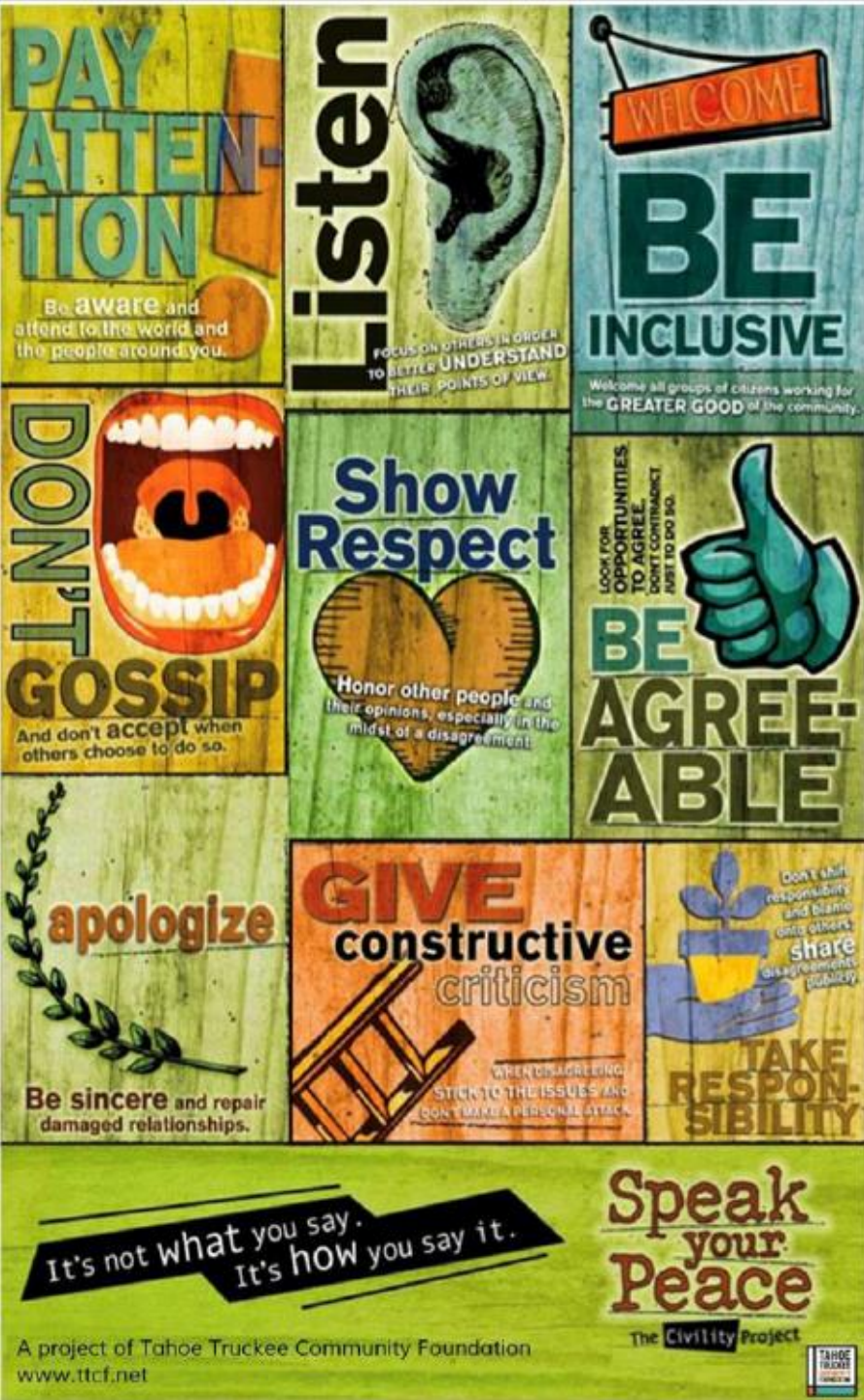


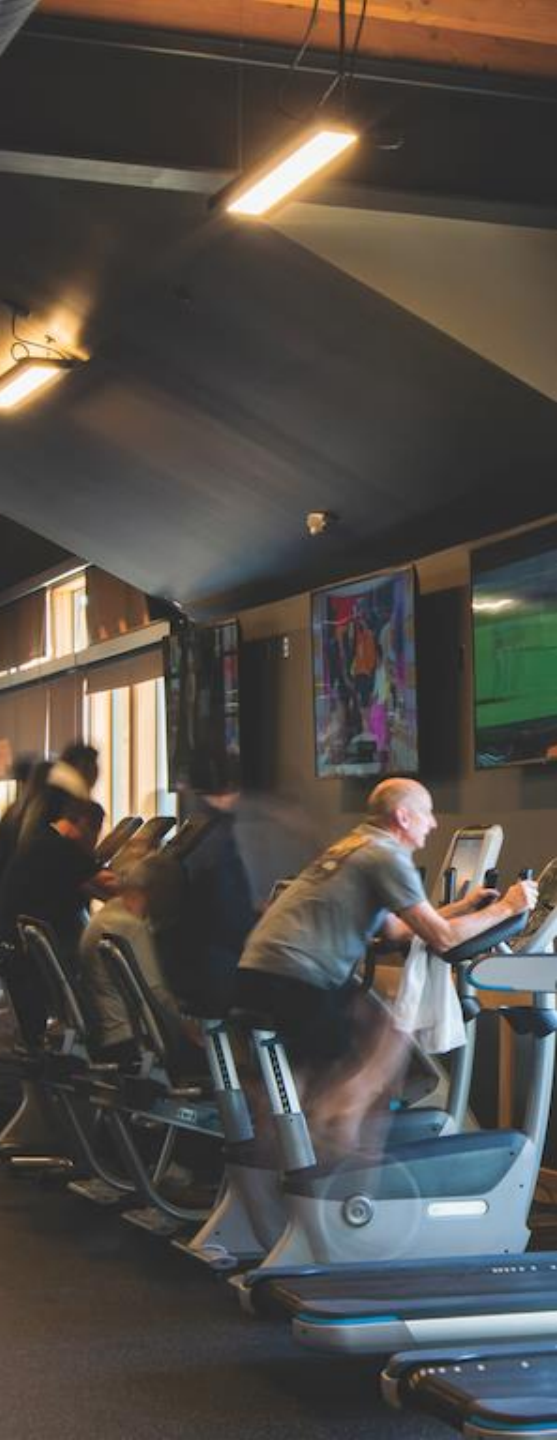
AMENITY ACCESS RULE CHANGE

OCTOBER 10, 2024

OVERVIEW

1. 45-Day Notice Period
2. Major Themes of Submitted Member Comments
3. Recommended Technical Change to Proposed Rule
4. Recommended Changes to the Implementation Plan
5. Daily Access Fees Review
6. Amenity Access Rule Operating Fees Review
7. Board Questions
8. Member Comments
9. Amenity Access Rule Change and Initial Implementation Plan Decisions
10. Daily Access and Rule Operating Fees Decisions





MEETING OUTCOME

The proposed Amenity Access Rule Change 45-Day Notice period expires on October 9, 2024. The board will consider adopting the proposed rule and implementation plan, as well as approving the private amenity access operating fees or other alternatives as indicated in the staff report.

The desired outcome of today's meeting is:

ACTION –

By Motion:

The Board of Directors adopts Policy Resolution 2024-13, which:

1. Rescinds Resolution 1998-4, Access to Tahoe Donner Association Amenities, and
2. Rescinds the Tahoe Donner Association Amenity Access Policy, and
3. Adopts the Amenity Access Rule (Exhibit B), and
4. Adopts the initial Amenity Access Rule Phased Implementation Plan (Exhibit C)

By Motion:

The Board of Directors approves the proposed Operating Plan fees relating to the rule change as indicated in Exhibit D with Daily Access Fees Option #TBD.

