



SECRETARÍA DE INFRAESTRUCTURA;
DESARROLLO URBANO Y RURAL.

SECCION: ADMINISTRATIVA

NUMERO DE OFICIO: SID-252/93

EXPEDIENTE: _____

ASUNTO:

GUAYMAS, SONORA., JULIO 23 DE 1993

"1993, AÑO DEL MEDIO AMBIENTE Y LA ECOLOGIA".

Revised 05-12-04

C. GERMAN USTARIZ
PRESIDENTE DE LA ASOCIACION DE RESIDENTES
DE CARACOL PENINSULA.
SAN CARLOS, NUEVO GUAYMAS.

POR ESTE CONDUCTO HACEMOS CONSTAR QUE CON FECHA 15 DE JULIO DE 1993, LA ASOCIACIÓN DE RESIDENTES DE CARACOL PENÍNSULA, HAN HECHO LLEGAR A ESTA SECRETARÍA DE INFRAESTRUCTURA Y DESARROLLO URBANO Y RURAL, UNA COPIA DE LA ESCRITURA NO. 5638 VOLUMEN 170 DE FECHA 11 DE MAYO DE 1993, LA CUAL CONTIENE LA CONSTITUCIÓN DE LA ASOCIACIÓN CIVIL DENOMINADA "LOS RESIDENTES DE PENINSULA CARACOL", A.C., LA CUAL SE ACTUALIZA ANTE LIC. ANULFO SALAS CASTRO NOTARIO PÚBLICO NO. 10 DE ESTA CIUDAD Y PUERTO DE GUAYMAS.

CON EL FIN QUE LOS ESTATUTOS Y REGLAMENTOS DE DICHA ASOCIACIÓN SEAN TOMADOS EN CUENTA POR LA DIRECCIÓN DE OBRAS PÚBLICAS DE ESTE H. CONCEJO MUNICIPAL.

SIN OTRO EN PARTICULAR.

ATENTAMENTE

ING. JORGE M. FALCON FRANCO
SRIO. DE INFRAESTRUCTURA Y-
DESARROLLO URBANO Y RURAL.



ALEJANDRO RODRIGUEZ FONPA.
COMISARIO MUNICIPAL

SAN CARLOS

COMISARIA MUNICIPAL
GUAYMAS, SONORA

C.C.P. LIC. ARMANDO SAUCEDO MONARQUE.- SRIO. DE CONCEJO MUNICIPAL.

C.C.P. C. SANTIAGO SAMANIEGO CORTEZ.- SÍNDICO PROCURADOR.

C.C.P. ARCHIVO.

JMFF/TAC*

- Contract number 5,638 (five thousand, six hundred and thirty-eight).
- Volume CLXX.
- In the city and port of Guaymas, Sonora, Mexico, on the 11th day of the month of May in the year nineteen hundred and ninety three, before me, Lawyer Arnulfo Salas Castro, notary public number ten, in practice, of this residence. Appearing in individuals: Germán Ustáriz, Jesús Calderoni Guerra, Page Greer, Nancy Howard, Beverly Robertson Inaker, Maureen Mellow, and David Howard Rosser, these last five individuals for stating not to know Spanish designated as their interpreter Mr. Germán Ustáriz, who knowing of this appointment declared his fidelity and loyalty towards his performance. All the individuals present are of my personal knowledge and able, to my judgement, to sign and to bind, I bear witness to all of this; and by conduct of their interpreter, they said that:
- They came to enter into, as in fact they did, a civil association contract, same which they abide by according to the following background and bylaws:

BACKGROUND

I. The grantors state that they applied for and received from The Exterior Relations Bureau permit number 26000532 (two six zero zero zero five three two), dated March 11 of the year nineteen hundred and ninety three, which is shown to me in its original form and which I annex to the appendix folder of this contract under the letter "A"; being the following its literal transcription:

