

Minutes of the Meeting of the Board of Directors of the
Rocky Ridge Properties Owners' Association
Meeting Date: June 28, 2023 at 1:30 pm
Meeting Location: ZOOM Platform

Advance Notice of Meeting. Cirra Mason (the Association's bookkeeper) provided notice to homeowners of the Board meeting in accordance with the requirements of the Association's Bylaws. The means of notice included (i) emails of the notice and agenda to each member; (ii) mailing of the notice and agenda to members that do not accept email notices; (iii) posting of the notice and agenda on the website; and (iv) posting of the notice and agenda on the bulletin board at the Rocky Ridge entrance gate. William "Yates" Bauder and Justin "Buster" Fenley participated as the designated representatives of the Board for purposes of enabling a ZOOM platform meeting in accordance with California law. Yates and Buster participated from the project development office in the building adjacent to the real estate brokerage building at the bottom of the Rocky Ridge hill.

Attendance and Quorum: Board members Steve Dohrmann, Laura Bertone, Frank Pagliaro, Matt Howarth, Curt Sproul and Bruce Shepherd attended the meeting remotely through the ZOOM platform; Board member Bob Schuchardt joined the meeting by joining Yates and Buster in the office at the bottom of the Rocky Ridge hill. A quorum of Board members thus was present throughout both meetings.

In addition to the Board members, Yates and Buster and several homeowners attended the meeting via Zoom. These homeowners included Charles Cook, Herm Howerton, Ron Janes, Carolyn Cocanour, Ray Coates, Larry Jones and Adele Hennig.

President Dohrmann called the meeting to order at 1:30 pm. The meeting was adjourned at 2:42 pm.

1. Approval of Minutes. The minutes of the 6-13-2023 Board meeting were reviewed and approved by the Board (motion was made by Laura, 2nd provided by Frank, and the minutes were approved by unanimous vote).

2. Update as to Collection of the \$7,500 special assessment: Yates and Laura reported that 94 of the 100 townhouse owners have paid the special assessment. Two homeowners have requested payment pursuant to an installment payment plan; in the June 13 Board meeting, the Board concluded that it would accommodate such requests on a case by case basis, but only if (i) the pertinent townhome owner immediately pays any back due Association dues; (ii) the payment plan calls for the pertinent townhome owner to pay all dues in full by December 31, 2023; and (iii) the pertinent townhome owner pays any interim required payments as and when required per the payment plan. The Board also directed Yates to pursue collection aggressively for any other property owners that do not timely pay the special assessment.

Charles Cook noted that the recent special assessment has proven to be a material financial burden for many homeowners, and he asked what the Board anticipated in terms of further special assessments in 2023. Laura indicated that the \$7,500 special assessment was sized to cover unexpected **2023 expenses** (including in particular insurance premiums). Accordingly, the Association likely will need to increase the "regular assessments" due for the first two quarters of 2024 (so as to cover the insurance premiums which the Association already knows it will need to bear for the period from January to May of 2024). Laura and Bruce speculated that the increase in the quarterly dues likely would amount to \$2,000 to \$2,500 per quarter (relative to the current regular assessments). Further, given the wildly fluctuating insurance markets, it likely will be very difficult to speculate on increases after May of 2024.

In sum, the discussion highlighted that (i) additional special assessments are unlikely for the rest of 2023, (ii) materially increased "regular assessments" are likely in early 2024 (to permit the Association to cover insurance premiums which the Association already has committed to pay through May 15 of 2024), and (iii) since the Board cannot predict the vagaries of the insurance markets, the Board cannot rule out the prospect of additional special assessments in 2024, particularly if insurance premiums increase again for periods after May 15 of 2024.

3. Update as to 2023 Board Election. Yates confirmed that only 4 individuals had signed up to run for director seats. Since there were 4 open seats, the number of candidates is less than or equal to the number of open seats. The Board informed the members of the Association of these facts by a notice sent after the June 13 meeting. Under California law, the Association may proceed to an election by acclamation. Upon a motion by Curt, with a second by Bob, and with unanimous concurrence of the other Board members, the Board voted to elect each of Laura Bertone, Frank Pagliaro, Curt Sproul and Bruce Shepherd to 2 year terms on the Board.

4. Property Manager's Report. Yates reported that the contractor handling the pool re-surfacing is significantly behind in his work, and that accordingly the pools most likely will not be open until mid-July, at the earliest. The Board decided to provide a newsletter to property owners so they are aware of the likely delays. Yates also reported that the frequency of bear visits to Rocky Ridge only has increased; he noted that bears are present virtually every day.

5. Update as to insurance issues: Rich Votaw (the Association's insurance consultant) noted that while the D&O insurance procured by the Association is less than that required by the CC&R's, he believes that there is an endorsement in effect that permits the Association to use its umbrella coverage to satisfy any deficiency in D&O coverage. Rich said he would confirm his hunch on this issue and get back to Yates and the Board via email

6. Consideration of requests for approvals by Architectural Control Committee of installation of air conditioning systems (Units 71 and 109). The Board acts as the Architectural Control Committee for the Association. In such capacity, the Board has adopted a policy for approval of the installation of air conditioning systems. The primary objective of the policy is to assure that the installation of air conditioning systems does not unreasonably disrupt the experiences enjoyed by owners and guests in other townhomes.

In the June 13 meeting, the owners of units 71 and 109 both brought forth applications to install new air conditioning systems for their units. The Board concluded that the applications (both of which call for the exterior condensers to be installed under decks and against the back wall of the under-deck space) satisfied the requirements of the air conditioning installation policy, and accordingly approved the applications. The Board further determined, however, that to mitigate aesthetic concerns, the exterior condensers installed as part of the systems must be painted in a manner which reduces the extent to which the condensers will stand out from other improvements (as reasonably determined by the Property Manager). The Board also indicated that this requirement will be asked of all future air conditioning installation requests. In adopting the approvals, the Board also made the requisite findings per the terms of the CC&R's.

After the 6-13 meeting, the parties learned that painting the exterior condensers might invalidate the warranty terms. Accordingly, they explored alternative means to mitigate aesthetic concerns. The best alternative appears to be screening the condensers to diminish visibility from other townhomes or from the roads or walkways within Rocky Ridge. After much discussion, the Board concluded to revise its air conditioning policy to require external condensers to be shielded by housing consisting of painted wooden slat structures. The structures should evoke quality construction consistent with the Rocky Ridge development, and the paint should match building trims. The Board delegated to the Property Manager the authority to review and approve the details of such structures. With these changes, the Board once again approved (motion by Frank, 2nd by Laura, unanimous vote) the AC systems for units 71 and 109. Note that the owner of unit 65 (who previously obtained Board approval to install an AC system) indicated that he also would install housing consistent with these guidelines.

7. Next Board Meeting. The Board cancelled the Board meeting previously scheduled for July 18. The next scheduled Board meeting will be on September 2, 2023 at 9:00 am in the Rocky Ridge beach clubhouse. That meeting will be followed at 11:00 am by the 2023 annual meeting of homeowners, and that meeting will be followed by the annual homeowner barbeque.