

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

October 20, 2012

PRESENT

Bill Michaels, President
George Maciag, Vice President
Ted Swanson, Treasurer
Jeff Schwartz, Director
Bob Dickinson, 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 Bill Michaels, President, at 10:00 A.M., Saturday, October 20, 2012 at the Monterey Dunes Colony Clubhouse, 195 Monterey Dunes Way, Castroville, CA 95012.

HOMEOWNER INTRODUCTIONS

Homeowners present at the meeting introduced themselves.

PRESIDENT'S REPORT

Bill Michaels gave a verbal report recapping completed work during the past year:

1. We repaired the roads and parking lots throughout the colony;
2. Replaced six garage doors;
3. Replaced the entry and exit gates to the colony;
4. Replaced 10 built up roofs;
5. Replaced 23 unit decks;
6. Repainted the trim on a third of the units;
7. Completed the shingle project at a considerable savings by purchasing materials in bulk, using in-house labor, and adjusted the completion date to minimize the annual financial impact on the reserves;

8. Developed a strategy to repair the 212,000 gallon water storage tank using a polypropylene liner. We are currently working on the plan to re-plumb the water system to accommodate the repair to the tank and liner installation;
9. Re-routed the Oceanside boardwalk from unit #324 to unit #312 which will ensure the footing for water-filled barriers;
10. Improved relations and hosted periodic meetings with local, state and federal regulatory agencies concerning the Salinas River, Lagoon, Sensitive Habitat and Coastal Protection Strategies;
11. Acquired 150 yards of sand from the Water Resources Agency at no cost to the Colony, which represents a huge savings;
12. Overhauled and tested the emergency backup fire pump;
13. Replaced the emergency backup generator control panel;
14. Repaired a rupture in the water system distribution system.

Bob Dickinson reported that the finance committee and board have discussed an archiving project in which all office documents will be scanned into the computer and backed up to the cloud.

Next, Bill thanked the following committees for their work over the past year:

1. Finance committee
2. Wave run-up committee
3. Environmental control committee
4. Website committee
5. Survey committee

The final two things that Bill had to say were:

1. Unit #242 remains rented and the rent pays for the monthly and annual assessments. Remaining funds, after the assessments are paid, are being used to pay down the liability of prior assessments not paid.
2. Operating and reserve assessments did not increase from FY 2011-12 to FY 2012-13.

INTRODUCTION OF DIRECTORS, 2012-2013 TERM

Bill Michaels announced that the 2012-2013 Board of Directors was voted in by acclamation. The Directors and officers are:

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

MEMBER BUSINESS

IRS Revenue Ruling 70-604

Bill read aloud a mandatory IRS Revenue Ruling (70-604) pertaining to the current fiscal year. It was M/S/C to approve the resolution which states that any excess revenue generated by the Association in the current fiscal year is applied to the following fiscal year expenses. This resolution is attached to these minutes for record.

ADJOURNMENT

With no further business, Bill adjourned the meeting at 11:05 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 2012-2013 term. The Directors made the following appointments:

Frank Williams	President
Bill Michaels	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