

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

October 15, 2011

PRESENT

George Maciag, President
Bill Michaels, Vice President
Jim McFeeters, Treasurer
Jeff Schwartz, Director
Ted Swanson, Director
Tom Bugary, Secretary and General Manager

ABSENT

None

CLOSE OF REGISTRATION & CALL TO ORDER BY THE PRESIDENT

The combined Annual Meeting of the Monterey Dunes Colony Association and the Monterey Dunes Colony Mutual Water Association was called to order by George Maciag, President, at 10:00 A.M., Saturday, October 15, 2011 at the Monterey Dunes Colony Clubhouse, 195 Monterey Dunes Way, Castroville, CA 95012. George noted that registration was now closed and that homeowner participation had been outstanding.

INTRODUCTION OF APPOINTED INSPECTORS OF ELECTION

George stated that this years' election was being conducted by an outside agency, The Inspectors of Election, and he introduced the Chief Inspector, Beth Walsh.

QUORUM DETERMINATION AND CLOSE OF POLLS

Beth Walsh noted that there were 93 valid ballots out of a possible 120 ballots and that a quorum had been established. Beth also stated that the polls were closed and that there would be no more registration.

INTRODUCTION OF CURRENT BOARD

All five current Board members introduced themselves.

INTRODUCTION OF CANDIDATES FOR BOARD

All six candidates for the Board of Directors introduced themselves.

FLOOR COMMENTS

Homeowner Recommendation to Join Moss Landing Marine Lab

MaryAnn Hoisington, unit #200, suggested that the Association become an organization member of the Moss Landing Marine Lab (MLML) in the benefactor category for a donation of \$100 per year.

There will be a meeting this coming Wednesday at 7:00 p.m. in the MLML to discuss white sharks that live near us. If you would like to attend the meeting, please R.S.V.P. to 771-4464. This suggestion will be taken under advisement and put on the next Board agenda as an action item.

Homeowner Concern Re: Dogs on the Beach

George brought up a homeowner concern re: dogs running on the beach, both on- and off-leash. He stated that this will also be brought up at a future Board meeting as an action item.

City Address Proposal from Castroville to Moss Landing

At the last Board meeting on 9/17/11, it was briefly discussed that the association city address might be changed from Castroville to Moss Landing with the thought that it might be easier to market the units for rent or sale if the city were Moss Landing. Biff Jelavich, units #194, #210, and #246, made the proposal to change the address and was in attendance to answer questions. Biff said that if we decided to change the address the steps would be 1) take a letter to the San Jose Postal Station (3-4 times because they would probably say “no” at first). Biff pointed out that this type of address change has occurred before setting precedence, i.e. several residences on Dolan Road changed their city addresses from Castroville to Moss Landing. Biff stated there would be no change in our services or any type of political change. Bill Michaels explained that when the colony was first built they had a choice between a Moss Landing or Castroville address. At that time, Moss Landing did not have postal home delivery, only delivery to P.O. Boxes, so the association chose to go with a Castroville address. George stated that he had did some research himself, and although the Moss Landing Post Office said they would be happy to deliver the mail, the decision had to be made by the County. George went on to say that this will be a question on a survey to be released within 60-90 days.

Homeowner Concern Re: Tents on the Beach

Larry Baldasano, Unit #116, voiced a concern about a tent on the beach in front of his unit. He stated that the tent had been there for more than a month and questioned what we should do about it. Tom will call the State Parks office and investigate.

Website

There was a homeowner discussion about the Association's website (montereydunescolony.com). The consensus was that we are under-utilizing our website and need more homeowner input, i.e. recommendations and suggestions, to post and we need to keep the calendar current with committee and Board meetings. George stated that this issue would be brought up at a future Board meeting as an action item.

Cell Phone Signal

Penny Perry, unit #222, suggested that, in order to make homes at the Colony more marketable, we do something to improve the cell phone signal at the Colony. Bill Michaels suggested that if you cannot get a cell phone signal at your house, you call your carrier and they can provide a better signal within a specified range by using a device that connects to your internet.

Wave Run-Up Update

We are having extreme communications, mostly with the California Coastal Commission (CCC), but, overall, with several different agencies. We now have an agreement with the CCC that, in regards to coastal erosion, there are three logical things that can be done:

1. Nourish - Renourish areas that have been eroded.
2. Armoring - Build armor/barriers to prevent wave run-up.
3. Retreat – Move the homes

We are currently in discussions with the CCC about what constitutes permanent armoring vs. temporary armoring. The CCC was adamantly opposed to our water barriers when we first suggested using them; however, after reading their own documents, which we pointed out to them, they are beginning to recognize using the water barriers as a legitimate approach.

We have gotten a verbal o.k. to dump sand into three major breaches we have incurred in order to repair them as long as the sand is the same type that we currently have. Fortunately, we have approximately 500 yards of the right type of sand stockpiled at the south end of the property. After we have repaired the breaches, we will replant the dunes to create stability. Unfortunately, the County would like us to apply for another permit, so we may not be able to repair the dunes this year; however, we are prepared to use our water barriers in case there is a combination of high tide and storm warning.

Goodbye to Director McFeeters

Jim McFeeters, Board Treasurer, is vacating his Board of Directors seat. All homeowners in attendance gave Jim a round of applause in appreciation for his service to the association.

INTRODUCTION OF HOMEOWNERS

Homeowners present at the meeting introduced themselves.

ELECTION OUTCOME BY INSPECTOR OF ELECTION

Beth Walsh announced that she had personally tabulated all valid ballots and the 2011-2012 Board of Directors will be:

- | | |
|-----------------------------|--------------------------------------|
| 1) Ted Swanson - Director | 4) Bill Michaels – Director |
| 2) Jeff Schwartz - Director | 5) George Maciag – Director |
| 3) Bob Dickinson – Director | 6) Tom Bugary – Officer (non-voting) |

IRS Revenue Ruling 70-604

George read aloud the IRS Revenue Ruling (70-604) which states any excess revenue generated by the Association in the fiscal year completed June 30, 2011 is applied to the following fiscal year’s expenses. Eighty-one of the 93 ballots returned exercised their voting privilege by voting for or against this resolution and it was overwhelmingly approved by a vote of 80 to 1.

ADJOURNMENT

With no further business, George adjourned the meeting at 11:10 A.M. and announced that the annual homeowner’s barbeque will be at 12:00 P.M.

ORGANIZATIONAL MEETING

Following the annual meeting, there was an organizational meeting to elect officers of the Board for the 2011-2012 term. The Directors made the following appointments:

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|---------------|--------------------|
| Bill Michaels | President |
| George Maciag | Vice President |
| Ted Swanson | Treasurer |
| Jeff Schwartz | Director |
| Bob Dickinson | Director |
| Tom Bugary | Officer, Secretary |

Respectfully Submitted,

Thomas J Bugary

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