



VIVO RESORTS


OAXACAN BEACHFRONT LIVING

## SCOPE OF WORK CONTRACTS

# 2023

COSTA ESMERALDA VR S. DE R.L. DE C.V.

### Master Association

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**Condo Association – Master**

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## Scope of Work Contracts

### Administration

#### Service Descriptions

#### Insurance

Prorated portion of hazard and liability insurance for Master Club amenities and areas. Per quote of insurance broker.

#### Property Tax

Property Tax for the Club Amenities

#### Banking Fees

Banking Fees for Operating and Reserve Accounts

#### Contract Services

Fee for a third-party vendor to provide monthly service to the fitness equipment

#### Management Fee

Fee for Management and General Administration Services per the Management Agreement.

#### Technical Services

Fees paid to providers of Association accounting, management and website software.

#### Stationery and Supplies

Estimated cost of photocopies, paper, flyer production for Master Club related activities.

### Payroll

#### Service Descriptions

#### Reception & Administration

Reception includes the payroll Administration, for the on-site roving management, Owner concierge services and a proration of reception staff. A roving staff member is the primary rule enforcement manager. They assist all members with issues, deploy the proper responder and follow up to ensure a satisfactory solution. The reception staff which includes front desk, night staff and bellmen. They assist all Owners and guests with check-in, check-out, charging accounts, information, transportation scheduling, Owner package handling and luggage assistance.

#### Supplies and Equipment

In addition, there are expenses for radios, cell phones, general office supplies, stationery and satellite phone minutes (emergency phone).

## **Security and Safety**

### **Service Description**

Security staffing consists of 24/7 minimum of 1 manager, 1 working supervisor daily and 1 person at the gate house and 1 roaming person per shift. This results in 6 persons per day with a total of 10 FTE to fill all shifts.

Each roaming shift keeps a log of the status of all areas within the Resort including the Villas and reports to management for resolution of any issues.

The gate person monitors all entries and exits into the resort. They compare the lists of Owners, guests and vendors. Day guests are allowed in if they are dining at the restaurants, have a spa appointment or have been cleared by the front desk per the request of owners, management and rental guests. Day guests are registered at the desk. Day guests may not use the resort amenities without purchasing a day pass. A prorated share of the revenue from day passes is credited to the Master Association.

Security inspects the common property risks, updates the risk management plan, works with Civil Protection on training for emergency fire response.

Future staffing could include seasonal staffing of medical personnel for the nurse room.

### **Supplies and Equipment**

Supplies include cell phones cell phone minutes, camera systems, radios, office supplies, safety supplies.

### **Other**

Other includes the maintenance of the gatehouse and gate arms, fumigation and annual safety training for emergencies.

## **Lifeguards and Beach Services**

### **Service Description**

Lifeguards provide both water rescue and general first aid and CPR services to the Resort. At least one lifeguard per shift is certified in water rescue. Lifeguards work 12 hours shifts 7 days a week to cover the times that the beach and pools are open. The lifeguards patrol the beach areas from the Villas to beyond Building M currently. Lifeguards are stationed at the pools and will be empowered to enforce all rules and regulations related to pool and pool area use and behavior.

### **Supplies and Equipment**

Supplies include cell phones, cell phone minutes, camera, radios, office supplies, life saving supplies, and oxygen and medical supplies in nurse room.

### **Other**

This includes certification training for lifeguards and general maintenance of the lifeguard shack.

## **Public Areas**

### **Area Description**

Public areas include the pathways, smoking areas, resort entrance near reception, Foundation garden yard, sitting areas in front of tennis courts and fountain area at entrance. (Does not include interior common area clubhouse or restaurant areas).

### **Service Description**

**Housekeeping** – Includes multi times per day sweeping, cleaning these areas and any furnishing, emptying trash, and smoking receptacles and picking up litter. Also included is cleaning the eyebrows as needed in foundation garden area and cleaning and repair of the cushions on chairs.

**Maintenance** – Includes repair of furniture and general maintenance of area and lighting. Maintenance of the foundation garden and all potted plants within the areas.

**Equipment and supplies** – Cell phones, walkie talkie and radio allocations, cleaning supplies, brooms, mops, rags, general maintenance supplies and tools.

