

Sand Dollar Beach Homeowners Association

Minutes approved 1/29/11.

Board Meeting: Friday, December 10, 2010; Held at Aptos Community United Methodist Church, 221 Thunderbird Drive, Aptos CA 95003.

Board members present: Pat Emmons, Bill Priest, John Linkletter, Bill Russell

Board member absent: George Sousa

Also present: - Harold Lucht, Cynthia Haines, Claire Hildreth, Mary Ann Basler, Zonia Sandoval Waldon and Bob Scarpitto (for part of the meeting).

The meeting was called to order at 10.00 am.

All approvals are unanimous unless stated otherwise.

Minutes: The minutes of the board meetings on 11/19 and 11/27 were approved.

Presidents Report: Pat provided an update on the plans for the January 29, 2011 Annual meeting. The option of using the Aptos Community United Methodist church plus the catering would cost more than the use of the room at the Seacliffe Inn (with coffee provided), so the decision was made to hold the event at Seacliffe. Harold will take care of the audio requirements etc. Details of the event via a flyer will be included in the annual package shortly to be distributed by Shoreline.

The bill submitted by Ifland Engineers for the recent survey work undertaken on the common area was more than expected. Pat has negotiated the charge down to \$1500, which is still more than originally estimated. Ifland have also now provided cost estimates for the remedial work they have proposed. The report is attached separately.

Treasurers Report: Bill P noted that financial statements had been received (this month) on time! Expenses continue to track to the budget, and it is anticipated that this will continue to the year end.

Zonia added that the townhouse finances are also on track, and the delinquencies have all now been paid. In fact, one owner has prepaid their dues for 2011.

There has been a CD rollover which served as a reminder on just how low current interest rates are!

The fact that that SDBHOA has no delinquencies is very positive news when compared to the situation other HOAs are dealing with.

The bills for the 2011 assessment will go out shortly.

Facilities Committee Report: John L passed round a report showing the final estimate and plans for the main sewer upgrade. The expectation is that the one time assessment in 2011 will be around \$2200. It was noted that both pump houses will remain.

The Ifland report (referred to earlier) was reviewed. The FC will present the remedial options for the common area drainage problems to the 2011 board, who can consider whether to proceed with one or both of the options when the final impact of the sewer

costs on the reserve fund has been determined. Representatives from the County have agreed to participate in the presentation of our sewer plans at the Annual Meeting.

ARC Report: Maren (who was absent) had communicated in advance that there were no new applications to report on at this time. However, it appears that some roof replacement work is being or is planned to be undertaken with no ARC approval. She is investigating!

Action: Maren

Townhouse Committee Report: Zonia said that the impending vacation rental ordinance has brought more townhouse owners to the recent meetings!

She requested that the board post information on subjects like this on the SDBHOA website. There has been substantial discussion on this topic at previous board meetings, and the agreed process (via the Secretary) that any homeowner can use to request that information be communicated via the website will be communicated at the Annual Meeting.

The point was made that while the board will certainly endeavor to continue to improve the level of information communicated, it is not be the responsibility of the board to highlight all external events which may or may not impact individual property owners. The staircases at the rear of townhouses are to be replaced (for the first time), and this will mean a substantial assessment for the townhouse owners this year and next. The sewer lines have now been upgraded in anticipation of main sewer upgrade, which was also at significant cost. The County has approved a minor variation permit, so the stair cases can be replaced, and the storage areas can be increased in size, without the lengthy process of obtaining approval from the Coastal Commission.

There is now an emerging problem with ground squirrels, but of greater concern is that there is evidence of the presence of boring beetles.

It was agreed that it would be beneficial if there was a change to by laws to enable the Townhouse Committee Chairperson to be elected for two years to be consistent with board positions.

Security Committee Report: – nothing new at this time.

Neighborhood Communication Committee: The proposed description of the purpose of the committee was discussed, and the board felt that more precision would be beneficial such as the number of members etc. As result, approval was deferred to the next meeting. Bill P offered to work with Cynthia on this topic.

Action: Bill P / Cynthia

Zonia said that that she was very disappointed that the board was not in a position to agree with the committee charter.

CC&Rs and Bylaws Enforcement (Fines!): The latest DRAFT version of a potential resolution was passed round. This is still being worked on by Pat and Bill P, and a copy is included as Attachment 1. This will be presented at the Annual Meeting, and it will be up to the 2011 board to decide how to take this further.

