

AGENDA ITEM 11.2 ALTERNATIVE 2 - TRANSFER OF COVENANT MEMBERS TO OUR ASSOCIATION

We propose the following terms for your approval so that we can offer them to the Fideicomiso PA for their approval:

- 1) Covenant members will transfer to the Colonos Association with effect from July 1st 2022. and will commence payment of maintenance fees to it as from that date.
- 2) With effect from July 1st 2022, the Board of Directors of the Colonos Association will consist of the current President, Secretary and Treasurer of the Covenant Association plus two vocales from the current Board and Vigilance Committee of the Colonos Association. The CEO of the Fideicomiso PA, Arq. Roman Rivera Torres will be President of Colonos' Vigilance Committee. At his invitation our current President Angelo will join him as vocale in the Vigilance Committee. There will be free elections for all positions at the Ordinary Assembly of the Colonos Association in December 2022.
- 3) Henceforth, the Boards of Directors and Vigilance Committees of the Colonos Association will ensure that the Association does not have any operating deficits in any year. The first revised budget of the Colonos Association for 2022 will be produced latest by June 30th, 2022.
- 4) The finances of the Covenant Association will be transferred to the Colonos Association with effect from July 1st 2022. However, there will be an irrevocable undertaking that the debt of the Covenant Association will not be repaid by the associates of the Colonos Association. This will be repaid exclusively by those long term defaulting property owners who have not paid any of the Associations. The relevant lists of such defaulters and their properties will be submitted by both Associations. Any amounts recovered in excess of the amount of the debt, will be credited to the Colonos Association. Covenant will confirm in writing that apart from that debt, it does not have any other liabilities.

The finances of the Covenant which will be transferred will be the subject of an external audit and the Financial statements of the Colonos Association will continue to be audited annually
- 5) Fideicomiso PA, Covenant and the Colonos Association will desist irrevocably from all legal actions against each other and against any of their Directors and Vigilance Committee members.
- 6) The existing bilateral Agreement between the Fideicomiso PA and the Municipality dated November 11 th 2021 will be terminated and a new Tripartite Agreement will be entered into between the Fideicomiso PA, the Colonos Association and the Municipality.
- 7) The Colonos Association will operate the Main Gate in accordance with the policy of the Fideicomiso PA and in compliance with all the applicable laws and regulations. This arrangement will be reflected in a Comodato Agreement between the Fideicomiso PA and the Colonos Association.
- 8) The Title to the 6 Lots the Poblado will be transferred from the Fideicomiso PA bto the Colonos Association. These Lots had been purchased by the Colonos Association which had also constructed offices and warehouses on them.

- 9) The Passport system will be transferred to the Colonos Association who will commence issuing Passports to their members with effect from July 1st, 2022
- 10) The contractual arrangements between the Fideicomiso PA / PA Covenant and their security company will be transferred to the Colonos Association with effect from July 1st, 2022.
- 11) The Covenant Association will cease all operations with effect from the close of business on June 30th, 2022.
- 12) The Colonos Association and the Covenant Association will hold separate Assemblies as soon as possible in order to approve the above mentioned terms. These will be subsequently reflected in a formal , notarially attested Agreement which will be signed latest by June 30th , 2022

RECOMMENDATION

Our Board and Vigilance Committee recommend this arrangement for the following reasons:

- It preserves the value of the Colonos Association which has served our community for over 30 years.
- It avoids arguments over the ownership of assets. These will all remain in the Colonos Association and will continue to belong to its members who are all the property owners in Puerto Aventuras who are up to date with their payments.
- The employment of the maintenance and gardening staff will be maintained and there will be no termination payments at this time. The same applies to most of the office staff, depending on the decisions which will be taken by the new Board of the Colonos Association.
- The unity and trust of the property owners as well as the cooperation with the Fideicomiso PA / the Developer will be enhanced.