

# ASOCIACION DE CONDOMINIOS, VDM, A.C.



## FIRST CHAPTER NAME, DURATION, DOMICILE, PURPOSE AND FOREIGNERS PROVISIONS.

**ONE.- NAME.** The Owners of the condominium named “Vida del Mar” (hereinafter the “Condominium”) create a non-profit civil association in accordance with article 20 of the Condominium Regulation Law under Article 947 of the Colima State Civil Code, which will be named “ASOCIACIÓN DE CONDÓMINOS VDM”, and will be followed by the words “ASOCIACIÓN CIVIL”, or its abbreviation “A.C.”.

The organization of the Association will be governed by the provisions set forth by these bylaws and, as applicable, by the regulations of the Condominium (hereinafter the “Condominium Regulations”) a copy of which is attached herein as Exhibit A.

Capitalized terms will have the meanings set forth by the Condominium Regulations and, if applicable, by these bylaws.

**TWO.- DURATION.** The duration of the Association will be indefinite, being agreed that the Association will exist as long as the condominium regime of the Condominium is valid, unless the Associates agree to dissolve it before or in case of any other cause of dissolution under these bylaws.

**THREE.- DOMICILE.** The Association will have its domicile in the city of Manzanillo, Colima; however, it may establish offices in other parts of Mexico or abroad, without this being deemed as a change of domicile.

**FOUR.- PURPOSE.** The purpose of the Association will be to:

- a) Perform, through its Board of Directors and Manager, the management of the Condominium and its Common Areas in accordance with these bylaws and the Condominium Regulations.
- b) Exercise the legal representation of the Condominium, before third parties, including private and public entities, either federal, estate or municipal.
- c) Through the Board of Directors, administer the ordinary and extraordinary Fees collected from the Condominium Owners in order to pay the disbursements and expenses in accordance with the Condominium Regulations.
- d) Perform other activities convenient for the Association’s interests, and of its Associates, in accordance to its purpose.
- e) Retain the services of the individuals or entities as considered necessary or convenient, including the services of a Manager, who may not be an Associate.
- f) Acquire, transfer, dispose, lease and execute all kinds of agreements and acts over goods and estate, including office equipment, that it may require to comply with the

Association's purposes, as well as the acquisition and assignment of real and personal rights.

- g) When required, to perform the judicial and extrajudicial collection of Condominium Fees, either ordinary or extraordinary, as well as of the fees and expenses for such services provided directly or through third parties to the Condominium Owners.
- h) Promote sport, cultural and social events for the Condominium Owners.
- i) Issue, draw, endorse, accept, guarantee, and subscribe all kinds of credit instruments, without constituting a business venture.
- j) Obtain by any means necessary, permits, authorizations or licenses as well as to execute any kind of agreement, with authorities, either local, state or federal or even foreign.
- k) Acquire, obtain, register, purchase, acquire, lease, possess, use and transfer or assign by any title, all kinds of trademarks and other industrial intellectual property, copyrights, as well as authorize their use and exploitation.
- l) In general, to perform all types of activities, acts and agreements that may be required, convenient, necessary or accessory to achieve the purposes herein described, as long as it does not imply commercial speculation, and to perform all kinds of activities to have the Condominium in good condition.

**FIVE.- FOREIGNERS PROVISION.-** The Association will be of Mexican nationality, therefore in accordance with article 15 of the Foreign Investment Law and article 14 of the Regulations of the Foreign Investment Law and the National Registry of Foreign Investments, any foreigner that herein or at any time acquires an interest in or an equity in the Association will be obligated and shall agree before the Foreign Relations Department to be deemed for such action as Mexican with regards to the partnership interests or any other right acquired from this Association, as well as for the assets, rights, licenses, participation or interests of the Association; therefore, they hereby commit not to invoke the protection of their government with respect to such interests or rights, otherwise they will forfeit their interest in the Association in favor of Mexico.

Therefore, foreign Associates also agree to be bound to the terms of section I of Article 27 of the Federal Constitution (which states that the Government may grant to foreigners the right to acquire ownership over real property and rights provided that they agree before the Foreign Relations Department to be deemed as Mexican for such assets and not to invoke the protection of their government with respect to such property, otherwise they will forfeit their property and rights in favor of the Mexican Nation). due to the fact that the foreigners' admission clause is herein incorporated.

