

PACIFIC BLUFFS CORP 2
Board of Directors Meeting
Date of Meeting – January 28, 2026
6:30 PM

Members Present: George Anderson, Rita McCandless, Michael Puente, John Peters, Jeff Plourd, Andrew Erickson. Eric Polonsky is serving our country overseas and listened by phone but did not vote.

Members Absent: None.

The meeting was called to order by Corp. II Secretary Michael Puente at 6:32 PM.

Homeowners/Residents Present: See attached sheet.

Homeowners' Concerns: John asked homeowner to hold comments for later in the meeting.

Motion to Accept November 2025 Meeting Minutes (Meeting Held in December 2025): George motioned to accept the previous meeting minutes. Jeff seconded. Motion passes unanimously.

Treasurer's Report presented by Rita McCandless:

Treasurer's Report:	December 31, 2025
Operating Cash Account	\$ 29,925
Reserve Fund Bank Account	\$ 124,975
Total Cash	\$ 154,900
Net Receivables	\$ (267)
Deferred Spectrum Rebate	\$ (6,560)
Accrued Expenses	\$ (39,634)
Net Assets	\$ 108,439

Under budget(favorable): Late fees, general maintenance, Trash. Total \$7K

Over budget(unfavorable): Pest treatment, insurance, legal, landscape, taxes, water, G&A. Total \$23K

Approval of the Treasurer's Report: George made a motion to accept the Treasurer's report. Andrew seconded. Motion passes unanimously.

President's Report by John Peters:

- 1) An urgent vote was taken by email after the November/December meeting to hire The Secret Ballot to administer our next election. We must vote to reaffirm the previous vote. Yes votes: John, Michael, George, Rita, Jeff. No votes: Andrew. (The BOD erred and did not make a motion or a second).
- 2) Since the last meeting there were emergency roofing repairs, water intrusion, clay tiles falling from mansard roofing. There was a vote taken by email to approve the expenditure for these emergency repairs. We must vote to reaffirm the emergency repairs. Andrew motioned to reaffirm the expenditure. Rita seconded. Motion passed unanimously.

Approval of the President's Report:

Motion to accept the President's Report: Rita motioned to accept the President's report. Jeff seconded. Motion passes unanimously.

Corp 2 Finances, History and Management:

John Peters, President

John introduced Rita Loprete a former Corp 2 president. Rita put John on the board over 15 years ago. He discussed a previous special assessment, that Rita had to have for the association. He presented what is happening at the Bluffs at this time, and the CCRs. After the April election John will leave board but will continue to assist with HOA property management.

He discussed the history of his tenure as president and economic challenges of covid, inflation and the increased costs of all our services. John discussed various repairs he has managed at Pacific Bluffs and the

reality of maintaining our buildings to keep property value strong. He talked about Mike Cristofani, CPA our accountant, and Mike's 2026 Corp 2 Budget Package.

John discussed the history of roof repairs at Pacific Bluffs and his faith in the excellent work of Urbach Roofing and Martin Lynn Roofing. John clarified we do not need to re-roof 7 roofs immediately. We need 3 roofs re-roofed within 3-5 years. He backed the creation of homeowner committees to help support Corp 2 maintenance management. All financial information and minutes are available at www.pacificbluffs.com.

Rita McCandless:

Rita stated the \$590 per month assessment covers 3 different billings: Operating, Corp 1 assessment and replacement reserves. When asked if more HOA Dues increases are likely, she explained that there would be so we get enough income to the Reserve Funds to continue to recover.

Rita is continuing work towards getting a per unit expense budget like the one for Operations. Rita shared the reserve study numbers and charts to show more accurate expenses and collections spent at the annual level. According to both our CPA and Rita the new reserve study is better than the previous ones. The reserve study is based on data we provide so it's accuracy is dependent our knowledge of our HOA. Our CPA, Mike Cristofani, provided the HOA a very helpful Budget Package for the last two years now.

Rita prefers not to use a property management company and believes an assessment for \$6000-6500 will be sufficient to get us to financial health.

Michael Puente:

Michael apologized for his tone at the January 21 meeting.

Michael presented spreadsheets to demonstrate the funds generated by various special assessment amounts from \$7,000 per to \$9,000 per unit. Michael also calculated the approximate replacement reserve funding outcomes for various special assessment levels, after work is completed and paid. Michael will not commit to suggested special assessment amount until he meets with our CPA.

Michael stated 4 roofs are needed now for approximately \$177,000. 3 more roofs will be needed in 3 to 5 years for approximately \$168,000. These are minimum costs. All numbers do not include termite repair, dry rot repair, replacing and painting wood, or installing roof drains. Further, this does not include the cost of re-roofing small, flat lower roofs, or repairing clay tile roofs. A very rough estimate for small, flat roofs and clay tile roofs is \$20,000.

Michael attended a HOA management legal symposium in December 2025. Michael shared information he learned at the symposium. Michael will attend another HOA legal symposium in March 2026. Michael advocated for hiring a professional property manager to avoid legal peril and mistakes of the past.

Michael discussed SB 326 requiring all balconies to be inspected. Most balconies have been inspected. One has not. All balconies need repairs. However, the HOA has not acted to make the recommended repairs. This creates legal exposure for the association.

Michael suggested closing all balconies immediately and notifying residents not to use balconies.

Motion to Adjourn: Rita motioned to adjourn. Jeff seconded. Motion passed unanimously.

Next Board Meeting Wednesday February 25, 2026