**Assembly of January 22, 2022**

In recent weeks many Condos have invited me to speak with their members to answer the same question: **Why join Covenant?**

At Covenant we think that to be successful, you have to provide a good service that residents are happy to pay for. Participation is completely voluntary, we have not forced anyone, but many owners have seen the result of our work and that is why we have more members every month. In the last two weeks, we have had more than 20 new members and we are going to have much more in the next few weeks after the condominium assemblies.

What are the services that we offer in Covenant: First, the security of the entrance where we have done a great job to control the entrance to the subdivision, in very complicated circumstances, in a municipality where crime rates have skyrocketed in recent years. In addition, Puerto is a very difficult place to control because we have residents who want to limit access and businesses that need customers from abroad, which represents a security risk, but also brings benefits to residents by having more than 30 restaurants.

Here there are no murders, no kidnappings, no extortion, no aggression, the children walk alone, we can walk at night without fear and nobody comes to offer you drugs... Last year, there were only 12 robberies, that is, one a month. If we consider that there are 2,600 housing units in Puerto Aventuras, it means that your risk of theft is one every 200 years… with which we can affirm that we have very good security, although we know that there are still details to improve and we are going to do it this year.

Despite having more than 7,000 daily entries, or 2.5 million a year, we manage to handle traffic very efficiently. Passport holders can enter without a queue 99% of the time and for visitors in 94% of the times, can enter within a few minutes. Only in peak hours (10 hours a week), visitors have to wait longer. To solve this problem, we are going to make a new entrance with 9 lanes that will also give Puerto Aventuras a more modern design.

Last year we decided to provide internal security for our members to serve them better. For this year, we have planned a budget of 1 million to buy 50 new high-definition cameras and a monitoring system with the idea of ​​having a video operator who monitors the cameras and reports any anomaly to the motorized guards. We also want to have a professional drone to support in case of problems. To better serve our members, we are putting Covenant plates on our members' homes and we also have a new security chat managed by the Covenant office in direct contact with security.

Other services we have provided is the fight against traffic violations. In December we began to penalize speeding. The first day we stopped more than 200 people to inform them that he was speeding, today barely 5 a day. There will always be people going too fast, but sooner or later we'll catch them because we have a dedicated guard who changes places every hour. It is a fact that now people take care of their speed, which has dropped substantially in the subdivision. We have also successfully taken action against people who do not respect handicapped parking spaces or who park in prohibited places. On the subject of abandoned vehicles, we have reported 80 cases to the police, some 30 have already moved their vehicle, which is positive for the community and the police will soon come to remove the 50 vehicles that have not been moved.

We also hire gardening and maintenance staff for the specific needs of our members.

Being a member of Covenant also brings a multitude of benefits such as a 20% discount on the water, at the Beach, Golf and Tennis Club, a 60% discount on passports, free use of the central park courts …

We also have an agreement with the Municipality to better coordinate the issue of security, garbage collection, and construction, and we set up a municipal office within the subdivision with the idea that more and more paperwork can be done here in Puerto.

Another very important thing in Covenant is efficiency. We take care of every peso so that your money serves important things for the community. We always try to be as efficient as possible in everything we do using technology, we use high-definition cameras, bodycams, we have the app for entry, we have generalized the use of the passport with more than 3,000 new passports issued last year and we have promoting our policy of everything digital, with which we can manage all our operations with only 3 administrative employees.

**Finances:** Last year we doubled our income. By 2022 we plan to reach revenues of 13 million and have a balanced budget. We know that we will have a substantial increase in maintenance fees because each month we have had more members and many buildings that have their assemblies at the beginning of the year, will vote to decide if they go to Covenant. In the last quarter we had affiliations at a rate of 6 million per year, and in the last 2 weeks 21 properties have been affiliated. Also, we have very advanced contacts with some big affiliates.

In terms of expenses, we plan to spend 13 million

In security, we increased the budget to 8 million to hire more motorized guards as we have more affiliates. We have a budget of one million to install 50 new high-definition security cameras and a monitoring room for internal security. These cameras will be installed as we have more affiliates. We have lowered the budget for security equipment at the entrance a little to 700,000 since we have invested a lot last year and we do not need to spend as much as in 2021.

We are going to spend more on office salaries, 1.1 M because, last year we hired a new person starting in October and this year we will have 3 people all year. We are going to spend less on office expenses, 700,000 since last year we bought new computers.

We are going to increase the cost of maintenance and landscaping to 800,000, because we hired 3 full-time employees to attend to our members for the collection of vegetal garbage and other necessary tasks. We have also noticed that some road need maintenance. To finish, we have 500,000 in taxes and 200,000 in other expenses for a total of 13 million.

In case we have more income, which will happen if we can convince some large condos to join our association, we will use it to provide more services.

**Increase in fees:** Last year we only raised the fees by 1%, this year we are only going to raise 4-5% to be on par with the other association to not create differences. However, we have rounded the fees to avoid continuing with decimals, with which there may be a difference of a few pesos. The increase will be retroactive to January 1, 2022 and will be adjusted in the second quarter bill.