Asociación de Avecindados en Tecomatlán, A.C.
16 de Septiembre No. 110
Tlachichilco del Carmen, Jalisco, México

Time: **March 10, 2008  2:00 P.M.**
Place: Pool palapa at Las Villas Bugambilias
Present: Bernard Leader, Dolores Leader, Ron Magen, Doug Reno, Michael Jones, Lana Ehlebracht
Purpose: Monthly Meeting

Bernard Leader called the meeting to order at 2:00 P.M.
The following items were discussed:

1. The minutes of the Annual General Meeting, as posted on the internet, were unanimously accepted and approved for submission to a notary to create an acta and enter it into the Registro Publico.

2. Dolores Leader reviewed the financial reports, explaining the income and balance sheets are automatically updated as the input numbers change.
   Discussion follows. Mike Jones and Dolores Leader review account receivable; current and written off accounts. Some currently written off accounts may be brought back on if funds paid in to the court by Frank Payne and Jerry Arthur are disbursed to the AC. Currently there are no account payables.
   SAT payments (ISR@10% and IVA @10% of bills paid (for example: to a lawyer) the AC withholds and pays to the government. All SAT payments have been made and the AC is current.
   Dolores is to meet with the accountant Thursday. After this meeting, if the accountant concurs, the IVA previously paid out will be written off.
   An item on the spreadsheet concerned Andrea Reynoso – the figure represents old extraction tax payable.

3. Bernard Leader updates the board as to a meeting to be held this same date by the indigenous community regarding the exclusion. Nothing more than preliminary paperwork is expected. Lawyers, court officials, a notario and an engineer in addition to people of the community are expected to attend. The engineer is supposed to be verifying the parcels in questions are in fact as described.
   The second meeting is supposed to be March 18, 2008. The community must be represented by a quorum, fifty percent plus one, to proceed. The AC is required to pay 50,000 pesos for the meetings required to pursue exclusion. Dolores issued a check to Alvina Lopez Santos for the meetings.
   Mike Jones inquires as to how the law firm was chosen to represent the AC and who the interpreter at the meetings is. Bernard Leader responds, Don Dwyer.
   Mike suggests it would be better if an official interpreter be provided for these meetings. Dolores responds that it is cost prohibitive. Ron Magen suggests that the AC have an interpreter at the indigenous community meeting. Bernard replies that the community does not want outsiders in their meetings. Mike says the lack
of communication is evident and inquires whether or not Alvina speaks English. Bernard replies, Alvina does not speak English. Mike suggests Alvina report to the AC the events of the meeting and have an official interpreter translate to the AC.

Dolores states that as we understand it, the attorney for the AC is to ask that the community agree to allow the community’s board to negotiate with the AC. As we understand that the board is agreeable to the already negotiated 250,000 convenio, (which is paid to the court to disburse to the community) plus court costs. The initial court costs have been presented as 50,000 pesos for the meetings and 65,000 pesos for the engineer. Total costs of 215,000 pesos in legal fees and expenses are mentioned including the previously itemized initial court costs. Mike inquires as to whether the engineer is an official of the court and if he is working on or off the clock. Bernard responds that we do not know.

Doug Reno states that as a representative of a constituency – we are obligated to watch this money so it does not just evaporate.

Bernard Leader states that the community must have at least two meetings in exclusion cases. Doug Reno affirms that it may be a form of public notice.

Mike Jones speaks about the email that had been sent regarding this matter signed by the Board – however the Board members had not been notified previously. Dolores Leader states the timing was abrupt and the issue was immediate in nature as far as issuing the 50,000 peso check for the meetings we have been waiting for so long to start.

Doug Reno states that this is a Board issue and all members should have been advised. Mike Jones affirms that there are six members of the Board and all should have been notified.

Bernard Leader, Dolores Leader, Lana Ehlebracht, Don Dwyer and Juan Carlos Contreras were present at the discussion regarding the initiation and paying of the meetings in the community for the exclusion regarding the AC.

Ron Magen and Mike Jones stated that all board members should have been notified.

Bernard and Dolores Leader state it was a time sensitive issue and needed to be addressed immediately.

Doug Reno says the method of notification needs to change. Please include all members for notices of all meetings.