### **Other**

Signage upkeep and replacement.

## **Fitness**

### **Area Description**

Area includes fitness center, exercise room, two changing rooms with showers, a bathroom and a patio.

### **Service Description**

**Housekeeping**- This includes mopping of floors in all areas, washing windows, cleaning of equipment, cleaning of changing rooms and bathrooms multi times daily. Fan blades are cleaned as needed.

**Maintenance** – This includes general preventative maintenance and repair of plumbing fixtures, fans, ACs, touch up painting, music system maintenance, etc.

**Fitness Programs** -Includes allocation of instructors for fitness programs.

**Equipment and supplies** - cleaning supplies, paper towels, toilet paper, Water dispenser and cups, towels, office supplies, rags, mops, brooms and tools. Maintenance plumbing supplies, fan blades and parts and light bulbs.

**Other** – Compensation for approximately 1 cu meter per day of water and waster water, signage, repair of terrace handrails, beams, tiles and wood as needed and repair of sliding glass doors as needed.

## **Library and Interior Common Areas**

### **Area Description**

Library area with outside terrace, pro rata share of the elevator landing area on Floor 2, stairway, elevator cab and doors, sweeping and mopping of the Gran Palapa prior to fitness classes.

### **Service Description**

**Housekeeping-** This includes mopping of floors, walls, and doors in all areas, washing windows, cleaning of furniture, dusting and cleaning of bookshelves. Fan blades are cleaned as needed. Minimum 7 days per week and includes several deep cleanings.

**Maintenance** - This includes general preventative maintenance and repair of furniture, fans, ACs, touch up painting, light bulb replacement, etc.

**Equipment and Supplies** - Cleaning supplies, office supplies, rags, mops, brooms and tools. Maintenance - fan blades/parts and light bulbs, AC parts.

**Other** – Repair of terrace handrails, beams, tiles and wood as needed. Repair of sliding glass doors as needed. Sky and audio services.

## **Tennis Court and Sports Court Areas**

### **Area Description**

Tennis and sport court areas, perimeter, lighting and fencing

### **Service Description**

**Housekeeping** – Sweeping and using dry roller when needed. General pick up of areas.

**Maintenance** – General repair and maintenance of areas, nets, fence repairs, trash removal, chair repairs, lighting maintenance and repairs. Weeding and maintaining plants in perimeter areas.

**Equipment and supplies** - Cleaning supplies, rags, mops, brooms, trash bags and tools. Maintenance general paint, light bulbs, lubricants, fuel and gardening tools and dry roller parts.

**Other** – Replacement nets, court repair.

## **BBQ and Gardens Area**

### **Area Description**

BBQ area with pergola, tables, smoking area, pathways, bathrooms and BBQ grills.

### **Service Description**

**Housekeeping** – Cleaning of floors, tables, grilling areas in the BBQ shelter. Cleaning of bathrooms.

**Maintenance** – Repair and maintenance of the area, tables, shelter and bathroom plumbing.

**Equipment and Supplies** – Paint, lightbulbs, bathroom supplies, cleaning supplies. BBQ equipment, BBQ equipment, trash bags, carpentry supplies and tools.

### **Building Maintenance**

**Area Description** – Clubhouse Common Areas, BBQ area bathrooms, first aid room, 3 pool /public bathrooms, fountains, trash collection area, beach and smoking area umbrella palapas.

### **Service Description**

**Maintenance** – Upkeep of the physical buildings' exterior and interior. Upkeep of the fencing and slab for the trash and recycling areas. General litter pickup.

**Equipment and Supplies** – Paint, tools, radio, building and carpentry supplies and materials.

**Other** – none

### **Pools**

#### **Area Description**

3 Pools with an additional pool to be added at a later time, pool areas, pool furniture, pool equipment. Beach furniture. Regular deep cleaning of all pool furniture.

#### **Service Description**

**Housekeeping** – Includes cleaning of the pool areas, pool furniture and umbrellas multiple times per day.

**Maintenance** – Cleaning of the pools, testing chemistry, maintenance of pumps and other pool equipment.

**Equipment and Supplies** – Pool chemicals, cleaning and sanitizing supplies, signage, trash bags, equipment parts, and radios proration.

