

DRAFT

Annual Meeting of the Members
(Townhouse and Single Family Residence Owners)
of the Rocky Ridge Properties Owner's Association
Scheduled Meeting Date: September 5, 2026 at 11:00 am
Meeting Location: Rocky Ridge Beach Clubhouse

MEETING MINUTES

Advance Notice of Meeting. Justin (Buster) Fenley (the Association's property manager) provided notice to homeowners of the Board meeting in accordance with the requirements of the Association's by-laws. 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 boards at the Rocky Ridge entrance gate and the Rocky Ridge Beach Clubhouse .

Despite the unseasonable chilly weather there were a large number of homeowners present and a quorum was established. Buster attended in his role at property manager.

President Matt Howarth called the meeting to order at 11 am.

1. Approval of Minutes.

A motion was made from the floor that The Association adopt the draft Minutes from the August 2025 Homeowners meeting that were previously circulated to homeowners. The motion was seconded and unanimously approved.

2. Appointment/Election of new Board Members.

Per the Association's annual election process, Matt Howarth, Jim Naylor and Dan Bosshart were elected to the Board by acclamation to two-year seats (Dan fills the seat formerly occupied by Steve Dohrmann).

3. Property Manager Report.

Half of the homeowners have made the wise decision to install bear wires. Buster strongly encourages the remaining owners to contact Bear Busters to do so. This spring, two of the buildings received new roofs and two more will be completed next spring.

The upper pool was replastered and the weather co-operated, allowing the completion to be done before Memorial Day. The lower pool requires the snow to clear before the crew can begin the lengthy work necessary for opening.

This fall, the grounds crew will be checking for holes in exterior walls and working on creating defensible space in preparation for the upcoming FireWise inspection. Buster reminds homeowners that firewood stored outdoors must be completely covered with a tarp which also protects the wood from touching any walls of the unit. If not done correctly, the staff will be forced to rectify the situation and will bill the homeowner for that labor.

An arborist will inspect all the trees on the property and advise as to their care or, if necessary, removal. The decks will be power washed.

Buster reported on the successful implementation of the Board's new rules concerning the July 4th weekend. There were two beach attendants on both Friday and Saturday and a hired security guard at the entrance to the beach who checked people in and ensured that no unit ever had more than 9 guests. On July 3rd, 39 units were represented with a total of 164 people at the beach. On July 4th, 48 units attended, with 216 people. The Board tentatively decided to continue the same system next year. The discussion will be continued in the spring of 2027.

A few homeowners posed questions to Buster:

-When will more buildings receive the new railings? 16 buildings have had the new Trex decks installed and the new railings. The schedule is dependent on the state of the wood decks and at the moment, none are in disrepair. The next 2 buildings will be done in 2028. This work is being done in house.

-Could we have an electronic keypad on the side gate to the beach property? Buster agrees that is a good idea and will look into the feasibility of the installation.

-When we will upgrade the rowboat, perhaps with a motorized boat? Buster thinks this is a possibility and will begin pricing out a new boat.

4. *Treasurer's Report.*

We are on budget. Our budget is 2.2 million dollars and our goal is to break even. We will have the 2027 budget completed by December 1 and send to homeowners. The budget is comprised of 30% labor, 30% insurance (which used to be 10%), 21% operations (accounting, legal), and 17% facilities (gas, utilities, etc.).

Changes this year have included saving money by eliminating our bookkeeper as an employee with full benefits and instead using a bookkeeping service. There were some hiccups with this transition such as delays in processing dues statements to homeowners, but things are now progressing well. Automatic payments of dues will also increase efficiency and many homeowners have signed up for this.

Laura announced that she will be resigning as Treasurer but will remain on the Board as Assistant Treasurer for one more year to aid in the transition to a new treasurer. Her father, and then Laura, have served as Rocky Ridge Treasurers for 35 years! The Board and homeowners thanked Laura for her exemplary service over the years.

Laura explained that applicable tax and governance laws require that assessments collected for a particular year must be used for expenses incurred for that year unless the membership approves of rolling forward any excess funds so as to be applied against the following year's expenses. This provision is a routine approval provided by the membership each year. Laura made the following motion which was seconded and unanimously passed:

WHEREAS the Rocky Ridge Homeowners' Association is a nonprofit mutual benefit corporation; and

WHEREAS the corporation seeks to act in accordance with applicable IRS Revenue Rulings; and

RESOLVED, that any surplus funds remaining in the Association's budget at the end of the 2026 fiscal year shall be applied to the following year's budget as provided by IRS Revenue Ruling 70-604.

5. Insurance.

Jack Dittoe, homeowner, insurance litigation specialist and a member of the Board Legal Committee, presented our progress to date in our lawsuit against our former insurance broker and insurance companies. One of the insurance companies has agreed to settle and the settlement agreement is in the process of preparation. Because of confidentiality issues, we are not permitted to state the amount of the settlement with this one defendant. Our case against the two remaining defendants is still under settlement negotiations with a trial date set for May, 2027.

Bruce Shepherd discussed the outlook for 2027 insurance rates. As everyone knows, the procurement of insurance has become one of the Board's largest tasks. Each year, a great deal of time is spent with our insurance broker discussing the different policies and rates available. The size of our property necessitates that we break up coverage and we have four different insurers, but all units have the same coverage. The California Fair Plan covers 20% of the units and the Plan has already announced that premiums will increase in 2027. We hope to receive further information from our broker during the September 15th Board meeting.

The Board has discovered that many homeowners who rent their units may not have sufficient coverage to protect themselves or the Association. Renters must carry their own renter's insurance as most second home policies exclude commercial activities (rentals) from coverage. The homeowner needs to have a special rider on their policy that will cover rental activities and the Association should be named as a secondary insured.

The Board also encourages homeowners to analyze their respective insurance coverage for property damage "inside" their townhome (H-06 policy). The insurance procured by the Association in the case of a building total destruction excludes damage to items "from the walls in".

6. The Rocky Ridge Vision Committee.

Jim Naylor, Chair, reported that the committee had their first meeting and are creating a draft letter to Homeowners explaining the process. Besides the many extravagant wish lists, there are 3 compelling items for discussion: the future of the lower pool, the concrete pads supporting the decks and the 56 year old siding on our buildings.

The goal of the committee is to determine how best to replace amenities that are too large to be budgeted through our annual budget. Do we want new facilities such as an EV charging station? Are special assessments the only way of funding new projects?

The Committee is planning to research other HOAs in the area to see how they process these issues. The group is in its infancy but hopes to have something more concrete to report at the next Homeowners meeting.

7. Homeowner Comments.

In addition to the comments and questions received during Buster's report earlier in the meeting, the following questions were asked:

-How best to communicate with Buster? Send an email to rockyridgemaintenance@gmail.com

-Does the installation of a generator require prior Board approval? Yes, Just like the installation of an air conditioner, a generator requires prior Board approval. The forms are on the website.

-Homeowners uniformly complimented the grounds and beach staff for their friendly demeanor and can-do attitude.

In his closing remarks, Matt encouraged Homeowners to attend the Board meetings via Zoom and perhaps join a committee. Our property will improve with more homeowner participation!

At 12:30, the meeting was adjourned.

After the meeting, The Board met for a quick discussion to appoint the following officers for the coming term.

President: Matt Howarth

Vice President: Stacy Conner

Secretary: Gail Gabiati

Treasurer: Jim Naylor

Assistant Treasurer for one year: Laura Bertone