

Tahoe Donner Association

Blue Ribbon Equestrian Panel

Operating as a Temporary, Special Purpose, Standing Committee of the Board

Pursuant to the powers invested in the Board of Directors (Board) by the articles of Incorporation, the First Restated Bylaws of Tahoe Donner Association (“Association”) the Board hereby establishes as a temporary, special purpose committee, the Blue-Ribbon Equestrian Panel. This is a member driven committee which requires compliance within the Tahoe Donner Bylaws and other ruling documents and Association guidelines and is a special purpose, independent, temporary Committee with a charter applicable to its Mission which is to:

1. Independently review all of the operating processes and procedures of the originally chartered Equestrian Amenity and to make recommendations to the Association Board of Directors after careful and thorough analysis including market review of competitive institutions.
2. To seek avenues that will increase the level of revenue generated while keeping members as a first priority.
3. To encourage greater participation in and appreciation for the Equestrian Amenity.
4. To, if possible and feasible from a service quality perspective, explore avenues to reduce expenses by exploring alternative business models.
5. To be well on the path to achieving a Net Operating Result(NOR) by the end of 2018 of at least \$0 and hopefully stronger.

AUTHORITY

The committee is established under the provisions of:

- Article VII, Section 1 and Section 2, Restated Bylaws of Tahoe Donner Association
- Article VIII, Board Meetings, Restated Bylaws of Tahoe Donner Association
- Article IV, Section 1 (n) of the Restate Bylaws of Tahoe Donner Association

- Article X, Section 1 and 2 of the Restated Bylaws of Tahoe Donner Association
- Resolution 2008-2, Committee Policy, Tahoe Donner Association Board of Directors

The committee shall have no annual agenda of issues other than their original purpose unless further updated by the Board at each years January regular Board

MEMBERSHIP AND CHAIRPERSON

Organization

- The Committee shall elect from its membership, the Committee Chair and if warranted by the members of the Committee, the Vice Chair who will serve until the Committee is disbanded. If no other Committee member is then willing to assume the duties of the Chair, the incumbent Chair may be reappointed.
- The Chairman of the Finance Committee and or his/her delegate may at their discretion, be member(s) of the Committee and where necessary provide financial guidance and expertise.
- The Committee shall consist of up to 15 regular voting members and up to four non- voting alternate members who are encouraged to attend and may vote if an insufficient number of voting members are not present to constitute a quorum.
- There shall be at least one non- voting Board Liaison to the sub Committee that is chosen by the Board to attend Committee meetings and whose primary purpose shall be to facilitate meetings between the Board and the Committee as well as provide overall direction where necessary. The Board member is a non-voting participant of the Committee.
- In support of the Committee's work for the Board, the General Manager and/or other staff members (as appropriate and as chosen by the General Manager) will attend all or part of most committee meetings and the Committee shall always be respectful of the limited time and other responsibilities of staff.
- Any member of the Association in good standing, who has a positive interest in contributing to the welfare of the Association, who is prepared to contribute the necessary time and who

does not present a conflict of interest is eligible to apply for appointment as a member of the Committee. Directors and their immediate families are ineligible for appointment. Co-owners of property and immediate family members shall be ineligible to serve simultaneously on the Committee. The Board shall make all appointments to the Committee.

- The Chairperson of this committee shall submit all prospective new Committee members wishing to be appointed or if necessary reappointed, to the Executive Secretary stating their interest and brief qualifications; all such requests shall be forwarded to the Board by the Executive Secretary and decided upon at the next available monthly meeting. Initial application shall include information as to what the candidate brings to the relevant Committee

REPORTING REQUIREMENTS

- The group will elect an independent Chair and Vice Chair to shepherd this temporary committee and will meet regularly as outlined by the Chair and agreed to by its members. The committee may meet by a variety of communication vehicles as agreed upon by the Panel.
- The Chair of the Committee will, at the Boards regular meeting update the Board on its progress as all standing committees do each month.

COMMITTEE SUPPORT

The Chair of the Committee will direct requests for statistical data or any other types of information needed for the work of the Committee to the staff liaison assigned by the General Manager and where applicable the Chairs of existing standing committees.

AMENDMENTS TO AND TERM OF CHARTER

This Committee charter shall remain in effect as presented herein until such time as it amended or revoked by the Board or until such time the Board deems the project completed.

COMMITTEE ADMINISTRATION MEETINGS

All meeting may be held in person and or through modern communications as agreed by the committee overall.

QUORUM REQUIREMENTS

A quorum shall consist of at least 60 percent of the members being able to vote.

