

Nuevo Vallarta November 2023

MINUTES OF THE MONTHLY MEETING OF THE VIGILANCE COMMITTEES OF THE MASTER CONDOMINIUM OF VILLA MAGNA HELD ON NOVEMBER 28TH. 2023 AT 16:44 P.M. IN THE ADMINISTRATIVE OFFICES OF VILLA MAGNA RESIDENCIAL A.C. AND VIA ZOOM

PRESENT:

- Mr. MIKE SCHEFFLER
 - Mr. IRA MILLER (Videoconference)
 - Mr. CRISTIAN CARLSSON (Manager)
 - Sr. CARLOS HANON, (Accountant) (Videoconference)
 - Sr. MANUEL MARTINEZ (Abogado) (Videoconference)
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- INVITED TO ATTEND THE MEETING, THE MEMBERS OF THE BOARD OF DIRECTORS OF THE A.C. AND MEMBERS OF THE MASTER CONDOMINIUM VIGILANCE COMMITTEE:

PRESENT:

- Mr. KURT NORDMAN (Videoconference)

ORDER OF THE DAY

1.- VERIFICATION OF ATTENDANCE AND START OF THE MEETING.

AT 16:44 HRS. Mr. Carlsson starts the meeting.

2.- REPORT ON THE STATE OF THE CONDOMINIUM

In November, the survey on minimum stay for renters was carried out. The result was contrary to this measure and the percentage of participation was 38%.

On the part of the staff of the condominium, the rust cleaning was carried out on the lounge chairs of pool 2 on the side of the towers as well as the cleaning of the rest of lounge chairs on

the side of the condominium. A great improvement has been noticed in the areas due to the involvement of the condominium staff.

Interesting articles have been published, showing a good positioning of Puerto Vallarta as a friendly city, which also overflows into the location of the condominium due to its proximity. Please find below the link to this article:

<https://tribunadelabahia.com.mx/vallarta-una-de-10-ciudades-amigables/> .

An article also appeared about the proposal to raise the minimum wage by 20% by 2024:
<https://mexiconewsdaily.com/business/employers-federation-proposes-12-8-increase-to-minimum-wage/>

The calls for assemblies were distributed and placed in the units and areas of visibility of the condominium. Information regarding the power of attorney and the solicitation of candidates for the vigilance committees and was also sent out this month via e-mail.

The hotel installed 10 "Bali" beds in pools 1 and 3 for rent by hotel guests and owners. Although we don't have the promotional yet, the cost is \$39 usd per day with a 15% discount for owners. The hotel also purchased 60 new umbrellas for all the pools

In regards to the events of the hotel, an amount of \$3412 dollars has been billed to the hotels for events during this month.

Mr. Carlsson also showed the amount of seismic tremors within a 100 km. radius in the month of November

M 3.5 2023-11-05 14:57:31 (hora centro), 61 km al OESTE de PUERTO VALLARTA, JAL

Lat: 20.49° Long: -105.81° Prof: 12.6 km

M 3.4 2023-11-07 05:21:00 (hora centro), 46 km al SUR de PUERTO VALLARTA, JAL

Lat: 20.20° Long: -105.17° Prof: 4.9 km

M 3.6 2023-11-10 06:55:21 (hora centro), 107 km al OESTE de LAS VARAS, NAY

Lat: 21.12° Long: -106.17° Prof: 16.4 km

M 3.5 2023-11-13 05:16:48 (hora centro), 20 km al SURESTE de PUERTO VALLARTA, JAL

Lat: 20.48° Long: -105.11° Prof: 10.5 km

M 3.6 2023-11-15 17:14:30 (hora centro), 34 km al OESTE de PUERTO VALLARTA, JAL

Lat: 20.59° Long: -105.56° Prof: 5 km

M 3.7 2023-11-15 19:39:37 (hora centro), 42 km al SUROESTE de PUERTO VALLARTA, JAL

Lat: 20.33° Long: -105.51° Prof: 15.3 km

M 3.5 2023-11-23 22:05:20 (hora centro), 96 km al OESTE de PUERTO VALLARTA, JAL

Lat: 20.56° Long: -106.15° Prof: 13.8 km

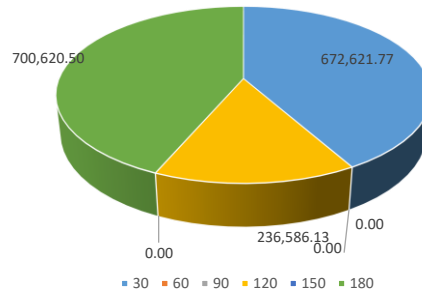
Payment in the arrears.

