

**Dunes of Panama Facilities Corporation
Board of Directors Meeting
August 8, 2015
9:00 A.M. Local Time**

E lounge

Minutes

Call to Order, Proof of Call, Quorum

Dr. Robert Furlough called the meeting to order at 9:00 am central time. Jeff Mynard, Assistant Secretary provided proof of call. It was determined there was a quorum. Board members present were Dr. Robert Furlough, Jimmy Calton, John Horton, and Linda Willis. Directors present via telephone were Don Hogan and Ralph Stafford. Marion Fesmire joined by phone during the Treasurer's Report. Joe Bowers and Warren Banach were absent. DOPMA employees present were Jeff Mynard, Joyce Hall, Bethany Stokes and Tonya Clay.

Ed Duskin, owner of C107, was also present at the meeting.

Approval of Meeting Minutes April 25, 2015

Dr. Furlough asked the board members to review minutes for any corrections or additions. John Horton addressed a revision that needed to be made to previous minutes. Michael Schoensted was listed as a board member, but he was an owner who was in attendance. John Horton made a motion to accept minutes with the correction, seconded by Don Hogan. Roll was called and the motion passed by a unanimous vote.

Treasurer's Report

John Horton reviewed and discussed the following reports:

- Balance Sheet as of June 30, 2015
- Income and Expense report for 1/1/15 through 6/30/15
- Cash Flow Projection 7/1 to 12/31/15

The Balance Sheet as of June 30, 2015 shows cash in the bank of \$7,315 and Accounts Receivable at \$11,389. John points out the difference in the cash in the bank and the Accounts Payable from the same date last year. There is \$39,461 less in cash but the accounts payable were reduced by \$43,000.

Income and Expense report for January 1 through June 30 shows total income \$251,627 and total expenses were \$266,846. John notes that things are moving as expected for this time of the year.

Facilities Corporation Directors Meeting Minutes

August 8, 2015

Page II

We spent more on Accounting and Legal because of the audit we had. A little over \$1000 was spent on the internet for Facilities, and we didn't have anything in the budget for that. Bad debt was budgeted at about \$2500, and we've only had to write off a little less than \$400 and should not change much for the rest of the year. The bank charges line is new so that we know what it is costing us for owners to use credit cards to pay fees. We've always had the fee; it was previously in the Miscellaneous section. Insurance costs increased this year. Payroll taxes and salaries went up a little. Security payroll is down a little. Everything is moving as expected. Dr. Furlough noted that there is a \$15,000 contingency fund that we don't use unless we have to.

The Cash Flow Projection shows starting cash as of July 1 at \$7,315. John noted that if things continue as expected, we should end the year with around \$26,000 in the bank.

A motion was made by Linda Willis to accept the Treasurer's Report as presented. Motion was seconded by Jimmy Calton. Roll was called and motion passed by a unanimous vote.

2016 Proposed Budget

John reports that the proposed budget was built using last year's budget and anticipating next year's expenses. Accounting and Legal expenses went down. We don't anticipate internet expenses in that it was included last year due to installation. The Bad Debt was zeroed out. Bank Charges were increased to \$3000. Contract services have been increased. Improvements others was left the same. Insurance price was increased because of anticipated increase. Repair of maintenance and grounds was decreased. Salaries, Security, and Supplies were increased a little. Proposed budget is \$526,000, which is about \$8000 more than last year (less than 2%). Jimmy Calton asked if the Landscape by Contract was down by \$2000. John confirmed that it was. Jimmy Calton also asked Jeff if there are any units going into foreclosure. Jeff stated there are not. There was discussion over how ownership of units has changed over the past 3 years; over 10%. Jeff indicated that there are still some units that are habitually included in the Bad Debt section. Jimmy Calton wanted to discuss whether there should be an increase in member's fees. John stated that it was up to the board. Next item to discuss is the Assessment for Clubhouse renovation. Discussion was held whether to add an increased fee on top of the assessment. John suggested that an increase of about 2-3% increase of the fees would adequately represent the proposed budget. Jeff presented figures that would meet this proposal; the member fees would need to increase from \$106/month to \$112/month, excluding Hidden Dunes and Beach Services.

John Horton made a motion to increase fees to \$112/month. Linda Willis seconded the motion. Roll was called and motion passed by unanimous vote. This will take effect starting January 1, 2016.

Facilities Corporation Directors Meeting Minutes

August 8, 2015

Page III

Clubhouse Renovations

Dr. Furlough started the discussion about the clubhouse renovation. John Horton presented different proposals. He paraphrased the clubhouse renovations committee's findings that the floor joists are failing. Clubhouse will have to be gutted to replace the floor joists. Option 1 was to put the clubhouse back together with the same current layout. Option 2 was to modernize the clubhouse by increasing the size of the kitchen, create a storage unit that would hold all of the tables and equipment create a pass through to the kitchen, put a row of cabinets along the east wall at ground level, and replace carpet with some type of wood grain tile. Drawings of the layouts were presented to the members present. Option 2 would also eliminate one of the current bathrooms. John pointed out that the clubhouse is right next to the bath house. John also presented a proposal to keep sliding glass doors on the South face (pool side), and put glass store fronts on the North side (B Building side) to reduce costs. Estimated cost to put back the clubhouse as is would be \$61,983. Estimated cost to modernize the clubhouse would be \$59,433; difference of \$2,500. John suggested going with the modernization proposal. Dr. Furlough indicated that the attorney has stated that to proceed with this option requires agreement by 75% of the owners.

Jimmy Calton proposed a motion to go ahead and approve the assessment of \$61,983 with the stipulation that if 75% of owners agree to the modernized layout of the clubhouse, the assessment will decrease to \$59,433. Linda Willis seconded the motion. Roll was called and passed with a unanimous vote.

John pointed out that renovations should be scheduled and paid for during November and December. Discussion was held to decide on when mailings should go out to owners to get the vote taken as quickly as possible. Jeff suggested a final vote be taken on September 26, 2015. He indicated that the mailing would be sent to owners this next week. Vote was taken and passed unanimously.

A motion was made to accept the proposed as presented. Roll was called and motion passed by a unanimous vote.

Other Business

Dr. Furlough asked if there were still internet issues. Linda Willis said that she is having a lot of difficulty in her unit. She has been here 10 days, and has had to call for a boost every day. Jeff said he would look at the problem to see if he can replicate and report to Ipacket.. Bethany said that some E building three bedroom units, it's hard to get a signal in one of the guest rooms and additional access points have been installed in some units and this seems to correct the problem.

Facilities Corporation Directors Meeting Minutes
August 8, 2015
Page IV

Beach Service

Dr. Furlough addressed the issue of where rental chairs are placed and where private tents/chairs are placed. Discussion was held. All went as smoothly as could be expected this summer.

Parking lots were resealed, but there is still a significant problem behind B building. Jeff said that Richard is putting a sump pump in to help in that area.

Sign has been posted “Do not throw objects in the pool.” Sign is misleading to some. Some people read it as not to throw trash into pool, but it was meant for “No ball throwing” as well. Security has addressed the problem when they have been notified. We need better signage.

Don Hogan asked Jeff where the hoses are that used to be at the end of the walkways so people could wash off. Jeff said he would see that the hoses were replaced

Adjournment:

No further business discussed; motion was made to adjourn by Don Hogan. Vote was taken, and passed unanimously.

Respectfully Submitted,

Jeff Mynard, Assistant Secretary