

Casa Del Sol Condominium

DRAFT Minutes of the Casa Del Sol Annual Owners Meeting

May 16, 2009

Casa Del Sol Webpage: <http://www.casadelsol-ocmd.com>

President Joe Sheare called the meeting to order at 10:07am.

1. Roll Call and Reporting of Proxies. A total of 30 unit owners were represented at the time the meeting was called to order (22 in person, 8 by proxy). A quorum of at least 29 is required. As the meeting progressed, 3 additional unit owners joined the meeting, for a total of 33 unit owners represented. All Board members were in attendance. Buck Mann and Heather McRoberts represented Mann Properties.

2. Approval of the May 17, 2008 Casa Del Sol Annual Meeting Minutes. A motion to approve last year's annual meeting minutes was made by Lou Napoli and seconded by Joe Sheare. The motion passed unanimously.

3. Financial Review.

a. Account Balances. Buck Mann (Mann Properties) reviewed the financials as listed below, current as of May 12, 2009. The financial amounts were confirmed by Treasurer Mike Bufano.

i. Checking	\$ 84,712
ii. CD	\$ 10,003
iii. Savings	\$ 6,464
iv. Accounts Receivable	
a. Condo Fees-	\$ 4,322
b. Special Assessment	\$ 85,082

With respect to the accounts receivable, Mike noted that the figure reported for the condo fees is current as of the April, 2009 quarterly due date for fee payment. Mike also stated that the figure reported for the special assessment reflects payment as of the April, 2009 quarterly due date, and he has contacted those unit owners in arrears of payment.

b. Operating Budget: Year-to-date Review. Mike reviewed the Association's operating budget for the current year. When the budget was finalized at the end of last year, the Association's projected income was \$112,500, which included a reserve of \$14,000 carried over from the previous year. As of May, 2009, the Association is projecting \$126,510 in expenses with a projected reserve of \$11,000. The expenses include funding of \$17,100 for the front side storage (cubby) door project.

c. Review of Annual Audit for Year Ending December 31, 2008. Mike stated that the annual audit for 2008 is completed, and each of the Board members has a copy. The auditor provided a clean opinion for the Association. If any unit owner desires a copy of the audit, please contact Mike Bufano.

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d. Insurance Update. Buck Mann (Mann Properties) summarized the Association's insurance posture, which was included in the meeting package. With respect to individual unit owner insurance, Buck recommended that the owner contact his or her insurance agent to cover betterments that may have been made to the unit by the owner. These improvements are the responsibility of the unit owner to insure.

e. IRS Resolution to Carry Over Funds from Past Budget. Buck Mann (Mann Properties) discussed the details of the resolution, which is required to carry over excess funds from the previous year's budget without tax penalty. The resolution requires acknowledgement in the annual meeting, plus a recording in the meeting minutes. A motion to carry over the excess funding was made by Mr. Register (Unit 734), seconded by Mr. Cook (Unit 680), and passed unanimously. A form recognizing the owners' approval of the carry over, prepared by Mann Properties, was signed by the President, Joe Sheare, and the Secretary, John Foulkes.

4. BUSINESS OF THE CONDOMINIUM:

a. Front Side Renovation – Update. Joe provided an update on the progress being made on the front side renovation project. With respect to the 600-building, all that remains is completing the installation of the new siding on the ends of the building. With respect to the 700-building, the west side is halfway finished. With respect to the 770-building, all that remains to be done is installing the siding on the ends of the building plus installing the siding on the first floor of the right-most unit. All work should be completed by the Memorial Day weekend. Joe passed on comments made by Walt Smelter (C/W Builders), who has thanked the owners for their cooperation during the renovation and for providing compliments on the work. Walt recognizes that a few unit owners do not have the new slider door handles; please contact Walt directly (410-352-3001) and he will replace the handles. Walt also wanted it be known that he is available any time to discuss any issues that unit owners may have.

Mike Bufano reviewed the financial status with respect to the renovation, covering the information provided in his handout. At the start of the project, the Association's projected cost was \$984,188.67. Due to several unanticipated events, including net change orders, net credits to unit owners from the back side renovation, net credit for work from the deck staining project, and inclusion of the \$11,000 reserve, the Association will be approximately \$24,989.50 short after the collections, anticipated to be \$959,199.17, have been received. This figure includes C/W Builders change orders in the amount of \$24,656 to date, which is less than the amount budgeted for cost overruns. Mike noted that this does not take into account any additional repair work that C/W Builders may need to do in completing the ends of the 600, 700 and 770 buildings. Without any additional expenses, the per unit shortage would be \$438.41. (Note: After the Annual Meeting, an additional change order was received for \$16,957, which brings the total change orders to \$41,613, exceeding the amount budgeted for cost overruns).

