

**La Casa del Sol Council of Co-Owners
Board of Directors Meeting
March 14, 2016
18757 S. Highway 377, Cresson, TX**

Call to Order:

President Vicki Vannatta called the meeting to order at 1:00 p.m. A quorum was present including Board Members Jerry Cigainero, Gaylen Cox, Steve Gandy, Bud Lowack and Candy Lamel. Assistant Treasurer Dennis York was also in attendance. Ben Harbour had not yet joined the meeting, so Vicki skipped to item 2 on the Agenda so that he could be present for the election of officers.

Approval of Minutes from January 12, 2016:

Secretary Candy Lamel read through the minutes from the previous Board Meeting. A wording change was proposed in one area for clarification, and the minutes were accepted as amended (Gaylen Cox motion; Steve Gandy second). Approved minutes will be emailed by Secretary Candy Lamel to the Accounting and Resort offices for filing, and to Steve Gandy to post them to the website for all owners' reference.

Presentation of the Financial Report and Reservation Office information:

Treasurer Gaylen Cox reviewed year-to-date financial performance. [Ben Harbor joined the meeting at 1:12 p.m. and Dennis York explained an alternate route to the office in case of slow traffic in the future.] Although Maintenance expenses are over budget this year, due to new carpeting and a new pool pump and new hot tub pump, Supplies expenses are under budget and part of this may be due to expense report classifications. In total, Revenues and Expenses are somewhat better than plan at this point, but Dennis warned that we need to go forward with rental and IP week changes to keep revenues coming in as there are several owners who have not paid anything on their deeds so far this year.

Gaylen presented the list of owners with delinquent balances that foreclosure notice has not begun on yet and explained that the process of foreclosing on units a year in arrears has identified 44 units at this point to be foreclosed upon on the first Saturday in June. The initial letters sent out have resulted in receipt of some payments from other owners, so she is pleased with that result. Gaylen reported that when she was at the resort last week, the staff said they want an air conditioner for the storage shed but she said she will not approve that, but she will look at home to see if she has an old one they can have. Candy Lamel moved to accept the Treasurer's Report, Jerry Cigainero seconded the motion, and the motion passed.

Further discussion: Jerry Cigainero asked about deed-back arrangements and if we should review this policy. Dennis explained that outside companies charge timeshare owners \$5 thousand dollars to supposedly buy their week, but never do change the deed or make any payments, so it remains in the original Owner's name, and we have no recourse but to foreclose on the original Owner for lack of payment. This item will be placed on the next agenda to be discussed further at that meeting.

Election of Officers:

Current President Vicki Vannatta asked for nominations for Board members to serve as Officers in 2016. Candy Lamel nominated Vicki Vannatta to remain President for another year, and Steve Gandy to continue as VP in charge of the Resort, and asked Gaylen Cox if she is willing to continue as Treasurer. All agreed and Gaylen nominated Candy to continue as Secretary. Ben Harbour added his approval of the operation of the board over the past year, and moved that the Officers remain in their previous positions; the motion was seconded by Jerry Cigainero and passed unanimously.

Dennis York, Assistant Treasurer, has served as an appointed officer of the Board for the past year, and he reviewed his involvement, especially for the edification of newly elected board member Bud Lowack. A motion was made by Steve Gandy to have Dennis continue in this position, Gaylen Cox seconded the motion and all approved.

Report on Management of the Resort:

Vice President Steve Gandy reported that we are in the midst of spring break, so the resort is full this week and next. Then we will have a lull until school is out after Memorial Day. There have been no changes in resort personnel since the last meeting.

Work on the bathroom updates will continue after Spring Break. Tile work on the grill station, delayed due to the weather, should be completed in the next two weeks. Carpet in units 102 and 103 has been replaced after the water leak and both units are now in use. Spring cleaning is about half complete on all units and will continue after Spring Break.

Four AC units were ordered and placed on the roof. The AC condenser was replaced in unit 104, leaving two new units in the box on the roof of Building 1 and one on the roof of Building 2. We had hoped an adapter kit was available to use inside condenser units with the new outside units, but no such thing exists, so Steve continues to try to source the old versions for the roof to avoid having to replace the inside units which are in good shape, but we need to realize that we will shortly have to switch over to the newer versions, and then have to update the inside units as well.