- "A seal on the upper left hand margin reads the following: United States of Mexico. National seal on the center. Exterior Relations Bureau. Mexico. Permit: 26000532.- Record: 9326000529.- Folio: 541.- In attention to the application presented by C. Jesús Calderoni Guerra, this Bureau allows that after the juridical person applied for is founded, the name "Residents of the Caracol Peninsula" can be used.-
- This permit will be under the condition that the following must be added to the articles of association: the clause of Exclusion of Forigners stated in Article 30 or the agreement stated in Article 31, both from regulations in the law to Promote Mexican Investment and Control Foreign Investment. The notary public or commercial broker by whom the permit will be registered will give notice to the Exterior Relations Bureau within 90 working days from the date on which the contract regarding the use of the permit or, of the agreement regarding the resignation mentioned in the previous paragraph, is authorized. The mentioned above is based on the Constitutional Article 27 Fraction I, 1st of its Organic Law, 17th of the Law to Promote Mexican Investment and Control Foreign Investment, and in the terms of Article 28 in Fraction V of the Organic Law of the Federal Republic Administration. This permit will no longer be in effect if not used within 90 working days from the expedition date and it does not affect the stated in Article 91 of the Law of Labor and Protection of Industrial Property. Hermosillo, Sonora, March 11, 1993. Sufragio Efectivo No

Reelección.- Regional Director of the Pacific Zone.- Lic. Alejandro Sobarzo Loaiza.- An illegible signature.- Page 1."
---(Treasury) Report of payment of certification rights, replacements, etc.- I Authorized office- 26. II. Tax payer's information.- Jesús Calderoni Guerra.- III. Office- Exterior Relations Bureau... Const.- Juridical Services. Permit in agreement with Fractions I and IV of Constitutional Article 27.- Amount Due 12,000.- No. 2917371.- Payed. Observing the permit above, the individuals appearing grant the following:

BYLAWS

CHAPTER ONE

By the Nature, Name, Nationality, Objective, Duration, Residence, and Endowment of the Association

Article One.- An association of civil nature is established in accordance with the specifications stated in Articles 2955 through 2973 of the Civil Code for the State of Sonora, and in accordance to the unanimous resolution adopted by the Constitutive Assembly.

Consequently, it is a civil association, since it does not have a prevailing economic nature, it does not pursue any lucrative ends and its objective is the fulfilment of the common purposes permitted by Law and that are stated as follows:

Article Two.- The name of the Association is: "Los Residentes de la Peninsula Caracol", followed by the words "Asociación Civil" or its abbreviation "A.C.".

Article Three.- The nationality of the Association is Mexican, regardless of the nationality of the associates who form it, and who for the effects of the disposed in Article 31 from the regulations in the Law to Promote Mexican Investment and Control Foreign Investment, agree on the following: "Every foreigner stated herein or who at a later date acquires an interest or social participation in the Association will be considered, on this basis, a Mexican citizen and, as such, it will not be advisable to invoke the protection of his or her government, in case of doing so, he or she will be punished and the interest or participation mentioned will be taken away, this action will be taken in order to benefit the Mexican Nation".

Article Four.- The duration of the Association is of 99 (ninety-nine) years.

Article Five.- The objectives of the Association are:

A) To defend the general and personal interests of the associates, with no other limitations than those determined by the laws in effect.

B) To represent its associates before any kind of Federal, State, and Local authorities as well as before any other juridical or natural persons, and to fulfil the necessary actions for the accomplishment of the social purposes.

C) To study the various problems that affect the community life of the Caracol Peninsula, and to make the best resolutions through the judgement and the promotion of the adequate measures needed to provide its secure development.

D) To solve those conflicts among neighbors that are an obstacle for the integration and development of the Caracol Peninsula Development, providing that the Association is appointed by both parties as their arbitrator, and that such disputes will not file a suit before the jurisdiction of the authorities appointed by right.

E) To enter into any kind of contract or act, whether of civil, commerce or juridical nature related with social purposes, being able to perform all the operations related and all the acts needed or that are a result of the operations mentioned, that conduce to the fulfilment of the social purposes.

F) To acquire all assets needed to fulfill its social purposes; and

G) In general, to study, to promote and to carry out any kind of forecasting, planning, organizing, integrating, ordering, and controlling needed for the promotion, improvement and sufficiency of public services, as well as for the improvement of the community conditions of the Caracol Peninsula.

Article Six.- The residence of the Association is in the commissary of Nuevo Guaymas, Guaymas County, Sonora, with no impairment for the instalment of auxiliary offices or branches in any part of the Mexican Republic or abroad and, as such the Association and its members will be subject to the tribunals of this jurisdiction and will resign to any other privilege that the law may grant them.