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b. Owner Information Guide (Included in the Meeting Packet): Guide to Care and Cleaning of Front Side Windows/Doors, Siding, Railings and Decking. Joe summarized the information in the guide regarding care of the new siding. Power washers, even strong garden hose water, are not recommended for cleaning the siding.

c. Front Storage (“Cubby”) Doors Restoration Update. Joe provided an update on the cubby doors restoration. The cold weather has precluded Beach Brothers (Charles Kinelski) from starting the project. Charles stated at the meeting that he will start next week (week of May 18). He also stated that most unit owners have provided him keys, but that some still need to drop the keys off with him. With respect to some unit owners desiring to re-paint the small window between the front door and the cubby door, Joe stated that the Board will bring the item up at the next Board meeting.

d. Update on Broken Water Pipes. Joe summarized the situation that occurred over the winter regarding the problems several owners had with respect to broken water pipes, and stated that the Board had reviewed the By-Laws and reported out to the membership. He reiterated that the Association is responsible for everything up to the main water valve entering the unit, and that from the valve forward into the unit, the unit owner is responsible. Several members talked about the circuit breaker that is engaged in the fall to turn on the heat tape, and whether the circuit breaker needs to be locked to prevent someone from turning it off. This will be an issue for the Board to discuss at the next Board meeting.

e. Update on Repairs to Carports. Joe stated that repairs to the carports fall into 2 categories: repairs due to the front side renovation, and long-term sustainment of the carport areas. Joe stated that Beach Brothers (Charles Kinelski) will make the repairs caused by the front side renovation as he proceeds through the renovation of the front storage (cubby) doors. Long-term repair and maintenance of the carport areas and in particular, a plan for repairing or removing the dry wall with a more permanent and resilient material is covered in the Capital Improvements Plan.

f. Update on Fire Alarm System. Joe stated that the system circuit boxes have been replaced as a result of the front side renovation project. The Capital Improvement Plan called for them to be replaced next year so it seemed appropriate to replace them this year since they had to be rewired as part of the front side project.

g. Replacement of Front Doors and Front Storm Doors. Joe stated that this item has been discussed at length by the Board since last year’s annual meeting without much success. Therefore it was decided to ask for volunteers to form a committee to research the local and state fire code requirements and recommend design/color options. Any volunteers are asked to call Joe to be included on the committee. Bob Siskind stated that the doors were not included as part of the front side renovation project because Walt Smelter identified the risk that current regulations for new construction would require a sprinkler system be installed.

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Installing a sprinkler system would be extremely expensive, and Walt recommended that we leave the door replacement up to the individual unit owners with specifications provided by the Board and in keeping with Ocean City code.

The owner of Unit 646 stated that he had previously purchased a new door that met the fire code, that it had been approved by the Board for installation, and wished to install it. None of the Board members recalled approving the door; however Buck Mann (Mann Properties) agreed to look in his files for the paperwork.

h. Property Cleaning. Cleaning of the property grounds began last week by Beach Brothers (Charles Kinelski). At the next Board meeting, the issue of continuing this contract will be discussed.

i. Capital Improvements Update. Mike Bufano summarized the Board's efforts regarding capital improvements. MAD Engineering performed a survey in January, at its expense, regarding long term improvements and cost estimates for replacement or restoration. The Capital Improvements Committee reviewed and assessed the survey, and developed an actionable plan. The details of this plan were provided in a handout at the meeting. The last time such a study was done on capital improvements was 1999, so it is critical for the Association to develop a current plan. Mike stated that anything that would require replacement or restoration within 10 years requires the Association to consider building a reserve fund. According to the survey, the biggest expenses are the rear decks (bottom) boardwalk and finger piers. Discussions ensued regarding how to build up such a reserve fund, but the consensus was that it should be phased into the quarterly fees paid by the unit owners. Joe stated that the committee will re-examine the MAD Engineering survey and determine the rationale used for some of the projects listed. Discussion also ensued regarding repairs to, and upkeep, of the parking lots. Joe decided that the Board will evaluate all parking lot issues after the front side renovation is done and the heavy equipment removed.

5. NEW BUSINESS

a. Frank Dean Memorial Reef Update. Joe provided an update. A number of owners participated in donating to the memorial, and as a result, 2 subway cars were purchased for the Bass Grounds Reef in Frank's name. The participating owners should have received a thank you letter and map to the reef site.

b. Updating the Owners' Directory. Joe asked for volunteers to confirm and maintain the information in the Association owners' directory. The work involves calling each unit owner to confirm or update the existing information, and then provide the updates to Mann Properties. The owners of Unit 646 volunteered to do this job.

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c. Discussion on 4th of July festivities at Casa Del Sol. Joe stated that the owner of Unit 618 recently made an inquiry regarding using the Casa Del Sol parking lots for a 4th of July celebration. Unfortunately, the Unit 618 owners were not present at the meeting to further discuss the inquiry. Joe stated that a permit is not required as long as all the festivities are held on Association property, which is private property. However a permit would be required for fireworks; however at no time will the Association allow fireworks. Mike Bufano recommended that anyone interested in participating or helping with a 4th of July celebration contact the owner of Unit 618.

d. Election to the Board of Directors. Buck Mann (Mann Properties) instructed the members on voting for the new Board members. The ballot for electing new Board members was included in the meeting package, and Buck read the ballot, with each individual on the ballot introducing him or herself to the membership. Buck instructed the membership to vote for 2 individuals. Per the Association By-Laws, Buck asked if there were any nominations from the floor; there were none. Voting was accomplished, and the ballots tallied by Buck Mann and Heather McRoberts (Mann Properties). As a result of the voting, Buck reported that John Foulkes and James McDonald had been re-elected to the Board for a three-year term of office.

e. Annual Meeting Party. Joe stated that it has been an Association tradition to have the picnic immediate following the annual meeting, and asked if there was any interest. A significant number of hands were raised, and Joe volunteered to have a picnic on the boardwalk behind his unit (710) and Tom Bell's unit (712), beginning at 1:30pm.

6. ADJOURNMENT was at 12:02 pm.

7. NEXT CDS BOD MEETING (proposed) – June 24, 2009, at 8:00pm via teleconference.