco.

4. The **CONCESSIONAIRE** goes on to state that it is the title holder and/or concessionaire of Concession Titles to Use and Exploit Underground National Water numbers i) **08JAL135293/12EMDA17**, ii) **08JAL159948/12AMDA17** and iii) **08JAL131953/AMDA18**, issued by the Water National Commission (**CONAGUA**), all of them registered to the "Asociación de Colonos del Fraccionamiento Chula Vista de Chapala, A.C.", in force and up to date on payment of the pertaining fees and taxes. These concessions empower it to provide the potable water supply to all residents and associates of the Asociación de Colonos del Fraccionamiento Chula Vista de Chapala, Jalisco. It shall be understood at all times that said titles are and will be exclusively owned by the **CONCESSIONAIRE**.

Said Concession Titles to Use and Exploit National Groundwater shall at all times be understood and shall remain the sole and exclusive property of **THE CONCESSIONAIRE**, which has the infrastructure to extract potable water from the subsoil, pump it through the network of pipes that authorize and enable the **CONCESSIONAIRE** to provide water supply services for all residents and associates of the "Asociación de Colonos del Fraccionamiento Chula Vista de Chapala, A.C.".

5. **THE CONCESSIONAIRE** states to be the owner of the following real properties:

- a) Lot located in Section Three, on Paseo de las Peñas Street, across from number 200, with a surface area of 747.80 Mt², real estate account R000082, where the water storage tank and pumping equipment number 1 are placed.
- b) Lot number 3, section H, located on Paseo de las Peñas, across from number 200, with a surface area of 871.00 Mt², real estate account R000084, where the water storage tank and pumping equipment number 2 are placed.

- c) Lot located in Section Three, on Paseo Jacarandas Street, across from number 66, with a surface area of 989.61 Mt², real estate account R000081, where the water storage tank and pumping equipment number 3 are located.
- d) Lot of land "El Ocote" near lot number 10, Section Three, located on Privada Jacarandas, with a surface area of 400.00 Mt², real estate account R000083, where the water storage tank and pumping equipment number 4 are located.
- e) Lot number 40, Section D, located on Calle Prolongación del Monte, with a surface area of 346.50 Mt², real estate account R000085.
- f) The real property that accommodates the Association office and well number 2; this lot and buildings on it belong to the Bungalows Section, on Calle Jardines # 95, with a surface area of 209.92 Mt², real estate account U000317.

The above-listed properties shall at all times be understood to be and shall remain the sole and exclusive property of **THE CONCESSIONAIRE**, "Asociación de Colonos del Fraccionamiento Chula Vista de Chapala, A.C.", who has the infrastructure to extract water from the subsoil, supply and pump the network of pipes that authorize and enable **THE CONCESSIONAIRE** to provide water supply services for all residents and members of the "Asociación de Colonos del Fraccionamiento Chula Vista de Chapala, A.C.".

6. Both parties state that in accordance with official communication number 139/2012 dated March 21, 2012, issued by the Secretary General of the Chapala City Hall, Atty. José González Alfaro, it was verified that as per official communications 656 in Case File 40/201969 and 47 of Case File 40/1970, as well as city council minutes of full sessions held on July 20, 1959, February 12, 1960, June 6, 1967, April 19, 1969, and August 21, 1969, the City Hall agreed on those dates to receive the public utilities from the Association, but this never took place since there are no Municipal Government minutes evidencing that they were received, and therefore the public services agreement was in force on that date, and that to date, there are no minutes stating that the Municipality received said services; consequently these have always been provided by the now **CONCESSIONAIRE**, "Asociación de Colonos del Fraccionamiento Chula Vista de Chapala, A.C.".

7. That the **MUNICIPAL GOVERNMENT's** Councilmen Commission has reviewed and approved in Session held on _____, the Regulations and Bylaws of **THE CONCESSIONAIRE**, which were approved and verified to be in compliance, and that the same are not contrary to the municipal or state ordinances, and that they are mandatory for the Development and/or Fraccionamiento Chula Vista de Chapala, Jalisco, all its associates, non associates, suspended associates, visitors and any other person that passes through the development, visitors and any other person permanently or temporarily in the Development and/or Subdivision, and the **MUNICIPAL GOVERNMENT** must at all times supervise, sanction and assist in collaboration with **THE CONCESSIONAIRE**, its due and strict compliance.

8. Both parties state that it is their desire to update, formalize and legalize the Concession of Municipal Utilities [hereinafter the Concession], a service the Association has been providing its residents since its establishment in 1966 to date, to execute this Concession Agreement and the Municipal Government desires to comply with the authorization received by the Town Council dated _____, and **THE CONCESSIONAIRE** desires to comply with agreements made by the Special Meeting held on January 21, 2023, that authorized the Board of Directors to execute this Concession Agreement in accordance with articles 36 Sections I and VIII, 103, 104, 107, 108, 109, and 110 of the Municipal Government and Public Administration Law of the State of Jalisco, as well as articles 33, 34, 94 Section X, 102 and 103, of the Citizen Participation Regulations for the Governance of the Chapala Municipality; articles 48, 49 Section III, and 52 of the Regulations for the Provision of Potable Water, Sewage and Sanitation Services of the Municipality of Chapala, Jalisco. Concession

Agreement entered into in accordance with the second paragraph of Article 104 of the Municipal Government and Public Administration of the State of Jalisco, without public bidding because the **CONCESSIONAIRE** has been providing the municipal public services subject matter of this Concession in a continuous and uninterrupted manner since its constitution in the year 1966 and up to date, because it is a Neighbors Association of the Chula Vista Subdivision recognized by the City Council, it has the Concession Titles to Use and Exploit Underground National Waters, as well as real estate and infrastructure to provide the public services subject of this concession.

Based on the former statements, both parties agree on the following:

ARTICLES:

FIRST. MUNICIPAL GOVERNMENT CAPACITY. For all legal purposes there may be, the MUNICIPAL GOVERNMENT acknowledges that **THE CONCESSIONAIRE** "Asociación de Colonos de Fraccionamiento Chula Vista de Chapala, A.C.", has the capacity of a NEIGHBORS ASSOCIATION as admitted by the Town Council in full session on _____, since the Concessionaire has complied with and met each and every requirement established in articles 33, 34, 35 Section I, 37, 40, 71, 72, 73, 76, 81, 82, 83, 84, 89, 90, 91, 94 and other related and applicable articles of the Regulations for Citizen Participation for the Governance of the Municipality of Chapala, Jalisco, as well as articles 121, 122, 123 and 123 Bis of the Municipal Government and Public Administration of the State of Jalisco.

SECOND. PURPOSE: The **MUNICIPAL GOVERNMENT** delivers, and the **CONCESSIONAIRE** receives the following services under concession:

- I. Provision and distribution of potable water within the perimeter and limits of the Fraccionamiento Chula Vista de Chapala, Jalisco
- II. To provide the infrastructure and maintenance to the potable water pumping plants, the well and water distribution network located within the perimeter and limits of the Fraccionamiento Chula Vista de Chapala, Jalisco
- II. To do maintenance of the Drainage and Sewer System, located within the perimeter and limits of the Fraccionamiento Chula Vista de Chapala, Jalisco.
- III. Public Lighting located within the perimeter and limits of the Fraccionamiento Chula Vista de Chapala, Jalisco.
- IV. Maintenance of streets, dividers, parks and gardens owned by the Municipal Government and located within the perimeter and limits of the Fraccionamiento Chula Vista de Chapala, Jalisco.
- V. Public cleaning and garbage collection within the perimeter and limits of the Fraccionamiento Chula Vista de Chapala, Jalisco.

