



M24 Ranch Association Meeting Minutes February 11, 2017

Meeting called to order by President Randy Giglione at 8:00am.

Randy Giglione, Anna Kramer, Fernando Leyva, Pat George & Sue Blake present

Members in attendance: Cliff Kramer, Steve Swanson, Kim Misthos, Dave Magann, Skip Butler, Pam Leyva, Lisa Hunt, Carol Phelps, Don & Mona Stark, Dan Dowden, Karen & Brittany Standridge, Carol Hylton, Erik & Susan Olofson, Lorena Bull, Adam Kovalchik, and Sara Levinson

Discussion Items:

- **President's Report:**
 - Election Rules
 - Procedural error at Dec meeting regarding passage of Election Rules.
 - Could not approve with amendments
 - Sara Levinson's qualification statement was omitted
 - The self-nomination process will need to be reinitiated, after passage of Election Rules on March 18th.
 - A special election will be held in April to elect a new Board of Directors.
 - Complaint and Violation Procedure - Five percent of the M24 membership signed a petition to nullify the rules change adopted by the board, see attached petition.
 - Our annual election process will be held in June, the positions of Vice President, Secretary, and Associate Director will be held.
- **Treasurer's Report:**
 - Current budget reviewed.
 - Motioned, seconded and passed 4-0 to transfer monies for budget line item "Security" to "Attorney Fees", due to additional attorney expenses.
 - M24 has been fined \$57.76 for State tax issues for 2013-14.
 - The Treasurer is working on creation of a Reserve Study, as required by State Codes.
 - There is one delinquent annual due outstanding, which has been sent to collections.
 - Currently auditing all previous year's tax returns to see what might be missing.
- **Secretary's Report:**
 - Barn re-roofing has been delayed due to weather work to be scheduled.
 - State Dam Inspector was on-site to inspect our Dam, he commented that the dam was very well built, one of the better dam's that he inspects. He will be providing his formal report in the next few weeks.
 - Carol Phelps baits rodent traps on the dam – Thank you Carol.

- Anna Kramer – Concerns that new comers are intentionally ignoring CC&R’s.
- Carol Phelps asked that everyone work together to get through these contentious times.
- Cliff Kramer, as co-chair of the Lake Committee took offense to the “Friends of M24” mass mailing that raised issues regarding the Lake Committee efforts regarding the lake quality, road conditions, picnic table conditions, dock conditions, etc.
 - The lake is not toxic
 - Read minutes from Jan 14th regarding picnic tables, roads, docks, etc.
 - The following statement was made: **Volunteer rather than criticize.**

Meeting adjourned at 9:10am

• The next M24 Board meeting is scheduled for the third Saturday in March, on March 18, at 10am, location the M24 Club House.

- **Report on Executive Session of January 14, 2017.**
 - Board will begin the Complaint & Violation process in order to remedy CC&R violations.

Attachment:

Road Committee Report – Feb 4, 2017

At the January 14, 2017 monthly board meeting, Kim Quintal, owner of Lot 42 requested written proof that the road maintenance of Olts Road is not the responsibility of the Association.

1. She stated that the Association section of M24 road known as Olts Road is in terrible condition and needs to be addressed.

a. In response, Fernando Leyva, M24 Road Committee chairperson, inspected the road in question and found two issues that need to be addressed:

i. A culvert near the intersection of Calaveras Circle and Olts Road needs to be replaced. Mr. Leyva contacted Manual Gray, a frequent contractor for M24 road repairs. Mr. Gray is aware of the situation and will replace the culvert when weather permits.

ii. There are two pot holes on Olts Road that need to be filled. Manual Gray is also aware of these and will repair them when weather permits.

b. Mr. Leyva also noted that he section of Olts Road for which the Association is responsible is in relatively good shape, considering the severe weather and heavy rains in the last several months. The Association portion of the road has been graded, ditched, and rocked. On a scale of 1 – 10, with 1 being poor and 10 being excellent condition, the Association section of Olts Road rates a 7.

2. Ms. Quintal also stated that they, the Quintal’s, on the private easement of Olts would like the Association to take over maintenance of Olts Road and have it become an M24 Association road and requested that the association provide written documentation as to why the association would not take over maintenance.

a. In response, Fernando Leyva, M24 Road Committee chairperson spoke with both Mr. Larson and Mr. Martin. Neither were interested in relinquishing their section of private driveway to the Association.

b. Mr. Leyva also spoke with the Calaveras County Assessors, Surveyors, Building Dept., and Global Information Systems (GIS) organizations and determined the following:

i. The Surveyor's maps indicate that the M24 easement Creekside Court ended at the cul-de-sac, just prior to the private driveway that was constructed in 1991 by former owners Tod Scott, Tom Nolan, Jerry Jones, and Mr. James Satens. This private driveway, which was called Olts Road, was constructed due to the private property owners subdividing their adjoining properties, thereby creating a need for legal ingress and egress across their properties.

ii. The county was petitioned to change the name of Creekside Court to Olts Road.

iii. According to the GIS organization, it appears that no permits were drawn to excavate the private driveway.

c. Mr. Leyva also researched the issue of ownership and responsibility for Olts Road with previous Board Members. It was learned that it has been addressed at least twice in the past, as follows:

i. In the early 1990's, Mr. Tod Scott and the other owners of the private easement, requested that the Association assume responsibility of the private portion of Olts Road. The Board refused to take on this section of the road. Mr. Scott personally reminded the membership of this incident at the M24 Annual Meeting of 2012, as reflected in the July 2012 minutes.

ii. In 2012, Melissa Devaney, owner of Lot 43C requested the Association to take responsibility of the private portion of Olts Road. The Board researched the issue and determined that in order to become legally responsible for the private portion of Olts Road, all of the owners of the private section of Olts Road would have to agree and would have to grant a formal, recorded easement to the Association. Additionally, the Board would have to vote to accept the easement. At that time, neither the other owners of Olts Road nor the Board wanted to convert the private road into a public easement. Consequently, the issue was dropped.