**Other** – Untreated water, laboratory test of water monthly.

### **Landscaping**

#### **Area Description**

Landscaped areas of the Master areas which exclude the Regimes areas. This includes landscaping along the boulevard, Botanical Garden, sports areas, pool areas and entrance area.

#### **Service Description**

**Maintenance** – Includes generally landscaping services, fertilizing, pruning, weeding, mowing and plant replacement. Maintenance of non-potable water well.

**Equipment and Supplies** – Well supplies, tools, fuel, mower maintenance, fertilizer, water, personal protective devices, radios proration.

**Other** – Plant materials.

### **Payroll and Supplies Compensation**



1. The MA agrees to pay vendor CE (Costa Esmeralda) a monthly rate per Appendix A
2. The vendor will invoice the MA at the end of each month for services provided in the month

## **Outside Services**

### **Maintenance Elevator**

The Regime has entered into contracts for preventative maintenance. The contracts have been provided to the Board. Pro rata share with Regime 2 and Commercial areas.

### **Elevator Other Services**

Expenses for services and parts which are not in the elevator contracts.

### **Fire Extinguisher Maintenance**

#### **Service Description**

Per the requirements of Civil Protection, a third-party company will inspect the fire extinguishers in the Master common areas every month and recharge and repair as necessary.

The third-party company will invoice the Regime at the end of each services provided

### **Fumigation**

#### **Common Areas**

#### **Service Description**

1. The service provider is a third-party company who will fumigate every six months for control of crawler and rodents all common areas within 2 meters of buildings and their surrounding areas.
2. The service provider will spray with an environmentally friendly chemical which will not negatively impact the health of occupants. A copy of the MSDS equivalent to the Board. Occupants must take certain cautions with open and exposed food including pet food and water. Otherwise, there in no need to cover belongings.
3. The service provider will provide a written statement and records.
4. The service provider and the Regime will understand as a "Common Areas" the following areas:
  - a. Mechanic (Hydraulic) room
  - b. Electric room
  - c. Elevator and elevator pit
  - d. Cistern perimeter
  - e. Green areas
  - f. General corridor
  - g. Walking perimeters
  - h. Man holes and registers.
  - i. Eyebrows
5. The Condo Manager will notify to the condo board with a calendar of the events in the current year.

6. The service provider shall perform the service items specified as follows:

- |                        |   |
|------------------------|---|
| (i) Type of Pest       | : Crawlers and rodents                    |
| Application Method     | : <u>Spraying, nebulization and traps</u> |
| Frequency of Treatment | : <u>Every six months</u>                 |

### **Compensation**

The third-party company will invoice the Regime at the end of each services provided

### **Roof Maintenance**

General upkeep of the roofs of common buildings to include sweeping, minor repairs and minor sealing.

### **IT/Technology Maintenance**

Maintenance of the hardware for the provision of internet services within the buildings of the regime.

### **Signs Maintenance**

Estimates expense for the upkeep and replacement of general signage.

### **Water Analysis**

Analysis of water treatment based on an independent lab report. The Board has a contract for services with a vendor.

### **Civil Protection and Safety Training**

Training and safety drills as required by Civil protection.

### **Road Maintenance**

Expenses for the maintenance of the roadway to Vivo and the Boulevard.

### **Service Description**

Grade and smooth roadways approximately 20 times per year. The frequency will be greater in the rainy season and less in the off seasons with less use.

**Equipment and Supplies** – Truck, blade and fuel.

### **Utilities**

#### **Trash Service**

All resort trash and recycling service is being consolidated in the Master Association. This includes individual pick up as well as transfer to the landfill and maintenance of the facility.

#### **Propane**

#### **Service Description**

1. The service provider provision of gas in a permanent and continuous manner, with the exception of interruption for service reason.
2. The service provider and Condo management is not responsible for any issues arising from a different use of the gas other than for the purposes established.

3. The service provider will assign independent tanks and supply gas exclusive for buildings.
4. Condo Management will coordinate with a third-party company the gas supply.
5. Condo Management will maintain the propane tanks allocated to the Regime Buildings.
6. Service provider will maintain proper records of gas consumption per building and validate that what was billed by the vendor is what was received.

