



**Holiday RV Park Owners Association
Board of Directors Meeting
August 25, 2018 – Special Meeting**

Board of Directors

Charles Nunes–President & Park Maintenance
John Watkins–Vice President
Lorena Lemus–Secretary
Brenda Critzer–Treasurer
Fernando Da Silva–Management

Mark Schieber–Rules and Regulations (Absent)
Leroy Laird–Public Relations
Brien Carlson–Park Use
Tom Barcellos–Collections

Owners Present

68

Meeting was called to order at 10:14 am by Charles Nunes

Flag Salute by John Watkins

President’s Address

1. Please turn off all cell phones.
2. This meeting is restricted to Owners only.
3. This is a volunteer Board. No one is paid for their time. Board Members are reimbursed for out-of-pocket expenses.
4. Discussion of issues can become heated and emotional, but everyone deserves to be treated with dignity and respect.
5. Regular and special meeting of the Board are open to all Members of the association, Members who are not on the Board may not participate in any deliberations or discussions unless expressly so authorized by a majority of a quorum of the Board of Directors.
6. Owners may participate in meeting during the Owner’s Comments section of the agenda.
7. Questions, comments or suggestions will be referred to a Board Member, as appropriate or taken into consideration by the Board for research, review and discussion, and placed on next month’s agenda.
8. Holiday RV Park’s procedures and meetings are governed by our bylaws, CC&Rs, and rules adopted by the Board.
9. This meeting is a continuation from July 11, 2018 and August 14, 2018 solely to discuss special assessments and any related topics including voting.

Correspondence – Leroy Laird

Topic was not covered during this meeting.

Committee Reports

Management – Fernando Da Silva

Topic was not covered during this meeting.

Collections –Tom Barcellos

Topic was not covered during this meeting.

Park Maintenance – Charles Nunes

Topic was not covered during this meeting.

Financial Report: Brenda Critzer

Topic was not covered during this meeting.

Rules and Regulations – Mark Schieber (Absent)

Topic was not covered during this meeting.

Public Relations/Publicity – Leroy Laird

Topic was not covered during this meeting.

Park Use – Brien Carlson

Topic was not covered during this meeting.

Manager’s Report – Julie Hill-Taylor

Topic was not covered during this meeting.

Old Business

1. Special Assessments – Charles Nunes

As a reminder to everyone here today, this is a special meeting that the Board has called strictly to talk about the special assessment so please try to remain on topic.

Editor’s note – At this time the clubhouse was filled beyond capacity and there were several Members standing outside on the stairwell that could not hear anything. Charles Nunes made a decision to adjourn the meeting and reconvene outside to the Magnolia Center to better accommodate everyone in attendance. The meeting resumed approximately 10 minutes later.

Okay, listen up please. We are going to continue this meeting outside today, we were exceeding our maximum capacity in the clubhouse. Thank you for your consideration in relocating.

I would like for this meeting to be an open session, and I want to hear from the Members today your opinions about this assessment. I have heard a lot of talk and a lot of rumors this past month. As far as I am concerned, this is all talk! I want to hear what you *really* think today.

As John Watkins stated at the meeting two weeks ago, the Board apologizes for sending out the ballots under the conditions that all unreturned ballots should be counted as “yes” votes. It wasn’t legal and that is why the election was declared null and void. The entire Board is frustrated that certain information was withheld from us while we made our decisions and we just want everyone to understand that if we had known what we know now, we certainly would have went down a different road on this ballot. Again, I hear rumors that the Board doesn’t know what they are doing. Please remember that we tried to do the best we could for the entire Park with all the information we had available to us at the time.

In lieu of counting the votes received, which would not be legal, we are going to destroy the ballots following this meeting in view of everyone here today.

I would like to begin our discussion now in an open session, so please stand up when called upon and state your name and Locker Number.

New Business

Topic was not covered during this meeting.

Owner’s Comments

Charlotte Medford (Locker 184) – Can I ask for a little more clarification as to why the ballots are being destroyed today instead of being counted?

Response from Charles Nunes – Because we stated that unreturned ballots would be counted as “yes” votes that may have discouraged certain Members from voting, as indicated by the attorney’s letter sent to the Board from a previous Director. So our current understanding is that the ballots were illegal and illegal ballots cannot be counted in any way.

