

IMPORTANT MEETING INFORMATION

Dear Fellow Las Palmas Owners,

Our Las Palmas community has come a long way in the past few years. Today it is now known as one of the best managed associations on Sandy Beach with some of the best amenities and lowest Owner fees.

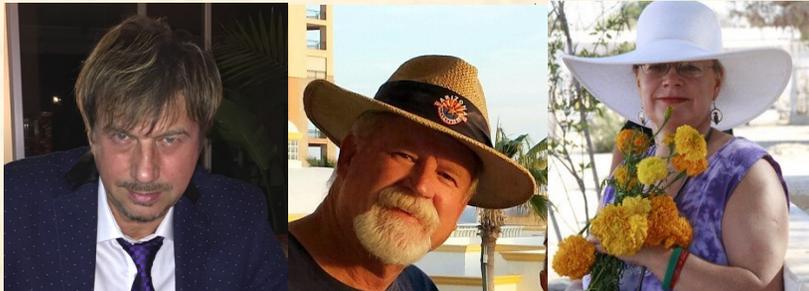
Additionally, in the last couple of years, Las Palmas has also experienced some of the highest rental guest occupancy for those Owners participating in the rental pools.

The message from meetings involving the Owners who have shared experiences from the past, along with those Owners who have recently joined our community, has been consistent. Continue to grow, develop, improve, and be the best we can be.

The Las Palmas Owner assembly meeting participation has some of the highest turn out rates for an HOA. When the majority of Ownership comes together to make decisions and provide direction based upon what is best for the community as a whole, those participating see first-hand what can be accomplished as a result of the collective power of the Owners.

Our community must always make decisions in the best interest of our Owners. In order to continue to be successful, regardless of our past accomplishments, we must always find new ways to grow, develop, improve, and evolve in a consistent manner with the Owners' best interest in mind. Sometimes this means change, something not new to Las Palmas.

Changes can only be made if the Owners control their destiny. The message from the Las Palmas Owners in the last assembly meeting was to continue to improve on our existing accomplishments of projects and added amenities, and focus on quality controls and improve the current standards for a better overall Las Palmas Resort experience. With this message, the board created a



volunteer Standards & Improvement Committee in July of 2014 consisting of representatives from each area of Las Palmas.

This Committee was asked to review the performance of the Las Palmas HOA services, and also the services of the onsite rental companies, pertaining to the Owners, both renters and non-renters.

The initial review identified areas of concern for both the HOA and the rental companies' services. The concerns were serious in nature and merited a deeper review incorporating more Owner participation. The board hired an HOA management consulting company with prior experience at Las Palmas, and with similar resort style associations with on-site rental companies.

A 31-page report (which can be found at www.laspalmashoa.com) was submitted to the Board containing the results of the Survey for each area of Las Palmas. A summary of the results of the Survey and the Committee's recommendations to the Board are on the inside pages of this newsletter.

HOA Resort Responsibilities/ Overall Condition and Maintenance Findings

The Owners had various complaints, concerns, and requests regarding the current condition and general maintenance of the Resort. Some areas of concern are cosmetic in nature, while others are potentially more problematic.

Based on this information the Committee's list of "Action Items" was broken down into two categories: 1) Immediate Necessary

Action Items; and 2) Additional Action Items.

Conclusion

The board has reviewed the

Committee's recommendations and has invested a substantial amount of time, effort and resources to determine the merit and feasibility of the Committee's findings and recommendations.

The Las Palmas HOA Board of Directors has scheduled the General Assembly meeting for 10:00 a.m. on Saturday, January 24, 2015. The Board wants to remind all Owners it is everyone's responsibility to participate in these meetings either in person or by proxy.

It is always important to have the participation of all Owners. Please make every effort to attend, or to send in your proxies to the attached address if you are unable to attend this meeting. The Spanish version of the proxy **must** be filled out to be valid. If you misplace your proxy you can print one from the documents page of our website. The HOA website offers direction on how to fill out the proxy.

Should you not be able to attend, please forward your proxy to someone you know who can vote on your behalf. If you do not wish to choose another owner, please choose our Administrator, and designate Lynda Saveski as your proxy with your directions, or to any member of the Board.

