

Silver Lakes Community Association

A Corporation Not-for-Profit

Meeting of the Board of Directors

BOD Rental Amendment Workshop

October 6, 2020 7:00PM

Virtual Meeting via Zoom

In Attendance:

Robert Garcia	President
Daron Fitch	Vice President
Vicki Minnaugh	Treasurer
Colleen Cheney	Secretary

Directors:

Ray Whittier
Rick Collum
Laura Santiago

Also In Attendance:

Robert Moses	Pines Property Management
John Stevens	Counsel for the Association
Cathy Balenovic	Community Affairs Director

Board of Directors Meeting - Call to Order

Meeting call to order by President, Robert Garcia at 7:05pm

Robert Garcia welcomed everyone to the Rental Amendment Workshop called for by the BOD at the September 21, 2020 BOD Meeting.

Colleen Cheney conducted roll call. All present.

Robert Garcia explained that the workshop this evening is to address the Proposed Rental Agreement that was sent to SilverLakes Residents. He advised there were close to 1,000 residents who responded to the survey. Response statistics were presented at the last BOD meeting. The question was raised as to why the comments from the survey were not available. A motion was passed at the last meeting to review residents' comments that were included in the survey they responded to.

Motion from last meeting on September 21st.

Motion to table until a Workshop can be held whereby BOD can review resident Comments from their respective Groups.

Motion to approve by Daron Fitch. Second by Laura Santiago.

Colleen conducted roll call and motion passed. One vote no-Ray Whittier

Robert Garcia advised that as Daron Fitch called the Motion, he will pass the meeting over to him.

Daron Fitch explained that this evening is an opportunity to review the comments. He also commented that he had read some feedback stating the BOD was handling this behind closed doors.

He reiterated that the Proposed Rental Agreement first came up at a Presidents Meeting and has been subsequently discussed at two Presidents meetings and two Board Meetings, as well as the survey being sent out.

Daron then explained the process for the meeting tonight.

Robert Moses provided Rental Agreement Amendment background.

- The request to have SilverLakes consider a rental amendment was originally brought up at a Presidents Meeting in early 2020.
- The request was added to the June 2020 Presidents Meeting Agenda for discussion. A vote was taken of the 28 attendees as to whether the topic should be discussed with the Master Board. 27 of the 28 attendees voted in favor of bringing it to the Master Board.
- The Rental Amendment was subsequently discussed at the July BOD meeting, resulting in the Amendment. The survey was sent to the SilverLakes residents with a request for response. (The survey was sent via USPS, email blasted and was posted on the SL website and social media platforms)
- The results of the survey were discussed at both the September Presidents and Master Board Meetings, at which time a workshop was requested and scheduled for this evening.

Robert reviewed the survey results.

For Question 2, Should Article X11, Section 2 of the Declaration of Covenants Restrictions and Easements for SilverLakes Community Association, Inc. be amended to add Subsection (qq) as proposed?

321 or 56% voted For the Amendment
255 or 44% voted Against the Amendment
576 Responses

Overall Results:

1,419 or 62% voted For the Amendment changes
885 or 38% voted Against the Amendment changes
2, 304 Responses

Question #4 had the highest % of votes "For the Change"

Question #2 had the highest % of votes "Against the change"

Three Communities had unanimous votes, all "For the change": Crystal Sound, Pelican Isle and Grande Cay.

John Steven provided a recap.

As far as the second page, he mentioned that renting homes vis Airbnb is already prohibited in our current docs, transient rentals are not permitted.

He advised that the additional provision was added whereby a homeowner cannot rent their property until they have lived in said property for at least one year (12 months).

The crux of the amendment is that if a homeowner decides to lease their property after the 12 month period is over, an approval must be requested via an application process, background check, credit check etc.

He advised there was some controversy around prohibiting felons from renting in SilverLakes. minimum credit score, and if the tenant had had financial issues, ie prior bankruptcies or foreclosures.

He also discussed issues with renters who do not comply with governing docs, do not abide by Association Rules, and those that lied on their applications.

Discussion of reasonable fee for background checks.

He advised some sub associations would like to be in charge of their own screenings. John advised if they undertake this, they then must Indemnify and Hold Harmless the Master Board.

Discussion about approvals within a 30 day time period.

John advised that with this Proposed Rental Agreement, that the Association can evict tenants who are not abiding by the Association rules rather than relying on the homeowner to do it.

Discussion concerning tenants registering their vehicles as part of the application process. Homes with 2 car garages can allow 4 cars, 3 car garages can allow 6 cars.

