

LA CASA del SOL COUNCIL OF CO-OWNERS
ANNUAL OWNERS' MEETING
Saturday, February 24, 2018
Comfort Suites, 411 West Rd. to Six Flags Dr., Arlington, TX 76011

Call to Order:

President Jim Vannatta called the meeting to order at 1:06 p.m., thanked the owners in the audience for attending the meeting, and asked all other Board Members to introduce themselves. Present were: Vice President in charge of Resort Operations Steve Gandy, Secretary Candy Lamel, Treasurer Gaylen Cox, and Directors Jerry Cigainero, and Bud Lowack. Ben Harbour was not present, as he was feeling ill this day and had assigned his proxy to another Board Member for voting on any business.

Approval of Minutes from Owners' Meeting of February 2017:

Copies of the unapproved minutes from the prior year were handed to owners as they checked in. After allowing a few minutes for attendees to review them, and hearing no suggestions for changes, Mr. Luna made the motion to accept the minutes for filing, Mr. Swan seconded the motion, and the minutes were approved by all.

Financials and the Reservations & Accounting Office Report:

Treasurer Gaylen Cox began with her report about the Reservations and Accounting Office and thanked Dennis York for all his help filling in as Andy Moore, the office manager, has been dealing with serious health issues. Kathy Williams is in the office also, but she was hired to only work part time. Gaylen explained how small the office staff is with only one full-time and one part-time employee, and addressed why calls go to voice mail and are returned later, since owners have asked why the phone is not answered in person at times.

As Gaylen presented the Actual 2017 financial performance and the proposed Budget for 2018, owners were able to follow along since these documents were handed out in hard copy to all attendees. Total 2017 operating expenses were slightly higher than revenues, resulting in a \$269 operating loss, covered by our cash reserves and our Cash position remains strong.

Major year-over-year increases in staff expenses are projected in the 2018 Budget because we were under-staffed in much of 2017. Utilities expenses are expected to be higher because the resort was shut down for a time and occupancy in the fall was low after Hurricane Harvey hit, so reservations were assigned to only one building at a time to conserve on utilities in the other

building, and that yielded savings. In the 2018 Budget, we of course expect occupancy to be higher, including utilities expenses, after dealing with the damages incurred from the hurricane.

Gaylen emphasized the need to sell deeds of ownership and reminded owners of the Friends and Family IP rules still in effect to get people to visit, and hopefully buy a deeded week for themselves. After a very successful effort over the past few years to foreclose on owners who were not paying for their deeds, it was reported that the association owns nearly half of all potential deeded weeks, and in order to keep annual fees from having to be increased, owners are asked to help encourage other friends and family members to join the La Casa family. After further discussion, Jim Vannatta asked for a motion to accept the Financials and the 2018 Budget. The motion was made by Susan Gunn, seconded by Pete Swan, and approved by all.

Report on Management of the Resort:

Vice President Steve Gandy reported that, in spite of the hurricane, the resort looks pretty good, except for the dock area. At this point, Jim Vannatta addressed the status of the deck rebuild, since he has been personally managing this issue. The Board has approved a re-design of the docks, to expand fishing areas as well as social areas, which includes relocation of the fish cleaning station and forming a fishing area also for children. Terry Wilkinson inquired about lowering the kayak ramp and Jim explained that with the tides, it's difficult to do that but that he will see what may be possible. Dave Fox asked about using LED underwater lights, Steve Gandy said he will address that when the new lights are installed, and reported also that, when finished, there will be four lights instead of just three.

Steve reported that Hurricane Harvey destroyed a storage building, and it was nowhere to be found, so that is being replaced as well as the tools and supplies it contained. Also, AC units on the roof were moved off their platforms and eventually we will have new units inside and on the roof, after the roof is replaced with funds from the insurance settlement. For now, there are no leaks, and nine complete AC systems have been replaced already, using our cash reserves until the insurance claims are settled. In addition, two electrical panel boxes have been replaced, fences have been replaced, as well as all three grills and a new hot tub with new access stairs. so the resort is operational except for the fishing docks which are expected to be done in time for the Spring Break rush.