## **SECOND CHAPTER PATRIMONY**

**SIX. PATRIMONY.** The Association will not have a fixed capital and its patrimony will be comprised of the following assets:

- A) Periodic ordinary and extraordinary Fees fixed by the General Meeting.
- B) All assets and rights that the Association may acquire through any concept or legal title.
- C) Income proceeding from moratorium interests due to delinquency on the payment of ordinary or extraordinary Fees by the Condominium Owners in accordance with the terms of the Condominium Regulations.
- D) Recovery fees deriving from the maintenance of Private Units of the Condominium and events performed within the Condominium.
- E) Any other income that the Association may receive within the limits authorized by the applicable laws, without resulting in commercial speculation.

**SEVEN.- INDEPENDENCE AND LIMITATIONS WITH RESPECT TO THE PATRIMONY.-** The patrimony of the Association may not be formed by the particular assets of the Associates, therefore, the Association's assets are independent and do not compromise the Associates' present or future assets.

In addition, the members of the Association do not acquire any right with respect to the patrimony of the Association, and may not transfer any type of authority or rights, nor claim any type of compensation or contribution in case they retire from the Association for any reason.

**EIGHT.- USE OF THE INCOME AND ASSETS OF THE ASSOCIATION.-** The Association does not pursue any profit purposes. The Association shall allocate its assets exclusively to its purposes, not being able to grant benefits over the profits to any person or any of its members, either a person or an entity, either periodically or during its liquidation. In case that at the end of each fiscal year there are any remaining funds, the same shall be used for the purposes of the Association. In case of liquidation, the provisions set forth in Clause Twenty-Six of these by-laws shall apply. The above does not limit the authority of the Association to pay the considerations applicable due to services provided to the Association.

## **THIRD CHAPTER ABOUT THE ASSOCIATES**

**NINE.- ASSOCIATES.-** Associates are the individuals or entities who are Owners of a Private Unit within the Condominium (as such terms are defined in the Condominium Regulations), except for those who lost the quality of Associate under the terms of Clause Thirteen.

The Associates shall remain current in the payment of ordinary and extraordinary Fees, as well as any other obligation corresponding to them as Associates or Condominium Owners.

The quality of Associate and all rights deriving thereof are personal and therefore, not-transferable. The character of Associate is acquired only by becoming a Condominium Owner and may be lost for any of the events set forth in Clause Thirteen below.

Therefore, the character of Associate and the rights deriving thereof may not be subject to any type of lien, encumbrance, judicial sale or agreement that restrict or transfer the above.

**TEN.- REGISTRY BOOK OF ASSOCIATES.** The Secretary of the Board of Directors of the Association or the Manager shall keep and maintain updated the registry book of Associates. This registry shall constitute the record of the current membership of the Association.

**ELEVEN.- RIGHTS OF THE ASSOCIATES.** The Associates have the following rights:

- a) To enjoy the services offered by the Association.
- b) To attend and vote in General Meetings.
- c) To file before the Manager or the Board of directors the petitions they deem convenient for the Association, for the Manager's or Board analysis and consideration.
- d) To receive the annual reports rendered by the Manager or the Board of Directors as applicable, with respect to the activities performed for the Condominium or the Association.
- e) Such rights contemplated by the Condominium Regulations, and
- f) Such other rights conferred by these bylaws or by applicable law.

**TWELVE.- OBLIGATIONS OF THE ASSOCIATES.-** The Associates have the following obligations:

- a) To timely pay the Fees, ordinary and extraordinary and other charges set for the administration of the Condominium, as well as the applicable moratorium interests in case of delinquency.
- b) To perform the duties of the office conferred and freely accepted.
- c) To comply with the resolutions issued by the General Meeting and by the Board of Directors within their respective authorities.
- d) Timely attend, either in person or by power of attorney. the ordinary and extraordinary General Meetings to which they are called.
- e) Comply with these bylaws, the Condominium Regulations and the resolutions taken by the General Meetings and the Board of Directors.

**THIRTEEN.- CAUSES FOR DISMISSAL OF ASSOCIATES.** The Associates may be dismissed from the Association or lose the condition of Associate in the following cases:

- a) Material breach to his or her obligations under these bylaws, the Condominium Regulations or any other rules implemented and issued by the Board of Directors.
- b) Lack of payment of the ordinary or extraordinary Fees, or any other applicable amount owed to the Association, when the same are not paid within a term of 3 months, plus the relevant moratorium interests.
- c) For the sale or transfer of the Private Unit owned by the Associate or due to assignment or transfer by any legal means of the beneficiary rights with respect to the relevant trust of the Private Unit, resulting in the loss of the status of Condominium Owner.
- d) Due to death, liquidation or extinction of the Associate.

