

LA CASA del SOL COUNCIL OF CO-OWNERS
Board of Directors Meeting
August 12, 2014

Approved Minutes

President Vicki Vannatta called the meeting to order at 1:00 p.m. A quorum was present including Dennis York, Jerry Cigainero, Candy Lamel and Ben Harbour in attendance, and Steve Gandy participated via Skype and telephone from the resort. Ray Leidig was not present. After welcoming members and confirming a quorum was present, Vicki adjourned the regular meeting to open an Executive Session prior to progressing to the Board Meeting Agenda.

Board Meeting Agenda:

Call to Order: at 1:31 p.m. by President Vicki Vannatta.

A quorum was present and the meeting proceeded.

Election of Officers:

With the change in management at the resort (Mikel Bilano's abrupt resignation and the hiring of Abram Garcia as his replacement), Vicki reported that Ray Leidig felt that this would be an appropriate time for him to pass along responsibility for managing resort operations to someone else. She explained that Steve Gandy has been instrumental in helping to handle things at the resort, and had interviewed (with Vicki and with Ray) the candidates for Mikel's replacement, so Vicki had asked Steve to take on the management of resort operations until the Board could hold an election. Steve agreed, and since he had been the Secretary previously, Candy Lamel was asked to act in that capacity until the election. These temporary assignments were communicated to all Board members prior to the meeting. A discussion ensued and no objections were voiced regarding the proposed nominations and no additional nominations were suggested for these positions.

- Dennis York made a motion that Steve Gandy be elected to serve as Vice President of Resort Operations and the nomination was seconded. The motion carried with five (5) yes votes and one abstention (by Ben Harbour).
- Dennis York then moved to appoint Candy Lamel to serve as Secretary, and that nomination was seconded. The motion carried with five (5) affirmative votes and one abstention (by Ben Harbour).

Approval of Minutes:

Steve Gandy had distributed previously, by email, drafts of his minutes from the previous board meeting held Tuesday, May 20, 2014, and had incorporated corrections suggested by other members. Hard copy amended minutes provided (by Steve to Candy) were distributed to all present in the meeting for their review and acceptance. Dennis York moved to approve the minutes, the motion was seconded by Ben Harbor, and the vote was unanimous for acceptance. Steve confirmed that he would send a copy of the minutes to the office in Weatherford and he will post them also on the website, now that they have been approved.

Treasurer's Report:

Treasurer Dennis York had distributed the financial report to all board members for review prior to the meeting and thanked Jerry Cigainero for his review and input requesting clarification regarding the insurance payments recorded so far for this year. Dennis noted that retaining the services again of the property tax consultant we had used in 2013 (as we agreed to do at the last meeting) will have potentially saved approximately \$5 thousand, versus the taxes that we would have been obligated to pay for 2014, had we not enlisted her services. In summary, net spending (revenues minus expenses) so far in 2014 are about \$2 thousand better than at this point last year. Year-to-date revenues are \$27 thousand greater than budgeted, and total expenses are \$16 thousand lower, so our net spending performance is currently \$43 thousand better than budgeted through July 31, 2014. Dennis noted that we have added about 10 new sales of deeded weeks and transferred some with premiums for red weeks. In spite of recent changes in staff and salaries, Dennis does not expect problems with performance against budget for the balance of this year. Ben Harbour moved that we accept the Treasurer's Report, the motion was seconded, and the report was accepted by all attending.

Reservations Office report:

Dennis York reported that we now have two full-time employees in the reservations office in Weatherford. Charlene Glaub has been there just over three months now and is taking primary responsibility for making reservations, so Andy Moore is able to spend more time working on foreclosures and other administrative tasks. He has confidence that the ladies will work well together and that their strengths are being well utilized in their separate responsibilities.

Foreclosures:

Dennis reported that the attorney came out and sat down with the office staff, going over all deadlines, etc., and we have 32 deeds that he will go forward with for foreclosure in November. He stated that his focus is to identify all owners or their heirs so that we could notify everyone in the case of any catastrophe, such as a hurricane, so that all owners could have a say in what action should be taken on their behalf. Dennis reported that as long as the maintenance fees

are paid, children of deceased owners have been allowed to use the resort, but the office itself is not legally able to change the names on the deeds, so their ability to clear up all the deeds is limited.

Report on Management of the Resort:

Ray Leidig had provided a report by email and was not in attendance for this meeting. He had spent two weeks at the resort and reported that Shelly is doing a good job handling laundry, the housekeeping staff, and working the office. While he was there, supplies were ordered to get things ready for the arrival of the new manager. He reported that damage was done to a gas regulator knob on one of the grills and two of the mini jets were broken on the hot tub while he was there. He personally locked the pool gate at 11 p.m. each night and made an arrangement with Shelly to come back Sunday through Thursday at 11 p.m. the following week until Steve and the new manager decide how to handle security at the pool going forward.

