

Ken Knutsen
Candidate Statement

Make Tahoe Donner Great Again. Reduce the fees, full 100% enjoyment; clean the swamp, and repeal and replace cumbersome Architectural Standard criteria. That strategy worked well for one presidential candidate and got him elected. Hopefully that same strategy will work for me and get me elected.

You as property owners need to think of yourselves not only as home owners but also as investors in the TD Association with its services and amenities. Much the same as you would invest in a stock with the hope of an increase in your perspective of value.

The six (6) questions you therefore need to ask your selves as you select your representatives to be on the Board of Directors,

1. Is your satisfaction, enjoyment and expectations being met by the Association?
2. Is your home increasing in value because of its inclusion in the Association properties?
3. Are the annual fees adequate or excessive for the services which you believe are appropriate?
4. Is the increase in public participation impacting the availability and use of the amenities by you and your guests?
5. Do you believe that your voice is being heard, your concerns addressed, and you have the ability to vote on major investments which impact your fees and your future?
6. Will the representatives you select to be Board members deliver on these items together with appropriate organizational structures and investments for the future?

The Board must deal with the tactical issues focusing on the more immediate needs of the property owners. They must also address the strategic issues that will impact the future.

With my experience and qualifications I can provide advice on operating issues, and in addition the needed strategic guidance that looks at future opportunities to improve value, owner satisfaction and overall enjoyment of being a property owner at Tahoe Donner. The constraints of an aging infrastructure, limited capacity, adequate and effective staffing personnel, and available financial capabilities need to be evaluated and programs put in place to correct the deficiencies, provide services, and investments that are affordable for both older retired owners living on fixed incomes and new younger family owners also on limited incomes that want to invest in the life style available at Tahoe Donner.

These are nice words and admirable objectives, but how can they be accomplished?. There is a constant concern that the cost are too high, the staffing too excessive and property owners are excluded from the approval process of major capital investments.

Let me address these issues with **Strategic Out of the Box Suggestions** that will make the operations more visible so the property owners, both on the hill and off the hill will have a voice

Development Fund – Self Funding

I have repeatedly suggested that a 1% of the purchase price of the property (ownership/ membership) charge be paid by each new property owner allocated to the Development Fund. as part of the purchase transaction. Think of it as a purchase price buying their fair share of the value of the fixed assets owned by the association members. The present value is approximately \$30 million and with approximately 6000 property owners, each owner has a \$5,000 ownership share of the assets. Your ownership has been created as a result of the yearly contribution you make to the Reserve and Development fund paid as part of the annual fees. The By Laws define the transaction as a transfer fee. This is not a transfer fee, it is an ownership membership purchase charge. How can we accomplish this? You create a legal holding company and transfer all the fixed assets into the holding company. The

holding company is totally owned by all the existing property owners. The new owner is purchasing his ownership right of the assets in the holding company. Legal documents will need to be developed and this may require the approval of 50% plus 1 of the property owners and will take time but it will eliminate or minimize your yearly contributions to the Development Fund. If the average sale transactions are \$600,000 and there are 200 transactions each year, the Development Fund will receive \$1.2 million which has absolutely no impact and is invisible to the all the existing property owners. It's a smart thing to do and it's the right thing to do,

Capital Investment Projects – Property Owner Participation in the Approval Process

Each year as part of the annual election process a list of 4 or 5 major critical projects identified by the planning committee and approved by the Board should be listed with their description, estimated schedule, and estimated cost. should be included in the election documents sent to all property owners. In addition the funds available in the Development Fund should be identified as the limiting budget. to complete some of these projects but not all. Each property would now have multiple choice options, limited by the financial constraints of Development Funds available. He can select a combination of projects or even one large project he feels most important but the cumulative total of the project costs he has selected must be equal to or less than the funds available in the Development Fund. The choices of all the owners that sent in their election ballot will be evaluated and totaled and the projects within the budget getting the most votes for approval will be performed. All submittals will show projects within the budget. This will satisfy the owners as they will now be part of the approval process.

Operating/Investment Costs, Staffing, Amenity Use and Availability

The original intent of TD was to create a residence/vacation environment for the enjoyment of both full time and part time residents in a pristine mountain environment, supplement by public participation only when excess capacity was available. We need an evaluation of each amenity, determine percentage of home owner verses public use, and evaluate the impact of operating/investment costs and staffing needs to support the amenity, and also include all allocated overhead costs. Public use when available provides revenue to offset operating costs so it is a critical balance that routinely needs to be evaluated..

These are three examples of thinking out of the box and looking for Better, Faster, and Cheaper more efficient ways of doing things. **Select the Right People, Set the Right Goals, Provide the Correct Resources, and Monitor the Results.**

My Qualifications - I am both an on the hill and off the hill Redwood City resident, splitting 50% at each location, so I am familiar with concerns that the non resident owners have no visibility or input in the operations and capital investments. I have served on the planning committee, the finance committee, and spent four years on the Board of Directors. This experience makes me familiar with the workings and procedures so that I can be productive immediately. I also served on the Board of the International Development Research Council whose members are the Real Estate Facility, Asset and Finance Executives of many of the Fortune 500 companies. I am a licensed Civil Engineer and Senior Business Executive and I have managed large organizations with capital expenditures, operating budgets, and personnel staffing many times greater than Tahoe Donner's.

If you want an out of the box strategic thinker that listens to the property owners, challenges the status quo, is always looking for Better, Cheaper and Faster ways of doing things, and who sets the appropriate goals, provides the right resources and direction and monitors the results to Make Tahoe Donner the best place to live and enjoy in a pristine mountain community, then please select me as your representative.