Article Seven.- The Association is composed of the following working capital:

A) Yearly fees the members must pay.

B) Extraordinary payments the members must pay when needed.

C) Contributions of any nature received from the members and unrelated individuals.

D) Assets and right that from any legal title the Association has at the moment of its establishment and those acquired in the future, and;

E) Donations or subsidies received from private parties, decentralized or private official institutions.

Article Eight.- The assets of the Association are to be used strictly for its purposes, thus no member or any individual foreign to the Association will be able to claim rights over said assets.

CHAPTER TWO The Associates

Article Nine.- The members of the Association will be all those individuals who live within the Caracol Peninsula Development, Commissary of Nuevo Guaymas, Guaymas County, Sonora, whether with permanent or turistic address and that fulfill the requirements stated in this chapter, being the following the existing member categories:

A) Founders or constituents of the Association.

B) House or lot owners and residents; and

C) Honorarium.

Those in any of the three categories will be subject to the following requirements:

1) Live within the legal limits of the Caracol Peninsula Development, whether this residence is of permanent, turistic or simply temporal nature.

2) ~~Be proposed to join the Association by two members of it.~~

3) ~~Express in writing his or her willingness to be part of the Association, to respect its bylaws and the regulations that arise from it, and he or she must receive the Board of Director's approval to join the Association.~~

Deleted per amendment approved at the 01-09-96 General Meeting

4) Be up to date in yearly fees.

5) Honorarium members will be those individuals that even though they are not residents of the Caracol Peninsula Development, the General Assembly grants them this distinction.

CHAPTER THREE Rights of the Associates

Article Ten.- The members will have the following rights:

a) To enjoy from all the services, facilities, goods, and common areas of the Caracol Peninsula Development.

b) To assist and speak and vote in the General Assembly.

c) To be chosen to be part of the General Assembly, of the Regulating Committee or of any other element of the Association.

d) To present to the General Assembly propositions to the improvement and development of the Association.

e) To give notice of any irregular activity that endanger the progress of the Caracol Peninsula Development member's or neighbor's labors.

f) To be represented by the Association and to receive from it the spiritual and material support applied for to fulfil common purposes.

g) To request or receive information about the activities of the Association.

h) To enjoy from any additional right that these bylaws grant them; and, in general, from all those that the Association agrees on.

CHAPTER FOUR
The Obligations of the Associates

Article Eleven.- The following are the member's obligations:

A) To faithfully fulfil the dispositions of these bylaws, with the agreements of the General Assembly and of the Board of Directors.

B) To pay the yearly fees needed to maintain all common areas and services. This fee will be established according to a yearly estimate. This fee must be paid on the exact date the General Assembly is to be held or 30 (thity) days later at the most.

C.- To pay the needed extraordinary fees that will be established according to previously made estimates for similar cases.

D) To respect and carry out the construction regulations that will be in force in the Caracol Peninsula Development, wether as a property owner or property trustholder, as well as a leaseholder. In the understanding that a copy of these regulations will be added to the appendix folder in my possession and to the testimony that will be issued from this contract in order to form part of the mentioned folder, properly signed by the appearing individuals.

E) To pay the proportionally corresponding fees for goodwill that benefit directly or indirectly the Caracol Peninsula areas, whose work could be performed by the adjoined neighbors, by the County, Federal or State authorities. Likewise, the members accept to pay the yearly fees decided by local authorities for the services of trash collection, police, gardening, street maintenance, area's recreative centers, etc.

F) To carry out with careful attention the conditions and responsibilities that are assinged to them by the General Assembly and/or the Board of Directors.

G) To punctually assist to all the assemblies or sessions called.

H) To inmediatly inform the Board of Directors about matters of general interest related to the Association and that may affect it in any way.

I) To contribute by all possible means to the good name and promotion of the Association, avoiding all activity contrary to the purposes of it.

J) Regarding clauses B) and C) all the contributions or fees proposed by the Board of Directors must be approved by the General Assembly.

K) To refrain from voting in the General Assembly in cases in which, according to the Assembly, it affects their personal interests exclusively.