Members of the Committee

Attached is a listing of all of the initial members of the Committee along with their purpose for joining and interest in the committee and the direct role if any they will be involved in. All Members are expected to provide a helpful and representative balance on the various thoughts that might surface as the broad objective is for this Committee to not only be a Blue-Ribbon Panel but representative of the thinking and goals of the membership. As a result, the Chairperson will look to form a balanced panel by the beginning of November 2017 with work progressing at the committees desired pace. It is the Boards hope that by the end of the second quarter of 2018 the panel will have developed a set of recommendations for the Board to decide on and management to execute on that will enable the successful attainment of its Mission.

Finally, it is the Boards overall guidance to this Blue-Ribbon Panel that the potential recommendations will be member driven and should not to be restrained by historical obstacles and include the full gamut of thoughtfulness inclusive of revenue generation possibilities/marketing opportunities, expense changes and reallocations and best of class ways of doing business as a few initial thoughts.

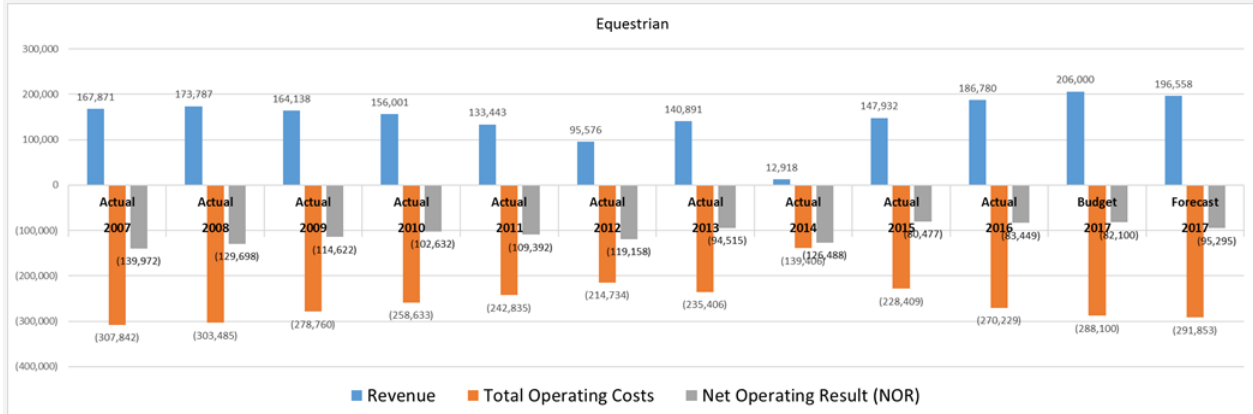
Hello All,

As I am sure you have all heard by now, the Board approved, at its September 2nd monthly meeting, the last phase of the TD Equestrian Center. The expectation is that the work might be done this year (weather permitting) and will clearly be done, if the weather turns difficult, sometime in the spring. Improvements in the amount of \$200,000 (Phase III) include installing A D A parking and walkways, a restroom enclosure, a loading ramp as well installing a roadway base to reduce dust along with the addition of a guide and a wash shack for the horses. I know this has been a long time coming, with over \$500,000 already invested in Phase I and Phase II these past few years. Your patience has been highly appreciated to say the least. A special thanks should at minimum go to Nan Meek for herding (excuse the pun) the funding request through the General Plan Committee, to Susan Terrell for her articulate presentations at two Board meetings and I am sure to many others who have been contributing.

During the overall planning and review processes, one of the concerns expressed at several junctures was the losses the Equestrian Center was incurring yearly .An outcome of that concern is to form our first Blue Ribbon Panel defined as a group of exceptional people appointed to investigate, study or analyze a given question/issue. We expect this panel to be made up of Equestrian enthusiasts plus management, as well as representatives from the finance committee and interested members. The objectives is to look at every aspect of the current operation from the ground up and to make a series of operating, revenue and process recommendations to the board that would bring the Net Operating Revenue to zero from a loss of \$86,604 which is the average loss that the Association has incurred over the past three years before capital and overhead.

As you may know Tahoe Donner looks at its financials from what is called a fund perspective of which there are two major ones; the Operating fund and the Capital fund. The Operating Fund is made up of all of the Revenue attributable to a specific amenity less its Cost of Goods and its Direct Operating Expenses and that net result is called Net Operating Results.(NOR). Informationally this NOR excludes 1) the cost of capital associated with funding capital programs (the capital Fund) and 2) association management overhead which includes Human Resources, Information Technology, Risk Management, Accounting, etc. (management overhead outside the control of the amenity manager).