RULE CHANGE PROCESS

The following are required steps in the rule change process:

- **Authorized publication of the proposed Amenity Access Rule change for a 45-Day Notice** with all supporting materials necessary to inform the members about the purpose and effect of the rule change.
- **45-Day Notice:** A special general delivery mailer sent to the members to expedite the notice period start date on August 26, 2024.
- **Board Agenda Item:** The Board heard member comments on the proposed rule change at the September 27, 2024 board meeting.
- **Board Agenda Action Item:** The Board may take action to adopt the proposed rule change on October 10, 2024, at an evening special board meeting.

A Member Forum was held on September 23, 2024, to answer questions regarding the proposed rule change.



SUBMITTED MEMBER COMMENT THEMES REVIEW

45-DAY NOTICE PERIOD COMMENTS THROUGH 10/4/24

As of Friday, October 4:

- 95 total comments have been submitted
 - 51 are opposed to the rule change
 - 18 are in favor of the rule change
 - 26 comments did not communicate a position or were asking clarifying questions

Of all comments submitted regarding the rule change, the top 5 themes: The top five themes from the comments include:

1. **Common Expense Responsibility:** Many expressed the opinion that private amenity operating common expenses should be paid for by private amenity users.
2. **Proportionality:** Some suggested that the allocation per property for private amenity operating common expenses should be proportional to the number of Member Photo ID Card holders on the property.
3. **Member Overcrowding:** Some commenters are concerned that members may start using the amenities more frequently to "get their money's worth," potentially causing overcrowding.
4. **Short-Term Rental Tenants:** Short-term rental operators are concerned about additional fees and how the changes will affect their property's appeal, mostly related to the limitation of six STR ID cards.
5. **Member Prioritization:** Many members are pleased with the ability to prioritize member use of the private amenities because of the rule update.

45-DAY NOTICE PERIOD COMMENT THEMES cont.

1. **Common Expense Responsibility:** Many expressed the opinion that private amenity operating common expenses should be paid for by private amenity users.
 - a. **C & R's Article IV, Section 2(c) - Allocation of regular assessment.** *The total estimated Common Expenses, determined in accordance with subparagraph (a), shall be allocated among, assessed against, and charged to each Owner of Record according to the ratio of the number of Separate Interests within the Properties owned by the assessed Owner to the total number of Separate Interests subject to Assessment so that each Separate Interest bears an equal share of the total Regular Assessment.*
 - b. **C & R's Article I – Definitions, Section 9 - “Common Expense”** *means any use of Common Funds authorized by Article 4 hereof and Article 4 of the Bylaws and includes, without limitation: (a) all expenses or charges incurred by or on behalf of the Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Common Area, Common Facilities, or Other Association Real Property, (b) all expenses or charges reasonably incurred to procure insurance for the protection of the Association, its property and its Board of Directors, (c) any amounts reasonably necessary to fund reserves for the maintenance, repair, expansion and replacement of the Common Areas and Common Facilities and Other Association Real Property, and for the non-payment of any Assessments, and (d) the use of such funds to defray the cost and expense incurred by the Association in the performance of its functions or in the proper discharge of the responsibilities of the Board as provided in the Governing Documents.*

45-DAY NOTICE PERIOD COMMENT THEMES cont.

1. **Common Expense Responsibility:** Many expressed the opinion that private amenity operating common expenses should be paid for by private amenity users. (Continued)

c. **C & R's Article II – Property Rights and Obligations of Owners, Section 4(g) - Prohibition on Avoidance of Obligations.** *No Owner, by non-use of the Common Area or Common Facilities, abandonment of the Owner's Separate Interest or otherwise may avoid the burdens, and obligations imposed on such Owner by the Governing Documents, including, without limitation, the obligation to pay Assessments levied against the Owner and his or her Separate Interest pursuant to this Declaration.*

d. **C & R's Article IV – Assessments, Section 1(c) - No Avoidance of Assessment Obligations.** *No Owner may exempt himself/herself or the Owner's Separate Interest from liability or charge for the Owner's share of any Assessment levied against the Owner or his or her share of any Regular or Special Assessment levied against the Owner's Separate Interest, by waiving or relinquishing, or offering to waive or relinquish, the Owner's right to use and enjoy all or any portion of the Common Area or Common Facilities or by the abandonment or non-use of the Owner's Separate Interest.*

45-DAY NOTICE PERIOD COMMENT THEMES cont.