CHAPTER FIVE
Member's Sanctions or Punishments

Article Twelve.- The following sanctions or punishments will be applied to the members that do not fulfil these requirements, specially the obligations stated in the preceding chapter:

A) The member that does not pay his or her yearly fee within 30 (thirty) days after the yearly Assembly is held, will pay a monthly moratory interest of 5% (five percent) while the fee continues unpaid.

B) In case that any member does not fulfil his or her obligations for a period longer than 6 (six) months, the legal representative of the Association will have the right to proceed against him or her and demand him or her the fulfilment by legal vias that may inclusive protect itself with the endowment, lot or land in use by the member.

CHAPTER SIX
Separation and Exclusion of Members

Article Thirteen.- The members will be excluded from the Association by agreement of the General Assembly in the following cases:

A) Grave violation against these bylaws, the purposes of the Association and the moral principals of the community of the Caracol Peninsula Turistic Residencial Development.

B) Failure to pay the fees stated in chapter four of these bylaws.

Article Fourteen.- The members that by their own will leave the Association or that were excluded from it will lose all their rights within the Association and will not be able to claim remuneration of the fees paid, nor of any other kind of contribution made.

CHAPTER SEVEN
The Bodies of the Association

Article Fifteen.- The bodies of the Association are:

- A) The General Assembly
- B) The Board of Directors
- C) The Vigilance Committee
- D) Special Commissions

The General Assembly

Article Sixteen.- The supreme power of the Association resides on the General Assembly of the members.

Article Seventeen.- The meetings of the General Assembly, wether regular or extraordinary, will take place in the locations and time stated by the Board of Directors.

Article Eighteen.- The regular General Assemblies will be held annually on the month of December, according to the notice that the Board of Directors will make for its effect, same that should be mailed to the members 15 days prior to the meeting. Extraordinary meetings can be held at any time subject to the approval of the Board of Directors, or by the request of at least 20% of the members.

Article Nineteen.- Notices to all, regular or extraordinary meetings, should be made through simple written communication sent to the member's registered address or by telephone.

In case of an emergency, the time period for anticipating a notice of the meeting could be reduced according to the Board of Directors' judgement.

Article Twenty.- Ordinary or extraordinary General Assemblies will be considered as legal when 51% (fifty one percent) of the associates is present; if failure to meet this requirement a second notice should be made. The meeting could be held on the 5th consecutive day after 10:00 a.m., unless this day falls on a holiday, then the meeting will be held on the next working day.

Article Twenty One.- A regular or extraordinary assembly will be held on the second notice to it and regardless to the number of members present; and the members present will form the quorum needed to propose and vote on any resolution that will be valid even for the absent members.

Article Twenty Two.- In the meetings, the resolutions will be approved only by the majority of votes of the members present. In case of a tie, the president of the Board of Directors of the Association or, in his absence, the president of the meeting will make the deciding vote.

Article Twenty Three.- The president of the Board of Directors will preside all General Assemblies, in his or her absence, the meeting will assign someone to be president only for that particular meeting. The secretary of the Assembly will be that individual who occupies the office of Secretary of the Board of Directors, in his or her absence, the Assembly will assign someone.

Article Twenty Four.- The members may be represented at the General Assembly by proxy or other legal instrument, by any member or by any individual that is of full age.

Article Twenty Five.- During the regular General Assemblies the following will be the matters of discussion:

- A) To make definite ratifications or rectifications of the exclusion of any member.
- B) To nominate the individuals who will form part of the Board of Directors, Vigilance Committee and Special Commissions.
- C) To revoke the mentioned nominations.

D) To accept or reject the report made by the Board of Directors and to make the necessary resolutions.

E) To accept or reject the report made by the Vigilance Committee and to make the necessary resolutions.

F) To study and analyze working programs and budgets made by the Board of Directors.*

G) To study and analyze the reports made by the Special Commissioners; and,

H) To study and analyze all matters of general interest submitted for its consideration and related to the Association, and all that pertains to the successful progress and accomplishment of the Association's purposes.

Article Twenty Six.- During regular or extraordinary General Assemblies the following matters can be solved:

A) Legislation of new statutory dispositions, reforms and additions to those in existence.

B) Merging with other associations.

C) Desintegration of the Association.

D) In this last clause mentioned, the appointment of the liquidators and resolution regarding the appeasement of the Association's assets; and,

E) Any other important matter listed in the Agenda.

