

Meeting Minutes

Regular Meeting of the Board of Directors of the Rocky Ridge Properties Owners Association

Meeting Date: December 17, 2018

Location: Telephonic Meeting

Scheduled Meeting Time: noon

Notice of Meeting: Bill (Yates) Bauder confirmed that he provided notice to the property owners of the board meeting in accordance with the requirements of the Association's Bylaws (e.g., by the means permitted by the Bylaws and with sufficient advance notice to comply with the Bylaws).

Quorum: President Steve Dohrmann called the meeting to order at noon. Bill "Yates" Bauder participated telephonically from the Rocky Ridge Properties Owners Association offices in Tahoe City, and Steve Dohrmann. Bob Schuchardt, Laura Bertone, Frank Pagliaro and Nick Farwell and participated telephonically from other locations. Bruce Shepherd participated telephonically from 809 Margarita Avenue, Coronado, CA (Bruce joined the call at approximately 12:14). Accordingly, a quorum was present.

1. **Approval of Minutes of 11-27-2018 and 12-7-2018 Board Meetings.** The board unanimously approved the minutes of the November 27, 2018 and December 7, 2018 board meetings.
2. **Consideration of Insurance Coverage Issues.**
 - Chuck Ott of the Heffernan Group updated the board on his efforts to procure fire insurance for the association for 2019.
 - Chuck noted that the existing carrier (a group led by CIBA Insurance Services) has offered to continue the current \$40 million in casualty coverage, with the current \$5,000 deductible, but that the premium cost would be approximately \$20,000 greater than the existing 2018 premium cost. Further, the offered insurance WOULD NOT include the existing 25% endorsement (which effectively increased casualty coverage by 25% to \$50,000,000); the cost of an additional \$10,000,000 in coverage (so as to effectively match the casualty coverage in existence in 2018) would be an additional \$15,000 in annual premium. Thus, the total cost for preserving (with the existing carrier) the existing coverage level of \$50,000,000 comes to about \$123,000 (about \$35,000 greater than in 2018). Chuck reported that no material premium savings would be achieved by increasing the deductible.
 - Chuck continues to check in with other potential carriers. December is a busy time of year for carriers, and it could be interfering with the timeliness of responses. Chuck noted that so far 8 carriers have indicated that they will decline to make any type of coverage offer for the Rocky Ridge association in 2019.
 - The existing insurance expires at midnight on New Year's Eve. The association thus needs a policy to be in effect prior to that time in order to assure no interruption in continuous coverage.
 - The offer from the existing carrier requires payment of at least 3 months of premiums, so one viable approach would be for the association to procure 3 months of coverage from the existing carrier while continuing to look for a more attractive competing proposal (which might replace the existing coverage effective 4-1-19). In fact, Chuck is hopeful that he will receive offers from a few other carriers later this week (Chuck knows from his discussions with these insurers that they

are considering the issues), in which case the board could select an alternative proposal without having to procure the 3 months coverage from the existing carrier.

- Accordingly, the board scheduled **another special telephonic meeting for noon on December 21** to provide further time to collect potential 2019 insurance proposals. The board then will consider the 2019 insurance proposals that are in hand as of the date of that meeting, with an eye toward selecting the insurance to be in effect after December 31, 2018.

3. **Rule Regarding Usage of the Beach Facilities by Groups.** The Board discussed the limitation within the board's rules pertaining to the rights of owners (or their renters or guests) to the use of the beach facility in the summer to host a larger group. After discussion, the board reached consensus on the following points:

- The association's rules should emphasize that the beach and clubhouse facilities are special to, and are intended to be shared in use by, all homeowners (and, derivatively, their renters and guests). During the highest summer use periods (*i.e.*, Memorial Day weekend and June 26th through Labor Day weekend), these facilities can best be utilized by a sharing of the space by individuals and small groups of Rocky Ridge owners, renters and guests. The group usage rules should apply to these periods. [NOTE: The rules include separate provisions which permit owners to reserve the beach facilities during the periods from one day after Memorial Day to June 25th, and from one day after Labor Day to October 15th.]
- The rules pertaining to use during the high-use summer periods should provide that regardless of the size of a group using the beach facilities, each group should act in a welcoming manner which facilitates the use of the facilities by others at the same time – no group should monopolize the facility or make others feel that their use is subordinate in priority. To enforce these principles, the rules should empower the board to sanction an owner (or their renters or guests) whose group monopolizes the beach facilities in a manner inconsistent with these principles.
- The rules should specify that usage by groups greater than 15 people in size will be particularly scrutinized and may lead to a sanction if, in the board's determination, the usage unreasonably interfered with reasonable concurrent use of the beach facilities by others. The sanctions may include (i) a special assessment and/or (ii) limitations upon further usage by an offending party of the beach facilities or any other Rocky Ridge common facilities.
- The amount of any special assessment applicable on account of sanctionable group usage will be determined by the board of directors in its discretion and could range up to \$2,000 per violation (**plus** the cost of any clean up or repair work which, as determined by the board, was necessitated on account of the group usage). When determining the nature and amount of any such special assessment, the board will consider various factors, including (i) the size of the group, (ii) the degree to which the group's usage interfered with the use of the beach facility by others, (iii) whether the group left the beach facility in a messy condition, (iv) whether the group caused any damage to the beach facility, and (v) whether the usage was a first time or repeat violation of the group usage rule by the owner (or owners) involved.
- Bruce volunteered to draft a revised rule incorporating these concepts and to circulate it to the other board members for final consideration and board approval at a subsequent board meeting.

4. **Adjournment.** The meeting was adjourned at approximately 12.36 p.m.