

El Cantil

Administrative Report
1st Quarter 2016
January - March



VC and Homeowners,

This report describes the work, projects and finances during the past quarter and is divided into three sections:

1. Important Information and Updates
2. Building Maintenance
3. Financial Report

IMPORTANT INFORMATION AND UPDATES

Important Contact information:

El Cantil CBP Administration

eccadmin@cbpcozumel.com

After-hours emergency contact number:

Mobile: (987) 878-6811

Ashley (Ash) Grant Sartison

Caribbean Beach Properties (CEO)

CBP Cozumel SA de CV

Email: ash@cbpcozumel.com

Mobile: (987) 112-4491

Jorge Canul (Building Supervisor)

Email: buildingsupervisor@cbpcozumel.com

Mobile: (987) 100 2480

New Notifications

Pier Transfer:

The paper work requesting the pier transfer has all been submitted. In March they confirmed that they had all that was needed but it would take about 2 to 3 months to complete the transfer. We expect the process to be finished sometime during 2nd quarter 2016.

Federal Zone Transfer:

Administration has begun the process of transferring the FZ. In our experience it takes about 2 years, however this is a more complicated scenario. We hope it doesn't not delay much longer than that.

Door Painting:

Many doors and doorframes were painted. Please let us know if you would like yours to be painted and when.



TV Service and Channels:

We are sorry about the channel issues over the past quarter. Our staff verifies them daily and corrects, if they know how. However, several times we were dependent on the provider and he has been slow to respond.

November Assembly Instructions:

- Cage Removals -

The cages in both the North and South towers were removed per the instructions of the “Assembly of Homeowners” last November.

See assembly vote extracted from minutes:

EIGHTEENTH POINT.- In fulfillment of point XVIII of the Agenda, the Assembly proceeds to deliberate regarding the following General Business, in accordance with the following:

a. Discussion regarding instances of Common Area utilized for private benefit:

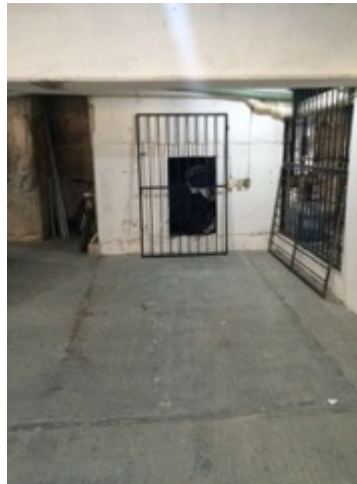
- ...
- ...
- Caged Parking Spaces: A motion is issued for the cages to be removed from the parking spaces and to do this in a period of 90 days. This motion is approved by majority of votes with 50.7715% (Fifty Point Seven Seven One Five Percent) in favor, 41.5355% (Forty One Point Five Three Five Five Percent) against and 7.6933% (Seven Point Six Nine Three Three Percent) abstain, of the votes of the undivided interest in relation to the Master Condominium.

Mr. Mike Jensen (8C) was using the cage on “common area” property in the garage of the North tower. He had a proxy at the November assembly, minutes were sent to him and follow up communication as well was sent to him regarding the removal of the cage. He even sent a letter from an attorney acknowledging the assembly decision to remove the cage. Rather than working with us, he sent his attorney Jose Maria and Alan Dannerman to threaten legal action. They have no legal base for any legal action since the Assembly controls what happens with common area property and assets. They were given ample warning and an extension from the initial 3 month provision given at the November assembly. Mr. Jensen was just in Cozumel a few days ago and refused to meet with Administration. To protect the Assembly of homeowners, we had a notary present to do an “Acta de Fe” of the events (with pictures and videos), noting in detail all of the items that were in the cage and also what was not in the cage, and any and all existing damage to 4 wheelers and Al’s moped that were all chained to the cages. After the cages were removed, Al, Saby and Cecy called the police claiming a break-in, vandalism and/or robbery. The police came and wrote up a report, but since this was on Common Property and no theft nor damage occurred, they said this was an issue between homeowners and they could proceed no further. The police commended us for having a Notary present. Al took pictures of

pre-existing damages to his motorbike (scratches on muffler from falling on cement at some earlier date) and claimed he would sue for these damages. We have pictures that these damages existed before the cages were removed and they will be included in the "Acta de Fe" to protect the homeowners. During the removal of the cages, great caution was taken to protect personal property and therefore nothing was damaged, inside or outside the cages, during the process.

