Special Meeting of the Board of Directors of the
Rocky Ridge Properties Owners' Association
Scheduled Meeting Date: September 12, 2025 at 9:00 am
Meeting Location: Zoom Platform

Meeting Minutes

Advance Notice of Meeting. Cirra Mason (the Association's bookkeeper) provided notice to homeowners of the Special 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 members that have indicated that they accept emails as a form of notice; (ii) mailing of the notice and agenda to members who have not indicated that they 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 and at the Beach Clubhouse.

Attendance and Quorum: President Matt Howarth called the special meeting to order at 9:01 am.

All Board members Matt Howarth (President), Jim Naylor (Vice President), Gail Gabiati (Secretary) Laura Bertone (Treasurer), Stacy Conner, Stephen Dohrmann and Bruce Shepherd attended the meeting from the outset. A quorum of Board members thus was present throughout the meeting. William "Yates" Bauder participated in the meeting as the property manager for the Association. Buster Fenley was very busy on the property and unable to attend. Ryan Taylor, our insurance broker, attended the meeting.

A few homeowners joined the meeting.

Open Session

1. ***Presentation from Ryan Taylor regarding insurance renewal.*** Ryan Taylor of Inter-West Insurance took over as our insurance broker in 2023 and this is his second renewal process on behalf of the Association.

   -Under our CC&Rs, the Association is responsible for damage from a casualty event to the exteriors of the buildings while townhouse owners are responsible for damages that might occur in their units from the "walls in". (Note: the 2 single family residences within the project are treated differently; they procure their own casualty insurance and bear the losses arising from a casualty event.)

   -Our total casualty policy coverage for damage to foundations, exteriors and shells for all of the townhouse units is $63 million, currently broken down as follows:
   Units 1-16 are insured by Berkshire Hathaway, with coverage for 10 million of casualty damages.
   Units 17-48 are insured by The California Fair Plan for 20 million. Since the Fair Plan is exclusively for fire insurance, ancillary coverage is provided by Bridgeway to cover water damage and snow collapse.
   Units 49 -68 are insured by Wildfire Defense for 10 million.
   Units 70-87 are insured by WD for 6.6 million.
   Units 90-123 are insured by WD for 10 million. WD imposes a cap on casualty damages of $10 million per policy which is insufficient for a rebuild if there were a total loss. Since we need 14.3

million for full coverage, the Association has procured an ‘excess’ casualty policy from Kinsale for 4.3 million.
Note that while the townhouses number up to 123, there are missing numbers within the 1-123 range and there are only 100 townhouses in total.
The sales office, pools and maintenance buildings are also insured by WD for 2 million.

-Some of these policies renew on 12/5/25 and the remainder renew on 1/27/26. The different renewal dates make it difficult to compare potential coverage on an apples-to-apples basis. Insurers provide renewal quotes just prior to the current terms’ expiration dates so there is a tight schedule (and Board member anxiety).
There is some potential good news. The Fair Plan recently increased its allowable coverage per property from $20 million to $100 million. While the FP rates are materially less than those quoted by WD, the FP prices are offset by a new 10% deductible. If all of the townhouses were covered under the Fair Plan and we experienced a total loss of the property in the event of a catastrophic event, that would mean nearly a 6.5 million deductible for Rocky Ridge.

-Another issue is that currently our policies have an implicit assumption that rebuild costs would be in the vicinity of $310 per square foot (approximately $63 million). In actuality, it is very hard to estimate the actual rebuild cost since, if the entire RR property were destroyed by a fire, it is likely that the same event would cause similar destruction all over the area and contractors and supplies would be in very short supply. We have not changed the $310 figure in some years and there was discussion that it should be increased to $400. Although this might result in more complete damages coverage, it would also trigger higher premiums. Ryan agreed to consider this issue and return to the Board with a recommendation.

-The Fair Plan seems attractive because of the lower premiums, but that comes with disadvantages. Several types of losses are excluded, requiring the insured to procure a ‘difference in conditions’ policy to augment the omitted coverage. Since the Fair plan is a quasi-governmental agency, this likely delays the recovery process. Many in the insurance industry have higher confidence in WD that in Fair Plan with respect to likely performance on the above-described troublesome metrics.

-To explore the matter further, Ryan agreed to make some calls to both companies to better assess the manner in which they are administering their casualty policies and some of the issues raised by their policy features, such as co-insurance, deductibles, and the maximum covered loss. Ryan and a small Board Committee (Matt, Bruce and Yates) then will return to the Board with a recommendation. Matt and Bruce will check in with Ryan on 9/24 to see how negotiations with insurance companies are proceeding.

2. Property Manager Report.

-The Beach Club closes October 15 and all boats must be removed by then.
-The lower pool closes on September 23.
-The upper pool will close in the beginning of October and the hot tub on 10/15 for maintenance.
-The hot tub will re-open in November.

At 10:43 a.m. the Board adjourned to closed session.

Closed Session

In closed session the Board discussed the ongoing lawsuit against our former insurance brokers and negotiations regarding the settlement of our claims.

The meeting adjourned at 10:51 a.m.

Scheduled regular Board of directors meetings: The proposed schedule for regular Board of director meetings for the Rocky Ridge Properties Owners' Association is as follows (both the dates and the topics are subject to change by the board):

Date	Location	Contemplated Topics (subject to change)
10-21-25 1:30 pm	Zoom platform	• Approval of the 8/30/25 draft minutes • Further discussion of insurance renewals (Bruce) • Preliminary discussion of 2026 budget (Laura) • Interest in forming a July 4 committee
12-16-25 1:30 pm	Zoom platform	• Approval of the 10/21/25 draft minutes • Consideration and approval of insurance offers
2-10-26	Zoom platform	• Appointment of Inspector of Elections • Consideration of Draft Election Protocols
4-7-26	Zoom platform	

The **2026 annual members' meeting** for the Rocky Ridge Properties Owners' Association (i.e., the annual homeowners' meeting) is scheduled for **Saturday within Labor Day Weekend (9-5-26), at 11:00 am**. The meeting will be held in the Rocky Ridge Beach Clubhouse. The Association will host a beach barbecue immediately following the member meeting.