

Meeting Minutes
Meeting of the Board of Directors of the Rocky Ridge Property Owners Association
May 29, 2018, 12:00 noon
Telephonic Regular Meeting

Notice of Meeting: Bill (Yates) Bauder confirmed that the property owners received notice of the scheduled May 29, 2018 board meeting as follows: (i) on May 22, 2018, Yates posted the notice and agenda for the meeting on the message board at the Rocky Ridge Road entrance gate; (ii) on May 21, 2018, Yates emailed the notice and agenda to all property owners who (as reflected in the Association's books and records) have authorized receipt of notices by email, at the email addresses they have provided; and (iii) on May 21, 2018, Yates deposited into the US mail (for delivery to all other property owners, addressed to the mailing addresses that said owners have provided to the Association) the notice and agenda for the meeting.

Quorum: President Steve Dohrmann called the meeting to order at 12:04 pm. Directors Steve Dohrmann, Bob Schuchardt, Nick Farwell, Curtis Sproul and Bruce Shepherd attended the meeting telephonically, and accordingly a quorum was present (Bruce participated from the Rocky Ridge office at 2005 North Lake Boulevard, behind the rental office located at 1877 North Lake Boulevard). Directors Laura Bertone and Frank Pagliaro did not participate in the meeting. Yates and Ray O'Neal also participated telephonically in the meeting.

1. **Approval of Minutes of 4.17.2018 Meeting.** The minutes of the April 17, 2018 meeting of the board of directors were approved, in the form circulated to the directors prior to the May 29, 2018 meeting (motion by Nick; second by Curt; 5-0 vote).
2. **Treasurer's Report and Approval of Signatories to Bank of the West Accounts.**

Yates provided the treasurer's report. Yates noted that revenues and projections are proceeding substantially as projected in the approved budget, provided that the weather has interrupted some maintenance and property work, which has caused the labor expense line item to show some savings relative to budget. Yates said that to the extent that the savings persist, he will use the savings to perform more painting.

Yates noted that the Association maintains the following bank accounts (and that the reason that the Association uses multiple institutions is to assure that deposits at any financial institution do not exceed federal deposit insurance):

Accounts housing the Replacement Fund: One account at Bank of America, one at Plumas Bank, and one at Bank of the West.

Operating Accounts: One account at Plumas Bank and one at the Bank of the West.

Accounts receiving revenues accruing from the Association's real property rentals: One account at Bank of the West.

Yates confirmed that he will direct Mary Cushing to cause copies of all periodic statements for these accounts to be provided to each of the directors.

The board also approved a resolution (motion Bruce; second Nick; vote 5-0) identifying the authorized signatories for the accounts at the Bank of the West: (a) ***Operating Account:*** any one of Steve Dohrmann,

Robert Schuchardt, Laura Bertone, Bruce Shepherd or Bill Bauder; (b) Account housing the Replacement Fund: any two of Steve Dohrmann, Robert Schuchardt, Laura Bertone, Bruce Shepherd or Bill Bauder.

3. Property Manager's Report. Yates provided the Property Manager's Report. Yates noted in particular that the property management team has been busy completing annual post-winter maintenance work:

Road sealing work has been completed (though the beach driveway and parking lot will be repaved during the month of June, and some walkways may be re-paved as well).

Most Spring landscaping cleanup work has been completed.

The beach, the beach clubhouse, the tennis courts and the upper pool have been opened. Yates plans to paint the tennis courts later this summer.

The sprinklers around the development have been checked and repairs completed.

Fireplaces and chimneys have been inspected and swept.

This year's work plan targeted units 93, 95, 96, 117 and 122 for entryway and deck work – the work on the entryways for units 93, 95, 96 and 123 has been completed; the work on the entryways for units 117 and 122 remains to be completed; the work on the decks for units 93 and 96 has been completed; and the work on the decks for units 95, 117 and 122 remains to be completed.

