

LA CASA del SOL COUNCIL OF CO-OWNERS
ANNUAL OWNERS' MEETING
February 27, 2016
Holiday Inn - 15202 Windward Drive, Corpus Christi, TX 78418

Call to Order:

President Vicki Vannatta called the meeting to order at 1:00 p.m.

Approval of Minutes from Owners' Meeting of February 28, 2015:

Secretary Candy Lamel reported that last year's Owners' Meeting unapproved minutes had been posted on the website and were also in the set of copies handed to owners as they checked in, and asked if anyone had noticed any omissions or corrections needed. Owner Mike Devali pointed out some typing errors in the unapproved draft, and those changes were noted for amendment. Rose Swann made a motion to accept the minutes as amended, the motion was seconded by Ron Cox, and the motion carried. Candy agreed to make the necessary changes and distribute the approved minutes for filing and publication on the website.

Presentation of the Financial Report:

Treasurer Gaylen Cox presented the actual performance for full-year 2015 and our financial Budget for 2016, both of which had been handed out in hard copy to all attendees. Revenues in 2014 were lower than planned, as the sales plan of deeded weeks was very aggressive, and not met. Expenses were higher than Revenues, but healthy Reserves offset the profit shortfall.

For the first year in a few years, the Annual Maintenance Fees were not increased in the Budget, but IP fees have been increased after an assessment of what local competitors' rates are running. Also for the first time in years, our Budget is not a balanced one, meaning that we expect Revenues will not offset Expenses and the shortfall will be covered by our reserves, as has happened in recent years. Fortunately our reserves remain healthy, and we have unbudgeted plans to increase revenues by filling units during the slow periods.

After discussion among audience members and the Board, Rose Swan moved to accept the Treasurer's Report, the motion was seconded by Paula Northcutt, and the motion carried.

Report on Management of the Resort:

Vice President Steve Gandy stated that, as reported in the newsletters, we experienced significant staff changes in 2014 and 2015.

In the first quarter of 2015, two new grills were approved for purchase and installed. In April, a big storm destroyed the parking lot shower and it was repaired. A major landscaping effort was

undertaken in the spring and the sprinkler system was upgraded. New signage was installed at the street and on the Lake Padre side as well. A new storage building was put in and a gate was built on the side of Unit 107 to keep people out of that area, and the fence on the other side was extended so people cannot easily enter the resort from the empty lot to our north. The Meet & Greet gathering at the pool for lunch on Wednesdays has been well received and takes place from about May through the end of summer.

After experiencing an overnight leak of water from a washing machine hose, which caused damage to carpets in rooms 102 and 103, the staff is replacing hoses on washers in all units to prevent future leaks, as the hoses do deteriorate over time. Partial updates were completed in seven units in 2015, and additional improvements are expected as problems are addressed throughout the year.

As for staff, Shelly Franklin became the full-time Manager of the resort in May of 2015, and Sarah Montello assists her in the office and does the laundry. Phil Salvidas and Adrian Zamora report to Shelly and handle the Maintenance at the resort.

ELECTION:

Nominations for Election to the Board of Directors:

President Vicki Vannatta announced that two 3-year Terms were up for election at this time, and because Ray Leidig had resigned his position a year early, we also need to elect someone to a 1-year term to take his place. So far, Jerry Cigainero and Steve Gandy have submitted applications to be considered for election to a second 3-year term each, and Bud Lowack has submitted his application to be considered for the remaining 1-year term.

Jerry and Steve were both asked to introduce themselves to the audience, which they did. Bud could not be in attendance at this meeting, so Jim Vannatta read his letter of introduction aloud to the attendees. No additional nominations were offered from the floor.

Proposed By Laws Change:

Secretary Candy Lamel explained that the election in 2006 reduced terms of 5 years to 3 years for all Board Members and enacted term limits, allowing a Board Member to serve for only one additional term (2 terms total). She explained that with only 3 openings this year, we had only 3 owners willing to run for election, and that in recent years, we have had difficulty attracting owners with the time and talent and willingness to run for openings on the board, so we chose to include in this election a proposal to extend the number of terms a sitting Board Member may serve, if they wish to run again for re-election.

Ballots were collected from attendees by Andie Moore and Charlene Glaub from the Reservations and Accounting Office, and Jim Northcutt joined them to observe the counting of all ballots as well as all the proxies that had been received from owners not in attendance.

Q&A:

A question and answer session took place while the votes were counted.

Owner Richard Kreul stated that he is a transplant from Wisconsin, living now on the Island, and he would like to be able to invite his Wisconsin friends to visit La Casa, using one of his IP weeks, to act as a sponsor and encourage his friends to buy in after staying here. The Board mentioned that it is considering this and rentals to increase revenues, especially during the slow times. Richard also mentioned a good article in consumer reports about Timeshares and suggested we read it.

Schlitterbahn is expected to be open April 1st and some believe it may help to attract potential new owners to our resort.

Paula Northcutt asked about average weekly costs to maintain a unit as part of our discussion of why IP rates were raised this year. She pointed out that owners must remember that there are fixed costs also that need to be covered when pricing units for IP weeks or rental rates.

Free Week Drawings:

Drawings were done for the free use of one IP week this year: of those present, Rose Swann won, and of those not present who had sent in their proxies, Ken Box won.

Election Results:

Jerry Cigainero and Steve Gandy were both elected to serve another 3 year term on the Board, and Bud Lowack was elected to serve a one-year term and may run for election to a regular 3-year term in 2017.

The proposed by laws change was accepted.

Adjournment:

The meeting was adjourned at 2:20 p.m., following a motion by Jim Vannatta which was seconded by Tom Carlin.

[Next year's Annual Meeting, according to our by-laws, will be held in the DFW area.]

Submitted by Secretary Candy Lamel

Approved by membership vote on February 25, 2017