Dias atrasados / Days in arrears

31 Oct. / Oct 31st.

Cantidad / Amount	
30	672,621.77
60	0.00
90	0.00
120	236,586.13
150	0.00
180	700,620.50

Atrasado 31 Oct / Arrears Oct. 31st. 2023

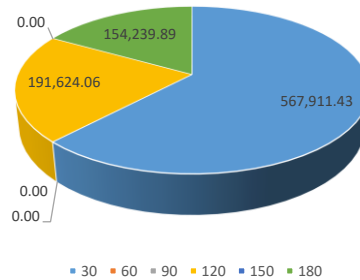


Dias atrasados / Days in arrears

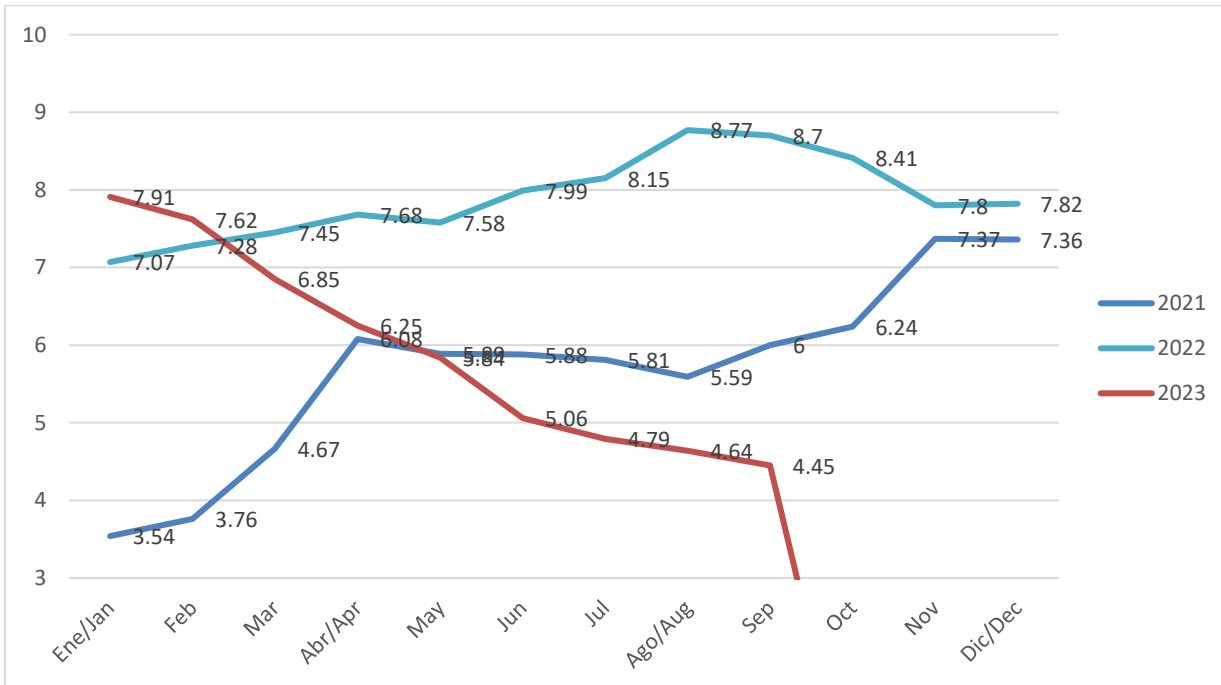
Nov 24 - Nov 24th.