For the cases set forth in items (a) and (b) above, the dismissal of the Associate shall be approved by the extraordinary General Meeting. For the events contemplated in items (c) and (d), the loss of the status of Associate will occur on the date in which the Associate loses the condition of Condominium Owner, or the date of death, liquidation or extinction of the Associate.

In case that an Associate is dismissed under items (a) and (b) above, it may only be readmitted by approval of the extraordinary General Meeting and provided that the causes of breach or dismissal have been cured and/or no longer exist.

**FOURTEEN.- VALIDITY OF OBLIGATIONS.** The loss of the condition of Associate under Clause Thirteen above, does not release the Condominium Owner of its obligations under the Condominium Regulations, as long as such Owner is still beneficiary, owner, life tenant or heir of a Private Unit.

#### **FOURTH CHAPTER ADMINISTRATION OF THE ASSOCIATION**

**FIFTEEN.- ADMINISTRATION OF THE ASSOCIATION.** The administration of the Association will be vested in a Board of Directors which shall be composed of 9 (nine) board members elected by the General Meeting.

In addition to the provisions of these bylaws, the Board of Directors will be organized and function in accordance with the terms of Articles Thirty-Four to Forty-Three of the Condominium Regulations, as may be amended from time to time, which shall be deemed herein reproduced as inserted literally for all legal effects.

**SIXTEEN.- AUTHORITY OF THE BOARD OF DIRECTORS.-** In addition to such powers granted to the Board of Directors under the Condominium Regulations, the Board of Directors will have with respect to the Association the broadest authorities for the good administration of the Association's affairs, for lawsuits and collections, for acts of administration and ownership, with all general and special authorities requiring a special clause under the law, which are below listed, nominative but not limited to:

**1. General Power of Attorney for Disputes and Collections:** including all general and special powers requiring a special clause under the law, including those set forth in Article 2477 of the Colima State Civil Code and the correlated Article 2587 of the Federal Civil Code and in Article 2472 of the Colima State Civil Code and the correlated 2582 of the Federal Civil Code, and thus the Board shall have the general powers set forth in the first paragraph of Article 2444 of the Colima State Civil Code and the first paragraph of Article 2554 of the Federal Civil Code, and the correlated provisions of the Civil Codes of all other Mexican states. The Board shall be empowered to withdraw all kinds of suits and proceedings, including injunction suits; to file and withdraw criminal complaints; to assist the public prosecutor and forgive offenses pursuant to law; to settle, submit to arbitration, state and hold positions, assign property, recuse judges, receive payments, and undertake all acts expressly provided by law, including representing the Association before all kinds of municipal, state and federal authorities and the criminal, civil, administrative and labor courts. The Board is also empowered to retain counsel in the acts he or she undertakes.

**2. General Power of Attorney for Acts of Administration:** including broad powers that are necessary and sufficient to administer the Association's property and business in accordance with the second paragraph of Article 2444 of the Colima State Civil Code and the second paragraph of Article 2554 of the Federal Civil Code, conferring all general powers even such requiring a special clause under the law.

**3.- General power for acts of domain,** pursuant to the terms of article 2554 of the Federal Civil Code and its correlatives of the Civil Codes of the States of the Republic, being empowered to transfer, encumber and sell the assets and rights of the Association, including the special authority to make assignment of assets, personal and real property rights.

**4.- General Power of Attorney for Acts of Administration in Labor Matters:** The representation of the Association for employment purposes granted and empowering the Board to act in labor-related acts of administration. For this purpose, the Board shall be generally empowered for disputes and collections and acts of administration in labor matters, with all general and special powers requiring a special power of attorney or clause pursuant to the first two paragraphs of Article 2554 and Article 2587 of the Federal Civil Code, and the correlative civil codes for the states where the power is exercised. The employer representation granted shall be exercised by the Board with the powers that include but are not limited to acting with or before unions with which collective labor agreements are in effect, and for purposes of any collective labor conflict or to sign any new collective agreement; acting with or before individual workers and for purposes of any individual labor dispute; in general, all employer-employee matters and all dealings with the labor and social service authorities referenced in Article 523 of the Federal Labor Law; appearing before the local or federal Reconciliation and Arbitration Boards; acting as employer representative for purposes of Articles 11, 46 and 47 of the Federal Labor Law; attending Reconciliation Hearings, Suits and Exceptions, Offer and Discovery of Evidence before the local or federal Reconciliation and Arbitration Boards in the State of Colima or elsewhere within Mexico; being empowered to reconcile, settle