Yates reported that there have been no bear incidents since the last board meeting. As noted at that time, earlier this year a bear mother and cubs tried to hibernate beneath one of the unit buildings.

Yates anticipates that the need to remove dead trees will be much less this year than last? He thinks one to three trees may need to be removed in the vicinity of the condo units atop the hill, and that perhaps a few additional trees may need to be removed near the rental office down the hill.

The State Forest system is proceeding in planning for the Burton Creek tree removal project. Rich Adams (the contact person) anticipates starting to identify trees and writing work contracts over the next 2 months. While he aims to complete the work this year, the work may trail into 2019.

Painting work is behind schedule, due to weather interruption, but Yates plans to catch up during the summer. Yates has hired a full painting team this year (in contrast to last year, when he could not find enough painters).

Yates continues to encounter labor market tightness. He noted that Chum has given notice and will be starting work at Schaeffer's Mill (Yates is looking for a replacement). Yates believes that the housing shortage will continue, as a general matter, to make it difficult to find trained labor.

Yates has received 24 buoy applications for this summer; he expects 1 to 3 more. The charge to a homeowner this year is \$1300/buoy. With respect to buoy costs, Yates noted that the State Lands Commission staff recommended a reduction in buoy charges, but the full board of the SLC disapproved, so rates should stay at current level for 5 years (we have a lease for 31 buoys that has 5 years to run). Yates will explore (with Jan Briscoe) whether any actions are required in order to request more buoys (it being understood that while we would like the approvals, we would prefer to not pay for them until we have demand). The TRPA continues to consider the buoy issue – Yates and Bob Schuchardt indicated that they anticipate that the TRPA will impose an additional buoy fee. The

board requested that Yates update the board on this issue at subsequent meetings over the next 12 months.

4. **CC&R's and Bylaws Update; Rules Revision.** Curt provided an update on the status of the revisions to the CC&R's and the Bylaws. Curt has completed the drafting work on the CC&R's and the bylaws amendments, and he has incorporated changes to address all comments received from Yates and the directors, to the extent appropriate. He also has prepared a package to distribute to the homeowners. After discussion, the board adopted the following motion (motion by Curt; second by Nick; 5-0 vote):

- The board (through Yates and Mary) should distribute the proposed amendments to the CC&R's and the Bylaws to the members, together with an explanatory cover letter and appropriate balloting materials. This task should be completed during the week ending on Friday June 8.
- Ray O'Neal should be appointed as the inspector for the election.
- The board should ask property owners to return their ballots by July 16, 2018 (subject to extension as provided below).
- The board should schedule a telephonic board meeting to count the ballots on July 20, 2018 (with at least one board member participating from the Rocky Ridge office at 2005 North Lake Boulevard). If the board determines that more time should be provided to collect ballots, the board in the July 20 meeting may extend the ballot submission deadline to August 12, 2018, in which case the board will hold a telephonic board meeting on August 15, 2018 to count the ballots (with at least one board member participating from the Rocky Ridge office at 2005 North Lake Boulevard – at present, Bob indicated that he could so participate).
- In any event, the board should provide notice of the results of the voting to the property owners within 15 days after the counting of the ballots.

Nick noted that the failure of a handful of property owners to authorize delivery to them of Association notices through emails causes the Association to expend material additional staff time and monetary expense. In order to facilitate notifications to property owners in the future, the board members determined (i) to identify those property owners who, as of May 29, 2018, have not authorized delivery of notices through emails and (ii) to reach out to those property owners in hopes of convincing them to authorize email notices. Steve agreed to reach out to the owners of units 45, 60, 86, and 98; Nick agreed to reach out to the owners of units 35, 44, 50, 57 and 64; and Bruce agreed to reach out to the owners of units 23, 24 and 30.

The Association in the past also has adopted operating rules that are consistent with the applicable CC&R's and Bylaws. The board determined that Curt and Bob should work on updating these rules (including the election rules which must be adopted per Civil Code Section 5105), so they can be adopted this Fall after approval of the proposed amendments to the CC&R's and Bylaws. Curt reminded the board that the property owners must receive advance notice of the rules before implementation, as more fully provided in the CC&R's and Bylaws.

