



## Asociación de Usuarios de Marina Sol, A.C.

Homeowners General Assembly Meeting  
November 12, 2011  
Presidents Report

Hola Fellow Owners:

Things are looking great at Marina Sol! The following is a brief summary of what's occurred since the May General Assembly (GA) meeting.

**Financial:** The current year budget was based on an exchange rate of 11 pesos to one dollar. To date, actual rates have ranged from a low of 11.51 to the mid 13 level. MSHOA has realized an exchange gain of 244,297 pesos through mid September. Per a GA resolution, the final exchange gain total will be transferred to the reserve account. Based on the annualized August 31st financials, we should end the year within budget.

**2012 Budget:** The budget has been prepared in pesos, the currency of day to day operations at Marina Sol. Maintenance fees are billed to owners in dollars, so the dollar/peso exchange rate is an important component of the budget process. While these rates have been in the 12 to 13 range the last couple of years, the rate did drop to a low of 11.51 in early May. Given the uncertainty of the foreign exchange markets, the Board (BOD) felt it prudent to remain conservative when preparing the 2012 budget using a rate of 11.5 pesos to the dollar. The proposed budget distributed to owners in advance of the GA meeting puts maintenance fees billed to owners next year (2012) at \$.2678 per square foot per month, a reduction of 5.7% from the \$.2841 billed this year (2011). A more detailed discussion of the budget is on the Ballot Detail available on the web site (address below). Please remember that the final budget will be presented at the GA meeting.

**Old Restaurant:** The buyers are moving forward with the purchase and hope to have the paper work completed in the near future.

**Water Line Repairs:** Last year the BOD learned of significant leaks in water mains for the "C" and "D" buildings necessitating emergency repairs. These were completed at a cost of 311,403 pesos. The "B" building water main was plagued with similar problems. Replacement of that line was completed in July at a cost of 56,250 pesos.

**Water Pumps:** Pumps in the "B" building were near failure necessitating replacement at a cost of 184,533 pesos (to come from reserves).

**Website:** The web site ([www.marinahoa.com](http://www.marinahoa.com)) is up and running thanks to Director Steve Dutra.

**Condo Law:** New laws governing condominiums on the Baja were passed in 2007. Until such time as we 1) amend our current bylaws or 2) formally adopt the new condo law, Marina Sol will continue to be governed by the old law. The BOD had a translation of the new law (at no cost) and contracted with attorney/official translator Susana Gonzalez for an official translation of the old law (which has been posted to the web site). During initial review of the two documents, the BOD noted several irregularities in the new law translation. Upon further inquiry, it was learned that the translator was not well versed in nor certified to translate legal documents. As a result, the BOD contracted with Attorney Gonzalez for a translation of the new law which has been posted to the web site. Upon completion of its analysis, the BOD will bring a recommendation to the GA.

**Water:** Marina Sol has been served by two water sources, a well and metered city water. The BOD recently learned that previous general managers did not file the necessary paperwork to maintain and preserve the well. As a result, we have lost the rights to that water source. The BOD is pursuing all avenues to regain those rights. To make matters worse, the City of Cabo has been unable to provide reliable water delivery recently forcing us to purchase water from the fire department. The BOD is currently researching additional storage options and will report to the GA. Needless to say, the situation would be MUCH worse if we had not completed the pool repairs and water treatment plant.

**Oasis:** The lease for the Oasis will expire on June 30, 2012. The BOD will prepare a request for proposal at the spring board meeting with the intent of awarding the lease at the May board meeting.

**Garage for Rent:** Do you need more storage in Cabo? MSHOA recently accepted possession of Garage C04 and is looking to rent it. Please contact General Manager Lucia Fregoso if you are interested.

**Cabo Villa:** The property adjoining Marina Sol behind the "E" building is owned by Cabo Villa. They have been dumping dirt and other fill which was accumulating against the Marina Sol perimeter wall creating damage and concern about potential failure. After several requests from Manager Lucia Fregoso and attorney Susanna Gonzalez, Cabo Villas has removed the material. Repairs to the wall have been completed.

**Board:** I would like to take this opportunity to thank the BOD for their time and expertise. They have invested a significant amount of time and energy over the last four years. The following is a brief list of some of the accomplishments completed under their direction:

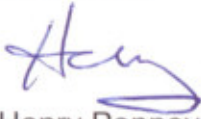
New computerized accounting system  
Improved cash and cost controls  
Reorganized management team  
Water treatment system  
Painted all five buildings

Major Pool remodeling/repairs  
Better historical financial information  
Established employee retirement fund  
Installed "utilidors" for subsurface lines  
Improved security camera system

Improved collection of past due fees  
New pumps for "A", "B" and "E"  
New wider sidewalks throughout  
New double card readers for "A" garage  
Refurbished monument sign  
Two new washing machines  
New fountain

Web site – improved owner information  
Replaced water lines in "B", "C" & "D"  
New entrance gate  
New pila for "E" building  
Installed recycling bins  
New lower maintenance palm trees  
Code of conduct for spring break

On behalf of the BOD, we hope to see you at the GA meeting on November 12th. If you can't attend in person, please make your voice heard by submitting your proxy. It's critical to remember that your signature must be witnessed by two people and that Mexican law requires submitted Proxy Forms bear original signatures (no copies, faxes or emails).



Henry Penney  
President