

La Casa del Sol Council of Co-Owners
Board of Directors Meeting
January 12, 2016

Call to Order:

President Vicki Vannatta called the meeting to order at 1:32 p.m. at the Cresson, Texas location. A quorum was present including Board Members Jerry Cigainero, Gaylen Cox, Steve Gandy, Ben Harbour, and Candy Lamel. Assistant Treasurer Dennis York was also in attendance as well as Jim Vannatta.

Approval of Minutes from November 10, 2015:

A motion to approve the minutes was made by Ben Harbour, seconded by Steve Gandy, and passed unanimously. Approved minutes will be distributed 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:

Assistant Treasurer Dennis York presented the year-end 2015 financial performance. Revenues were better than in 2014, but not as high as we had planned, because we didn't transfer as many deeds to new owners as assumed in the budget for the year. The balance sheet continues to reflect healthy asset balances and the cash reserves covered the 2015 budget shortfall.

Dennis asked that the board agree to retroactively write off the reserves for bad debts when those accounts are more than one year in arrears, rather than carry those reserves for two years on the Balance Sheet, as has been done previously. The motion to accept this recommendation was made by Candy Lamel, seconded by Gaylen Cox, and accepted by all.

President Vicki Vannatta suggested that Treasurer Gaylen Cox begin a process with the office personnel at the end of March to follow the legal procedures to foreclose on all delinquent accounts over a year in arrears and Gaylen agreed. Steve Gandy moved to accept the Financial Report as presented, Ben Harbour seconded the motion, and the motion passed unanimously.

Jerry Cigainero asked for clarification of what items are in Supplies, and why they were over budget for the year and asked if that item includes the landscaping improvements. Steve explained that this includes soaps and other supply items in the units, and may also reflect some small appliances or televisions that needed replacement but landscaping improvements are reflected in maintenance. Dennis cautioned that in some instances some receipts for

replacements of items may have been classified in Quick Books as supplies, but might be better reported in maintenance, and if you look at both of those items (Supplies and Maintenance) together, they spending was not significantly over plan as if you just look at Supplies.

Report on Management of the Resort:

Vice President Steve Gandy reported very few people have been at the resort at this time, as this is our typical slow season. Shelly and Sarah have been handling most of the housekeeping recently and Adrian and Phil have been involved with the deep cleaning efforts. Sarah does the laundry and works in the office on Saturdays and Friday evenings for check-in. Julie, who worked last summer, may be added back in again for the high season, after Memorial Day.

Work on the three bathroom updates approved at the last meeting where the tubs were cracked has begun. Unit 210 has been completed and 106 will be done next and 212 lastly. Each is expected to take about a week and should be completed before the Owners' Meeting.

The Electrical box at the dock was not to code, positioned too low, and when the tides came up completely over the bulk head it shorted out, causing the docks to be totally dark, and the pool area lights were effected as well. To resolve the problem it cost approximately \$3 thousand to have the electrical box re-installed higher, to meet code, and install all the wiring in conduit.

The grill area was deteriorating under the tile, so all the metal support work has been redone and the area rebuilt with hard cement board impervious to rain and moisture. The grills have been spread out more than before, and the open corner area has been covered over to make more counter space. Cobalt blue tiles (to match the pool tile) will be used to re-tile the entire grill area, with a large mural of a sun in tile on the left, and we hope to have it all finished by the Owners' meeting as well.

In unit 102, a couple who checked in December 25th began a load of laundry and went to bed early, to awake in the morning to a flooded unit, and the water also flowed into unit 103. The hose from the water heater to the washer had split and leaked water all night. Based on this issue, the maintenance staff is checking the water hoses in all units to make sure this doesn't happen again. All the carpet had to be replaced in unit 102 and in the bedroom of unit 103 but, fortunately, no baseboard or drywall damage resulted.

Due to SEER14 AC requirements, we have had issues making new R410 condensers work with old R22 air handlers and Steve believes there may be a conversion kit to make them work, so he will check to see about procuring them. Also, in an attempt to save some money, pulleys have been priced for lifting the new AC units to the roof, rather than paying what it costs to rent lifts and pay delivery changes both ways every time we need them.

Proposed Bylaws Change and Winter Newsletter Review:

Secretary Candy Lamel reported that no one other than Jerry Cigainero and Steve Gandy had indicated any interest in running for the Board of Directors in this election cycle, and we also have the last year of Ray Leidig's term to fill since he resigned his position in December. Prior to 2006, terms were for 5 years, with no term limits. In 2006, terms were reduced to 3 years with only 2 terms served consecutively, and a director willing to serve again could not run for election again until he/she was off the board for three years. Since we have had difficulty lately attracting owners with the time, interest and skills needed to contribute to the work of the board, a change to the bylaws is proposed and has to be put to a vote by the owners at the Annual Meeting in February. Three options were presented and the board voted (with one abstention by Jerry Cigainero) to propose to the membership a bylaws change to allow board members to serve, if elected, up to 3 terms of 3-years each, with the ability to run for election again after one year off the board. Candy agreed to revise the newsletter draft, send it out by email for review by all, and get the final version to the printer by the end of the week so it can be in owners' homes about one month prior to the Annual Owners' Meeting on February 27th.

Open Carry Law:

Vicki Vannatta stated that although the Open Carry Law has passed in Texas, she does not favor open carry of firearms at the resort, and the rest of the board agreed. After discussion, Steve Gandy made a motion, seconded by Jerry Cigainero, that we do not allow open carry anywhere on the property, that we put up the appropriate 30.07 signs at the resort, and that Candy Lamel include this information in the Winter Newsletter. Jim Vannatta suggested multiple sign locations and the board authorized Steve Gandy to purchase and erect 7 signs including the street walls, parking lot, office and also the Padre Lake side of the property.

Rental Business Proposal:

Steve Gandy handed out a draft of a proposal for handling rentals at the resort and the board agreed to review his draft and defer discussion until the owners' meeting at the end of February. Gaylen said there is mention on the website about rentals, but Steve said he believed that was only about Winter Texans during the slow season.

Action Items Summary:

- Dennis will get with the CPA regarding year-end reporting.
- Gaylen will speak with the office staff regarding COLA increases.
- Steve will speak with the resort staff regarding their COLA increases.
- Gaylen will work with the office staff regarding the foreclosure procedure.
- Steve Gandy will obtain the 30.07 signs for display at the resort.

- Candy Lamel will update the newsletter draft and send it and the revised Ballot out to all board members for their approval before sending it to the printer for print and bulk mail distribution by the end of the week.
- All board members are to review Steve's rental plans and options and get feedback to him when we meet next.

Adjournment

President Vicki Vannatta stated that we will schedule the next board meeting at the Owners' Meeting. This meeting was adjourned at 3:11 p.m.

Submitted by Secretary Candy Lamel
Approved for filing and publication on March 14, 2016