

RIVERLAKE COMMUNITY ASSOCIATION

MEETING OF THE BOARD OF DIRECTORS

June 23, 2010

MINUTES

NOTICE Upon due notice given and received, the Board of Directors meeting of the Riverlake Community Association was held on June 23, 2010 at the office of the Association, 799 Lakefront Drive, Sacramento, California, 95831.

BOARD MEMBERS PRESENT Bob Murphy – President
Arnold Bray – Secretary
David Maggenti - Director
Jim Parker – Director
Calvin Gladden – Director
Andrew Plescia – Director

BOARD MEMBERS ABSENT Richard Soo Hoo – VP/CFO

OTHERS PRESENT Kevin D. Hubred, CCAM, PCAM – General Manager
Tare Correa – Administrative Coordinator

CALL TO ORDER A quorum was established and the meeting was called to order at 6:01 PM.

EXECUTIVE SESSION DISCLOSURE CC&R Violation Hearings
ADR Request

OPEN FORUM There was approximately ten (10) Riverlake homeowners present during the open forum portion of the meeting.

CONSENT CALENDAR The Board reviewed the May 26, 2010 regular and executive session minutes.
A motion was made, seconded and passed unanimously.
RESOLVED: To approve the consent calendar approving the regular and executive session board meeting minutes from May 26, 2010 as submitted.

UNFINISHED BUSINESS **A. LANDSCAPE GUIDELINES**
At the April Board meeting, the Board approved (in concept) the Landscape Guidelines (“LG”) that addresses the requirements for ACC approval for: potted plants; pots and planters; statues; and landscaping related applications to front and rear yard landscape design, all of which require the architectural application process and approval by the ACC. In May, management sent the proposed guidelines in its entirety to all of the members of the association and gave the cause and the effect of the new rule.

At the June meeting, the Board reviewed the letters written by homeowners at Riverlake and also listened to comments made by homeowners that were present at the meeting. After much consideration by the board, the guidelines were postponed for sixty (60) to ninety (90) days pending further review.

**NEW
BUSINESS**

A. HOMEOWNER APPEAL

The homeowner residing at 24 Watershore Circle made an appeal to the Board for an ACC decision that required them to paint the front door a color different from what they painted, which was done without ACC approval. The appeal was to be heard under New Business, as per the Ca Civil Code, but the unfinished business portion of the meeting ran longer than anticipated and the homeowner left the meeting prior to addressing the Board. The appeal was postponed until the July 28, 2010 board meeting.

B. HOMEOWNER APPEAL

The homeowner residing at 8087 Linda Isle Lane in the Islands at Riverlake village made an appeal to the Board for an ACC decision to paint the trellis/ pergola in their back patio area. The homeowner originally requested that they be allowed to apply a sealant that would allow the trellis to be in a natural state and plant vines to hide the structure – the ACC denied the request and asked them to paint the trellis the color of the fence.

After discussing the painting of the trellis/ pergola, the Board and the owner came to an agreement.

A motion was made, seconded and passed with a no vote from Director Parker.

RESOLVED: To allow the homeowner to paint the trellis to match the darker color of the trim on the home.

C. LIEN FILING

Allied Trustee Services recommended approving the filing of a notice of delinquent assessment (NODA) for parcel's 031-1200-030-0000 and 031-1240-031-0000 to protect the financial interest of the association's assessment income.

NODA
TS#10-13302
Parcel#031-1200-030-0000

NODA
TS#10-13303
Parcel #031-1240-031-0000

A motion was made, seconded and passed unanimously.

RESOLVED: To file a lien against the properties located at Parcel#031-1200-030-0000 and Parcel #031-1240-031-0000.

D. BOAT PARKING ENFORCEMENT

At the May Board meeting, members of the Board suggested that the Board discuss management's ability to authorize short term parking of boats at Riverlake for those homeowners that store their boats at a storage facility. The item was added to the June agenda for discussion.