- 2. Proportionality:** Some suggested that the allocation per property for private amenity operating common expenses should be proportional to the number of Member Photo ID Card holders on the property.
- a. *See Governing Documents references above related to common expense responsibility and proportionality.*
 - b. *Under both the current Amenity Access Policy and the proposed Amenity Access Rule, each property includes four Member Photo ID Cards as an appurtenant right and benefit. The Governing Documents, including Association Rules, define the scope of these and other appurtenant rights and benefits. As an appurtenant right and benefit, the four Member Photo ID Cards run with the property, regardless of any particular ownership situation or characteristics (e.g., number of owners, size of family, residency).*
 - c. *Over the last three years, the Board considered a number of alternatives to including four Member Photo ID Cards with each property as an appurtenant right and benefit. These options ranged from including only one Member Photo ID Card per property to including ten Member Photo ID Cards per property. Considering member service, value, and enjoyment; crowd management; financial consistency and responsibility; the Governing Document's emphasis on single-family residential use and atmosphere, and administrative ease and efficiency, continuing the current practice of including four cards per property provided the most balanced overall approach.*

45-DAY NOTICE PERIOD COMMENT THEMES cont.

3. **Member Overcrowding:** There are worries that members may start using the amenities more frequently to "get their money's worth," potentially further straining the facilities during peak times.
 - a. *The rule change is intended to encourage member use of the private amenities to promote member value and enjoyment and to support a greater sense of community among the members.*
 - b. *The rule change empowers staff to limit non-member access and to control non-member overcrowding to protect the member experience.*



45-DAY NOTICE PERIOD COMMENT

THEMES cont.

4. **Short-Term Rental Tenants:** Short-term rental operators are concerned about additional fees and how the changes will affect their property's appeal, mostly related to the limitation of six STR ID cards.
 - a. *The rule change is intended to reduce the impact of STRs on the private amenities, while still providing STR operators with the ability to offer private amenity access to their short-term tenants.*

5. **Member Prioritization:** Many members are pleased with the ability to prioritize member use of the private amenities because of the rule update.
 - a. *Prioritizing member use and enjoyment of the private amenities was a primary desired outcome of the policy update.*



RULE DRAFT TECHNICAL CHANGE

Upon review of the draft rule during the 45-Day notice period, staff has identified an opportunity for a minor technical change to the rule

Section I.8.a states:

Children under the age of three (3) shall have unrestricted right of entry to the Private Amenities without a Tahoe Donner Card, provided the child is accompanied by an adult or legal guardian who is validly in possession of a Tahoe Donner Card.

It is not the intention of staff to exclude the opportunity for personal guests with children under the age of three from visiting the Private Amenities. As a result, the recommended technical modification to the rule reads as follows:

*Children under the age of three (3) shall have unrestricted right of entry to the Private Amenities without a Tahoe Donner Card, provided the child is accompanied by **either** an adult or legal guardian who is validly in possession of a Tahoe Donner Card **or by a registered Personal Guest of an Owner.***





PHASED IMPLEMENTATION PLAN CHANGES

The Phased Implementation Plan has been updated to address children ages 3-6 and the guest payment methodology. The complete Phased Implementation Plan is attached as Exhibit C. The updated language follows:

CHILDREN AGES 3-6, ALL YEARS

- Owner's Family members ages 3-6 seeking Member Photo ID Card holder rights, privileges, and benefits, will be required to obtain a Member Photo ID Card. Each Member Photo ID Card will count towards the total number of Member Photo ID Cards on the property, however, if the Member Photo ID Card for a child ages 3-6 is beyond the 4 available through payment of the annual assessment, there will be no annual cost associated with these Member Photo ID Cards until the child turns seven (7) years old.
- Children with the current "Onestore Child" designation will not be required to obtain a Member Photo ID Card until December 31, 2027, or they turn 7 years old, whichever occurs earliest.
- No later than December 31, 2027, to continue receiving Member Photo ID Card holder rights, privileges, and benefits, all Owner's Family members ages 3-6 must be assigned a Member Photo ID Card.