The Proxies and your voting wishes may be faxed, scanned, e-mailed, or snail mailed to her at 929 N Val Vista Dr, Ste C-109, Box 164, Gilbert, AZ 85234 or call ahead to fax to (480) 659-0861. email: lynda-laspalmas@cox.net

Your Las Palmas HOA Board of Directors.

- Jaana Ponzio**
- Bruce Turner**
- Dan Dimovski**



Las Palmas Standards and Improvements Committee



Almost 80% of the owners responded to the survey that was sent out. The Las Palmas Standards and Improvements Committee compiled the results on the general conditions of the resort and on the performance of the rental companies.

Many of the unsatisfactory comments, such as missing lights and trash room issues, were not oversights, but the result of cost saving measures that were previously in place.

You, the owners have spoken, and among other improvements and corrections that have been made, the light bulbs that were previously removed have been replaced, trash collections have been increased and more trash barrels will be supplied.

Other complaints included the pool cushions and the unsightly lava rock and other landscape issues. We have a budget item to begin replacing the lava rock with decora-

tor paving bricks, and to replace the pool cushion covers more frequently with a more economical brand than can be cleaned easier than the current ones.

Now that we are in the slow season, all the elevator issues have been fixed, the cool decking has been repaired, and the paint has been touched up in the hallways. This year we are budgeting additional money for utilities and maintenance to ensure the resort continues to stay in tip top shape, and address and resolve all of the other concerns that were expressed by the owners in the survey.

It should be specifically noted the HOA has direct control of, and can immediately address the issues having to do with the physical condition and appearance of the resort. However, what the HOA does not have any control over the business practices of the rental companies that are currently on site and is essentially the face of Las Palmas.

The rental company's lease terminates in April 2015. After the results of the survey were compiled and reviewed, the Committee, in the best interests of Las Palmas, has recommended the formation of a non-profit HOA owned rental system.

HOA Owned Rental System



In addition to our survey, the Standards and Improvements Committee compiled and analyzed the opinions and reviews of Las Palmas Resort appearing on *Trip Advisor.com* and *Booking.com* by previous renters and guests. A statistic from a survey done by *Trip Advisor* shows 77% of people

read between 6 and 12 reviews before making a final decision on where to stay for their vacation. That statistic proves how important favorable online reviews from past guests/renters are to the reputation of a resort.

The large number of negative reviews on *Trip Advisor* about Las Palmas, directly related to poor customer service and cleaning/maintenance issues is disheartening, to say the least. In fact, there were quite a few reviews specifically stating they would never return to Las Palmas and would look elsewhere in Rocky Point for the next vacation.

As mentioned previously in this newsletter, under the current structure the HOA has no input in, or control over the business practices, housekeeping, maintenance, and customer service provided to guests and owners by the on-site rental company.

For example, we currently have 2 types of employees on-site: rental company employees and HOA employees. However, from the guests' perspective, everyone is an employee of Las Palmas in general. Guests are unable to differentiate between a third-party rental company and the resort employees, which leads to guest confusion and finger pointing.

Under the current arrangement with the rental company, the HOA is restricted from providing oversight of, or requiring accountability from the rental company. Based on: 1) the large number of negative guest reviews, ranging from extremely poor customer service to unsanitary and unacceptable condo/villa conditions, 2) poor inspec-

tion of and maintenance of the rental units, and 3) a substantial amount of owner dissatisfaction with the rental company revealed by the survey results, the Committee has recommended the membership vote on a new rental system the HOA can own and have direct input in, to better serve our guests and the owners in the rental pool. An HOA owned rental system eliminates the lack of accountability, current finger pointing, and guest confusion.

One example of a positive and significant improvement of the services provided by an HOA owned company is to implement a central laundry and housekeeping plan. It is not acceptable that the current rental companies use the owners' washers and dryers and electricity, not to mention adding additional wear and tear on the machines, while not bothering to clean out the lint traps of the dryers after their use. As a result, linens are not properly sterilized in the way commercial equipment cleans and sanitizes.

