

**La Casa del Sol Council of Co-Owners
Board of Directors Meeting
May 8, 2017
18757 S. Highway 377, Cresson, TX**

Call to Order:

President Jim Vannatta called the meeting to order at 1:01 p.m. A quorum was present including Vice President Steve Gandy, Treasurer Gaylen Cox, Secretary Candy Lamel, and Directors Jerry Cigainero, Ben Harbour and Bud Lowack.

Approval of Minutes from March 21, 2017

The minutes from the last Board Meeting were reviewed and approved unanimously for filing and distribution (motion made by Gaylen Cox, seconded by Steve Gandy). Approved minutes are emailed by the secretary to the Accounting and Resort offices for filing, and to Steve Gandy to post them to the website.

Financial Report:

Treasurer Gaylen Cox presented the year-to-date financial performance through April 30, 2017. In Summary: Total Revenues of \$285.4 thousand have outpaced operating Expenses, so net year-to-date Income as of April 30th was \$65.1 thousand, and this is \$17.8 thousand better than assumed in the budget. As explained in prior reporting, some of this favorability, particularly under Maintenance, will be spent in future months, especially with regard to HVAC and landscaping expenses budgeted, but not yet spent. After further discussion, Steve Gandy moved to accept the Financial Report, Candy Lamel seconded the motion, and all approved the report for filing.

Resort Report

Vice President Steve Gandy noted that the resort had higher than normal occupancy for April and May. Gaylen Cox confirmed that we had a few more than normal Owner IPs used than in the past, probably due to the relaxing of the IP restrictions. June and July are also highly booked, and will undoubtedly fill up within the 30 day window for IP week reservations. Other than heavy turnover of housekeepers, which Shelly has managed, there have been no other major issues reported at the resort

As for Personnel changes, Linda Cox is no longer with us, Shelly re-hired Sarah Bontello full-time to replace Linda in the office, and Michelle Charo has been hired to work the weekends. In

Maintenance, Chet Bontello was terminated in April and Beau Garner was hired to replace him as the second Maintenance employee, working with Clayton

Deep cleaning has been completed in all units. Shelly has worked hard to resolve the turnover of housecleaners and we now have sixteen that she uses on a rotating basis.

In the parking lot, the shower fence surround has been upgraded. Also an electrical outlet and water spigot have been installed at the boat parking area, as requested by owner Kent Turner at the Annual Owners' Meeting last February.

Work was done to the sprinkler system, capping off unneeded heads, for more efficient watering. Timers are set to have sprinklers come on at 3:00 am on watering days instead of at 6:00 am, so owners loading up early on check out day (Friday) will not get themselves and their belongings wet. Water days are the same as garbage collection days, which are Tuesdays and Fridays for the resort. Two new benches were added to the dock area along the back wall, and new umbrellas and bases have been ordered for the pool area.

Inside, all units now have working icemakers, replacement shower curtains have been ordered, and replacement cutlery has been ordered to replace cutlery that had disappeared over time. A new fridge was installed in unit 201, a new dishwasher was installed in unit 209, and unit 202 currently has an AC issue and the repair is to be done today.

The "Meet the Manager" lunches at the pool area will resume on Memorial Day, and will continue on Mondays through the summer. The Office is now open on Sundays from 9:00 am until 1:00 pm throughout the summer as well.

Unit 209 will eventually need some major updating, since the bathroom floor is spongy due to a previous water leak. Maintenance projects that it will take a week to 10 days to complete the work, but it may take more since it involves taking up the tile and the subfloor and replacing both, as well as the toilet in that unit. They believe the tub and vanity can remain. On the exterior, soffits and vents on the building are being replaced to keep wildlife and birds from entering the attic and wall areas, and the rotted wood on the stairwell facades is being replaced. Also, more landscaping will be assessed and upgraded this month.

Bud observed, when he was there with others to work during the shut-down in January, that our storage areas are not very well organized and suspects we may be buying supplies simply because we cannot find them, suggesting that we might purchase another shed if that's what it takes to organize what we have so we don't buy new if we already have items accessible.

