

## Meeting Minutes

**Special Meeting** of the Board of Directors of the Rocky Ridge Properties' Owners Association

Meeting Date: **January 20, 2021**

Location: ZOOM Internet Meeting

Scheduled Meeting Time: 1:30 pm

**Notice of Meeting:** Bill (Yates) Bauder confirmed that he provided notice to the homeowners 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). The Zoom format for the meeting (without any location for in person attendance) was approved by the Board as a means for implementing governmental restrictions imposed with respect to the COVID pandemic.

**Attendance and Quorum:** Yates patched into the ZOOM internet meeting from his office at the base of the Rocky Ridge hill. Board members Steve Dohrmann, Bob Schuchardt, Laura Bertone, Nick Farwell, Curt Sproul, Frank Pagliaro and Bruce Shepherd joined the ZOOM internet meeting from other remote internet connections. Accordingly, a quorum was present. Homeowners Matt Howarth, Herman Howerton, and Stacy Conner also joined the Zoom meeting through remote internet connections.

President Steve Dohrmann called the meeting to order at 1:32 pm.

1. **Approval of minutes of 1-11-20 Board meeting.** A motion to approve the minutes for the referenced Board meeting, in the form circulated in advance of the January 20 Board meeting, was made by Curt Sproul, with a second from Frank Pagliaro. The motion passed 7-0.
2. **Discussion of amendment to CC&R's.** Curt began the discussion with an explanation of certain issues in the drafting of the existing CC&R's. The three primary issues identified were (i) certain cost allocation provisions are perceived to be both illogical and unfair, (ii) the CC&R's allocate certain maintenance and repair duties in a manner considered inconsistent and at times impractical, and (iii) the determination that the existing provisions could (and indeed likely would) lead to undesirable outcomes for the Association, the Owners and their respective properties if a major casualty event (such as a fire) were to occur. Curt noted that the problems baked into the existing CC&Rs became more apparent in recent years due to (A) the plethora of major California fires, (B) the cumbersome manner in which CC&R's applicable to some affected homeowner associations dealt with damage and repair issues, and (C) the increasing hesitancy of insurers to provide insurance for foothill or mountain homeowner associations in California. These realities have increased the likelihood that a homeowner association suffering a casualty may end up underinsured – whereas the likelihood of underinsurance seemed remote at the time of the drafting of the original CC&R's, in the current market underinsurance is a material risk. The Board felt that our Association's CC&R's both should endeavor to thoughtfully call for appropriate insurance and also should promote, in all circumstances (including when there is underinsurance), outcomes which most homeowners view as fair, desirable and appropriate.

In order to address these problems, a Board committee of Curt Sproul, Frank Pagliaro and Bruce Shepherd was established last Spring to review the existing CC&R's. The committee prepared a draft amendment, and during the meeting on 1-11-21, the Board asked the committee to prepare an explanatory memorandum pertaining to the amendment to facilitate understanding of its terms and consequences. During the 1-20-21 Board meeting, the Board asked several questions about the memorandum and the amendment. Ultimately, the Board adopted a resolution to the following effect:

- The Board instructed the committee to consult again with both legal counsel and insurance advisors that are expert in the manner in which damage, insurance and repair issues have played out in connection with the most recent California forest fires. The Board asked the committee to confirm with these advisors that the CC&R's, as amended, will provide a thoughtful approach

and process for handling issues that might arise in the unlikely event of a significant fire at Rocky Ridge, including decisions as to whether to re-build, how to re-build and how to pay for the rebuilding.

- The Board approved the forms of the Amendment and the explanatory memorandum, and the Board asked the committee to provide homeowners, through the Association's website, the draft of the Amendment. The Board also authorized the committee to infuse any final changes suggested by the Association's legal or insurance advisors, or by homeowners, provided that if a particular change is viewed by the committee to be material to the overall substance of the Amendment, then the committee shall bring such change back to the Board for further approval.
- The Board scheduled a Zoom Board meeting on February 18, 2021 at 1:30 pm. The primary purpose of the 2-18-21 meeting will be to allow homeowners an opportunity to ask questions regarding the proposed Amendment. *Homeowners desiring to ask questions during the meeting are encouraged to provide their questions in writing by email to [rpoa@sbcglobal.net](mailto:rpoa@sbcglobal.net) and [bruce.shepherd@outlook.com](mailto:bruce.shepherd@outlook.com) by February 11, 2021.* It is hoped that the advance submission of questions will provide for more thoughtful responses and will expedite discussion by avoiding duplicate inquiries on the same topic. The 2-18-21 will replace the previously scheduled 2-9-21 Board meeting, and there will be no 2-9-21 Board meeting.
- As a condition to adoption, the Amendment must be approved by a majority of homeowners (the minutes of the 1-11-21 Board meeting inaccurately suggested that the approval threshold was a majority of a quorum of homeowners). The Board directed the committee to take such further steps as may be appropriate in order to hold a vote of the homeowners with respect to the proposed First Amendment by the end of March of 2021 (though this target date may be extended in certain circumstances in accordance with applicable California law).

The motion was made by Bruce, seconded by Nick and adopted by a unanimous vote of the Board.

3. **Suggestions by Board members for future agenda topics (subject to change).**

- February 18, 2021 Meeting: Discussion of amendment to CC&R's.
- April 6, 2021 Meeting: Update as to charges for use of, and procedures for allocation of, the beach's buoy and kayak rack spots for Summer 2021.
- April 6, 2021 Meeting: Adoption of election process for 2021 Board election
- April 6, 2021 Meeting: Discussion of the potential extension of the term for lease of the real estate office at the bottom of the hill.

4. **Closed session – Real Estate Office.** The Board adjourned to closed session at 2:02. During the closed session the Board discussed the potential for extending the lease of the real estate office at the bottom of the hill and the process for determining the appropriate rental terms. Bob Schuchardt will talk to Ray O'Neal about a possible extension and then report back to the Board.

**Adjournment.** The meeting adjourned at 2:11 pm.

**SCHEDULE FOR FUTURE BOARD MEETINGS (Subject to change):**

- February 18, 2020 at 1:30 pm CA time (Location: Zoom internet meeting)
- April 6, 2021 at 1:30 pm CA time (Location: Zoom internet meeting)
- May 18, 2021 at 1:30 pm CA time (Location: Zoom internet meeting)
- July 13, 2021 at 1:30 pm CA time (Location: TBD)
- September 4, 2021 at 9:00 am CA time (Location: TBD)

**SCHEDULE FOR FUTURE HOMEOWNER/MEMBER MEETINGS (subject to change):**

- September 4, 2021 at 11:00 am (Location: TBD).