5. **Election of Directors for 2018-19.** The board appointed Ray O'Neal to serve as the Inspector of Elections for the election of 3 directors at the September 1, 2018 annual meeting of members. The board collectively also asked Bruce to work with Ray to organize the election for the 3 board seats (and to consider consolidating the notices to the homeowners with the package being distributed with respect to the CC&R's and Bylaws revision, to the extent practicable and appropriate in his judgment). The seats up for election at the property owners meeting are those currently held by Steve, Nick and Bob. All three indicated that they plan to seek re-election. Bruce will post a newsletter establishing a nominating period and advise homeowners of their right to nominate themselves for election to one of the three seats; notice of the elections and the nominating period also shall be posted at the entry gate. Candidates may submit

a candidate statement up to 350 words; the candidate statements will be distributed with the ballots. Bruce also will work with Yates and Mary to distribute ballots to homeowners, and otherwise conduct the election, in accordance with the requirements of the association's governing documents.

6. Real Property Leases. Bob reported as follows:

- The Clauss lease has been amended. The amendment was effective January 1, 2018 and provides a term of one year. The rent is set at \$1,771/mo during 2018. The tenant has an option to extend the term for one more year, in which case the monthly rent will increase by 3%.
- Bob will discuss an extension of the LaVerde lease (the current term expires September 30, 2018, and the current rent is \$724/mo). The board approved (motion by Nick Farwell; second by Bob; 5-0 vote in favor) execution of an amendment (i) extending the term for one to 3 years; (ii) calling for rent increases at 3%/yr and (iii) containing other terms which are not materially less favorable to the association relative to the existing lease (in the judgment of Bob and at least one other member of the Legal Committee).
- Bruce will discuss with Ray O'Neal an extension of the rental office lease. The current lease expires June 30, 2018 (current rent is \$2,022/mo). The board approved (motion by Nick; second Bob; 5-0 vote in favor) execution of an amendment (i) extending the term for 3 years, (ii) calling for rent increases at 6% per year, and (iii) containing other terms which are not materially less favorable to the association relative to the existing lease (in the judgment of Bruce and at least one other member of the Legal Committee).

7. New Business. Bruce requested that the board agenda for the September 1, 2018 board meeting include a discussion of the currently applicable "reserve study" pertaining (generally) to long term improvements and maintenance. Yates indicated that he would circulate the reserve studies for the last several years, so as to facilitate board member review and consideration. At the September 1 meeting, Yates will walk the board through the reserve study and the mechanics for adopting any revisions in 2018.

8. Future board meetings. The board confirmed that following schedule for future board and property owner meetings:

- a. Next Board of Directors Special Meeting -- Friday July 20, 2018 at noon. Location: Telephonic (Yates plus at least one director will participate from the Rocky Ridge office at 2005 North Lake Boulevard, behind the rental office at 1877 North Lake Boulevard – property owners may join at this location). This meeting is subject to extension to August 15, 2018.
- b. Next Board of Directors Regular Meeting -- Saturday September 1, 2018 at 9:00 am. Location: Rocky Ridge Beach Clubhouse, Tahoe City
- c. Next Annual Property Owners' Meeting -- Saturday September 1, 2018 at 11:00 am. Location: Rocky Ridge Beach Clubhouse, Tahoe City
- d. Tentative Schedule for Subsequent Regular Board Meetings Between September 2, 2018 and June 30, 2019:
 - i. Tuesday November 13, 2018 at Noon. Location to be determined.
 - ii. Tuesday February 12, 2019 at Noon. Telephonic - Location to be determined.
 - iii. Tuesday April 16, 2019 at Noon. Telephonic - Location to be determined.
 - iv. Tuesday May 28, 2019 at Noon. Telephonic - Location to be determined.

The meeting was adjourned at 1:28 pm.