Mr. Gustavo Vildosola (7C) was using the cage in the South tower. Though very unhappy with the decision of the assembly, he cooperated with the VC and Administration like a gentleman. Thank you very much for your cooperation! The South tower cage was also removed as well.

All of this contention and lack of cooperation from AI is very costly and time consuming on the part of the VC, Administration and Homeowners. If he follows through on legal action, this will cost all the homeowners of El Cantil, even more money. This MUST STOP so that we can stay focused on improving El Cantil and increasing property values for all homeowners. All we needed was a little cooperation; just as Gustavo kindly provided.



- Reserved Parking -

The assembly voted to remove "reserved" parking signs. All the numbered parking signs were removed on the same day that the cages were removed. We have stored the signs in a safe location. Should you like to collect your sign, we will keep it safe for you.



North Tower Satellite Dishes:

It is very important that if you have a satellite dish for personal use that is fastened to the raised roof

on the north tower, it MUST be moved during the month of April. If it has not been moved, you will lose signal during the reconstruction of the roof starting May 1st.

Telmex Internet:

Installed in south garage for employees and also to connect cameras again.

Cable Cozumel:

If you would like to have fast and stable internet, contact Cable Cozumel for a bid. Note that the price is more expensive but you can get whatever speed you want.

Lorenzo Rocha: (984) 113 6263 or lorenzorocha77@gmail.com (Speaks English)

Cozumel Wireless:

Nemecio with Cozumel Wireless also provides internet service. The speed is not as fast as CableCozumel, but the speed is consistent to what is sold to you and is less expensive.

Nemecio: (987) 101-4925 or nemecio@gmail.com (Speaks English)

Routine Reminders

The VC has reported that many are contacting the VC regarding questions that should be directed to the administration. We invite you to please send all your questions and concerns to eccadmin@cbpcozumel.com that are related to the following or other matters:

- All issues regarding Common Area Maintenance, Water, Security, Cleaning, TV service, etc
- Billing Questions or Issues

For issues within your unit please contact: Your property manager.

NOTE: If it also affects our HOA Common Area contact us at eccadmin@cbpcozumel.com

The email eccadmin@cbpcozumel.com is shared by Caribbean Beach Properties supervisors. We are happy to help answer any questions you may have. If you have questions for the VC, they will be happy to answer your VC related concerns or comments.

Garbage:

Please do NOT leave garbage outside your condo doors. It often leaves a mess, smells bad, and looks bad as well.

New Advanced Management System:

CBP has invested into a new management system to:

- Assign and schedule tasks to maintenance personnel
- Track history of repairs.
- Schedule preventative maintenance and reminders. We do not follow the custom of “repair only when it breaks”. For example, we serviced the transformers this year. The system will remind us in 2 years that it is time to schedule the next service. We will be tracking everything, down to the servicing of bearings of every water pump.

The system will help us to plan these repairs more efficiently and once we have a full history of repairs we can budget for future repairs so we have the money we need when we need it.

Balconies:

Please remember and remind guests to not hang dive gear, towels, etc. on balcony railings. Security guards will knock on doors of people who forget.

Pool and Pool Area:

Please remember and remind guests that glass is not permitted in pool area for homeowners or guests.

During winter months we are maintaining the hot tub and pool temperatures at:

Hot Tub: 100f/38c

Pool: 85f/30c

We tried many other temperatures, but this is what seems to make most everyone happy. Now that the pool heater is all repaired, the temperature maintains automatically and also safely. Pool heater will be turned on May 1st.

Pool chemistry and temperature readings are sent every day to supervisors. Thorough tests for chloramines and other agents in the water are also done twice a month to make certain water is safe for use.

