

**LA CASA del SOL COUNCIL OF CO-OWNERS
ANNUAL OWNERS' MEETING**

February 28, 2015

Brookside Convention Center, Hurst, Texas

Call to Order:

President Vicki Vannatta called the meeting to order at 1:33 p.m. She thanked those who had braved the icy roads to attend the meeting and stated that enough proxies had been mailed in to constitute a quorum, so the meeting could proceed. She introduced to the small audience the Board Members present, including Vice President Steve Gandy, Treasurer Dennis York, and Secretary Candy Lamel. Ben Harbour had not yet arrived but was on his way. Jerry Cigainero and Ray Leidig were not present due to the inclement weather, and their proxies had been assigned to others for the election and transaction of business.

Approval of Minutes from Owners' Meeting of February 22, 2014:

Secretary Candy Lamel read the unapproved minutes from last year's Owners' Meeting, which had been posted on the website since shortly after that meeting. Jim Vannatta made a motion to accept the minutes as read, the motion was seconded by Gene Davies, and the minutes were approved for filing.

Presentation of the Financial Report:

Treasurer Dennis York presented the actual performance for full-year 2014 and our financial Budget for 2015. Highlights are as follows:

2014 Income was lower than budgeted due to owners not paying their maintenance fees, so spending exceeded income in 2014. Foreclosure efforts continue on deeds to many units in arrears, to make those unit/weeks available for transfer to owners who will pay the maintenance fees. Dennis and Vicki will go to the coast this week to proceed with foreclosures on Tuesday to reclaim several more deeds.

A three-year history was presented with the 2015 Budget, showing that spending patterns are reasonable, but that lower than anticipated revenues (the result of an ageing and shrinking owner base), means we need to get creative in marketing the resort to a younger set of owners who will enjoy La Casa and pay their annual maintenance fees.

Dennis explained that we adopted a balanced Budget for 2015, but if we can't transfer as many units as assumed there, we will end up spending more than we bring in again this year. The minimal increase we made in fees for this year will not be enough to offset spending without transferring more deeds to new members. Our cash reserves are healthy, so we're not incurring

debt, but we would like to return to a balanced budget to protect our healthy cash position as insurance against any unanticipated catastrophe.

Regarding the unit price increases, a member of the audience reported that his 2 bedroom unit with another resort costs him well over \$1000 per year, so he feels our new fee of \$750 for a 2 Bedroom Unit at La Casa is still a very good deal.

[Ben Harbour joined the meeting during the Q&A session about the Financials.]

John Luna made a motion to accept the Financial Report, the motion was seconded by Tom Carlin, and the report was accepted for filing.

Report on Management of the Resort:

Vice President Steve Gandy stated that, with the exception of Shelly Franklin, all personnel at the resort are new since last year's annual meeting. Abram Garcia was hired last summer as the Resort Manager. Robert Haskins is now our Lead Maintenance Technician, and Adrian Semora is now our 2nd maintenance technician. Working staggered schedules, there is always at least one of them on property 7 days a week. One is also on call during evening hours, in case a maintenance issue cannot wait until the next morning. Shelly Franklin was promoted to Assistant Manager, and Riana Bell was hired primarily to do laundry, and she and Shelly also help with a lot of the cleaning.

The pool decking was painted, the grill area retiled, there is new signage, and the pool pump was recently repaired. The hot tub is an ongoing problem, as guests continue to cause damage to the jets, but we try to stay on top of it by inventorying the parts that get broken. Fishing lights replaced last July are still working, the parking lot was painted, fence repaired and painted, and the floor of the outside shower was replaced. Outdoor lights have been replaced, a new Security System (with 16 cameras providing facial recognition) was installed, and a facelift to the office has been done to make it more welcoming.

The full remodel of one unit was completed last year. Limited remodels have been done also to four upstairs units which did not involve replacing the kitchen, bathroom and flooring, but do make a great improvement in the appearance and comfort of those units. Seventeen units throughout the resort have been repainted with the new color scheme of tan walls with white trim. Several units have new sleeper sofas or at least new mechanisms. Deep cleaning has been done to all units including carpet and upholstery cleaning.