Bernard Leader states that he understands notice was not what it could have been and will try to do better in the future.

Dolores Leader translated the document accepted from the Indigenous Community.

The document stated the court required certified copies and notarized documents: escritorios, plan of the community, meetings and acts of assembly.

The cost of both assemblies is 50,000 pesos. This pays court officials, provides food and beverage to the officials and includes the notario – who authorizes the documents submitted. Bernard Leaders says the original draft contained language stating the AC would pay five pesos per square meter and another unrelated item of a personal nature.

Ron Magen inquires as to what the document actually authorizes.
Dolores Leader states that it was to support the assemblies and their expense.

4. Bernard Leader states that the minutes of the AGM are precotalized by taking them to a notario, having them translated notarized and filed in Poncitlan’s public records. Dolores says we have been taking them to Frine in Guadalajara. We would like to use a new notario, perhaps one that is closer, acts a little quicker and charges less. All members agree to try Notary #1 in Ixtalhauacan de Los Memorbillas

5. Further discussion of exclusion. Ron Magen asks how our action affect other people with outside suits. Bernard Leader responds as he understands it, the court will pull the lots with lawsuits pending from the thirteen lots submitted. Those suits will be settled separately.

Mike Jones referenced an email he received regarding the lack of dam water this year and a conversation he had with Sergio Garcia about Justus Houser having used too much water – Which when the two stories were merged created a great deal of supposition – particularly when one regards dam water and the other well water.

Ron Magen asks what we do if nothing happens on the 18th.

Bernard Leader responds that the options range from forming groups and suing the community, waiting as a group for another process to trying to apply for Proceta process. The time frame on any of these options is not known. Lana Ehlebracht states that Frine said Proceta is the process used by Mexican citizens and there is a similar process under a different name for people with FM3’s. We should verify with a lawyer the correct term and process. Mike Jones will ask Lic. Jorge Arrellegano Torres for more information. Mike says he is a part of the group of eighteen who have filed separate suits, regarding one piece of property purchased from Jerry Arthur. So he understands that process. He asks Bernard and Dolores what their thoughts were on it.

Dolores states when this group of eighteen were forming, Britt Proud told the others in the group not to inform Bernard and Dolores of their process.

Mike replies that all is history. Jorge had mentioned that the 9th of April is the key date for action.

Dolores says she has heard the 6th of May but the 6th of April has been held out as well.

Mike states there is no fall back position. Bernard says it is an individual’s responsibility. Mikes states the 9th of April is the cut off date for applications and suits on exclusions.

Doug Reno states they may lay claim to the land but they will need to be able to pay for the buildings on it.

6. Bernard Leader asks is there are any questions or comments on the water system. Doug Reno says there is a problem at the bottom of Las Lajas and understands the parts are coming. He says there is a huge green spot.

Bernard says there was a huge leak at Schwartz’s.

Doug says there is clean water flowing from Bedell’s casitas by Mike Jones property.

Bernard says he will check it out – there must be a leak.
7. Bernard Leader offers for review of the board members the paperwork regarding the wells the AC is servicing. Dolores will make copies for Mike to review. Bernard states that the AC is still paying to be a part of Tlachichilco water system and they accept the wells under the permits issued. There are no illegalities as far as the wells are concerned but we have not paid the extraction tax out yet. We are looking at paying out the going rate but reserving the difference of the higher rate we are being charged unless it is determined otherwise later.

8. Bernard Leader opens discussions on delinquent accounts.
   Dan Kralik ‘s account is currently outstanding for 24,443 pesos in water usage. The progress of events is as follows: Over one year ago Dan had a bad leak. He contended the meter must be bad. Bernard explained that a meter can not read too much water usage but offered a new meter. The water being used at the end of that quarter was a 10,000 peso bill. He had only had a meter for a few years. He realized he had a problem. Doug Reno agrees – he had in fact found the problem. The water went out the overflow of an aljibi and into the creek.
   Dan agreed to pay 1,000 pesos per month. Bernard accepted this arrangement. But now there is a new unpaid bill for 6,000 pesos for last quarter. He is paying the 1,000 pesos per month but the new bill remains unpaid.

