

RIVERLAKE COMMUNITY ASSOCIATION

MEETING OF THE BOARD OF DIRECTORS

May 26, 2010

MINUTES

NOTICE Upon due notice given and received, the Board of Directors meeting of the Riverlake Community Association was held on May 26, 2010 at the office of the Association, 799 Lakefront Drive, Sacramento, California, 95831.

BOARD MEMBERS PRESENT Bob Murphy – President
Richard Soo Hoo – VP/CFO
Jim Parker – Director
Calvin Gladden – Director
Andrew Plescia – Director

BOARD MEMBERS ABSENT Arnold Bray – Secretary
David Maggenti - Director

OTHERS PRESENT Kevin D. Hubred, CCAM, PCAM – General Manager

CALL TO ORDER A quorum was established and the meeting was called to at 6:08 PM.

EXECUTIVE SESSION DISCLOSURE CC&R Violation Hearings
Foreclosures
Homeowner Request

OPEN FORUM Homeowner, David Ashman, was present during the open forum portion of the meeting.

CONSENT CALENDAR The Board reviewed the minutes and April financial statements and made changes as necessary.
A motion was made, seconded and passed unanimously.

RESOLVED: To approve the consent calendar approving the regular board meeting minutes from April 26 as amended, the executive session meeting minutes from the April 26, 2010 meeting and the acceptance of the April financial statements as recommended by the Finance Committee.

UNFINISHED BUSINESS **A. INVESTMENTS**
The investment recommendations from Paul Cutter (UBS), was postponed from the March board meeting pending Finance Committee review. At the April Board meeting, management presented proposals from Paul Cutter who recommended that the Association invest in one \$90,000, 8 year TIPS investment at CPI + 1.05% and another \$90,000, 10-year TIPS investment at CPI + 1.30%. After much discussion, the Board chose to approve investment strategies as recommended. However, from the date of receipt of the proposal and the approval of investments, the market changed dramatically and the two recommendations for the TIPS investments in the amounts of \$90K each were not executed in April, pending the return of investment rates.

On May 17th, management and the Finance Committee met with Paul Cutter to discuss the investment strategies which are listed below, including the \$180K that was not invested as approved at the April board

meeting.

RCA Investment recommendations from Paul Cutter at UBS

- 2019 \$150,000 9-year TIPS @ CPI + 1.03% (*152,607 inflation-adjusted value)
- 2019 \$100,000 9-year Zero-coupon Treasury @ 3.45% (\$73,489 cost)
- 2020 \$ 80,000 10-year TIPS @ CPI + 1.13% (*80,364 inflation-adjusted value)
- 2020 \$100,000 10-year Zero-coupon Treasury @ 3.72% (\$69,172 cost)

After much discussion with the board and members of the Finance Committee, the Board approved the recommendation presented for investments by Paul Cutter.

A motion was made, seconded and passed unanimously.

RESOLVED: To purchase the following investments as recommended by Paul Cutter:

\$150,000 9-year TIPS @ CPI + 1.03% (*152,607 inflation-adjusted value);

\$100,000 9-year Zero-coupon Treasury @ 3.45% (\$73,489 cost);

\$ 80,000 10-year TIPS @ CPI + 1.13% (*80,364 inflation-adjusted value);

\$100,000 10-year Zero-coupon Treasury @ 3.72% (\$69,172 cost)

NEW BUSINESS

A. INVESTMENT POLICY REVISION

At the May 17, 2010 Finance Committee meeting, Paul Cutter with UBS Financial suggested minor recommended changes to the investment policy to provide for better investment strategies relating to the length of the investments and the prohibition of investing in Zero Coupon investments. The Finance Committee also made some additional changes to the policy, which was presented to the for Board review.

The Board discussed the suggested change in approval of the investments by the Finance Committee, CFO or other designated person, and opted to keep the decision making with the Board as status quo.

A motion was passed, seconded and approved unanimously.

RESOLVED: To approve the investment policy revision as amended maintaining the responsibility of making investment decisions with the Board of Directors.

B. LIEN FILING

Allied Trustee Services recommended approving the filing of a notice of delinquent assessment (NODA) for parcel's 031-1210-046-0000 to protect the financial interest of the association's assessment income.

NODA - TS#10-12684 - Parcel#031-1210-046-0000

A motion was made, seconded and passed unanimously.

RESOLVED: To file a lien against the properties located at Parcel #031-1210-046-0000 .

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at approximately 7:12 PM.

NEXT MEETING

The next meeting is scheduled as follows:

- Regular Board Meeting on Wednesday June 23, 2010 at 6:00 PM at the Association office at 799 Lake Front Drive, Sacramento, CA 95831.

ATTEST: Respectfully submitted by Kevin D. Hubred, CCAM, PCAM – Riverlake General Manager

SECRETARY'S CERTIFICATE

I hereby certify that I am the duly appointed and acting Secretary of the Riverlake Community Association, and do hereby certify under penalty of perjury that the foregoing is a true and correct copy of the Minutes of the Regular Board Meeting of the Board of Directors held on May 26, 2010.

Dated: June 23, 2010

Arnold Bray, Secretary