

Hills of Neskowin HOA Board Meeting -- May 16, 2024 – APPROVED -

Open Session Meeting Notes

In attendance: President & Treasurer- David Richardson, Secretary – Lowell Brown

Members at Large - Theresa Springer, Carol Hoke

Attendees: Doug Millican, Mike/Kathi Landers, Lloyd Van Roekel, Ellen Gaddy, Ladeen Culp Dana Buckley,

Meeting called to order at 6:00 pm.

Board Report:

A. Meeting Notes:

1. The April 7th Meeting Notes were amended and will be voted on at the next meeting.
2. The April 18th Meeting Notes had no changes and were approved 4/0 with all members of the Board approving as follows; D Richardson, L Brown, T Springer and C Hoke.

B. Budget Update:

1. The Board has spent approximately \$3,100 on attorney fees, this year.
2. There will be a special assessment for the community when the road sealing operation is performed. There was some debate on how soon that will be necessary. When Lowell met with Garrett Paving the operator said the roads were in great shape and could go until 2026 or longer. The cost to reseal will be in excess of \$35,000, which would be an assessment of around \$500 per lot.
3. The repave of the whole Development roadway looms large, as the cost is driven by the price of oil, being a large component of asphalt. If by 2030 the price is less than \$175,000 we would be surprised. The individual lot assessment would be around \$2,700.00 for the current estimated price.

C. General Update:

4. The annual Picnic is planned for August 17th, to be held in the community area.
5. There will be (2) seats to be filled on the Board. David said he will run again.
6. There will be a Treasurer position up for election as well as the President. All persons interested should send in their resume by June 15th, so ballots may be mailed out by the end of June.
7. The Rules and Regulations have been reviewed by the HOA attorney and the Board will be sending out the draft R & R's to all homeowners via email or mail. The Board plans on voting on the proposed documents at the June meeting and, if adopted, will be posted on the community website.

8. The President read a prepared statement of the status of Lot 53:

I would like to thank Dr. San Agustin, the homeowner of Lot 53, for agreeing on April 5th, 2024 to the compromise the board originally proposed on February 10, 2024.

It is unfortunate that attorneys were needed, but after the homeowner's email to the board on February 8 that all communication on this issue must go through her attorney, and after receiving further letters from the homeowner's attorney in February and March along with emails directly from the homeowner to the board not through her attorney, the board was forced to retain an attorney of its own because the information being communicated to us was going outside of the primary issue we wanted to remain focused on, that of the structure itself.

Further communication of both tone and content from the homeowner throughout March confirmed it was correct for the HOA to retain counsel in this matter.

A second letter from Lot 53's attorney on February 27 was not agreeing to the compromise but rather was suggesting another option by the homeowner that would maintain a square footage of 60% larger than the originally approved design while also presenting a site plan document stamped with "5/3/21" with measurements not contained in the approved design document stack from February 2022 but was matching this new request in the February 27 letter from Lot 53's attorney. This confusingly appeared to potentially be representing this site plan document as an originally approved design in May 2021, with perhaps measurement approved by the board to further the case for this request. The board responded by refocusing back to our original message from February 10, 2024, stating that we would still honor the originally approved dimensions from February 2022, or the compromise submitted by the board of February 10, 2024.

Because the homeowner has been sharing letters publicly that went between attorneys she has voluntarily resigned her right to privacy on this specific matter, it is in the HOAs best interest that at the final conclusion of this matter the full set of emails and letters to and from the board, the homeowner, and the associated attorneys be made public to the membership on the HOA Google site so the membership can see for themselves the lengths to which the board went, and the various issues the board was dealing with outside of the primary issue with Lot 53's structure, and the opinions of the HOA's attorney on specific matters raised by Lot 53 should they be relevant to any future issues inside our HOA -

The principal issue here from my standpoint is that the homeowner had a previously approved design plan with measurements and drawings from February 2022 that were signed by the DRC, approved by the board at that time, and that the structure when under construction in December 2023 was going to exceed the dimensions of the approved design by 60% in terms of total square footage according to the measurements on the plans submitted by the homeowner and approved by the board in February 2022. A significantly large overage in construction of the physical structure - and again I reiterate this is the primary issue at hand, there was an approved design from February 2022 on exact dimensions for the structure, and the homeowner significantly exceeded those approved dimensions, and then her attorney sent a letter on February 27 asking for another option to be considered with dimensions that again would significantly exceed (by again 60%) from what was originally approved.

Part of any reasonable board process is the ability to be flexible and seek compromise if possible. The board suggested the compromise on Feb 10, 2024, which allowed the structure to exceed its original square footage by 5%, and which the board felt was also the least cost-impactful approach for the homeowner (by removing the eastern posts) while retaining its key purpose - to provide a protected area for pets. The board strives to maintain flexibility, but also must guide all of us as homeowners to follow the CC&Rs we have all agreed upon when purchasing a home in the HON, which state that approved structures must follow their approved designs, and not deviate substantially from them without an approved change request.

As part of the compromise the board was also asking for a landscape plan surrounding the structure given its new dimensions from the previously approved plan. It is my understanding from the homeowner, she is now

seeking to complete this with the help of one of our neighbors, and as of an email sent to the board just this morning, says she intends to deliver this landscape plan shortly, which we thank her for working to complete this.

