

**MINUTES OF THE ANNUAL MEETING OF MEMBERS
OF
THE MONTEREY DUNES COLONY ASSOCIATION
AND
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION**

October 21, 2006

PRESENT

Ellen Michaels, President
Frank Williams, Vice President
Marty Deggeller, Treasurer
John Steinhart, Director
Jeff Schwartz, Director
Tom Bugary, Secretary and General Manager

ABSENT

None

WELCOME

The combined Annual Meeting of the Monterey Dunes Colony Association and the Monterey Dunes Colony Mutual Water Association was called to order by Ellen Michaels, President, at 10:05 A.M., Saturday, October 21, 2005 at the Monterey Dunes Colony Clubhouse, 195 Monterey Dunes Way, Castroville, CA 95012.

HOMEOWNER INTRODUCTIONS

At this time, homeowners that were present in the audience introduced themselves.

READING OF MINUTES FROM THE LAST JOINT ANNUAL MEETING OF MEMBERS

Due to lack of a quorum of homeowners, either in person or by proxy, the reading and approval of the 2005 annual homeowners meeting minutes was postponed until a quorum can be established.

PRESIDENT'S REPORT

Ellen Michaels gave a verbal report. She stated that 2005-2006 had been an action-packed year for the Colony. Both staff and homeowners have made significant contributions to make it all possible. During the year, maintenance issues which have been completed include:

- 1) 18 deck replacements;
- 2) 1500 linear feet of courtyard fencing replacement;
- 3) 131 windows replaced or reset;
- 4) Replacement of 550 square feet of sidewall shingles;
- 5) New fencing around the recreation area;
- 6) Reconditioning of a third "Sport Court" tennis court (two were rebuilt by contract); and,
- 7) Upgraded clubhouse changing rooms.

Significant non-maintenance issues that have been accomplished throughout the year include:

- 1) Electrical Inspections – Tom coordinated and reviewed electrical inspections at every unit. He insured that all units had at least one working smoke detector and that all units with Federal Pacific panels were notified that an upgrade was strongly recommended. Additionally, Tom is developing a program in which staff will inspect smoke detectors throughout the Colony on an annual basis to ensure that they are working.
- 2) Recreation Area – Tom contracted for with and monitored the construction of the recreation area.
- 3) Colony Road Resurfacing – Tom coordinated this project in conjunction with the recreation area project.
- 4) Terminex Fumigations – Under warranty, we accomplished the following fumigations: 9 units, 6 garages, the clubhouse and the changing rooms.
- 5) The assessment collection policy was rewritten to comply with current law.
- 6) The ECC policy was rewritten to clarify the installation of ADA ramps onto the common area property.

All of the maintenance and improvements items mentioned are an example of the contributory factors in the rising values of the homes at the Colony. At this point in her presentation, Ellen pointed out some charts which showed the rising values of the homes at the Colony in contrast to the rising homeowner dues over a 10-year period. In summary, the home values have increased from \$450,000 to \$1.8 Million and are increasing at a much higher percentage rate than the homeowner dues.

Ellen continued her report by thanking the following committees who have served throughout the year:

Dale Christenson, Jim Forster, Tom Bugary – Researched and coordinated the installation of high speed internet.

Jeff Schwartz, Ralph Briskin, Ted Swanson, Bill Michaels, Tom Bugary - Researched and coordinated the recreation area.

Marty Deggeller, Tom Bugary, and Jeff Kane, Insurance Broker – Researched and implemented flood and earthquake insurance policies.

Bill Michaels, Ted Swanson, and Tom Bugary – rewrote the Colony rules to be in compliance with SB61.

Standing Committees

John Gentry, Frank Williams, Marty Deggeller, and Jim McFeeters – Finance Committee

Mary Jansing Balgooyen, Jeff Schwartz, and Ted Swanson – Environmental Control Committee (ECC)

Ellen also thanked Tom and his staff, including Susie, the Office Manager and Bookkeeper, and Ed Downie, the Maintenance Supervisor and the Water Systems Distribution Officer for the Colony.

In closing, Ellen thanked the Board for their continued work throughout the year, and a special thank-you to John Steinhart, who is resigning as a Board member after serving 4 years and will be sorely missed. Ellen went on to say that the incoming board member, George Maciag, has several years experience being in Officer positions and serving on Boards in various locations and that she looks forward to working with him.

INTRODUCTION OF DIRECTORS, 2006-2007 TERM

Ellen Michaels introduced the 2006-2007 Board of Directors:

- 1) Frank Williams, incumbent
- 2) Marty Deggeller, incumbent
- 3) Jeff Schwartz, incumbent
- 4) George Maciag, new director
- 5) Ellen Michaels, incumbent

MEMBER BUSINESS

A homeowner in the audience wanted to know if anyone could do anything about the broken drinking fountain located in the clubhouse area. Tom responded that the fountain is on order and will be installed in the breezeway rather than outside within the next month.

Another homeowner in the audience questioned the status of the snowy plover issue – specifically that dogs, leashed or unleashed, are not allowed. Frank Williams will provide an update and will be reported in the next issue of the Dunescape.

John Steinhart, Director, had a few words to say to the audience since this was to be his last meeting as a Board member. John wanted to express to the homeowners that the Colony is in very capable hands with Tom as Manager and a great support staff. John also wanted to point out that, in general, the Board of Directors, as well as homeowners, have created an atmosphere of good-will; therefore, even when two parties do not agree, there is no hostility. He stated that he has 2 major concerns:

- 1) that the sense of community at the Colony doesn't exist to the degree that the majority of homeowners do not know their neighbors; and,
- 2) that there are aging homeowners on a fixed income and that the rising cost of homeowners dues may cause a financial hardship.

In conclusion, John stated that he had enjoyed his time on the Board of Directors and that he felt he had learned a lot. He strongly encourages all homeowners to get involved as it is a very rewarding experience.

Jeff Schwartz had two brief comments:

- 1) he agreed with John that homeowners are encouraged to get involved with the Association; and,
- 2) he thanked Ellen Michaels for all her work as Board President over this past year.

Tom reported that Fire Marshal Roberson has tentatively agreed to be at the November Board meeting and make a presentation on fire safety. Tom will videotape the presentation and make a CD which will be made available to homeowners. FM Roberson will also assist Tom in developing a program for inspecting smoke detectors at the Colony on an annual basis.

ADJOURNMENT

With no further business from the floor, it was M/S/C to adjourn the meeting. The annual homeowner's barbeque will be at 12:30 p.m. today. The next Board of Directors meeting is scheduled for Saturday, November 18, 2006 at 10:00 A.M.

ORGANIZATIONAL MEETING

Following the annual meeting, there was an organizational meeting to elect officers of the Board for the 2005-2006 term.

The Directors made the following appointments:

Ellen Michaels	Director, (President)
Frank Williams	Director, (Vice President)
Marty Deggeller	Director, (Treasurer)
Jeff Schwartz	Director
George Maciag	Director

- Additional Appointments -

Mary Jansing Balgooyen	Officer of the Board, (Assistant Treasurer)
Tom Bugary	Officer of the Board, (Secretary)

Respectfully Submitted,

Thomas J Bugary

Thomas J. Bugary, CMCA, CCAM
Secretary and General Manager