

Lighthouse Point Estates Newsletter

PUNTA ARENA | LA RIBERA | EAST CAPE | BAJA CALIFORNIA SUR, MEXICO

JUNE 2014

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A WORD FROM THE PRESIDENT

HELLO EVERYONE,

I WOULD LIKE TO SHARE SOME OF THE ACHIEVEMENTS THAT THIS BOD HAS ACCOMPLISHED;

WATER

AS YOU ALL KNOW THE LAST BOD GOT AN AGREEMENT WITH THE WATER COMPANY TO PAY EVERY MONTH THE AMOUNT OF \$34,373.00 PESOS AND I'D LIKE TO INFORM YOU THAT LAST MONTH WE PAID THE LAST PAYMENT OF THE AGREEMENT, SO NOW OUR BALANCE WITH OOMSAPAS IS \$0.00 PESOS.

LANDSCAPING

VIVEROS DE LA BAJA COMPANY WAS HIRED TO TAKE CARE OF THE GREEN AREAS AND I MUST SAY THAT THE OLEANDERS ARE BLOOMING AGAIN.

FENCES

ANOTHER ISSUE THAT IS IMPORTANT IS THE FENCES; SOME OF THEM WERE DOWN, AND I WOULD LIKE TO THANK OUR FRIEND AND ALSO NEIGHBOR DALE GARDNER FOR GOING AROUND WITH ME COUNTING THE POSTS THAT HAD TO BE REPLACED AND THIS TIME THE NUMBER WAS 160. MR. ALFONSO PARRA WAS HIRED TO DO THE JOB.

FEW WEEKS AGO I HAD A MEETING WITH MR. GUILLERMO SANDEZ, MAYOR OF LA RIBERA TO ASKED HIM FOR SOME SERVICES THAT WE DESERVED, LIKE:

A).-ROADS MAINTENANCE: THEY AGREED TO DO IT FOR A DONATION OF 100LTS OF DIESEL (\$130USD) FOR EVERY TIME WE WANT IT DONE.

B).-POLICE PATROLS:THEY AGREED TO COME AND PATROL THE NEIGHBORHOOD AS OFTEN AS THEY CAN; THIS IS JUST TO REINFORCE OUR SECURITY.

EVERY BOD MEMBER WILL KEEP WORKING HARD TO MAKE LPE A BEAUTIFUL PLACE TO LIVE.

DO NOT HESITATE TO CONTACT ME VIA EMAIL IF YOU HAVE ANY QUESTIONS OR IDEAS TO MAKE THIS PLACE BETTER.MUSTANG65MICA17@hotmail.com OR STOP BY AND SAY HELLO AT LOT B-21

RUBEN MEJIA, HOA PRESIDENT



Counter-clockwise:

- Ruben Mejia
- Sandra Kadi
- Joyce Harczo
- Becky Talley

SEE THE BOARD AT WORK



SUMMARY OF UPDATES

1. Board decided not to hire a Project Manager because:
 - Too expensive
 - Had only city/condo experience
 - One contract was not in LPE interest
 - For the remainder of the year President will continue PM duties until November Annual Meeting
2. Treasurer News: We are discussing an adjustment of the early payment discount for the HOA dues, and interpreting Article 13 of the CC&Rs.
3. Security: We will continue with Manolo's company for security with a review scheduled for November. He has provided electronic factura, but we still are waiting for proof of SS payment/s to his employees.
4. Landscaping: Hired Vieros de La Baja as they are the most experienced, have worked here before, and currently work for one/two LPE owners.
5. Water bill: Paid in full to OOMSAPAS. Now we continue with individual payments for personal water use and consumption.
6. Fences: New contract with Alfonso Parra. Contract includes 5-year warranty on all work, bracing every fifth post, tarring and capping the 160 posts that are being replaced.



