

April 25th, 2012

To: Sonoran Sea Homeowners
From: Jim DesRochers
Subject: April 2012 HOA Meeting Minutes

The meeting was called to order at 2:10 PM by President Jim

DesRochers, with the first order of business being the bi-annual report concerning the storage units by Roman Candelaria, Spa HOA President. The units are solid financially, there are many owned but not up to date HOA fees however and repairs need to be made to the newly poured asphalt paving.

With the absence of Treasurer and CPA, Lori Hobby, President DesRochers, presented her financial report as developed by Sea Administrator Carlos Rojas. Included in this financial summary was a listing of all one time 2011 facility enhancements, the current cash flow and 2011 month by month actuals and the 2012 budget. Our KPMG certified 2011 audit should be available to all owners within 60 days.

The cash flows and the 2011 actuals were positive, leaving a \$104,000+ reserve as required by HOA rules. The 2012 budget was presented and does not require a dues increase in 2012 and was voted on and approved by the attending homeowners.

A general conversation was held on overall maintenance and a few issues were brought to light:

- 1- there was a discussion about carts being needed to unload items and that the two we use belonged to RPR, as a result, the Spa, The Sea and Privada will make a bulk order that can obtain us the best price and we will obtain two new luggage carts that will be painted in SEA colors and designated for EAST and WEST and request that after being used be returned to the elevator area on the bottom level.
- 2- the restrooms on the lower levels, will be reviewed for more consistent cleaning on a daily basis.
- 3- ventilators for the elevators are being looked at, as well as ways to brighten and enhance their overall appearance.

Two key items were voted on with the following results:

- 1- It was agreed to have more research on costs and installation of a cold water pool slide for children, the total costs and the location will be voted on for approval at the next fall meeting.
- 2- The roof tiles, which are totally decorative have been falling everywhere with high winds and the cost of replacement or repairs is in the \$15,000.00 to \$45,000.00 range with no guarantees. It was decided that the upper roof tiles would be removed immediately, the concrete underneath patched and the roofs painted to match the color of the old tiles. As much of the tiles as possible that could be saved, would be stored and used to repair the lower tile areas for aesthetic reasons and no tiles are being removed from the main entrance building, total cost under \$10,000.00

The Board advised the owners that the pools will need to be re-plastered after 8+ years of use, and the plan will be to start with the heated pool and change the tiles along the edge at the same time with the entire pool area being completed prior to the end of 2012.

A summary about the current status of RPR was presented by the President with the following being the key items:

- 1- renting owners have been paid up through February of this year and reserves dropped from there all time highs. The plan put into effect by Vern Schroeder nearly 18 months ago to insure owners the return of all of their funds and the impact fees to the HOAs has been a 90 percent success and it is anticipated that by the end of May, a complete success in that regard with the hope that the remainder of the year will see rental activity at least at 2011 levels. Clearly it is the Mexican national business and not the American vacationer that has helped us stabilize the slide.

Finally we spoke to those ongoing renters who do not use the management company and their impact on, without income to the resort. To date nothing that we have down has solved this problem, but possibly new federal rules will have an affect on them. In the interim we have specific and detailed information on two of the owners, one with keyless entry, each with Craig's list or specific sites touting them as rentals, one of which even submits documents to the "guests" stating they are not in the rental pool so don't expect help from the front desk but go obtain armbands as "guests" from the HOA offices, which we are forwarding to our attorney as we begin considerations on legal avenues in conjunction with state and local guidelines to insure their compliance and obtain past impact fees due the HOA.

The meeting was adjourned by agreement of the homeowners.

Jim DesRochers - HOA President
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