and enter into agreements with employee plaintiffs; and to file all kinds of labor suits, answer or appeal suits, offer and submit evidence, hold positions, argue, enforce judgments, and to attend to the suit in all forums without restriction, pursuant to Articles 873 to 891 of the Federal Labor Law, including the filing of an injunction suit, and in general representing the Condominium or Association in all kinds of labor suits through completion; and entering into and rescinding labor agreements.

The Board of Directors may exercise representation functions in all matters referring or relating to the Mexican Social Security Institute (IMSS), the Workers' Consumer Development and Guarantee Fund (FONACOT), and the National Workers' Housing Fund Institute (INFONAVIT), signing all kinds of documents, agreements and settlements, making payments, issuing receipts, and in general undertaking all kinds of legal filings or procedures of any kind; filing and pursuing any kind of administrative appeal; filing nullification suits with the Federal Court for Tax and Administrative Justice and the Colima State Administrative Court, including injunction suits against the rulings entered in given cases.

5. Power to issue and grant credit instruments, according to the terms of article ninth of the General Law of Credit Instruments and Operations.
6. To open and cancel bank accounts and to appoint persons to draft from it.
7. To carry out all acts authorized by these bylaws or resulting thereunder, except for such matters of the exclusive authority of the General Meeting or that require its prior approval.
8. To direct the policies and proceedings for the operation of the Association.
9. To grant general and special powers according to the terms hereinbefore, with or without authority to substitute and delegate the power granted and to revoke them.

For the exercise of the above authorities, the Board of Directors, in the resolutions taken may appoint a delegate or delegates to undertake the same. Such appointment may be made to the General Manager or any Board member. Absent such appointment of a delegate, the resolutions shall be undertaken by the Board President.

**SEVENTEEN.- REPRESENTATION OF THE ASSOCIATION.** The representation of the Association will be vested in the Board of Directors, with the authorities and powers set forth in these bylaws. The Board of Directors will have the obligation of rendering a report related to its performance to the General Meeting, as well as to put into consideration of the Meeting such other matters it considers convenient or that require the prior approval of the Meeting.

## **FIFTH CHAPTER OF THE MANAGER**

**EIGHTEEN.- DIRECT MANAGEMENT OF THE ASSOCIATION AND CONDOMINIUM AFFAIRS.** The direct management and operation of the Association and Condominium affairs shall be handled by a Manager, which may be an individual or entity, appointed by the Board of Directors and ratified or revoked by the General Meeting.

In addition to the provisions of these bylaws, the Manager will perform and function in accordance to the terms of Articles Fifty-Nine to Sixty-Four of the Condominium Regulations, as may be amended from time to time, which shall be deemed herein reproduced as inserted literally for all legal effects.

**NINETEEN.- POWERS OF THE MANAGER.** In addition to the authority granted to the Manager under the Condominium Regulations, the Manager shall have with respect to the Association all powers necessary for the proper management and operation of the Condominium and the Association affairs and to represent the Association before third parties. For these purposes, the Manager shall have the following powers, which may be limited or extended by the General Meeting or the Board of Directors:

**1. General Power of Attorney for Disputes and Collections:** including all general and special powers requiring a special clause under the law, including those set forth in Article 2477 of the Colima State Civil Code and the correlated Article 2587 of the Federal Civil Code and in Article 2472 of the Colima State Civil Code and the correlated 2582 of the Federal Civil Code, and thus the Manager shall have the general powers set forth in the first paragraph of Article 2444 of the Colima State Civil Code and the first paragraph of Article 2554 of the Federal Civil Code, and the correlated provisions of the Civil Codes of all other Mexican states. The Manager shall be empowered to withdraw all kinds of suits and proceedings, including injunction suits; to file and withdraw criminal complaints; to assist the public prosecutor and forgive offenses pursuant to law; to settle, submit to arbitration, state and hold positions, assign property, recuse judges, receive payments, and undertake all acts expressly provided by law, including representing the Association before all kinds of municipal, state and federal authorities and the criminal, civil, administrative and labor courts. The Manager is also empowered to retain counsel in the acts he or she undertakes.