The WI-FI band width has been increased and there have been no more complaints from guests about connectivity. Steve is hoping to have it pass-worded by June to block off-site connections and maintain speed and accessibility for La Casa owners and guests. Telephones have been removed from all units, for a significant cost savings, but there are still two lines in the office and a phone has been installed outside the office for emergency use only.

Three AC units were replaced in 2014 and we will have to do that many again in 2015 as they just don't hold up well in the humidity at the coast. Also, some guests have been observed over-cooling their unit and then opening their door to warm it up again, which contributes to AC system failures. The sprinkler system is now working and we are assessing what modifications are needed for efficient watering of the landscaping.

Steve encouraged all owners to visit the updated website to read the Rules and Regulations which have been re-worded for clarification. Also, Board Meeting minutes are posted there when approved for publication. [Unapproved Minutes are posted for the Annual Meeting as well, since those aren't actually approved until the following year.] Except for the "things to do" section, the rest of the website is live and updated as appropriate. Mr. John Luna, from the audience, suggested that fishing license information might be posted on the website as well. He also suggested a night light be installed on the landing above the stairs in the 2 bedroom units for safety.

Nominations and Election to the Board of Directors:

President Vicki Vannatta announced that two of the nominees running for election were not present due to the icy road conditions, so Dennis York read the letter of introduction submitted by Robert Barron, and Vicki read the letter submitted by Gaylen Cox. Then Ben Harbour and Candy Lamel were introduced and each spoke briefly to the audience about their experience and their interest in serving on the 2015 Board of Directors. No additional nominations were offered from the floor, so the election proceeded. Ballots were collected from attendees by Carrie Gandy and Jim Vannatta joined her to count 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. Schlitterbahn plans and the proposed new marina were discussed. The new development is expected to be good for us in our efforts to transfer units to new owners.

Steve Gandy said that he is considering a Coffee & Doughnuts with the Manager gathering on Monday or Tuesday mornings so guests can meet the manager and also get to know others also visiting that week at the resort. Another suggestion offered from the audience was a Pot Luck at the Pool idea for later in the week.

Ben Harbour thanked the Board for its work over the past year and thanked Dennis York for agreeing to continue his support even though he is rolling off the Board with this election. Dennis stated that we have between 50 and 60 children of owners using their parents' units and paying the maintenance fees, but that they need to change the deeds to their own names. If the resort were to be hit by a hurricane, or some other catastrophe, we have no way to

include those children as owners in any decision or settlement without having the updated deeds on file with Nueces County.

Tom Carlin voiced a concern about doing away with the smoking units at the resort, and his fears that this or a future board might choose to make the entire resort (inside and out) a non-smoking property. The panel addressed his concerns and assured him the decision was made only after extensive deliberation and input from many owners. Smokers are in the minority, and there is no way to deal with the smoke residue and odor in the carpet, upholstery, walls, air ducts, etc. so the Board had to finally make units 113 and 213 non-smoking like the others, so those could be deep cleaned and available to all owners, not just to smokers. As for Tom's concern that the resort may become entirely smoke free, Vicki stated that this board is very conservative, does not want to take away owners' rights wherever possible, so we do not anticipate a ban of outdoor smoking, with this Board or with any other Board in charge. She mentioned that the Board of Directors meets every 6 – 8 weeks throughout the year, and the minutes from those meetings are posted on the website to enable all owners to see the business the Board is transacting on their behalf.

Election Results:

Gaylen Cox and Candy Lamel were both elected to the Board and Ben Harbour was elected to serve a second term. Vicki Vannatta said she would like to thank Mr. Barron also for his interest in serving, had he been elected, and stated how important it is to find owners who are willing to do the business of the association on behalf of all owners. Vicki also thanked Dennis York for his six years of service and mentioned again that he continues to help the organization, especially with foreclosures and cleaning up of the deeds so that we can transfer them to new owners who will pay their maintenance fees and keep the resort running for many more years.

Free Week Drawings:

Edward Bales was the non-attending owner chosen in the drawing to win a free IP week this year and Ben Harbour won the drawing for the attending owners. To thank those who had braved the freezing weather to attend, Ben offered up his free week to a member of the audience, and Jim Vannatta was then chosen the lucky winner of the free week.

Adjournment:

The meeting was adjourned at 3:33 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 Nueces County.]

These minutes were approved at the February 27, 2016 Owners' Meeting
Submitted by Secretary Candy Lamel (with requested corrections)