The above by providing, supplying and providing the former services to the inhabitants of the subdivision itself since the Municipality, due to inability and lack of its own infrastructure and/or resources, cannot provide all or some of them, according to the terms and conditions established herein.

THIRD. TERM. This Concession Agreement is granted for a **ten (10)-year term, renewable by the CONCESSIONAIRE**, starting on the date this Agreement is signed (in compliance with the approval by a qualified majority vote of the Town Council session on _____, on the grounds of Section I, article 36 of the Municipal Government and Public Administration of the State of Jalisco.

At least **15 fifteen calendar days** prior to the expiration of the term stipulated in the preceding paragraph, the **CONCESSIONAIRE** shall request in writing to the **MUNICIPAL GOVERNMENT** its renewal or extension, being it understood that if within **thirty (30) days following such expiration or filing the request for extension**, the MUNICIPAL GOVERNMENT does not respond or expressly denies in writing its renewal, this MUNICIPAL PUBLIC

SERVICES CONCESSION AGREEMENT shall be understood and deemed to be extended for the constitutional term corresponding to the term of office of the new administration or the administration in office, and so on for each new administration. The extension request must be submitted by the **CONCESSIONAIRE** within the first 30 days that each new administration takes office, its acceptance will be understood in case of not receiving an express and written response or denial from the competent authority of such ADMINISTRATION within **30 calendar days** after the extension request was submitted. Both parties agree to comply with each and every one of the following conditions:

- A) That the streets, dividers and parks belonging to the Municipality are destined exclusively to the purpose for which they were created, keeping their own measurements and boundaries.
- B) The real properties on which the different absorption wells, pumping plants and office of the CONCESSIONAIRE are built, as well as the Concession Titles to use and exploit underground national water issued by CONAGUA, as described in statements 4) and 5) hereto, including other assets and movable property used by the CONCESSIONAIRE, are and will at all times be the sole and exclusive property of the legal entity called "**ASOCIACIÓN DE COLONOS DEL FRACCIONAMIENTO CHULA VISTA DE CHAPALA, ASOCIACIÓN CIVIL,**" who shall at all times retain ownership and possession of said properties, assets, wells, pumps, and concessions even if this Agreement is terminated or rescinded for any reason.
- C) It is hereby agreed that the **MUNICIPAL GOVERNMENT**, through some of its agencies, directorates or de-centralized bodies will not violate or invade the private property rights of the **CONCESSIONAIRE** over its real and personal property, rights, concessions and remaining assets used by it to operate and its autonomy shall be always honored. Also, the Municipal Government must communicate and consult with the **CONCESSIONAIRE** in regards to any complaint or disapproval from some user, so that they both take care of it and provide a joint solution, pursuant to Municipal Laws, the CONCESSIONAIRE's Rules and Regulations and this Agreement.
- D) Under no circumstance or modality shall the **CONCESSIONAIRE** transfer the rights of use of the assets subject to said service provision without the prior written consent of the Chapala Town Council in full session.
- E) THE **CONCESSIONAIRE** binds itself to undertake all actions, proceedings and expenses necessary to preserve and guarantee the potable water supply subject matter of this Agreement to the residents, neighbors and associates within the current territorial limits of the Chula Vista Subdivision, including, but not limited to keep in force the Concession Titles that enable it to use and exploit underground national water, pay the pertinent fees, maintain and service both the wells, pumping plants and water distribution system. THE CONCESSIONAIRE shall cover 100% of regular and special expenses incurred by the former, and shall do it the fees collected from its members for the provision of municipal public services subject matter of this concession. The CONCESSIONAIRE will not pass on to the **MUNICIPAL GOVERNMENT** the amount of the regular and special expenses originated by the former, since such expenses must be paid by the users of the service rendered under the terms of the Concessionaire's Rules and Regulations and Bylaws.

FOURTH. The parties agree that in case the Concession Titles to use and exploit national underground water issued by CONAGUA expired, were terminated or ceased to exist or be in force for any reason, this concession shall have the same destiny, and therefore the installations and assets subject to said concession that are not the exclusive property of the **CONCESSIONAIRE** shall be returned to the **MUNICIPAL GOVERNMENT**, but not so in regards to the Water Well Concession rights, real property where the Subdivision office is located, properties where

the wells and pumping plants are located, as well as remaining assets described in statements 4) and 5) hereto, including the rest of assets and personal property used by the CONCESSIONAIRE to operate and that belong and will at all times belong exclusively to the **CONCESSIONAIRE**.

FIFTH. During the term of this Agreement, the CONCESSIONAIRE undertakes to maintain, equip and carry out the necessary works for the proper operation of the municipal services referred to in this Agreement, in accordance with the needs that arise when providing said services.

In the case of works that require the contribution of both parties, the projects, specifications and budgets necessary for such purpose shall be approved by the **CONCESSIONAIRE's** Special Meetings and by a qualified majority of the MUNICIPAL GOVERNMENT Town Council in full session.

SIXTH. FEES. The **MUNICIPAL GOVERNMENT** agrees with the **CONCESSIONAIRE** that the cost of the municipal public services will be paid entirely by the latter through the fees, fines and interest determined and established for this purpose that must be paid by the users and beneficiaries established in the Regulations, Bylaws and Meetings held by the CONCESSIONAIRE, which must be approved by the MUNICIPAL GOVERNMENT. It is herein established that at no time will said fees except or exceed those established annually for the Water and Sewage Service indicated in the Municipal Income Law for the Municipality of Chapala, Jalisco, included in articles 42 and 43.

In case of adjustments or increases to the utilities fees provided by the CONCESSIONAIRE, as well as modification to interest, fines, late fees, collection fees established in the CONCESSIONAIRE's Rules and Regulations or Bylaws by approval of the General Meeting, the minutes will be submitted to the MUNICIPAL GOVERNMENT so that it makes the pertinent comments and approves them, for which a 15 workday period is herein established to get a response. Should this term elapse without the MUNICIPAL GOVERNMENT issuing a response, it shall be understood as an actual approval of the said fees, fines, interest, collection fees or any other amendment made to the CONCESSIONAIRE's Rules and Regulations or Bylaws.

By virtue of the foregoing, the **MUNICIPAL GOVERNMENT** will grant the **CONCESSIONAIRE** the right to operate the services and receive the income, product and benefits generated by its operation during the term of the concession, through which it will amortize its cost and operational financing.

The **MUNICIPAL GOVERNMENT** empowers the **CONCESSIONAIRE** to collect from the delinquent users, the late interest, collection expenses and fines established in its Rules and Regulations and Bylaws as well as any other accessory expense to the payment or collection of said services, as foreseen in said Bylaws and/or Rules and Regulations. The **MUNICIPAL GOVERNMENT** is bound to support **THE CONCESSIONAIRE** in the above-referred collection and enforcement of the CONCESSIONAIRE's Rules and Regulations, and Bylaws, by making inspections, shut downs, restrictions to the flow of water to certain user(s) and/or delinquent parties when so requested and justified; and to even use all of its coercion methods and administrative proceedings exclusive to the MUNICIPAL GOVERNMENT to try to collect such debts and to enforce the CONCESSIONAIRE's Regulations and Bylaws.

By virtue of the foregoing, the **MUNICIPAL GOVERNMENT** grants the **CONCESSIONAIRE** the right to operate the services and to receive the products and benefits generated by the operation of the concession during its force and until such time as the MUNICIPAL GOVERNMENT notifies **THE CONCESSIONAIRE** of its decision not to continue or not to renew the concession upon its expiration and within the term established for such purpose, or to terminate it with just cause.