MEMBER AT LARGE NEWS

After two years as LPE MAL, Joyce Harczo's term is over. We are going to miss her and all her hard work. She has so much energy and she cares about LPE. She is the kind of person who helped everyone else on the Board feel happy to be on it. Thank you, Joyce, for serving LPE so selflessly. We will vote for new MAL at the AGM in November.



TREASURER'S REPORT

I am pleased to inform our HOA members that we have obtained an Accountant, Francisca, representing Rochin Olachea Contadores Publicos CPC. The company is a fairly long established East Cape business since 1995 with offices in Los Barriles. The company represents several HOA's among other businesses and organizations on the East Cape.

Francisca, who we will be working with us, is a Certified Public Accountant, with a Master's Degree in Taxes. She is a charter member of the Accounting Firm. I had the pleasure of interviewing her. As a past bookkeeper, I found her extremely competent and professional. One of the BOD's concerns is to make sure we are compliant with the many new Mexican tax laws. This last year there have been several significant changes in the MX tax law that impact how non-profit organizations such as our HOA file and pay taxes. Francisca holds professional seminars to instruct MX tax laws to other accountants and businesses. With the recommendations we have received and given her education and experience we can be reasonably confident in her ability to keep us both legally in compliance and financially organized.

From November 2013 to May 20, 2014, our HOA has totally collected \$112,329 USD. Of that amount, \$16,192 USD (14%) is late dues collected. Dues collected for 2014 is \$96,137 USD (86%). The dues collected to-date represent 268 lots paid, or 62% of the 431 lots of all phases. The dues not paid for 2013-14 fiscal is \$64,753.

Paid and unpaid lots do not include Sr. Mondragon's 41 lots in Phase 4 that he purchased from the Municipality. These 41 lots were signed over by the LPE Developer in lieu of taxes. Sr. Mondragon is not

legally required to pay HOA dues for these lots. In 2013-14 fiscal year 19 lots in Phase 1 that had paid previously, have either partially paid, or did not pay at all. This has meaningfully reduced the expected HOA revenues for this year's budget. There are a total of 56 lots in Phase 1 (total lots 130) that dues are unpaid. The past Administrator projected a \$150,000 USD budget during our last HOA annual meeting. Clearly \$112,329 (75% of \$150,000) is insufficient to match the past Administrator's projected budget expenses. However, there are carry-over funds from last fiscal year when combined with collected funds to-date is approximately \$160,000. So, with 50% of the year past and that amount of cash in our account, our HOA is fiscally sound.

The BOD right now is adjusting the budget and expenses to better reflect actual revenues collected and what can be anticipated in the future. For 2014-15 there will be a formalized line item budget presented at the November HOA that avoids budgets built on guesstimates. So far our current BOD is remaining conservative paying for what we can afford.

With six months of the fiscal year past we have approximately spent \$ 69,849, 62% of \$112,329. The good news is that the water contract with Oomsapas (government water provider) to bring all LPE water billings up-to-date has been paid in full. Also, there were unanticipated major perimeter fence repairs costing \$4,677 USD for repairing 160 posts, 32 braces and installation services. There has not been any major fence maintenance for the past two-years. Fence repairs will now be done on a more regular basis with routine inspections scheduled and repairs made as needed.

This year the MX IVA taxes have increased 5%. So, all purchases and services have increased our budget by 5%.

To conclude the Treasurer Report, the HOA is fiscally sound. Due to budgetary considerations the HOA did not hold an extraordinary election to fill two resigned positions (Treasurer and Vice President) to save added costs. Also, there is a delay in hiring a Property Manager until our finances and our service needs are more clearly understood. As acting Treasurer I want to thank everyone for paying their HOA DUES !!! Most of our owners do! We do have real and necessary expenses to maintain our properties as an association. The Association to date has done everything possible to keep our HOA dues the lowest if not one of the lowest in BCS. I encourage our lot owners who have not paid to do the right thing by paying your dues.

Respectfully submitted,
Becky Talley
Acting Treasurer



VP STATUS

Joe Lesnak left the Board in March 2014. We will vote for a new VP on November 8, 2014 at the AGM.