Cantidad / Amount	
30	567,911.43
60	0.00
90	0.00
120	191,624.06
150	0.00
180	154,239.89

Atrasado 24 Nov 2023 / Arrears Nov 24th. 2023



Inflation



Mexico's annual inflation rate fell to 4.26% in October 2023 from 4.45% in the previous month, slightly below market expectations of 4.28%. This marks the 9th consecutive month of easing inflationary

pressures, bringing the inflation rate to its lowest level since February 2021. Inflation slowed down for food & non-alcoholic beverages (4.89% vs 5.90% in September), alcoholic beverages (5.85% vs 6.14%), clothing & footwear (4.01% vs 4.50%), furnishings, household equipment & routine household maintenance (3.63% vs 3.96%), transportation (3.71% vs 3.93%), recreation & culture (2.72% vs 2.87%), restaurants & hotels (7.83% vs 8.55%) and miscellaneous goods & services (7.54% vs 7.95%). Conversely, prices rebounded for housing & utilities (1.01% vs -0.30%), following the end of the subsidy supporting the summer electricity tariff program in 18 cities. On a monthly basis, the CPI rose by 0.38% in October, following a 0.44% increase in September. source: Instituto Nacional de Estadística y Geografía (INEGI)

It was decided unanimously not to read the list of works of maintenance.

Mr. Maytorena asked about the roof tiles of Tower 1. Mr. Carlsson answered that it is not only the roof tiles of Tower 1, but of the entire roof that needs to be either replaced or put back the correct way. This is one of the investments that will be presented in the coming assemblies.

3. FINANCIAL STATEMENTS OCTOBER 2023.

VILLA MAGNA RESIDENCIAL AC

Balance General al 31/Oct/2023 * Balance Sheet to 31/Oct/2023

Moneda: Pesos / Currency: Pesos

ACTIVO / ASSETS		PASIVO / LIABILITY	
Caja / Petty Cash	10,090	Proveedores / Suppliers	127,333
Bancos / Banks	4,565,235	Depositos por Identificar / Unidentified Deposits	23,036
Cuentas por cobrar Propietarios/Accounts Receivable Owners	25,851,946	Impuestos por Pagar / Taxes Payable	200,000
Cuentas por cobrar CPC Extras / Accounts Receivable CPC Extras	32,920,092	Sueldos por pagar / Payroll Payable	6,601
Empleados / Employees	689	Cuotas Anticipadas / Fees Collected in Advance	655,701
Deudores Diversos / Sundry Debtors	2,229	Ingresos por Devengar / Deferred Income	32,920,092
Anticipos a Proveedores / Advance to Suppliers	0	Fondos en Administración / Management of Funds	30,744,452
Acitvos Fijos / Fix Assets	1,147,571		
Impuestos Anticipados / Taxes Paid in Advance	179,364	SUMA PASIVO / LIABILITY SUM	64,677,215
		CAPITAL / EQUITY	
		Utilidad o Pérdida del Ejercicio / Year Surplus	0
		SUMA CAPITAL / EQUITY SUM	0
SUMA ACTIVO / ASSETS SUM	64,677,215	SUMA PASIVO Y CAPITAL / LIABILITY & EQUITY SUM	64,677,215

CONDOMINIO MAESTRO VILLA MAGNA MASTER CONDOMINIUM

Balance General al 31/Oct/2023 * Balance Sheet to 31/Oct/2023

Moneda: Pesos / Currency: Pesos

ACTIVO / ASSETS

Caja / Petty Cash	0
Bancos / Banks	396,726
Cuentas por cobrar Propietarios/Accounts Receivable Owners	24,945,536
Cuentas por cobrar CPC Extras / Accounts Receivable CPC Extras	32,920,092
Empleados / Employees	0
Deudores Diversos / Sundry Debtors	0
Anticipos a Proveedores / Advance to Suppliers	0
Acitvos Fijos / Fix Assets	0
Impuestos Anticipados / Taxes Paid in Advance	0