PHASED IMPLEMENTATION PLAN CHANGES cont.

GUEST PAYMENT METHODOLOGY, 2025 YEAR 1

- No change to the personal guest payment methodology where the personal guest will pay the daily access fee at the time of entry.
- Staff to develop an optional guest access payment method where the owner can choose to pay the daily access fee for their personal guest(s)

PRIVATE AMENITY DAILY ACCESS FEES

At the October 3 Budget Workshop, the board provided direction to staff to develop a Daily Access Fee schedule that combined the unaccompanied and accompanied personal guest Daily Access Fees into one rate for 2025. Staff presented two options with this direction. Both options target the projected daily access revenue in the proposed 2025 budget of approximately \$580K.

OPTION 1

Fee Products	2023 Rate	2024 Rate	2025 Rate	\$/% Change 2024 to 2025
Member Daily Access – per person	\$12	\$12	\$12	\$0 / 0%
All Personal Guest Daily Access – per person	\$15	\$15	\$17*	\$2, -\$3 / 13%, -15%
STR Tenant Daily Access Fee – per person	\$20	\$20	\$21*	\$1 / 5%
Children Under 7 (Members and Guests)	FREE	FREE	FREE	FREE

- Assumes 50% of historical unaccompanied guest access is STR tenant access
- Higher confidence because of a known fee increase to the accompanied guest user category
- 2023 cost per visit for the private amenities was \$13
- *Personal Guest and Tenant daily access fees are subject to peak period pricing, access blackout dates, and/or another limitation mechanism as specified in the Operating Plan

PRIVATE AMENITY DAILY ACCESS FEES cont.

OPTION 2

Fee Products	2023 Rate	2024 Rate	2025 Rate	\$/% Change 2024 to 2025
Member Daily Access – per person	\$12	\$12	\$12	\$0 / 0%
All Personal Guest Daily Access – per person	\$15	\$15	\$15*	\$0, -\$5 / 0%, -25%
STR Tenant Daily Access Fee – per person	\$20	\$20	\$24*	\$4 / 24%
Children Under 7 (Members and Guests)	FREE	FREE	FREE	FREE

- Assumes 50% of historical unaccompanied guest access is STR tenant access
- Lower confidence because of a fee increase to the STR guest user category which is being assumed at 50% of total historical unaccompanied guests
- 2023 cost per visit for the private amenities was \$13
- *Personal Guest and Tenant daily access fees are subject to peak period pricing, access blackout dates, and/or another limitation mechanism as specified in the Operating Plan

OTHER AMENITY ACCESS RULE ADMINISTRATIVE FEES

This includes other fees pertaining to the amenity access rule. The fees were developed to cover the administrative expenses associated which are proportional to the amount of direct cost for the processing service. The proposed schedule follows:

Fee Products	2025 Rate
Member Photo ID card Reassignment Fee	\$25 per person
Member Photo ID Card Exception Process Fee	\$25 per exception
Residential Tenant Owner Relinquish Process Fee	\$75 per relinquishment process
Short Term Rental ID Card Annual Administrative Fee	\$75 annually per property

BOARD ACTION

- **BY MOTION, APPROVE RESOLUTION 2024-13, WHICH WILL:**
 - RESCIND RESOLUTION 1998-4, ACCESS TO TAHOE DONNER ASSOCIATION AMENITIES, AND
 - RESCIND THE TAHOE DONNER ASSOCIATION AMENITY ACCESS POLICY 2013, AND
 - ADOPT THE AMENITY ACCESS RULE (EXHIBIT B), AND
 - ADOPT THE INITIAL AMENITY ACCESS RULE PHASED IMPLEMENTATION PLAN (EXHIBIT C)
- **BY MOTION, APPROVE THE FOLLOWING:**
 - OPERATING PLAN FEES RELATING TO THE RULE CHANGE AS INDICATED IN EXHIBIT D WITH DAILY ACCESS FEES OPTION #TBD.

THANK YOU