#### **Compensation**

1. The Master Club agrees to pay vendor the amount according to the usage and the price set by the market.
2. The vendor will invoice the Regime at the end of each month for services provided in the month

#### **Electricity – Common Area’s**

##### **Area Description**

Provide electricity to front office, security facility, public area lights, fountain pumps, fitness equipment, music, fans, AC, lights, library fans and lights, BBQ area and bathrooms, entrance lights, pools pumps and lights. Some areas will have electricity prorated based on relative square feet to metered areas.

##### **Service Description**

1. The service provider will use all reasonable diligence to provide a continuous supply of power but will not be responsible for failure to do so by reason of damage to CFE transmission lines, phase lost, voltage peak and others work related to them (CFE).
2. Condo management is not responsible for power loss due to an act of God, or any other cause beyond Condo Management control. Nor does Condo management guarantee the maintenance of unvaried frequency or voltage and will not be liable to the customer for any loss, damage or injury resulting from power interruption or voltage or frequency variations due to aforementioned reasons.

##### **Compensation**

1. The MA agrees to pay CFE a monthly rate according of KW usage and the rate assigned by the Market.
2. CFE will invoice the MA at the end of each month billing cycle for services provided.

#### **Water Treatment and Delivery System**

##### **Service Description**

1. The service provider will deliver to the Clubhouse building cistern water with at a quality level according to the Mexican norm NOM-201-SSA1-2015 and NOM-127-SSA1-1994. The expense is shared by R2, Commercial and Master Club Amenities.

2. The service provider will deliver on demand the cubic meters of water per day to each condo building ensuring daily cistern water storage levels are generally between 50% to 80% of capacity, through Condo Utilities infrastructure.

### **2023 Water Cost**

2023 Total Cost per M3 = 34.50 pesos / M3

- This amount is the sum of the operational cost per M3 plus the capital repairs and replacement cost per M3.

2023 Operational Cost per M3 = 24.50 pesos / M3

- The real charge per M3 of water is 24.41 pesos (payroll, chemicals, maintenance)

2023 Capital Repairs & Replacement Cost = 10.00 pesos / M3

- Reserve amount charged to cover repairs and replacements to the water system (i.e. wells, new pumps, distribution repairs, sediment tank etc).

### **Wastewater**

#### **Service Description**

1. The service provider will be responsible for the collecting and treatment of sewer water.
2. The service provider the system of sanitary sewer mains and sewage treatment facilities.

### **Cable**

#### **Service Description**

1. The service provider will be responsible for delivering at least 40 cable channels to each Club amenity with TV

### **Internet**

#### **Service Description**

1. The service provider will be responsible for delivering wi-fi internet connectivity the public areas.
2. The service provider will do their best to deliver the best internet solution to the units in each condo building based on technical limitations to the property and economic viability.
3. Owners understand that Internet is provided by a third party. There will be no compensation for occasional loss of service.

### **General Terms of Compensation**

1. The vendor will invoice the Regime at the end of each month for services provided in the month

### **Capital Reserves**

#### **Service Description**

The Board of Directors engaged a third -party Reserve Study Specialist to identify the capital assets and major repairs and thereby determine the annual contribution necessary to maintain or replace these assets per the schedule of useful lives.

Examples of these assets are fitness room equipment, pool furniture additions and replacement, resurfacing of tennis and sports courts, resurfacing of pools, major building repairs or replacements, maintenance of common trash and recycling center.

### **2023 Assessment per Owner**

The 2023 Assessment per Owner is MXN \$ 21,813.81 per quarter which is a 10% increase from the prior year.