SEVENTH. The **CONCESSIONAIRE** binds itself to render the service in a regular, continuous and uniform manner in accordance with its Regulations and Bylaws throughout the term of the concession. It will have the powers to regulate [] in the Subdivision by means of agreements to its Bylaws and Regulations, which shall be first proposed by the General Meeting and must then be approved by the pertaining Department of the **MUNICIPAL GOVERNMENT**, as established by articles 90 and 91 of the Regulations for Citizen Participation for the Chapala Municipality Governance. Once the minutes of the corresponding Meeting have been delivered, the **MUNICIPAL GOVERNMENT** shall have a 15 workday-term to make the pertinent comments or to issue its approval. Should this term elapse without the **MUNICIPAL GOVERNMENT** issuing a response, it shall be understood as an actual approval of any changes to **CONCESSIONAIRE's** Rules and Regulations or Bylaws.

EIGHT. EXECUTION TERM. By virtue of the fact that since its incorporation as a Neighborhood Association in May 1966, the **CONCESSIONAIRE** has been providing municipal public services to residents of the Chula Vista de Chapala, Jalisco subdivision, it binds itself to continue operating the services under concession as of the time of execution of this Agreement, provided that they are in optimal condition for such purpose, and otherwise, whether due to maintenance issues or force majeure, the **CONCESSIONAIRE** will resume the provision of the services referred to in this Agreement as soon as possible.

NINTH. In the event the supply of public services is suspended or delayed due to causes not attributable to the **CONCESSIONAIRE**, the term of performance shall be deemed extended for the duration of the suspension or delay, and the **CONCESSIONAIRE** shall inform the **MUNICIPAL GOVERNMENT** of this in writing.

TENTH. SUPERVISION. It will be the **MUNICIPAL GOVERNMENT** the one who supervises provision of the services hereunder through the Administrative Office, Municipal Public Services, Urban Development and Planning, and SIMAPA Directorates. These agencies will also have the obligation and the right to supervise the execution of construction and equipment works necessary for a better performance of the potable water service, in order to verify that this service is provided and developed in accordance with the original project and with provisions of the Law.

The formerly referred supervision includes also the obligations provided for by article 1, 2 section II, paragraph A), 101, 109, 219 and other related of the Regulations of the General Health Law and related articles of the State Health Law.

ELEVENTH. At all times, the **MUNICIPAL GOVERNMENT** reserves the power to oversee the proper operation and provision of the services under this Concession Agreement, for which the **CONCESSIONAIRE** commits to cooperate, provide information and allow entrance to its facilities to the government authorized staff, who must identify themselves and show the official communication signed by the Director of the Municipal Government Agency, Department or competent de-centralized body requesting it.

TWELFTH. The potable water service, which is part of the subject matter and object of this Agreement, shall have a service schedule in the manner and schedule determined by the **CONCESSIONAIRE**.

THIRTEENTH. All advertising made by the **CONCESSIONAIRE** must adhere to the Consumer Protection Law and may not be political or religious in nature.

FOURTEENTH. The **CONCESSIONAIRE** commits to the following:

1. To keep the movable and immovable property assigned to the public services for its use and enjoyment under this contract in good condition, always complying with the hygiene, cleanliness and safety measures imposed by the competent authorities.

2. To pay for the rights and obligations originated by the use and exploitation of the Concession Titles to use and exploit underground national waters acknowledged by CONAGUA, to pay for maintenance of the pumping plants, supply network system and to pay for electricity as well as any other expense, tax, etc.
3. To honor public health standards.
4. To provide the service in a uniform, regular and continuous manner, according to the Rules and Regulations and Bylaws of the CONCESSIONAIRE itself.
5. To replace all items necessary to provide the public service and/or do all repairs and preservation/reconstruction works to ensure the regular and continued provision of services hereunder.
6. To provide this service to every resident and/or neighbor of the Chula Vista Subdivision who requests it, in accordance with the service nature and prices, fees and restrictions agreed to and established by the CONCESSIONAIRE's Rules and Regulations, Bylaws, and this Concession Agreement.
7. Not to suspend or interrupt the public service provided in spite of the limitation implied by the exercise of the rights of the CONCESSIONAIRE'S creditors, even in the event of bankruptcy.
8. Not to sell or transfer the Concession or rights derived from the assets used in the exploitation without prior written permission by the Municipal Government.
9. To establish the fees to be collected as determined by the CONCESSIONAIRE'S General Meeting, approved by the Municipal Government and in accordance with those established for each fiscal year by the respective Income Law as applied to the provided public service, without prejudice that the CONCESSIONAIRE may approve other collections for operation, maintenance expenses, reserve funds or special assessments to its members and/or associates, as approved by the General Meeting.

FIFTEENTH. The **MUNICIPAL GOVERNMENT** commits to:

1. To acknowledge the **CONCESSIONAIRE** its legal capacity as the "Asociación Vecinal del Fraccionamiento Chula Vista de Chapala, Jalisco."
2. To honor the Concession throughout the term established in Article Second, susceptible of extension prior revision of the conditions to be adequate for said purpose and, if possible, to improve the service under concession, along with the approval of the Town Council in full session in case it is necessary.
3. Respect the right of preference regarding said extension by giving it preference over any other applicant.
4. To have the SIMAPA and Municipal Public Works Departments approve the plans, projects, specifications and scheduling of works to build and equip said service, provided that they meet all provisions of the Jalisco Urban Code, as well as the pertaining Municipal Regulations.
5. To issue the permits and authorizations necessary to provide and operate the public services as soon as possible, whenever all requirements have been met.

6. To enable the obtaining of necessary municipal services so that the **CONCESSIONAIRE** is able to optimally operate the installations subject matter of this Agreement.

7. To check, approve, supervise, honor and make sure that the **CONCESSIONAIRE'S** Regulations and Bylaws are met.

8. To assist the **CONCESSIONAIRE** – even by means of coercion methods if necessary – through the diverse government offices, such as Regulations, Urban Planning and Development, Enforcement, SIMAPA as well as through any other competent government department for users to honor and comply with the **CONCESSIONAIRE'S** Regulations and Bylaws, in order for the latter to be able to duly comply with the terms and conditions of this Agreement and provide the public services under concession.

9. To refrain from issuing construction, remodeling, extension, concessions, business licenses, etc., within the Chula Vista Subdivision if such petitions do not bear the written approval and seal of the **CONCESSIONAIRE**, who must be consulted before to verify whether said approval is in agreement with and does not violate some Law, Development Plan, use of ground or some other Regulations or Bylaws of the **CONCESSIONAIRE** that may have been previously revised and approved by the **MUNICIPAL GOVERNMENT**; this implies the commitment of both parties to be in continuous communication so that any approval or issuance of any kind of license is agreed to by both the **MUNICIPAL GOVERNMENT** and the **CONCESSIONAIRE**. The foregoing shall be done in the understanding that any negative or opposition to issuance by any of the parties must be grounded and have a justified reason.

10. To always honor the **CONCESSIONAIRE'S** rights to private property regarding its personal and/or real property, rights, concessions and other assets used by it to operate, and to refrain from violating its autonomy. The Municipal Government must always communicate and consult with the **CONCESSIONAIRE** in regards to any claim or disagreement filed by a user, so that it is dealt with and a joint solution is reached, as provided by Municipal Laws, the **CONCESSIONAIRE'S** Rules and Regulations and Bylaws and this Agreement.

SIXTEENTH. The **CONCESSIONAIRE** undertakes to notify the pertaining authorities and to prevent persons under the influence of alcohol or who sell or use alcoholic beverages or toxic substances, or who disturb the public order or violate the Police and Good Government Regulations from entering the potable water service facilities.

