

MINUTES OF THE MARCH 18, 2017 GENERAL MEETING OF THE ROYAL GOLF CLUB CONDOMINIUM ASSOCIATION

David Lewis was designated to preside over the meeting.

Christine Iriart was designated as secretary for the meeting.

David Peralta, Spanish/English interpreter for the meeting.

Approved as examiners/counters were Frank Camarda and Clint Oliver.

A legal quorum of 36.7% was confirmed on the first call to order, at 9:15 a.m.

PRESIDENT'S REPORT: Gaston Mendez Jimenez

During 2016, approximately 12 piles of weeds and trimmings measuring 14 cubic meters were gathered around both common and private areas and disposed of by burning. Many persons, including myself, do not agree with this method of disposal. However, removing this amount of debris by placing it in the dumpsters or taking it to the public dump is a cost that was not approved in the 2016 budget.

Repairs, such as filling in fissures, were made to the bridge at our entrance as well as to the wall surrounding our dumpster.

Eight light bulbs were changed on the street lights, four of them requiring wiring from the bulb to the base of the lamppost.

Six water leaks were repaired which were not our responsibility, but were damaging neighbor's properties.

The curb and area around the gate house were painted with the same ugly colors used last year.

Also, for the care of the Royal Residence and protection of our guards, and for someone to be in charge of official internal matters, we had to get a little dog named Shiff, which is a cross of "sharpie" with something else.

And lastly, we attended to the task of terminating the services of Amigos Trust and enlisted the administrative services of Guillermo Ortega and Guillermo Ortega, Jr. I wish to express my heartfelt appreciation to all the personas who assisted throughout this process.

TREASURER'S REPORT: Nicole Geisler

I was given the task of verifying the income and expenses for 2015. I was able to balance to the bank statements from the reports that Amigos Trust supplied, however, I did not see any invoices or *facturas* verifying the information as correct.

Motion made, seconded and approved unanimously to accept the 2015 financial report as presented.

We as a board are trying to recreate all of 2016, and I have done the same with the reports I have. They have been verified by using the bank statements and the income and expense statements have been produced using this information. Again, no actual invoices or copies of *facturas* were supplied to me.

On December 31, 2016, the Royal had 260,936.90 pesos in two bank accounts. Due to complications with the change in administration we have been unable to secure the Pay Pal account. Going forward we will not be using Pay Pal as an authorized method of payment.

I believe there is \$470.35 USD in another CI Banco account, but haven't verified it as I have not received bank statements to do so.

Royal's Petty Cash amount of 9,000 pesos from Amigos Trust was written off to office expenses.

The Income statement shows a profit of 195,435.92 pesos. This includes 96,000 in *moroso* collections as well as savings of 45,000 which represents three months of administrative services.

There has been interest by some of the *morosos* to engage in communication with board to pay a portion of their fees. Gaston and Dennis were successful in collecting on a number of outstanding balances in 2016. Laws have changed and in the future, we believe we will be able to put a lien on property for unpaid fees.

Part of recreating all the paperwork is to verify each property for the fees and interest owed. At present are looking at each property going back at least two years, and in some cases further back.

Motion was made, seconded and approved unanimously to accept the 2016 financial report as presented.

The budget proposed for 2017 was presented with the following notations:

A small increase in salaries for the fulltime workers and 4,000 for new uniforms. Increase in utilities based on increased charges from the utility companies. A 20% reserve fund.

Questions and comments on the proposed budget for 2017:

A request for a breakdown on what our workers make. Response: The Gate Guards are paid 1,200 pesos/week and the Gardner is paid 1,100 pesos/week. The group was reminded that we are also paying their medical and social security, which increases the overall annual amount paid to the workers.

An inquiry as to whether all fees for 2017 have been paid—they have not all been paid. It was also noted that fees must be paid by the end of February to be eligible for the one-month discount.

Interest charges on late fees have not increased since October 2016 due to the change in administrator. When we have completed the audit of each property, interest charges will resume for those who have outstanding balances.

When paying fees directly at bank, the cashier should be given the lot number being paid so that records can be reconciled properly.

Motion was made, seconded, and approved unanimously to accept the 2017 proposed budget as presented.

VIGILANCE COMMITTEE REPORT: DENNIS REYNOLDS

The Vigilance Committee requested that the Administrator send a letter to all *morosos* regarding past due HOA payments. The Vigilance Committee has not received any confirmation about *moroso* payments.

The Vigilance Committee and Board of Directors negotiated with VG-044, VG-115 and VG-131 to pay their past HOA fees. These lots are now paid in full.

Over our protests, the condominium complex under construction outside our gates has obtained permits to connect into our sewer pipeline. The 2016 Administrator would not get involved with this dispute.

The Board of Directors followed our recommendation to add more street lights for security reasons. Additional bulbs will be replaced in 2017.

AS reported earlier in the President's Report, the gardener complied with our recommendation regarding trimming of the street-side bushes and removal of the accumulated rubbish.

The 2016 Administrator (Amigos Trust) refused to hand over past files, records, member email list, bank information and computer programs after receiving the 6 December 2016 letter stating that Royal Golf Club no longer required their services as Royal Golf Administrator. Later in December 2016, we came to an agreement with Amigos Trust lawyers to turn over all our requested information for a sum of 45,000 pesos. At the final meeting on 31 January 2017, the Amigos Trust lawyers wanted an additional 15,000 peso payment plus other unacceptable demands, so the exchange of Royal Golf Club records for the 45,000 peso offer did not happen. The Board of Directors and Vigilance Committee decided to move forward without the requested records.

