



VIVO RESORTS
OAXACAN BEACHFRONT LIVING

SCOPE OF WORK CONTRACTS

2022

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. The 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 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 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 7 FTE to fill all shifts.

The gate person monitors all entries and exits into the resort. They compare the lists of Owners, guests and vendors. Day guests are allowed 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. The revenue from day passes is credited to the Master Association.

Future staffing will 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, oxygen and medical supplies in nurse room.

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, and life saving supplies.

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 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. The staff uses a hydrostatic cleaner to sanitize the equipment between uses. 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 partial 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

Area Description

Library area with outside terrace.

Service Description

Housekeeping- This includes mopping of floors in all areas, washing windows, cleaning of furniture, dusting and cleaning of bookshelves. Fan blades are cleaned as needed.

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

Area Description

BBQ area with pergola, tables, smoking area, 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.

Botanical Gardens

Area Description

Gardens near the BBQ and Sports Courts areas

Service Description

Housekeeping- No housekeeping

Maintenance- Maintain the garden. Included in Landscaping budget line

Equipment and Supplies - Tools, fertilizer, trash bags, plant material.

Other – none

Building Maintenance

Area Description – BBQ area bathrooms, first aid room, adult pool bathrooms, fountains, trash collection area, and 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 mid 2022, 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.

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 common areas every month and recharge and repair as necessary.

Compensation

1. The Regime agrees to pay vendor a rate of approximately MXN \$ 600.00 pesos every month for common area fire extinguisher inspection.
2. The Regime agrees to pay vendor additional sums for any recharging and repairs that are 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 : Spraying, nebulization and traps
 - Frequency of Treatment : Every six months

Compensation

1. The Regime agrees to pay vendor a rate as outlined in Appendix 1 in pesos every six months for common areas and in-suite fumigation with a third-party company.
2. The third-party company will invoice the Regime at the end of each services provided

Roof Maintenance

General upkeep of the roof 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. This includes re-lettering where the numbers have faded or worn off.

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.

2022 Water Cost

2022 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.

2022 Operational Cost per M3 = 24.50 pesos / M3

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

2022 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.

2022 Assessment per Owner

The 2022 Assessment per Owner is MXN \$ 19,772 per quarter which is a 7% increase from the prior year.

Club Palmarito Administracion VR, A.C. Budget Master Associations 2020		 2022 Total
Revenues		
Master Fee Revenue		
Regime 1	7,671,303	
Regime 2	1,107,198	
Regime 3	4,033,366	
Building N	1,898,054	
Villas	1,660,798	
Day Passes & Hospitality	237,257	
Special Assessments	-	
Developer Subsidy	-	
Other Income	-	
Total Revenue	16,607,976	

EXPENSES	7%
Administration	
Insurance	661,619
Property Tax	50,000
Banking Fees	12,000
Legal	10,000
Contract Services	10,000
Management Fee	1,235,850
Technical Services	78,000
Stationary and Office Supplies	32,100
Other expenses	-
Total Payroll and Benefits	2,089,569

Payroll and Benefits	
Reception & Administration	2,196,385
Security and Safety	1,936,336
Lifeguards, Beach Services, Life Safety	1,412,451
Public/Common Areas - Custodial	650,655
Public/Common Areas - Maintenance	98,123
Fitness	479,761
Library	95,403
Tennis & Sports Courts	153,392
BBQ Area with Bathrooms	115,719
Botanical Garden	-
Building Maintenance	392,491
Pool Maintenance	913,794
Landscaping	1,073,826
Parking Maintenance	-
Other Payroll	-
Total Payroll and Benefits	9,518,336

Operations Expenses	
Security and Safety	19,425
Lifeguards and Beach Services	117,532
Building Maintenance Supplies	350,000
Pool Maintenance	1,257,926
Landscaping	66,498
Cleaning Supplies	333,395
-	2,144,776

Outside Services and Contracts	
Elevator	27,841
Elevator Other Services	3,950
Exterior Paint Building - Minor	11,736
Fire extinguisher Maintenance	4,156
Fumigation	6,032
Power Distribution Maintenance	7,373
Roof Maintenance - Upkeep	-
IT / Technology	12,000
Signs Maintenance	10,000
Water Analysis	10,665
Civil Protection and Safety Training	50,000
Road Maintenance	108,976
Air Conditioning Services	-
Road Lighting	-
Fitness Center	62,208
Other	-
Total Outside Services Expenses	314,938
Utility Services	
Trash Removal	97,370
Propane	21,055
Electricity	650,000
Water Treatment	67,233
Waste Water Treatment	5,926
TV Cable (Sky)	9,414
Internet	34,800
Telecommunications	4,560
Other Utility Expenses	-
Total Utility Expenses	890,358
TOTAL OPERATING EXPENSES	14,957,976
Other Expenses	
Extraordinary Expenses	
Prior year Adjustments	
Other Expnses General	
Total Other Expenses	-
Reserves	
Contributions to Reserves	1,650,000
Contingency	
TOTAL EXPENSES	16,607,976
PROFIT & LOSS	0

Scope of Work Contracts Costa Esmeralda VR S. de R.L. de C.V.