## Appendix 1

### 2023 Expense Budget

	2023 Total	2022 Budget	var
<b>EXPENSES</b>			
7%			
<b>Administration</b>			
Insurance	685,356	661,619	4%
Property Tax	53,500	50,000	7%
Banking Fees	18,000	12,000	50%
Legal	10,000	10,000	0%
Contract Services	10,000	10,000	0%
Professional Services	-	-	0%
Management Fee	1,483,020	1,235,850	20%
Technical Services	80,430	78,000	3%
Stationary and Office Supplies	34,347	32,100	7%
Other expenses	-	-	0%
<b>Total Payroll and Benefits</b>	<b>2,374,653</b>	<b>2,089,569</b>	<b>14%</b>
<b>Payroll and Benefits</b>			
Reception & Administration	2,521,697	2,196,385	15%
Security and Safety	2,302,950	1,936,336	19%
Lifeguards, Beach Services, Life Safety	1,427,150	1,412,451	1%
Public/Exterior Common Areas - Custodial	770,578	650,655	18%
Public/Common Areas - Maintenance	108,543	98,123	11%
Fitness	652,681	479,761	36%
Library and Clubhouse Interior Common Areas	109,250	95,403	15%
Tennis & Sports Courts	176,411	153,392	15%
BBQ Area with Bathrooms	130,758	115,719	13%
Botanical Garden	-	-	0%
Building Maintenance	217,086	392,491	-45%
Pool Maintenance	1,155,345	913,794	26%
Landscaping	1,401,472	1,073,826	31%
Parking Maintenance	-	-	0%
Other Payroll	-	-	0%
<b>Total Payroll and Benefits</b>	<b>10,973,918</b>	<b>9,518,336</b>	<b>15%</b>

Revenues	2023 Total	2022 Budget	var
<b>Operations Expenses</b>			
Security and Safety	23,297	19,425	20%
Lifeguards and Beach Services	121,407	117,532	3%
Building Maintenance Supplies	374,500	350,000	7%
Pool Maintenance	1,991,103	1,257,926	58%
Landscaping	101,868	66,498	53%
Cleaning Supplies	356,733	333,395	7%
-	<b>2,968,907</b>	<b>2,144,776</b>	<b>38%</b>
<b>Outside Services and Contracts</b>			
Elevator	30,625	27,841	10%
Elevator Other Services	4,345	3,950	10%
Exterior Paint Building - Minor	12,558	11,736	7%
Fire extinguisher Maintenance	4,447	4,156	7%
Fumigation	6,454	6,032	7%
Power Distribution Maintenance	7,889	7,373	7%
IT / Technology	12,840	12,000	7%
Signs Maintenance	25,000	10,000	150%
Water Analysis	11,412	10,665	7%
Civil Protection and Safety Training	53,500	50,000	7%
Road Maintenance	116,604	108,976	7%
Fitness Center	115,444	62,208	86%
<b>Total Outside Services Expenses</b>	<b>401,119</b>	<b>314,938</b>	<b>27%</b>
<b>Utility Services</b>			
Trash Removal	104,186	97,370	7%
Propane	13,975	21,055	-34%
Electricity	582,687	650,000	-10%
Water Treatment	71,940	67,233	7%
Waste Water Treatment	6,340	5,926	7%
TV Cable (Sky)	6,310	9,414	-33%
Internet	37,236	34,800	7%
Telecommunications	4,879	4,560	7%
<b>Total Utility Expenses</b>	<b>827,553</b>	<b>890,358</b>	<b>-7%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>17,546,150</b>	<b>14,957,976</b>	<b>17%</b>
	14,957,976	2,588,174	
<b>Reserves</b>			
Contributions to Reserves	1,650,000	1,650,000	
Contingency		82,000	
<b>TOTAL EXPENSES</b>	<b>19,196,150</b>	<b>16,689,976</b>	<b>15%</b>
<b>PROFIT &amp; LOSS</b>	<b>0</b>	<b>-82,000</b>	<b>-100%</b>

Department	2023	2022	Var
Administration	6.4	6.5	-0.1
Security and Safety	10	9	1.0
Lifeguards, Beach Services, Life Safety	6	6	0.0
Public/Exterior Common Areas - Custodial	3.50	3.4	0.1
Public/Common Areas - Maintenance	0.50	0.5	0.0
Fitness	3.14	1.33	1.8
Library and Interior Common Areas	0.49	0.49	0.0
Tennis & Sports Courts	0.81	0.81	0.0
BBQ Area with Bathrooms	0.56	0.56	0.0
Building Maintenance	1.00	2	-1.0
Pool Maintenance	5.00	4.5	0.5
Landscaping	6.2	5.2	1.0
Total	43.60	40.29	3.3