Housekeeping and centralized laundry is just one of the categories in which an HOA owned rental system will lower owner costs and fees, offer more amenities, and provide improved services to owners and our guests. These services include, but are not limited to concierge-style services for all owners, and all-inclusive packages and promotions, including bundled breakfasts and spa services for guests.



The flexibility provided by an HOA owned rental system will directly improve our rating on websites such as Trip Advisor, where potential renters look for information when making their future vacation choices.

For these reasons, the Committee has asked the Board to place implementation of an HOA owned rental system on the ballot at the 2015 general assembly meeting.

HOA Owned Rental System Proposal

1. The HOA owned rental system will have a vested interest in Las Palmas. Since it operates as a non for profit organization, any surplus revenues will be reinvested into the HOA community in the form of improvements and amenities benefiting all Owners.
2. A clause in the rental agreements with Owners not permitting profit to be added to any services in the course of maintaining the rental unit by the HOA owned rental system. An example of this would be the Owner will only pay for the cost required for the work done such as, the painting of Villa garage doors will only include the actual cost of the materials used.
3. On-site accounting services including bill paying, property tax, trust, all related rental taxes etc. The actual cost of the bookkeeping and/or accounting services at this time estimated to be no more \$35.00 per month per unit available to all owners of Las Palmas.
4. The HOA and the HOA owned rental system will provide on-site offices for accounting and bookkeeping services supporting the HOA owned rental system. Proposal includes the construction of centralized on-site offices for the HOA, the rental support offices, bookkeeping and accounting. We will also add an exclusive owners only private area and a new beach view exercise room with up to date exercise equipment. (See renderings on right panel.)
5. Proposal to include an on-site laundry facility (similar to the one pictured on the right) provided by the HOA and the HOA owned rental system. Eliminates the need and the use of Owners' washers and dryers, will meet sanitary standards required for Resorts where the necessary high temperature is used to wash all linens and towels as part of health and safety requirements. This will result in the added benefit that include owner savings on the cost of electricity for washer and dryer use during the electric company's peak hours (11:00 a.m. to 3:00 p.m.) peak times between the Resort's check-out and check-in times.
6. Free maintenance labor for non-specialized repairs. The proposed HOA rental system shall not charge Owners the cost of the labor for maintaining their units, such as to check and clear dryer air vents, and preventative maintenance for roof top air conditioning units, etc.
7. Free linen exchange – the HOA rental system will provide sheets and towels for all renting units.
8. Discounted cleaning fees for Owners staying in their units. Rental and non-rental owners will receive a discounted cleaning rate.
9. An "owner finder's fee" bonus of 5% on top of the current 10% to a total of 15% for those owners successfully booking guest of owners in their unit through the proposed HOA owned rental system. This will result in an 80/20 split. With 80% of the rental revenue for that booking going to the owner and the remaining 20% going to the HOA owned rental system.
10. Proposal will include unit entry accountability, owner control and security monitoring measures. A keyless entry locking system will be offered at cost. The HOA and HOA owned rental system will provide installation free of charge and ongoing on-site maintenance. This system can give owners unit entry information in real time.

Illustration of a Similar On-Site Laundry Facility



On site laundry facility is part of proposal for an HOA owned rental system.

Renderings of Clubhouse 2nd Floor Addition



As part of owners owned rental system proposal, HOA offices will be relocated in this addition and include bookkeeping and accounting services for owners. Additionally, the exercise room will be expanded and incorporated into this new area.



Las Palmas Community Assoc.
929 N Val Vista Dr, Suite C-109-164
Gilbert, AZ 85234

**Inside
LAS PALMAS
January 2015**

Info Sessions

Owner Info Sessions addressing the proposals in this newsletter will be hosted by Dan Dimovski and the HOA Board.

Phoenix

The Phoenix information sessions will be held on Saturday and Sunday January 17th and 18th. You may participate in person or via conference call at the US Airways Center, 201 E. Jefferson St, Phoenix, AZ 85004.

Peñasco

The Puerto Peñasco sessions will be held at the Las Palmas Clubhouse on Thursday and Friday, January 22nd and 23rd.

The times and call in numbers are available on our website:
laspamashoa.com.

