

Minutes 1

Board of Directors Meeting

Those present William Bratton, William Friend, John and Ruth Kading, Henry Laxen, Lori Skoda, Tim Whiting

Date March 9, 2010 4:05pm–5:50pm

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1.1 New Accountant

1.1.1 History

For many years Silvina Martinez has been doing the accounting for the Asociación Colonos Lomas del Manglar, A.C.. She has announced that she is closing her office and would prefer not to continue. Her previous rate was \$350 pesos per month,

but if we wish to retain her services she would raise them to \$500 pesos per month. Her work was reviewed by Javier Rosell who met with Tim, John, and Ruth.

1.1.2 Meeting with Javier Rosell

Feb. 26, 2010 - Tim, John, & Ruth met with Javier Rosell. Javier is the current accountant for Chapala Haciendas. After a long discussion about our needs and the current handling of our accounts, Javier told us he was unable to take us on as a new client. He is trying to downsize his practice to pursue other ventures. He said he would refer us to Rodolfo Rivera, he would call Sr. Rivera and ask him to call us. He (Sr. Rosell) provided the following information:

1. We need to get a back-up CD/flash drive (electronic copy) for our filed accounts.
2. Change the way our accounts are reported to Hacienda for IETU
3. We need legal facturas for everything. Anyone paying for something for the fracc. needs to present our RFC number
4. Pre-paid 2010 dues and carry-over funds should be reported as *passive* and *capital* funds so it does not appear that we have made a profit
5. At our annual GA need to have in the minutes the fiscal report and amount going into the *capital* account for protocolization

1.1.3 Meeting with Rodolfo Rivera

On Mar 2, 2010 Tim, John & Ruth met with Rodolfo Rivera. He provided the following information:

1. For occasional gardener - need a *contract* and to pay withholding tax; formality for federal tax office.
2. Can/should develop special reserve accounts; ex: water delivery system/pump, road maintenance
3. At annual general assembly - declare amount of reserve - *legal reserve*
4. Our copies of the 2008 and 2009 (possibly other years) annual report to Hacienda do not include the supporting additional pages showing the actual accounting
5. Payments over 2300MN should be made by check, not cash (Santander Serfin charges 12pesos plus IVA for each check)

Sr. Rivera's charge will be \$900MN/month plus 16% IVA (\$144MN) = \$1044MN/month, \$12,528MN/year.

Following our meeting, Rodolfo e-mailed us copies of 5 laws pertaining to the ISR, IVA and IETU and 3 summaries of them related to an Association. He followed

up the next day with a phone call to be sure we'd received the e-mail and to say he was sure we didn't have to pay IETU.

By making the modification in the 2010 Budget shown below, we can find the extra money to pay Sr. Rivera's fees.

Office	4200.00	accountant
Office	5000.00	taxes (we may still need this)
Contingency	3807.00	carry over from 2009-unbudgeted
Legal	9500.00	possibly use part of this

Decision: We will contract with Rodolfo Rivera

Tim moved and Henry seconded that we contract with Rodolfo Rivera for future accounting services. Approved unanimously.

1.2 Casita and Rental Policy

1.2.1 History

Lot 9 was developed by Bob Bolcom and placed in his son, Shawn's name. Bob was married to Silvia Campo who had a son by a previous relationship names Marcos. The owners asked for and received permission to build a wall on their property. They later turned this wall into a casita, without permission from the Asociación Colonos Lomas del Manglar, A.C. nor the city of Chapala. Marcos and his wife Misol moved into the casita. Subsequently Sylvia and Shawn moved to Texas, and their house remained unoccupied for one year. It is now rented to another party with two children and a small dog. Recently a new electric meter was installed on for the casita.

1.2.2 Clarification of Casita Policy

Concern was expressed about other lots being subdivided and used in a similar manner. Tim drafted and circulated a proposed clarification of the rental / casita policy. He asked that board members make comments on this proposal. ¹

Decision: Take clarified Casita policy to a Mexican Lawyer for review

1.3 Banking

The bulk of the Asociación Colonos Lomas del Manglar, A.C. money is in an account at Lloyds. We move it to Santander bank as needed. At this point Tim, John, Lori, and Dan have signature authority on the bank account. This leads to problems during the summer, when both Tim and John my be absent at the same time. John and Ruth met with Santander bank and inquired about adding or removing signatures from the account. In addition to the previous requirements of passport,

¹This note was added after the meeting was adjourned: After a meeting with Lic. Sergio Macias we felt that a letter should be sent to all owners clarifying the existing bylaws, zoning, and building codes regarding the prohibition of multi family use, and our resolve to enforce these to the fullest extent of our bylaws and Mexican law.

FM2/FM3, and proof of residence, the bank now requires a copy of the protocolized minutes stating that the additional people to be added to the account were voted upon.

Tim met with Bancomer and discovered that the bank requires that people with signature authority have a non-profit working permit. It is expected that Lloyds will become a bank soon, and we will revisit the banking situation at the next meeting.

1.4 New Business

1.4.1 2/3 majority requirement

Bill Bratton raised the issue of requiring a 2/3 majority vote for major changes to the bylaws. Tim stated that such a provision is already in place. A discussion followed about what constitutes a 2/3 majority. The following points were made:

1. It is impossible to force home owners to attend general assemblies.
2. While it is certainly desirable that all home owners vote on a particular issue, it cannot be required.
3. The best we can do is make it easy and convenient for all home owners to vote if they wish to do so.
4. Important issues will be sent to all home owners at least 2 weeks prior to a general assembly, either by email or regular mail.
5. Home owners unable or unwilling to attend the general assembly may vote via email or regular mail on the issues presented to them.
6. It is important to have up to date contact information for all Lomas del Manglar home owners.

1.4.2 Unleashed dogs and dog excrement

Several members of the board, expressed concern that Dan's dogs are out of control and a potential threat to dogs of other neighbors. The board has also received complaints that the dog excrement left by these and other dogs is not being picked up by their owners. Home owners are reminded to properly leash their dogs and clean up after them while inside the boundaries of the Lomas del Manglar development. This topic will be discussed again at the next meeting if complaints persist.

1.5 The well

The board was given a tour of the pump house by John Kading, who explained the workings of the pump and circuit breakers. Bill Bratton feels that the well head is not properly constructed, and should be reworked to bring it into conformance with regulations. John provided a url for people who believe their water has an odor. The url is <http://www.water-research.net/sulfur.htm>

1.6 Adjournment

Meeting adjourned at 5:50 pm.