

THE SEAHORSE

El Caballito del Mar

May 2007

First of all, we would like to apologize for being late with the Seahorse as well as late with getting the '07 Annual Meeting minutes published on the Mykonos website. It was simply a case of everyone involved having busy personal agendas this year. Please accept our sincere apologies. The minutes, together with the four appendices are part and parcel of this Seahorse. If you were not at the annual meeting, please review them carefully so you are familiar with exactly what went on there. In another effort to control costs, a "hard copy" of the Seahorse will not be published.

We would like to give a big Mykonos welcome to John and Cynthia Tran, who reside in Seattle. They recently purchased the penthouse in Building B.

All projects, as were discussed and approved at our Annual meeting, are pretty much on schedule as outlined in the project attachment. In addition to the listed items, a new "swipe card" lock has been installed on the door to the gym and tennis court. Owners can get their new cards from Olga.

Our annual fees, which were approved at the Annual Meeting, are admittedly on the high side. This is a result of doing quick fixes over the years to different things at Mykonos, not properly maintaining equipment, landscaping, and grounds. This is slowly being brought into line and we are all quite pleased with the results. Operating costs have increased dramatically. For instance, water costs have increased approx 35% since Jan. 1/07. Electricity rates have also increased. Another reason for the increase in annual dues is the increased activities of "rentals" here at Mykonos. Homeowners, who used to come down here on occasion, have since sold their condos and the new owners, to help with their mortgage payments, are now renting the units out quite frequently. If you look at our Projects list that was also approved at the Annual meeting, I think you will find that none of these items can be eliminated. Workers, because of

very high construction (residential and commercial) activity in the Baja, are in very high demand so we are doing our best to retain our staff that have now been here for several years. We recently purchased a new refrigerator, microwave oven and coffee maker for their lunch room. The old fridge quit working some time ago, the coffee maker was on its last legs and the microwave was a "throw in" with the purchase of the new fridge. In short, everything slowly adds up to make the dues what they are today. We do not expect any change in the months/ years to come.

At our Annual meeting a motion was made and passed to form a committee to study ways of generating extra revenues in order to maintain or decrease our annual fee rate,. The newly formed committee was made up of Grant Larsen, 404C, Don Balsley,302B, 305C, and 405C(all fractional ownership condos), Mike Naylor, 104A(long term rental), James Renwick, 202A, Dennis Kalow, 301A, and Donna Juell, 205C. This Committee submitted a report to the Homeowner's Committee that, in essence, recommended not doing anything other than forming a welcoming committee that would welcome new homeowners to Mykonos. Although the latter is a good idea, the Homeowners Committee was disappointed that no additional revenue sources were recommended. Does anyone out there have any suggestions? If so please write them up and submit them to us. Some ideas that have been kicked around by the HOC are 1.) When a condo changes ownership, a possible fee of \$1.00 per square foot, of the condo being sold/purchased, could be levied against the new homeowners as a fee to join the HOA. If and when the proposed building D is built, new owners there could be charged \$2.00 per square foot to join the HOA. In both of the aforementioned scenarios new homeowners are coming in and immediately enjoying what all the previous homeowners have paid for, so we think that the fee is justified. Another source of revenue might be to charge those homeowners (would be charged to their

homeowners account and paid monthly) renting out their condos a daily fee such as \$10.00 per day for one bedrooms and 16.00 per day for 2 bedrooms. This could be built into the rental rates so as not to affect the revenues of the homeowners. This revenue would help immensely. Please keep in mind that the renting of condos is a commercial activity for financial gain and is being done at the expense of those homeowners who choose not to rent out their condos. If we could introduce these 3 sources of revenue into our bylaws at our next meeting we could, in all likelihood, lower our annual dues rate. Please give this your consideration. Feedback, in writing, to the Committee is very welcome at any time. Enough said about this.

Please review the rental and renovation procedures that were introduced last fall and make sure that if you are renting or renovating, that the procedures are followed exactly as they are outlined. It makes Olga's job much easier, provides excellent communication to Olga, the property manager, and the renter. Once the renter is registered, Olga will have no further contact with the renter. That is solely the responsibility of the homeowner and the property manager. So, if you plan on renting your condo out, and you are not living in the area, please ensure that you have a very responsible property manager. We would like to make it clear at this time that the HOC is not in any way against homeowners renting out their condos. The HOC is however dead against homeowners and property managers that operate in an irresponsible manner.

We want to take a minute and congratulate the workers here at Mykonos for all their hard work in keeping up the grounds, pools, etc. during peak seasons. In particular, we would like to thank them for their diligent efforts regarding the operation of the sewage treatment plant. For those of you who may not know, we treat our own sewage here at Mykonos and then the treated water is used to water the plants and grass here on site. This greatly reduces our water costs. I have resided here at Mykonos for over 7 years and have yet to experience the smell of raw sewage coming from our sewage treatment plant. We definitely want to ensure that it stays that way.

As noted by some unhappy homeowners, many pet owners are letting their pets do their business on Mykonos property. This includes going "pee".

In the future please refrain from doing this as the workers have to work on the grounds and some homeowners walk around the grounds in their bare feet. Please take your pets to the beach (far away from the wash up area) and please clean it up, after they are done. When the pets are pent up for a long time, as soon as they get outdoors, they immediately want to find a suitable "spot" to do their thing. If you can't get them to the beach on a leash, then please pick them up and carry them. Thanks for your cooperation.