PASIVO / LIABILITY

Proveedores / Suppliers	0
Prestamo Torres / Towers Loan	11,026,576
Depositos por Identificar / Unidentified Deposits	0
Impuestos por Pagar / Taxes Payable	124,380
Sueldos por pagar / Payroll Payable	0
Cuotas Anticipadas / Fees Collected in Advance	289,342
Ingresos por Devengar / Deferred Income	32,920,092
SUMA PASIVO / LIABILITY SUM	44,360,390

CAPITAL / EQUITY

Remanente / Surplus	5,645,259
Fondo de Reserva 1 Mes Presupuesto / 1 Month Budget Reserve Fund (Art.60)	980,624
Fondo de Contingencia / Contingency Fund	3,400,000
Utilidad o Pérdida del Ejercicio / Year Surplus	3,876,082
SUMA CAPITAL / EQUITY SUM	13,901,964

SUMA ACTIVO / ASSETS SUM

58,262,354

SUMA PASIVO Y CAPITAL / LIABILITY & EQUITY SUM

58,262,354

CONDOMINIO MAESTRO VILLA MAGNA MASTER CONDOMINIUM
ESTADO DE INGRESOS Y EGRESOS A OCTUBRE 2023
INCOME AND EXPENSES REPORT TO OCTOBER 2023

(CIFRAS EN PESOS / AMOUNTS IN PESOS)

	PRESUPUESTO / BUDGET		ACTUAL	VARIACION
	ANUAL /	PERIODO ACTUAL /	ACTUALS	VARIANCE
	YEARLY	YEAR TO DATE		
INGRESOS / INCOME				
Cuotas 2023 / 2023 Fees	9,546,905	9,546,905	9,546,905	0
Suma Cuotas Mantenimiento / Maintenance Fees Sum	9,546,905	9,546,905	9,546,905	0
Áreas comunes CPC Common Areas	0	0	0	0
DESC. CUOTAS ANTICIP. / ADVANCE FEES DISC.	0	0	0	0
TOTAL INGRESOS NETOS / NET INCOME	9,546,905	9,546,905	9,546,905	0
EGRESOS / EXPENDITURES				
PERSONAL / EMPLOYEES	2,103,477	1,725,955	1,596,913	-129,041
ADMINISTRATIVOS / ADMINISTRATION	1,837,494	1,380,453	1,364,912	-15,542
SEGURO DE EDIFICIO / BUILDING INSURANCE	212,025	212,025	180,546	-31,479
MANTENIMIENTO / MAINTENANCE	1,856,439	243,707	175,274	-68,433
DE OPERACIÓN / OPERATIONAL	3,140,705	2,495,537	2,353,179	-142,358
ACTIVOS FIJOS / FIX ASSETS	396,766	33,064	0	-33,064
TOTAL EGRESOS / EXPENDITURES	9,546,905	6,090,741	5,670,824	-419,918
OTROS INGRESOS / OTHER INCOME				
CUOTAS EXTRAORDINARIAS / EXTRAORDINARY FEES	0	0	0	0
INTERESES / INTERESTS	0	0	0	0
OTROS INGRESOS / OTHER INCOME	0	0	0	0
TOTAL OTROS INGRESOS / OTHER INCOME	0	0	0	0
OTROS GASTOS / OTHER EXPENSES				
GASTOS FINANCIEROS / FINANCIAL EXPENSES	0	0	0	0
TOTAL OTROS GASTOS / OTHER EXPENSES	0	0	0	0
REMANENTE DEL EJERCICIO / YEARLY EQUITY	0	3,456,164	3,876,082	419,918

INFORMACION ADICIONAL / ADDITIONAL INFORMATION

BANCOS E INVERSIONES / BANKS & INVESTMENTS

SALDO FINAL EN BANCOS 2022 / FINAL 2022 BANK BALANCE		\$0
SALDO ACTUAL EN BANCOS / ACTUAL BANK BALANCE		\$396,726
SALDO ACTUAL INVERSION / ACTUAL INVESTMENT BALANCE		
INVERSION DE OPERACION / OPERATIONAL INVESTMENT	0	
INVERSION FONDO DE RESERVA / RESERVE FUND INVESTMENT	0	
SALDO MINIMO / MINIMUM BALANCE	0	
CUOTAS ANTICIPADAS / ADVANCE FEES	0	
FONDO DE RESERVA / RESERVE FUND	0	
CONTINGENCIAS / COTINGENCIES	0	
SALDO TOTAL EN BANCOS / BANKS TOTAL BALANCE		\$0