SEVENTEENTH. The parties agree that the concession herein established shall be understood to be without prejudice to the rights of third parties.

EIGHTEENTH. CONFLICTS. The **MUNICIPAL GOVERNMENT** acknowledges that it is the **CONCESSIONAIRE'S** primary responsibility to regulate and maintain the public services infrastructure named in Clause One hereof. Any temporary or permanent alteration intended to be made to the real or personal property subject to this Concession Agreement, whether streets, ditches, lamps, water or sewer lines and any other infrastructure for public use, used by the residents of Colonos del Fraccionamiento Chula Vista, A.C., must be previously analyzed and approved by the Asociación de Colonos del Fraccionamiento Chula Vista, A.C..

In the event of conflicts arising between the Subdivision neighbors and the **CONCESSIONAIRE** related to the provision of the services granted herein, they shall be resolved by the First Instance Courts on Civil Matters of the Second Judicial District based in the city of Chapala, Jalisco.

In case of disputes that may arise between the **CONCESSIONAIRE** and the **MUNICIPAL GOVERNMENT** in relation to the services herein granted, they shall be resolved by arbitration of the Municipal Court.

In case of disagreement with the decision, the dispute shall be submitted to the Town Council Full Session for resolution.

NINETEENTH. The entirety of assets the CONCESSIONAIRE has and/or acquires to subject them to the provision of potable water services will be used solely and exclusively for the provision of such services to the residents and neighbors of the Chula Vista de Chapala, Jalisco subdivision.

TWENTIETH. The CONCESSIONAIRE commits to carry out, at its own expense, the necessary repairs and adequate maintenance, conservation and reconstruction of the utilities installations, particularly those for potable water and the assets subject thereto, as well as to replace, as appropriate, the assets necessary for the provision of the service.

TWENTY-FIRST. The CONCESSIONAIRE binds itself to return the assets subject to this Concession Agreement that are not its exclusive property (those described in statements 4) and 5) hereto) at the term of this Agreement, with all accessories and improvements made. The MUNICIPAL GOVERNMENT shall not have the obligation to pay indemnities whatsoever, understanding that the CONCESSIONAIRE will return to the MUNICIPAL GOVERNMENT the physical and legal possession of the service under this concession, as well as the assets exclusively owned by the MUNICIPAL GOVERNMENT, and keeping those owned by the CONCESSIONAIRE, which in a declaratory but not limiting manner are all those listed in statements 4) and 5) of this Agreement, and other assets and personal property used by the CONCESSIONAIRE to operate.

TWENTY-SECOND. Likewise, at the end of the concession, the CONCESSIONAIRE undertakes to deliver to the MUNICIPAL GOVERNMENT the public utilities under concession, with their accessories, as long as they are not the exclusive property of the CONCESSIONAIRE (all of which are described in statements 4) and 5) of this agreement, and other assets and personal property with which the CONCESSIONAIRE operates), free of any lien and without tax debts for electricity, among others.

TWENTY-THIRD. The CONCESSIONAIRE will have the obligation at all times during the force of this Agreement to continue providing potable water services even in the event of bankruptcy proceedings brought by its creditors, under penalty of having the concession revoked.

TWENTY FOURTH. THE CONCESSIONAIRE shall be liable at all times for damages to real and personal property used to provide the public services under concession, when such damages are caused by acts of God or force majeure, these being defined as damages caused by natural phenomena, but in case of this kind, the CONCESSIONAIRE shall meet and set special assessments to repair the damages caused by such circumstances of natural phenomena.

TWENTY-FIFTH. The MUNICIPAL GOVERNMENT shall have at all times the power to verify that the CONCESSIONAIRE complies with its contractual and tax obligations, as well as with provisions of the applicable laws. In case of violation and for legal purposes, a report shall be drawn up stating such omissions or violations.

TWENTY-SIXTH. In cases of justified revocation or expiration due to violations by THE CONCESSIONAIRE, provision of the public services under concession will be performed by the MUNICIPAL GOVERNMENT, taking care that said service is rendered with the greatest regularity, continuity and efficiency possible. The aforementioned in the understanding that for the use of the property affected to the rendering of public services and property of the MUNICIPAL GOVERNMENT, a declaration of rescue must be issued by the MUNICIPAL GOVERNMENT, who will issue the revocation agreement by agreement of the majority of the Town Council. The properties on which the different absorption wells are built, pumping plants and the office of the concessionaire, as well as the Concession Titles to use and exploit national groundwater issued by the National Water Commission (CONAGUA), all property described in statements 4) and 5) of this agreement, and other assets and personal property with which it operates and which are the exclusive property of the CONCESSIONAIRE must always be honored, without prejudice to the execution of the bond for breach of the concession, if applicable.

TWENTY-SEVENTH. Communications between parties in connection with this agreement must be in writing and delivered personally at the addresses of each of them in order for them to be legally effective.

TWENTY-EIGHTH. For all matters not provided for in this Concession Agreement, as well as for its interpretation and compliance, the parties expressly submit to the jurisdiction and competence of the Administrative Court of the State of Jalisco, and waive any other jurisdiction that may correspond to them by virtue of their domicile.

TWENTY-NINTH. Improvements, alterations or adaptations to assets subject to the potable water service will be made after the pertaining permit has been obtained and will be authorized provided they comply with the following requirements:

- That the permanent construction of installations is not affected.
- That the architectural harmony of the construction is not disrupted.
- That they do not constitute an obstruction of the public free transit.
- That they do not damage third parties.

THIRTIETH. LABOR LIABILITY. The parties hereto shall employ their own employees to fulfill their obligations under this Agreement on the following basis:

A) The **CONCESSIONAIRE**, in its capacity of an established employer, undertakes to renew the employment contracts of its employees currently or in the future working for the **CONCESSIONAIRE**. Such contracts shall include an article whereby the employees acknowledge that their only employment relationship is with the **CONCESSIONAIRE** and that under no circumstances may they be considered employees of the **MUNICIPAL GOVERNMENT**.

B) In accordance with the foregoing, the **CONCESSIONAIRE** shall be liable for all types of individual or collective claims made for any reason by the workers who participate in the provision of the service under concession.

C) By virtue of the fact that there is no contractual relationship of any nature between the workers who will perform the service and the **MUNICIPAL GOVERNMENT**, but they are or will be workers at the service of the **CONCESSIONAIRE**, the latter has the obligation to cover the **IMSS** worker-employer contributions, contributions to the Retirement Savings System (**SAR**), Income Tax and any other Federal, State or Municipal contribution or tax established by the respective legal provisions applicable to the matter.

D) The **CONCESSIONAIRE** undertakes to indemnify and hold the **MUNICIPAL GOVERNMENT** harmless from any claim, lawsuit, action or litigation of any nature, related to the provision of the services under concession arising from the obligations agreed to in this contract at its own expense.

THIRTY-FIRST. RIGHTS, OBLIGATIONS AND SANCTIONS. The users of public services of the Chula Vista Subdivision (i.e., residents and neighbors living or having real property within the Subdivision) have the obligation to be up to date on their Association fee payments, under the terms of this Agreement, Rules & Regulations and Bylaws of the **CONCESSIONAIRE**, and agreements made by the Meetings; in turn, they will have the right to receive the services, especially potable water, garbage collection, and public lighting by the **CONCESSIONAIRE**.

