

CANON DEL SOL HOMEOWNERS ASSOCIATION, INC.

ANNUAL OWNERS MEETING MINUTES

SATURDAY, APRIL 2, 2016 AT 10:00 A.M.

CDS Clubhouse, 400 Abalone Drive, La Selva Beach

CALL TO ORDER AND WELCOME:

The annual meeting was called to order at approximately 10:15 A.M. by President Henry Bose. Henry welcomed everyone attending the Annual Owners meeting.

DIRECTORS PRESENT:

Henry Bose, Colin Tierney, Mary Ann Herlihy, and Paul Van Hoorickx.

Also in attendance: Nate Summer & Michele Suttora, from Anderson & Company the Association's management company and Scott Thomas its onsite resident manager.

QUORUM PRESENT:

It was confirmed that a legal quorum of Owners was present. A sign-in roster provided the following count: Owners present in person 22. Owners not personally present but represented by valid proxy statements totaled 32. Counted as absent a total of 43 owners. In summary, a total of more than fifty-one percent of owners were represented from the ninety-seven association membership. (54 of 97= 55%)

INTRODUCTIONS:

Henry introduced the Board, Anderson & Company, and onsite resident manager to homeowners present. He also welcomed new homeowners.

WELCOME NEW OWNERS:

Ernest Cicogna & Diane Tapscott, 260 Pismo
Randy & LaDonna Batterson, 297 Canon del Sol
David O'Rourke, 431 Santa Monica
Scott Shearer & Beth Pala, 461 Arca
Steven & Rebecca Morgan, 361 Clamshell

MINUTES APPROVED:

Members present reviewed the minutes of the annual owners meeting held last year, April 11, 2015. A motion to approve the minutes was duly made, seconded, and passed by a unanimous vote of the members present.

FINANCIAL REPORT:

The Association's financial report for the year ending December 31, 2015 was presented to and reviewed by the members. The 2015 year end operating report showed revenues of \$342,588 and expenditures of \$285,288 with a surplus of \$57,300. The 2015 yearend report with respect to the Association's reserve accounts showed revenues of \$220,031 and expenditures of \$27,120 with a resulting in an increase of \$192,911 in reserve funds and reserve obligations funded at as estimated

78%. At year end the Association had a total of \$1,016,939 on deposit in bank accounts of which \$941,906 were reserve funds and the balance the operating surplus a portion of which would be transferred to the reserve account consistent with past practice. Major repairs completed last year included (a) retaining wall repair/ replace and paint, (b) irrigation valve repair, (c) clubhouse and pool furniture and repairs, and (d) mailbox and skylight repair.

A copy of the 2015 year-end financial report is attached to these minutes.

The Operating budget and reserve-funding plan for 2016 were adopted by the Board also presented to and reviewed by members. The Reserve budget planning process was explained at the meeting. A copy of the 2016 operating budget and reserve plan is attached to these minutes.

TAX RESOLUTION APPROVED:

Upon motion duly made and seconded and unanimously passed the members approved and adopted the following resolution:

Resolved, to accept the results of operations for the current year end and the restricted contributions to capital funded during the year. All contributions to capital are to be held in trust in separate savings accounts for specific purposes only and will not be commingled with operating funds. After funding all contributions to capital, any excess operating funds resulting from membership income are to be held in trust as additional reserve funds for the next fiscal year. The Board of Directors is hereby authorized to add such excess funds to the following year's reserve budget.

ADOPTED POLICIES:

A copy of the Association's adopted policies was provided in the packet for review. Homeowners were reminded to give a copy of the policies and rules to renters.

RESERVE BUDGET PROJECTS:

Henry reported that the subdivision has been divided into three sections for repair and painting purposes on a six year cycle. When a phase is going to be painted each unit will have a termite and dry rot inspection and repairs will be made to the unit before painting. This year Section B is due for repairs and painting. In addition to the painting of Section B street lights and the front sign will also be painted. Other major reserve budget expenditures planned for the year include driveway repairs and tennis court resurfacing.

All units will have their dryer vents and chimneys inspected and cleaned. Any repairs to be made to either are homeowner responsibility.