The Vigilance Committee has also taken care of numerous complaints and suggestions by the Royal Golf residents.

Questions and comments regarding the Vigilance Committee Report:

Several questions came up regarding the use of our sewer line by the new development outside our gate. It turns out that there is only one sewer line coming up *Camino de los Yaquis*, and that Loma Bella, as well as the Royal, are all tied into it, so the sewer line was already over capacity before the addition of the new construction, which will consist of 35 units. Until it reaches the Royal sewer line, all other lines are on property owned by Estrada. If major problems occur in the future, it is unclear if the City of Guaymas or the State of Sonora is responsible for making the necessary improvements.

It was recommended that our Architectural Review Committee hire an engineer to prepare a report on the impact of the new development on the sewer lines in our area. The report should include the size and number of pipes needed to absorb current and future capacity.

Motion was made, seconded, and approved unanimously to accept the Vigilance Committee Report as presented.

ELECTION OR RATIFICATION OF BOARD MEMBERS

The position of Vice President on the Board of Directors is vacant and needs to be filled for the remaining year. Two names were put forth, however, one nominee was not present to accept nomination. Ron Young was nominated, his nomination seconded, and his election to serve one year was approved unanimously.

Because of the problems encountered at our meeting last year, one owner asked if we should elect a new Board of Directors. Our attorney reported that all we needed to do was ratify the previously elected Board in order to be in compliance.

The current Board, including the newly elected Vice President, will serve one more year.

Motion was made, seconded and approved unanimously to ratify the elected Board of Directors.

RATIFY OR GRANT OF POWERS

Motion was made, seconded, and approved unanimously to ratify the powers of the Vigilance Committee.

MODIFICATION TO ARTICLE 54 OF THE BYLAWS OF THE ASSOCIATION REGARDING THE LEGAL QUORUM OF THE ASSEMBLY

A proposal was made to change Article 54 to require 30% quorum on the first call and failing that, on the second call, 30 minutes later, to proceed with whatever voting members (and proxies) are present.

Motion was made, seconded and approved unanimously to modify Article 54 of the Bylaws as proposed.

GENERAL AFFAIRS

The failure by Amigos Trust to return records and documentation belonging to the Royal Condominium Association elicited additional discussion, with homeowners wanting to know exactly what steps had been taken to have the records returned, and whether any further actions would be taken. We were informed that, short of taking legal action, which would be a long and costly process, several direct and written contacts had been made. As noted previously in these minutes, when Amigos Trust demands payments beyond what we were willing to pay, the Board of Directors decided to move forward with the information at hand. Nevertheless, the homeowners felt that one more attempt be made by proposing

that a written request be sent to Amigos Trust demanding our records, or a written response explaining why our records and information pertaining to the Association were not returned.

A motion was made, seconded and carried unanimously to proceed with the proposed action.

Issues pertaining to water availability were discussed at length. Particularly of concern:

- (a) CFA's removal of good, working meters and replacing them with substandard meters that are already beginning to break down or leak. An announcement was made that formal action has been taken against CFA by several hundred persons, inviting the Royal condominium owners to add their signatures to this action.
- (b) Lengthy water shut-downs, often with no advance notice. It was recommended that a large cistern be purchased and set up in the common area, allowing the Royal to store water for emergency use. It was further recommended that a special assessment be made to pay for the cistern. It was noted that a special assessment might not succeed, since many lot and condominium owners won't even pay their association fees. Also, the cistern would require regular maintenance, which would be an additional cost to the annual budget. Nevertheless, having a large cistern for back-up, emergency use was generally accepted, a proposal was made to conduct a study on the feasibility and cost of placing a large cistern in the common area.

A motion was made, seconded and approved unanimously for such a study to be conducted.

Access to and egress from our gate has become difficult and unsafe due to vehicles parked on both sides of *Camino de los Navajos*. It was suggested that the residents in the duplexes outside our gate be asked to park in their driveways, and that the construction workers be asked to park along *Los Yaquis* or inside the construction area.

Complaint made that there is a pile of trash on Lot 132 that hasn't been cleared in months. This is a zone that is too dark and many residents live there. The President of the Vigilance Committee stated that a light would be installed that area within a month, and that the trash will be removed.

Don Geisler of the Architecture Review Committee asked why he was not made aware of the new construction. Mr. Geisler's contact information was not available, so the remaining two members of the Committee reviewed the proposed construction. They reported that the Lot owner was in arrears but paid up his fees and got his permits. The President of the Board gave his approval after getting the Architecture Review Committee's report and receiving the 30,000-peso deposit from the owner.

Another homeowner commented on homes rented that are owned by *morosos*. Because *morosos* do not have access to the Royal, their renters do not get an access card. This means that the renters have to park outside the access gate until someone with an access card arrives to open the gate. There were no additional notes on this matter.

**APPOINTMENT OF SPECIAL REPRESENTATIVE TO FORMALIZE THE GENERAL ASSEMBLY MEETINGS
MINUTES BEFORE A NOTARY PUBLIC**

It was moved, seconded and approved unanimously that Attorney David Peralta and Royal President, Gaston Mendez represent the Royal Condominium Association to formalize the general assembly meetings minutes before a notary public.

Residents of the Royal were reminded of the 20km speed limit. A homeowners pet has been hit by a speeding vehicle, and persons walking along the road have almost been hit. Continued speeding may result in our having to install *topes*.

It was recommended that a monthly update be sent to all owners of property in the Royal to keep them informed of actions taken that month.

ADJOURNMENT OF ORDINARY GENERAL ASSEMBLY MEETING

The meeting was adjourned at 11:45 a.m.