

**HACIENDA DEL SOL I ASSOCIATION
MINUTES OF ANNUAL GENERAL MEETING
May 2nd, 2010**

Submission of Paperwork: Phil asked all owners to ensure that they had submitted their proxies, ballots and amendment proxies prior to opening the meeting.

Call to Order: The President, Phil Wentzel, called the meeting to order at 2:24 p.m. He explained the requirement for all owners to have a voting certificate on file in the office in order to be eligible to vote. The exceptions are any owner who owns the condo individually or married owners who own the condo jointly.

Introduction Of Board Members: Phil called the roll and introduced the board members. Kurt Arthur, Joe Breig Larry Mabrey and Phil Wentzel are present. Charles St. Pierre attended via conference call. Bob Smith and Mark Carney were unable to attend.

Proof of Notice of Meeting: Phil announced that all owners were mailed announcements of the meeting on March 26th and the meeting agenda was posted on all bulletin boards April 18th.

Introduction of Owners: The owners present were asked to stand and identify themselves by unit number.

Quorum: Kurt Arthur, Vice-President, announced that there were sufficient owners present or represented by proxy to hold the meeting.

Approval Of Previous Minutes: Kurt Arthur asked for a motion to waive reading of last year's minutes and accept them as written. Larry Mabrey (107) made the motion with Jack Gaddis (109) seconding, and the motion passed unanimously.

Election of Board: Phil Wentzel advised that we have 8 candidates for 7 Board positions, requiring an election. Kurt Arthur asked for 2 volunteers to count the proxies for the proposed by-law amendment and 2 more to count the ballots for the new Board of Directors. Doug Rose (108) Donna Gentile (502) Kathi Wentzel (206) & Charles Massey (110) volunteered and they withdrew to the manager's office to conduct the tallies.

Treasurer's Report: Joe Breig gave a report on the finances of the Association. He stated that he was pleased to be able to keep total expenses below budget level (currently \$19,000 below budget YTD) and to be able to present a balanced budget for next year without an increase in owner maintenance fees. He also stated that none of the owners is in serious arrears in maintenance fees and that all of the money for the roof has been paid. Dave Moja (503) congratulated the Board for keeping the budget at the same level for the past two years despite inflation.

Phil explained that last year the board felt comfortable that we would be able to keep the budget balanced without an increase or an assessment. Unfortunately the rains came and the building required a new roof. Everyone managed to pay his or her assessments in a reasonable time. The roofing work was completed in a reasonable time considering the weather delays. We now have a roof in place that is warranted for 30 years. Phil mentioned that the roofing contractor praised our association for running the affairs like a business and ensuring all monies were available as required to meet the payment schedule, unlike most of their clients. He thanked Tim Rupp, Charles St. Pierre and Ron Abel for vetting the contractors and their products and choosing wisely. While we were very pleased with the roofing work, the associated AC work was not performed as well. Some of the AC units that were moved were not properly checked after being re-installed and were required to put them in order. Although most of the problems were minor, owners should contact Wayne's Roofing if they encounter a problem when starting their AC unit for the first time after the winter.

Hacienda Web Site: Kurt Arthur reminded the owners about the web site that was established. It is available at www.HaciendadelSol.com. While there haven't been a lot of hits on the site from the outside world, many owners have submitted units for rent and photos of local interest. If anyone is interested in posting anything to the site, they should contact Kurt at condo@swbell.net. Because it is "our" site if there is anything you would like to see added to the site, once again you should contact Kurt. The site contains a lot of information for the owners such as our by-laws, condo rules and wind mitigation forms etc.

Expanded Wireless Internet Service: Charles St. Pierre advised the owners that the board had authorized him to spend up to \$500 to extend the Wireless Internet service to all units in the building. After installing the equipment, it was discovered that two additional range extenders were required, boosting the overall cost to \$600. The service is working very well and is a great asset to the building at very little cost. Owners are reminded that there are connections for three different zones; HDS1, HDS2 and HDS3, and all are password protected. Many thanks to Charles, Tim Rupp and Ron Abel for investigating and installing the equipment.