MEDIAN IMPROVEMENTS:

Approximately one year ago the CDS Board began discussions with Sand Dollar HOA's Board regarding the median that runs from San Andreas to the top of the hill. The median is County property but they claim they don't have the funds to maintain it. Last year the County removed some trees and CDS and Sand Dollar split the invoice to have the stumps ground. CDS Board and Sand Dollar's Board would like to have the median maintained as they believe it affects property values. CDS's CC&R's allow for the Board to move forward but Sand Dollar's CC&R's do not at this time. The current plan is to improve and maintain the median without any increase in assessments and sharing the cost with Sand

Dollar Beach Association once its governing documents have been amended to permit participation in the project. A memo will be sent to homeowners asking for their comments on the issue.

STAIRS TO THE BEACH:

During a recent storm the stairs to the beach were damaged. The State has removed the fallen stairs from the parking lot to the beach and is working on a possible new path. It has been reported the Coastal Commission has a role in any improvements.

GARBAGE COLLECTION:

Homeowners who use their unit as a second home sometime do not sign up for garbage collection but pack their trash when they leave. The County has now adopted an ordinance requiring all owners to have garbage collection. Alternatively it may be possible to pay an annual fee to use the dump.

LANDSCAPE COMMITTEE:

Scott continues implementing upgrades to landscaping with particular attention to the corners in the development.

The biggest challenge with landscaping this year again has been the water shortage, i.e. maintaining and improving the landscaping while minimizing water usage with an aging infrastructure. Scott is still works closely with Soquel Creek, Quilici Gardening, and Aqua Green to make watering more efficient.

Trees are an important part of the landscape plan. A majority of the trees are Myaproum which creates two challenges, short life and thrip infestation. This year Lewis Tree Service has removed 16 large Myaporum and 5 were blown down in a recent storm. Trees that were sprayed for thrip last year have blue tape on them; these are ready to be sprayed again this year.

ARCHITECTURAL REVIEW:

If you plan on making changes to your unit, including installing a satellite dish or changes to your windows, you must complete an application which can be obtained from Anderson & Company or the website and present it to the Board. The Board will work with the satellite dish companies on where the best placement is for reception and esthetic issues.

ASSOCIATION DIRECTORY:

Mary Ann reported to homeowners present that the Board is working on an updated directory and it will be out to owners within the next couple months. It is anticipated that the new directory will fit in the existing green binders previously distributed to homeowners.

SOCIAL:

Pat Vance and John Mello will be holding two parties this year, one in the summer and one in December. All homeowners and residents are welcome to attend. The Board and homeowners present thanked them for organizing the parties in the past.

INSURANCE REVIEW:

Colin reviewed the insurance mandated by the Association and that is suggested for homeowners. A document describing this insurance was sent with the Annual Disclosure Statement.

ELECTION OF DIRECTORS:

Directors Mary Ann Herlihy, Jesse Fielding, and Colin Tierney were elected last year to the Board for two year terms. The director positions of Henry Bose and Paul Van Hoorickx are up for election at this time. Henry and Paul have announced they would be candidates to serve again. The Nominating Committee has nominated the following candidates:

Henry Bose and Paul Van Hoorickx

Nominations were opened from the floor of the meeting. No other members present volunteered to be a candidate or nominated another member. Nominations were closed, and the election followed.

A motion was submitted, seconded, and passed to dispense using secret written ballots, and to elect the two available nominations for the two vacant Director positions by acclamation, or unanimously.

OPEN DISCUSSION TOPICS:**ELECTRICAL PANEL:**

Some owners are having issues with their electrical panels. The Board reminded homeowners this is an individual owner responsibility and if you believe you are having electrical issues you should have your electrical panel inspected by a licensed electrician.

WATER IN UNITS:

A homeowner expressed concern with low water pressure and the taste of the water and may install a water softening unit. It was discussed that a water softener unit can result in lower water pressure.

REMINDERS:

Homeowners were asked to review and abide by the Associations various rules and policies particularly those applicable to use of the pool.

THANKS TO ALL THE MEMBERS FOR YOUR ATTENDANCE

The Board thanked all members for attending the meeting.

ADJOURNMENT/REFRESHMENTS

There being no further business the meeting was adjourned at approximately 11:21 A.M. and all members present enjoyed the BBQ and beverages provided by the association.

WEBSITE INFORMATION REMINDER:

Name of Website: www.canondelsol.com

Username: cds

Password: surfandsun

Website contains all legal documents and meeting minutes.