

HNOA ANNUAL MEETING

AUGUST 15, 2009

The meeting was called to order by President John Metschan at 1:30 pm. The meeting at the Neskowin Fire Hall was attended by 38 owners, representing 30 lots. Other Board members present were Jean Cameron, Jeff Wiles, and Kathi Swanson. Board member Bob Wilson, whose term is expiring, was not able to attend. The President also introduced a number of residents who are currently serving as volunteers with the Neskowin Fire Department. He announced that resident Steve Baumgarte, who has been serving as the Captain-Officer in Charge of the Neskowin Station has decided to step down and take a much needed break from his duties. Steve and his wife Cathy will no longer be volunteering with the Dept. as First Responders, but will continue to lead our Neighborhood Watch Program. Dean and Francey Elliot will continue to serve as their backup for the program.

The President then introduced the three candidates running for the Board position vacated by Bob Wilson: Mike Pappa, David Richardson, and Margaret Russell. Current Board members John Metschan and Jeff Wiles were also running for re-election, as their terms had expired.

He also introduced members of the Design Review Committee: Luciano Monetti and Gerry Sluman, with John as the third member. John summarized that the DRC has not had a great deal of activity in this past year, due to little new construction. The DRC approved building plans for lot #51 and modifications to the plans for lot #12. Both decisions prompted lawsuits seeking clarification of what constitutes "primary view of surf" (CCR's 5.20). Fence and deck plans were approved for Lot 52

Board member Jean Cameron explained that the Board has been surveying the condition of our development ditches and road surfaces. Board members have walked the development accompanied by Jean's son-in-law, who is in the road paving and repair business. He offered to inspect and make recommendations regarding future need for repairs. Board members noted that the ditches are eroded or filled in at a number of locations. Jean reported that the road surfaces were found to be in generally good condition at this time. Money has been put aside for future resurfacing needs. Jean obtained three bids for repair of the ditches at the request of the Board. Kyte Construction submitted the best bid, at \$1905 plus \$195/per 10 yds for any additional rock needed. The Board approved hiring Kyte and they will begin ditch work in the next two weeks. Jean clarified that any lot landscaping that extends into the ditches will not be disturbed during the repair work.

Jean Cameron also reviewed concerns about invasive species in the HON. Scotch Broom has been seen on lots and the Board sent letters to those owners, asking for removal. Some owners have removed plants and some have not. These plants need to be removed in the spring before the seeds are ripe and spread. Tansy Ragwort, another invasive weed, has also spread to the HON, and it has yellow blooms and is dangerous for livestock to eat. The County has released beetles/bugs that feed on this plant to combat the invasion. If the

plant must be removed, it should be pulled out and bagged, but it is best to do this in the spring. If left alone, the biocontrols will deal with it. Jean had photos and information displayed to help owners contain these species.

The President reminded owners of the new HNOA website where they can keep updated on activities at the HON, including minutes from Board meetings, information regarding DRC decisions, and community news and events. Owners have also used the Contact Us site to ask questions or provide comment for the Board. Lot owners who would like an updated roster can request one through this site and one will be sent. The current roster was circulated so those attending could update any information.

John Metschan discussed the proposed amendment to the CCRs that was included on the Annual Meeting ballot. The amendment resulted from concerns raised by numerous lot owners due to lot #6 being subdivided. Where we live in Tillamook County is zoned for lots to be just under a half acre. The desire of the Board was to put in some control of our own regarding minimum lot size in the HON. The amendment proposes that "The subdivision of lots within the HON is permitted provided that resulting lots are each at least a half acre in size". At least 75% of the votes eligible to be cast must be cast to change any part of the CCRs. In the past it has been difficult to succeed in receiving ballots from 75% owners.

Treasurer Jeff Wiles gave his report. An annual financial report update had been sent to all owners in July for review, along with the meeting notice and ballot. Jeff noted that legal fees have been a large unanticipated expense this year, due to the two lawsuits filed that were mentioned earlier. He has revised the financial statement to reflect additional payments made on 7/10/09 in the amount of \$4769.50 for legal fees. The surveying expense of \$780 is also due to the lawsuits. Jeff stated that in general the finances of the HNOA are in a pretty good position, but legal fees are an issue. He noted that legal fees may be recovered in the future when the lawsuits are settled. Mike Pappa moved to approve and accept the Treasurer's report as submitted. Ron Wojtowicz seconded the motion and it was approved.

The Chairman asked that all ballots be turned in at this point and would be tallied before the meeting concluded. The results were to be announced before close of the meeting.

John Metschan continued the meeting with further discussion of the legal matters pending for the HNOA. He explained the Judge has issued an Order regarding the Pappa /VanRoekel matter. The Order reads, "The Court's interpretation of 5.20 is that 5.20 permits impairment of lower floor surf view. The application then allows defendants to construct a residence which impairs to some degree the lower floor views of plaintiffs." If no settlement is reached the case is set for trial Nov. 3, 2009. He further clarified that the matter could be resolved by 1) All parties could each cover their own legal costs; 2) All parties could agree to split the legal costs; or 3) Each party could attempt to recover their legal costs. The VanRoekels have recently received a letter from the Pappas with suggestions/requests as to what it would take to settle this legal matter.

Owners then engaged in open discussion with questions about the legal matters, views, and proposed home footprints and drain field plots that owners received at the time they purchased their properties. Many owners of undeveloped lots expressed fears that they also may be facing lawsuits in the future, should their building impact anyone's views. A resident asked questions to clarify the recent Court ruling and it was explained that it only talks about lower level view. Numerous owners spoke of the need for the HNOA Board to continue to pursue reimbursement of legal expense brought on by these lawsuits. They want owners who file lawsuits to be aware that the HNOA will actively pursue reimbursement. John Metschan stated that the Board was seeking some guidance/feedback as to how to proceed regarding the increasing legal cost. He asked for a nonbinding vote regarding this matter, and a motion was made that the Board proceed to seek recovery of all legal expenses. With 38 people attending, 35 voted in favor of this motion and 3 were opposed. The Chairman thanked those who participated in the discussion for providing feedback to the Board.

Resident Luciano Monetti spoke regarding the need for all owners to try to work together for peace and harmony. He advised that turning to attorneys and lawsuits for resolution results in excessive costs for the HNOA and individual lot owners. Jean Cameron also talked about the need for neighborliness and how residents in the HON have to help and depend on each other. She asked for owners to collaborate and have respect for other people's views.

John announced that the ballots had been tallied. John Metschan and Jeff Wiles were re-elected and Margaret Russell was elected to fill a Board vacancy. John thanked the two other candidates who stepped forward to run for the Board. The amendment failed to pass, as 75% of the eligible votes were not cast in favor. The meeting was then adjourned, with the Board to meet in Executive Session immediately following.

Respectfully Submitted,

Kathi Swanson

