

**San Simeon Phase 1 Residents' Association, Inc.**  
**Minutes of the Annual Board Meeting**  
**January 30, 2018 at the San Simeon Clubhouse**

1. **Roll Call/Establish a Quorum/Call to Order: at 7:04 p.m. The Annual Board Meeting notice was sent out two weeks in advance per requirement.**

President	Eric Vincent	-	Present
Vice President	Barry Smith	-	Present
Secretary	Elizabeth Diamond		Present
Treasurer	Arlene Creeden	-	Present
Director	John Nychis	-	Present

Quorum present? Yes

Others Present:

James Ro, CAM, Sun Vast Properties, Inc.

2. **Disposal of Unapproved Minutes: Motion:** A motion was made by Arlene to approve the minutes of the Annual Board Meeting of 1-19-2017 as written, Barry seconded. **Motion passed unanimously.**
3. **Candidate Statements for Election of 2 Board members: John Nychis, Eric Vincent, Ron Carlson, William Schwalm.** Three owners offered to count the ballots- Claire Kehoe, Carol Jenson and Joan Starr. **Motion:** A motion was made by Arlene to approve these three people to count the ballots, seconded by Elizabeth. **Motion passed unanimously.**  
Number of votes/proxy's needed for election- 219 units divided by 15% = 33, we have 41.  
**VOTE COUNT:** Eric and John will remain on the Board.  
**Waive year-end financial audit 2017 (use financials only):** Yes 24, No 15  
**Using reserves as needed for temporary cash flow needs 2018:** Yes 32, No 7

4. **Treasurers Report**

Arlene Creeden reported on the financial reports through end of fiscal year 2017. A full copy of reports are available by contacting Sun Vast in writing (at owner expense).

-Operating Cash	\$193,468.83
-Reserves	\$747,492.20
-Accounts Receivable	\$18,179.62
-Allowance for Bad Debt	\$5,287.05
-Prepaid expenses	\$46,525.59
-Refundable Deposits	\$6,089
-Misc. income/fees	\$2,020.54
<b>Total Assets</b>	<b>\$1,008,488.73</b>

5. **Horton Stucco issue update:** Eric stated that the engineers have done their sampling, their report states glaring construction defects. Stucco should be at least 7/8 of an inch thick and they found areas where it was less than 1/3 of the required thickness, excessive spacing between the control joints (leads to cracking of the stucco), not using the proper bonding materials between the stucco and the windows. Adding more stucco will not rectify the problems, walls may need to come down and be rebuilt correctly and according to code. Engineers will be sampling some first floor stucco to find out more information re: water leaks. We will receive full report back from the engineers soon and we will find out how the lawyer will keep moving forward. James- This information is limited to give out in a detailed way at this time as this is a legal matter. We will keep you informed as we are able. Our end of legal proceedings has already gone forward as we have filed the intent of suit to Horton

regarding construction defects.

6. Discussion about unit rentals on AirBnB, MLS (realtors), VRBO and Craigslist. Eric will try to contact these websites to have them delete any San Simeon rentals from their site. If James has been notified of these short-term rentals he sends out a violation letter to owner. We have proof of these rentals because there are reviews documented on those sites. "Place was great we rented it for five nights!". "Daily" rental at 3970 Cherrybrook Loop is documented on a site. Reminder letter needed to all owners?- owners know this but some don't care. Report these to James by sending him an email or letter, photo of license plate because he needs to be able to pursue with proof. James- 1 rental allowed per year. Rental applications not being sent in as well, community problem with difficulty on how to fix. Send to fining committee with stiff penalties maybe even have lawyer send them a letter. Recently a renter had to leave his lease for legitimate reasons, owner asked if he could then rent/lease again, we said yes and this will be done on a case by case basis. An owner said "If I can rent my home for \$3000/month, why would I care about paying \$1000 for violation?" We can change our documents to allow fining in a higher amount. If we go through lawyer for mediation it will cost the owner a lot more. We can change our documents to state that a new owner cannot rent a unit for the first year, this might deter someone buying here that was going to rent only. **Consensus of Board is to raise the fine for violation within our documents in order to deter this practice.** Can amend documents to state NO RENTALS allowed, needs to be owner vote with 50% approval. We can have a membership meeting at any time. Some people bought here because we did have a rental allowance in our documents. Yes, we have some owners that allow family and friends visit but they are not rentals so if James hears about this, he will contact owner, find out who is in their home (the legitimate owners with family will respond) but if they don't respond he will send violation letter.
7. **Monthly newsletter/email:** Discussion about garbage, dogs, rentals. Mostly a renter problem, owners aren't relaying the important information to their renters. No one offered to write up this newsletter or email, will revisit next meeting.

**Motion to Adjourn was made by Arlene at 7:52 p.m., seconded by Elizabeth. Motion passed unanimously.**

Respectfully submitted by:

Elizabeth Diamond

San Simeon Board Secretary