

10/28/2021

TO: HCHOA OWNERS

RE: Annual Meeting, Holiday Party, Election and More

Annual Meeting and Holiday Party. The Board has determined that because of the continuing problems arising from the COVID 19 virus, **there will be no Holiday Party.** Additionally, for the same reasons, **the Annual Meeting will be held by Zoom** as permitted by Corp. Code Section 7510(f). The Zoom Meeting will be held commencing at noon on Saturday December 4, 2021. **Voting for directors will be handled by mail prior to the meeting.** Zoom meetings may be attended by clicking on the link in the invitation on any computer device with access to the Internet or any smartphone. Owners at Hamilton Cove on that date can go to the Clubhouse where a director will be present attending the Zoom Meeting from there.

Expect the following:

- a) Election material mailed to you on or before November 4, 2021. You will have to mark your ballot, place it in the ballot envelope and place the ballot envelope in a provided envelope stamped and addressed to the Inspector of Election which must be received by Friday December 3, 2021.
- b) With the election material there will be information with regard to the Zoom Meeting, including the link and phone number.
- c) Shortly before the meeting, an invitation to the meeting will be sent to your email address. You can simply click on the link in the email or call the phone number provided.
- d) Martin Curtin and Maria Reyes will be in the Clubhouse starting at noon on December 4th for any Owner wishing to attend the meeting in person. Martin and Maria will be attending on Zoom from that location. Sealed mailing envelopes containing the ballot envelope and ballot may be brought to the Clubhouse if you have not mailed your ballot.
- e) All Owners wishing to do so, will be able to speak during the Zoom Meeting.

Overcoming Obstacles. The pandemic was very hard on Hamilton Cove in many ways. Five employees contracted the virus, none from contact at Hamilton Cove. One has been unable to return. Some Owners contracted the virus, and we are aware of Owner deaths due to the virus.

One problem we have been battling since the pandemic started--personnel. We normally have a staff of 24, two part time. Currently, we have a staff of 19 with three part time. It has been like this throughout the pandemic. We cannot hire the people we need. It is not that we won't pay competitive salaries. We cannot get **qualified** people to apply for any open position. As you are well aware, many services are not available on the Island. For example, the Jacuzzi needs major repairs. We have been trying for over a year to get someone to come who can do the repairs. Currently, we have teamed up with another condominium association who needs major work on their pool, in the hopes that together we can lure a company to the Island that can do the repairs.

While many items were accomplished this year such as the roads, we have not been able to get to everything. We also have to face reality. Buildings 3,4,5,6 and 7 were built in 1985. They are 36 years old. Buildings 1 and 2 were built in 1987. They are 34 years old. Buildings 8,9,10 and 11 were built in 1988. They are 33 years old. Buildings 12, 13, 17 and 18 were built in 1991. They are 30 years old. The Replacement Fund is intended to deal with fixtures and improvements with a life of 30 years or less. It was not intended to deal with problems of infrastructure designed to last more than 30 years.

The design and construction of Hamilton Cove are not the best and being located next to the ocean is a challenge. The Association has done a remarkable job of maintaining the buildings for over 30 years. However, time takes its toll. More and more we are dealing with problems caused by age. We have to address these problems as they arise. The recent problem with Building 13 is an example. The seams in an internal gutter failed and water over time did considerable damage which was difficult to repair. The staff with the help of Mike Flynn's employees was able to remedy the problem at considerably less cost than would have been incurred with an outside contractor.

Some Owners have written the Board pointing out various appearance items. Martin Curtin, Bart Glass and I have reviewed all of the communications with Manny and Maria. They will be addressed as quickly as possible.

Suggestions that we hire companies from the mainland to take over the landscaping are not realistic. That was tried years ago. It was a financial and performance disaster. We are going to review the entire landscaping situation. We are aware of the job done in the Descanso Beach area and are seeking the services of the person responsible to assist us.

The Board strives to keep the monthly assessment reasonable. We have priced many things that needed to be done by getting bids from outside sources. The difference with doing something with our staff as compared to the bids we receive is astronomical. That is why we do everything we can with staff, even if it takes longer to achieve. As pointed out above, getting staff is also a challenge which affects how fast we get things done.

Short Term Rentals. We are seeing changes in Short Term Renting. Currently, 103 Owners are renting their Units. In the past, most rentals were handled by Hamilton Cove Real Estate (“HCRE”) and Catalina Island Vacation Rentals (“CIVR”). Only a few Owners rented directly. Now 34 Owners are renting directly, advertising on the Internet. It was much easier for the Association to work with HCRE and CIVR who closely supervised renters they sent to Hamilton Cove. The Association now is working with 36 entities doing Short Term Rentals. HCRE and CIVR do a good job of identifying troublesome renters and keeping them from coming to Hamilton Cove. The Owners who rent are less adept at identifying such individuals. We had considerable difficulty dealing with Short Term Renters this year as a result. This year we had a Security Guard physically assaulted by a renter. That was a first. Some renters come in with the attitude that I paid my money, and I can do whatever I want. The Association has had to issue \$5,600 in fines as a result of violations by renters.

The Board recognizes that Owners have a right to Short Term Rent. The Board also recognizes that the 44% of Owners who do not rent are entitled to use and enjoy their Units and the various recreational facilities without interference. The Association’s responsibility is to all Owners. The staff does not exist to assist HCRE, CIVR and 34 Owners in running their rental business. The staff exists to maintain Hamilton Cove, to provide 24 hour security and to enforce the Rules which are intended to maintain Hamilton Cove as a peaceful residential resort where Owners can bring their friends and family. The Association has a one person office. That office cannot handle such renter complaints as “I rented a Unit for six people. Why does it

have a golf cart that only holds four?” or “Why isn’t the TV in the Unit working.” It used to be that Owners had ready access to the office. We have had to lock the office door to deter renters from coming to the office with their complaints and questions. We have had to ask Owners to call ahead if they wanted to come to the office so they could get in.

To give everyone some idea of the extent of Short Term Renting here are some statistics for this year **from January through September:**

Number of Short Term Renters entering Hamilton Cove
checking in at the Gate—**15,324**

Number of Short Term Renters brought to Hamilton Cove by
Owners renting directly—**6394 or 42%**

Number of Notices of Renters processed by the office—**4,536.**

The Board will continue to maintain and operate the Association in the interests of all Owners. The Board asks those Owners who Short Term Rent to recognize they have responsibility for the people they bring to Hamilton Cove, and it is not the Association’s responsibility to assist them in running their rental business. The same is true for Owners who send guests to use the Unit without accompanying the guests. They are responsible for the conduct of their guests.

To make Hamilton Cove enjoyable for all, all Owners must cooperate in achieving that goal.

Norris Bishton
President