Article Twenty Seven.- During a meeting, only those matters listed in the Agenda may be discussed.

Article Twenty Eight.- The motions made during a General Assembly will be recorded in its corresponding book, and they must be signed by the president and secretary of the assembly. Only the documents that have fulfilled this requisit for its approval will be added as an appendix. These records must be registered with the official notary if needed.

Article Twenty Nine.- In case that the desintegration of the Association is desired, the vote of at least two thirds of the members present will be required.

Article Thirty.- During each regular General Assembly, the members of the Board of Directors, Vigilance Committee and Special Commissions will be elected. They will occupy their assigned offices for a period of one year, and they will hold office until they are substituted. They can be reelected for one more year, or as long as the Assembly determines.

* and modify, if necessary, and approve the budget for the upcoming year. The approved budget may be modified by the new Board of Directors subject to approval by the General Assembly at an extraordinary meeting called specifically for that purpose.

(Per amendment approved at the 01-09-96 General Meeting)

Article Thirty One.- the following process will be observed for the election of the Board of Directors, Vigilance Committee and Special Commissioners:

A) Lists of candidates proposed with candidates for each of the offices will be formulated. It is established to all who form part of the list of candidates the specific obligation of including in each a proportional number of members that live inside the Development.

B) Lists of candidates suggested by the members will be accepted only if they fulfil the requirements stated in clause A).

C) The lists of candidates will be submitted to a vote by the Assembly and four tellers specially assigned by the Assembly, will do the counting of the votes; and,

D) The result of the elections will be given immediately to the Assembly, in order to allow the elected Board of Directors, Vigilance Committee and Especial Commissioner assume office.

The Board of Directors

Article Thirty Two.- The Board of Directors will administer the Association, and it will limit itself to the stated in these by-laws and to the rules that the Assembly establishes to this matter.

The Board of Directors will be made up of the following offices:

A).- A President.

B).- A Vice-presidents.

C).- A Treasurer.

D).- A Secretary.

E).- Three (3) Speakers.

Article Thirty Three.- Depending on the position, the absence of any of the members of the Board of Directors must be substituted by his or her immediate subordinate.

Article Thirty Four.- It will be the responsibility of the Board of Directors the representation, direction and administration of the Association, and it should carry out all actions needed to improve the performance of its purposes.

Article Thirty Five.- The Board of Directors will have full authority over the control, administration, and litigation and collection activities, as stated on the first three paragraphs of Article 2831 of the Civil Code for the State of Sonora; including other kind of powers, as well as the special ones that would need a special clause in accordance to the law; and the authority to grant and revoke general and special powers.

¹ If there is no immediate subordinate, any member in good standing may be designated by the member intending to be absent.*

² No member of the Board of Directors shall obligate the Association to any payment not included in the budget without prior approval of at least five members of the Board of Directors, and the total of said expense(s) shall not total more than an aggregate of \$500 US Dollars.*

Article Thirty Six.- The Board of Directors will have the authority to:

- A) Decide on the admission of new members and to suggest to the General Assembly the exclusion of members, according to the stated in these bylaws.
- B) Notice regular and extraordinary meetings.
- C) Inform to the Assembly about the matters that will be discussed.
- D) Inform about the activities any time a member requires it.
- E) Suggest to the General Assembly the cooperation fees to be paid by the members; and,
- F) Grant and revoke authorities.
- G) Perform any other activity that may be necessary to fulfil the responsibilities stated in these bylaws.

Article Thirty Seven.- The Board of Directors will hold regular meeting at least once a month; and extraordinary meeting, when the President or at least three members of the Vigilance Committee or residents of the Development request it.¹

The majority of the members must be present in order to form a quorum. Their resolution must pass by majority of votes, counting one vote per member present. In case of a tie, the acting President will have the deciding vote. A minute of each meeting must be made and it must be signed by the individuals who acted as President and Secretary.

Article Thirty Eight.- Every gathering of the Board of Directors in which all members are present will be considered a legal meeting.²

Article Forty.- The President of the Board of Directors will also be the President of the Association and he or she will have under his or her responsibility the carrying out of the resolutions of the Board of Directors and of the Assembly; despatching of the Association's regular affairs; designation and dismissal of administrative personnel, and he or she will represent the Association with its authority and in terms stated in Article 46 of these bylaws.