Shelly Franklin remains our Resort Manager and recently hired a new office assistant, since turnover is high at the coast, as is always the case. Steve also reported that a very generous owner, Mr. Slokum, had recently donated two 50" televisions to the resort – one to each of the the 2-bedroom units.

Bud Lowack commended Jim Vannatta and Steve Gandy for all the extensive effort they have devoted to addressing the repairs needed as the result of the hurricane damage.

Election:

Jim Vannatta read Ben Harbour's letter of intro, seeking re-election to the Board. Gaylen Cox, Candy Lamel and Dennis York introduced themselves to the audience stating why each wished to be elected to a 3-year term on the Board of Directors. With no nominations from the floor, attendees were asked to mark their choices on their ballots, which were then collected for counting by a committee, and a question and answer session took place while the election results were tallied.

Jim Vannatta reported on the status of the insurance negotiations and explained that the Board chose to hire a certified public adjuster, David Lee, who happens to also be an owner. David's help has been worth every penny of the fee we will pay, since his negotiation will yield a great deal more in the settlement than we would have been able to argue for on our own.

Jim also reported that the decks, grills and hot tub are not covered by the insurance, so we expect to have to charge a one-time special assessment to cover those costs and our deductibles, estimated at this time to be \$150 per deeded week. But the final amount cannot be determined until the insurance settlement is finalized.

Audience Concerns:

An owner asked why friends or family would want to purchase their own deeded week if they can use our IP weeks now. IP usage rules and rates were confirmed, explaining that ownership still is an advantage, because IP use for Friends or Family is more expensive by season than it is for owners, and the lead-time for making reservations is shorter too.

The local Kennel/Vet Clinic information will be posted on the web site, in response to a question about where to kennel pets while there, since they are not allowed anywhere on the property, including in cars in the parking lot.

After a discussion about how hard the beds are (and Steve Gandy confirmed that that is the number one complaint from guests and owners who turn in their feedback after visiting), it was suggested that maybe we should replace all the bed mattresses and include that cost also in the one-time special assessment we will make after the hurricane damages are complete and insurance claims paid. The Board agreed to take this as an action item and address it before setting the special assessment fee.

Gaylen Cox reported that our RCI ratings remain high, even though we don't have a restaurant or some other amenities that larger resorts have.

A suggestion was made that we install a "lock-out" door between two units so they can be reserved together for one family, and convert the tub in one of those units to a walk-in shower. The bathroom remodel would be more convenient for older or handicapped owners, and the opening up of the two units would accommodate a family of more than 4 who are no longer

able to climb the stairs to the bedrooms in the two-bedroom units. The board agreed to address this again, but noted the difficulty in setting aside two units for this purpose, especially since each is owned by potentially 52 different owners over the year.

Security issues were also discussed at length and various suggestions were made regarding how to deal with “pool crashers” and other uninvited visitors to the resort.

Dennis York made a motion to allow the Board of Directors to act on behalf of the owners, the motion was seconded by Mr. Swan, and the motion passed.

The drawings were done for the Free IP weeks with Susan and Arnold Fitzgerald the winners of the attendees present and the proxy for Evelyn Young was drawn as the winner from those not in attendance who had mailed in their proxies prior to the meeting.

Election Results:

President Jim Vannatta was presented with the results of the election and he reported the results as follows:

Gaylen Cox and Candy Lamel were each elected to another 3-year term on the Board, and Dennis York was elected to return to service on the Board. Jim said he would extend our thanks to Ben Harbour for his years of service by phone call after the meeting.

Adjournment:

Jim Vannatta thanked all for attending and stated that we will reserve this same venue for next year’s annual meeting. A motion to adjourn was made by Mr. Davis, seconded by Mr. Luna, and the 2018 Annual Owners’ Meeting for the La Casa del Sol Council of Co-Owners was adjourned on this Saturday, February 24, 2018 at 3:01 pm.

Minutes approved for filing and publication on February 23, 2019
submitted by previous secretary Candy Lamel