BUILDING MAINTENANCE AND GARDENING (Highlights)

Pool Area:

More custom fiberglass garbage bins purchased for pool area and garden improved!:

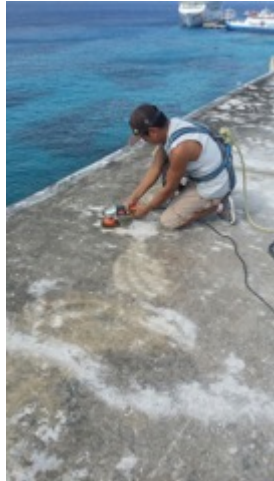
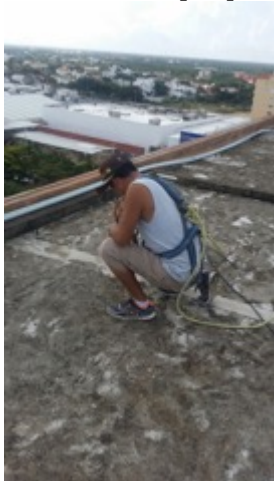


There was no need to purchase more umbrellas. We have very expensive and nice umbrellas. The bases were all that needed to be replaced or repaired and new counter weights purchased or made. To save money we having the bases repaired and counter weights made locally.



North Tower Roof:

Cleaned and prepared surface:



Repaired and Sealed Cracks:

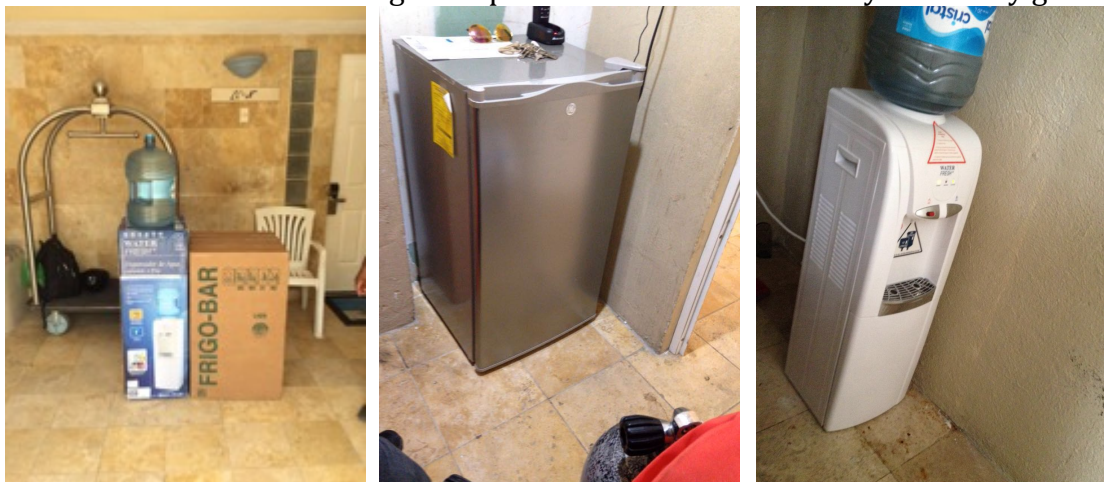


Picture of north tower roof now sealed:



Water Cooler and Mini Fridge:

A water cooler and Mini fridge was purchase for ECC Staff. They were very grateful!

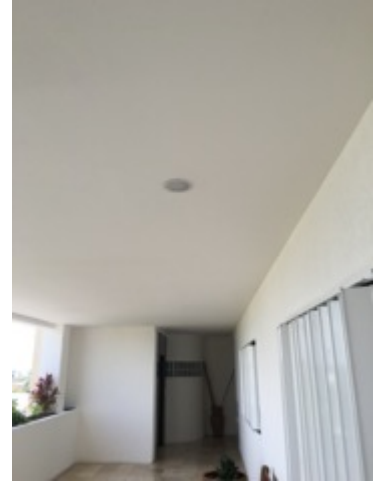


Drywall and Lighting Repairs:

Some of the drywall in the south tower needed repairs:



Also the old lights were removed and drywall was filled in, leaving only new LED lights in South tower:



Rope lights replaced:



South Garage Ceiling Work:

The project took a long time for various reason. Sorry for the delay. New LED lighting will be installed shortly.

