

Sonoran Sea Homeowner's Meeting – February 7, 2009

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Jim DesRochers called the meeting to order at 1:15pm. Board members in attendance: Roman Candeleria, Mike Feibus, Rod Herbert, Elaine Landry, and Gregg Olsen. HOA administrator Carlos Rojas also was present. Absent: Fritz Behrhorstand outgoing members Sandy McKenna and Craig Reay.

The meeting began with Sonoran Spa HOA president Dave Gill presenting the financial report for the storage units only to Sea owners who have storage units. The storages HOA is considering re-paving the area, but after quotes came in higher than expected they decided to hold off.

Jim introduced Edgar Padilla, the owner of the on-site restaurant and pool bar. He talked about proposed menu modifications. In particular, he is planning to make the menu simpler and less expensive. Also, now that the fountain outside the restaurant has been converted to a seating area, he is planning to have live music outside. He also shared that he is doing joint marketing with Betty Majors of Rocky Point Reservations, to bring weddings and other events into the property.

Financials:

Jim reported that the HOA is operating within the budget, but cautioned that expenses continue to rise. As an example, the HOA was billed about \$105,000 for water in 2008, nearly three times what we were billed in 2006. On the other side, we are benefiting from the stronger dollar, as many of our expenses are peso-denominated.

Next, Jim reported that the HOA is gearing up to negotiate with the labor unions. He reported that labor laws are much different in Mexico, and said that the board is considering bringing the HOA's labor lawyer to the next general meeting to help educate the Sea's predominantly US-based owners.

Jim reported that delinquencies from 2008 total \$25,890, and that uncollected delinquencies thus far for 2009 total \$42,000. Jim announced that effective immediately, the board will begin strict enforcement of the HOA's delinquency policy. Specifically, on the 61st day of delinquency, the HOA will turn off the water to the condo and tell RPR, the on-site rental agency, to take the unit out of the rental pool. Beginning Monday, February 9, 2009, the board will begin enforcing the policy on all units that are already more than 60 days overdue.

Maintenance:

Jim reported that the rust removal and painting of the east and west railings will be completed in February. Once this initial application has been completed—a costlier-than-usual endeavor—the railings will be progressively easier—and less expensive—to maintain. The issue was brought up by an owner as to whether owners of ground-floor units should be contributing to the project, as they have no railings.

The board alerted homeowners that hot water heaters in condos are beginning to fail and, due to the fact that failed heaters can cause costly damage, and recommended that owners replace them proactively. The board also reported that it was recently noted that the developer did install temperature and pressure relief valves with the original heaters. The valves would be required in the US, and the board recommended that they be added to avoid catastrophe. Carlos was tasked with putting together a program to facilitate replacing hot-water heaters for owners that would like assistance.

Gregg also suggested installing hot-water recirculation units. The benefit of these units is that hot water runs from the tap just a few seconds after opening the faucet, rather than minutes. More importantly, the system saves water, as hot water that has cooled in the pipes is returned to the heater rather than poured down the drain every time someone runs the water.

An owner mentioned that they discovered on a recent visit that RPR crews are now turning off hot water heaters when units are vacant. They discovered this, they said, when the water for the shower never got hot. (RPR crews are supposed to turn the units back before an owner or renter arrives, but the new system is not perfect.) Gregg said that turning hot-water heaters on and off is not a great idea, as the resulting expansion and contraction could stress the unit. He recommended instead turning the temperature of the heaters down to a lower 'vacation' setting. This is not that easy to do on the original water heaters, and added that owners should replace them with units with easier-to-manage thermostats.

Security:

Jim reminded owners to wear wristbands as we work to assist security with problems – especially as we approach the busy season. He also reported that the board has decided to use temporary guards during peak times to improve security while limiting expenses. The board is investigating ways to make it easier for guards to ensure that everyone at the pool and aqua bar belongs there. One possible alternative is to charge beachgoers staying at other resorts for a dayuse wristband that would give them access to the aqua bar. For the time being, the HOA plans to install signs around the pool and elevators which convey that wristbands must be worn in the common areas, and help guards communicate the requirement. The board will monitor the situation more closely during March before deciding whether to take further action.

As well, the board is also investigating ways to defray the added costs of owners who don't rent their units through RPR, our exclusive agency. Possible solutions include charging for owner-guest wristbands and room keys.

Other concerns:

- The board has decided for the time being not to spend the \$20,000 or more needed to replicate the buoy system to create a roped-off swimming area that the Sonoran Spa put in place to help separate swimmers from watercraft. The board continues to monitor the Spa's progress, and will address the issue once the Spa's system is stable.
- Jim reiterated that firecrackers are a hazard and are not allowed on the premises. Jim called on owners to help the board adopt a stricter posture on the issue.

Rental Agency:

Betty Majors of RPR reported that the new website for RPR is operational. The address is www.rprmexico.com. Over the next few weeks, more functions will become operational. Betty also addressed RPR's financial solvency issues. She informed owners that the core problem – aside from the obvious fact that rentals are severely down due to the depressed economic conditions – is that owners who have deficit accounts owe RPR more than is due to other owners from RPR. As a result, Betty said that if owners with deficit accounts with RPR don't bring their accounts in line then she will not be paying their electric bills come Monday, February 9, 2009 – and the electric company will shut off power as a result. (Betty said that owners with deficit accounts received statements for November 2008 activity from RPR, which included a notice along with that statement. Others with accounts in line – including owners who are due money from RPR – did not receive their November 2008 statements.) Betty reiterated that RPR's cash flow situation is a short-term situation.

One owner had a question regarding HOA oversight on RPR to ensure that we get our cash. The board responded that this is the first problem the Sea has ever had with regard to delinquent checks and statements from RPR and has no reason to believe that the problem is endemic – but the board will continue to monitor the situation.

Other:

Elaine reported that in Dec.2007 owners holding trusts were notified that Bancomext would be transferring trusts to Banco Interacciones. In Jan.2009 some owners were notified that their trust transfer had not been completed. Those owners have the option of remaining with Bancomext or completing the transfer to Banco Interacciones, which has an office on Blvd Fremont.

Elections:

Jim announced that two board members – Sandy McKenna and Craig Reay are vacating their board posts of East Building Alternate and General Rep, respectively. Two owners – Renee Sheffield (302E) and Peter Stuvan (410W) – ran unopposed to fill the positions.

Jim adjourned the meeting at 2:50p