SALDO FINAL EN BANCOS MES ANT / FINAL PREVIOUS MONTH BANK BALANCE		\$0
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COBRO DE CUOTAS / FEES COLLECTIONS

CONDOMINIOS: SALDO POR COBRAR / OWNERS: RECEIVABLE BALANCE	\$703,419	
CPC: SALDO POR COBRAR / RECEIVABLE BALANCE	<u>\$24,242,117</u>	
SALDO TOTAL CUENTAS POR COBRAR/ACCOUNTS RECEIVABLE TOTAL		\$24,945,536

CPC: SALDO POR COBRAR EXTRAS / RECEIVABLE BALANCE EXTRAS		<u>\$32,920,092</u>
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CUOTAS ANTICIPADAS ACTUALES/ ACTUAL ADVANCE FEES		<u>\$289,342</u>
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PATRIMONIO DEL CONDOMINIO / CONDOMINIUM EQUITY

REMANENTE / SURPLUS	\$5,645,259	
FONDO DE RESERVA 1 MES PRESUPUESTO / MONTH BUDGET RESERVE FUND (Art.60)	\$980,624	
FONDO DE CONTINGENCIA / CONTINGENCY FUND	<u>\$3,400,000</u>	\$10,025,882
GASTOS DE MANTENIMIENTO / MAINTENANCE EXPENSES		\$0

SALDO PATRIMONIO / EQUITY BALANCE		<u>\$10,025,882</u>
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This report was unanimously approved.

After a thorough discussion, the financial statements were approved unanimously.

OLD BUSINESS

4.- FOLLOW UP ON NEW INSURANCE POSSIBILITIES BY THE INSURANCE COMMITTEE.

Mr. Carlsson informed all present that Mr. Urrea, one of the insurance brokers trying to find a better insurance company for the condominiums needs, that the only standing offer they have is from La Potosina with a maximum coverage of 20 Mill. USD, compared to the appraised amount for VM of 33 million. A quotation from company SURA is also expected. Other companies have been contacted in order to take over the difference and complement the quotation of La Potosina, however, these companies have shown no interest in that action as they do not want to engage in ocean front properties. The insurance committee will need to make a suggestion to the Vigilance Committee of the master condominium as to what the best option for 2024 is going to be.

5.- STATE OF THE COMMON AREAS

The hotel installed, with the proper authorization, 10 "Bali" beds in pools 1 and 3 for rent, both to hotel guests and owners. It also purchased 60 pool umbrellas and is placing mats on the lounge chairs in pool 3 for added comfort. On the part of the condominium, the tarps for shadow by the pool were power washed again. Supervision on the cleaning of the area near the Towers is constant. Security has also been very active avoiding or correcting situations of drinks and food, as well as music devices and clothing inappropriate for the use of the pools.

There have been two crocodile sightings in the area during the month of November.

Work is needed on the part of the hotel to replace pool tiles at the bottom of the pool. This and other pending issues have been reported to the Hotel's G.M., Mr. Marco Guerrero.

6.- DEBTORS

23-nov-23

DEUDORES - DEBTORS		DIAS 180 DAYS	CUOTA EXTRAORDINARIA - EXTRAORDINARY ASSESSMENT	FONDO DE RESERVA - RESERVE FUND	TOTAL
CONDOMINIO - UNIT					
192	JOSE LUIS RUBIO		\$125,415.31		\$125,415.31
207	KARLA EDITH CONTRERAS ACOSTA			\$10,322.64	\$10,322.64
278	DIANA GABRIELA TIRADO MANJARREZ	\$ 128,357.50	\$ 19,705.09	\$ 3,307.49	\$151,370.08
316	ESTHELA ZATARAIN TIRADO		\$ 35,401.33	\$ 5,942.10	\$41,343.43
Total					\$328,451.46

Unit 192 had already paid, but the check was returned, so he was again listed among the debtors. However, we hope that this will be resolved soon.

