

SPECIAL SHOA BOARD MEETING MINUTES
OCTOBER 6, 2021, 1:00 PM
TELECONFERENCE MEETING

Board members: Terri Parker, President, Teresa Baron, Sherry Barrett, Joe Peragine, and Kathy Lebeuf.

Owners who called in: Anonymous, Sydney and Richard Hatch, Robert Kennedy, Dawn Koester, Patricia Little, Mike Pearson, Molly Schmitz, Deirdre Smallwood, and Jeff Starr.

The meeting was called to order at 1pm and a quorum was determined.

Parker gave a brief outline of the purpose of a Special Meeting and the process set forth in SHOA's Enforcement Resolution Article 5 Appeal Hearing Procedure. The purpose of this meeting was to hear the Appeal by the lot owners of Lot 533 on the violation of SHOA's Declaration Article 3.4 Residential Use. Section 3.4 (b) Residential Use. No building other than a single-family dwelling unit, a garage for private use, and a guest house for family members or servants' quarters may be considered on any unit. Any guest house or servants' quarters may only be used for the immediate family or servants of the unit owner.

SHOA's property manager received an email from the Lot 533 owners on September 22, 2021, stating that "starting this coming Sunday, we will be having two OCCC nursing students with us for the next two years. "We are not renting the apartment and the girls will be helping me with gardening chores and light housekeeping tasks including cat/house sitting in the winter months when we spend time in San Diego, Palm Desert and Phoenix/Tucson". Hoping this meets with HOA guidelines for our additional space." The owners were sent a violation letter on September 29th, 2021, that their request violated SHOA's CC&Rs. The Lot 533 owners contacted SHOA's property manager and requested an Appeal Hearing.

The Board heard testimony from the Lot 533 owners. They gave new information that one of the students would be leaving in the next week but would still want the other student to be able to stay in the area above the garage and help with gardening, housework and serving at parties till the end of the school year. They reported that they did not understand the CC&Rs with respect to the ability to use the area above the garage as an "independent residential dwelling".

The Board members asked questions to understand when the students were accepted into the nursing program and when had the Hatches been contacted to offer housing. Questions were also asked about what SHOA's Design Review process was when the house was originally built. The Chair of the Design Committee responded that he had been on the committee at the time as the concept of "maids quarters" (servants) or "Mother-in-law quarters" met the criteria in the CC&Rs for family members and/or servants of the single-family unit and were not "independent residential dwelling". The Board asked for comment from other owners. Mr. Kennedy and Mr. Pearson both commented on the impact to the neighborhood of additional people coming in, and the

precedent it might set for other owners who might want to rent out part of their house to create multiple family units living in a single family house.

Ms. Koester commented that the definitions in the CC&Rs were not specific enough and that the owners should be allowed to offer their house to the students.

The Board then went into a discussion of the possibility of fines if the violation was affirmed. The Board talked about two previous owners who had been sent violation letters and fine letters based on violation of multiple unrelated persons living in a single-family unit. In one case the owners ceased to have two separate contracts for rentals and complied with SHOA's CC&Rs. In the other case the owners gave the Association a termination date of the lease and complied with the CC&Rs.

The Board discussion then concentrated on the current fines and if they were enough to change behavior if owners just wanted to continue the violation and pay the current fines contained in SHOA Exhibit A Schedule of Fees and Fines. The Board members' concerns were that the current fines would not stop some owners who simply chose to not follow various SHOA rules and should be increased.

Kathy Lebeuf recommended a wording change to the current Resolution. Joe Peragine made the motion to add the sentence in the Heading of Exhibit A, "SHOA's Policy on Fees and Fines is to Change Behavior of Violators." In addition, a new sentence should be added to the opening paragraph (after the first sentence), "Fines double (every time period) if the violation continues." Sherry Barrett seconded the motion and the Board members voted unanimously to adopt the motion.

The discussion went back to the specifics of the violation by the Lot 533 owners. Mrs. Little expressed concern about having a community where people just paid fines and ignored the rules. Lot 533 owners asked for more time, 30, 60, or 90 days to find alternative housing for the student and expressed their apology to the community for having caused this situation.

Mr. Kennedy and Mr. Pearson stated they would be ok with giving the Hatches a little more time to place the second student. The Board further discussed concerns raised by other owners who had contacted the Board privately that the Board should uphold the violation and fine the owners more money if they chose to ignore the rules and just pay the fine.

Joe Peragine made a motion to "reaffirm the violation of Section 3 Declaration as to the Restriction of the Use of Private Areas and Common Areas within Salishan Hills." The motion further recommended the fine of \$100 a week, doubling every week that the violation of residence continued. The motion was seconded by Teresa Baron. A voice vote was called for and the Board vote was unanimous.

The Board notified the Lot 533 owners that a Notification Letter would be sent to them to conclude the matter.

The meeting was adjourned at 2:08 pm.