**2. General Power of Attorney for Acts of Administration:** including broad powers that are necessary and sufficient to administer the Association's property and business in accordance with the second paragraph of Article 2444 of the Colima State Civil Code and the second paragraph of Article 2554 of the Federal Civil Code, conferring upon the attorney-in-fact all general powers not requiring a special clause under the law.

**3. General Power of Attorney for Acts of Administration in Labor Matters:** The representation of the Association for employment purposes granted and empowering the Manager to act in labor-related acts of administration. For this purpose, the attorney-in-

fact shall be generally empowered for disputes and collections and acts of administration in labor matters, with all general and special powers requiring a special power of attorney or clause pursuant to the first two paragraphs of Article 2554 and Article 2587 of the Federal Civil Code, and the correlative civil codes for the states where the power is exercised. The employer representation granted shall be exercised by the attorney-in-fact with the powers that include but are not limited to acting with or before unions with which collective labor agreements are in effect, and for purposes of any collective labor conflict or to sign any new collective agreement; acting with or before individual workers and for purposes of any individual labor dispute; in general, all employer-employee matters and all dealings with the labor and social service authorities referenced in Article 523 of the Federal Labor Law; appearing before the local or federal Reconciliation and Arbitration Boards; acting as employer representative for purposes of Articles 11, 46 and 47 of the Federal Labor Law; attending Reconciliation Hearings, Suits and Exceptions, Offer and Discovery of Evidence before the local or federal Reconciliation and Arbitration Boards in the State of Colima or elsewhere within Mexico; being empowered to reconcile, settle and enter into agreements with employee plaintiffs; and to file all kinds of labor suits, answer or appeal suits, offer and submit evidence, hold positions, argue, enforce judgments, and to attend to the suit in all forums without restriction, pursuant to Articles 873 to 891 of the Federal Labor Law, including the filing of an injunction suit, and in general representing the Condominium or Association in all kinds of labor suits through completion; and entering into and rescinding labor agreements.

The Manager may exercise representation functions in all matters referring or relating to the Mexican Social Security Institute (IMSS), the Workers' Consumer Development and Guarantee Fund (FONACOT), and the National Workers' Housing Fund Institute (INFONAVIT), signing all kinds of documents, agreements and settlements, making payments, issuing receipts, and in general undertaking all kinds of legal filings or procedures of any kind; filing and pursuing any kind of administrative appeal; filing nullification suits with the Federal Court for Tax and Administrative Justice and the Colima State Administrative Court, including injunction suits against the rulings entered in given cases.

4. To sign and endorse checks solely in accordance with Article 9 of the General Law of Credit Instruments and Transactions.

5. To open and cancel bank accounts and appoint persons with signing authority thereunder, upon authorization by the Board of Directors.

**Limitations:**

1) The powers conferred herein shall be specifically limited so that the Manager cannot guarantee the obligations of the Association or any third-party obligation in any way, or undertake to act, operate or contract with respect to loans, credits or agreements implying an encumbrance upon the property or assets of the Association or the Condominium, except as authorized by a General Meeting.

2) The powers conferred herein are also limited in the amount of each transaction, to an amount set by the Board of Directors in the first session of each year (in case that nothing is decided in such session, the amount fixed in the session of the preceding year will be applicable). Any transaction above such amount must be previously approved in writing by the Board of Directors or the General Meeting.

**Exceptions:** The amount limit provided in the preceding paragraph shall not apply in the case of proceedings and filings before any authority in Mexico, including but not limited to payments of federal, state and municipal taxes and contributions, IMSS or INFONAVIT contributions, and the request for refunds of taxes and contributions.

## **SIXTH CHAPTER FISCAL YEARS**

**TWENTY.- TERM OF FISCAL YEARS.** Each fiscal term will be of one year, which will commence on the first day of January and will conclude on December 31 of each year, except in case of liquidation of the Association being applicable the corresponding tax laws.

## **SEVENTH CHAPTER GENERAL MEETING**

**TWENTY-ONE.- GENERAL MEETING.** The supreme authority of the Association shall be the General Meeting of Associates. General Meetings will be Ordinary and Extraordinary and shall exclusively be held in the City of Manzanillo, preferably within the Condominium.