Elsie Metzler (Locker 828) – The letter was a threat; either you vote or the Board will vote for you. It was very unkind and could have been worded differently.

Response from Charles Nunes – I apologize to those that felt the letter read threateningly, it was not intended to be a threat. Our intention was to get people to vote. As everyone knows, we are struggling to pass any measures that we present to the Ownership because we simply do not get enough votes back. We tried to make a point; you need to vote!

Debra McCorkle (Locker 126) – Why are you not going to our lawyers first before trying to implement something, so you can make sure it is legal before sending it out?

Response from Charles Nunes – That is a very good question, but to be honest with you the fact is that our legal fees are tremendous and since we are in a budget crunch so we were trying to do everything we could to save money. When we need to speak with our attorneys the bill is regularly in the thousands.

Fernando Soares (Locker 87) – Holiday RV Park belongs to the Owners that live in the Park and the Owners that do not live in the Park. I pay my taxes, I pay my dues every year and I have a right to vote. I don't pay the utilities however, the people that live in the Park and the Board does. A lot of decisions get made without our input as Owners and you guys call the shots without giving me my right to vote.

Another question, how are you going to spend \$400,000 to repair a restroom? Do you have an answer for that?

Response from Fernando Da Silva – Let me try and answer that for you; when we allocated the amount needed for the restrooms the Board was trying to financially cover every consideration. To start with, we don't know yet what kind of restrooms we are going to build. We have received several suggestions during previous meetings, some Members asked for a family restroom as an example, the kind where a husband could help his wife or daughter use the bathroom in privacy if they are disabled or wheelchair bound. Also, the condition of the building is in such poor shape, we honestly don't know what we are going to find underneath.

There is something else I would like you to understand; if the actual costs come in under the amount that the assessment called for then the assessment stops. We are only trying to repair our facilities as much as needed, no one on this Board wants to spend money needlessly. However, we have to start somewhere and we don't want to start too low and suddenly run out of funds with a half-finished bathroom. To think of it another way, can any of you tell me what the price of gas will be in the year 2022? Sometimes we need to plan for the unknown.

What I don't want is another financial disaster like the pool remodel. We under assessed that project and it bit the Board and the Owners in the ass! So going back to the question, where do we come up with \$400,000 for the restrooms? We, meaning the Board and other Owners, still are trying to figure out exactly what kind of restrooms we should build and we don't want to underfund another huge project.

Response from Tom Barcellos – To try and explain that amount more clearly, please consider that a 2,000 square foot restroom building is costing us at least \$200 per sq. foot to remodel. That's where the actual number comes from.

Debra McCorkle (Locker 126) – People might not have so many questions about what is being spent if it wasn't just a number. Maybe an explanation of how much the materials and labor cost would reduce the amount of questions people have about the total amount.

Response from Fernando Da Silva – Yes ma'am, you are absolutely right about that. We would love to give the Owners that information, but the Board doesn't even have drawings yet to begin calculations on materials and labor. Once we do have more information, we are going to share everything with the Owners.

Response from John Watkins – We have to answer to the State of California when it comes to exactly how our bathroom facilities are planned and constructed. That being said, the Board is not against pursuing cheaper options on construction or materials if they still suit our Park's needs.

Rafael Pacheco (Locker 54) – Why do you insist on doing everything at once? My opinion is to work on one project at a time instead.

Response from Charles Nunes – We are not intending to work on every project at once but we would like to secure funding for all the projects if possible because we don't want to continually ask our Members for more money each year.

Response from John Watkins – Per the CC&Rs, if the Board assesses more than 5% of our budgeted gross expenses in a fiscal year then we have to receive approval from a majority of the Ownership. That means if the elevator was to break tomorrow, for example, we would not have enough money in the bank to fix it. If it breaks next year, we don't have the money. And just to be clear, 5% of our annual budgeted expenses would not equal enough to fix it. It would take over 2 years just to pay for the elevator alone based on assessing the Members for only 5% of our total expenses.

Joyce Aldrich (Locker 440) – I think an ad-hoc committee would work well to handle the planning and construction progress of our repairs. It would get other Members involved that are not on the Board and generate more dialogue and productive collaboration between everyone. I may also suggest the committee is odd-numbered and that Park employees not be considered part of the committee itself.