SECRETARY SUBMISSION

April Voting Form Situation

I hope you all received Ruben's email explaining this. After more thorough interpretation from Susana (HOA attorney) the difference between "acting" and "active" Board Membership became clear. We will vote on this at the next AGM. Susana also encouraged LPE to vote in 4 substitute candidates as well as the 3 active Board members at the meeting.

April Voting Form Tally

VP: Jean Paul Phillips	2 votes
VP: Dale Gardner	2 votes
VP: Mary Jane Keehn	2 votes and 10 endorsements (votes not accompanied with ID page)
Treasurer: Becky Talley	2 votes and 2 endorsements

Any owner interested in Board/substitute nomination, please let me know (& ccRuben) so we can have a complete Ballot in Nov.

Personal Invitation to Owners

Because I hope to have a nice turn-out at the AGM in Nov, and wish to make it possible for some owners to stay for the weekend at LPE, I offer my house to you. 3 bd/3bth for 3 couples, and 4 cots, (4 sleeping bags) with community bath in the courtyard (for the RUSTICO experience) and am happy to have guests. "FIRST EMAIL, FIRST SERVE". Email to me Sandra.kadi58@gmail.com if you would like to stay in the bed/bath or are choosing Rustico experience. I hope there is interest. I will have beer on Friday night (someone may have a BBQ), coffee/roll on sat/sun morning. Lunch may be served after AGM at someone's house. This is a chance to spend some time in LPE - to walk your lot, remember your dream, share with other owners. Walt Disney said, "If you can dream it, you can do it."

There are also two hotel options available in La Ribera and several LPE homeowners can rent their casitas for the night if the hotels are full.

- Hacienda de Palmas: 206 497 7321/ +52 624 159 4855/ www.haciendadepalmas.com
- Cabanas Vista La Ribera: +52 624 161 7055/ +52 624 172 7021/ www.vistalaribera.com/es/rooms.html

We need your vote

We are considering issues that make a difference to LPE's future. Your one vote can make a difference. It is important. If not attending the AGM in Nov, please send your proxy and MXID or copy of passport to a trusted owner/friend, or a member of the Board who will attend.



ARC REVISIONS TO CCRs

During our last November HOA meeting your ARC proposed some changes and some clarifications to the existing CC&Rs. There was good and lively discussion about these items and agreement was reached for the following issues.

1. All construction will have professional LPE engineer/architectural oversight two or three times during the construction process. This helps insure that construction is actually happening according to the LPE approved plans. Nothing could be worse than getting to the end of a project only to discover some detail is in violation of the CC&Rs.
2. Water & electricity must be installed prior to construction, including excavation. This avoids the temptation of using LPE community water
3. Exterior constructions must be completed in a timely manner. Construction timeline will not be dictated by LPE. Rather, we expect the owner/builder to give us their timeframe and try to adhere to it. This simply sets the expectation that exterior construction (roof, doors, windows and paint) must be completed in the near future for the benefit of the neighborhood.
4. Wind generators will need approval to insure they meet noise restriction guidelines.
5. Homes not currently compliant with aerobic sewage treatment requirements must become compliant by November 2015.
6. Major exterior remodeling and additions must have ARC approval.

New Homes in LPE



Ken Reville & Dana - Lot C219



Andy & Melanie Williamson - Lot C143



Chuck & Angie Troutman – Lot C14



Gerardo Perez – Lot C 22



OWNER INTERVIEWS

We had a chance to interview several homeowners that are currently in the throes of construction or have just recently completed their projects. We asked them “What was the first thing you learned”, “What is something you wish you had known before you started”, “If I had it to do all over again, I would....”, “What was the biggest surprise you encountered”. Here are their responses and more:



Jim Hale

Jim and Suzonne say they wish they had done this sooner...but we had to wait for our kids to be out of college. It’s been a great experience. My biggest surprise was all the great people I’ve met

extremely, incredibly nice people - big hearts, really good people, hard workers. We have a lot to learn from them, the locals.