The **MUNICIPAL GOVERNMENT** expressly authorizes the **CONCESSIONAIRE** in those cases in which water users stop payment of their fees for more than three (3) months, to reduce the flow of water to them, and to leave the minimum essential for domestic use, as per its Bylaws and Regulations; said reduced flow must be at least 150 liters a day per residence and increased by 50 liters per inhabitant when there are more than two in each residence. In case of noncompliance with water payments for a period in excess of **six (6) months**, the **CONCESSIONAIRE** will be empowered to suspend the water supply and users must cover the expenses originated by both suspension and later reconnection, in addition to fines and late payments applicable as per the **CONCESSIONAIRE's** Rules and Regulations and Bylaws. In case of suspension of the potable water provision, the **CONCESSIONAIRE** must allow residential users whose service has been suspended, to attend the facilities determined by the **CONCESSIONAIRE** to get up to 50 liters per person a day, which will be transported to their homes by the users' own means, in accordance with and on the grounds of provisions of article 177 of the Regulations for the Provision of Potable Water, Sewage and Sanitation Services of the Municipality of Chapala, Jalisco. The foregoing is also in compliance with the minimum essential established by article 17 of the above-named Regulations, which guarantees a minimum of 50 liters of water per day and exceeding the limit established by the Joint Monitoring Program for Water Supply and Sanitation, carried out by the World Health Organization and the United Nations Children's Fund (WHO/UNICEF), that considers the amount of 20 liters of potable water to be used for domestic purposes, per inhabitant, per day.

THIRTY-SECOND. The **MUNICIPAL GOVERNMENT** shall not approve the inclusion of lots to the Chula Vista de Chapala Subdivision or the connection of any service in it without the agreement and express written approval by the Asociación de Colonos del Fraccionamiento Chula Vista de Chapala, A.C., through its Board of Directors, especially to the water system because said Association is the owner of the Concession Titles to use and exploit underground national water, the properties where the extraction wells, pumping plants and all assets referred to in statement 4) of this Agreement are located.

The Chapala **MUNICIPAL GOVERNMENT ICIPAL** will not issue no-debt certificates or construction licenses to any property within the Subdivision without first having the approval of the **CONCESSIONAIRE** "Asociación de Vecinos del Fraccionamiento Chula Vista de Chapala, Asociación Civil", and have evidence that there are no debts regarding any kind of fees.

The construction, remodeling, extension, swimming pool projects and any type of construction that requires a construction license must have been first approved by the Association so that the **MUNICIPAL GOVERNMENT** can approve it and in the event of not approving it, the **CONCESSIONAIRE** must provide the justification and grounding for requesting such a refusal. Not having the approval by the **CONCESSIONAIRE** in compliance with the terms herein will originate the cancellation of any construction license unduly issued and will be reason enough for the **MUNICIPAL GOVERNMENT** to suspend said license upon request of the **CONCESSIONAIRE** until it has been verified that the same does not violate the **CONCESSIONAIRE'S** Rules and Regulations, its Bylaws nor the applicable laws.

THIRTY-THIRD. This concession begins as of the execution of this Agreement and ends when both the circumstances and terms of expiration exist, in accordance with the articles herein.

THIRTY-FOURTH. For all legal purposes this Concession Agreement is in force as of the time of its execution.

THIRTY-FIFTH. It is understood that when reference is made herein to the **CONCESSIONAIRE** or to the **ASOCIACIÓN DE COLONOS DEL FRACCIONAMIENTO CHULA VISTA DE CHAPALA, ASOCIACIÓN CIVIL** or the **FRACCIONAMIENTO CHULA VISTA DE CHAPALA**, these are only one entity and the beneficiaries of this concession with the obligations herein established.

Both parties read this Agreement, stated their acceptance and are aware of its scope and legal force. They sign it on the grounds of Title Sixth, Chapter III of the Municipal Government and Public Administration of the State of Jalisco as it relates to Title III of the Regulations for Citizen Participation for Governance of the Chapala Municipality.

FOR THE CHAPALA, JALISCO MUNICIPAL GOVERNMENT AND PUBLIC ADMINISTRATION:

L.P.C. ALEJANDRO DE JESÚS AGUIRRE CUIEL

MAYOR

ATTY. GAMALIEL DE JESÚS SOTO PÉREZ

MUNICIPAL COMPTROLLER

LILIA AVARADO MACÍAS

SECRETARY GENERAL

FERNANDO ANTONIO MONREAL MENDOZA

DIRECTOR OF THE POTABLE WATER AND SEWER INTERMUNICIPAL SYSTEM (SIMAPA)

**FOR THE CONCESSIONAIRE: BOARD OF DIRECTORS OF THE "ASOCIACIÓN DE COLONOS DEL
FRACCIONAMIENTO CHULA VISTA DE CHAPALA, A.C.":**

MARIA LETICIA GUTIERREZ SHELLY

PRESIDENT AND LEGAL REPRESENTATIVE

LOUISE ANDREE MOREL

VICEPRESIDENT

WERNER ZUERCHER

SECRETARY

PHYLLIS McFARLANE GASKELL

TREASURER

AGM 2023 Proposed Revisions - COMPREHENSIVE RULES and REGULATIONS.

Categories of Revisions:

- *Spelling, numbering, grammatical corrections, change in formatting*
- *Additional explanations or clarification*
- *Revisions to existing rules*
- *New rules*

Section I – GENERAL

Current

4. These Regulations apply to all owners of lots or residences, hereinafter referred to as

"Property Owners." The intent of these Regulations is to protect the interests of all Property Owners, and improve the overall value of their property by regulating the use of lands and the character, location, and use of buildings and structures.

Suggested Revision *Additional explanations or clarification*

4. These Regulations apply to all owners of lots or residences, hereinafter referred to as

"Property Owners." The intent of these Regulations is to protect the interests of all

Property Owners **and the** value of their property by regulating the use of **lots and common areas as well as** the character, location, and use of buildings and structures.

Current

6. No building or structure shall be erected or altered and the use of any building, structure or lot shall not be changed in whole or in part except in conformity with the provisions of these Regulations. Any change to a lot that affects the support of adjacent walls, structures or hillsides must be properly reinforced.

Suggested Revision *Revisions to existing rules*

6. No building or structure shall be erected or altered and the use of any building, structure or lot shall not be changed in whole or in part except in conformity with the provisions of these Regulations.

(Last sentence of the Current rule has been moved to Section II, Part 17)

Addition of New Rules *New rules*

8. No Property Owners or their representatives may interfere with Association employees or representatives in the course of doing their jobs.

9. Failure to comply with the Regulations may result in the assessment of penalties as provided in Section VIII or in prosecution by the local authorities.

10. Finally, it should be understood that the primary purpose of these Regulations is that of ensuring the peaceful enjoyment of our homes in Chula Vista.

Section II – CONSTRUCTION

1. TYPES OF CONSTRUCTION DEFINED

Current

- a. Minor Alterations – (definition of term)
- b. New Building – (definition of term)
- c. Renovation – changes to an existing building that involve any of the following:
modification of building footprint, building height, foundations, bearing walls, roof beams or floor beams.
- d. Major Renovation – (definition of term)
- e. Minor Renovation – (definition of term)
- f. Minor Construction – (definition of term))
- g. New Swimming Pool – (definition of term)
- h. The Zoning and Building Committee - (responsibility defined)

Suggested Revision *Spelling, numbering, grammatical corrections*

The order of the definitions is changed a little bit. The old Part “a, Minor Alteration” has become re-ordered and is now “f.” The new Part “b, Renovation” has additional information.