I have shown below the last ten years of financial results for the Equestrian Center to give you a better feel for the overall trend and apologize in advance if it is hard to read/small.(I have also included a larger one as an extra attachment.



As a general guidepost and to put all of this in perspective, the Equestrian Center is not alone as we had 19 amenities in 2016 and the Equestrian Center was one of ten amenities to lose money on a Net Operating Result basis .Clearly we will be looking to form other Blue Ribbon panels in the days ahead as we move forward as losses are basically funded out of member assessments.

In talking through potential candidates for the Equestrian Blue Ribbon Panel, your name was suggested to me by one of your equestrian colleagues as someone who might be helpful to have involved in this member based committee and provide a balance to the various thoughts that might surface. Thus my initial purpose in writing is to 1) confirm directly with you your interest in participating in this very important effort and 2) your availability for an initial team get together (we can meet in person, skype, phone etc.) during the week of November 6? My expectation is that we will also through our internal communications group advertise to the general membership for interested members next week. If for some reason you are not the right person at this juncture please do feel free to advise me of anyone who you think might be suitable as we truly want this to be a Blue Ribbon Panel and representative of the membership. The goal is to have a balanced panel formed by the beginning of November with work progressing at the committees desired pace and hopefully by the end of the first quarter 2018 or the beginning of the second quarter develop a set of recommendations for the Board to review and management to execute on. In addition it is my expectation that the potential recommendations are member driven and not restrained by historical obstacles and include the full gamut of thoughtfulness inclusive of revenue generation possibilities/marketing

opportunities, expense changes and reallocations and best of class ways of doing business as a few starters. Finally and before all of your insights, I would also hope that the group will elect an independent chair and vice chair to shepherd this temporary committee (which will probably operate as a sub-committee of our existing finance committee) and as importantly the members will work closely with Management et al so that there is strong clarity as to how the Equestrian Operation currently functions and might function down the road.

In the end it is my hope that in working collaboratively we will have a stronger, more vital and vibrant Equestrian amenity that brings further enthusiasm for everything Tahoe Donner stands for and wishes to achieve.

Thank you in advance!

Jeff Connors

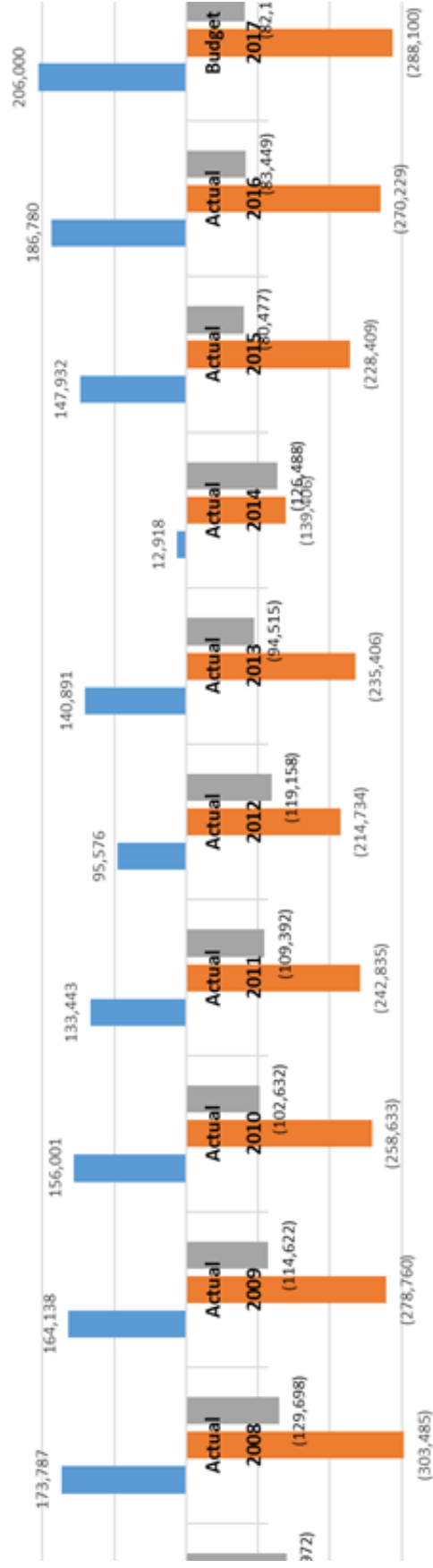
President

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Equestrian



■ Revenue
 ■ Total Operating Costs
 ■ Net Operating Result (NOR)