Unit 345 has also covered the amount owed.

Unit 224B paid off its debt, which was the largest, so the number of major debtors has been significantly reduced.

7.- BUDGET

The budget prepared and calculated by the administration shows a high increase, so it is kindly requested that the committees carry out a review of it to verify that this is correct.

The budget itself is reflected with increases in almost all lines of 4.5% to 5%, with some exceptions such as the cases of the cost of water from FIBBA, the increase in the cost of chemicals (cleaning and painting and fumigation)

Legal representation and court costs are no longer included in this budget, as the agreement to eliminate lawsuits is agreed with the new owner of the Hotel and C.P.C.

Still, there are two important factors to consider: 1.- The Dignified Vacation Reform, approved on December 14, 2022, which establishes a greater number of vacation days per employee.

The number of vacation days for the condominium has changed from 275 days in 2022 to 437 days in 2023 and consequently in 2024, This makes the impact on payroll significant, as well as on taxes, contributions and relatives. The increase in employee pay is 4.5% overall. See below these numbers:

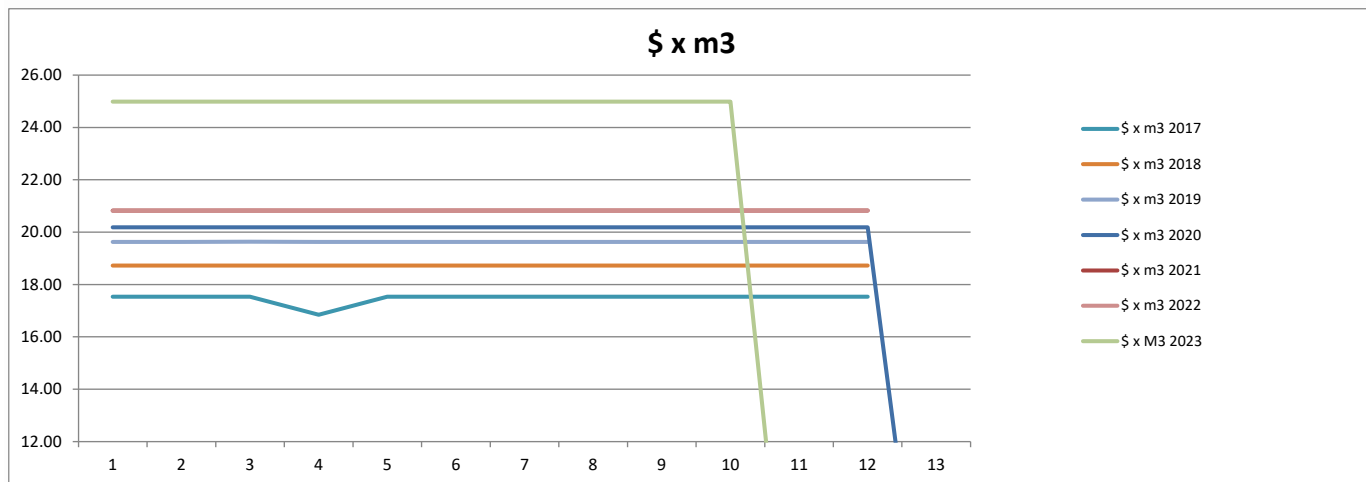
	PRESUPUESTO / BUDGET		2023 vs 2024
DESCRIPCION / DESCRIPTION	2023	2024	
PROINDIVISO / UNDIVIDED INTEREST			
GASTOS DE PERSONAL / PAYROLL EXPENSES	\$6,505,143	\$7,628,870	17.27%
Personal Administrativo / Administration Employees (3)	\$1,967,865	\$2,056,507	4.50%
Ama de llaves / Housekeeping (10)	\$1,287,999	\$1,640,626	27.38%
Mantenimiento / Maintenance (09)	\$1,653,248	\$1,920,710	16.18%
Seguridad /Security (2)	\$481,045	\$501,161	4.18%
Impuestos, contribuciones y relativos / Payroll Taxes	\$904,945	\$1,288,509	42.39%
Uniformes / Uniforms	\$74,596	\$79,818	7.00%
Posada y articulos navideños / Christmas Party and Supplies.	\$58,707	\$61,349	4.50%
Liquidaciones Laborales / Severance payment	\$76,738	\$80,191	4.50%