Ben Harbour moved that we accept the Resort Report, and Bud Lowack seconded that motion, which passed unanimously by the Board.

Other Items

President Jim Vannatta reported that he attended a couple of Padre Island Homeowners Association meetings while he was at the resort recently to get some information and find out how we can interact with the Association to get things done in the future. While there he confirmed that Lake Padre is really a No Wake zone, and there are signs posted, but that it's difficult to enforce. The wakes beat up the bulkheads, and the Association does maintain the bulkhead for us. Jerry Cigainero asked about the status of Schlitterbahn. The word is that it is completed and open for business so, apparently, it is not as large a water park as the one in San Antonio. Jim believes we should continue, when able, to attend Association meetings to keep up on what's happening and to bring attention to any issues we have that can be addressed by the Association.

Jim also handed out current Hurricane identification cards to all board members. These are needed to be able to get back on the Island in the case of an evacuation, so we can deal with issues at the resort resulting from a hurricane.

Action Items Review

At the last meeting, the Board approved whose names should be on Signature Cards in the office, and Gaylen agreed to act on that decision to have the proper members sign.

Increasing late fees was a discussion between Gaylen and Dennis York (Assistant Treasurer), but they have no recommendation to bring to the Board for a vote at this time.

Gaylen presented documentation that specifies by position what our liability insurance covers for Board Members and Employees, making it available for all to read if they wish. President Jim Vannatta said that he will take it and read it.

Marketing Strategy

Bud Lowack proposed that he and Jerry Cigainero target 25 owners at a time to personally contact, asking them to refer friends, family or co-workers who might be interested in owning a week at the resort, and they want to offer the referring owner use of an IP week for free after the purchase. Jerry Cigainero reviewed what our revenues could be at various percentages of ownership of the deeded weeks still held by la Casa del Sol using only the annual fees in the calculation, as an illustration of lost revenues at the current level of ownership. Bud proposed that all inquiries to the office about purchases should be forwarded to Bud or Jerry to handle the details of the sale, which may include offering a night or weekend or more at the resort prior to closing the sale, as many people want to see what they are purchasing prior to closing the sale. Jerry Cigainero told of another resort he visits which allows a one-time purchase (i.e. rental) of a week there, with no future obligation, but no guarantee that that week will be

available the following year. In considering that option, other Board members noted that a one-time sale(i.e. rental) at a discounted price, will not result in new owners who will pay maintenance fees going forward, so this pricing shall apply only to deeded week sales. After a lengthy discussion, the Board agreed that during this marketing blitz, in an effort to attract new owners and make more sales of deeded weeks, the premiums for red season ownership may be waived, so prices will be \$625 for a one bedroom unit and \$750 for a two bedroom unit, regardless of which season the week is in. Also, as is the case currently, each deeded week shall include the optional use of two IP weeks per year. This is specifically for new sales of deeded weeks. If owners wish to upgrade their existing deeds to weeks in higher seasons, the premiums shall still apply to those exchanges. Steve Gandy moved to accept the pricing and assumptions proposed, the motion was seconded by Jerry Cigainero and approved unanimously.

Bud read to the Board a draft of the letter he wants to send out (to 25 owners at a time) regarding the referral program. A motion to approve the wording of the letter was made by Candy Lamel, seconded by Jerry Cigainero and was accepted by unanimous approval.

Who will be at the Resort When?

Candy (and Jerry) Lamel	May 12 for two weeks (deeded and IP week vacation)
Steve (and Carrie) Gandy	May 18 – 26 (working on landscaping) and July 14 – 21 (deeded week vacation)
Jim (and Vicki) Vannatta	July 14 – 21 (deeded week vacation)
Candy (and Jerry) Lamel	July 14 – 21 (deeded week vacation – may have to cancel)

Adjournment

This meeting was adjourned at 2:32 p.m. and the next Board Meeting was scheduled for Monday, June 19 at 1:00 p.m.

Respectfully Submitted by Secretary Candy Lamel
Approved for filing and distribution on June 19, 2017