Building Repairs: Phil identified that the board has been working with Flores-Hager Construction for many years to keep our building in good repair. We have been very satisfied with their work and the cost of completing it. The board sits with the contractor annually to establish our budget and prioritize any outstanding work. This has been done this way to keep ahead of potential problems and avoid the major rebuild work such as that done next door at Castle Reef, attempting to avoid major assessments. This year there was work done at unit 402, some work on the balconies at the east end and on the underside of the walkway on the 5th floor. The work was done, but still requires painting. There still remains sealing and painting of the façade on the east side of the building to eliminate some cracks allowing water to seep into some of the units on the beachside during heavy windblown rain. This work will be done later this month before the heavy rains start. This will not generate noise, but some scaffolding will be required during the process. Flores will be returning to review a crack on the balcony on 408 as well as a few

other spots noted by some owners. Any other non-essential work will be pended to the fall and will be determined by the new board. Phil recommends that the new board continue with the existing policy to stay ahead of major work by keeping up with repairs as required.

The New Roof: The roof replacement is finally finished. We had \$72,540 in our reserves and authorized an assessment for \$142,475 for a total of \$214,815. The inspectors were out last week to perform a walk-through along with Tim Rupp and Ron Abel. They queried the contractor to determine exactly what is required to ensure we keep our 30-year warranty intact. Phil asked Donna Abel to establish a bring-up file so that every April 1st they will contact Wayne's Roofing to come out and inspect so that if anything like power washing or minor repairs are required they can be performed. Future boards will learn what is required on a regular basis so that costs can be built into future budgets. The contractor faxed Phil Wentzel a new Wind Mitigation" form, but it is not legible enough to post on the Internet. They are sending a new one by mail, which will be posted on our web site. Those without email can ask Donna for a copy by mail. Phil encouraged all owners to send a copy to their insurance companies as it can provide some significant savings on windstorm coverage. For those few permanent residents there will also be a form available to qualify for a Federal Energy Tax credit. Each owner will have to get advice from his or her tax attorney to see if it applies. If you go on the Internet to IRS.gov there is a form and information about the Energy Star tax credit. We will be getting a letter from Wayne's Roofing stating that the materials used for the new roof qualify for the Energy Star Tax credit. Those applying may also require the cost information showing your share of the roofing costs, possibly including your share of the roofing costs taken from the reserves. Again, only the permanent residents can claim this credit.

Other Activities: Some of the other actions taken by the board in the past year include;

- Replacing the concrete forms for the bench at the beach
- Replacing the 35-year-old pool septic system that was causing overflow around the cabana. At the same time we replaced the controller for the sprinkler system with one that gives the managers a better control over the watering zones on our lawn.
- A power outage late at night, which left the hallways dark and dangerous, demonstrated the need for us to ensure the safety of owners and guests during such emergencies. We have purchased new emergency lighting for the hallway and stairs that will come on when the commercial power goes out. Ron will install these lights during a slow period.
- Ron Abel will be giving a demonstration on Monday May 3rd on what to do when someone is stuck aboard the elevator in the event of a power outage.
- Phil also identified that he has negotiated coverage for breakage for the elevator system, which will cover us in the event of something of large expense that might break down. It will not cover wear and tear but unexpected breakdown.

Elevator Service: The board has agreed to terminate our contract with GESS elevators who have been servicing our elevators for many years. Our manager and some board members have been displeased with the service for several years and we have agreed to terms with a new company called Elevator 911, which is a local company that will provide us with better service at a lower cost. Before we contracted with the new company they came out and gave us a report on the condition of the system, and in some situations contradicted the recommendations from GESS, and in all areas where they did agree on the recommendations, their prices were lower. Phil has prepared letters for both the termination of the contract with GESS to be delivered by the anniversary date of June 1st that will stop the service effective Sept 1st. He has also written a letter to Elevator 911 advising of the start of their contract effective the same date. Elevator 911 has offered to commence with their service on June 1st at no additional cost, stating that once we notify GESS of the cancellation, service with them will be reduced. It will be up to the new board to follow through and send the letters already prepared to meet the June 1st dates to ensure the old contract is cancelled and the new one is activated.