2011 Nominating Committee: A motion to appoint members to the 2011 Nominating Committee was made and discussed, but as no townhouse owner was included, the motion was withdrawn. Cynthia said she was interested in continuing as Nominating Committee chair, and Zonia agreed to communicate with all the townhouse owners to see if there are other potential candidates. The board agreed to meet immediately before the Annual Meeting to appoint the Nominating Committee.

Comment on Review of CC&R's and by-laws: Mary Ann questioned the need for this and said that in her opinion it would not be prudent for the board to spend funds in 2011 on reviewing the full set of CC&R's. The focus instead should only be on the by-laws.

Website Coordinator Job Description: Cynthia is still working on this.

Action: Cynthia

As the Site Manager contract had already been signed, the Executive Session was cancelled.

Bill P proposed that a resolution be made by board in appreciation of the dedication and effort from Pat as President. With the board's agreement he will prepare this and propose it at the Annual Meeting. Some of the homeowners in attendance at the meeting also voiced their support for this.

The meeting adjourned temporarily at 11.20am and reconvened at 12.45pm at 605 Sand Dollar Drive.

Reserve Study Review: A telephone conference took place with representatives from Avelar, who have provided the independent study of the SDBHOA reserves. The board reviewed the amounts and timing of the various projects planned for in the reserve study, and Avelar were asked to provide some further analysis to help the board determine the specific assessment needed to cover the balance of the sewer project and which would leave sufficient funds in reserve for the other known necessary projects. Almost all of the increase in the 2011 dues is to add to the reserves, and Avelar confirmed that this was appropriate.

The meeting adjourned at 1.20pm.

The next board meeting will be held on Saturday January 29, 2011 immediately before the Annual Meeting.

Attachment 1:

**RESOLUTION OF THE BOARD OF DIRECTORS SAND DOLLAR BEACH
HOMEOWNERS ASSOCIATION ADOPTING RULES AND REGULATIONS
REGARDING FINES
DATE RESOLUTION ADOPTED _____**

This resolution is adopted by the Board of Directors of Sand Dollar Beach Homeowners Association to create “Rules” regarding fines pursuant to Section 8.2 **Amendment and Restatement of Declaration Of Covenants, Conditions and Restrictions of Sand Dollar Beach Home Owners Association, A Planned Development Project (Tract 377), “(CC&R’s)”**, Section 3.8 of the **Amendment and Restatement of the Bylaws of Sand Dollar Beach Home Owners Association dated February 28, 2003, and the Davis-Stirling Common Interest Development Act of 2008**, Section 1363 (g) which provides that the Association’s Board of Directors is entitled to impose fines for violation(s) of any Rules adopted by the Board of Directors and any violations of the CC &R’s, Bylaws, Architectural Standards including landscape/residence /pet maintenance, and noise or community nuisance as designated in the fine schedule.

Homeowners are encouraged to first attempt to resolve neighborhood complaints on their own. If a homeowner is unable/and-or cannot accomplish an informal resolution or if the informal resolution is unsuccessful, the following procedure will then apply. Please note homeowners are responsible for the actions of their tenants, guests, or family members. When a tenant, guest, or family member is in violation of a governing document or rule the owner will be held liable for the payment of the penalty assessment levied, as well as reasonable costs if applicable incurred by the Association for the repair and replacement of any damages caused to the community. The violation of a governing document or rule by tenants, guests, or family members will result in the owner being served notice and the homeowner will have the responsibility for subsequent action as provided hereafter.

1. Any homeowner can report a violation or infraction to a member of the Board by completing the SDHOA communication form found on the SDHOA website. The completed SDHOA communication form must accompany verbal complaints. The board has authority to initiate its own complaint against a homeowner for an alleged violation.
2. Upon receipt of a complaint, a formal letter will be sent to the homeowner outlining the alleged violation , suggested options to rectify the violation, deadline for rectifying the violation, potential penalties, and ensuing procedure. The letter will also include the legal basis for the Association’s claim of violation. This letter and all correspondence associated with the violation will be sent by the United States mail, first class postage prepaid, to the homeowner’s address on file with the Association; it will also be faxed or e-mailed to the homeowner if that contact information is available.
3. All complaints will be heard at the next regularly scheduled Board meeting if the homeowner has received the formal letter at least 7 days prior to the notice of the hearing. If the allegedly offending homeowner has not received the formal letter at least 7 days prior to the next Board meeting, the complaints will be heard at the next scheduled board meeting. Upon written request by any party to the complaint, the Board may conduct a special hearing to review and

act upon the complaint. Upon request, the homeowner who is charged with the alleged violation may request an executive session of the Board.