In addition to the specific provisions contained herein, the General Meeting will be convened, installed, organized and operate in accordance with the provisions contained in Articles Forty-Four to Fifty-Eight of the Condominium Regulations, as amended from time to time, and are hereby considered reproduced as inserted literally for all legal effects.

**TWENTY-TWO.- EXTRAORDINARY MEETINGS.-** In addition to the provisions contained in Article Forty-Six of the Condominium Regulations, the Extraordinary Meeting shall have the authority to analyze and approve the following matters:

- a) Amendments, additions or modifications to these bylaws.
- b) Sales or granting of mortgages, pledges or encumbrances over the goods or assets of the Association.
- c) Granting of loans in favor of the Association or granted by the Association to third parties.
- d) To admit into, abandon or settle on behalf of the Association any arbitral, judicial or administrative proceeding that jointly or individually exceed in one year term the amount of \$1,000,000.00 (One million pesos 00/100).

- e) To perform any act implying an investment or sale of assets for amounts over the 20% of the Books Value of the Association. This amount will be individually considered on each event and not cumulative.
- f) Dissolution of the Association or extension of its duration as the case may be.
- g) Any decision in connection with the liquidation of the Association, including appointment of liquidator and approval of the liquidation Balance Sheet.
- h) Exclusion of an Associate in case of the hypothesis set forth in items (a) or (b) of Clause Thirteen of these bylaws, as well as to readmit any Associate of a given Condominium excluded for any such causes.

**TWENTY-THREE.- ATTENDANCE AND VOTING QUORUMS AT THE MEETINGS.-** Associates' votes at the Associates' Meeting shall be computed pursuant to Articles Forty-Nine, Fifty and Fifty-Two of the Condominium Regulations.

In case a Condominium Owner is excluded from the Association for any of the causes set forth in Clause Thirteen of this bylaws, its Condominium undivided share in effect will not be computed for purposes of determining quorum in the Ordinary or Extraordinary General Meetings until such Condominium Owner is readmitted as Associate.

To be valid, the matters listed in Clause Twenty-Two of these By-Laws require a favorable vote of 51% (fifty-one percent) of the Condominium rights, except as to items listed in a) and f), which shall require a favorable vote of 75% (seventy-five percent) of the Condominium rights.

**TWENTY-FOUR.- BINDING RESOLUTIONS.** The resolutions of a General Meeting validly adopted, are binding for all of the Associates, including those absent or dissident.

## **EIGHTH CHAPTER LIQUIDATION OF THE ASSOCIATION**

**TWENTY-FIVE.- DISSOLUTION.** The Association shall be dissolved upon:

- 1) The agreement at the Associates' Meeting;
- 2) Expiration of the duration term in case the bylaws set forth a specific duration term;
- 3) In case of a resolution issued by a competent authority;
- 4) In case of bankruptcy legally declared;
- 5) In case of termination or extinction for any reason of the Condominium regime of the Vida del Mar Condominium: or
- 6) Any of the reasons stated in the applicable Law.

**TWENTY-SIX.- LIQUIDATION.** Once the Association is dissolved, it shall be liquidated, and the Associates' Meeting shall appoint one or more liquidators who shall pay the existing debts, collect any amounts due to the Association and sell all the assets of the Association, except when the Association authorizes its distribution in kind.

**TWENTY-SEVEN.- BALANCE OF THE LIQUIDATION.** Once the credits, debts and liquidation expenses are paid, the General Meeting may approve that the Associates

contributions be reimbursed and the balance shall be delivered by the liquidators to another association, institution or organization appointed by the General Meeting.

## **NINTH CHAPTER SUPPLEMENTAL PROVISIONS**

**TWENTY-EIGHT.- SUPPLEMENTAL PROVISIONS.** For all matters not contemplated by these by-laws, the Condominium Regulations shall apply in first place, then, the Condominium Regulatory Law of article 247 of the Civil Code of Colima, and then, the Civil Code of Colima and other applicable laws.

## **TENTH CHAPTER DISPUTE RESOLUTION**

**TWENTY-NINE.- DISPUTE RESOLUTION.** For any type of dispute arising between the Associates, between Associates and the Association, the parties shall be subject to the jurisdiction of the courts of the municipality of Manzanillo, Colima, waiving their rights to any other jurisdiction by means of their future or present domiciles or for any other cause.

These by-laws will be effective as of January 21, 2007.