New Business:

Resurfacing the Parking Lot: The board had started to look into re-surfacing the parking lot. Some estimates are as high as \$18,000 and as we have only \$12,000 in the reserves, the current board felt it could be left until we have the reserve funds to cover it. Requiring the estimate was partially generated by the problem we have with the drain between the first two rows of parking. Every time we get a heavy rain the water backs up and floods the lot for several days. One of the contractors that came out to quote on the lot said that the best way to correct the problem was to build up the lot around the drain and slant it toward Mathews Ave. to the north. His quote on doing that at the same time as the paving was an additional \$11,000. It is something that the new board can look into but also something that the outgoing board did not feel was essential right now.

Absentee Parking: Phil identified an issue that arose this past spring where owners left their car in the lot when they returned home. This situation has not occurred often before to our knowledge and is not very practical from the standpoint of the weather impact on an automobile here on the ocean. As per the by-laws, each owner is entitled to one parking spot unless the unit is rented and that right passes to the renters. One of the autos left in the lot was parked out beside the overhead lights in the lot, and the power company had to bring in a cherry picker to change a bulb. The owners had left a key in their unit, but didn't make the board or managers aware. Some board members were concerned about this and possible problems in the event that the autos, if something happened to it, or it needed to be moved while the owners were away. To formalize the procedure, Joe Breig made a motion that the following rule be adopted: "No Unit Owner may leave any vehicle on the Condominium property for more than two (2) consecutive days during such time that the Unit Owner is not actually in residence in the Condominium without prior notice to the board and without leaving a key to the vehicle with the managers in case the vehicle needs to be moved for Condominium maintenance activities during the Unit Owner's absence. The board has the authority to designate the parking space in which the vehicle is parked during the Unit Owner's absence. However, the Unit

Owner may not leave their vehicle during any period of time in which the Unit Owner rents their unit to another party (Tenant). No Tenant may leave any vehicle on the Condominium property for more than two (2) days nor may they leave it at any time that their rental agreement is not in effect” The motion carried by a vote of 5 to 2.

Results of Voting: Kurt Arthur advised that the vote for the board of directors was so close that the vote counters wanted to conduct a recount to ensure it was accurate.

By-Law Amendment: Kathi Wentzel (206) announced that while the 34 of 36 people who voted wanted the amendment to pass, there were insufficient votes cast to allow the amendment to go through. Phil advised that such a response is normal on changes such as this, but unfortunately voter apathy won out again. Phil stated that the amendment was a good idea to promote board continuity and he suggested that if the new board wants to bring it up again next year, an earlier campaign and direct attention to those who didn't vote might be appropriate. Flo Virtanen (209) expressed a concern that the significant majority wanted the amendment to pass it should be able to pass. Phil advised that the State law mandates that all votes not submitted be considered as votes against the change. It requires a vote of 75% of all owners to pass a change to the by-laws.

Owner Questions: Phil asked if the owners had any questions for the board.

Dave Moja called for a round of applause for the 4 members of the board, Mark Carney, Larry Mabrey, Bob Smith and Phil Wentzel that were not returning to the board this year.

Craig Kant (409) and (303) asked if the board would consider moving the Annual meeting to Saturday morning at 10:00 AM to avoid the conflict with Mother's Day and with church services. Phil stated that that would require a by-law change and would have little hope of success.

The New Board: Kurt Arthur stated that the re-count had been performed and that they were ready to announce the new Board of Directors. There were 39 owners who voted and the new board consists of: Kurt Arthur (205) Joe Breig (409) Deborah Hall (408) Craig Hungler (108) Terry Lingo (507) Tim Rupp (406) and Charles St. Pierre (405).

Closing Remarks: Phil thanked all of the board members who assisted him over the past year for their hard work and service to the association. He then reminded the owners present about the barbeque after the meeting and hoped that all of them could attend.

Adjournment: Phil Wentzel asked for motion to adjourn. Larry Mabrey (107) made the motion and Kurt Arthur (205) seconded. There being no further business before the Board, the meeting was adjourned at 3:21 P.M.

Bob Smith, outgoing Secretary, for
Board of Directors
Hacienda del Sol I