- Before -



- After -



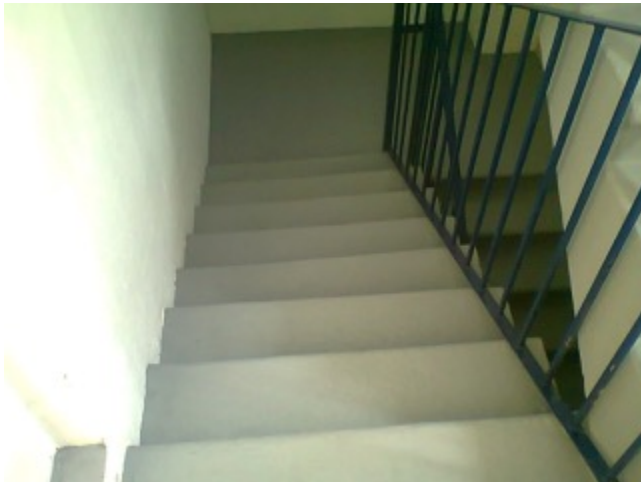
New LED Lamps are being installed:



General Painting:

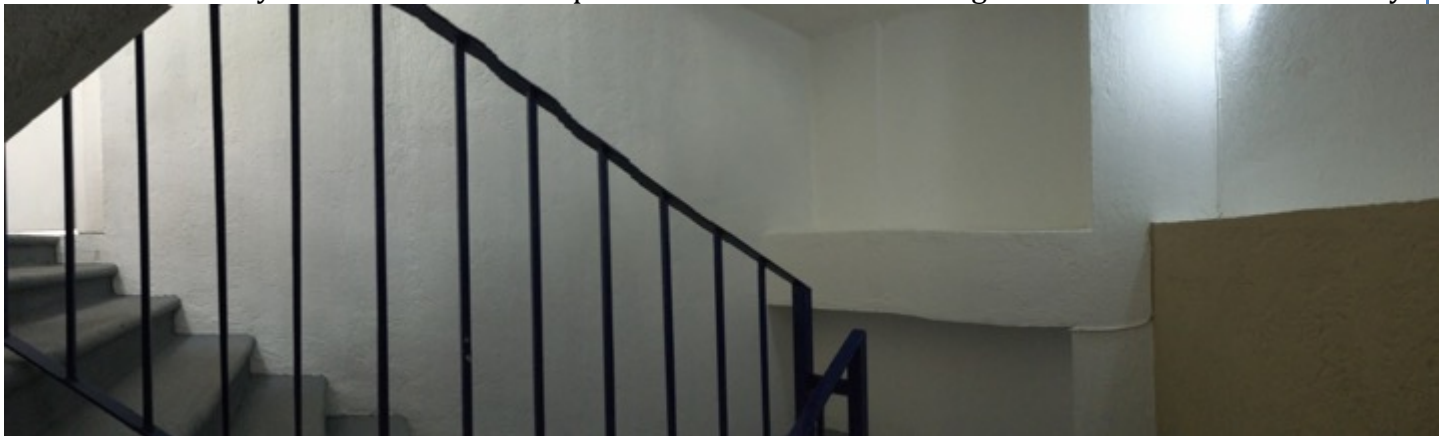
North Tower Stairs:

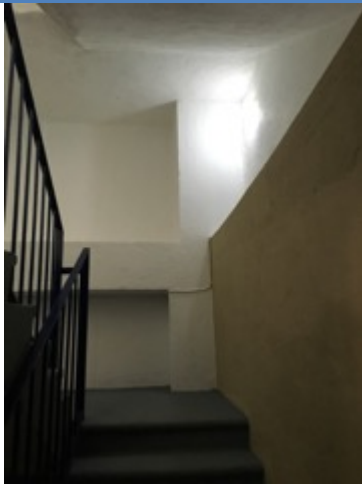
All the stairs in the north tower were painted with non-slip tennis court paint (very resistant). The walls in the stairwells were also repainted.



Stairwell from North Garage to first floor:

The area was always dark. So walls were painted white and re-wired light to remain on 24 hours a day.

