

Estates of Shady Hollow Home Owners Association

Minutes From Board of Directors' Meeting of March 18, 2004

Present

- Board: John Anderson, David Carpenter, Allen Gunter, George Robbins
- Architectural Control Committee: Rich Anderson
- Property Manager: Carl Gamble
- Homeowners: None

Homeowner Comments/Questions

John Anderson and Allen Gunter brought three questions to the Board that had been raised with them prior to the meeting (none of the homeowners asking these questions were at the meeting).

Color Photographs. One homeowner expressed concern about the cost of the color pictures that Carl Gamble takes to document violations of the CC&Rs. Carl confirmed that he uses a digital camera, so the cost is minimal (about 18 cents for printing). The consensus of the Board is that the use of color pictures is helpful to the documentation process and the cost is appropriate. John will follow up with the homeowner.

Entrance Signs. The same homeowner remembered discussions in the past about putting a sign on Green Emerald to mark the entrance to the Estates and asked about whether or not that was going to happen. If a sign is placed on Green Emerald, a sign should also be placed on Lost Oasis Hollow where it enters the Estates and possibly on Onion Hollow Run where it enters the estates. Unless homeowners would agree to have the signs on their property, they would have to be in the right-of-way which would require approval by Travis County. This is a lengthy and rather costly process.

The Board discussed the option of putting signs on the same poles as the signs announcing that the CC&Rs are strictly enforced in the Estates. These latter signs are already in place at the entrances on Green Emerald and Lost Oasis Hollow. Since they have already been approved by the County, approval of additional signs on the same poles should be easier and faster to get.

The Board unanimously approved a motion made by Allen Gunter and seconded by David Carpenter to pursue the option of entrance signs on the existing posts on Green Emerald and Lost Oasis Hollow. George Robbins volunteered to develop sample signage and costs for consideration by the Board and to touch base with the County about the additional signs.

Holiday Decorations "Contest." A second homeowner contacted Allen Gunter about the holiday decorations "contest". The homeowner was curious about the criteria used to select the winners, feeling that her decorations deserved to be recognized. Allen told the homeowner that there was no official contest and, as noted in the March newsletter, no monetary prizes, and that the winners were chosen by Carl Gamble's son and a couple of the son's friends. Allen also invited the homeowner to chair a committee to develop rules for and run a true contest (the homeowner has not responded to that invitation).

It was noted, however, that monetary prizes were, in fact, awarded with \$100 given for first place and \$75 and \$50 for second and third places, respectively. Although the amount of the prizes was small, the consensus of the Board was that the informal manner in which the contest was run (no communications to homeowners prior to the start of the contest, no ground rules or criteria for selecting winners, etc.) could easily result in other disgruntled homeowners and create ill will disproportionate to the value of the contest.

The Board unanimously approved a motion made by David Carpenter and seconded by George Robbins to eliminate future monetary awards unless a committee of homeowners agrees to develop and run such a contest. Allen Gunter will write an article for the June newsletter concerning the elimination of monetary awards and asking homeowners to volunteer to serve on a contest committee.

Review/Approval of Minutes

The minutes of the February 19, 2004 Board meeting were unanimously approved upon a motion made by David Carpenter and seconded by George Robbins.

ACC Report

Rich Anderson reported that the ACC had recently approved a detached garage and a patio cover, disapproved proposed screening for a fifth wheel travel trailer, and has an application for a driveway extension to be reviewed.

The ACC met with the homeowner who requested permanent storage of the travel trailer at the homeowner's house to review the proposed screening, but given that the trailer is some 35 feet long and 10 feet high, could not see any way to screen it that would be consistent with the overall character and aesthetics of the Estates. In addition, the ACC was concerned about the precedent that would be established if they did approve the request. None of the current members knew of any similar situations that had been approved, and Rich Anderson spoke with ACC members from prior years who confirmed that no similar approvals were made while they were on the ACC. When the homeowner was told that the ACC could not approve his request, he indicated an interest in appealing the decision.

The consensus of the Board is that no one would consider overruling any decision of the ACC unless it was believed that the decision was arbitrary and capricious, or in obvious conflict with the CC&Rs and/or past decisions of the ACC. Based on the information presented by Rich, the Board did not feel any of those circumstances exists with respect to the ACC's ruling on the travel trailer. It was also noted that the CC&Rs do not seem to provide for any type of appeal process, nor do the CC&Rs or the By-Laws give the Board any direction or direct authority with respect to overruling the ACC should the Board ever feel it appropriate to do so. _

Drainage Study

The three key issues with respect to the "Shady Hollow Addition Drainage Status Evaluation" completed by the Travis County Department of Transportation and Natural Resources after the heavy rains in November of 2001 are:

1. What progress has the County made on completing those actions in the study for which it assumed responsibility?
2. What, if anything, should the Association do with respect to the actions identified for specific properties? What legal rights, responsibilities and potential liabilities does the Association have with respect to setting time limits for completion of the actions, forcing the homeowner to complete them, etc.?
3. What does the Association need to do with respect to the actions identified for common areas for which the County has not assumed responsibility?

In addition to these issues, the possibility of putting the study on the website was discussed.