CHAPTER EIGHT

Desintegration and Liquidation of the Association

Article Forty One.- The desintegration and liquidation of the Association will be decided by the vote of at least two thirds of the members.

Article Forty Two.- The desintegration and liquidation of the Association can take place due to the following causes:

- A) By agreement of two thirds of the members present in a regular or extraordinary General Assembly.

¹ The regular meeting will be on days or dates set by the Board of Directors to be established during their first meeting. The first meeting will be held within thirty days of the election.*

² except any social event to which all members of the Association are invited. A legal quorum is 20% of dues paying members. Proxies will be counted in the 20%. Members must be given 20 days notice.

B) By the causes stated in Fractions I through V of Article 2971 of the Civil Code for the State of Sonora.

Article Forty Three.- Once the desintegration is accepted, the Association will be liquidated and the Assembly that decides this resolution will appoint the necessary liquidator(s), granting him, her or them the needed authority, and stating to him, her or them the principles of the liquidation, but taking into consideration from this moment on that the existing capital, once obligations and payments are met, will be equally distributed among all members.

CHAPTER NINE General Dispositions

Article Forty Four.- The civil Association will not participate in political or religious matters.

The bylaws were read by the secretary of the Assembly, the appearing individuals discussed the bylaws extensively and by unanimous vote each and every one of its parts was approved, being the points mentioned above the literal transcribed form of the final text.

Article Forty Five.- The grantors gathered in the General Assembly of members, by unanimous vote designated the following people to occupy the offices entrusted to them in order to form the Board of Directors, Vigilance Committee, and Special Commissions.

Board of Directors

President	Mr. Germán Ustáriz
Vice-president	Mr. Page Greer
Secretary	Mrs. Nancy Howard
Treasurer	Mr. Jesús Calderón Guerra
Speaker	Mrs. Beverly Robertson Inaker
Speaker	Mrs. Maureen Mellow
Speaker	Mr. David Howard Rosser

GENERALITIES

The appearing individuals stated in general to be: Mr. Germán Ustáriz, American, single, of full age, born in Cochabamba, Bolivia on November fifth nineteen thirty nine, retired, with address in Camarón number six hundred and six, in San Carlos, Nuevo Guaymas, Guaymas County, Sonora, being in Mexico as a tourist according to the migratory form FMT 121 number 16770829, issued by the Migratory Services Bureau of Nogales, Sonora, on March sixteenth, nineteen hundred and ninety three, document that I bear witness of having seen it and returned to its owner for being this document needed for further uses; Mr. Jesús Calderón Guerra, Me-

xican, married, of full age, born in Matamoros, Tamaulipas on October thirteenth nineteen hundred and thirty eight, enterprise manager, with address in Durango number seven hundred and twenty one North, in Ciudad Obregón, Sonora and just passing through this port; Mr. Page Greer, American, married, of full age, born in Phoenix, Arizona, United States of America on September fourteenth nineteen hundred and twenty nine, retired, with address in Manglares number three hundred and ninety in San Carlos, Nuevo Guaymas, Guaymas County, Sonora, and also in this country as a tourist, this proven by the migratory form FMT 121, number 178852538, issued by the Migratory Services Bureau of Nogales, Sonora, on May eighteenth nineteen hundred and ninety three, document that I bear witness of having seen it and returning it to its owner for being this document needed for further uses; Mrs. Nancy Howard, American, born on January nineteenth nineteen hundred and thirty three, retired, with address in Cerrada de Cabrillas number three hundred and seventy seven, Peninsula Caracol, in San Carlos, Nuevo Guaymas, Guaymas County, Sonora, in this country as a turist, this proven by the migratory form FMT 121, number 17866594, issued by the Migratory Services Bureau of Nogales, Sonora, on February nineteenth nineteen hundred and ninety three, document I bear witness of having seen it and which I returned to its owner for being this document needed for further uses; Mrs. Beverly Robertson Inaker, American, married, of full age, born in Ashland, Oregon, United States of America on August twenty ninth nineteen hundred and thirty three, retired, with address on Calle Abulón number four hundred and eighteen, Peninsula Caracol, in San Carlos, Nuevo Guaymas, Guaymas County, Sonora, in this country as a turist, this proved by the migratory form FMT 121 number 17864325, issued by the Migratory Services Bureau of Nogales, Sonora on February eighth nineteen hundred and ninety three, document I bear witness of having seen it and which I returned to its owner for being needed for futher uses; Mrs. Mauren Mellow, Canadian, married, of full age, born in Quebec, Canada on July twenty seventh nineteen hundred and forty seven, retired, with address on Cabrillas number three hundred and forty seven, Peninsula Caracol, San Carlos, Nuevo Guaymas, Guaymas County, Sonora, in this Country as a turist, this proven by the migratory form FMT 121 number 12106266, issued on November twentieth nineteen hundred and ninety two, document I bear witness of having seen it and which I returned to its owner for being needed for further uses; Mr. David Howard Rosser, American, single, of full age, born in Los Angeles, California, United States of America on October third nineteen hundred and twenty eight, retired, with address on Cabrillas number twenty four, San Carlos, Nuevo Guaymas, Guaymas County, Sonora, in this country as a turist, as proven in the migratory form FMT 121 number 1782438, issued by the Migratory Services Bureau of Nogales, Sonora on March thirty first nineteen hundred and ninety three, document I bear witness of having seen it and which I returned to its owner for being needed for further uses.