Joan Gutierrez owes for past due fees of 5,697 pesos. This represents an 800 peso assessment and AC fees for several years. Her water usage is paid. She had agreed to pay 500 pesos per month but she only made one payment. The bill does in fact include ten percent interest on the balance due of a three year old debt. Ron Magen says she is completely bilingual, and experienced in real estate, therefore, how about asking her to translate documents to work it off. The suggestion to offer her the proposal is unanimously agreed to.

Michael Mathers owes fees only totaling 5,777 pesos. Mathers told Bernard the property is for sale and a fee could be paid if the property is sold.

With regard to the Kralik situation, Doug Reno says there is no room in our budget to give an allowance to subsidize people on water usage. We do not build into our budget this type of occurrence. The board unanimously agree the current bill for water and AC fees must be paid now and 1,500 pesos per month to be paid on the past due balance for the outstanding balance to be paid off within one year. Bernard Leader will offer the translation opportunity to Joan for payment on credit for translations.
9. Bernard Leader opens the floor for other business.
Mike Jones gives the following report from the committee on storage;

10 March 2008

The Committee to come up with recommendations for storage of files and equipment formed by a vote at the AM2008 meeting submits its report to the Board of the AC.

The Committee’s members that volunteered at the AGM2008 meeting and attended both committee meetings are Ernie Gerenda, Mike Jones, Dan Kralik and Doug Reno.

After reviewing the files and equipment needing storage and after visiting several different potential storage areas, and discussing all the alternatives, the committee unanimously recommends the following:

1. Current files in business usage to remain with the President, Treasurer and Secretary.
2. Remaining files to be stored at the residence of Mike Jones.
3. Equipment to be stored at the residence of Dan Kralik.
4. Upon completion of the Reno residence the equipment stored at Dan Kralik’s residence is to be transferred.

Submitted on 10 March 2008
By MICHAEL JONES

Discussion.
Bernard Leader states there is an accessibility problem as far as storing anything at Kralik’s house.
Ron Magen suggests this is a put off position until other arrangements are made. Bernard Leader says we are not in a panic – there is no need to do anything yet.

10. Ron Magen opens discussion regarding the irrevocable letter of exclusion from the special court in Mexico City. He asks if Frine can, in writing, verify/confirm the amount in the reserve account and what account it is in.
Mike says there is some question about how much was collected.
Dolores says she has the contracts and she collected approximately 100,000 usd which was somewhat altered due to the exchange rate volatility at the time. Frine also has the collection records. Bernard says some difference in figures is probably due to the fact that there were contributing people other than AC members. Bernard says he will pull the records for review.

11. Mike Jones opens discussion regarding supply of water to Tlachichilco.
Mike says there about 100 houses with tomas in Tlachichilco. They currently receive water forty-five minutes and 35 pesos per toma per month. Tlachichilco
pays 3,000 pesos per month for an electric bill. We pay 11 pesos per cubic meter of which 5.67 pesos is tax. The water bill includes electricity, supply pipes etc. Dolores recounts in the past the AC supplied Tlachichilco water. They were not able to pay the electric bill so the water was turned off. Mike suggests that we could supply Tlachichilco water and our extraction tax may be lowered or eliminated. Tlachichilco would need to get San Juan Tecomatlan to agree.

Doug Reno says they would need a pressure reducer and meter controlled by the AC.

Mike Jones says he is hosting an open forum at his house tonight regarding this issue. He will have an interpreter there. Mike will report back to the AC the facts of the meeting. It is for informational purposes at this point. He says it could be a Pandora’s Box but it puts the AC in a better light with the community. Mike proposes making payments to the community less water expense. These actual payments get made monthly and are paid out at their monthly meetings – making it public knowledge.

Bernard Leader says he understand the convenio is to be divided out to the individuals on a person by person basis (to the voting commoneros) and not to the community in general.

All agree that opening discussions to supply water to the town is good but it must be understood the water bill must be paid.

12. At 5:00 P.M. a motion was made by Bernard Leader to approve the proceedings of this meeting and to adjourn the meeting. The motion was seconded by Dolores Leader. Motion carried unanimously.

Respectfully submitted,
Lana Ehlebracht, Secretary