

### **INFORMATIVE HOMEOWNERS MEETING JANUARY 2016**

On the 21st January 2016 we had an informative meeting with the homeowners to present various points in the community and also issues regarding the HOA. We also spoke about other interesting points with the developer and homeowners.

A total of 32 homeowners participated in the meeting. Benjamin Beja (TAO CEO), Isaac Henares (TAO COO), Jesus Tun (TAO Accountant), Darren Spencer (TAO Guest Service Manager) and Noé Villegas (HOA Manager) were also present at the meeting.

The meeting started with the introduction of Benjamin Beja, in which he spoke about the concept of the TAO Community (emphasizing on the vision of the developer and aims to work together with the owners and residents to strengthen their sense of belonging through activities and events) and progress in terms of sales and construction as well as the need to strengthen effective communication with owners. Benjamin also emphasized that the TAO Community is made up of 2 elements: TAO Residences and TAO Ocean even though they have 2 separate HOAs.

After Benjamin had spoken, Noe took the floor and began his presentation by reading the day's agenda and a presentation of the Advisory Team, which are as follows:

Dale Oakley	QI G3	Permanent Resident
Edna Daniels	QI PH8	Permanent Resident
Steve Garcia	RD C5	Permanent Resident
Jose Galarza	TH E12	Permanent Resident
Will DeBose (Absent)	RD C6	Permanent Resident
Michael Schwartz	KUN PH7	Temporary Resident

Noe then went on to explain:

- a) The progress that has been made within the community.
- b) The Financial report
- c) Internal Rules & Regulations

After this presentation of the improvements and maintenance work was finished the owners had a chance to ask questions. This is the list of points that arose (for more information and the action plan please see the attached Excel document "Proyectos HOA – HOA Projects")

- To work on the garden area in TH A and B and also in the Lake Residences to eliminate the blind spots and to improve the visibility of drivers and pedestrians.
- Analysis of the solar lights. If it is feasible then we will change the lighting
- Parking. To define the parking lots, showing current and projected number of parking spots when the development is completed

- More pool chairs and tables are needed for the community pool.
- More information is needed on the specific chemicals that are used to fumigate the community. For more detailed information please see the attached Excel document "Fumigacion – Fumigation"

The 2015 Financial Report was presented by Jesus Tun who explained that they is currently around 40% of homeowners that are not paying their fees. All of the attendees agreed that these people need to pay their fees and will find ways to make them clear these debts, which has forced the HOA to be in debt to providers and the development.

There are several reasons why there is this default, including: improve communication of statements, receipts, payment policy and means to make fertilizers. The following resolutions were taken:

- The 2016 budget has an Administration assistant to work directly with the HOA.
- Within the next 2 weeks we will be sending out the statements and balances to all owners.
- There will be a website where owners can pay their fees online which will be ready within the next 2 weeks. Jesus Tun will be meeting with the Managers of Bancomer to insert a payment platform so that so that owners can make wire transfers (second step). See attached document "Payments HOA TAO".
- We will have a PayPal option for all owners to use if they wish to do so.

The next point on the agenda was the 2016 Budget. The includes, painting of all units, adding 3 maintenance staff to work on the painting of the community and residential areas and what areas are not covered by the property insurance. It was agreed by all of the attendees that we will work 3 points that must be resolved including:

1. It was agreed that the painting in the Townhomes and Residences will be included in the general paint budget and will also include the painting of all of the units with the community.
2. It was agreed to establish a fee for property Insurance of 80,000USD which is payable in January and will cover the common areas (including elevators and pumping equipment pool and tanks). We did discuss the issue if the glass is covered by the insurance or not.
3. The fees for 2016 will be in Mexican Pesos

After these points had been mentioned and we closed the topic of the budgets and the agenda we established the next date of the next general meeting which will be held at 9am on Thursday 2<sup>nd</sup> February 2017. It was agreed that we will have quarterly meetings (which can be followed by <https://www.freeconferencecall.com/> for those people who are not here in person). In these meetings we will be able to see the progress and to recap on the items that were discussed in the previous meeting. The next meeting will be at 9am on Thursday 30th April 2016 (TBC)

We concluded the meeting by hearing from Benjamin Beja about some of the projects that are happening as well as answering questions about the development. The main points are:

- TAO Wellness Center: It was emphasized that 100% the operational and maintenance costs of the TWC are absorbed by the developer. The HOA fees do not cover the maintenance of the TWC. The same will happen in the TAO Beach Club, where the developer will absorb all operating and maintenance costs.
- TAO Retreat. It was explained that the TWC needs to have an income to operate and for it to be maintained. The retreat, when opened will serve as way of keeping the TWC open. This will also be helped by attracting more speakers and events to the TWC. The retreat will be built next to the TWC and will bring lots of added amenities to the homeowners.

The new TAO Retreat will have

- 24 condos with 48 rooms with services.
- New restaurants
- The retreat will offer more activities and events that owners can take part in.
- Construction begins in January 2016 and will finish in November 2016
- The marketing will focus on a different type of clientele and will not affect the rental programs

All of the attendees agreed that the TAO Retreat is a great idea and will benefit all those that are involved.

- Bahia Principe Beach Club: The Beach Club at Bahia Principe was planned to give its residents/owners a full range of activities and benefits and was planned to be built however to date has not yet been built . In recent Bahia Principe promotion and brochures they show the new beach club to be in the Punta Sur area without any completion dates (these point is beyond the control and scope of TAO)
- TAO Beach Club: To increase the services to owners TAO will be building a Beach Club that can be accessed by both TAO Ocean and TAO Residences (Start yet to be announced)
- TAO is currently making several small modifications to the beach club including changing the layout of the beach club to have one level building with a roof terrace and also a closed area for activities, events and classes. TAO is still waiting for the planning permission to be accepted.
  - The beach club is estimated to open in November 2016
- TAO will be offering free transportation from the TWC to the Beach Club to help with the parking issues at TAO Ocean.
- Water. When TAO first opened we used the reversed osmosis that Bahia Principe provided. The management team at Bahia Principe compared the prices of the reversed osmosis water VS the water from CAPA (water from the municipality) and found that the CAPA was cheaper and consequently changed to CAPA thus changing the water at TAO. This topic is not by any means controlled by TAO; however TAO is open to the possibility of talking with Bahia Principe to change from CAPA to Reverse Osmosis however this could cost up to ten times more expensive.
- The HOA Manager URGENTLY NEEDS somebody to help with basic book keeping.
- A variety of ideas surfaced to handle those few people who have deliberately NOT PAID their dues but have been enjoying all of the benefits of the community. One idea was to

shut off power, water, gas and or septic services until the delinquent accounts, plus interest, are brought up to date.

- Parking tape has been donated and should be implemented / tested to help with our parking situation.
- The angle of the street lamps are very bright for those living on the penthouse level since the bulb is visible from the top.