The Board reviewed Section 8.03B (et. seq.) of the CC&R's that addresses parking, garages and vehicles in addition to the annexation documents for various villages that addresses the prohibition of parking or storing a boat on a lot or parcel at Riverlake. All villages (BV, CR, CS, etc) have the same or similar verbiage restricting boats.

After review of the governing documents, it was determined that the CC&R's prohibit the parking of boats anywhere within Riverlake and the Board does not have the authority to allow residents to temporarily park boats on their lot or in the street in front of their lot. The item was tabled indefinitely.

E. SPEEDING AT RIVERLAKE

The Board discussed reports of speeding at Riverlake recently. The speed limit at Riverlake is a maximum of 25 miles per hour. In the past, there were reports of habitual speeders and reckless driving, which is very dangerous. Speeding is against the rules and is enforceable through the Associations CC&R compliance procedures, with possible monetary fines and penalties. The Board of Directors had discussed speeding at Riverlake in the past and was willing to take measures by any means possible at that time. However, they are limited to corrective actions without eyewitness accounts.

On numerous occasions, management wrote an article in The Whirl Newsletter asking residents of Riverlake who witness excessive speeding and/or reckless driving to contact the office with information such as the date, time, location, license plate number, make, model and color of vehicle, a description of the person driving the car and the address of where the offense has taken place, if possible. It can be very difficult to identify vehicles that are speeding on private property.

The Board also discussed additional ways to help reduce speeding and reckless driving at Riverlake by considering the following: renting a portable radar device that shows the speed of a vehicle; contact residents of Riverlake (i.e. Newsletter, e-mail, etc) asking them to contact the association when they witness speeding; adding speed limits on the pavement; hiring an off-duty police officer to write tickets.

F. POCKET ROAD TREE COMMITTEE

The Board met to discuss their role in the Pocket Road Tree Committee and their project to remove and replace the mistletoe infested pear trees in the median on Pocket Road. In lieu of the changes in city council, the Board chose to table this item until further notice.

G. RCA FEDERAL EXEMPT FILING 501(C)4

The Board met to discuss filing for Federal tax exempt status 501(C)4. RCA has points going in favor of filing such as maintenance of the medians on a public thoroughfare that would support exempt status, but also points against for maintenance of common areas that are not open to the public that would prevent qualification for exempt status.

The estimated chances of obtaining status are less than 50/50. If the Board wishes to take the chance on this the full fee is \$9,000 for preparation of the application, which includes preparation of amended tax returns to claim refunds once the application is approved. The CPA filing the exempt status is prohibited by IRS rules from accepting contingent fees. However, to help limit the cost exposure to the Association, Porter and Company is willing to charge only \$4,500 for preparation of the application, and if approved, then charge \$4,500 for preparation of the amended tax returns. If the application is denied, then the amended tax return fee never comes into play, and the Association's total cost is \$4,500, plus the \$750 filing fee to IRS

The Board felt that there was additional information that was needed before they could move forward with the tax exempt filing and are as follows:

1. Regarding Private Letter Ruling (PLR) - has the IRS ever charged an HOA the Transfer Tax, regardless of your PLR?
2. If RCA obtains exempt status, would this change the composition of the incorporated association status (if at all) in any way?
3. Would Porter & Company (P&C) be willing to look at all of our documents, and to better determine if our chances of obtaining status would increase (from less than 50/50) before filing (and being charged)?
4. Would P&C be willing to accept \$2,500 filing fee, and \$6,500 for amending tax returns if we obtain exempt status?

The decision to attempt to file for Tax Exempt 501(c)4 was postponed until the July Board Meeting pending additional information.

ADJOURNMENT There being no further business to discuss, the meeting was adjourned at approximately 9:20 PM.

NEXT MEETING The next meeting is scheduled as follows:

- Regular Board Meeting on Wednesday July 28, 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 June 23, 2010.

Dated: July 28, 2010

Arnold Bray, Secretary