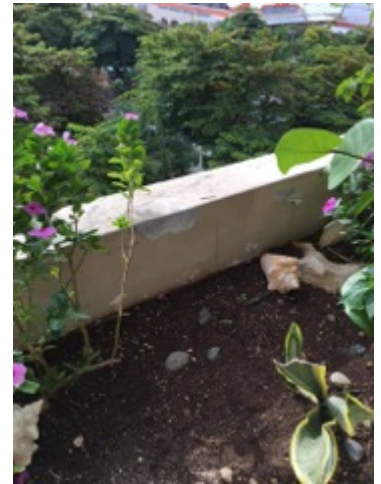




Garden Beds in North Tower:

These were all scraped, sealed and painted properly this time. The paint should last much longer.

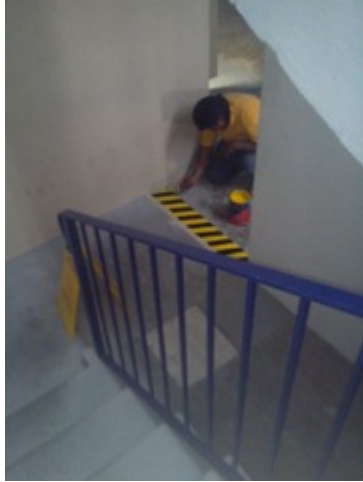
- Before -



- After -



A step in the south garage was particularly dangerous and hard to see:



Planter pots painted (some of them):

- Before/After -



Palapa posts sanded and varnished:

- Before/After -



Various other painting projects were also finished:



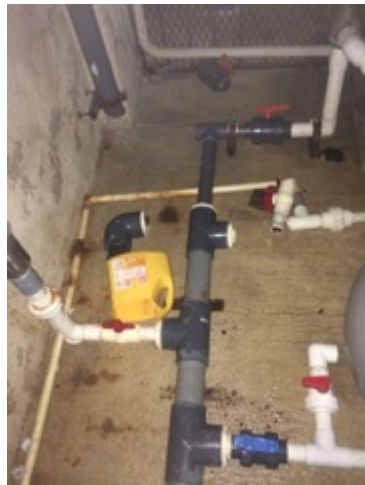
Transformer Leak:

One Transformer has a minor fluid leak. We hired a technician to give us his opinion on how it should be fixed. We are waiting for his report.



Plumbing Repairs:

The bottom of this pressure tank broke (most likely because it was old) and took off like a rocket into other pipes and broke them all to pieces on a Sunday evening; leaving the North Tower without water all night as we scrambled to find spare parts. After working all night water was back on in the morning. We purchased the parts we needed and extras for possible future emergencies. The system is now fully repaired, but only after two more night-time repair jobs.



Filter head unit failed and was replaced:



Two pressure tanks were replaced. All 3 tanks in the North Tower are new:



Gauges that regulate the north tower water pressure were replaced:



Filter components replaced:

In previous months, a few of the filter components were replaced. This past quarter all the rest were replaced. It was a major job! About 2000 pounds of materials were removed and replaced.



Bearings replaced in pool pump:



Fountain made operational:



General Cleaning:

Supervisors carefully review cleaning standards and provide training and direction:



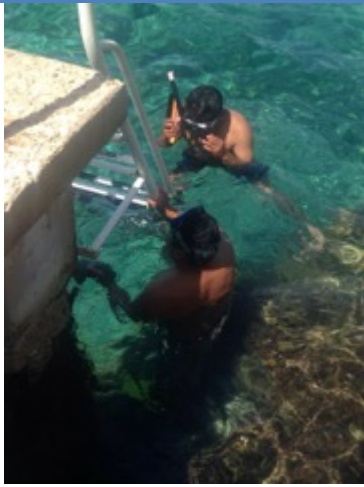
The drains in the garage are periodically cleaned:



Doors, doorframes, light switches, lamps, hurricane shutters, elevators, etc... are frequently monitored by supervisors. Cleaning staff clearly understand the standard that must be kept (Staff need frequent reminders):

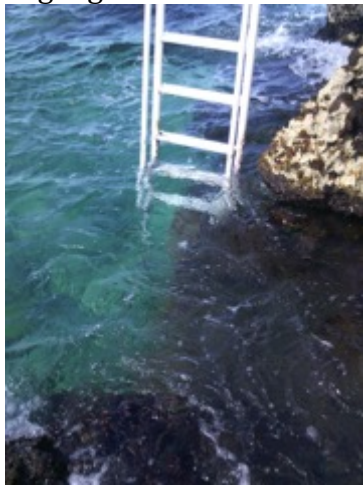


Pier ladders are periodically cleaned:



-Before/After-

Note: We are no longer letting it get this bad before cleaning anymore.