We are really happy with the design and what we did with the building. I am very pleased with the style of my house and how it’s evolving. Chuck Valentich and I worked on the design together. Chuck put a lot of little artistic touches that made the house as special as it is.

I think that before you actually build, it is best to come down, talk to people, experience the elements. I knew I wanted the big expanse of the back section. I am just blown away by the mountains. I love to look at them as the sun sets. There are a lot of rabbits this year that always play together on the lot next door. I like to watch that.





Marianela Pita and Shane Tuckey

"Be hands on to be happy and to get what you want."

What we've learned so far is the more due diligence about, and with, the builder is never enough. Must develop a good contract with as much detail as you can conceive. Also check the references and tour the previous work. Meeting with previous, satisfied customers is good. We contacted or met with 9 or 10 happy owners who used our current contractor.

Be sure you have signed a contract before any money changes hands. Do not even send a deposit without a contract. It is good to make payments in stages. We have ten more payments until completion. We found our 2nd builder by word of mouth and personal recommendation. His wife was our legal architect. We think the architect and builder must be compatible.

So far, our biggest surprise was when we noticed the changes we agreed to and emailed about numerous times were not adhered to. Had we not been here to observe and request the changes, it would have been too costly to correct. For example: we wanted a seawall 1.2 m high. It was built 2m, blocking the view. They did it 1.2 m on one side and it became 2m on the other side. Builder needed to take the slope into account. We did pay \$250 correction fee to change it, even though the builder admitted to the mistake. Also our kitchen sink was being installed where it was not supposed to be. We noticed this just in time. The concrete floor was being poured the next day. Once it was poured, it would have been too late to make changes. We also made additions/changes to several electrical outlets in the casita. We are hoping to use solar for both our electricity and pool.





Ken and Dana

If we had to build our house all over again, I think we would have put foam in the walls. The air conditioning is cold, but the walls are hot. Maybe in the wintertime, it will be a good thing to have the sun warm the walls.

I don't know what else to say. We have no regrets. We just love it here and have not one complaint. Everyone has been so very helpful. Our builder was the nicest guy. Everything we asked for, we got. His son has graduated summa cum laude from Cal Poly, has all kinds of certifications and they work together. It is a family affair. They are super nice people.

When I first contracted with him, I wanted to know how long it would take to build. He said a year. Then we had problems with our fideicomiso. It turned out to be completely bogus and Carlos, our builder couldn't get a building permit. He found out about the problem and he and his wife -- who used to be in banking -- helped us. They tracked down the guy and found him; and he came clean. We got all our money back. Carlos started building in May last year (2013,) got ahead of the draws, and ahead of schedule. He could have finished in 9 months. We had it completed this May (2014.) Some people we talked to got ripped off by their contractors and lost their money, but we were very happy and satisfied with our builder-experience because of Carlos and his family.



Andy and Melanie Williamson

Honestly, like anything, you have to have good people. The stars were aligned for us because we got Patrizia and Chuck. We had heard horror stories about building in Mexico and were nervous, but we just have such good people working with us -- mainly Chuck and his people, his crew from San Jose. His and Patrizia's expectations are very high for these guys.

We did a lot of remodeling at home in Utah, but never anything like this. We're getting tile tomorrow. Having a plan with a design perspective might have been helpful right about now.

First thing I learned was I should have started with a bigger bank account. I'm saying that kind of kidding, but it's true. The pool and garage will be the next phase. We don't have a glitzy huge house -- it's only two-bedroom and an office/gym (I have to have a gym to work out.)

One thing we did that paid dividends was we went through the architectural process with an architect in the states. We worked through a lot of our wish list with him. When we showed our dream version to Chuck, he said we probably couldn't afford that. We have learned a lot, when we pared it down. We learned what was important. Our house now is a result of pendulum-like swings. Originally we planned a garage on the bottom and a studio on top. It was like some of our neighbors' houses. We thought we would put money in the bank and save to build later. I do the structural -- grey and

square. Then I hand it over to Melanie. That is where we are now.