Response from Charles Nunes – Thank you for bringing that up, that is actually how the Board created the project list and estimated the amounts for each item on that list. I was on the committee with Brenda Critzer, along with John Souza and Kip Hayes representing the Ownership. We will continue to form committees like that in the future, I am in favor of that personally. Also, part of the reason that we asked for this meeting was to reach out and collaborate with everyone more than was common under past Boards.

Kari Olafsson (Locker 291) – What is our next step after destroying the ballots today? Are we going to proceed with another ballot or is there another direction the Board wishes to take?

Response from Charles Nunes – Well, that's what we are hoping figure out today. I still want to hear more opinions but what you suggested might be what the Board pursues. We may send out another ballot, with different verbiage of course, and see where it goes. Perhaps we will send out multiple ballots with alternative options, we just don't know quite yet.

Linda Caputa (Locker 754) – My question in looking at the list of projects is, how much time do we have to complete the projects related to ADA compliance? Surely we must have a due date.

Response from Julie Hill-Taylor – The inspection that the Park requested in 2017 to review all our ADA shortcomings lists a due date of March 2019 to complete all the necessary improvements. However, the office staff and I have been in direct contact with a State representative for the ADA in order to track our progress. We are required by law to show good faith that the Park is working to complete all the improvements. All we have left to do are the big-ticket, high cost repairs. This entire assessment process is a continuation of that good faith in that we are trying to allocate funds to complete our ADA requirements.

However, I need everyone to understand that just because we are making good efforts and working hard to improve the Park for our disabled guests that does not mean we are protected from a potential lawsuit in the slightest. As long as we are not in compliance, the Park runs the risk of an individual person or a legal team hitting the entire Membership with a suit.

Linda Caputa (Locker 754) – Is there any way of getting some kind of legal protection, in writing, from our ADA contact?

Response from Julie Hill-Taylor – Yes and no. That is a great question but unfortunately there is nothing that the State can do to protect us on paper. What our contact has advised is for us to keep a journal composed of all the improvements we have already done, proof of their costs on our financial reports and she has provided us with coding to what specific sections of the Americans with Disabilities Act that we are coming into compliance with for each improvement. Again, that cannot protect us in court against a lawsuit unless the Park comes into 100% compliance with the current laws.

Charlotte Medford (Locker 184) – I may have missed this earlier or from a previous meeting, but we are thinking that the restroom building itself needs to be torn down and rebuilt?

Response from Charles Nunes – No, at this time the Board is not expecting that to be necessary, however we are requesting the services of an architect to make sure of that. Based on the age and deterioration of the building it is certainly one possible outcome so we have to be sure before we move forward. Their expertise is critical to ensure we are meeting ADA compliance too.

Fernando Soares (Locker 87) – I would like the Board to confirm, for me, that the amount of money being asked for is the same for every Owner. Also, I understand that stay over at Pismo Coast Village it's about \$70 a night and for us at the Park it's \$35. Now I heard, and I don't want to mention names, that we going to have to pay \$50 as Owners. Is that true?

Response from Fernando Da Silva – Yes, the cost is the same for every share. I'm glad you brought that up. So this assessment is based on each individual share of the Park, not Snowbird or Monthly nor anything else. If you own 5 shares, then you have to pay for each share! There will be no discounts besides the Members that choose to pay their assessments in full to get 10% off.

Elsie Metzler (Locker 828) – Julie, can our Park be closed down for lack of compliance with the ADA? What happens if Owners refuse to pay this assessment, can you force them to?

Response from Julie-Hill Taylor – Yes, that is a possibility but right now our contact at the State Dept. has not indicated that explicitly to us yet. We are interpreting that fact that she keeps mentioning our “good faith” efforts to mean that is something we are currently not in danger of yet, but it remains possible.

Response from Brenda Critzer – If the Members approve an assessment and it goes into effect it means that in order to enjoy the privilege of staying here and using free days then you must pay any assessments that are due.

Ed Aldrich (Locker 440) – Do you have a copy of the letter from our ADA contact at the State Dept.? Also, there are a lot of very skilled Owners in the Park that would be happy to volunteer their services to the Park so we can all try to save some money.