- a. New Building – (no change in content)
- b. Renovation – changes to an existing building that involve any of the following:
modification **and/or extension** of building footprint, building height, foundations, bearing walls, roof beams or floor beams.
- c. Major Renovation – (no change in content)
- d. Minor Renovation – (no change in content)
- e. Minor Construction – (no change in content)
- f. Minor Alterations – (no change in content)
- g. New Swimming Pool – (no change in content)
- h. The Zoning and Building Committee - (no change in content)

2. ASSOCIATION APPROVAL AND CONSTRUCTION PERMIT OF THE CORRESPONDENT DEPARTMENT FROM THE MUNICIPALITY OF CHAPALA.

Current

- b. For a New Building, Major Renovation, Minor Renovation and new Swimming Pool, Association approval and a Municipality of Chapala building permit are required prior to beginning construction.

Suggested Revision *Additional explanations or clarification*

b. For a New Building, Major Renovation, Minor Renovation and new Swimming Pool, Association approval and a Municipality of Chapala building permit are required prior to beginning construction. The Chapala building permit must be visible on an outside wall of the property.

Current

c. For Minor Construction Association approval is required, and in some cases a Municipality of Chapala building permit may be required. Association approval is also required for any other construction that could affect the view of mountains or lake of another existing dwelling. **For further clarification, contact the Zoning and Building Committee.**

Suggested Revisions *Clarification and addition of rule*

(Revision addition in italics required by Municipality, April 2022)

c. For Minor Constructions, the approval of the Association is required and in some cases a construction permit from the Municipality of Chapala may be required,

issued in compliance with the zoning and uses established by the competent municipal authority, where the maximum and minimum of construction meters are respected. The Land Occupation Coefficient (COS) and the Land Use Coefficient (CUS), as well as the maximum height should also be in accord with the Urban Code of the State of Jalisco and the Urban Development Plan for the Municipality of Chapala, Jalisco.

Association approval is also required for any other construction that could affect the view of mountains or lake from another existing dwelling.

(Last sentence moved to Section II, Part 29.)

3. PROCEDURE FOR OBTAINING ASSOCIATION APPROVAL & A PERMIT OF CONSTRUCTION FROM THE CORRESPONDENT DEPARTMENT OF THE MUNICIPALITY OF CHAPALA.

Current

a. An application fee of \$500.00 (five hundred) pesos shall be paid to the Chula Vista Association. 4 (four) sets of construction plans shall be submitted in accordance with Sections II.5 and II.6, and their approval shall be based solely on strict compliance with these Regulations.

Suggested Revision *Revisions to existing rules*

- a. An application fee of **\$5,000.00 (five thousand)** pesos **for any construction project requiring a permit** shall be paid to the Chula Vista Association. **This fee will cover one plan review and three site visits. Additional plan reviews or site visits will cost \$500.00 (five hundred) pesos each.** 4 (four) sets of construction plans shall be submitted in accordance with Sections II.5 and II.6, and their approval shall be based solely on strict compliance with these Regulations.

Current

- b. The Municipality of Chapala has agreed that the Board of Directors of Chula Vista must approve building plans prior to their submission to the corresponding department of the Municipality of Chapala. Approval by the Board shall not be construed as an approval of the structural integrity of the design which is the responsibility of the **Architect of Record** and the Municipality of Chapala.

Suggested Revision *Revisions to existing rules*

(Revision addition in italics required by Municipality, April 2022)

- b. The Municipality of Chapala agrees that the Board of Directors of Chula Vista must approve the construction plans before presenting them to the corresponding Department in the Chapala Municipality. The approval of the Board should not be interpreted as an approval of the structural integrity of the design, which is the responsibility of the ***Resident Construction Manager in charge (DRO)*** as well as the Municipality of Chapala.

Current

- e. Permits shall be issued for a period of 1 (one) year only, and then must be renewed by the Property Owner, at the corresponding department of the Municipality of Chapala, and then presented to the Chula Vista Office for final acceptance.

Suggested Revision *Revisions to existing rules*

(Revision addition in italics required by Municipality, April 2022)

- e. Permits shall be issued for a period of 1 (one) year only, and then must be renewed by the Property Owner, at the corresponding department of the Municipality of Chapala, and then presented to the Chula Vista Office for final acceptance. ***A 1mt x 1mt canvas sign, containing the number of the permit and name of the Resident Construction Manager (DRO) shall be displayed at the property.***

Current

4. PROPERTY ACCESS: Property Owners must provide access to Chula Vista representatives during the plan approval process and throughout the construction period. Failure to provide access during construction will result in a cease work order and/or the assessment of penalties as provided in Section VIII.

Suggested Revision *Revisions to existing rules*

(Revision addition in italics required by Municipality, April 2022)

4. **PROPERTY ACCESS:** Property Owners must provide access to Chula Vista representatives during the plan approval process and throughout the construction period. Failure to provide access during construction will result in a cease work order and/or the assessment of penalties as provided in Section VIII. ***The Urban Development Office must be notified to so that they too can act and sanction according to their own faculties.***
5. **CONSTRUCTION PLANS:** Except for projects as defined in Section II.6, 4 (four) full sets of plans must be presented to the Board of Directors for approval and signature. Normally, plans submitted in accordance with these Regulations will be approved within 14 (fourteen) days. All building plans submitted must clearly include the following:

Current

- e. Plans shall specify building usage (residence, garage, storage, etc.); name of owner; project address; name, registration number and signature of architect; and 10cm x 20cm space for approval stamps.

Suggested Revision *change in formatting, additional information*

- e. Plans shall specify the following:

- Building usage (residence, garage, storage, etc.)
- Complete name and **contact information** of the property owner
- Complete property address
- Complete name, registration number, **contact information** and signature of the project architect **or builder**
- 10cm x 20cm space for approval stamps.

Current

9. Satellite dishes, miradores or other obstructions shall be placed so as not to interfere with a neighbor's view. Tinacos are not permitted.

Suggested Revision *Revisions to existing rules*

9. Satellite dishes, **solar panels**, miradors, **tinacos** or other structures shall be placed so as not to interfere with a neighbor's view. **(Last sentence has been deleted to allow tinacos.)**

Current

13. Casitas are for the use of temporary visitors. The renting of casitas or a room in the house is strictly forbidden. They may be inhabited by caretakers or gardeners.

Suggested Revision *Revisions to existing rule*

13. Casitas may be used by temporary visitors, caretakers or gardeners. Casitas, individual rooms or the complete house may not be rented for rental periods of less than 3 months.

Added regulation *New rule becomes #14*

14. Property owners must provide the following information about all renters to the Chula Vista office: name, contact information, length of rental period and copy of the rental lease. Owners are responsible for ensuring their renters follow the Rules & Regulations.

Current Rules #14 regarding dwelling footprint and #15 regarding additional structures will be re-numbered to become #15 and #16, respectively. No change in content.

Suggested Revision: *New rule in this location*

This sentence moved from Section I. This becomes the new #17.

17. Any change to a lot that affects the support of adjacent walls, structures or hillsides must be properly reinforced.

Current Rule #16 regarding off-street parking is re-numbered to become #18. No change in content.

Current Rule #17 regarding definition of types of housing as shown below will be re-numbered to become #19. Numbering change

19. No permission will be given for construction of duplexes, triplexes, row houses, group housing, multiple-family dwellings or semi-detached houses. Definitions are as follows:

Current

- a. Duplex - means the whole of a dwelling house that is divided horizontally into two separate family dwelling units.

Suggested Revision *Additional explanations or clarification*

- a. Duplex - means the whole of a dwelling house that is divided horizontally **or vertically** into two separate family dwelling units.

Current

- b. Triplex - means the whole of a dwelling house that is divided horizontally into three separate family dwelling units.