Since the letter of April 5th from the homeowner's attorney, no further attorney-communication on this issue occurred with the homeowner in regards to the board's asking for confirmation of acceptance of the compromise, as the letter of April 5th suggested agreement, but was vague in defining of acceptance. The board made two attempts to contact the attorney for final resolution via our attorney, with no responses from the homeowner. The homeowner's attorney could only say he was not sure whether he was still representing her or not as he too was awaiting response back from her over the past weeks. This remains the status as of this meeting.

Two emails were sent, one yesterday and another just this morning, from the homeowner to the board requesting transparency around topics in this matter, and adjacent to this matter, but as previously told to the homeowner on two occasions beforehand (both written and in a zoom meeting), her request to have all communications go through her attorney must be followed by the HOA, and under counsel of our attorney we cannot communicate back to the homeowner directly without written certification from her attorney to the HOAs attorney that Mr. Henrie is no longer her legal representation in this matter – this is very important for protecting the HOA from being drawn into deeper legal disputes on this specific matter, or adjacent to this matter. The board takes safeguarding the HOA from further litigation to be of the highest concern.

The homeowner has appeared to complete construction, while the stop-work order is still in place. This is a clear violation of the CC&Rs. Under the CC&Rs the board would have the ability to take further corrective action here as outlined in the CC&Rs, but I am recommending the board take no further action. I state this to emphasize that the process outlined in the CC&Rs for all members was not followed here by the homeowner.

Because the structure completed is close to the compromise suggested by the board on Feb 10, 2024, I will call for a motion here shortly to formally lift the stop-work order, and call for the current structure as it stands today to be approved. As stated by the homeowner to the board in her email this morning she is working on a landscape plan and should have that to the board very soon to be approved.

This matter took up extensive resources and time from the board and the HOA this year. It has caused distress in areas of our community. While we have been able to accomplish some of the goals we intended, we did not get to as many as I was hoping to accomplish. It is my hope that the board of next year will be able to focus more time on other important matters still at hand:

- Improving funding reserves for the HOA (for road sealing next year and eventual road repavement)
- Sealing the roadway which was due this year, but will have to be scheduled for next year and paid for most likely with a special assessment at the end of this year
- Creating a more precise and descriptive architecture guideline document which takes many components of architecture & design standards for the HOA scattered throughout our current CC&Rs and puts them in a document that is more explicit, concise, readable, and hopefully lends to having less confusion by all of us as homeowner's on what provisions to follow when building a home or an approved outdoor structure
- Emphasizing more ways to be "Customer Service" focused in HOA matters for the membership as a whole.

We realize that projects can go outside of their approved designs at times, and the board is sympathetic to the realities of building here on the coast. However the CC&Rs are clear that when physical structures deviate **substantially** in either the design, or in dimension, or both, the board (not the DRC) must work with the homeowner to bring the structure back into alignment with the originally approved plans, or suggest a

compromise. This is the process this board followed in this matter as outlined by the CC&Rs.

In the future, it is my sincere hope that person-to-person discussion can take place between homeowners and the board whenever possible, without attorneys. I believe this matter could have been handled in a matter of a couple hours if that would have been possible. Once attorneys are involved the effort expands by an order of magnitude on all sides, and the style and content of communications becomes constrictive for appropriate legal reasons, and lengthens the timeline for communication. We recognize that there are limitations some of our neighbors may have to having in-person conversations, and the board continues to be willing to explore alternative means to enable these other methods for full participatory conversation.

I am now hopeful we can bring this entire incident to an acceptable closure for all parties.

9. Surrounding the closure of the non-compliance at lot 53, several motions were stated as follows.
 - A. A motion was made to separate the Enclosure in the Front Yard enforcement from the Landscape Plan which must still be submitted to the Board within 30 days of this date June 16, 2024, and installed prior to the Annual Meeting on August 17th, 2024. The curb wall in front of the front yard fence has not been approved and will be reviewed as part of the landscaping submittal.
The item was seconded and approved 4/0 with all members of the Board approving as follows; D Richardson, L Brown, T Springer and C Hoke.
 - B. A motion was made to remove the Stop Work Order and Accept the enclosure as-built which will close the enforcement action on the front yard fence.
The item was seconded and approved 4/0 with all members of the Board approving as follows; D Richardson, L Brown, T Springer and C Hoke.
 - C. A motion was made to make letters and documents associated with the enforcement action on Lot 53 public and to be placed on the Hills of Neskowin Homeowners' Page.
The item was seconded and approved 4/0 with all members of the Board approving as follows; D Richardson, L Brown, T Springer and C Hoke.
10. There is a loosely formed contingent of members who are seeking to have the Board replaced with their own form of governance. This is not sanctioned by the Board.
11. **Code of Conduct:** The Board adopted a code of conduct for all board and association meetings to assure that order is maintained. This document will be sent to all Homeowners and posted onto the community website.
12. **Rules & Regulations:** Carol Hoke will be drafting a cover letter for the Board's review, to accompany the Rules & Regulations when they are sent to the Homeowners. Theresa Springer suggested adding a "draft" watermark on the documents, since they have not been adopted.
13. The street signage at Seaview and Overlook Loop has been repaired and re-installed.
14. The President thanked all of the committee members who worked tirelessly this year to bring much needed updates to the DRC and Rules and Regulations to the Hills of Neskowin, Homeowner's Association.

Meeting Adjourned at 7:25 p.m.

These minutes were approved by the board at the June 4 board meeting.