Response from Julie-Hill Taylor – No, there is no letter because we only speak with her over the phone and then compose a summary of our conversations to keep in the journal tracking our ADA progress. The Board requested an inspector to visit the Park in 2017 and we do have a copy of his report; it is nearly 400 pages long! We do have a copy of that report in a binder in the office.

Response from Charles Nunes – At the moment we are looking for licensed and bonded contractors because of the importance of these projects, and to make sure everyone works safely and professionally. The Board is open to receive bids from Owners if they are licensed and bonded as well.

That being said, I am aware of situations in the past where the Board did allow volunteers to donate their services to the Park but then come back to the Board later on and request special favors like a week or two of free time for helping out, which was not fair to the other Members.

Mitchell Coonce (Locker 852) – Why are we getting off-topic from the ADA improvements? That’s what this meeting is all about; it’s not about trying to build some deluxe hotel around the bathrooms. I was there with the inspector last year and I know exactly what he said we needed to do, do you have a copy of that Charles? Because it sure doesn’t mention spending \$400,000.

Response from Charles Nunes – Yes, we have that information in the office, but Mitch you must understand that we have a restroom building that is old and falling apart. Part of our ADA mandate includes installing updated facilities for disabled guests to use, but if you are suggesting that we just add those facilities to a building that is in disrepair and allow it to deteriorate like previous Boards did then I have to tell you the answer is “no.” We will repair that restroom as much as we have to, but it is not our intention to go overboard on spending.

Mary Martin (Locker 714) – California laws have changed so much over the past 20-30 years that it really does cost a lot more to remodel a bathroom than people might think it does. I had to remodel my own home a few years ago and it cost us way more than what I had originally estimated. Our state is notorious for high costs of construction and redevelopment.

For persons that are interested in becoming Owners but are not privy to all this information about maintenance and potential assessments we should consider providing some kind of notice to help explain to prospective buyers that it is a possibility of having to share in maintenance costs beyond what our normal dues account for.

Joe Nunziato (Locker 115) – I might suggest that the Board consider presenting any further proposals for an assessment on a 3-year timeline in order to account more clearly for the accrual of funds on a yearly basis. It should feature more detail, item-by-item, to help everyone better understand how this money will be spent.

I would also like to extend an invitation to the Board to visit Pismo Coast Village and I’d be pleased to show you the restroom facilities there, including the private restrooms for disabled or elderly guests. This may give you some ideas for our Park.

Linda Caputa (Locker 754) – There are contractor-designers that could inspect our restrooms and save us a lot of money on hiring an architect and having to pay for their plans.

Charlotte Medford (Locker 184) – I’m not sure if anyone here watches any of the home improvement and renovation shows on TV, but on those programs the biggest expense for any project is always associated with either the bathroom or the kitchen.

Mary Jo Sawyer (Locker 531) – I agree with the suggestion that the Board should prioritize and list a 3-year breakdown on the project costs. Another Owner mentioned that we have a lot of general contractors in our Association and I also support

reaching out to them for assistance. We could consider remodeling each restroom separately in order to still have at least one bathroom open to use during renovations. I have heard several good ideas from the Owners here today so I might also suggest adding more people to the ad-hoc committee that know what they are doing. I would feel better knowing that a greater representation of our ideas and interests are represented.

Response from Brenda Critzer – I would love to invite more people to the ad-hoc committee. We asked during a previous meeting and there were two people that volunteered but we are certainly open to anyone here today that wants to join the committee.

I know that everyone cannot attend Board meetings all the time, but I strongly suggest reading the minutes to each meeting so that you can stay abreast on what is going on in the Park. There has been a lot of information noted in our minutes during the past year!

Don Smith (Locker 90) – I know you just mentioned the minutes; is there another way to get access to those aside from attending the Board meeting? Are they posted online?

Response from Julie Hill-Taylor – Yes, the minutes to the previous meetings from 2018-2012 are posted on the Park's website, under the Owner's portal. If you need access to that please let the office know so that we can get you the login information; there is a ton of useful information on that page in addition to the minutes. Also, please remember that all minutes to a previous meeting are subject to be approved by the Board and published after the following meeting!