With respect to the first issue, David Carpenter tried to contact the County but was unable to talk with anyone. With respect to the second issue, David confirmed that the County provided a copy of the study to each of the affected homeowners. Further action on the drainage study was tabled pending receipt of input from the Association's attorney with respect to issue 2.

ACC Vacancy

In January, two homeowners (Dyan Tullia and Brad McMahon) expressed interest in filling the vacancy on the ACC. Although a notice about the vacancy was included in the March newsletter, no other homeowners indicated interest. Upon a motion made by David Carpenter and seconded by George Robbins, Dyan Tullia was unanimously appointed to fill the vacant seat with her term expiring at the end of 2004. Carl Gamble will notify Dyan of her appointment.

Amendment to CC&Rs

John Anderson reminded the Board that the amendment to the CC&Rs concerning subordination of Association claims to mortgage claims that was approved by homeowners at the 2003 Annual Meeting needed to be executed. David Carpenter volunteered to get a final copy of the amendment from the Association's attorney for execution by the Board's President and Secretary as provided in the CC&Rs.

CC&R Review Committee

The Board discussed whether or not to continue the CC&R Review Committee in light of the fact that two of the three proposed amendments to the CC&Rs were voted down by homeowners at the 2003 Annual Meeting. The Review Committee has worked hard for two years and identified a number of changes to the CC&Rs that the Board continues to feel would be beneficial. The consensus of the Board was that the failure of the two proposals at the 2003 Annual Meeting was due to the fact that the actual draft amendments were presented with only brief oral explanation and no comparison with the current CC&R language. A better approach would be to provide homeowners with a description of the intent of the changes, ask for approval of that, and then ask the Association's attorney to make sure that the legal amendment language implements the intent.

It was noted that the CC&R Committee had written up the proposed changes in detailed amendment form as a way of trying to make sure that all possible issues were dealt with. These amendments could be given to the Association's attorney for finalization and then placed on the

website prior to the 2004 Annual Meeting. This would give homeowners who wanted to do so the opportunity to review the proposed legal wording.

Acting on a motion made by David Carpenter and seconded by Allen Gunter, the Board unanimously approved continuing the work of the CC&Rs and the by the existing CC&R Review Committee. George Robbins and Allen Gunter (members of the Committee) agreed to get together with Brad McMahon (chair of the Committee) to initiate the continued review.

Website

John Anderson reported that he had not yet received any input from homeowners with respect to the website. He recommended putting a working copy of the CC&Rs on the website which would include all amendments in their applicable places in the CC&Rs in addition to having copies of each separate document on the website. The Board unanimously approved the motion made by Allen Gunter and seconded by George Robbins authorizing John to proceed with the understanding that the consolidated document should include a caveat that in the case of any conflict between the consolidated document and the separate documents, the separate documents control.

Telephone Directory

Carl Gamble reported that it would cost approximately \$750 to print an updated telephone directory for the Estates. Mailing would be an additional cost. The value of the directory in light of this expense was questioned, particularly since a printed directory can rapidly become out-of-date, and no homeowners have expressed interest to the Board or to Carl in having an updated directory. Putting the directory on the web site would solve both the cost and updating issues, but some homeowners may object since the web site is readily accessible by anyone, whether or not a resident of the Estates. Allen Gunter volunteered to write an article about the directory issue for the next newsletter and to include solicitation of input from homeowners.

Tape Recorder

Allen Gunter reported the purchase of a tape recorder and tapes as authorized by the Board at the February meeting and used it to record this meeting. He will submit a receipt for reimbursement after making sure that it works properly.

Guard Rails

Since Deborah Treece was unavailable to provide further information on this issue, it was tabled until the April meeting.

Newsletter

The timing and content of future newsletters was discussed. The consensus was to issue the newsletter on a quarterly basis in the first week of March, June, September and December. With respect to content, the September issue each year will focus on the subsequent annual meeting of the HOA (including, for example, profiles of candidates for the Board), while the December issue will report the results of the annual meeting. Regular items identified for all issues are a financial report ("Money Matters") from the Treasurer and a reminder about the web site. Other content will

reflect the issues current at the time of the newsletter. Current issues identified for the June newsletter are:

- The elimination of the monetary awards for year-end holiday decorations (to be written by Allen Gunter).
- The issues surrounding an updated telephone directory for the Estates and the possibility of putting it on the website (to be written by Allen Gunter).
- Solicitation of Board candidates.

Landscaping

Carl Gamble indicated that the landscaping of the Edwards Hollow Run entrance would probably be completed in March. He will touch base with DiamondScape to confirm.

Terms of Office for Board Members

The following terms of office were confirmed:

Terms Expire End Of

2004

David Carpenter
George Robbins
Deborah Treece

2005

John Anderson
Allen Gunter

Property Manager

Carl Gamble noted that his company is in the process of putting the files of all of their client homeowner associations up on the company's website as part of their services. This will include both minutes from Board minutes and ACC rulings.

Next Meeting

Thursday, April 15, 2004 starting at 6:30pm at Bailey Middle School.

Respectfully Submitted,

Allen Gunter
Recording Secretary
April 15, 2004