No reference to any bylaw article or section - Bylaw amendments approved at the 01-04-97 General Meeting:

Change Board meetings to quarterly beginning the 2nd Tuesday in April, thence July and October with the January meeting being held on the 2nd Saturday in January which will be the Annual Meeting of members and election of officers.

New construction plans must have provisions for a minimum of 2-off street automobile parking spaces, each parking space shall be a minimum of 3 x 5 1/2 meters. Auto parking spaces shall not be included in the 1 meter allocated for utilities and/or sidewalk at the street side of the property.

It is the responsibility of the owner of new construction to insure that the contractor cleans up any lot used in the new construction that is not owned by the owner of the new construction within 7 days of no work at the construction site and in no way does the before stated rule imply permission to use vacant lot for said construction.

Construction Regulations in the Caracol Peninsula Area

1. The corresponding plans should be presented for its approval and they should consist of the following: General land localization map including measurements, surface, corresponding dwelling number and a rea, general plan, front, cut and section of the sanitary unit at a larger scale than the ones mentioned above.
2. In the construction of house dwellings in all of the areas, the following should be left free of construction: 1.00 Mts. (one me - ter) in each side; 3.00Mts (three meters) at front, or an automobile hud with no thatchs, only columns and roof can be constructed; at the back of the land, a space of 2.00 mts (two meters) between the adjacent land.
3. In the areas where the topography is even and there is no declivity larger than 20% (twenty percent), one flat dwellings should be constructed; where the declivity is larger than 20% (twenty percent) two story dwellings can be constructed.
4. The house type should be modern colonial.
5. The construction of one or two story houses, depending on the un evenness of the land, should not be larger than 4.50 mts (four meters fifty centimeters) from street level.
6. All water tanks on the terrace roof should be out of sight, as well as any other object with unpleasant aspect or that obstructs the view.
7. Only in specific cases and under very special circumstances, a sketch of some kind of change or modification can be presented in order to be analyzed and authorized.

I, the notary, C E R T I F Y :

I. The reliability of the act.

II. That I know the appearing individuals, which to my judgement, have the legal capacity to enter into this contract.

III. That I have seen the documents mentioned and that the information related and adjoined agrees faithfully with its originals on which I based myself.

IV. That I gave notice to the tax payers about their obligation to register the Association into the R.F.C. (Registro Federal de Contribuyentes) of the Treasury and Public Credit Department (Secretaría de Hacienda y Crédito Público), in the terms of the disposed in Articles 27 of the Federal Tax Laws and Articles 14 and 15 of its regulations.

V. That about the related to the income tax payment, the appearing individuals stated under oath to tell the truth, not to be an income tax payer in this country; with exception of Mr. Jesús Calderoni Guerra who stated to an income tax payer and to be up to date in payments, but not proving it.

VI. That I read this text to the appearing individuals, explaining to them the value, the force and the legal reach of its content and having shown agreement with it, they ratified it and signed it in my presence. I testify.