Additionally, last year there was no line of security expenditure for the common areas, since, by agreement of the surveillance committees with the Hotel, the Hotel was going to take care of this responsibility at no cost to the condominiums. This implies an additional cost of:

Seguridad Privada Albercas / Private Security Pools	\$1	\$1,492,224
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Charged to the Master Condominium and therefore to the condominium is due: 863,252 pesos.

Water has been calculated with an increase of 6% as the budget fell short due to Fibba's unexpected increase in the price of a cubic meter of water. See historical chart below:



Due to the fact that in this meeting there were very few participants a separate meeting will be held to discuss the budget for 2024

NEW BUSINESS

8.- LOCATION FOR THE ASSEMBLIES

The idea of holding the assemblies in January 2024 in a more dignified manner in the hotel rooms for the comfort of the condominiums has arisen.

Below is the information relevant to this matter for your discussion and decision-making.

Asambleas 18, 19 y 20 Enero 2024

Assemblies 18th., 19th. And 20th. Of January 2024

Budget / Presupuesto

\$240,961

Estacionamiento - Underground Parking

\$240,961

Esta cantidad incluye mobiliario, audiovisuales y gastos de protocolización, presenciar notarios, si fuera necesario -- This amounts includes furniture, audiovisuals, notary expenses and notary presence if necessary.

Wyndham Alltra Vallarta

\$240,120

Solo salones, coffee break y audiovisuales - This includes only meeting room, audiovisuals and coffeekbreaks

It was agreed that Mr. Carlsson would ask for a discount to see if it is possible to make the meetings at the hotel.

9.- SURVEY RESULTS MINIMUM STAY RENTERS

Resumen de Resultados de Encuesta

Summary of the results of the survey

	Si / Yes	No
Tower 1:	3	1
Tower 2:	19	20
Tower 3:	19	24

The total participation in the survey was: 38%

In the days after this meeting, Mr. Carlsson will send out the results to all homeowners.

10.- SNACK BAR IMPROVEMENTS

These are the ideas of the actual tenant of the Snack Bar, Mr. Alejandro Orpinel about the tables and the chairs around the snack bar. He is willing to invest in the awnings of the Snack bar as well as the new snack bar sign to upgrade its looks and attractiveness.



After a thorough discussion it was agreed that the tables and chairs on the far left photo would be more suitable. It was also discussed that the price of the rent of the Snack Bar hasn't changed in 3 years. It was voted and by majority approved to start talks with Mr. Orpinel about a 20% increase in his rent. Mr. Miller and Mr. Scheffler will inspect the awnings after the meeting.

11.- DISABLED AND OPERATIONAL RAMP AT EMERGENCY EXIT.

The exit between Tower 3 and the hotel building is marked as an emergency exit. However, it does not have a ramp for the disabled. This is required by law and must be installed, otherwise fines could be incurred.



After a brief discussion, Mr. Martinez, Layer of the A.C. was tasked to verify with Civil Protection if this change is necessary according to law.

12.- OTROS / OTHER

a.) Banorte Account

The necessary documents for the re-opening of our bank account at Banorte have been sent. We are waiting for the response of the legal department.

b.) Light color in hallways

Nowadays it is established that the hallway lights are a cold light corridor, a warm light corridor. It is proposed that this criterion be unified to all warm light color corridors. This would facilitate the inventory and you would have a better homogeneous view. This is how it could look like



After a thorough discussion it was approved to gradually change the overall color of the light to warm color.

The next meeting will be held on December 26th. 2023.