We're doing everything legal. We're paying the ss. I'm the general contractor, Chuck is the project manager, Patrizia is the check-writer, organizer, paper-person. Patrizia and Chuck are probably best described as a project management team. There just isn't a word for all the things that Patrizia does. I can thank Creagh for giving me Patrizia's name. We've hired a Mexican accountant to make sure everything is done right.

One of the coolest things for me is knowing the workers. I appreciate all their work and care to make our dream house. They thank us for the work. I like to feel that we're improving their and our quality of life.



OWNER CONTRIBUTIONS submitted by Mary Jane Keehn

“You Can't Own Property in Mexico”



How many times have your friends told you that? Do you tell them “yes we can, we own our property through a Mexican Property Trust”? Do you then get the skeptical raised eyebrow? If so, this explanation may help you explain the unique method of foreign ownership in Mexico.

There are very specific rules governing non-Mexican ownership of land in this country which protect our rights and help promote the sale of real estate to foreigners which, in turn, helps the Mexican economy. These rules take the form of a safe and perpetually renewable Mexican Property Trust called a Fideicomiso.

The North American Treaty Agreement brought with it the recognition by the Mexican government that it was important to make foreign investment in Mexico safer and easier. Thus, a new method of holding title was created in order to coexist with the Mexican Constitution that dictates foreigners be prohibited from owning land within 60 miles of the border and 30 miles of the coast. This new method, modeled after one in Monaco, allows ownership through a Trust agreement or “Fideicomiso” giving foreigners all the rights of ownership.

The procedure is very straight forward. The Department of Foreign Affairs in Mexico City issues a permit to a Mexican Bank of our choice, allowing the bank to act as purchaser for the property and to place it in a Trust. The bank is the Trustee and we are the Beneficiaries of the Trust. The property is not an asset of the bank; they simply act as the Trustee to hold the Trust. Similar to Living Wills or Estate Trusts in the US, the bank takes instructions only from us, the Beneficiaries. We have the right to use, occupy, possess and build. We have the right to sell the property by instructing the bank to transfer the rights to another qualified owner or bequeath the property to an heir. We have all the same rights of

a property owner in the US or Canada. The initial term of the trust is 50 years and it can be renewed for an additional 50 years indefinitely. A “Fideicomiso” is not to be confused with a land lease and is a far safer method of ownership than a simple buy/sell agreement. There are no surprises, no long lost relatives to come out of the woodwork, no unresolved ownership squabbles to haunt us when we own property through a Mexican Property Trust known as “Fideicomiso”.

So, try out this explanation and see if that doubting friend lowers his skeptical eyebrow and replaces that expression with an agreeable head nod and an approving, “Oh, I see”.



A WHALE OF A YEAR



This was a banner year for whale watching from our LPE beach. Like clockwork, they would come to perform as I relaxed on our terrace with morning coffee or an evening cocktail. Not only were they abundant, but they were huge, close into shore and very playful. They breached, slapped their tails and waved their fins. Sometimes I had the distinct impression they knew I was watching and put in an extra effort for my attention. First you hear them exhaling from their blow hole. Next you look for the white water splash from their re-entry into the water. You can't miss the splash because it is larger than a city bus and brilliant white against the deep azure sea. If you keep looking in that general area, you will see them launch themselves out of the sea again. I guarantee that it will give you pause as you gaze in awe at their majesty.



JOIN THE LIGHTHOUSE POINT ESTATES FACEBOOK COMMUNITY

Want to stay abreast of the daily activities in LPE? Miss our sunrises and sunsets? Want pictures of our wildlife, fauna, flora and marine life? Then, “Like” us on Facebook. The page was created to promote everything positive about our development, our neighboring towns, our beaches and the culture. We welcome all owners to “like”, “share” and “comment”. All contributions of your own LPE experiences are also welcomed. Click <https://www.facebook.com/lighthousepointestates?ref=hl>