SIGNING.- Germán Ustáriz.- Jesús Calderoni Guerra.- Page Greer.- Nancy Howard.- Beverly Robertson Inaker.- Maureen Mellow.- David Howard Rosser.- Lic. Arnulfo Castro.- Notary Public Number Ten.- Notarial signature and seal.

AUTHORIZATION

In the city and port of Guaymas, Sonora, Mexico, on the third day of the month of June of the year nineteen hundred and ninety three, date on which this contract was signed before me, and which I AUTHORIZE.- I testify.- Lic. Arnulfo Salas Castro.- Notarial signature and seal.

INSERTED

Article 2,831 (two thousand eight hundred and thirty one) from the Civil Code for the State of Sonora, written identically as Article 2,554 (two thousand five hundred and fifty four) from the Civil Code for the Federal District:

---In all general powers for letigations and collection of fees, it will be enough to state that these ~~powers~~ are granted with general powers and special powers that need a special clause in a ccordance to the law, so they can be empowered with no limitations.

---In general powers for performing authority acts, it will be enough to give them under that nature so the attorney has the

authority of an owner, regarding the related to the assets as well as to performing all actions needed to defend them.

---In general powers to administrate assets, it will be enough to state that they will be granted under such nature so the attorney has all management authority on them.

---The notaries will insert this article in the testimonies of the powers they could grant".

---Is the first testimony taken faithfully from its original writing, it is included in these ten lawful pages properly compared, sealed, signed and paraphed. I certify and issue in the city and port of Guaymas, Sonora, Mexico, on the third day of the month of June of the year nineteen hundred and ninety three. For the use of Los Residentes de la Peninsula Caracol, A.C., I ratify.

Lic. Arnulfo Salas Castro.
Notary Public Number 10.

Each original page has on its upper right hand margin (on its counter part, on its upper left hand margin) the notarial seal that reads the following: Lic. Arnulfo Salas Castro.- Notary Public No. 10.- National seal on the center.- Guaymas, Sonora.

The last page has this same seal on its upper right hand margin and on its lower left hand margin. Its counter part has it on its upper left hand margin and on its lower right hand margin.

BUSINESS REQUIREMENTS & RESTRICTIONS:

1. All plans must be submitted and approved by the Architectural Committee prior to beginning construction.
2. All requirements and restrictions must be complied with.
3. Blasting of any kind is strictly prohibited without prior written permission from the Architectural Committee.
4. Builders can not use lots or property belonging to others to store and/or work with materials without written permission by the owner of the property. This written permission must be delivered to the Architectural Committee.
5. Within two weeks of completion of construction all areas must be clean and free from debris and materials.
6. Damage to property and/or landscaping belonging to others must be repaired at the builders expense.
7. No material or waste will be thrown over the cliffs or hills. Builders will be responsible for cleaning these areas.
8. Upon completion of work the streets must be repaired and cleaned to the satisfaction of the Architectural Committee.
9. Signs advertising property for sale, or signs by builders or architects for any purpose, cannot exceed 2 feet by 2 feet.
10. All Regulations and Restrictions of the Caracol Peninsula will be strictly enforced.
- 10.

Construction Regulations in the Caracol Peninsula Area

1. The corresponding plans should be presented for its approval and they should consist of the following: General land localization map including measurements, surface, corresponding dwelling number and a rea, general plan, front, cut and section of the sanitary unit at a larger scale than the ones mentioned above.
2. In the construction of house dwellings in all of the areas, the following should be left free of construction: 1.00 Mts. (one me - ter) in each side; 3.00Mts (three meters) at front, or an automobile hud with no thatchs, only columns and roof can be constructed; at the back of the land, a space of 2.00 mts (two meters) between the adjacent land.
3. In the areas where the topography is even and there is no declivi ty larger than 20% (twenty percent), one flat dwellings should be constructed; where the declivity is larger than 20% (twenty percent) two story dwellings can be constructed.
4. The house type should be modern colonial.
5. The construction of one or two story houses, depending on the un evenness of the land, should not be larger than 4.50 mts (four meters fifty centimeters) from street level.
6. All water tanks on the terrace roof should be out of sight, as well as any other object with unpleasant aspect or that obstructs the view.
7. Only in specific cases and under very special circumstances, a sketch of some kind of change or modification can be presented in order to be analyzed and authorized.