

MINUTES OF BOARD MEETING --- SATURDAY, SEPTEMBER 25, 2010

The meeting was held at 1 p.m. at the Metschan residence. Present were John Metschan, Margaret Russell, Bob Simonson, and Kathi Swanson. Treasurer Jeff Wiles did not attend, but had emailed the Board a HNOA financial status update as of 9/22/10. The Board reviewed the cash position as submitted, and the cash position is satisfactory. Save for legal expenses, no major expenditures are anticipated through the calendar year end. The Board then approved the minutes from the August 21, 2010 Annual Meeting. Bob Simonson made a motion to approve and Margaret Russell seconded the motion.

The President reported that there was no legal update. The HNOA has not yet had a response from the Pappas regarding our Motion for Summary Judgment, which was filed on September 7, 2010. The Pappas have twenty days to respond, which would be by September 27, 2010. The position of the HNOA is if the plans for the Van Roekel home were approved according to the authority of the DRC, and the Court ruled that the house could be built, then the actions of the DRC were also approved by the Court and must also have been in accordance with the CCRs. Therefore, we would be the prevailing party, as the Van Roekels are a prevailing party. Once so designated by the Court, we are entitled to recover our legal expenses. The HNOA legal expenses already paid out regarding the Pappa lawsuit now total about \$20,000. The HNOA has stated they expect all legal expense to be reimbursed and will not settle for a lesser amount.

The President stated he had hoped to have an initial report back from Tom Golden by this Board meeting. Mr. Golden is working on a project authorized by the Board to site existing homes as built to guide future builders as to what might be the best sites on the undeveloped lots. It has taken longer than anticipated, largely due to the County's delays in providing requested materials. That includes copies of plans for all homes built, including septic layouts.

John Metschan reviewed that at our Annual Meeting in August a suggestion was made that our HNOA website should provide a forum that would facilitate the exchange of ideas regarding the association and permit those submitting questions to have the question and the answer posted for others to review. The suggestion was that this would create more open discussion on issues. The person making the suggestion felt the "contact us" tool was not sufficient, as answers to questions are not available for all to see. The Board discussed the implications of this type of format on our site. Bob Simonson made a motion that the possible legal implications of this format style should be discussed with our attorney for clarification. Kathi Swanson seconded the motion. Three members voted in favor of consulting Legal Counsel and one voted against. The motion carried and the President will follow up with our attorney. Board members discussed that this type of interaction was more like a blog, and the Board does not feel this was the intent of our website when it was created. The President also said any questions

submitted to the website and their answers could be posted for all to review. These issues will be discussed with Counsel.

John stated that those who have agreed to serve on the Design Review Committee are John Metschan, Gerry Sluman, and Luciano Monetti. Board member Bob Simonson also expressed a willingness to serve on the DRC and he would be the fourth member. Kathi Swanson made a motion to approve these DRC members and Margaret Russell seconded the motion. Two members present voted in favor and Jeff Wiles voted in favor via email. Two Board members abstained due to being current and nominated members of the DRC. (See addendum to minutes)

It has been brought to the attention of the Board that lack of vegetation on a sloping bank on Lot #14 is creating a potential problem with silt run off near the drains along the roadway. Board discussion then followed regarding right of way areas; planting, and volunteer growth along our roadsides. The Board reviewed a letter submitted by the owners of Lots 13 and 32 regarding Bros and Hoes spraying pesticides around landscaping on lots out to the edge of the asphalt. The letter noted that in 2004 the membership passed a "No Spray" vote for association maintained areas. There was concern that spraying like this out in the right of way should comply with the No Spray vote. Board member Bob Simonson noted that lot owners own the Easements on their property and that the HNOA has the right to go onto the Easement to do any necessary work. Each lot owner has a fractional ownership of the rights of way.

The Board understanding of the No Spray vote is that it pertains to only those Common Areas that the HNOA is responsible for maintaining. Board members agreed that the Board has chosen not to use herbicides in the Common areas we hire Bros and Hoes to maintain. Except as provided in the CCRs, the Board does not have the authority to direct the actions of individual home owners regarding how they maintain their properties.

Before leaving the Board Jean Cameron had offered to have a discussion with Josh of Bros and Hoes to review our existing contract arrangements regarding spraying, common areas and general ditch maintenance, and thinning coastal pines. The President will contact Jean Cameron about meeting with Bros and Hoes. The President will follow up with the owners of lots 13 and 32 to clarify issues in the letter and their recall of the No Spray vote. This issue was tabled by the Board.

Board members then discussed the recent notice posted on our website reminding dog owners of the need to pick up after their animals. Dog droppings are being left in the roadways of the HNOA, and this is a nuisance for other walkers and drivers. Board members noted that if this continues to be a problem it may be necessary to send letters to dog owners who are not picking up after their pets. The CCRs - 5.19, under Animals, state that animals need to be "reasonably controlled so as not to be a nuisance to other lots". At this point the Board

decided to give this posting of a warning notice a bit more time to work, and hope all dog owners will be responsible.

Bob Simonson made a motion that the meeting be adjourned. John seconded the motion. The meeting was adjourned.

Respectfully Submitted,

Kathi Swanson

ADDENDUM TO THE MINUTES: Following the Board meeting, subsequent review of the CCRs para. 6.5 specify that the DRC is to be made up of only three members. Newly appointed Bob Simonson will continue to serve in an advisory, non voting role. Should a future vacancy arise he would be willing to fill the vacancy.