Vivo Resort - Clubhouse - Master					
Five-Year Expenditure Report by Category					
5Y Filter	TRUE				
Category	Component	Location	1/1/2021	1/1/2022	
AV System	Common Areas	Pool Deck	45,917	-	
	Sound System - Bose	Recreation	-	-	
	Tennis Court	Tennis and BBQ	-	-	
AV System Total			45,917	-	
Decking	Deck Sealer - Sun Reflective	Pool Deck	38,816	-	
Decking Total			38,816	-	
Electrical	Ceiling Fans	Yoga Room	18,367	-	
	Landscape Lighting	Entrance Gate	-	-	
	Light Fixtures	Library	-	6,428	
	Solar Lighting	Exterior	464,271	-	
	Solar Panels	Exterior	127,547	-	
Electrical Total			610,184	6,428	
Equipment	Glass Mill	Trash Area	-	-	
	Pickleball net systems	Pickleball Court	32,268	-	
	Tennis net systems	Tennis Courts	40,560	-	
	Trash Cans Dual	Recreation	-	-	
	Trash Cans General	Recreation	60,202	-	
Equipment Total			133,030	-	
Exercise Equipment	Adjustable Crossover Cable - Open Gym	Gym	-	-	
	Leg Extension - Body Solid	Gym	-	-	
	Rower - Concept 2	Gym	37,456	-	
	Seated Row/Lat Pull Down - Body Solid	Gym	-	-	
	Sit Ups - Body Solid	Gym	-	-	
	Smith Machine	Gym	-	-	
	Spin Bike	Gym	17,518	-	
	Strength Equipment	Gym	-	-	
	Stretch Equipment, balls, etc.	Gym	-	-	
	Treadmill - BH	Gym	59,182	-	
	Vertical Row - Open Gym	Gym	23,941	-	
Exercise Equipment Total			138,097	-	
Fencing	Fencing Allowance	Tennis Courts	234,686	-	
Fencing Total			234,686	-	
Flooring	Flooring Allowance	Yoga Room	-	-	
Flooring Total			-	-	
Furniture	Chairs and Table	Library	30,611	-	
Furniture Total			30,611	-	
HVAC	Air Conditioning Unit - Lenox 36KBTU	Library	33,672	-	
	Air Conditioning Unit - Lenox 36KBTU	Yoga Room	-	35,355	
HVAC Total			33,672	35,355	
Landscape	Landscaping - Trees	Exterior	-	-	
	Retaining Walls Stucco Repair & Painting	0	25,013	-	
	Trash Enclosure Repair & Maintenance	0	-	-	
	Trash Enclosure Replacement	0	-	-	
Landscape Total			25,013	-	
Lighting	Waterfall	Foundation Garden	11,020	-	
Lighting Total			11,020	-	
Outdoor Furniture	Lounge Chairs	Foundation Garden	-	-	
Outdoor Furniture Total			-	-	
Outside Furniture	Beach chaise	Beach	-	-	
	Chairs, & Chaise Phase 1	Pool Deck	-	220,164	
	Chairs, & Chaise Phase 2	Pool Deck	-	176,131	
	Chairs, & Chaise Phase 3	Pool Deck	279,583	-	
	Tables Phase 1	Pool Deck	32,652	-	
	Tables Phase 2	Pool Deck	-	34,283	
	Umbrellas	Pool Deck	-	-	
	Umbrellas Phase 1	Pool Deck	101,180	-	
	Umbrellas Phase 2	Pool Deck	-	106,236	
Outside Furniture Total			413,415	536,815	
Paint	Painting Allowance	Ladies Locker Room	-	12,856	
	Painting Allowance	Library	-	-	
	Painting Allowance	Mens Locker Room	-	12,856	
Paint Total			-	25,713	
Pool Equipment	infinity Pump	Pool Deck	-	-	
	Recirculating Pump	Pool Deck	79,253	-	
Pool Equipment Total			79,253	-	
Pool Furniture	Lounge Chair Fabric	Roads	15,306	16,071	
Pool Furniture Total			15,306	16,071	
Pump	1/6HP in waterfall	Foundation Garden	3,061	-	
Pump Total			3,061	-	
Signage	Information signs	Various	10,204	-	
Signage Total			10,204	-	
Structural	Guard Shack & Palapa	Entrance Gate	68,365	-	
	Lifeguard Station	Beach	-	51,425	
	Palapas	Beach	-	-	
Structural Total			68,365	51,425	
Tile	Ceramic Tile Allowance	Pool Deck	306,309	-	
Tile Total			306,309	-	
TV	TV	Gym	13,265	-	
	TV	Yoga Room	13,265	-	
TV Total			26,530	-	
Grand Total			2,223,490	671,807	