

AGENDA ITEM NO 11

PRESENTATION AND APPROVAL OF THE TIME TABLE RELATING TO THE CESSATION OF THE MAINTENANCE AND GARDENING SERVICE ON JUNE 30TH 2022, THE TERMS OF TRANSFER TO THE OTHER ASSOCIATION, THE POST CESSATION FUNCTIONS OF OUR ASSOCIATION AND THE REVISED FORECAST FOR 2022 AND THE BUDGET FORECAST FOR 2023.

A) THE TIME TABLE - AGENDA ITEM 11.1

- Board approval of all documentation for the Assembly latest by Tuesday May 24h, 2022.
- Printing and checking of Assembly Booklets to be completed by Thursday May 26th, 2022.
- Distribution of Booklets commences Monday May 30th 2022.
- The period from the commencement of the issuance of the first Booklets on Monday May 30th until Friday June 10th, 2022 is for the thorough consideration of the proposals by all parties as well as an opportunity for negotiations to take place with the Fideicomiso PA / the other Association.
- Saturday June 11th, 2022 the Extraordinary Assembly takes place.
- Provided the proposals are approved by the members, the implementation thereof will commence on Monday 13th June, 2022 with a view to the cessation of operations on June 30th or soonest thereafter.
- Provided the terms of transfer are agreed with the Fideicomiso PA / the other Association, the transfer of members will commence on Friday July 1st, 2022.

You will be requested to approve the above mentioned terms for the cessation of the maintenance and gardening services as at June 30th, 2022 - AGENDA ITEM 11.1.

B) THE PROPOSED TERMS OF TRANSFER OF OUR MEMBERS TO THE OTHER ASSOCIATION ON AN INDIVIDUAL BASIS - AGENDA ITEM 11.2

We envisage that all our paid up members will wish to continue to be members of our Association but will also agree to transfer to the other Association upon terms which are acceptable to them. Of course, any member is entitled to refuse to transfer to the other Association.

However, for those who are agreeable to do so, in our view, **it is essential that such transfer be effected in an orderly, organised manner so that we can obtain the best possible terms from the Fideicomiso PA / the other Association. It is the size of our membership and our financial contributions which will enable us to obtain terms which will protect our members. Therefore, we must unite and negotiate the transfer as a block, although each member will join and register his/her property with that Association individually.**

Here are the terms of transfer which we propose:

1) In view of the large number of our members, we will request that the other Association calls an Assembly immediately for approval of the following:

1.1 the exemption of our members from participation in the repayment of the debt due by the other Association to the Fideicomiso PA / Affiliates and that the maintenance fees which will be charged by the other Association will not be inflated by any sum which relates to the repayment of the debt due to the Fideicomiso PA / Affiliates.

1.2 a revised budget will be presented for the period July 1st 2022 onwards which will include the expenses relating to Security at the Main Gate, improvements in internal Security as well as those for maintenance and gardening.

1.3 the Financial Accounts will be the subject of external audits.

1.4 elections for all Board and Vigilance Committee positions will be held in December 2022 and for which all members may apply.

2) The cessation of all judicial actions between the Fideicomiso PA, Banco Santander, Arq. Roman Rivera Torres, the other Association and our Association its past and present Directors and Vigilance Committee members.

3) The use of the equipment for the maintenance, gardening and security (including video cameras) on the basis that the Fideicomiso PA will be responsible for their maintenance, repair, comprehensive insurance and all other related expenses. In case, the Fideicomiso PA wishes to dispose of any of the aforementioned, they shall redeliver the same to the Colonos Association in like condition, fair wear and tear excepted.

4) The registration in our name of the 6 Lots in the Poblado which we had purchased from the Fideicomiso PA and on which we have constructed offices and warehouses.

5) The Centro Cultural which is owned by the Municipality, the use of which was granted by them to our Association, would be transferred to the other Association and maintained by them with effect from June 30th, 2022.

6) The contract with CFE for the lighting in the common areas will be terminated as at June 30th, 2022 and the other Association will have to enter into a new contract with CFE.

You will be requested to approve the terms of transfer of our members to the other Association (AGENDA ITEM 11.2) which will form the basis of our negotiation with the Fideicomiso PA / the other Association. We will inform you of the outcome of these negotiations by Comunicue and on our website.

C) EXPENDITURE RELATED TO CESSATION OF THE MAINTENANCE AND GARDENING SERVICE.

The following are the best estimates available at this time:

- Termination payments to maintenance and gardening staff - MXN 1.85 M.