Suggested Revision *Additional explanations or clarification*

- b. Triplex - means the whole of a dwelling house that is divided horizontally **or vertically** into three separate family dwelling units.

Current

20. All construction debris shall be removed from the Subdivision. Burning on the construction site is prohibited. If debris is not removed, the Board of Directors may have it removed at the property owner's expense.

Suggested Revision *Additional information*

20. **Construction materials or debris shall be placed no closer than 2 meters from a storm drain. During the rainy season, construction materials or debris must not be allowed to run into the streets or storm drains.** All construction debris shall be removed from the Subdivision. Burning on the construction site is prohibited. If debris is not removed, the Board of Directors may have it removed at the property owner's expense.

Current

24. SUBDIVISIONS – For land subdivisions, the resulting lots must be at least 500 (five hundred) square meters in size and conform in shape to existing lots in Chula Vista. Multi-sided lots, or those containing more than 4 (four) sides are not permitted except at the discretion of the Board of Directors of Chula Vista.

Suggested Revision *Additional explanations or clarification*

24. SUBDIVISIONS – For land subdivisions, the resulting lots must be at least 500 (five hundred) square meters in size, and conform in shape to existing lots in Chula Vista. Multi-sided lots, or those containing more than 4 (four) sides are not permitted except at the discretion of the Board of Directors of Chula Vista. **All subdivision proposals must have approval from the Association.**

25. VARIANCES

Current

- a. General: When construction on a lot does not conform to the standards set forth in these regulations, an application for a variance **may** be submitted to the Board of Directors for their consideration. A variance for prohibited uses or building types specified in **Section II.17** shall not be allowed. The Property Owner shall provide the Board of Directors' representative with access to the property during review of the variance, and a variance shall not be approved if access is denied. No construction permit shall be granted unless the request for a variance is approved by the Board of Directors.

Suggested Revisions *grammatical corrections, re-numbering*

- a. General: When construction on a lot does not conform to the standards set forth in these regulations, an application for a variance **must** be submitted to the Board of Directors for their consideration. A variance for prohibited uses or building types specified in **Section II.19** shall not be allowed. The Property Owner shall provide the Board of Directors' representative with access to the property during review of the variance, and a variance shall not be approved if access is denied. No construction permit shall be granted unless the request for a variance is approved by the Board of Directors.

Current

- d. Comments from Property Owners: The Board will consider all comments received **by** Property Owners before and during the hearing. A final decision by the Board of Directors will be made no later than the next scheduled Board meeting.

Suggested Revision *grammatical corrections*

- d. Comments from Property Owners: The Board will consider all comments received from Property Owners before and during the hearing. A final decision by the Board of Directors will be made no later than the next scheduled Board meeting.

Current

27. NON-CONFORMING STRUCTURES: Alterations to non-conforming buildings are permitted to the extent that these Regulations are not violated, and necessary permits have been obtained.

Suggested Revision *Revisions to existing rules*

(Revision addition in italics required by Municipality, April 2022)

27. NON-CONFORMING STRUCTURES: Alterations to non-conforming buildings are permitted to the extent that these Regulations are not violated and necessary permits have been obtained *from the Municipal authority.*

Current

28. ABANDONED PROPERTIES:

At the discretion of the Board of Directors, a safety enclosure may be built around an abandoned property, and the cost of said enclosure shall be charged to the registered owner's account.

Suggested Revision *Revisions to existing rules*

28. ABANDONED PROPERTIES:

At the discretion of the Board of Directors, **property cleanup may be performed and/or** a safety enclosure may be built around an abandoned property, and the cost of said **cleanup** or enclosure shall be charged to the registered owner's account.

Suggested Addition of Rule *New rules*

29. For further clarification of these rules, contact the Zoning and Building Committee of Chula Vista.

Section III – MAINTENANCE OF PROPERTY

Current

4. Trees, hedges and other plantings shall be trimmed so as not to obstruct a view of mountains or lake of existing dwellings or encroach on public sidewalks and streets.

Suggested Revision: grammatical change

4. Trees, hedges and other plantings shall be trimmed so as not to obstruct a view of mountains or lake from existing dwellings or encroach on public sidewalks and streets.

Current

6. WALLS & FENCES – The use of barbed wire, razor wire or farm-type fencing will not be permitted unless such fence cannot be seen from the street or other residences. The use of chain link fence on the street side of a property is not permitted. The height of fences and free-standing walls shall not exceed 3 (three) meters.

Suggested Revision *Additional explanations or clarification*

6. WALLS & FENCES – The use of barbed wire, razor wire or farm-type fencing will not be permitted unless such fence cannot be seen from the street or other residences. The use of chain link fence on the street side of a property is not permitted **unless covered by foliage**. The height of fences and free-standing walls shall not exceed 3 (three) meters.

Current

9. Cars, trailers, campers, motor homes, boats, etc., left on the street for extended periods, will be removed at owners' expense after 15 (fifteen) days' notice.

Suggested Revision *Additional explanations or clarification*

9. Cars, trailers, campers, motor homes, boats, etc., left on the street for more than **30 days will be considered abandoned** and will be removed at owners' expense after **10 business days' notice**.

Current

12. Failure to comply with the Regulations for the maintenance of property may result in the assessment of penalties as provided in Section VIII.

Suggested Revision *Additional explanations or clarification*

12. Failure to comply with the Regulations for the maintenance of property may result in the assessment of penalties as provided in Section VIII **and/or prosecution by local authorities**.

Section IV - WATER & SANITATION

Current

1. Any tampering with or altering of water meters or Association water lines is strictly prohibited. Violations may result in the assessment of penalties as provided in Section VIII. Any theft of water shall be prosecuted. Violations may result in the assessment of penalties as provided in Section VIII.

Suggested Revision *Additional explanations or clarification*

1. Any tampering with or altering of water meters or Association water lines is strictly prohibited. Violations may result in the assessment of penalties as provided in Section VIII. Any theft of water **may be subject to fines and/or prosecution by local authorities.**

Current

2. Property Owners shall sign an agreement when applying for a water connection and/or a building permit, in which they agree to comply with these Regulations. Subsequent **transferees and buyers** shall sign the same agreement as a condition of maintaining the water connection. At that time, all assessments and connection or reconnection fees as specified in Section II.7c shall be paid.

Suggested Revision *Additional explanations or clarification*

- 2 Property Owners shall sign an agreement when applying for a water connection and/or a building permit, in which they agree to comply with these Regulations. Subsequent **owners** shall sign the same agreement as a condition of maintaining the water connection. At that time, all assessments and connection or reconnection fees as specified in Section II.7c shall be paid.

Current

3. No permanent building or structure shall be erected or used for human occupancy unless provided with public water supplied by the Association, and a septic tank and cesspool designed and constructed in accordance with the Laws of the Municipality of Chapala.

Suggested Revision *Additional explanations or clarification*

- 3.No permanent building or structure shall be erected or used for human occupancy unless provided with water supplied by the Association, and a septic tank **or similar system** designed and constructed in accordance with the Laws of the Municipality of Chapala.

Current

5. Draining of grey water or sewage into street, curb gutters or onto other properties is strictly forbidden. To prevent or correct such conditions, a dry well of sufficient capacity must be constructed.

Suggested Revision *Additional explanations or clarification*

5. Draining of grey water **and/or** sewage into street, curb gutters or onto other properties is strictly forbidden.

(Last sentence of the Current rule has been omitted.)

Current

6. New and existing swimming pools shall be equipped with adequate filter systems, and all working fountains must be equipped with a re-circulating pump. Stagnant, unchlorinated water infested by mosquitoes shall not be allowed in pools, fountains or any other container, natural or otherwise. Such infestation may result in remedies and penalties as provided in Section VIII.