John also explained that if the Association requires a Security Deposit from Homeowners who wish to rent, that these funds can be tapped into if a tenant violates or damages common areas. Funds would be removed from said security deposit for repairs.

Discussion around a 25% rental cap, active military exception, grandfather clause, and the prevention of an individual, corp or entity owning more than 10 homes in SilverLakes.

John also shared some surrounding communities that have Rental Agreements in place, either similar or more restrictive to the SilverLakes amendment. This is not exhaustive list

Spring Valley, Estancia, Rolling Oaks, Laguna Isle, Encantada, Harbor Lake Estates, Bellagio Miramar, Avalon Miramar, Courtyards at Avalon, Silver Falls, Grand Palms, Cypress Point at Grand Palms, Las Verdes at Grand Palms, Spring Valley Phase I and II.

Additionally, several sub associations within SilverLakes have already adopted similar amendments.

Daron reiterated that SilverLakes is not the only Community with Rental Agreements.

The Rental Application Process was discussed. This would be handled by a third party, not Pines Property Management, via a screening portal.

- Interested applicants will be provided with a community specific code and link to access the Association's Application Dashboard.

- Instructions for submitting the application, along with required attachments, will be provided via the portal dashboard, along with payment options for the screening services.

John Stevens advised personal information, ie SS #'s, etc would be redacted when sent to the BOD or Screening Committee.

Third Party Screening companies are insured against identity theft.

Renters over the age of 18 years old, have to be screened.

Robert Moses advised there would be a \$100-\$120 application fee and reviewed the process;

- Applications are considered complete when all required documentation is provided by the applicant, and screening results have been completed. Screening may take 2-6 business days on average.
- Upon completion, a link to the completed application is provided to management.
- Management will prepare documentation, along with the review certificate, and all required information for Committee or Board review within a 14 day time frame.
- Rental Committee or Review Board will be required to hold a meeting to review all pending applications and execute the approval or denial certificate.
- Certificate of approval or denial is provided to the applicant within 2 business days of receipt from the Board or Review Committee.
- Pines Property Management charges a processing fee of \$50 directly to the applicant. This fee covers:
 - Preparation of the review packet and required documentation
 - Review and preparation of any additional requirements as requested by the Board or Review Committee
 - Correspondence with the applicant, realtor and/or property owner during the process

Discussion about the possibility of PPM being inundated with questions, 18+ age children that live with family and background/credit check, minors and background checks,

John Stevens said it is not legal for minors to be screened via background checks.

Robert Garcia interjected that the Proposed Rental Agreement is to ensure a safe community for all of SilverLakes.

There will be an application fee for any individual over 18 years old, domestic or international background check.

Discussion about "reasonable fee" language. Perhaps not state a number, but define what the fees are for.

Robert Garcia, stated that adult children residing with their parents do not need to have a credit check, but everyone over 18 must have a background check.

Robert also advised the 30 days can be reduced to 14 days.

There was discussion over the 25% cap. Vicki advised that this can be an issue for prospective buyers obtaining financing as lenders do not like to lend in communities with over 10% rental properties.

10% cap was discussed, and agreed it would be better, 10% per sub association.

Military exception was discussed as well as tenants who break their lease. Owner will be allowed to look for a new tenant if previous tenant breaks the lease.

Robert Garcia spoke about the current rental screening process in place for Phase 4.

Colleen Cheney advised that the Sub Association Presidents need to review their residents' comments before this goes to vote. Colleen also advised enforcement burden rests on PPM.

Also, discussion concerning defining the Screening Committee, as well as the Security Deposit. A \$1,000 Security Deposit was discussed.

Open Forum and several comments from participants.

Tanya asked for clarification concerning the 12 month wait for renting.

Steve Goldman thanked the BOD for the workshop and the adjustments.

John Savaiko also thanked everyone for the workshop and reiterated that this topic stemmed from a Presidents Meeting.

John Stevens reiterated that as far as home values, the HOA's are an added oversight which is accepted and expected by residents.

Harvey stated that Emerald Sound has had some bad rentals.

Other items discussed; no refund for credit checks, 620 credit score, 14-30 day processing time, 10% cap on rentals.

Robert Garcia asked John Stevens to factor in the changes discussed in the Proposed Rental Agreement. The next step will be to present the Amendment to the Presidents at the next meeting. Robert Moses is also tasked with providing each sub President with the survey comments from their residents.

Robert Garcia motioned to adjourn at 9:26pm

Motion to approve by Vicki Minnaugh. Second by Ray Whittier.

Motion passes unanimously

Meeting adjourned.

Respectfully submitted,

Cathy Balenovic
Director Community Affairs

Colleen Cheney
Secretary