

TRUSTEE/HOMEOWNER MEETING AGENDA – 7/10/06

Start Time: 7:00 pm

End Time: 8:45 pm

Trustees in attendance: 4

H/O in attendance: 25+ (majority were Cedar terrace homeowners)

1. Financial Update (attachments)

Attachments consist of one page YTD Account Balances and two pages June Transaction Report. Mike Ritchie gave general overview of attached pages. There was a total of \$164,000 as of end of 2005. Currently \$219,000 on hand in all accounts. A resident asked how much was in reserve account, Mike responded that amount was included in \$219K but not separated in this report, possibly in Sept. Mike continued with explanation of larger expenditures such as: new sub-panel electric circuit breaker box, new pool ladder, parts for new drinking fountain. At present, bulk of money going into common ground maint., and pool maintenance. All these expenses are noted on page 2 of Transaction Report. Also, check for Mr. Keith Brown for maintenance of CLWII website...Keith is doing a great job.

2. Pool & Common Ground Update

Eric Ruegg reported on tree trimming around pool area. He then asked for volunteers to help with other common ground cleanup. Tennis court refurbishing has begun but it is unknown when work will be complete. Cris Finnegan thanked resident Eric Nestel for calling police in to control group of rowdy kids in pool area on previous weekend. Another resident commented on the good job the lifeguards seemed to be doing this year. Keith Brown asked if appraisal on clubhouse was done yet and Carol Weber said it still needed to be scheduled.

3. New Business

Eric Ruegg announced severe common ground erosion problem reported on Beacon Woods Court. This problem will be evaluated and more details will follow.

4. Cedar Terrace Homes Proposed Amendment – Q & A & Discussion

The Cedar Terrace Color Committee addressed questions, comments from attendees. Keith Brown, Chairperson, introduced members of the committee who were present: Eric Nestel, Joel Kray, Hella Smith, Jerry Bennett, Judy Horbelt, Eleanor Lyons. He thanked them for their efforts and personal time, noting that 480 hours had been expended on research leading to the proposed amendment document. NOTE: For the remainder of the text, PA will represent proposed amendment.

Keith began: We are here to clarify issues you might have with the PA. After speaking with neighbors, it is clear that there will be one change to the PA and we can be flexible. The restriction that garage and front doors be the same color in Item F will be removed, as residents have stated it is too restrictive.

Q: Are you taking Item F out totally?

A: There was clarification to a resident that colors listed in Item 1 are allowed except no primary colors of red, green orange, purple, yellow, or pastels. Changes to the document will reflect this.

Q: So, if I paint my house in two months, I cannot keep the maroon trim and door?

A: No, not true. Maroon is not an excluded color. It is not a primary red, orange, green, purple, yellow or pastel.

Q: You want us to stay with muted earth tone color palettes, trying to avoid pastel or bright?

A: Discussion about paint color sheets, and variations from mfg. to mfg., unlike in printing business, we found we could not list colors that are acceptable because there are so many. We felt we'd be more successful listing colors that are not acceptable, rather than colors that are acceptable.

Q: You'd be more successful listing gloss level of paints acceptable. You were trying, but did not achieve in the PA, the level of gloss or pastel in paint...

A: It was easier to say what is excluded. Our intent is to limit bright, striking colors.

Q: If I am trying to list my home for sale, am I allowed to touch up what is an unauthorized color, or would I need to repaint my entire home an authorized color?

A: A "touch-up" is allowed, but not half the house.

At this point, a Sherwin Williams color chart was passed around and discussion ensued about what shades would be permitted.

Q: Who will make Architectural Control Committee decisions, the Color Committee?

A: No, the Architectural Control Committee.

Q: Why are traditional homes not restricted within this PA?

A: They were not built alike, as the California-style cedar homes are. The builder intended to maintain the harmony of the California-style homes, not of the traditional homes.

Q: Why do traditional homeowners get to vote on this issue?

A: All homeowners must vote on the amendment. This is how our Indentures are written.

Q: We don't want traditional homeowners to vote—it's none of their business.

A: (from Eric Nestel, member of color committee) We cannot take this type of attitude. I chose not to buy a home near a creek. However, I don't take the position for the subdivision not to spend subdivision money to fix erosion problems that arise. We took a lot of time to hash this PA out. We came at this with different viewpoints and worked hard to hash this out. Please, give us your input. We all want to protect our home values.

Q: There are two different areas, traditional vs. California homes. The PA should apply to all, or no deal. Also, the Architectural Committee Approval Request Form states that it could take four weeks for approval, no deal.

A: (Eric Ruegg, trustee) We will do our best to turn around approvals within one week. But we are all volunteers. The more people on the Architectural Control Committee, the better.

Q: I have almond doors, will they be allowed?

A: Yes.

