

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

October 17, 2009

PRESENT

George Maciag, President
Bill Michaels, Vice President
Mary Jansing Balgooyen, Treasurer
Jeff Schwartz, Director
Tom Bugary, Secretary and General Manager

ABSENT

Frank Williams, Director

WELCOME

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 17, 2009 at the Monterey Dunes Colony Clubhouse, 195 Monterey Dunes Way, Castroville, CA 95012.

HOMEOWNER INTRODUCTIONS

Homeowners present at the meeting introduced themselves. It was noted that the minutes of the prior annual meeting on October 18, 2008 were approved at the Directors meeting on November 29, 2008.

PRESIDENT'S REPORT

George Maciag reported that the association had accomplished the following - carpenters replaced 11 decks, 74 windows/sliding glass doors, 13 unit courtyard fences, and two mailbox clusters. The association has also fumigated a number of units for termites under our Terminix warranty that was negotiated nine years ago. The work is estimated at \$6 to \$7K per building and our warranty work over the past 9 years is valued at over \$100K.

Regarding unit safety, George reported that all fireplace systems and smoke detectors in the Colony have been inspected. He also reported that the entire Colony is in compliance with safe electric panels.

Regarding water conservation, George reported that the colony remains a “Blue Ribbon Community” in your judicious use of water.

George stated that “by far, the most time consuming of all our activities of 2009 is the Dunes Project.” We are dealing with governmental agencies and countless number of personnel and most have differing or indifferent opinions, however, we hope to have closure soon. When we have closure on these issues, we will send a complete report to the homeowners. We dodged a bullet with the last storm, but we cannot confuse luck with reality. Another hot-button issue that goes hand-in-hand with the Dunes Project is the re-routing of the Salinas River. Again, we will send a complete report to homeowners when we have closure.

After reviewing some of the Colony’s accomplishments this past year, George looked to the future. In regards to the budget, he stated that the reserve budget will be a challenge this year due to projects such as roof replacements and that the finance committee will be looking at ways of increasing our percent funded in regards to our reserve funds. The operating budget will also be a challenge due to unforeseen project (Dunes and Salinas River Projects) expenses. George suggested that the Colony might use a survey approach to identify and prioritize services at the Colony.

In conclusion, George thanked the following individuals for all their hard work:

1. The Finance Committee;
2. Board Members
3. Tom, General Manager
4. Susie, Office Manager;
5. Ed, Maintenance Supervisor, and his staff; and
6. All Committees throughout the year.

INTRODUCTION OF DIRECTORS, 2009-2010 TERM

George Maciag introduced the 2009-2010 Board of Directors:

- | | |
|--------------------------------------|------------------------------|
| 1) Ted Swanson | 4) Bill Michaels, incumbent |
| 2) Jeff Schwartz, incumbent. | 5) George Maciag, incumbent. |
| 3) Mary Jansing Balgooyen, incumbent | |

MEMBER BUSINESS

IRS Revenue Ruling 70-604

George read aloud a mandatory IRS Revenue Ruling (70-604) pertaining to fiscal years ending June 30, 2009 and June 30, 2010. 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.

ADJOURNMENT

With no further business, George adjourned the meeting at 10:50 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 2009-2010 term. The Directors made the following appointments:

George Maciag	President
Bill Michaels	Vice President
Mary Jansing Balgooyen	Treasurer
Jeff Schwartz	Director
Ted Swanson	Director
Tom Bugary	Secretary, (non-voting) Officer of the Board

Respectfully Submitted,

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