

Sonoran Sea Homeowners' Meeting

March 3rd, 2007

Meeting was called to order at 9:15AM. Vern Schroeder introduced each board member.

Vern reviewed the agenda and topics that would be discussed in the meeting. Topics included; maintenance, security, election of board members, condo standards,

Rod reported the financial condition of the property. 2006 had an additional \$190,000 of expenses that were not budgeted. The \$1,000 special assessments during the year resulted in an overall positive \$5,000 for the year. Delinquent fees to date were approximately \$19,000 and Rod expressed the importance of paying dues on time to accommodate daily operations. He also reminded condo-owners that dues can be paid for the entire year.

Anyone interested in paying dues on an annual basis should contact Carlos. The 2007 budget was distributed and the major points were reviewed. Vern stated that 2006's major unbudgeted expenses stemmed from our new pool area project, and significant increases in the cost of insurance and water. This was a necessary expense for 2006. The job has been ongoing since November 1st, 2006 and although costs are high, the returns on our investment will be worth it. A new van was purchased for approximately \$12,000. The balcony railings were painted, the electric water pressure valves replaced, the lobby doors repaired, and water sterilizers were replaced in 2006. Lastly, the pool renovation and maintenance was our major expense for the year. The board recognized Fernando and Terrencio for contributing funds towards the cost of the newly formed rock cascade which will be painted in March. It was also mentioned that the pool's filtration system is undersized, which is the cause of water foginess and or green tinge in the swimming pools. This situation needs to be addressed in the future. The entire pool renovations will be completed by the end of March and overall expenses are estimated to be approximately \$150,000.

Security – Arturo was introduced at the board meeting and was complimented on keeping up on daily security issues. Arturo stated that our wristbands are very helpful in patrolling our areas. If anyone needs any wristbands or they have any questions in regards to the wristband program, please contact Carlos. Owner-Guest wristbands and larger size wristbands are all now available. Our security team is currently interviewing three new security guards.

Dr. Jesus Gonzalez Gaytan from One-Stop Medical was introduced. His US-trained doctors and fully equipped medical services are available for an annual premium.

General Housekeeper -Lupita was introduced and commended for her excellent work. Nearly all condos have had phones installed. Our A/C maintenance agreement has been dropped due to lack of service and follow through from the A/C company, however, if anyone wishes to continue their A/C service, Carlos will be able to accommodate their requests on an individual basis. Tennis courts have been repaired.

Vern announced that the board's goal was to have the Sonoran Sea be the "premier rental resort on Sandy Beach". This can only be accomplished by keeping our amenities and services in excellent condition. We want guests to keep coming back to the Sonoran Sea because they enjoyed their stay. To upgrade the facility we need to purchase new pool seating, tables, umbrellas and or construct shaded areas. We will also need money in the future for painting the facility and paving the parking lot.

Edgar Padilla, the owner of the Snack Shack and Swim Up Bar was introduced. He would like to open a restaurant at the Sonoran Sea in the location of the Snack Shack. He also owns El Catorce at the Sun. Edgar stated that food services would be open 365 days a year serving breakfast, lunch, and dinner – including room service. These amenities will be a great bonus to all of us and our guests, thus resulting in greater values to our condos. A motion was made to approve the building of the restaurant. Patty Murphy seconded the motion and it was passed unanimously.

In order to keep our amenities highly desirable and our resort progressively competitive, the board proposed a \$25.00 per condo increase in dues and a \$1,000 special assessment starting April 1st. 2007. Sandy McKenna motioned that we approve the board's recommendation, but increase the assessment to \$1,500. Mary Snyder seconded the motion and the motion was passed unanimously.

Sandy McKenna presented himself as a prospective member of the board. Sandy and the rest of the board were elected for a second term unanimously.

To ensure the increase in value of the resort as a whole, the board proposed and distributed minimum standards that each renting condo must maintain. Patty Murphy made a motion that each renting condo must comply to the minimum standards. Gordon Reay seconded the motion and the vote was passed.

Vern introduced Jason from Rocky Point Reservations and he discussed the Homeland Security and passport issue. He stated that only 25% of Americans actually have passports. On January 1st. 2008, passports will be needed for entering the United States from Mexico. Rocky Point Reservations will be sending out information on promoting passports for all tourists. Jason clarified that the Arizona Department of Tourism legislation was set for June 1st. 2009, but Homeland Security will start enforcing as of January 1st. 2008. Betty was introduced next and she distributed new information including nice souvenir maps and posters. Competition among resorts not only on Sandy Beach but throughout Rocky Point has made it necessary for Rocky Point Reservations to increase advertising and promotions of the Sonoran Sea Resort.

Meeting was adjourned at 12:15PM.