Loungers are cleaned regularly:

- Before/After -





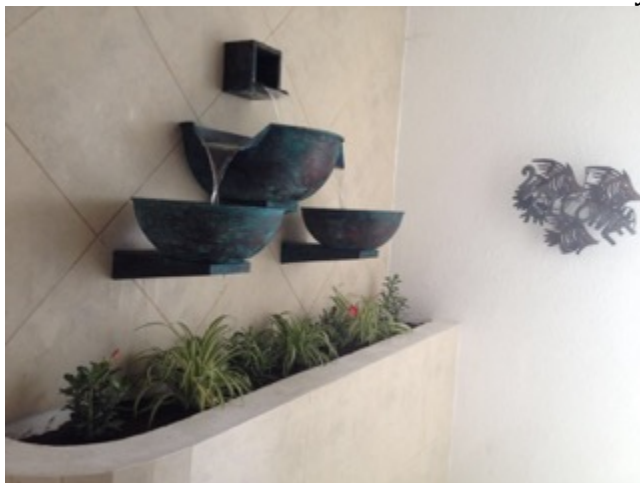
Pigeons:

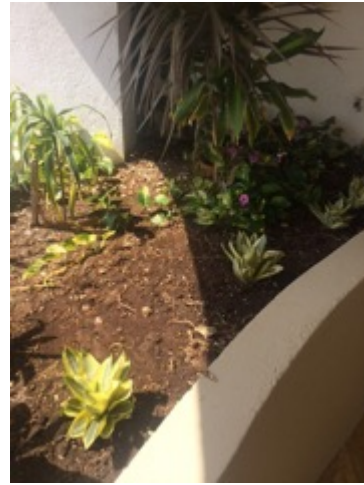
Pigeon spiders are fairly expensive and many more needed to keep birds away. A net was installed to see if it would serve as a viable solution to the pigeon problem, and it seems to be working very well.



Gardening:

Gardens and flower beds have been continually improving:







Per assembly request this fountain was turned into a garden:



Soil added to several garden areas:



Weeds growing in the street are removed regularly:



Pier Tires Replaced:



Temporary Fence:

This simple and temporary fence was built to keep people out of our installations on the north end of the building... especially during Carnival. A more permanent fence should be considered by the assembly.



Garage Gate Opener:

Both gate openers and tracks were serviced this past quarter:



FINANCIAL REPORT

Operating Profit/Loss Report / Reporte de ingresos y gastos de operaciones

	Pesos	USD
Income (Dues were billed Jan 1 at 16.5 exchange)		
Interest income/Intereses Ganados	28.29	\$1.71
Ordinary Dues / Cuotas Ordinarias	1,380,004.14	\$83,636.61
Water payments / Pagos de agua	97,335.23	\$5,899.10
Total Income	1,477,367.66	\$89,537.43
Expenses (Avg exchange for quarter for expenses was 17.28)		
Bank charges/Cargos Bancarios	229.68	\$13.29
Employee expenses/Gastos de empleados		
Payroll/Nomina	247,612.84	\$14,329.45
Rewards/Premios	2,250.00	\$130.21
Seguro, ISR, Fonavit, IVA	115,503.83	\$6,684.25
Total Employee expenses/Gastos de empleados	365,366.67	\$21,143.90
Federal Zone/Zona Federal	184,516.02	\$10,678.01
Legal and Assembly Fees/Gastos Legales y de Asamblea		
Legal assistance/Asistencia Legal	35,860.00	\$2,075.23
Total Legal and Assembly Fees/Gastos Legales y de Asamblea	35,860.00	\$2,075.23
Maintenance/Mantenimiento		
Cleaning supplies/Articulos de limpieza	9,494.00	\$549.42
Gardening Expenses/Gastos de Jardineria	11,880.00	\$687.50
General maintenance/Mantenimiento en general	4,496.00	\$260.19
Gas for Pressure Washer/Gas para karcher	591.00	\$34.20
Pigeon Control/Control de Pajaros	5,740.64	\$332.21
Total General maintenance/Mantenimiento en general	10,827.64	\$626.60
Paint and paint supplies/Pintura y articulos de pintura	6,685.00	\$386.86
Plumbing and Electrical/Plomeria y Electricidad	38,824.40	\$2,246.78
Pool chemicals/Quimicos alberca	25,202.16	\$1,458.46
Pool repair/Reparaciones de alberca	380.00	\$21.99
Tools/Herramientas	1,861.00	\$107.70
Total Maintenance/Mantenimiento	105,154.20	\$6,085.31
Major projects and repairs / Proyectos y reparaciones*	160,083.64	\$9,264.10
Office expenses/Gastos de oficina	6,764.00	\$391.44
Pier concession/Concesion de muelle	19,977.13	\$1,156.08
Professional services fees/Gastos de servicios profesionales		
Accounting fees/Gastos de contabilidad	18,149.46	\$1,050.32
Administration Fee/Gastos de Administracion (Pesos)	181,475.00	\$10,502.03
Elevator monthly contract/Elevador contrato mensual	67,036.35	\$3,879.42
Fumigation/Fumigacion	6,264.00	\$362.50
Security/Seguridad	27,867.84	\$1,612.72
Total Professional services fees/Gastos de servicios profesionales	300,792.65	\$17,406.98
Taxes/Impuestos	21,262.00	\$1,230.44
Utilities/Servicios		
Electricity/Electricidad	64,138.00	\$3,711.69
Garbage/Basura	63,180.00	\$3,656.25
Gas/Gas	140,574.52	\$8,135.10
Monthly TV network/Red de TV mensual	89,216.76	\$5,163.01
Water/Agua	78,393.04	\$4,536.63
Total Utilities/Servicios	435,502.32	\$25,202.68
Total Expenses	1,635,508.31	\$94,647.47

Other Expenses		
Exchange Gain or Loss	0.16	\$0.01
Total Other Expenses	0.16	\$0.01
Net Loss Operations account	-158,140.81	-\$9,151.67

*Several major purchases were made for the water filtration and pressure system. These items were not included in the approved special assessment projects so were included in the normal operating budget, but it will be discussed at the next homeowner's meeting to possibly move these expenses to the approved special assessment projects category.

*Hubo varias compras mayores para el Sistema de filtración y presión de agua. No se incluyeron a estos gastos en la categoría de proyectos de fondos especiales, así que se incluyeron en el reporte de operaciones ordinarias. En la próxima asamblea se decidirá si se debe mover estos gastos a la categoría de proyectos de fondos especiales.

Reserve Fund Profit & Loss / Reporte de ingresos y gastos para fondo de reserva

Reserve fund assessment / Cuotas de fondo de reserva	689,940.50	\$41,814.58
Special assessment projects/Proyectos de fondos especiales		
Dome reconstruction/Reconstrucción de domos*	-35,000.00	-\$2,025.46
Garage Ceiling Repair/Reparación del Techo del Sotano	24,360.00	\$1,409.72
Remodeling beach/Remodelación de playa	2,500.00	\$144.68
Roof Sealing Project/Impermeabilización de los Techos	26,100.00	\$1,510.42
Total Special assessment projects/Proyectos de fondos especiales	17,960.00	\$1,039.35
Net profit reserve fund	671,980.50	\$38,887.76

* The provider that was involved in the dome reconstruction projects gave a refund during this quarter, which is why this amount appears as a credit in the report.

*Hubo un reembolso de parte del proveedor durante este trimestre para el proyecto de reconstrucción de domos, por eso aparece como un credito en el reporte.

Balance of cash and accounts / Saldos de cuentas y caja chica March 31, 2016 / 31-marzo-2016

Account / Cuenta	Balance / Saldo
CiBanco Operating Peso	1,044,427.01
Cibanco Reserve Fund Peso	396,933.03
Monex peso	92,422.90
Petty Cash/Caja chica	23,390.13
Total Pesos	MN Pesos 1,557,173.07
Monex Dollar	USD \$265,897.94