Contrary to the gossip and rumors, we would like you to know that the Homeowner's Committee is, in no way, shape or form, against the construction of the proposed building "D". I will do my best to lay out, in chronological order, the series of events that have taken place. During the spring months of 2006 the Committee met several times with the Developer and, as a result of these meetings, a letter was written in May/06 (attached as Appendix C to the '07 Annual Meeting Minutes) to the Developer outlining all the things that we had discussed and the information that we would need to go further with this project. We had absolutely no reply of any kind and no more communication with the Developer until such time that he came into our '07 Annual meeting and stated that he would like to start the proposed building as soon as possible. The Committee was shocked to say the least. It was at that time that I read the May '06 letter to the homeowners. The Developer then proceeded to tell the homeowners that he would be delivering a set of "plans" to the Administrators office for those, who were interested, to look at. These plans arrived about 2 weeks after the meeting (Feb. 20/07) and the Committee immediately wrote back (Feb. 23/07) acknowledging receipt of those plans and at the same time asking for; 1.) Some written clarification of the plans and 2.) a reply to our letter of May/06. To date we have received nothing. We then brought in a Surveyor and did two things. Firstly we had the developer's parcel of land (the dirt parking lot) surveyed and staked out. Secondly we had the boundaries of the proposed building surveyed and staked. What we found was that the building, along with the ramps to get to the 2nd level of parking, encroached upon a fairly large chunk of common property. Any major changes, such as a change in ownership, in common property must be voted on, by the homeowners, at a General Assembly. The common property being invaded is located on the north side of building "B", where the wash

up area, and approximately 12 to 14 parking stalls are located. The plans indicate that we would lose these parking stalls along with the car washing area. We have written a letter to City Hall outlining our concern regarding parking. We presently have a total of 67 condos here at Mykonos. We presently have 40 paved parking stalls plus the dirt parking lot. If we lose approximately 13 stalls to the construction of the building that leaves us with 27 paved parking stalls. The proposed new building will require a minimum of 10 parking stalls so now we require a minimum of 77 (67 plus 10) parking stalls. That means the new building will have to have a minimum of 50 parking stalls (77-27) which means the parking will have to be on 2 levels. One of our concerns is that the proposed below ground level parking wont be to suitable during any kind of rain storm. Who would want to park down there with the possibility of it filling with water? It cannot be naturally drained because it is below ground level. A pump to get rid of the water would not even help if the power goes out or is interrupted. So, parking is a huge problem, as is temporary parking during the construction. Sewage is another problem. We have had a study done our sewage treatment plant and it is maxxed out--we are not allowed to treat any more volume of sewage with this plant. We are currently in the process of completing a study on the water pila to see if it can handle any more additional condos. The pila is a large concrete storage tank for fresh water in case the City water, for whatever reason, becomes unavailable. We feel that is absolutely mandatory that before any building construction starts that an additional sewage treatment plant AND water pila be built at the expense of the Developer. That raises the question of where would they be located? Another separate system pumps the treated sewage onto our shrubs, trees, plants and grass. Another similar ssystem will be required for the new building--also to be built at the expense of the Developer. There will soon be another letter going to the City expressing our concerns. There are some homeowners that believe the proposed building "D" will decrease our annual dues because of the additional revenues collected. We know from past experience that when building "B" was completed, the dues being paid at that time by residents of building "A" did not decrease. When buiilding "C" was completed, the dues being paid at that time by residents of buildings "A" and "B" did not decrease. The Committee does not see any reason for that pattern to change.

Another area of concern is the quality of the balcony railings. Building "C" is only 7 years old and many of the railings are in the process of being changed out because the old ones are rotten. This is of course at the expense of the homeowners-not the Developer. We also want a say in the quality of the exterior paint used on the proposed building "D" so that when it rains, the rain does not come through the cinder blocks and destroy the interior paint on the walls inside of the condos. In the past, this has happened in building "C".

As was stated earlier, the Committee is not against the construction of the proposed building "D". We are however totally against the Developer profiting from this venture at the expense of the current homeowners. As outlined in the letter of May '06, to the Developer, we have a lot of work ahead of us before any ground can be broken. The Committee has a huge responsibility to all homeowners here and we are doing our very best fulfill that responsibility. We ask that you please be patient with us. We will keep you informed via the Seahorse. We will endeavor to publish a Seahorse every 3 or 4 months. If anyone has any suggestions regarding this or any other matter, please put it in writing and forward it to the Committee -- email would be fine.

This Committee has adopted informal weekly meetings as a way to keep track of all projects, current problems, suggestions, etc., and in my opinion this Committee is the strongest, most diligent Committee that Mykonos has ever had. The Committee is also of very high integrity. Maybe sometimes we don't do things just right or to everybody's liking, but you know what? We are making, and have made, decisions and doing things that are in the best long term interests of Mykonos. We have absolutely no hidden agendas. We ask for your support-- please give it to us.

We require people for the following positions; 1.) Someone to head up an audit committee that would be responsible for auditing monthly expenditures, including the petty cash funds and 2.) Someone to keep our website current. This would include adding new homeowners, deleting old ones, and possibly giving the site a 'faceliff' since many of the photos are now outdated.

We would also like to identify owners who may be

interested in future committee involvement. If interested please contact any Committee member.

Thanks much and have a wonderful summer.

Ken Campbell, Chairman, Mykonos HOA