Suggested Revision *grammatical corrections*

6. New and existing swimming pools shall be equipped with adequate filter systems, and all working fountains must be equipped with a re-circulating pump. Stagnant, unchlorinated water shall not be allowed in pools, fountains or any other container, natural or otherwise.

(Last sentence of the Current rule has been omitted.)

Current

7. Draining of water from swimming pools must be done with extreme caution and cause no danger to the general public. The owner assumes liability for injuries to persons and for damage to property of others. The Office of Chula Vista must be notified prior to draining pools. Continual dumping and refilling of pools in lieu of chemical treatment shall not be allowed. Violations may result in the assessment of penalties as provided in Section VIII.

Suggested Revision *Additional explanations or clarification*

7. Draining of water from swimming pools must be done with extreme caution and cause no danger to the general public. The owner assumes liability for injuries or damage to persons, property of others **or common areas resulting therefrom.** The Office of Chula Vista must be notified prior to draining pools. **(The last two sentences were eliminated.)**

Addition of Rules and Change in Numbering *New rules, numbering changes*

8. Continual dumping and refilling of pools in lieu of chemical treatment shall not be allowed.
9. Pools must not be filled with Chula Vista water after repairing, remodeling, retiling, repainting or major reconstruction. Water to fill pools must be obtained from outside suppliers.
10. Failure to comply with the Regulations for maintenance of property may result in the assessment of penalties or prosecution by local authorities.

Section V – PETS

Current

2. Animals must be confined to the owner's property via fence or wall enclosure. Under No circumstances shall a dog be allowed to roam free inside Chula Vista.

Free-roaming Dogs may be picked up by the Chapala Department of Ecology or by private services. This will be at the owner's expense.

Suggested Revision *Revisions to existing articles*

2. **Dogs** must be confined to the owner's property. Under no circumstances shall dogs be allowed to roam off leash inside Chula Vista. **Off leash** dogs may be picked up by the Chapala Department of Ecology. This will be at the owner's expense.

Current

3. Animals must not be tied to the front property with a rope or chain for long periods of time.

Suggested Revision *Revisions to existing rules*

3. **Eliminate the old sentence. Substitute:** Any harm or damage caused by off-leash or uncontrolled dogs is the responsibility of the owner.

Current

7. The usage of poisons to kill animals (squirrels, rodents, rats etc.), as well as pesticides containing DDT, landane, chlordane and organophosphate, is strictly prohibited.

Suggested Revisions – addition of new #7, re-numbering

7. Dogs must have a tag with the owner's name and contact information.

Suggested Revisions – current #7 regarding poisons becomes new #8

8. The usage of poisons to kill animals (squirrels, rodents, rats etc.), as well as pesticides containing DDT, landane, chlordane and organophosphate, is strictly prohibited.

Current

9. Failure to comply with the Regulations for Pets may result in the assessment of penalties as provided in Section VIII.

Suggested Revision *Revisions to existing articles*

Omit this sentence. Not needed.

Section VI - COMMERCIAL ZONE

Current

3. New commercial use or a change in existing commercial use of a building or lot requires permission from the Board of Directors. Such permission will be given only if the proposed commercial use would benefit the residents of Chula Vista, in the opinion of the Board of Directors.

Suggested Revision *Revisions to existing rules*

3. New commercial use or a change in existing commercial use of a building or lot requires **an application for variance.**

(Omit last sentence.)

Section VII – PAYMENT OF ACCOUNTS

Current

1. Property Owners shall be billed for land and/or building assessments annually, which amounts are due in full by the last day of February of each year.
2. Water assessment shall be billed quarterly, based on rates recommended by the Board of Directors and approved by the General Assembly. Water bills are issued in January, April, July and October and are due 15 days from receipt of invoice by either email and/or hand delivery to the property.

Suggested Revision *Revisions to existing articles*

1. Property Owners shall be billed **maintenance fees** annually, which amounts are due in full by the last day of February of each year.
2. Property Owners shall be billed **water usage fees quarterly**, which amounts are due in full 15 business days after billing.

Section VIII - REMEDIES & PENALTIES

Current

4. ACCOUNTS IN ARREARS

- a. Non-payment of any outstanding assessments, fees, deposits, levies, fines or penalties of more than 30 (thirty) days in arrears may be sanctioned in conformance with the Bylaws and Regulations of this Association and with the support of the corresponding Hacienda Tax Law. Accounts more than 30 (thirty) days in arrears shall bear interest at **4% per month** on the principal only.

Suggested Revision *Revisions to existing articles*

- a. *Non-payment of any outstanding assessments, fees, deposits, levies, fines or penalties of more than 30 (thirty) days in arrears may be sanctioned in conformance with the Bylaws and Regulations of this Association and with the support of the corresponding Hacienda Tax Law. Accounts more than 30 (thirty) days in arrears shall bear interest at the **rate of interest being charged by the Bank of Mexico per month** on the principal only.*

6.FINES AND PENALTIES

Current – first three penalties

- a. Violation of these Regulations may result in fines and penalties in amounts determined by the Board, up to the following maximums:

INFRACTION	1 ST OFFENCE	2 ND OFFENCE/NOTICE	3 RD OFFENCE/NOTICE
Failure to acquire proper building permit	Cease Work Order	-----	-----
Failure to obtain annual permit renewal	Notice	Cease Work Order	-----
Failure to provide access during construction	Cease Work Order	-----	-----

Suggested Revision of the first three penalties

INFRACTION	1 ST OFFENCE	2 ND OFFENCE/NOTICE	3 RD OFFENCE/NOTICE
Failure to acquire proper building permit	Cease Work Order	10,000	20,000
Failure to obtain annual permit renewal	Notice	Cease Work Order	10,000
Failure to provide access during construction	Cease Work Order	10,000	20,000

Current

c. After continuous violation of the Regulations and the ignoring of notices to correct or cease such infraction, the Board may, at its discretion and carried unanimously, levy fines over and above those in the table above. **Suggested Revision** *Revisions to existing articles*

c After continuous violations of the Regulations and the ignoring of notices to correct or cease such infraction, the Board **may levy fines** over and above those in the table above.

Current

d.For accounts overdue more than 90 (ninety) days, the Board may, at its discretion, when moved and carried unanimously, levy fines up to a maximum of two times the total amount due.

Suggested Revision *Revisions to existing articles*

d.For accounts overdue more than 90 (ninety) days, the Board **may levy fines** up to a maximum of two times the total amount due.



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POWER OF ATTORNEY

ORDINARY and EXTRAORDINARY GENERAL ASSEMBLY MEETING

JANUARY 21, 2023.

Me, _____
(Owner and Member of the Association)

Address: _____

BY MEANS OF THE PRESENT DOCUMENT I NAME TO:

(Full name) _____

(Write the name of the person who will be your representative)

To represent me in **the ORDINARY AND EXTRAORDINARY ANNUAL GENERAL ASSEMBLY**, to be held on January 21, 2023, to vote on the issues presented according to the call and as deemed appropriate or according to my instructions.

date: _____ Signature: _____

*** ATTACH OFFICIAL IDENTIFICATION WITH PHOTO AND SIGNATURE ***

WITNESS:

WITNESS:

name & signature

name & signature

If you wish to vote at the ordinary and extraordinary General Assembly but cannot attend in person, please complete and sign this power of attorney.

You can send this power of attorney by scanning it and sending it by mail to:
colonoschulavista1@hotmail.com, or take it directly to the office.
Or you can give it directly to your representative.