

**COMBINED MEETING OF THE BOARDS OF DIRECTORS
MONTEREY DUNES COLONY ASSOCIATION
AND
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION
April 26, 2006 Via Teleconference**

PRESENT

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

ABSENT

None

WELCOME

This meeting was duly noticed in accordance with California Civil Code 1363.05. The teleconference began at 11:00 a.m.

RATIFY ADR/IDR POLICIES

The ADR and IDR policies were rewritten by the Association's legal counsel to conform to current law. These adjusted policies were sent to the Board prior to the teleconference, (via email) for their review. After some discussion concerning the mandatory changes in the law, it was M/S/C to ratify the ADR/IDR policies as amended.

RATIFY ELECTION RULES

Rules for the Monterey Dunes Colony Elections were developed by the Association's legal counsel to conform to SB61, a new election law recently passed by the legislature and effective 7-1-06. These rules were sent to the directors, (via email), prior to the teleconference for their review. In addition, association attorneys prepared an amendment to the Monterey Dunes Colony Bylaws incorporating changes that were mandated by the new legislation. Upon Board approval, this packet will go to all homeowners with ballots seeking a 2/3 majority affirmative vote of the membership. After discussion, it was M/S/C to ratify the election rules as written by counsel. Tom was instructed to send the election rules and voting packets to the homeowners.

APPROVE TIMELINE OF ELECTION PROCESS

Tom prepared a timeline that showed the sequence of events, suspense's, and responsible parties for the election of directors in October. The Board made note that with all the added tasks surrounding the election process, it might be difficult to get anyone to volunteer to be the inspector of election for the annual meeting. The Board decided to make this an agenda item for discussion at the board meeting on May 13, 2006.

ADJOURNMENT

There being no further business, the teleconference was adjourned at 11:28 A.M. The next meeting of the Board of Directors will be May 13, 2006 at 10:00 A.M.

FOR THE BOARD OF DIRECTORS:

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