

RIVERLAKE LAKE ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
Monday April 26, 2010

MINUTES

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

BOARD MEMBERS PRESENT Dave Skeen – President
Jim Parker – VP
Calvin Gladden – Secretary
Bob Murphy – Director
Tamara Dawn - Director

BOARD MEMBERS ABSENT None

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

CALL TO ORDER The meeting was called to order at 6:01 PM.

EXECUTIVE SESSION DISCLOSURE None.

OPEN FORUM There were no homeowners present during the meeting.

CONSENT CALENDAR The Board reviewed the minutes 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 as amended from the March 24, 2010 meetings.

UNFINISHED BUSINESS

A. Payment Plan Approval

At the February 24, 2010 Board meeting, the board discussed foreclosure proceedings as it relates to approving payment plans. When homeowners are sent to the Association collections agency Allied Trustee Services (ATS) because they are behind in their assessments, homeowners will sometimes request a payment plan to bring their assessments current. This payment plan will consist of paying monthly assessments and late fees due to the Association as well as the any costs incurred for collections proceedings, which are paid to ATS.

At the March 24, 2010 Board meeting, the Board discussed whether they should accept entering into a “Blanket Payment Plan and Extension Authorization” with ATS that would allow them to accept payment plans and extensions on behalf of the Associations. The Board however, was a bit reticent in providing that much authority to ATS and suggested that the Board consider authorizing the General Manager to accept payment plans, submitted by ATS or individual homeowners and directed management to consider alternative options.

Management presented a payment and extension plan that authorized the General Manager to approved payment and extension plans with homeowners, based on specific criteria, on behalf of the

Board of Directors.

A motion was made, seconded and passed unanimously.

RESOLVED: To accept the payment plan as amended clarifying that payments are due on the 1st of the month when payment plans are accepted between the 1st and the 15th, and payments are due a maximum of 45 days, or by the 1st of the following month, if payment plans are accepted between the 16th and the 31st of the month (i.e. the second installment is due on August 1st when a payment plan is accepted between June 17th and June 30th).

**NEW
BUSINESS**

A. E-MAILS TO RESIDENTS

Members of the Board of Directors and the Finance Committee expressed their desire to establish the means of sending documents to Members/Residents of the Association via electronic mail (E-Mail).

Management determined that the best possible method of sending out e-mails to the Members is to set up a database in the Microsoft Exchange server. The Association will then be able to send an e-mail to its members with *Links to documents that the Association is required to send, such as: the annual budget and membership disclosure; and, the annual review. The Association will also be able to send out a link to the newsletter, gate code changes, and any other notices that would benefit the members.

According to the Davis-Stirling Act, Civil Code Section 1350.7 – Deliver of Documents – The CC Substantiates the ability to send an e-mail with a Link to documents stored on our website (or other location) as a means of “Delivery” of required documents. The association would be required to send consent forms to the members that states that they are in agreement to accepting this method of delivery (E-mail or other electronic means) and must respond in writing.

After much consideration, the Board approved establishing the e-mails system as a means of communicating with the members of the association.

A motion was made, seconded and passed unanimously.

RESOLVED: To approve moving forward with establishing e-mails as a means of communication with the members in accordance with Civil Code Section 1350.7.

B. FORECLOSURES – AB 2052

Management received a Call to Action to oppose AB 2502 which is a revision to the current Civil Codes 1367.1 and 1367.4 of the Davis Stirling Act. Management received, by e-mails, calls to action from CACM, CAI and attorneys in the CID industry in the state of California, asking that Boards of Directors oppose this proposed this new bill.

Assembly-member Julia Brownley proposed legislation that would impose new and unwarranted restrictions on the assessment collection process for California community associations. Without any showing that there is a need for this new law, her proposed new legislation would protect delinquent owners at the expense of their associations and all of the owners that timely pay their fees and/or assessments.

The proposed law would raise the thresholds for foreclosure from \$1,800 or 12 months delinquent to \$3,600 or 18 months delinquent. In addition, it would not allow associations to require that owners waive the provisions of Civil Code Section 1367.1 with respect to how their payments are allocated, even if they are not harmed by that waiver.

The board directed management to contact the association’s attorney to determine if the Board has the authority to act on behalf of the members when this type of issue arises.

On April 28, 2010, the hearing at the Assembly Housing Committee went well as the bill passed, **as significantly amended to no longer jeopardize HOAs.**

Basically, the bill was gutted and amended to only deal with debt collectors, leaving intact existing law regarding the delinquency thresholds of \$1,800 and 12 months. As amended, it also:

- Deletes a requirement that all payment plans must be approved in open session of the board.
- Deletes that an owner may unilaterally alter payment plans and reduce payments.
- Permits an owner and an association to amend a payment plan contract.
- Allows an HOA to retain counsel.
- Requires agents of the association that will collect payments to be bound by the payment plan entered into by and between the association and owner. Waivers of contracts will not be permitted if the measure becomes law.
- Deletes that the owner can require the association to meet in open session to discuss his/her payment plan.

As amended, CAI-CLAC dropped its opposition to the bill.

C. FLOOD INSURANCE

Management presented the 2010 flood insurance that renews on May 20, 2010. The Board has the option of purchasing the flood insurance but the CC&R's do not require purchasing flood insurance since they are not considered high risk for flooding – the association is currently rated Preferred Risk. The Board considered the risk of potential damage and liability to the Association if a flood occurs and they approved the purchase of the insurance policy, option one.

There were two options available for Board consideration as follows:

Option 1 – provides coverage at amount of insurance currently in force:

Option 1 - \$1,041.00 Premium

1. **Building - \$200K - \$1K Deductible**
2. **Contents \$50K - \$1K Deductible**

Option 2 - \$1,279.00 Premium

1. **Building - \$250K - \$1K Deductible**
2. **Contents \$100K - \$1K Deductible**

The Board considered the risk of potential damage and liability to the Association if a flood occurs and they approved the purchase of the insurance policy, option one.

RESOLVED: To purchase the flood insurance policy from Fire Insurance Exchange that renews on May 20th, 2010 for the amount of \$1,041.00. The Policy covers loss with building coverage of \$200K with \$1K deductible and contents coverage of \$50K with \$1K deductible.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at approximately 8:25 PM.

NEXT MEETING

The next meeting is scheduled for:

- Regular Board Meeting on Wednesday May 26, 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 April 26, 2010.

Dated: May 26, 2010

Calvin Gladden, Secretary