Many people speaking at once

Jerry Bennett, committee member: The ACC needs guidelines, that is the point of this.

Resident: (Beth, owner of green cedar house) I am the originator of the orange "In Violation" signs. Thanks for removing the portion of the PA in Item F restricting that garage doors be the same color as front doors.

Response: The intent of the PA is to add protection for the subdivision and the trustees. We excluded colors for legal protection. The words "primary" and "pastel" would achieve that goal here but those words are still open to subjective thought.

Eric Ruegg, trustee: No one has mentioned siding. There was a court case years ago between homeowner and subdivision over exterior color. The homeowner won the case, as the judge maintained there was not enough strength in the Indentures to restrict exterior color. Set color aside. What if a California homeowner wanted horizontal white siding, and we did not pass this PA? We have no teeth to back us up.

Richard Duff, cedar homeowner: We can come to a meeting of the minds on color. We have no opinion letter on the validity of this PA from a legal stand from an attorney. What I read, if there are more than one or two panels of the original siding that need to be repaired or replaced, homeowner will have to change the color to comply with PA. This needed to be in the original Indentures.

Keith Brown, committee chair: This PA has been reviewed by two attorneys, Chuck Billings, subdivision attorney, and Richard Coughlin, an attorney for many large builders. As we got started on this project, I asked Mr. Coughlin's opinion. He stated that we are a unique subdivision and have the right to protect that uniqueness.

Richard Duff: Why not in an opinion letter? This PA is also not tied to the bylaws, and if passed would be more junk.....(interrupted).

Resident: How many here built these homes, are original homeowners? I built three. The builder wanted this to be a unique subdivision. If you do not pass something, you will regret it. Do something or lose that uniqueness. All it takes is one or two homeowners to start a change.

Banter about the blue house.

Jerry Bennett explained how the blue house became so blue. He stated he got involved in color committee for siding.

Q: Item #2, siding, do we have to have all composite or all T111, cannot use both?

A Yes, there are different grades on the composite, so the wood and composite look different. This needs to be uniform.

John Osthus, cedar homeowner: I arrived late. There must have been a change of heart regarding input. I encourage a letter to all homeowners to give input. I understand this has been run by attorneys. I have been reading case law, and have found that if architectural law is not upheld consistently, it is thrown out. I believe it is unfair to have cedar homes with restrictions and traditional homes with none. And finally, I've heard tonight that we must do something fast to prevent change from the uniqueness of the subdivision, and I believe we are being misled. And finally, how do you get on the Color Committee to approve colors?

Committee members: Regarding input, we have stated in every monthly meeting, with minutes posted on the website, when the color committee meetings are being held. Residents with input should have shown up. There will be no "color committee" to approve this. That will be done by the Architectural Control Committee who approves everything, fencing, additions, changes, color, etc. You may volunteer to be part of the Architectural Control Committee.

Resident: Item 4—how will we enforce?

Eric Ruegg, trustee: We have done so in the past with liens.

Resident: On the Architectural Control Request form, there is window replacement, restricting the number of glass panes, size and shape of the window. How enforceable is this if there is no verbiage on this in the PA?

Keith Brown: The ACC form is a work in progress. Windows have to do with structure. Changing window size completely changes the structure of a home. Structural control is in the original Indenture.

Resident: What will be allowed on siding, all wood or all composite, but no mix of two? I need to reside two sides of my home, and cannot afford to do all four sides at once with different material. So I should let my home rot until I can afford to do all four sides?

Proposal suggested: Do 2 sides now and 2 sides in the future.

Resident: What is elasticized coating?

Committee: A process that covers T111, adheres and seals, a spray-on siding. The only negative to this process is that because of its thickness, you lose some of the grain texture on the original T111. Also, you must make sure you choose a color with NO GLOSS.

Jane Ott, cedar homeowner: Where is your frame of mind regarding the painting of trim around windows? Will you change this to reflect the front and garage door changes?

Committee: Yes

John Osthus: Please clarify process for input.

Jerry Bennett: This is the only input; this is it.

John Osthus: When is the next newsletter? Ask there for input. Let residents know how they can respond.

Keith Brown: I can't think of any more input than we have received here tonight. Our plan will be to meet this week. Changes will be made to the PA, and the new PA will be included in the mailing with the ballot. There will be a fixed voting cut-off date, tied to a trustee meeting, where you must return your ballot by that date via mail, drop off in clubhouse mailbox, or drop off at meeting.

At this point, many people began talking at once.

Eric adjourned meeting.

A NOTE FOR FUTURE REFERENCE: CLWII Indentures and CLWII Corporate Bylaws are two separate documents. Indentures govern the subdivision rules and restrictions. Corporate Bylaws govern the way in which corporate business is conducted. Bylaws are not connected to Indenture restrictions.