4. If the homeowner who is charged with the alleged violation corrects the violation, the Board may opt to not impose a penalty and close the complaint, or the Board may proceed to make a formal determination as to whether the alleged violation occurred.
5. If the homeowner who is charged with the alleged violation fails to attend the hearing, the Board will make a determination regarding the matter in his or her absence. Any such determination would be binding. If a violation is found the Board would determine what sanction is appropriate including but not limited to a fine. Notice of Action will be sent the homeowner within 14 days following the action.
6. The Board of Directors has at its disposal several enforcement alternatives ranging from a simple oral to legal action. In general the alternatives include but are not limited to:
 - Oral and/or written warning.
 - Penalty assessment.
 - Late charges on delinquent dues and assessments.
 - Lien and foreclosure against homeowner's property.
 - Court injunction.
 - Notice to the City, County, and/or appropriate State agency(ies).
7. When damage to association property occurs, a reimbursement assessment may be levied against the homeowner to reimburse the association for all costs incurred in repairing/replacing the damage to the association property cause by the homeowner, tenants, family, or guests.
8. With violations of Architectural standards, a penalty assessment may be levied, or a court injunction instituted against any homeowner who undertakes the improvement or alteration to their home or townhouse which might affect the architectural integrity or accepted standards of the community without prior Association approval.
9. If the violation endangers the health or safety of the community, the Board can take immediate action to ensure the health and/or safety of the community, including making a report to any appropriate public agency or seek court

injunctions.

10. In addition to any fine/s levied, the Board may impose additional sums to Association costs in the repair of its property, and costs incurred to correct the violation.
11. All fines and charges assessed against the homeowner for violations will be shown by a written statement or invoice to the homeowner.
12. Any unpaid balances will be subject to late fees and charges as applicable. Except to the extent prohibited by law, unpaid fines and reimbursement assessments shall become a lien against the homeowner's property.
13. If the violation is a continuing one, then thirty days following the mailing of the formal letter notifying the homeowner of the Board's action, the complaint will be checked to determine if the violation has rectified; if the violation has not been rectified, the homeowner in violation shall be subject to multiple fines for a continuing violation. If the violation has been rectified then no further action will be taken.
14. All fines collected will be credited to the Association's general account.

DRAFT SAND DOLLAR HOMEOWNERS ASSOCIATION FINE SCHEDULE

All Sand Dollar Homeowner's Association Rules and Regulations as defined by the governing documents: the CC & R's /by-laws, including the Architectural Review Committee (ARC) Guidelines are subject to this penalty schedule. Failure to pay defined fees, as billed could result in late fees and legal action. Please note that homeowners are responsible for the action of their tenants, family, and guests.

Violation of ARC Guidelines including:

- Unauthorized paint or materials, which deviate from the approved ARC guidelines.
- Deviation from approved plans.

Fine: Up to \$500.00.

Violation of Landscape Maintenance including:

- Failure to trim trees or shrubs, which block neighbors or other homeowners view.
- Failure to maintain landscaping routinely. i.e. weeding

Fine: Up to \$300.00.

Violation of Residence Maintenance including:

- Failure to maintain upkeep of exterior of the residence. i.e. painting/staining/general cleanup
- Failure to obtain board approval prior to the installation of satellite dish.
- Hanging towels, wetsuits, swimsuits on balcony/deck railings.

Fine: Up to \$500.00.

Violation of Pet Maintenance including:

- Failure to keep dog on leash or otherwise restrained
- Failure to clean up after pet.
- Failure to keep pet quiet i.e. barking dog

Fine: Up to \$200.00.

Violation of vehicle parking including:

- Parking of nonconforming vehicles: RV's, trailers, boats, campers
- Parking vehicle in front of driveways blocking exit by homeowner
- Failure to comply with parking design plan for the townhouses.

Fine: Towing of vehicles in lieu of fine.

Violation causing nuisance within or around a residence and/or community property including:

- Excessive noise, loud music, and/or party activity after 10 p.m.
- Littering including dumping garbage in other homeowner's garbage cans or the beach garbage cans.
- Damaging/defacing community property. i.e. the gate or landscaping in the common areas.
- Use of Skateboards.
- Use of fireworks.

Fine: Up to \$1000.00.