



Home Owners Association Meeting

September 24th 2016.

Board Members Present: Russell Richerson, Mary Snyder, Renee Sheffield, Rick Roman, Gregg Olsen, Phil Wehrli.

Board Members Absent: Fritz Behrhorst, Lori Hoby, Rod Ticknor.

Mr. Russell Richerson, the President of the HOA, announced that the meeting would need to wait the legal 10-minute period requirement, due to not having the quorum needed to start at 1:00 PM.

At 1:15 PM, the meeting officially proceeded with 31 Owners, representing 14.83% of the total owners of the regime.

Financial

Carlos Rojas, the HOA regime manager presented the financial report. The HOA has 8 sources of income - HOA dues, resales transfer fee, financial gain, exchange rates, impact fees, late fees, other incomes, and business HOA dues. The income budget for the first 8 months of the year was \$776,337; the actual income was \$786,678, exceeding the income budget by \$10,301.

After explaining the different types of incomes, Carlos Rojas proceeded to present the expenses of the first 8 months of the year. The expense budget was \$675,662; the actual expense was \$646,225, for a total saving of \$29,436. All departments (common areas, administration, utilities, others) were under budget, except for maintenance. These included a small over budget for resurfacing the tennis court, as well as non-budgeted items including swimming pool plaster repairs and lights, the hand rails installed at the buildings tunnels, and the BBQ shade areas.

The final net cash flow for the first 8 months of 2016 was \$140,452 positive, with a final balance of \$232,008, including the \$104,000 reserve fund required by the CCR's.

The 2015 audit was performed by KPMG and is available at the HOA office.

Maintenance

Major Projects Completed

Mr. Russell Richerson briefly explained the maintenance projects completed. These included the new tennis court surface, the painting of the condominiums rails, the two stainless steel hand rails installed in the tunnel walkways, and the shaded BBQ areas.

Pending Projects

1. The waterfall is an ongoing maintenance task. It is constructed of fiber glass which requires patching and painting every 3 years. This project will start in November and will be completed prior to 12/01/16.
2. The swimming pool slide cracked after 4 years of use and will be replaced by November 1.
3. One west building elevator was taken out of service as a new door rail is required. The rail was ordered and will be installed by the end of the year. The long repair time is due to the age of the elevators requiring OTIS to fabricate the specific part.
4. The Board of Directors will review the pool filtration system and evaluate an option of installing UV lights to reduce the use of chemicals and expenses. Hopefully this will reduce the corrosion of pool equipment, specifically the pool heaters.

Board of Directors Election

Mr. Richerson thanked the current board members for their service to the facility. Two current board members, Phil Wehrli and Renee Sheffield, decided not to continue the Board of Directors, leaving those positions open. Mike Sheffield (E302) and Jerry McKinney (E607) ran for the open positions. The following list of Board of Directors was presented to the owners for voting:

Name	Position
Russell Richerson	Chairman / President
Mary Snyder	East Building Alt
Mike Sheffield	East Building Rep
Rick Roman	General Rep
Lori Hoby	General Rep/Treasurer
Gregg Olsen	General Rep/Secretary
Jerry McKinney	General Rep
Fritz Behrhorst	West Building Alt
Rod Ticknor	West Building Rep

Voting proceeded with all positions approved unanimously by the owners. The new Board of Directors will serve for a period of two years (09/2016 - 09/2018).

Rental Discussion

The HOA has analyzed the collected information regarding the rentals and owner guests from 2013 thru today. In 2013, 2200 owner guest badges were distributed, in 2014, 3500 guest badges were distributed, and in 2015 there were 5900 badges distributed. There is already 7000 in the first eight months 2016. This increase of guest badges is thought to be due to properties being rented outside of the designated rental agency. This is outside of the intentions of the Sonoran Sea for rentals as well as having a direct negative impact on collection of impact fees for the facility.

Mary Snyder lead a discussion of this topic. Discussed was Article 71, which limits the owners to renting their units ONLY thru the designated rental agency. The future consequence of these actions will result in owners fined (Article 76) per event. Mary also explained that owners can act as agents, but all rentals must be directed to the rental agency. In addition, Article 61 was discussed reminding that an owner can lose their common area rights for constant violations to CCR'S.

The meeting adjourned at 2.35 PM.