Ken Johnson (Locker 215) – If I paid the entire assessment in one payment, will I get any reimbursement if the projects are completed under budget?

Response from Fernando Da Silva – Yes, if you paid \$3,000 (just as an example), and the Park only needed \$2,000 to complete all the projects then that means the Park owes you that money back.

Fernando Da Silva (Locker 439) – I have a question that I have been pondering today. If I want to remodel a bathroom do I need to figure out how much money that I need first, or do I figure out what the architect is going to tell me how much to spend? I'm totally confused on this. Is it better to tell someone how much I am willing to spend?

Editor's note – Due to the amount of traffic noise, distance of the persons responding and other conversations picked up on the recording, I was unable to intelligibly discern the answer to Fernando's questions. However, as a matter of record I am noting his questions.

Al Miller (Locker 545) – We are going to get bids for all these jobs, right? We've got bonded contractors in the Park too.

Response from Charles Nunes – Yes, we definitely getting several bids for each project item; a minimum of 2 bids but we always strive to collect 3 whenever possible. Any Members that are bonded are welcome to put in a bid, we are not against their participation.

Editor's note – John Souza (Locker 227) had a comment related to the setting of the meeting and how difficult it was to hear each other while outdoors, but again due to the poor recording quality and other persons conversing I was unable to discern enough inelligible speech to adequately notate his comments.

Jennifer Boyd (Locker 445) – I did not attend the last meeting, so I apologize if I am asking a question that has already been answered, but has raising the rates for non-Owners instead of assessing the Owners been discussed?

Response from Julie Hill-Taylor – Right now we priced very closely to the park across the street, Pismo Coast Village. We around bound by the CC&Rs to charge non-Members the "prevailing reasonable rate," meaning we cannot charge more than our neighboring RV parks. And frankly our facilities don't compete with the accommodations over at PCV, so we charge a bit less per night to get customers booked here instead and we then strive to provide better customer service to keep them as happy, returning guests.

As an example, we are continuing to keep waiting lists and offering non-Members more availability options to make them happy and keep the Park as full as possible this summer. The office staff is putting in a lot of time to get more reservations booked this summer.

Jennifer Boyd (Locker 445) – If the Park is filling up every weekend, can we use that as an opportunity to raise the rates just on those dates when we know that it will be very busy?

Response from Julie Hill-Taylor – It would be nice if we could, but again we around limited to only charge as much as we can based on the parks nearby with comparable facilities.

Mitchell Coonce (Locker 852) – Brenda, I would like to accept your invitation to join the ad-hoc committee.

Response from Brenda Critzer – Thank you Mitch, we are pleased to have you collaborating with us.

Elvenia De La Cruz (Locker 260) – Are we getting bids in from an architect, or a designer?

Response from Julie Hill-Taylor – So far, 2 architects have visited the Park to inspect our restrooms and I am awaiting further information from both of them; in total I contacted 7 architects. There has also been 2 contractor-designers in the Park, one based out of Bakersfield and other one local. However, both gave their honest opinion that we needed an architect's drawings because of the complexity involved. Please remember that this work will involve carpenters, plumbers and electricians so it is important to make sure all the plans are sound before we start construction.

Bob Salazar (Locker 211) – Who is going to control the money that comes in from this assessment? Who will be paying out for the construction?

Response from Charles Nunes – I have appointed 2 Board Members to monitor all the money received from the assessment, which we are planning to deposit into a separate bank account. They will also issue monthly reports every Board meeting to review how much is coming in and how much is going out on each project so every Member can see exactly how their assessment is being spent.

Al Miler (Locker 545) – So where do we go from here Chuck?

Response from Charles Nunes – Well, the Board has to take everything said today under consideration and while we are still open to receiving more questions from Members here and from those that couldn't attend, at a certain point we will make a decision on what to do and let everyone know our decision.

Michael Rock (Locker 792) – Is it a goal during this meeting today to make a motion on how to proceed forward?

Response from Fernando Da Silva – No, we are still in the discussion phase during this meeting.

