

Meeting of the Board of Directors of the
Rocky Ridge Properties Owners' Association
Meeting Date: June 13, 2023 at 1:30 pm
Meeting Location: ZOOM Platform

Meeting Minutes

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, Bob Schuchardt, Laura Bertone, Frank Pagliaro, Matt Howarth and Bruce Shepherd attended the meeting remotely through the ZOOM platform; Curt Sproul did not join the meeting but he confirmed his agreement with the decisions of the Board reached in the meeting. A quorum of Board members thus was present throughout both meetings.

In addition to the Board members, Yates and Buster, the Association's insurance consultant, Andy Sinclair, attended the meeting.

President Dohrmann called the meeting to order at 1:30 pm and adjourned the Board meeting at 2:37 pm.

1. Approval of Minutes. The minutes of the 5-13-2023 and 5-15-2023 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 reported that 86 of the 100 townhouse owners have paid the special assessment. One homeowner requested payment pursuant to an installment payment plan; the Board (pursuant to a motion by Bruce, a second by Laura and a unanimous vote of the Board members) deputized Laura to negotiate the payment plan, and the Board agreed to accept the payment plan so negotiated by Laura, so long as (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.

3. Update as to 2023 Board Election. Four of the seven Board seats are up for election in 2023. Pursuant to the timeline and procedures adopted by the Board with respect to the election, property owners have until June 27 to nominate themselves to run as a candidate. As of June 13, 2023, only 4 candidates have been nominated as candidates. Pursuant to California law and the Association's election procedures, the Board may elect these 4 candidates by acclamation (and without polling the property owners) if there continue to be only 4 candidates for the 4 seats (and if the Board provides an additional notification to the property owners informing them of the circumstances). The Board (motion by Bruce; 2nd by Frank; unanimous vote of the directors) determined to provide that additional notification to the property owners so as to enable election by acclamation (the acclamation process would save the Association the material work and expense that otherwise is involved in holding an election).

4. Property Manager's Report. Yates reported that the maintenance team has made great strides in readying Rocky Ridge for the summer season. The landscaping, in particular, is in full bloom, and the beach area

and buoys have been checked and are fully functional. A few tasks remain, however, including two major maintenance items scheduled for 2023: (i) re-surfacing the pools; and (ii) re-surfacing the tennis courts. The former should be completed soon, allowing the pools to be reopened prior to the end of June. The latter may take a little more time but Yates is pushing the contractor to prioritize the tennis courts at Rocky Ridge. Yates also reported that the frequency of bear visits to Rocky Ridge only has increased; he noted that bears are present virtually every day. Careful latching of the dumpsters thus continues to be critically important in order to dissuade bear visits. Yates also noted that the electrified bear mats have worked extraordinarily well in scaring away the bears. Homeowners without electrified bear mats are encouraged to install them.

5. Update as to insurance issues: Andy Sinclair noted that the insurance markets have only gotten worse for insureds over the course of the last couple of months. For example, several major insurers (Allstate, Nationwide, StateFarm) have materially reduced their underwritings in California. Andy is hopeful that a summer or reduced forest fires may lead to reduced rates, but there is no assurance of that.

Andy also noted that he has reviewed the insurance that the Association procured in May against the requirements of the CC&Rs. Andy further confirmed to the Board that (except as noted below) the procured insurance satisfies all of the requirements under the CC&R's, including in particular the following (the section references are to the section within the CC&R's):

- (i) The procured insurance satisfies the requirements upon the Association for "bare walls" insurance under 9.01(b);
- (ii) The procured insurance includes the building code endorsement required under 9.01(b)(v);
- (iii) The procured insurance provides the general liability coverage required under 9.01(c), including the cross-liability endorsement;
- (iv) The procured insurance includes the inflation guard endorsement required under 9.02(d)(ii);
- (v) The procured insurance does not treat the Association as a co-insurer (thereby satisfying the requirements under 9.02(d)(v); and
- (vi) The procured insurance includes the required waivers of subrogation (see 9.02(e)).

Andy identified only two areas where the procured insurance does not meet requirements under the CC&R's:

- The procured insurance includes only \$2 million in director and officer insurance coverage. The CC&R's call for a minimum of \$7.5 million, unless the Board determines that the required insurance is unavailable or prohibitively expensive (see 9.02 (h) and 9.02(l)). The Board asked Andy to go back to the insurance markets and to determine how much additional premium expense would be required in order to procure the \$7.5 million of coverage specified by the CC&R's. Andy will report back to the Board on this issue at the June 28, 2023 meeting.
- The procured insurance does not include a guaranteed replacement cost endorsement. Andy says these types of endorsements are not currently available in California at reasonable rates. Given this assessment of the insurance markets, the Board agreed to waive the requirement for a replacement cost endorsement for the 2023-24 policy.

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. 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. [Note: On 6-28-23, the Board revised the requirement that the condensers be painted, replacing it with a requirement that the condensers should be reasonably shielded by housing painted to match the colors of the buildings. The board also expressed a preference that the housing consist of horizontal wooden slats painted to match the colors of the buildings. See the minutes for the 6-28-23 meeting.]

The motion to approve the air conditioning installation for unit 71 was made by Frank, with Bob providing the second and with all directors voting in approval. The motion to approve the air conditioning installation for unit 109 was made by Frank with Steve providing the second and all directors (other than Mat, who recused himself due to his ownership of unit 109) voting in approval.

7. Preliminary List of Topics Scheduled for Future Board Meetings [Note: The list for each meeting is subject to change]:

The following list tracks topics which the Board has identified for potential discussion in future Board meetings:

June 28, 2023	Update as to 2023 Board of Directors election (and potential election of directors by acclamation). Update as to availability and cost of D&O coverage.
July 18, 2023	Update as to 2023 Board of Directors election
September 2, 2023	Board election. Consideration of Increase in Target Amenity Levels for Rocky Ridge, and of the Required Corresponding Adjustment in Reserves Set Aside to Cover the Associated Costs

SCHEDULE FOR REGULARLY SCHEDULED 2022-23 BOARD MEETINGS

Date	Location	Date	Location
November 21, 2022 at 1:30	Zoom Platform	May 15, 2023 at 1:30 pm	Zoom platform
December 13, 2022 at 1:30 pm	Zoom platform	June 13, 2023 at 1:30 pm	Zoom platform
February 21, 2023 at 1:30 pm	Zoom platform	June 28, 2023 at 1:30 pm	Zoom platform
April 25, 2023 at 1:30 pm	Zoom platform	July 18, 2023 at 1:30 pm	Zoom platform
		September 2, 2023 at 9:00 am	Rocky Ridge beach clubhouse