Ray reported that the three (3) roof-top condenser A/C units (which were supposed to be ordered three months ago) have now been ordered. The last time an order was placed was for four (4) units in 2011, and we currently have one of those left as a spare. We need an A/C certified person to order and get Freon and condenser units, so we may have a problem in the future, since Fil can do the work, but is not A/C certified (Mikel was).

Ray reported that 2 sleeper sofa mechanisms are in disrepair and that Shelly had gone online to research the cost of replacing the mechanisms and that we need to determine whether to repair those old sofas or replace them with the new sofas. In his report, Ray thanked the members for allowing him to represent the board in managing the operations at the coast in recent years.

Steve Gandy was at the resort for this meeting, participating by Skype and by telephone. The new manager, Abram Garcia, had just reported to work at La Casa del Sol the day before (August 11) and Steve and his wife had returned to the resort to spend this week there so that Steve and Abram could work together to identify items needing immediate attention and to prioritize projects needed to improve operations going forward.

Responding to Ray's report, Steve said that he will take a look at the broken sofa bed mechanisms and confirm if they are in adequate shape to take new mechanisms, as suggested by Jerry Cigainero. If so, Vicki stated her preference that he have them repaired, since the projected cost (\$189 retail, plus shipping, according to online research done by Shelly) would be much less than replacing them right now with new sofas costing around \$2,000 each.

The A/C units ordered, as reported by Ray, have not yet been delivered, but are scheduled to be this afternoon. Steve reported on the bent and broken grill knob, and has a solution for fixing it. A new, smaller grill was originally ordered and installed to replace a

broken one, because the belief was that we could not source the original grills from BBQs Galore, since they had gone out of business. As it turns out, the Gandy's (Steve and Carrie) found that BBQs Galore has a store now in Grapevine, TX, so they were able to source the direct replacement model for those that we have and now the three grills will again be essentially the same, and in the future, parts will be available to repair them, as was not thought to be the case previously. As for the tile surround, Steve reported that he believes Fil should have the work completed within the next 48 to 72 hours.

Ben Harbour asked about what happens to items we replace (whether they are donated to charity for a tax deduction, for example, or in the case of the crippled A/C units, we might be able to sell the materials or components for re-use). No one had an answer to what has been done specifically in the past, but Steve agreed to set up a general recycling program.

Steve reported that he is impressed with Abram's problem solving abilities and desire to have everyone working hard and dealing with concerns as they are identified. As an example, Steve reported that the dryer in unit 202 had been down, and Fil said that the part needed for repair would not be available for 2 weeks. Abram, the new manager, got involved and apparently found a part in house, and unit 202 was operational again the next day.

The main projects going on right now while Steve is on-site are the completion of the grill area, and the clean-up of the parking lot. The plan is to repair 12 fence slats broken by trailer hitches (from trucks backing into parking spaces). The fence will then be painted and 6 signs will be put up stating "head-in parking only", and the new manager will be asked to enforce the rule, which has not been enforced previously, and the floor of the shower stall by the parking lot needs to be replaced too.

Steve reported that he is gathering information now on security systems also, getting quotes from different companies and considering also ones we can purchase ourselves and have installed. Quotes are all expensive so far, and he will report back about them. He is also addressing the WIFI problems we have had and will continue to try to work out solutions for the lack of coverage in some units.

The sprinkler system is another project getting attention right now. Steve reports that some heads need to be adjusted to properly water the plantings and that some heads have been entirely capped off. We have sprinkler heads at the street that have been capped off, and lava rock was installed there instead of plants to be maintained. He and Abram agree that the landscaping needs attention to get it back to the lush condition of past years. The stucco is in decent condition, since it was repaired and repainted a few years back, and Ray bought a power washer for Fil that has never been used but will be used now, to clean the exterior.

A discussion about repainting window frames in the stairwells ensued, and Steve agreed they would be sure of proper preparation and the right kind of paint would be used if they were to go forward with that project. He asked the board's opinion about staining of the railings, but was told to hold off on that project at this time.

Steve reported he has confidence that with Abram onboard we now have “the right guy in place” and we should hope to see great improvements in the resort over time. With his hotel industry background, he brings a measure of discipline, routine and attention to guests’ needs that we have been lacking in recent years. He is also concerned with the grounds and the impression we give our guests and owners at check-in and wants to re-vamp things in the office to make guests feel more welcome when they arrive, and ensure them we will be more responsive when there are issues to be resolved. Other board members also stated their pleasure in the choice of Abram Garcia as the new resort manager.

Other Business

Candy Lamel asked for confirmation that plans for additional remodels this year are now on hold, as the result of all the other changes at the resort recently. Vicki agreed that should be our assumption for now. Steve reported that he has discussed future remodels with Abram, and that Abram says he believes he will be able to appropriately track labor costs on future projects, and he will make sure materials are ordered on time, so we won’t have the problems again that we experienced on the last remodel project.

Adjournment

Then next meeting was scheduled for Tuesday, October 21, 2014 and with no further business to be discussed, this meeting was adjourned at 2:44 p.m.

Submitted by Secretary Candy Lamel
Approved October 21, 2014