In conclusion,

1.) The Association portion of Olts Road will be repaired as soon as is practicable.

2.) The private section of Olts Road remains private. Unless and until all owners of the private easement are willing to grant unfettered access to the Association and all Members, it remains private. Maintenance of the private easement necessarily remains the responsibility of the private owners.

Both of the above listed issues have been adequately addressed by the M24 Board of Directors. Upon completion of the repairs of the Association section of Olts Road, these matters should be considered closed.

Respectfully submitted,

Fernando Leyva
M24 Road Chair and M24 Secretary



January 26, 2017

Jane L. Blasingham, Esq.
Adams-Stirling Law Corporation
2566 Overland Ave., Suite 730
Los Angeles, CA 90064

Re: M-24 Ranch Association
Adam Kovalchik & Sara Levinson

Dear Ms. Blasingham:

As you know, we represent Adam Kovalchik & Sara Levinson, who are Members of the M-24 Ranch Association. Provided herewith is a copy of a Petition signed by Members of the Association calling for a special vote of the members to reverse the rule change recently made by the persons who are acting as Directors of the Association. Please confirm the Association will proceed in compliance with Civil Code Section 4365(b) to hold a vote of the members on whether to reverse the rule change.

By way of my previous correspondence to you dated October 19, 2016, we notified you my clients contested the election of directors conducted earlier in 2016. The Association has acknowledged the invalidity of that election and is voluntarily conducting a new election. However, we understand that persons who were not properly elected to serve on the Board are continuing to act as Directors, to establish quorum for meetings of the Board and participating in votes for Board actions. Those persons were not elected by the Members and have no authority to act as Directors. All actions of the Board conducted with those persons to establish quorum and/or based on votes by those persons are invalid and may be contested.

Additionally, a question has arisen as to whether one person acting as a Director is a Member of the Association. Pursuant to Article III, Section 1, of the Bylaws, Membership in the Corporation is limited to those persons who hold title to a legal lot within the M-24 Ranch. Pursuant to Article IV, Section 3, of the Bylaws, each member of the Board of Directors must be a member in good standing at the time of election. Based upon review of public records, it does not appear Sue Blake holds title to a legal lot within M-24 Ranch, and if she does not she cannot be a Director of the Association. Ms. Blake may have been improperly serving as a Director of the Association since at least January of 2014, and perhaps even prior to that date.

Based upon review of minutes provided by the Association, the Directors of the Association elected in 2015 were Randy Giglione, Kitos Leyva, and Sue Blake. Prior to the invalid 2016 election the Directors identified in the minutes were Skip Butler, Pat George, Dean Hunt, Fernando Leyva, and Sue Blake. Persons who were not properly



elected due to the invalidity of the 2016 election were Randy Giglione, Anna Kramer, and Sue Blake. Thereafter, persons serving as Directors of the Association are identified in the minutes as Randy Giglione, Pat George, Anna Kramer, Fernando Leyva and Sue Blake.

Due to the invalid election, and if Ms. Blake is not qualified to be elected to the Board, it does not appear there could be, or has been, a viable quorum of Directors for any meeting held following the invalid 2016 election. All actions taken by the persons acting, but not elected, as Directors are invalid. Persons who were not validly elected to the Board are not entitled to serve as Directors under Corporations Code Section 7220(b). At this time, we believe the only two persons entitled to serve as Directors are Pat George and Fernando Leyva. Those two individuals are not a quorum for actions by the Board.

Pending election of new Directors, we request the invalidly elected Directors cease acting in the capacity of Directors. Additionally, we request confirmation that the Association verified that Ms. Blake was a member of the Association and qualified to serve as a Director before she was nominated, placed on a ballot, or elected to the Board.

We were previously provided with copies of Board meeting minutes through October 1, 2016. At this time we request copies of minutes from any meeting occurring after that date, including minutes proposed for adoption and any summaries of minutes.

Thank you for your anticipated cooperation.

Very truly yours,

A handwritten signature in blue ink that reads 'Rob Macdonald'.

ROB D. MacDONALD

RDM/tih

PETITION FOR SPECIAL VOTE OF MEMBERS TO REVERSE RULE CHANGE
[Civil Code Section 4365]

The following members of the M-24 Ranch Association call for a special vote of the members to reverse the rule change entitled Complaint and Violation Procedure for M024 Ranch Association, including but not limited to the Handling of Complaints or Violations, Complaint or Violation Report, Notice of Hearing, Procedure for Member Hearing, and Fine Schedule adopted by the Board of Directors at the meeting on January 11, 2017.

NAME

ADDRESS

George J. Fontana	41-A
Joseph D. [unclear]	Lot. 42
Sara K. Levinson	26C
Kimberly Hesser	6420 OHS Rd. Mtn Ranch
James & Lorena Bull	7819 Lakeside Dr
Adrienne [unclear]	26C
Yvonne D. Hunt	9028 Lakeside Dr. Mtn Ranch 9524
[unclear]	9098 Lakeside Dr.
DANN HUNT	" " "
Lois Winter	8305 Lakeside Dr Mtn Ranch
Reid Larson	6266 OHS Rd Lot 43

Pursuant to Civil Code Section 4365, not less than 35 days nor more than 90 days after receipt of this petition the M-24 Ranch Association is obligated to hold a vote of the members on whether to reverse the rule change, pursuant to Article 4 (commencing with Section 5100) of Chapter 6 of the Davis Stirling Common Interest Development Act.