The AC condensation problem in unit 108 has been resolved. In the kitchen, the cabinets and sheetrock were replaced as well as the countertops and the sink. The sheetrock on the ceiling of the second bedroom upstairs was also replaced.

WI/FI Problems continue to plague us. Time Warner replaced the modem and advised us to replace the router. Steve directed Shelly to replace it with the most powerful one she can find, which she did last week. The problems persist, so Steve hopes to find an independent to troubleshoot the issue for us.

Steve reported that they hope to do some kind of inexpensive shrub planning in the beds at the entrance on Leeward. Gaylen added that the winds are too strong on that side to use mulch, and Steve agreed to plant using landscaping stones there as in the past.

Rental Business/IP Usage Proposal:

Vicki noted that there was good input received at the Owners' Meeting about opening up our IP weeks for friends and family to use them, in hopes of attracting new owners, since people have a hard time buying in without having a chance to visit the resort first. All agreed that any way to get potential new owners to the resort is a good idea, but we need to specify restrictions to protect our owners' rights, giving our owners' first chance to make reservations when units are available. A lengthy discussion ensued and Steve Gandy agreed to draft an announcement outlining a policy of "sponsored IP weeks" that extended family and friends can use (rather than just children, parents and grandparents of owners) as well as a loosening of the IP week limitations for Owners. He will distribute the draft to all Board Members electronically, ask for input, make revisions if needed, and if we vote to approve, the final version can be posted on our website and an email blast will be sent out to all owners.

Discussion moved to the current Winter Texans program and other potential rental business opportunities. After the pricing and terms are agreed to, Steve wants to be able to offer available units for rent, not just in the winter months, since we could realize significant revenues by filling empty units by listing them on a rental website like Home Away or Air B&B where exposure to vacationers is high. Jerry Cigainero and Dennis York emphasized that we do need to be aggressive in our efforts to increase revenues by pursuing rentals, or we will have to keep increasing annual fees and IP fees for our owners. Increasing revenues will enable us to keep Owner's fees from increasing, year after year, and to be able to continue to maintain and update the resort.

Other Business:

Bud Lowack reported that he made a reservation call at exactly 9:00 a.m. and left the message that he wanted to reserve a certain week. When his call was returned, he was told there were four others ahead of him, and he wondered how that could have happened unless others had called prior to 9:00 that day. Gaylen assured him that the messages are all date-stamped, and if they came in prior to 9:00, the office staff will go on to the ones placed AT or AFTER 9:00 a.m., as specified in our rules, before returning any earlier calls.

Gaylen reported that Mr. Richard Kreul, who lives on the Island, agreed to represent us at the Padre Island homeowners association meeting, regarding how high our Association fees are now. He was disappointed that he wasn't able to get specific answers from them, and Gaylen suggests we get together one-on-one with them at some point to address our concerns.

Gaylen also showed a picture of a cooktop that was burned, probably from a grease fire, involving two electrical burners, and it cannot be cleaned. This was one of the new ranges and she said the office staff is checking to see who stayed in the unit so they can be charged for replacement of the cooktop, hoping we can replace just the top, without replacing the entire range. [Later in the meeting, Andy Moore identified who had stayed in that unit, and Gaylen said she will research the cost of replacement to be charged to the owner.]

Dennis York asked for permission to act on behalf of the Council of Co-Owners to move forward with contesting the taxation value of the Resort again this year, as he has in the past, in an effort to reduce our tax liability. Steve moved, Gaylen seconded, and all agreed, that Dennis has that authority to pursue this effort, if necessary, after he receives the tax assessment around May 1st.

Candy Lamel presented a few ballots received after the Owners' Meeting, which would not have changed the vote in any way. She also passed along an owner's note sent in with their ballot to be addressed by the office staff.

Adjournment

After discussing availability of all Board members, Vicki Vannatta scheduled the next Board Meeting to be on Monday, May 9, 2016, beginning at 1:00 p.m., and this meeting was adjourned at 3:05 p.m. An Executive Session followed.

Submitted by Secretary Candy Lamel
Approved for filing and publication May 9, 2016