Michael Rock (Locker 792) – Well, I really appreciate the Board for holding this meeting today. It is a nice opportunity for the Members to express themselves. I look forward to attending the meetings more often than I could before, and I can see that everyone here put our Board in its place and we trust them to take care of the Park for all of us. I know that you were put here for a reason, thank you.

Betty Pierce (Locker 445) – Did we receive a good turnout on the amount of ballots that were returned to the Park?

Response from Charles Nunes – We won't really know because we have made the decision to destroy them today and once received they were placed directly into the ballot box.

Editor's note – Based on the amount of envelopes inside the ballot box once it was opened after the meeting, it appeared at a glance that approximately 200 ballots or more were sent back to the Park, however they were not actually counted nor opened.

Linda Caputa (Locker 754) – How many ballots were we expecting? Or how many votes are required to approve an assessment?

Response from Julie Hill-Taylor – Linda, the requirement for a special assessment is an affirmative vote of a majority of all 875 shares of Holiday RV Park. Being a simple majority only and not the 66.66% required to amend the CC&Rs that would equal 439 shares voting "yes" in order to pass.

To answer your first question, our expectations are low when it comes to ballot returns. As an example, the Park has come dangerously close in several annual elections to not even receiving the simple majority needed for a Quorum. If we do not reach a Quorum for the annual elections then there is no election, and all the hard work and money spent on issuing ballots to every Owner is completely wasted. I spent hours listening to suggestions on how the election ballots should be presented this year. This past election the office staff and I were keeping track of the ballots returned with a tally mark list and then the next step was to make follow-up calls. The office staff spent months calling Owners to try and encourage them to vote because it was so important for us to get back your ballots in order to amend the CC&Rs to allow Owner's families to enjoy their free days; some Owners admitted to throwing their ballots in the trash because they did not care! Why?! In spite of all our efforts we still failed, it was incredibly frustrating!

As I mentioned during the July meeting, I cannot think of anything more that we as a staff can do to receive bigger turnouts for elections. I asked everyone present at that meeting to take on more responsibility as Owners of this business and talk to their friends and family members that are also Owners in an effort to encourage them to take the time out of their day to actually vote.

If anyone has suggestions on what more we can do to help, please talk to me or send me an email. Maybe there is something we didn't do, but I don't know what that is!

Eldon Garrett (Locker 313) – I know we need assessment to repair our Park, but I implore the Board to please research the legality of any future assessment ballots and only present *truthful* information before the Owners when you have to send us another letter.

Response from Charles Nunes – *Yes, we are going to proceed more cautiously in the future and we will take your comments and suggestions into consideration when it comes to correspondence moving forward.*

Joyce Aldrich (Locker 440) – Charles, please try to prioritize the project list next time so people understand the importance of the ADA projects versus all other improvements like the electrical upgrades or the roadwork.

Danette Coonce (Locker 852) – I think the Board probably realizes after today what upset a lot of Owners so much about the assessment; it was those high prices.

Response from Lorena Lemus – *I know it seems like a lot, and we are awaiting more accurate estimates based on professional opinions, but please consider that just one lawsuit against the Park could cost us more than any assessment the Board request from the Membership.*

Rodger Ritchie (Locker 132) – Maybe the Board needs to emphasize to the Membership that if the Park doesn't seriously consider making the ADA-required improvements soon then we risk getting shut down. Our shares will lose all their value if that were to happen.

Elvenia De La Cruz (Locker 260) – Is the Board considering raising yearly dues to help fund our needed improvements?

Response from Charles Nunes – *Last year the Board made a decision to raise the dues 10%, and it is likely we are going to consider raising them again next year. However, dues alone do not cover the cost of a project item from our list because of the property taxes that the Association has to pay.*

Ken Johnson (Locker 215) – Can Owners vote over the phone on an assessment?

Response from Charles Nunes – *No, any voting has to be in writing or in person at an appropriate meeting.*

Editor's note – At this time the meeting was adjourned and all ballots received by the Park were shredded in witness of John Souza (Locker 227) as a member of ad-hoc committee on assessments, myself and two other Members that helped in the process.

Board Member's Comments

None

All Motions

No motions were made during this meeting.

Meeting adjourned at 11:40 am

Respectfully Submitted,

Lorena Lemus

Board of Directors – Secretary

CC

Aaron Cartwright

Senior Reservation Agent